

Approved: April 21, 1994
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 11:00 a.m. on March 29, 1994 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Leah Robinson, Legislative Research Department
Scott Rothe, Legislative Research Department
Russell Mills, Legislative Research Department
Laura Howard, Legislative Research Department
Diane Duffy, Legislative Research Department
Paul West, Legislative Research Department
Norm Furse, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Max Foster, Director, Laboratory Division, Department of Agriculture
Jamie Clover Adams, Director of Legislative and Regulatory Affairs for the Kansas Grain and Feed Association and the Kansas Fertilizer and Chemical Association

Others attending: See attached list

HB 2653 -- APPROPRIATIONS FOR FY 95, CAPITAL IMPROVEMENTS FOR VARIOUS STATE AGENCIES

Senator Bogina reviewed the subcommittee report (Attachment 1). Discussion was held on the following items:

Sec. 6 - Department of Corrections. It was stated that the \$200,000 retained from major maintenance would be available to use for modification of a juvenile or youth facility if needed.

Sec. 7 - Department of Wildlife and Parks. In answer to a question, a representative from the Department stated that \$5.3 million had been submitted as the total cost of repairing parks to pre-flood condition. It was stated that the subcommittee's recommendation would provide for limited service this season.

The Chairman told members that the Joint Committee on Building Construction had authorized a partial renovation of the Kansas Highway Patrol training center facility (Marian Hall) in Salina. The renovation would allow the ground floor to be used by the radio communication center and the second and third floors would be renovated for Troop C Headquarters. Renovation of floors three and four are not authorized. It was moved by Senator Moran and seconded by Senator Morris that the subcommittee report be amended by authorizing the expenditure of \$1,425,000 from the Highway Fund for the renovation of the ground, first and second floors of Marian Hall for radio communications and Troop C Headquarters. Concern was expressed about the percentage increase in housing costs with this recommendation. Senator Petty expressed her opinion that this is an illustration of how the state buys property without plans which drain state finances. The motion carried on a voice vote.

The Chairman noted that the Senate had passed a bill authorizing bonds for the purchase of water in Elk City, John Redmond, Council Grove, Merriam, Pomona, Tuttle Creek, and Melvern reservoirs and suggested that members consider purchasing the water with money received from Koch Industries. He stated that Koch Industries had paid the state of Kansas \$20 million; \$15 million was deposited in the SGF and \$5 million was deposited in a fund to pay claims against unclaimed property. The Chairman suggested that \$13,632,120 of

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on March 29, 1994.

the \$15 million be used to buy the water rights outright instead of bonding. In answer to a question, the Chairman stated that there is a potential \$2 million in claims on the \$5 million fund.

Senator Rock moved, Senator Vancrum seconded, that the subcommittee report be amended by including a recommendation that \$13,632,120 of the revenues from Koch Industries be used for the purchase of water in Elk City, John Redmond, Council Grove, Merriam, Pomona, Tuttle Creek and Melvern reservoirs. The motion carried on a voice vote.

It was moved by Senator Rock and seconded by Senator Karr that HB 2653 as amended be recommended favorable for passage. The motion carried on a roll call vote.

SB 843 -- RAISING FEES IN AGRICULTURE RELATED FIELDS TO FUND A LABORATORY EQUIPMENT FUND

The Chairman noted that the introduction of this bill was requested by the subcommittee on the Department of Agriculture. Mr. Max Foster, Department of Agriculture, appeared before the Committee and reviewed his written testimony, Attachment 2. He pointed out that the inspection fee on line 27, page 1 should be \$.105 instead of \$1.05 per ton.

Jamie Clover Adams testified on behalf of the Kansas Grain and Feed Association and the Kansas Fertilizer and Chemical Association in support of SB 843 and reviewed Attachment 3.

Senator Rock moved, Senator Morris seconded, that SB 843 be amended by changing the amount for the inspection fee on page 1, line 27 to \$.105 instead of \$1.05 per ton. The motion carried on a voice vote.

Senator Morris offered a motion which was seconded by Senator Karr to recommend SB 843 as amended favorable for passage. The motion carried on a roll call vote.

