Approved: May 1, 2003

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 10:30 a.m. on March 25, 2003, in Room 123-S of the Capitol.

All members were present except: All present

Committee staff present:

Melissa Calderwood, Kansas Legislative Research Department Paul West, Kansas Legislative Research Department Amy Van House, Kansas Legislative Research Department Michael Corrigan, Assistant Revisor of Statutes

Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Joe Fritton, Deputy Director, Division of Facilities Management, Kansas Department of Administration

Ken Christensen, Kansas/Missouri Chapter of the International Association of Plumbing and Mechanical Officials

Howard Fricke, Secretary, Kansas Department of Administration

Others attending: See

See attached list

Senator Bunten moved, with a second by Senator Jordan, to approve the minutes of the February 7, February 20, February 21, February 24. February 25 and February 27, 2003 meetings. Motion carried on a voice vote.

The Chairman called the committee's attention to discussion of:

HB 2014-Retirement annuities for members of legislature for past service

Senator Jordan moved, with a second by Senator Jackson, to reconsider the committee's action taken on HB 2014. Motion carried on a voice vote.

Senator Jordan moved, with a second by Senator Schodorf, to amend the language contained in SB 47 into HB 2014. Motion carried on a voice vote.

Senator Jordan moved, with a second by Senator Schodorf, to recommend HB 2014 favorable for passage as amended. Motion carried on a roll call vote.

Chairman Morris called the committee's attention to discussion of:

SB 244-Disposition of body of indigent decedent

The Chairman explained that the counties and the funeral directors had come to agreement regarding SB 244.

Senator Adkins moved, with a second by Senator Feleciano, to amend SB 244 by substituting a new bill to be designated as "Substitute for SB 244." (Attachment 1) Motion carried on a voice vote.

Senator Adkins moved, with a second by Senator Feleciano, to recommend Substitute for SB 244 favorable for passage as amended. Motion carried on a roll call vote.

Chairman Morris opened the public hearing on:

CONTINUATION SHEET

HB 2367-Inspection procedures for state capital improvement projects

Staff briefed the committee on the bill.

Joe Fritton, Deputy Director, Division of Facilities Management, spoke in support of HB 2367 (Attachment 2). Mr. Fritton explained that the proposed legislation provides flexibility in the inspection of state building projects and allows the State to use the most cost effective method of code reviews and inspections. He noted that the legislation does not force the use of local jurisdictions but provides a flexibility that does not currently exist.

Ken Christensen, Mid-American Representative, International Association of Plumbing and Mechanical Officials, testified in opposition to <u>HB 2367</u> (<u>Attachment 3</u>). Mr. Christensen expressed various concerns with the bill in his written testimony.

There being no further conferees to come before the committee, the Chairman closed the public hearing on <u>HB 2367</u>.

Senator Jackson moved, with a second by Senator Barone, to recommend HB 2367 favorable for passage. Motion carried on a roll call vote.

Chairman Morris opened the public hearing on:

HB 2369-State employee suggestion program bonus award procedures

Staff briefed the committee on the bill.

Howard Fricke, Secretary, Kansas Department of Administration, spoke regarding <u>HB 2369</u> (<u>Attachment 4</u>). Secretary Fricke explained a proposed amendment that allows for a timelier award to employees and provides an additional incentive for state employees to participate in the program. He noted that this is a worthwhile and beneficial program under normal circumstances, it is even more important today, given the fiscal situation facing the State of Kansas.

There being no further conferees to come before the committee, the Chairman closed the public hearing on **HB 2369**.

Senator Feleciano moved, with a second by Senator Jordan, to amend **HB 2369** with a balloon amendment (Attachment 5) and include that an employee shall not be required to repay any such advance payment received under this section. Motion carried on a voice vote.

Senator Feleciano moved, with a second by Senator Schodorf, to recommend **HB 2369** favorable for passage as amended. Motion carried on a roll call vote.

Chairman Morris turned the committee's attention to discussion of:

SB 262--Transfer the Division of Accounts and Reports to the State Treasurer's Office

Committee discussion and questions followed.

