

Approved: 5-7-10
Date

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 9:10 a.m. on March 2, 2010, in Room 346-S of the Capitol.

All members were present except:

Representative Barbara Ballard- excused
Representative Dave Crum- excused

Committee staff present:

Jim Wilson, Office of the Revisor of Statutes
Nobuko Folmsbee, Office of the Revisor of Statutes
Alan Conroy, Kansas Legislative Research Department
J.G. Scott, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Jonathan Tang, Kansas Legislative Research Department
Stephen Huggins, Chief of Staff, Appropriations Committee
Kathy Holscher, Committee Assistant, Appropriations Committee

Others attending:

See attached list.

- Attachment 1 Budget Committee Report on Citizens' Utility Ratepayer Board, Kansas Corporation Commission, Kansas Water Office and State Conservation Commission
- Attachment 2 State Water Plan Fund
- Attachment 3 Budget Committee Report on Board of Indigents' Defense Services, Kansas Parole Board and Kansas Sentencing Commission

Representative Faber, Chair, House Agriculture and Natural Resources Budget Committee, presented the FY 2011 Citizens' Utility Ratepayer Board Budget Committee Report, (Attachment 1). The Budget Committee concurs with the Governor's recommendation.

Representative Faber made a motion to approve the FY 2011 Citizens' Utility Ratepayer Board Budget Committee Report. The motion was seconded by Representative Carlin. Motion carried.

Representative Faber, Chair, House Agriculture and Natural Resources Budget Committee, presented the FY 2011 Kansas Corporation Commission Budget Committee Report, (Attachment 1). The Budget Committee concurs with the Governor's recommendation with the following notation: add a proviso authorizing KETA to reappropriate unencumbered balance in the operating budget from FY 2011 to FY 2012.

Representative Faber made a motion to approve the FY 2011 Kansas Corporation Commission Budget Committee Report. The motion was seconded by Representative Carlin.

Representative Faber responded to questions from committee members regarding abandoned Oil and gas well plugging. He noted that the state would be responsible for plugging abandoned wells in the event the property owners were not identified. Representative Faber stated that he was not aware of a policy change and due to budget reductions, this effort has been reduced.

Representative Williams stated that less than 300 wells were slated to be plugged with the budget reductions, which is substantially less than prior years. He referred to the Supreme Court ruling on Cherokee Quest.

Representative Faber renewed the motion to approve the FY 2011 Kansas Corporation Commission Budget Committee Report. Motion carried.

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:10 a.m. on March 2, 2010, in Room 346-S of the Capitol.

Representative Faber, Chair, House Agriculture and Natural Resources Budget Committee, presented the FY 2011 Kansas Water Office Budget Committee Report, (Attachment 1). The Budget Committee concurs with the Governor's recommendation with the following adjustments and notations: Transfer \$4,651,755 from SGF to the State Water Plan Fund; add \$61,999 for the State Water Plan Fund to the Kansas Water Office programs; add language to change the State Conservation Storage Water Fund; and add language restricting the agency from using funding to purchase storage.

Representative Faber made a motion to approve the FY 2011 Kansas Water Office Budget Committee Report. The motion was seconded by Representative Dillmore.

Representative Faber responded to questions from committee members as related to the budget recommendation to transfer of \$4.6 million from the State General Fund. He referred to the State Water Plan Fund document and discussed the fund transfers that represents six agencies, (Attachment 2). The committee recommended a review of this transfer at Omnibus, Representative Faber stated.

Representative Burroughs made a motion for an amendment that would strike the transfer \$4.6 million from the State General Fund for review of this transfer at Omnibus. The motion was seconded by Representative Faber. Motion carried.

Representative Faber responded to staffing questions.

Representative Faber made a motion for an amendment to review item two at Omnibus. The motion was seconded by Representative Carlin. Motion carried.

Representative Faber made a motion to approve the FY 2011 Kansas Water Office Budget Committee Report as amended. Motion carried.

Representative Faber, Chair, and Representative Carlin, Member, House Agriculture and Natural Resources Budget Committee, presented the FY 2011 State Conservation Commission Budget Committee Report, (Attachment 1). The Budget Committee concurs with the Governor's recommendation with the following adjustments and notations: add \$238,406 from the State Water Plan Fund to the State Conservation Commission programs; add language allowing the agency to spend funds in the Water Resources Cost-Share program; and add language allowing the reappropriation of funding for the Conservation Reserve Enhancement Program account.

Representative Carlin made motion to approve the FY 2011 State Conservation Commission Budget Committee Report . The motion was seconded by Representative Williams.

Discussion followed by committee members regarding the consistency of language contained in the Water Office budget and State Conservation Commission's budget.