HB 3063 -- STATE LIBRARY, CORRECTING OR CONSOLIDATING CERTAIN STATUTORY PROVISIONS FOR SPECIAL REVENUE FUNDS, AUTHORIZING CERTAIN WORKSHOPS AND CONFERENCES

Staff reviewed the provisions of HB 3063. Those provisions were also outlined in written testimony submitted by Duane Johnson, State Librarian (Attachment 4). Senator Vancrum moved, Senator Salisbury seconded, that HB 3063 be recommended favorable for passage. The motion carried on a roll call vote.

It was moved by Senator Salisbury and seconded by Senator Rock that the minutes of March 22, 23, and 24 be approved. The motion carried on a voice vote.

The Chairman adjourned the meeting at 11:55 A.M.

The next meeting is scheduled for March 30, 1994.

GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS

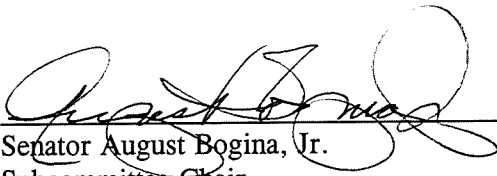
DATE: March 29, 1994

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**SENATE SUBCOMMITTEE REPORT
ON
HOUSE BILL NO. 2653**

Capital Improvement Projects

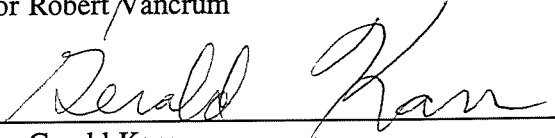
- Sec. 2 -- State Fair Board**
- Sec. 3 -- Department of Social and Rehabilitation Services**
- Sec. 4 -- School for the Blind**
- Sec. 5 -- School for the Deaf**
- Sec. 6 -- Department of Corrections**
- Sec. 7 -- Department of Wildlife and Parks**
- Sec. 8 -- Department of Commerce and Housing**
- Sec. 9 -- Hutchinson Correctional Facility**
- Sec. 10 -- State Historical Society**
- Sec. 11 -- Lansing Correctional Facility**



Senator August Bogina, Jr.
Subcommittee Chair



Senator Robert Vancrum



Senator Gerald Karr

Agency Request/Governor's RecommendationHouse AdjustmentsSenate Subcommittee Adjustments**Sec. 2 -- State Fair Board**

The Fair requests FY 1995 expenditures totaling \$2,364,000 for capital improvements. The request includes \$160,000 for rehabilitation and repair projects. The agency also requests \$75,000 for the debt service principal payment on the grandstand renovation project, and \$95,000 for ADA and EPA compliance issues. The remainder of the request, \$2,034,000 (\$1,500,000 from the State General Fund \$125,000 from the State Fair Capital Improvements Fund, and \$409,000 from other sources), is for renovation of the 4-H Encampment Building. The Fair estimates the State General Fund transfer to the State Fair Capital Improvements Fund at \$118,000 in FY 1995.

The Governor recommends a total of \$225,000 for capital improvements in FY 1995. The Governor's recommendation includes \$150,000 for rehabilitation and repair projects and \$75,000 for the debt service principal payment. The Governor does not recommend funding for the requested ADA and EPA compliance projects, and does not recommend funding for renovation of the 4-H Encampment Building.

**Sec. 3 -- Department of Social and
Rehabilitation Services**

SRS requests FY 1995 expenditures totaling \$24,217,345 for capital improvements, including \$23,834,619 from the State Institutions Building Fund, \$174,927 from the State Complex West Rehabilitation and Repair Fund, and \$123,431 from the Chanute Area Office Rehabilitation and Repair Fund. The request includes \$23,672,400 for institutional rehabilitation and repair projects at the SRS institutions and rehabilitation facilities, \$123,431 for rehabilitation and repair projects at the Chanute Office Building, \$308,664 for rehabilitation and repair of SRS offices located at the State Complex West, and \$112,850 bond financing to commence remodeling at the

The House recommends a total of \$1,725,000 for capital improvements in FY 1995. The House concurs with the Governor's recommendation of \$150,000 for repair and rehabilitation projects and \$75,000 for the debt service principal payment. The House recommends the addition of \$1,500,000 (\$1,000,000 from the Budget Stabilization Fund and \$500,000 from other sources) for renovation of the 4-H Encampment Building. The House recommends the addition of a proviso that the \$1,000,000 recommended from the Budget Stabilization Fund will be released only upon certification by the Secretary of the State Fair Board that \$500,000 has been raised from private funding for the project.