Senator Bunten moved, with a second by Senator Kerr, to recommend a floor amendment authorizing a fee per check for administrative services provided by the State Treasurer, to raise fees with bank charges and for the Chairman to write a letter to the Governor regarding the Legislature is trying to comply with the Governor's budget proposal for funding the State Treasurer's Office and for clarification. Motion carried regarding the Proviso on a voice vote.

Chairman Morris turned the committee's attention to discussion of:

CONTINUATION SHEET

SB 257-Authority for the animal health department to increase certain fees

Debra Duncan, Animal Health Department, explained a list of proposed fees as requested by the committee (Attachment 6).

Senator Downey moved, with a second by Senator Bunten, to amend SB 257 with the proposed amendment at 25 percent fee increase plus a surcharge of \$1.00 per head on adult dogs or cats. Motion carried on a voice vote.

Senator Downey moved, with a second by Senator Adkins, to recommend SB 257 favorable for passage as amended. Motion carried on a roll call vote.

Chairman Morris turned the committee's attention to discussion of:

SB 49-State employee fiscal bonus program

Senator Bunten moved, with a second by Senator Adkins, to recommend SB 49 favorable for passage. Motion carried on a roll call vote.

Chairman Morris turned the committee's attention to discussion of:

SB 50-State employee voluntary leave purchase program

Senator Bunten suggested that action not be taken on $\underline{SB\ 50}$ at this time and that additional study continue regarding the bill.

Bill Introduction

Senator Adkins moved, with a second by Senator Feleciano, to introduce a bill concerning medical assistance, concerning the repayment thereof; creating and imposing a lien on real property of certain recipients of medical assistance, making certain transfers of property voidable (3rs0988). Motion carried on a voice vote.

The meeting adjourned at 11:50 a.m. The next meeting is scheduled for March 27, 2003.

SENATE WAYS AND MEANS COMMITTEE

GUEST LIST
DATE March 25, 2003

NAME	REPRESENTING
KEN CHRISTENSEN	PLUMBING & MECHANICAL OFFICIALS
Beggy Hanna	Treasurer's Office
Jeff Wagaman	11
HOWARD TRICKE	DEPT OF Adm.
CAROL FORMAN	DOA.
Dule Bruaton	(1
Debra Duncan	KAHD
George Teagarden	KAHD
Koren Watney	DOFA/DPS
Shend Weller	pept, of Admin,
Fam Scott	Ks funeral Directors HESA
Jon Jossorand	KU
Steve Ladner	JRS
Mr. Kuthles	KGC
Kon Seeher	Hein Law Tiras
JOE FRITTON	DEPT OF ADMIN
EFIC FING	KES BO. FEGENTS
Mike Hammond	Assoc. of condes
Randall Alles	Ks. Assoc. of Counties
agner Dungal	Do Budget
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Session of 2003

SENATE SUBSTITUTE FOR SENATE BILL 244

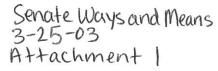
By Committee on Ways and Means

2-25

AN ACT concerning district coroners; amending K.S.A. 2002 Supp. 22a-215 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

- Section 1. K.S.A. 2002 Supp. 22a-215 is hereby amended to read as follows: 22a-215. (a) The coroner of the county of death of a deceased person shall cause the body of the deceased to be delivered to the immediate family or next of kin of the deceased willing to accept financial responsibility for disposition of the body. If no immediately family or next of kin is willing to take financial responsibility, the coroner shall report and make delivery of the body in accordance with the provisions of article 9 of chapter 65 of Kansas Statutes Annotated. If no such delivery is required and the body is unidentified, the coroner shall make a reasonable effort to identify the deceased. If the body is not identified, the coroner may direct the disposition of the body. If the body is identified and there is no immediately family, next of kin, or other person authorized to direct disposition pursuant to K.S.A. 65-1734 who will accept financial responsibility therefor, then the coroner will authorize disposition of the body. Any expenses related to the disposition of the body shall be paid for from the property of the deceased. If the property of the deceased is not sufficient to cover such expenses and if the deceased was eligible for assistance under the provisions of K.S.A. 39-701 et seq., the expenses shall be paid in accordance with K.S.A. 39-713d and amendments thereto, if applicable. Otherwise, such expenses shall be paid from the county general fund unless the deceased died in the custody of the secretary of corrections. The department of corrections shall pay expenses of final disposition of the unclaimed bodies of deceased inmates in the custody of the secretary of corrections.
- (b) The Kansas Department of Social and Rehabilitation Services shall provide the county responsible for disposition of a deceased under section (a) with information concerning next-of-kin and assets of the deceased, if available.
- (c) Any coroner who, over the protest of the immediate family or next of kin willing to accept financial responsibility for the disposition of the deceased, delivers or causes to be delivered the body of a deceased person for final disposition to a particular embalmer, funeral director or funeral establishment, shall be deemed guilty of a class B nonperson misdemeanor and upon conviction thereof shall forfeit the coroner's office.