Representative Carlin made an amendment that would add language to item one for review at Omnibus. The motion was seconded by Representative Williams. Motion carried.

Representative Carlin made a motion to approve the FY 2011 State Conservation Commission Budget Committee Report as amended. The motion was seconded by Representative Williams. Motion carried.

Representative Tafarielli, Chair, House of Transportation and Public Safety Budget Committee, presented the FY 2011 Board of Indigents' Defense Services Budget Committee Report, (Attachment 3). The Budget Committee concurs with the Governor's recommendation.

Representative Tafarielli made a motion to approve the FY 2011 Board of Indigents' Defense Services Budget Committee Report. The motion was seconded by Representative Gatewood.

Representative Tafarielli responded to questions from committee members regarding the Senate

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:10 a.m. on March 2, 2010, in Room 346-S of the Capitol.

recommendation for a 2.5% budget reduction, staffing issues and office closings.

Patricia Scalia, Executive Director, Board of Indigents' Defense Services, responded to committee questions. She stated that an office in Liberal has closed, and contractual services are provided by a local law firm. Ms. Scalia stated that due to a salary differential of approximately \$10,000, it is difficult to maintain classified attorneys.

Discussion continued by committee members. Representative Tapanelli reviewed pending high profile cases and discussed the impact of budget reductions for adequate representation.

Representative Tapanelli renewed the motion. Motion carried.

Representative Tapanelli, Chair, House of Transportation and Public Safety Budget Committee, presented the FY 2011 Kansas Parole Board Budget Committee Report, (Attachment 3). The Budget Committee concurs with the Governor's recommendation with the following notation: commends the Kansas Parole Board for the quality information provided.

Representative Tapanelli made a motion to approve the FY 2011 Kansas Parole Board Budget Committee Report. The motion was seconded by Representative Gatewood.

Representative Tapanelli responded to questions from committee members. He stated that the budget increase represents rent payments to the Department of Administration, administrative support from the Department of Corrections, salary and benefits, and travel to hearings.

Representative Tapanelli renewed the motion. Motion carried.

Representative Tapanelli, Chair, House of Transportation and Public Safety Budget Committee, presented the FY 2011 Kansas Sentencing Commission Budget Committee Report, (Attachment 3). The Budget Committee concurs with the Governor's recommendation with the following notation: recommend eliminating 1.0 non-FTE unclassified position; and introduction of legislation to consolidate administrative functions.

Representative Tapanelli made a motion to approve the FY 2011 Kansas Sentencing Commission Budget Committee Report. The motion was seconded by Representative Gatewood.

Representative Tapanelli responded to questions from committee members. He stated that approximately \$40,000 in savings could be realized with the consolidation of the Sentencing Commission's administrative functions into the Department of Corrections. Representative Tapanelli noted the Sentencing Commission staff would maintain their autonomy, the cost savings would be in sharing use of a facility. He noted that ending balance is \$250,000 in the fee fund. Representative Tapanelli discussed the collection of additional receipts from offenders. He stated that the agency is working with the courts on this issue.


Committee members requested an up-to-date report on all of the FY 2011 State General Fund budget summaries that have already been worked and passed in committee.

Representative Tapanelli renewed the motion. Motion carried.

Representative Feuerborn announced that the Minority Members will meet in his office upon adjournment of the committee meeting.

The next meeting is scheduled for March 3, 2010.

The meeting was adjourned at 10:32 a.m.



Kevin Yoder, Chairman

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 3-2-10

NAME	REPRESENTING
Vivian Lynn Hessel	Budget
Jackie Montfort Ray	KCC
Scott Carson	SCC
Dry Jay	SCC
MAX Foster	SCC
Earl Lewis	KWO
Mark Heim	KWO
Berend Koops	Heim Law Firm
Brendan Yorkley	Budget
Shonda Smith	CUKB
STEVE RARRICK	CUKB
Mary Jane Stankiewicz	KGFA
PAUL Biggs	Parole Bd
KIM MEDLEY	KEARNEY & Assoc.
Helen Pedigo	Ks Sentencing Com
Kelli Kirkwood	KLA
TRAVIS	KPBBA
Jesse Kaufman	Ks Coop Council


FY 2011

HOUSE AGRICULTURE AND NATURAL RESOURCES BUDGET COMMITTEE

Citizens' Utility Ratepayer Board
Kansas Corporation Commission
Kansas Water Office
State Conservation Commission