The House concurs with the recommendations of the Governor and makes a technical adjustment in the bill to accurately reflect that recommendation.

Concur, but adjust the proviso to provide for release of the \$1,000,000 from the State Budget Stabilization Fund upon certification that \$250,000 has been raised. In addition, add a provision that none of the \$250,000 come from the State Fair Capital Improvements Fund.

The Senate Subcommittee concurs with the recommendations of the House.

Agency Request/Governor's RecommendationHouse AdjustmentsSenate Subcommittee Adjustments

Chanute Office Building and the State Complex West (total project costs \$7.4 million).

The Governor recommends capital improvement expenditures totaling \$5,132,726, including \$4,750,000 from the SIBF for institutional rehabilitation and repair projects, \$259,295 from the SRS Complex West Rehabilitation and Repair Fund for rehabilitation and repair projects at the State Complex West, and \$123,431 from the Chanute Rehabilitation and Repair Fund for projects at the Chanute Area Office. The request for major remodeling is not recommended.

Sec. 4 -- School for the Blind

The School for the Blind requests \$218,939 from the State Institutions Building Fund in FY 1995 for the following new projects: \$51,200 for major maintenance, \$7,416 to replace an underground gasoline storage tank, \$30,000 to replace the air conditioning in the Vogel School Building, \$78,396 to replace the roof on the Vogel Building, \$17,798 for pavement rehabilitation and repair, and \$20,129 to erect a building for vehicle repair and protection.

The Governor's FY 1995 expenditure recommendation of \$75,000 from the State Institutions Building Fund for major maintenance, underground storage tank monitoring system, and roof replacement does not detail recommended amounts per project.

The House strikes this section from the bill pending further consideration by the Joint Committee on State Building Construction on a request to construct student housing. The Division of Architectural Services is completing a program statement to present to the Joint Committee in early March.

1. The Senate Subcommittee concurs with a March 28 recommendation of the Joint Committee on State Building Construction for total expenditures from the SIBF of \$106,414 to finance major maintenance (\$51,200), a storage tank (\$7,416), air conditioning (\$30,000), and pavement repair (\$17,798).
2. The Senate Subcommittee concurs with a March 28 recommendation of the Joint Committee on State Building Construction to approve a multi-year appropriation totaling \$4,550,000 from the SIBF to construct a new student residence and dining facility and to renovate the Irwin Building for administrative space. The appropriation includes \$750,000 in FY 1995, \$2.1 million in FY 1996, and \$1.7 million in FY 1997. The Senate Subcommittee also concurs with a Building Committee recommendation to lapse \$1,498,400 previously appropriated for this project in FY 1994 (\$775,800), FY 1995 (\$522,600), and FY 1996 (\$200,000).

Agency Request/Governor's RecommendationHouse AdjustmentsSenate Subcommittee Adjustments

The plan entails the construction of a 5,700 square foot kitchen and dining facility next to the existing administration building (which also currently houses the kitchen and former dormitory). Once the kitchen facility is complete, the old administration building would be demolished. On the site of the former administration building would be constructed a 9,150 square foot dormitory for 28 students under age 12 (14 girls and 14 boys), an 8,650 square foot dormitory for 24 teenagers (12 girls and 12 boys), and two 850 square foot stand-alone apartment buildings, each to provide an independent living environment for two students preparing for graduation. After all new student areas are completed and occupied, the 15,000 square foot Irwin Building (which is temporarily being used as a dormitory) would be renovated for use as the administration facility (4,910 square feet), educational outreach program (2,640 square feet), library and outreach services (5,210 square feet), library and outreach services (5,210 square feet), and campus security and staff services (560 square feet). Renovation would include upgrading HVAC, electrical and lighting systems, windows, painting and carpeting.