09:10

- (d) The county responsible for the cost of disposition of the deceased shall be entitled to the assets of the deceased to the extent of any disposition costs incurred and may petition the district court to recover such expenses from the deceased's assets outside probate.
 - Section 2. K.S.A. 2002 Supp. 22a-215 is hereby repealed.
- Section 3. This act shall take effect and be in force from and after its publication in the Kansas Register.

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TESTIMONY TO WAYS AND MEANS BY JOE FRITTON, P.E. DEPUTY DIRECTOR FACILITIES MANAGEMENT March 24, 2003

HB 2367

An Act concerning the exemption of state capital improvement projects from local building codes, permits and fees and certain zoning fees.

Mr. Chairman and members of the committee:

Thank you for the opportunity to provide testimony regarding inspections of state capital improvement projects.

My name is Joe Fritton and I am the Deputy Director of Facilities Management for the Department of Administration. The division is responsible for the design, operations and maintenance of the facilities of the Capitol Complex, Complex West and the facilities at Forbes and for providing administrative oversight of all state funded building construction projects in the State of Kansas.

State capital improvement projects for the construction, reconstruction, remodeling, improvement, repair or maintenance of any building or facility are currently not subject to any building permit requirements or building codes of local governments or any related fees. State capital improvement projects are also not subject to any inspection requirement or any fees to obtain any permit, license or other instrument of approval for the project, which may be imposed by a city, township, district, or other political subdivision of the state.

The Department of Administration, Division of Facilities Management is currently providing building code and life/safety inspections on state capital improvement projects. The primary concern is that all state projects be inspected in order to protect the interests of the state, prolong the life expectancy of the building or facility and protect the safety and welfare of those individuals using the state facility.

senate Ways and Means 3-25-03 Attachment 2 The proposed legislation is permissive and would allow the Secretary of Administration to waive the exemption from local building permit or code requirements on a project by project basis if it is deemed to be in the best interest of the state. Over 70% of the state capital improvement projects initiated in FY 2002 were in a location that had a building code and the ability to enforce the code. By allowing the Secretary of Administration to waive the exemption, the following benefits could be realized:

- Eliminate the duplication of governmental services
- Increase the potential for cost savings
- Promote the most effective and efficient means of providing quality capital improvement projects

By utilizing local building code inspections at locations that enforce an adequate standard code, the Division of Facilities Management could have the option of reducing it's overhead by not filling vacant positions and reduce travel costs. However, there are locations throughout the state that do not enforce any building code or that only enforce a minimum code and the Division of Facilities Management must provide the service in those areas. In FY 2002, 29 projects, or 14% of that years total projects were initiated at locations that do not utilize a building code. The same year, 15% of the state's capital improvement projects were in locations with a minimum code requirement or a limited ability to enforce the building code. These locations include Emporia, Hays and Pittsburg.

The proposed legislation provides flexibility in the inspection of state building projects and allows the state to use the most cost effective method of code reviews and inspections. This legislation does not force the use of local jurisdictions but provides a flexibility that does not currently exist.

I will be happy to answer any questions you may have regarding this testimony.

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KANSAS/MISSOURI CHAPTER of the



INTERNATIONAL ASSOCIATION OF PLUMBING AND MECHANICAL OFFICIALS

1308 N. W. 43rd Terrace, Kansas City, Mo. 64116 Phone: 816-741-8830, FAX 816-741-8830, E-Mail kchristensen@iapmo.org

March 24, 2003

KANSAS HOUSE OF SENATE WAYS AND MEANS COMMITTEE

RE: HEARING ON HOUSE BILL No. 2367

Honorable Committee Chair and Committee Members:

I thank you for the opportunity to appear before you today to speak in opposition to House Bill #2367.