Representative John Faber, Chair



Representative Carl Holmes


Representative Larry Powell, Vice-Chair


Representative Bill Light


Representative Sydney Carlin,
Ranking Minority Member


Representative Steve Lukert


Representative John Grange


Representative Jerry Williams

Appropriations Committee
Date 3-2-10
Attachment 1

Senate Subcommittee Report

Agency: Citizens' Utility Ratepayer Board

Bill No. 556

Bill Sec. 50

Analyst: Douglass

Analysis Pg. No. - -

Budget Page No. 37

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	816,904	807,710	0
Subtotal	<u>\$ 816,904</u>	<u>\$ 807,710</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 816,904</u></u>	<u><u>\$ 807,710</u></u>	<u><u>\$ 0</u></u>
FTE positions			
FTE positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>6.0</u></u>	<u><u>6.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2011 operating expenditures of \$816,094, all from the Utility Regulatory Fee Fund. The request is a decrease of \$95,192, or 10.4 percent, below the revised FY 2010 estimate. The decrease is attributed to FY 2009 funds that the agency carried forward and has budgeted for contractual services in FY 2010. Consequently, the FY 2011 request for contractual services is decreased by \$103,087, which is partially offset by increases in salaries and wages due to higher health insurance costs.

Governor's Recommendation

The **Governor** recommends FY 2011 operating expenditures of \$807,710, all from the Utility Regulatory Fee Fund, which is a decrease of \$9,194, or 1.1 percent, below the agency's FY 2011 request and a decrease of \$104,386, or 11.4 percent, below the Governor's FY 2010 recommendation. The Governor's recommendation to reduce contractual services expenditures by \$9,194 will bring the agency's FY 2011 budget into balance. As submitted, the agency's budget had a negative fee fund balance of \$9,194.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's FY 2011 recommendation with the following notation:

1. The Subcommittee notes that 20.0 percent of this agency's revenue is transferred to the State General Fund annually, which is generally true of other fee funded agencies.

Senate Committee Recommendation

The **Committee** concurs with the Senate Subcommittee's FY 2011 recommendation.

House Budget Committee Report

Agency: Citizens' Utility Ratepayer Board

Bill No. 2706

Bill Sec. 50

Analyst: Douglass

Analysis Pg. No. --

Budget Page No. 37

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	816,904	807,710	0
Subtotal	\$ 816,904	\$ 807,710	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 816,904	\$ 807,710	\$ 0
FTE positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	6.0	6.0	0.0

Agency Request

The **agency** requests FY 2011 operating expenditures of \$816,094, all from the Utility Regulatory Fee Fund. The request is a decrease of \$95,192, or 10.4 percent, below the revised FY 2010 estimate. The decrease is attributed to FY 2009 funds that the agency carried forward and has budgeted for contractual services in FY 2010. Consequently, the FY 2011 request for contractual services is decreased by \$103,087, which is partially offset by increases in salaries and wages due to higher health insurance costs.

Governor's Recommendation

The **Governor** recommends FY 2011 operating expenditures of \$807,710, all from the Utility Regulatory Fee Fund, which is a decrease of \$9,194, or 1.1 percent, below the agency's FY 2011 request and a decrease of \$104,386, or 11.4 percent, below the Governor's FY 2010 recommendation. The Governor's recommendation to reduce contractual services expenditures by \$9,194 will bring the agency's FY 2011 budget into balance. As submitted, the agency's budget had a negative fee fund balance of \$9,194.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's FY 2011 recommendation.

Senate Subcommittee Report

Agency: Kansas Corporation Commission

Bill No. SB 556

Bill Sec. 49

Analyst: Douglass

Analysis Pg. No. - -

Budget Page No. 25

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	24,463,075	23,966,674	0
Subtotal	\$ 24,463,075	\$ 23,966,674	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 24,463,075	\$ 23,966,674	\$ 0
FTE positions			
FTE positions	216.0	214.0	0.0
Non FTE Uncl. Perm. Pos.	6.5	6.5	0.0
TOTAL	222.5	220.5	0.0

Agency Request

The **agency** requests a FY 2011 budget totaling \$24.5 million, all from special revenue funds, which is a decrease of \$2.8 million, or 10.4 percent, below the agency's revised FY 2010 estimate. The FY 2010 request includes enhancements totaling \$596,401, all from special revenue funds. Absent the enhancement request, the FY 2011 request is \$24.0 million, which is a decrease of \$3.3 million, or 12.2 percent, below the revised FY 2010 estimate. The decrease is attributed to one-time expenditures in FY 2010, such as enhancement funding for the 2010 Project, which sought to strengthen the agency's technology infrastructure, and KETA funding. KETA will request funding independently for FY 2011.

Governor's Recommendation

The **Governor** recommends a FY 2011 budget totaling \$24.0 million, all from special revenue funds, which is a decrease of \$496,401, or 2.0 percent, below the agency's FY 2011 request and a decrease of \$3.3 million, or 12.2 percent, below the Governor's FY 2010 recommendation. The recommendation does not include the \$400,000 transfer from the State General Fund to the Abandoned Oil and Gas Well Fund, but it does include \$100,000 for KETA funding for FY 2011.