Sec. 5 -- School for the Deaf

The School for the Deaf requests a total of \$233,764 from the State Institutions Building Fund in FY 1995 for the following new projects: \$75,000 for rehabilitation and repair projects, \$90,374 to install air conditioning in the Roth Dormitories, \$23,000 to replace the roof in the infirmary, and \$45,390 for asbestos removal in areas not occupied by children.

The Governor recommends a total of \$75,000 in FY 1995 from the State Institutions Building Fund for rehabilitation and repair projects.

The House concurs with the Governor's recommendation of \$75,000.

The Senate Subcommittee recommends an increase in the appropriation from the SIBF from \$75,000 to \$100,000.

Agency Request/Governor's RecommendationHouse AdjustmentsSenate Subcommittee Adjustments**Sec. 6 -- Department of Corrections**

For capital improvements in FY 1995, the Department requests \$15,522,000, of which \$9,345,000 is from the State General Fund, \$6,000,000 is from the Correctional Institutions Building Fund, and \$177,000 is from special revenue funds. Of the capital improvement request, \$6,000,000 is for major maintenance and rehabilitation of facilities, and \$9,522,000 is for debt service on the following projects: the new Larned and El Dorado facilities (\$7,493,000), the Ellsworth Correctional Facility (\$1,854,000), and the renovated Wichita Work Release Facility (\$175,000). Of the total debt service of \$9,522,000, the amount of \$4,942,000 is for interest payments and \$4,580,000 is for principal payments.

The Governor recommends a total of \$13,722,000 for various capital improvement projects (\$4,200,000) and debt service (\$9,522,000). The capital improvement projects include major maintenance and rehabilitation projects at the various facilities (\$4.2 million).

Sec. 7 -- Department of Wildlife and Parks

The Department requests \$11,202,250 in FY 1995 for 19 capital improvement projects. The request includes \$1,550,000 from the State General Fund, \$1,423,913 from the Wildlife Fee Fund, \$3,000,000 from the State Water Fund, \$1,304,837 from the EDIF, \$1,500,000 from the State Highway Fund, \$2,101,000 from federal funds, \$200,000 from the Boating Fee Fund, and \$122,500 from other funding sources. Major items of expenditure include State Water Plan financing for the continued renovation of Cheyenne Bottoms (\$1,000,000), the phased development of Hillsdale State Park (\$1,000,000), and dam repair and maintenance (\$1,000,000); EDIF funding for rails-to-trails development (\$275,000), campground renovation (\$500,000), a beach house at Clinton State Park (\$105,000), half of the agency's rehabilitation and repair request (\$175,000), and part of the development of the interior of the

The House concurs with the Governor's recommendation for capital improvements of \$9.522 million for debt service and \$4.2 million for major maintenance and rehabilitation.

The House concurs with the Governor's FY 1995 recommendation of \$1,000,000 from the State General Fund for flood repairs, and \$1,500,000 from the Highway Fund for road repairs. All other capital improvements for the Department of Wildlife and Parks are included in H.B. 2640, the regular FY 1995 appropriation bill for the agency.

Concur, but reduce the funding for major maintenance and rehabilitation to \$4.0 million.

Concur and shift \$1,000,000 from the State General Fund in FY 1995 for flood repair to the Budget Stabilization Fund.

Agency Request/Governor's RecommendationHouse AdjustmentsSenate Subcommittee Adjustments

Wichita Education Center (\$302,337); and \$1,500,000 for the utilization of State Highway Funds for road maintenance of Department access roads. Although the agency's budget request originally estimated that \$1,000,000 would be needed for flood repair in FY 1995, that estimate has now been revised to \$1,876,639.

The Governor recommends \$7,021,250 for capital improvements in FY 1995. Recommended funding includes \$1,000,000 from the State General Fund, \$1,173,913 from the Wildlife Fee Fund, \$1,500,000 from the State Water Plan Fund, \$1,500,000 from the State Highway Fund, \$402,337 from the EDIF, \$1,000,000 in federal funds, and \$445,000 from other funding sources. The recommendation funds 11 projects including Cheyenne Bottoms (\$2,000,000), Hillsdale State Park (\$100,000), dam repair (\$1,000,000), flood damage repair (\$1,000,000), and the Wichita Education Center (\$451,250).