I am Ken Christensen representing the International Association of Plumbing and Mechanical Officials (IAPMO), an 80-year old non-profit organization of inspectors who publish the Uniform Plumbing Code, Uniform Mechanical Code and nearly 100 other codes and standards related to the construction industry.

The purpose of IAPMO is to promote the interests of the arts and science of plumbing and mechanical codes, and the officials in connection therewith, and to promote the interests of all persons whose responsibility it is to interpret plumbing and mechanical codes and practices to the public. Today, I speak on behalf of IAPMO, the Association, as well as the KANSAS/MISSOURI Chapter of IAPMO, an association made up of plumbing and mechanical inspectors and installers, as well as any person interested in the goals of the Chapter, "Working in Concert with Government and Industry for Safe, Sanitary Plumbing and Mechanical Systems".

House Bill #2367 is intended to eliminate the duplication of governmental services. We fail to see this being accomplished. At the present time, the state inspectors provide the inspections, the local inspectors do not. Presently, the state does not pay permit and inspection fees to the local governments, where the construction is taking place. This bill would require the state to pay permit, plan check and inspection fees to the local governments. The fiscal note submitted by the 'Division of the Budget', indicated that this bill would have only a "negligible" fiscal impact. House Bill #2367 is also intended to increase the potential for cost savings. The report of the 'Division of the Budget' does not appear to find significant savings, if any.

Many of the major cities may have extensive amendments to their codes. The plan checkers and inspectors become accustomed to plan checking and inspecting, conforming to the amendments, and that can cause unnecessary confusion and dissent between the contractor and inspection service. Another factor is that many cities in Kansas have chosen to adopt different codes. This adds an additional deterrent to the success of this bill. When the state plan is based on codes different from the codes of the city where the building is proposed, another problem arises.

The House Committee on Appropriations amended this bill to require concurrence of the agency, which owns the property in question, before local inspection services could be utilized.

It appears the Division of Facilities Management must retain their present inspectors to inspect those state buildings where it is deemed the local inspections are inadequate or nonexistent, or where the agency which owns the property requires the inspection to be provided by state inspectors, so where is the advantage to subcontracting this work out to the local government inspection agencies? We encourage you to vote NO on House Bill #2367.

I would be pleased to reply to any questions.

Senate ways and Means 3-25-03 Attachment 3

Testimony to the Senate Committee on Ways and Means By Howard Fricke, Secretary Department of Administration

March 25, 2003

House Bill 2369 Employee Suggestion Program

Good morning Mr. Chairman and members of the committee. I am Howard Fricke, Secretary of the Department of Administration. I appreciate this opportunity to appear before you today to talk about House Bill 2369.

In her State of the State Address, Governor Sebelius mentioned that one of the goals of her administration was to implement the Employee Suggestion Program passed last year – known as S.B. 429. She directed me to examine this program, and implement a way to provide incentives for state employees who root out waste and inefficiency in government; which in turn, better helps us serve the people of Kansas.

The Employee Suggestion Program that passed last session is an excellent program, but I believe that H.B. 2369 has the potential to make it even more attractive to employees. One of the most important aspects of a good award or recognition program is presenting the award or recognition in a timely manner. Under the current policy, an employee is not eligible to receive the award until the savings generated by the suggestion has been documented for 12 months. However, the state begins to experience savings immediately once the suggestion is implemented.

Because of this, I do not feel that the current policy adequately conveys the worth of this program to employees, and therefore may not entice them to contribute suggestions. House Bill 2369 addresses this situation, by allowing the employee to receive the award once the cost-saving suggestion is adopted.

The award is based on the estimated cost reduction of their suggestion, and must be approved by both the chief fiscal officer and appointing authority of their agency. The amount of the award would still be 10% of the cost reduction, up to a maximum of \$37,500. Again, this would now be based on the estimated annual cost reduction of the suggestion, rather than the actual annual cost reduction.