In addition, the Governor recommends the transfer of \$1.5 million in agency fee fund balances to the State General Fund in FY 2011. Specifically, the Governor recommends the transfer of \$350,000 from the Public Service Regulation Fund, \$255,000 from the Gas Pipeline

Fee Fund, \$500,000 from the Conservation Fee Fund, \$20,000 from the In-Service Education Fund, \$25,000 from the Petroleum Violation Escrow Fund, and \$350,000 from the Motor Carrier Fee Fund.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's FY 2011 recommendation with the following notations:

1. While the agency's increase in expenditures compared to previous fiscal years will be borne by special revenue funds, some would consider this to be a tax increase.
2. The agency recently was awarded approximately \$50 million in American Recovery and Reinvestment Act (ARRA) funding, which will continue to be spent into FY 2012. A brief description of the programs currently being developed with federal ARRA funding follows.

Efficiency Kansas - \$38,284,000

- Loan Program (\$34.0 million). A new revolving loan fund for cost-effective energy-efficiency improvements in homes and small businesses will allow Kansans to access financing from partner banks and partner utilities for 100 percent of approved project costs at low interest. The State Treasurer's Office will assist with disbursement of loans through the partner banks. Project costs will be based on an energy audit performed by a qualified energy auditor.
- Administration (\$1.4 million). Temporary staff has already been hired to assist with the implementation of this program and additional temporary staff may be needed depending on the demands of the program.
- Marketing Initiative (\$500,000). A statewide campaign will promote the loan program to the public and potential bank partners.
- Rebates to Banks for Loan Fees (\$481,000). \$250 rebates will be available to partner banks to offset the origination costs for Efficiency Kansas loans.
- Rebates for Efficiency Kansas Energy Audits (\$350,000). \$350 rebates will be offered to the first 1,000 participants who elect to implement projects approved through this program to offset the costs of the energy audit.
- Energy Auditor Training and Scholarships (\$250,000). In order to meet the demand for energy auditors, financial support will be provided to qualified energy auditor training institutions and approximately 100 scholarships will be awarded for those institutions.
- Equipment for New Energy Auditors (\$250,000). To minimize start-up costs for newly-trained auditors, approximately 50 equipment packages will be available to the training institutions, who will then offer the packages to approved auditors.
- Comprehensive Rate Design (\$1 million). With the assistance of a consultant, the KCC will work to develop a comprehensive, collaborative planning

process to redesign utility rate structures to achieve new goals of energy efficiency and environmental protection.

**Energy Efficiency and Conservation Block Grant (EECBG) -
\$9,593,000 (contingent on Department of Energy approval)**

- Renewable Energy Grants (\$3.8 million). Grants will be awarded to local units of government that did not receive direct block grant allocations for renewable electrical generation projects. Projects may include wind, solar, biomass, or fuel cells. The grants will cover 25 percent of approved project costs, up to \$250,000.
- Facilities and Conservation Improvement Program (FCIP) Expansion (\$3.2 million). The existing FCIP helps to finance energy conservation improvements in state, municipal, county, and educational facilities. FCIP connects local units of government and school districts with pre-approved, private energy service companies (ESCOs) that evaluate the facility, identify energy-saving opportunities, and recommend a turn-key package of upgrades to be financed through the projected utility bill savings. ARRA funds will be used to expand FCIP in two ways:
 - Energy-Savings Project Grants (\$2.2 million). Grants of up to \$150,000 will fund projects that do not meet the 30-year payback period required by statute or are considered too small by ESCOs and are thus ineligible under the current FCIP.
 - Rebates (\$1 million). Rebates of up to \$40,000 will be used to offset start-up costs for cities and counties that use FCIP to upgrade public buildings.
- Energy Managers for Local Units of Government (\$2.6 million). This program will provide a stipend to local units of government to enable them to hire energy managers for up to three years.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee's FY 2011 recommendation.

House Budget Committee Report

Agency: Kansas Corporation Commission

Bill No. HB 2706

Bill Sec. 49

Analyst: Douglass

Analysis Pg. No. --

Budget Page No. 25

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	24,463,075	23,966,674	0
Subtotal	\$ 24,463,075	\$ 23,966,674	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 24,463,075	\$ 23,966,674	\$ 0
FTE positions	216.0	214.0	0.0
Non FTE Uncl. Perm. Pos.	6.5	6.5	0.0
TOTAL	222.5	220.5	0.0

Agency Request

The **agency** requests a FY 2011 budget totaling \$24.5 million, all from special revenue funds, which is a decrease of \$2.8 million, or 10.4 percent, below the agency's revised FY 2010 estimate. The FY 2010 request includes enhancements totaling \$596,401, all from special revenue funds. Absent the enhancement request, the FY 2011 request is \$24.0 million, which is a decrease of \$3.3 million, or 12.2 percent, below the revised FY 2010 estimate. The decrease is attributed to one-time expenditures in FY 2010, such as enhancement funding for the 2010 Project, which sought to strengthen the agency's technology infrastructure, and Kansas Electric Transmission Authority (KETA) funding. KETA will request funding independently for FY 2011.