Sec. 8 -- Department of Commerce and Housing

The agency requests \$774,000 from the EDIF in FY 1995 for rehabilitation and repairs to the state's traveler information centers (TIC) (\$24,000) and construction of a new TIC in Olathe. The 1993 Legislature authorized \$267,300 in the current year for land acquisition and planning of the Olathe TIC. The Governor concurs with the agency's request for capital improvements.

The House concurs.

The Senate Subcommittee concurs with the House, with the following adjustment:

1. Authorize the expenditure in FY 1995 of any reappropriation from FY 1994 funding for the Olathe TIC project.

Sec. 9 -- Hutchinson Correctional Facility

No funding is requested in the FY 1995 budget for capital improvements at the Hutchinson Correctional Facility (HCF). However, the FY 1995 request seeks legislative authorization to raze Building 515 at the facility. Building 515, commonly known as the Blockhouse, is located in the inmate recreation yard at the HCF Central Unit. The budget request states that the building obstructs the view of a large portion of the exercise yard and constitutes a security problem. The

The House concurs with the Governor's recommendation to raze the building.

Concur.

Agency Request/Governor's RecommendationHouse AdjustmentsSenate Subcommittee Adjustments

equipment from Building 515 would be relocated to the Gymnasium Building (Building 510). The agency states that the building can be demolished with inmate labor at minimal cost. The Governor concurs with the agency request to raze the building.

Sec. 10 -- State Historical Society

For FY 1994, the agency estimates \$5,483,332 for capital improvements which includes a supplemental request of \$3,326,469 for the new Center for Historical Research. The table below summarizes the appropriations to date, the Society's supplemental request and the Governor's recommendation for the Center for Historical Research:

The House recommends \$1,811,238 from the State Budget Stabilization Fund in FY 1994 for furnishings and equipment for the new Center for Historical Research.

Concur.

Center for Historical Research**Amount Approved to Date:**

Planning	\$ 495,908
Construction	10,159,959
Total	<u>\$ 10,655,867</u>

<u>FY 1994</u>	<u>Agency</u>	
<u>Supplemental Request</u>	<u>Request</u>	<u>Gov. Rec.</u>
Furnishings & Equipment	\$ 1,811,238	\$ --
Storage Bay 3	1,515,231	--
TOTAL	<u>\$ 3,326,469</u>	<u>\$ --</u>

Requested Funding: Kansas Special Capital Improvements Fund

Agency Request/Governor's Recommendation

The agency requests \$1,094,311 for capital improvements in FY 1995. The request includes \$97,187 from the State General Fund for the elimination of architectural barriers in compliance with the Americans with Disabilities Act (ADA), and \$997,124 from the Kansas Special Capital Improvements Fund which includes emergency projects (\$25,000), cyclical maintenance (\$100,000) and stabilization and rehabilitation of state historic sites (\$872,124).

The Governor does not recommend any capital improvements for FY 1995.

Sec. 11 -- Lansing Correctional FacilityHouse Adjustments

For FY 1995, the House recommends a lump sum of \$500,000 from the State Budget Stabilization Fund for capital improvement projects.

Senate Subcommittee Adjustments

Insert a provision allowing the agency to expend up to \$100,000 for moving expenses to facilitate the move to the new Center for Historical Research.

As requested by the agency, inclusion of language authorizing the demolition of the old steam plant at Lansing. The agency recently completed the construction of a new steam plant at the Lansing facility. The agency plans to use a private contractor to demolish the roof and walls above 15 feet in height. Inmate crews would then perform the remainder of the demolition. No additional funding is requested for the project; expenses will be paid from the Department's rehabilitation and repair account.

Testimony of Max L. Foster
Director, Laboratory Division
Kansas Department of Agriculture

Re: SB 843
Senate Ways & Means Committee
March 29, 1994

Good morning Mr. Chairman and members of the committee. I am Max Foster, Director of the Laboratory Division of the Kansas Department of Agriculture.

The purpose of my testimony today is to notify you of the Department of Agriculture's support for this legislation - SB 843.