Senate ways and Means 3-25-03 Attachment 4 By making the award contingent upon approval of both the chief fiscal officer and appointing authority of the agency, House Bill 2369 ensures that the agency carefully considers the suggestion and estimated cost savings.

This amendment allows for a timelier award to employees and provides an additional incentive for state employees to participate in this program. While this is a worthwhile and beneficial program under normal circumstances, it is even more important today, given the fiscal situation facing the State of Kansas.

I request your favorable consideration of House Bill 2369. I welcome the opportunity to respond to any questions you may have.

HOUSE BILL No. 2369

By Committee on Appropriations

2-13

AN ACT concerning the state employee suggestion program; relating to employee suggestion bonus awards; amending K.S.A. 2002 Supp. 75-37,105 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2002 Supp. 75-37,105 is hereby amended to read as follows: 75-37,105. (a) (1) There is established an employee award and recognition program for state employees. Under this program monetary or non-monetary awards may be made to state employees. An appointing authority may implement a program of award and recognition for classified and unclassified employees or teams of employees for distinguished accomplishment, meritorious service, innovations, Kansas quality management, volunteerism or length of service.

(2) All awards and recognition provided under this section shall meet the conditions for a discretionary bonus set out in 29 C.F.R. 778.211.

- (b) The total gross value of awards to any employee of the state during a single fiscal year shall not exceed \$3,500 except as provided in subsections (f) and (g). No award paid pursuant to this section during the fiscal year shall be compensation, within the meaning of K.S.A. 74-4901 et seq., and amendments thereto, for any purpose under the Kansas public employees retirement system and shall not be subject to deductions for employee contributions thereunder. Each taxable award paid under this section shall be a discretionary bonus, as defined by 29 C.F.R. 778, and shall be in addition to the regular earnings to which that employee may be entitled or for which the employee may become eligible. Monetary awards are subject to taxes in accordance with federal internal revenue code regulations. The value of non-monetary awards shall be reported by state agencies in accordance with sections 74 and 132 of the federal internal revenue code and procedures prescribed by the director of accounts and reports.
- (c) The award and recognition program shall be paid from moneys appropriated and available for operating expenditures of the state agency or from other funding sources as appropriated. In the case of employee gestions, the award or recognition for each employee shall be paid or ovided by the state agency that benefited from and implemented the

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suggestion.

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(d) The regulations of the employee award board adopted pursuant to K.S.A. 75-37,108 are hereby revoked.

(e) The secretary of administration shall adopt rules and regulations that provide oversight and administrative review of agency award and recognition programs. The secretary of administration shall adopt rules and regulations to provide safeguards to preclude opportunities for abuse within the employee award and recognition program in each state agency and to ensure objective decision-making procedures in award and recognition determinations for all participating employees.

(f) (1) (A) Each state agency shall establish a state employee suggestion program through which state employees may submit suggestions for cost reductions in that agency through increased efficiencies or other

economies or savings in the operations of the state agency.

(B) The Each employee making the a suggestion for cost reduction shall be paid a one time an employee suggestion bonus upon approval of the suggestion and the estimated cost reduction by the agency's chief fiscal officer and the agency appointing authority. The employee suggestion bonus shall be in the amount of 10% of the documented estimated cost reduction during the first 12 months after implementation of the suggestion, as certified by the chief fiscal officer and agency appointing authority, up to a maximum employee suggestion bonus of \$37,500. The bonus shall be paid solely upon documented cost reductions in the first 12 months following the implementation of the suggestion as documented to the division of the budget.

(C) The agency shall retain 10% of the documented cost reduction. Savings achieved through this cost reduction shall be placed in the Kansas savings incentive account or fund for that agency. The remaining balance of the savings achieved through this cost reduction shall revert to the state general fund.

general fund.

(2) Each state agency shall submit each suggestion it receives, together with the state agency's estimated cost reduction, if any, and dispensation of the suggestion to the division of the budget. The director of the budget shall file copies with the director of the legislative research department, who shall report annually on the information to members of the legislative budget committee.