Governor's Recommendation

The **Governor** recommends a FY 2011 budget totaling \$24.0 million, all from special revenue funds, which is a decrease of \$496,401, or 2.0 percent, below the agency's FY 2011 request and a decrease of \$3,325,819, or 12.2 percent, below the Governor's FY 2010 recommendation. The recommendation does not include the \$400,000 transfer from the State General Fund to the Abandoned Oil and Gas Well Fund, but it does include \$100,000 for KETA funding for FY 2011.

In addition, the Governor recommends the transfer of \$1.5 million in agency fee fund balances to the State General Fund in FY 2011. Specifically, the Governor recommends the transfer of \$350,000 from the Public Service Regulation Fund, \$255,000 from the Gas Pipeline Fee Fund, \$500,000 from the Conservation Fee Fund, \$20,000 from the In-Service Education Fund, \$25,000 from the Petroleum Violation Escrow Fund, and \$350,000 from the Motor Carrier Fee Fund.

House Budget Committee Recommendation

The **House Budget Committee** concurs with the Governor's FY 2011 recommendation with the following notation:

1. **KETA Proviso.** The House Budget Committee recommends adding a proviso to the Kansas Corporation Commission section of the appropriations bill. The proviso would authorize KETA to reappropriate any unencumbered balance in their operating budget from FY 2011 to FY 2012. The proviso would provide that this unencumbered balance would be in addition to the expenditure limitation that would be approved for FY 2011.

Senate Subcommittee Report

Agency: Kansas Water Office

Bill No. SB 556

Bill Sec. 99

Analyst: O'Hara

Analysis Pg. No. --

Budget Page No. 441

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 2,759,981	\$ 1,889,952	\$ 0
Other Funds	9,176,131	5,265,195	(46,447)
Subtotal	<u>\$ 11,936,112</u>	<u>\$ 7,155,147</u>	<u>\$ (46,447)</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 11,936,112</u></u>	<u><u>\$ 7,155,147</u></u>	<u><u>\$ (46,447)</u></u>
FTE positions			
FTE positions	27.5	23.5	0.0
Non FTE Uncl. Perm. Pos.	1.0	2.0	0.0
TOTAL	<u><u>28.5</u></u>	<u><u>25.5</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests a FY 2011 operating budget of \$11.9 million, including \$2.8 million from the State General Fund. The request is an increase of \$3.1 million, or 34.6 percent, above the agency's revised FY 2010 estimate. The agency's request includes enhancement funding of \$3.8 million, including \$770,558 from the State General Fund. Absent the enhancement request, the agency's FY 2011 request totals \$8.2 million, which is a decrease of \$1.4 million, or 14.7 percent, below the agency's revised FY 2010 estimate.

Governor's Recommendation

The **Governor** recommends a FY 2011 operating budget of \$7.2 million, including \$1.9 million from the State General Fund. The recommendation is a decrease of \$4.8 million, or 40.1 percent, below the agency's FY 2011 request, and a decrease of \$1.7 million, or 18.8 percent, below the Governor's FY 2010 recommendation. The Governor does not recommend any of the agency's enhancement requests, which total \$3.8 million. The State General Fund recommendation totals \$1.9 million, which is a decrease of \$870,029, or 31.5 percent, below the agency's FY 2011 request, and a decrease of \$76,079, or 3.9 percent, below the Governor's FY 2010 recommendation. The decrease from the agency's request is attributed to the Governor not recommending the agency's State General Fund enhancement requests, which total \$770,558. In addition, the Governor recommends the agency's reduced resources budget of \$99,471, all from the State General Fund.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's FY 2011 recommendation, with the following adjustment:

1. Delete \$46,447, all from the Water Supply Storage Assurance Fund, and transfer that amount to the State General Fund in FY 2011, as part of the agency's 2.5 percent State General Fund reduction.

Senate Committee Recommendation

The **Senate Committee** concurs with the Senate Subcommittee's recommendation.