As you know, this legislation--through a series of fee fund increases--would formally establish a mechanism to systematically replace a number of pieces of analytical equipment at our testing laboratory located at West Sixth Street here in Topeka.

By way of background, our laboratory building was initially constructed in the early 1950's and an addition to the main building was added in the late 1960's. The funding for these construction projects came primarily from the collection of livestock feed and fertilizer fees.

The personnel in our division analyze various types of samples including: meat products, pesticide formulations, livestock feed, dairy products, seeds, fertilizers and pesticide residue samples. We view our analytical work as behind the scenes consumer protection activity because our sample results are used by regulatory officials in two additional divisions in the Department of Agriculture to determine whether the product analyzed is wholesome and meets certain label guarantees. By utilizing the results obtained in our laboratory, regulatory personnel in the Department's Divisions of Inspections and Plant Health can remove potentially unwholesome or mislabeled products from the marketplace.

As the Director of the Laboratory I am extremely proud of the analytical competence and expertise of our staff. However, with the continued advent of

SWAM
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Attachment 2

improved analytical testing it is getting more and more difficult to maintain effective regulatory oversight because of the age of our equipment. A review of the current list of all items on our inventory at the laboratory discloses that the average age of the items listed is nineteen years old.

The increased revenue generated by this legislation will allow us to replace the instruments we critically need to maintain our current analytical credibility.

For the Committees information I have enclosed a list of the fees to be increased as well as the percentage of the increase. Please note that only two fee funds are being raised by more than 10%, and one of these is a fee that hasn't been raised since 1982. In addition, I would like to point out a typographical error that is found in line 27 of the bill. The correct amount for the inspection fee should be \$.105 not the \$ 1.05 as listed.

We would like the Committee to know that we are looking into a loan program through the Kansas Developmental Finance Authority to purchase a number of these instruments in FY 1995, and then subsequently repay the loan in future fiscal years through the increased revenue generated by this legislation.

Mr. Chairman and committee members this concludes my official remarks. I would like to close by inviting the Committee to our laboratory anytime at your convenience for a tour. We are very proud of the work that is accomplished there. Thank you.

KANSAS STATE BOARD OF AGRICULTURE
PROPOSED FEE INCREASE FOR "LABORATORY EQUIPMENT FUND"

DAIRY FEES (KSA 65-708)	DATE OF LAST FEE INCREASE	FEE CEILING	RATE	PER UNIT	PROJECTED NUMBER OF UNITS	REVENUE PROJECTED FY 1995 (FEE FUND)	PROPOSED RATE INCREASE	REVENUE PROJECTED FY 1995 (LAB FUND)	COMMENTS Who pays the fee	REVENUE PROJECTED FY 1996 (LAB FUND)
Manf. Grade Producer	1990	MAX	0.01	100 lb	500,000	5,000	0.001	500	Producer	500
Raw Milk/Manf.	1990	MAX	0.0075	100 lb	2,800,000	21,000	0.0006	1,680	Cheese/Butter Processor	1,680
Product Tax Qrtly	1982	MAX	0.001	GAL	19,000,000	19,000	0.0001	1,900	Processor	1,900
Fund 2002 TOTAL								4,080	PROJECTED INCREASE	4,080

Percentage
For
Increase

10 %
8 %
10 %

GRADE "A" MILK FEES (KSA 65-745)	DATE OF LAST FEE INCREASE	FEE CEILING	RATE	PER UNIT	PROJECTED NUMBER OF UNITS	REVENUE PROJECTED FY 1995 (FEE FUND)	PROPOSED RATE INCREASE	REVENUE PROJECTED FY 1995 (LAB FUND)	COMMENTS Who pays the fee	REVENUE PROJECTED FY 1996 (LAB FUND)
Grade A Producers	1982	MAX	0.01	100 lb	9,800,000	98,000	0.001	9,800	Producer	9,800
Grade A Out of State	1990	MAX	0.01	100 lb	3,400,000	34,000	0.001	3,400	Distributor / Processor	3,400
Milk Grade A Product	1982	MAX	0.01	100 lb	3,200,000	32,000	0.001	3,200	Processor	3,200
Fund 2805 TOTAL								16,400	PROJECTED INCREASE	16,400