(g) (1) Salary bonus payments under the Kansas savings incentive program shall be made only for the following conditions:

- (A) Suggestions made under subsection (f) for which a 10% suggestion bonus had not been awarded, or
 - (B) for awards and recognition provided pursuant to subsection (a).
- (2) The director of personnel services shall establish guidelines and limitations for bonus payments under the Kansas savings incentive

.documented

Upon adoption of the suggestion by the agency, the employee who made the Suggestion shall be paid an advance on the employee suggestion bonus in an amount Equal to one percent of the estimated cost reduction of the suggestion, as certified by the chief fiscal officer and agency appointing authority, except that no payment shall exceed \$1,000. The remainder of the employee's suggestion bonus shall be based solely upon the documented cost reductions in the first 12 months following the implementation of the suggestion as documented to the division of the budget less the advance payment the employee received upon the adoption of the suggestion.

program.

- (h) Awards and incentives and other recognition pursuant to this section shall not be deemed in violation of K.S.A. 46-237a, and any amendments thereto.
- Sec. 2. K.S.A. 2002 Supp. 75-37,105 is hereby repealed.Sec. 3. This act shall take effect and be in force from and after its
- publication in the Kansas register.

Kansas Animal Health Department

Current estimate of fees for FY 2004 Current estimate of expenditures for FY 2004	\$188,000 \$257,585		
Proposed fee increase for licenses (+25%)	\$ 53,289		
Total income, including increase, from licenses	\$231,714		
	19	\$1.25/hd	\$1.50/hd
Per head surcharge	\$ 29,852	\$37,315	\$44,778
Based on 29,852 dogs and cats (average per kennel			
using a graduated scale of 10, 20, 30, 40, 50, 75, 100 200, >200) and surcharge of \$1.00 per head.),		
200, -200) and surcharge of \$1.00 per head.		*	
Total available from fees	\$261,566	\$269,029	\$276,492

Ending balances in fund would carry program for 3 more years (\$1.00 per hd), assuming no reductions in SGF.

Licensing is based on fiscal year. Renewals are mailed in late April, early May. We wouldn't receive proposed fees until FY 05.

Kansas Pet Animal Act

	tuna	foo	current		25%	total fee	additional revenue	adjusted fee	adjusted new rev.	Total income fees
# licensees	type	iee	current			-	additional forestas		The same of the sa	
				1	increase				40 440	65,048
346	USDA animal breeders	150	51	,900	38	188	13,148	-	13,148	
19	in-state distributors	150	2	2,850	38	188	722	500	6,650	9,500
200	hobby kennels	75		000,	19	94	3,800	-	3,800	18,800
75	boarding kennels	75	1	,625	19	94	1,425	-	1,425	7,050
8	out-of-state distributors	150		,200	38	188	304	750	4,800	6,000
		300		,900	50	350	3,650	_	3,650	25,550
73	pet shops				38	188	532	350	2,800	4,900
14	USDA pet shops	150		2,100		12000000	9,900	-	9,900	49,500
198	pounds/shelters	200		,600	50	250	**************************************	-	266	1,316
7	research	150	1	,050	38	188	266			
99	retail breeders	300	29	700	50	350	4,950	-	4,950	34,650
50	USDA retail breeders	150	7	7,500	38	188	1,900	-	1,900	9,400
_									-	
1,089			178	3,425			40,597		53,289	231,714

*USDA requires pet shops to be licensed to sell "pocket pets". The USDA, however, only inspects pet stores every 3 years or upon complaint - and then only the pocket pets. This causes a net loss of \$2,100 in income but does not alleviate the necessity of inspecting these shops. The statute should be changed to eliminate this deduction.

**The intent of the statute was to charge out-of-state distributors up to \$750. Because there is no such thing as a wholesale distributor without a USDA license; the fee is limited to \$150.

**120 of the licensed shelters are municipalities. A \$200 fee is difficult for these entities. We believe a large number of them will stop housing strays if the fee is increased to this magnitude.

3/24/03

	Animal Breeder (also USDA)	Retail Breeder	Hobby Breeder	Total kennels
1-10 11-20 21-30 31-40 41-50 51-75 76-100 101-200 200+	22 50 39 55 30 64 34 33	23 49 33 22 7 11 7 4	144 66 24 2 1	189 165 96 79 38 75 41 37
total	341	157	237	735
# animals DOGS CATS	21,627 342 21,969	5,101 246 5,347	2,145 391 2,536	28,873 979 29,852