10 %
10 %
10 %

SUB-TOTAL DAIRY PROGRAM								20,480	PROJECTED INCREASE	20,480
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FEEDING STUFFS FEES (KSA 2-1001)	DATE OF LAST FEE INCREASE	FEE CEILING	RATE	PER UNIT	PROJECTED NUMBER OF UNITS	REVENUE PROJECTED FY 1995 (FEE FUND)	PROPOSED RATE INCREASE	REVENUE PROJECTED FY 1995 (LAB FUND)	COMMENTS Who pays the fee	REVENUE PROJECTED FY 1996 (LAB FUND)
Feed Stuff Ton./July	1983	MAX	0.10	TON	1,522,500	152,250	0.005	—	Manufacturers/Distributors	7,613
Feed Stuff Ton./Jan	1983	MAX	0.10	TON	1,571,580	157,158	0.005	7,858	Manufacturers/Distributors	7,858
Feed Stuff Audits	1983	MAX	0.10	TON	100,000	10,000	0.005	—	Manufacturers/Distributors	500
Feed Stuff Minimum	1983	MAX	15.00	EACH	1,300	19,500	0	0	Manufacturers/Distributors	0
Fund 2801 TOTAL								7,858	PROJECTED INCREASE	15,970

5 %
5 %
5 %

LIVESTOCK REMEDIES (KSA 47-501)	DATE OF LAST FEE INCREASE	FEE CEILING	RATE	PER UNIT	PROJECTED NUMBER OF UNITS	REVENUE PROJECTED FY 1995 (FEE FUND)	PROPOSED RATE INCREASE	REVENUE PROJECTED FY 1995 (LAB FUND)	COMMENTS Who pays the fee	REVENUE PROJECTED FY 1996 (LAB FUND)
Livestock Rem. Reg.	1982	MAX	10.00	REG	1,900	19,000	2	3,800	Manufacturers/Distributors	3,800
Fund 2803 TOTAL								3,800	PROJECTED INCREASE	3,800

Percentage
for
Increase

20 %

TOTAL - DIVISION OF INSPECTIONS:								32,138	PROJECTED INCREASE	40,250
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CHEMIGATION FEES (KSA 2-3304 c)	DATE OF LAST FEE INCREASE	FEE CEILING	RATE	PER UNIT	PROJECTED NUMBER OF UNITS	REVENUE PROJECTED FY 1995 (FEE FUND)	PROPOSED RATE INCREASE	REVENUE PROJECTED FY 1995 (LAB FUND)	COMMENTS Who pays the fee	REVENUE PROJECTED FY 1996 (LAB FUND)
Chemigation Permits	1986	MAX	50.00	PERMIT	585 *554	29,250 0	5	*(part year) 2,770	Farmers & Farm Corps.	2,925 (full year)
Fund 2194 TOTAL								2,770	PROJECTED INCREASE	2,925

10 %

PESTICIDE USE (KSA 2-2440 b)	DATE OF LAST FEE INCREASE	FEE CEILING	RATE	PER UNIT	PROJECTED NUMBER OF UNITS	REVENUE PROJECTED FY 1995 (FEE FUND)	PROPOSED RATE INCREASE	REVENUE PROJECTED FY 1995 (LAB FUND)	COMMENTS Who pays the fee	REVENUE PROJECTED FY 1996 (LAB FUND)
Business Lic Apps	1988	MAX	100.00	LICENSE	1,525 *1,490	152,500 0	12	*(part year) 17,880	Lawn Care/Comm. Ag App/ETC	18,300 (full year)
Fund 2804 TOTAL								17,880	PROJECTED INCREASE	18,300

12 %

TOTAL - DIVISION OF PLANT HEALTH								20,650	PROJECTED INCREASE	21,225
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TOTAL REVENUE PROJECTION FOR "LAB EQUIPMENT FUND"								FY 1995 52,788	FY 1996 61,475
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STATEMENT OF
KANSAS GRAIN AND FEED ASSOCIATION
AND
KANSAS FERTILIZER AND CHEMICAL ASSOCIATION
TO THE
SENATE WAYS & MEANS COMMITTEE
SENATOR AUGUST "GUS" BOGINA
REGARDING S.B. 843
MARCH 29, 1994

Mr. Chairman and members of the Committee, I am Jamie Clover Adams, Director of Legislative and Regulatory Affairs for both the Kansas Grain and Feed Association (KGFA) and the Kansas Fertilizer and Chemical Association (KFCA). The two associations have distinct memberships and association programs and activities, but share staff. KFCA's member firms provide production inputs and services to producers. KGFA member companies are involved in the transportation, warehousing and merchandising of grain, as well as feed manufacturing. The fee increases proposed in S.B. 843 effect our fertilizer and chemical dealers, as well as our feed manufacturing members. While we have some reservations about increasing program fees to purchase equipment for the Laboratory Division at the Department of Agriculture, we support S.B. 843.

On one hand, adequate and properly functioning equipment is extremely important to the integrity of the programs it serves. But on the other hand, the laboratory tests insure product quality and safety for the consumer. KFCA and KGFA believe government functions serving the public interest should be funded with taxpayer money. This proposal is another in a long list of increased fees on business for programs that serve the public welfare. Increased fees are, for all intents and purposes, a hidden tax on business.

*SWAM
March 29, 1994
Attachment 3*

However, we understand the realities of general funding for this purpose and know the equipment is sorely needed. We strongly support the 5-year sunset provisions as S.B. 843 does not propose fee increases from every program utilizing the laboratory. Such a sunset allows for reassessment of the situation and the need for additional funds in the future.

S.B. 843 increases the per category fee of a pesticide business license \$12 annually. The average dealership will have a two category license. The bill increases the livestock remedy fee \$2 per brand per year. Feed manufacturers register some medicated additives as livestock remedies. The bill also increases the annual feed tonnage tax by 0.5 cents per ton. An average feed facility manufactures between 10,000 and 20,000 ton per year, raising the tonnage fee between \$50 - 100 per year.

It was our understanding from discussions with the Department of Agriculture and the Ways and Means subcommittee that the feed tonnage fee would be raised \$.005. However, on page one, line 27 it appears a typographical error was made increasing the feed tonnage fee from the current \$0.10 per ton to \$1.05 per ton. We respectfully request an amendment changing the \$1.05 to \$0.105. As you can image, I came close to coronary arrest when I read the bill. Such an increase would raise the fees on a 20,000 ton per year operation from \$2000 to \$19,000 annually.

Thank you for your consideration. I would be glad to respond to any questions you may have. -

SENATE WAYS AND MEANS COMMITTEE
Senator August Bogina, Chair

Tuesday, March 29, 1994, 11:00 A. M., Room 123-S

Statement of Duane Johnson, State Librarian, in explanation of House Bill 3063

Senator Bogina and members of the Ways and Means Committee:

I apologize for not being in attendance at the committee meeting this morning. Thank you for your consideration of the actions proposed in HB 3063. If enacted, the effects of this bill will:

1. Create statutory authorization for three activities which are now provided for with a proviso in the appropriations bill:
 - 1) central billing of telecommunications services through the Kansas agency network,
 - 2) central purchasing of library materials, and
 - 3) with a new authorization, collect registration fees for library workshops and conferences;
2. In K. S. A. 75-2540, delete outdated wording related to the duplicate book fund, a fund which is no longer used;
3. In K. S. A. 75-2555, delete reference to the grant-in-aid to libraries fund which is not used. The grants are paid by the Division of Accounts and Reports directly from the general fund upon certification of payment amounts by the State Library;
4. And in K. S. A. 75-2563, relating to authority to contract with libraries and other public agencies to provide computerized information services, delete outdated wording and include current usage.
5. The House amendment on page 1, line 23, deletes the words "local public", in order to authorize all types of libraries (i.e., school, academic, special, and public) to participate in any central purchasing activities which occur and thus not limit the activity only to public libraries.

We appreciate the help of Legislative Analyst Pat Mah in directing attention to the need for some of these changes.

Thank you for the Senate's consideration of these changes to the library laws.

*SWAM
March 29, 1994
Attachment 4*