House Budget Committee Report

Agency: Kansas Water Office

Bill No. HB 2706

Bill Sec. 99

Analyst: O'Hara

Analysis Pg. No. --

Budget Page No. 441

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 2,759,981	\$ 1,889,952	\$ 0
Other Funds	9,176,131	5,265,195	61,999
Subtotal	\$ 11,936,112	\$ 7,155,147	\$ 61,999
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 11,936,112	\$ 7,155,147	\$ 61,999
FTE positions	27.5	23.5	0.0
Non FTE Uncl. Perm. Pos.	1.0	2.0	0.0
TOTAL	28.5	25.5	0.0

Agency Request

The **agency** requests a FY 2011 operating budget of \$11.9 million, including \$2.8 million from the State General Fund. The request is an increase of \$3.1 million, or 34.6 percent, above the agency's revised FY 2010 estimate. The agency's request includes enhancement funding of

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\$3.8 million, including \$770,558 from the State General Fund. Absent the enhancement request, the agency's FY 2011 request totals \$8.2 million, which is a decrease of \$1.4 million, or 14.7 percent, below the agency's revised FY 2010 estimate.

Governor's Recommendation

The **Governor** recommends a FY 2011 operating budget of \$7.2 million, including \$1.9 million from the State General Fund. The recommendation is a decrease of \$4.8 million, or 40.1 percent, below the agency's FY 2011 request, and a decrease of \$1.7 million, or 18.8 percent, below the Governor's FY 2010 recommendation. The Governor does not recommend any of the agency's enhancement requests, which total \$3.8 million. The State General Fund recommendation totals \$1.9 million, which is a decrease of \$870,029, or 31.5 percent, below the agency's FY 2011 request, and a decrease of \$76,079, or 3.9 percent, below the Governor's FY 2010 recommendation. The decrease from the agency's request is attributed to the Governor not recommending the agency's State General Fund enhancement requests, which total \$770,558. In addition, the Governor recommends the agency's reduced resources budget of \$99,471, all from the State General Fund.

House Budget Committee Recommendation

The **House Budget Committee** concurs with the Governor's FY 2011 recommendation, with the following adjustments and notations:

1. Transfer \$4,651,755 from the State General Fund to the State Water Plan Fund. The House Budget Committee recommends restoring the \$6.0 million statutory transfer from the State General Fund to the State Water Plan Fund in FY 2011. As part of the Governor's FY 2011 recommendation, the Governor reduced the \$6.0 million statutory transfer from the State General Fund to the State Water Plan Fund to \$1,348,245. The reduced transfer decreased State Water Plan Fund expenditures in the Kansas Water Office, State Conservation Commission, Department of Agriculture, Kansas Department of Health and Environment, University of Kansas Geological Survey, and Department of Wildlife and Parks budgets.

With the restoration of the full \$6.0 million statutory transfer, the House Budget Committee recommends restoring funding proportionally to the Kansas Water Office, State Conservation Commission, Department of Agriculture, and Kansas Department of Health and Environment budgets and increasing State Water Plan Fund expenditures in these agency budgets accordingly.

In addition, the House Budget Committee recommends reviewing the FY 2011 \$6.0 million statutory transfer from the State General Fund to the State Water Plan Fund and State Water Plan Fund expenditures at Omnibus.

2. Add \$61,999, all from the State Water Plan Fund, to the following Kansas Water Office programs, as a result of the House Budget Committee's recommendation to restore the State General Fund to the State Water Plan Fund in FY 2011:
 - o \$14,000 for the Assessment and Evaluation Program, which collects and compiles information regarding water resource conditions for statewide and basin-specific issues, primarily to implement priority water projects in critical areas;

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- o \$5,000 for the Geographic Information System (GIS) Database Development Program, which records information in the agency's database that is used to determine whether sufficient water storage will be available to meet projected year 2040 public water supply needs;
 - o \$7,100 for the Memorandum of Understanding (MOU) – Storage Operations and Maintenance, which includes maintenance and operations costs for reserve storage space purchased through a 1985 Memorandum of Understanding with the U.S. Corps of Engineers;
 - o \$12,498 for the Technical Assistance to Water Users Program, which is used by program staff to provide technical assistance to municipalities through a contract with the Kansas Rural Water Association and to irrigators through contracts with Kansas State University;
 - o \$1,100 for the Water Resource Education Program, which funds scholarships through the Kansas Environmental Leadership Program sponsored by Kansas State University and the Kansas Center for Agricultural Resources;
 - o \$4,800 for the Weather Modification Program, which issues contracts to pilots who release silver iodide into clouds to reduce crystal formation, which reduces hail damage;
 - o \$1,400 for the Weather Stations Program, which encourages innovative approaches for the management of crop watering such as irrigation scheduling, weather stations, mobile irrigation labs, and field demonstration projects; and
 - o \$16,101 for the Wichita Aquifer Storage and Recovery (ASR) Project, which is a recovery program that injects treated surplus surface flows from the Little Arkansas River into the Equus Beds Aquifer for storage and later recovery; in addition, the program also involves a hydraulic barrier to a brine plume, which is adjacent to the river near Burton, Kansas.
3. Add language that would change the State Conservation Storage Water Supply Fund to a no limit fund in the Mega Appropriations Bill for FY 2011. It is the House Budget Committee's recommendation that the fund remain no limit only for FY 2011, in order to provide the agency with funding flexibility as State General Fund revenues for the agency continue to decline.
4. Add language that would restrict the agency from using funding from the State Conservation Storage Water Supply Fund to purchase storage in Milford, Perry, Big Hill, or Hillsdale reservoirs. The language is as follows:

Provided, that no additional water supply storage space shall be purchased in Milford, Perry, Big Hill or Hillsdale reservoirs during fiscal year 2011, unless a contract is entered into under the state water plan storage act, K.S.A. 82a-1301 et seq., and amendments thereto, to supply water to users which is not held under contract in such reservoirs.

Senate Subcommittee Report

Agency: State Conservation Commission

Bill No. SB 556

Bill Sec. 98

Analyst: O'Hara

Analysis Pg. No. --

Budget Page No. 437

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 783,299	\$ 744,134	\$ 0
Other Funds	13,645,466	9,545,662	(18,288)
Subtotal	\$ 14,428,765	\$ 10,289,796	\$ (18,288)
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 14,428,765	\$ 10,289,796	\$ (18,288)
FTE positions			
FTE positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	13.0	13.0	0.0

Agency Request

The **agency** requests a FY 2011 budget of \$14.4 million, including \$783,299 from the State General Fund. The request is an increase of \$2.4 million, or 19.7 percent, above the revised FY 2010 estimate. The State General Fund request is a decrease of \$17,234, or 2.2 percent, below the revised FY 2010 estimate. The request includes enhancement funding of \$1.2 million, all from special revenue funds. Absent the enhancement funding, the FY 2011 request totals \$13.2 million, which is an increase of \$1.1 million, or 9.6 percent, above the revised FY 2010 estimate. The increase is attributed to the agency's State Water Plan Fund request.

Governor's Recommendation

The **Governor** recommends a FY 2011 budget totaling \$10.3 million, including \$744,134 from the State General Fund. The recommendation is a decrease of \$4.1 million, or 28.7 percent, above the agency's FY 2011 request, and a decrease of \$902,225, or 8.1 percent, below the Governor's FY 2010 recommendation. The Governor does not recommend any of the agency's enhancement requests, which total \$1.2 million, all from special revenue funds.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's FY 2011 recommendation, with the following adjustments:

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1-15

1. Delete \$18,288, including \$9,144 from the Land Reclamation Fund and \$9,144 from the Motor Pool Fund, and transfer that amount to the State General Fund in FY 2011, as part of the agency's 2.5 percent State General Fund reduction.
2. Add language that would allow the agency to spend State Water Plan Funds in the Water Resources Cost-Share Program for contractual technical expertise, and/or on non-salary agency administration expenditures in FY 2011 and place a cap on these expenditures at 6.0 percent of the program's total FY 2011 approved budget. The language is as follows:

And provided further, That expenditures from this account for contractual technical expertise and/or non-salary state conservation commission administration expenditures shall not exceed the amount equal to 6.0 percent of the approved budget amount for fiscal year 2011 for the water resources cost share account.

3. Add language that allows the agency to reappropriate funding from FY 2010 to FY 2011 in the Conservation Reserve Enhancement Program (CREP) account of the State Water Plan Fund. Adding this language would allow the agency to continue the CREP in FY 2011, while not adding this language would lapse any remaining funding at the end of FY 2010 in this account. The CREP is a targeted, voluntary program that provides incentives and cost-sharing to participants that enroll their land into eligible conservation practices, such as native vegetation establishment or wildlife conservation for a period of 14 to 15 years, and permanently retire the water rights tied to the land. The CREP area lies within 10 counties along the Arkansas River corridor, covering 1,571,440 acres. The language is as follows:

On or after the effective date of this act, during fiscal year 2009, fiscal year 2010 and fiscal year 2011, all expenditures made by the state conservation commission from the monies appropriated in the conservation reserve enhancement program account from the state water plan fund for fiscal year 2009, fiscal year 2010 or fiscal year 2011 as authorized by chapter 187 of the 2008 session laws of Kansas, or by this or other appropriation act of the 2010 regular session of the legislature, shall be made by the state conservation commission in accordance with the following:

Provided, That any unencumbered balance in the conservation reserve enhancement program account in excess of \$100 as of June 30, 2010, is hereby reappropriated for fiscal year 2011. And provided further, That all expenditures under the conservation reserve enhancement program, referred to as CREP in this subsection, are subject to the following criteria:

- (1) *The total number of acres enrolled in Kansas in CREP for the four fiscal years 2008, 2009, 2010, and 2011 shall not exceed 40,000 acres;*
- (2) *The number of acres eligible for enrollment in CREP in Kansas shall be limited to one-half of the number of acres represented by contracts in the federal conservation reserve program that have expired in the prior year in counties within the CREP area, except that if federal law*

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permits the land enrolled in the CREP program to be used for agricultural purposes such as planting of agricultural commodities, including, but not limited to, grains, cellulosic or biomass materials, alfalfa, grasses, legumes or other cover crops then the number of acres eligible for enrollment shall be limited to the number of acres represented by contracts in the federal conservation reserve program that have expired in the prior year in counties within the CREP area;

- (3) Lands enrolled in the conservation reserve program as of January 1, 2008, shall not be eligible for enrollment in CREP;
- (4) No more than 25 percent of the acreage in CREP may be in any one county;
- (5) No water right that is owned by a governmental entity, except a groundwater management district, shall be purchased or retired by the state or federal government pursuant to CREP; and
- (6) Only water rights in good standing are eligible for inclusion under CREP:

And provided further, That to be a water right in good standing the following criteria must be met: (A) at least 50 percent of the maximum annual quantity authorized to be diverted under the water right has been used in any three years from 2001 through 2005; (B) in the years 2001 through 2005 the water rights used for the acreage in CREP shall not have exceeded the maximum annual quantity authorized to be diverted and shall not have been the subject of enforcement sanctions by the division of water resources in the last four years; and (C) the water right holder has submitted the required annual water use report required by K.S.A. 82a-732, and amendments thereto, for each of the most recent ten years:

And provided further, that the state conservation commission shall submit a CREP report to the senate committee on natural resources and the house committee on agriculture and natural resources at the beginning of the 2011 regular session of the legislature which shall contain a description of program activities and shall include: (i) the total water rights, measured in acre feet, retired in CREP during fiscal year 2009, fiscal year 2010, and fiscal year 2011 to date; (ii) the acreage enrolled in CREP during fiscal year 2009 and in fiscal year 2010 and in fiscal year 2011 to date; (iii) the dollar amounts received and expended for CREP during fiscal year 2009 and in fiscal year 2010 and in fiscal year 2011 to date; (iv) the economic impact of the CREP; (v) the change in groundwater levels in the CREP area during fiscal year 2009, fiscal year 2010, and fiscal year 2011 to date; (vi) the annual amount of water usage in the CREP area during fiscal year 2007, and fiscal year 2008, and fiscal year 2009, and fiscal year 2010 to date; (vii) an assessment of meeting each of the program objectives identified in the agreement with the farm service agency, and (viii) such other information as the state conservation commission shall specify.

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Senate Committee Recommendation

The **Senate Committee** concurs with the Senate Subcommittee's recommendation.

House Budget Committee Report

Agency: State Conservation Commission

Bill No. HB 2706

Bill Sec. 98

Analyst: O'Hara

Analysis Pg. No. --

Budget Page No. 437

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 783,299	\$ 744,134	\$ 0
Other Funds	13,645,466	9,545,662	238,406
Subtotal	<u>\$ 14,428,765</u>	<u>\$ 10,289,796</u>	<u>\$ 238,406</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 14,428,765</u></u>	<u><u>\$ 10,289,796</u></u>	<u><u>\$ 238,406</u></u>
FTE positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>13.0</u></u>	<u><u>13.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests a FY 2011 budget of \$14.4 million, including \$783,299 from the State General Fund. The request is an increase of \$2.4 million, or 19.7 percent, above the revised FY 2010 estimate. The State General Fund request is a decrease of \$17,234, or 2.2 percent, below the revised FY 2010 estimate. The request includes enhancement funding of \$1.2 million, all from special revenue funds. Absent the enhancement funding, the FY 2011 request totals \$13.2 million, which is an increase of \$1.1 million, or 9.6 percent, above the revised FY 2010 estimate. The increase is attributed to the agency's State Water Plan Fund request.

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Governor's Recommendation

The **Governor** recommends a FY 2011 budget totaling \$10.3 million, including \$744,134 from the State General Fund. The recommendation is a decrease of \$4.1 million, or 28.7 percent, above the agency's FY 2011 request, and a decrease of \$902,225, or 8.1 percent, below the Governor's FY 2010 recommendation. The Governor does not recommend any of the agency's enhancement requests, which total \$1.2 million, all from special revenue funds.

House Budget Committee Recommendation

The **House Budget Committee** concurs with the Governor's FY 2011 recommendation, with the following adjustments and notations:

1. Add \$238,406, all from the State Water Plan Fund, to the following State Conservation Commission programs, as a result of the House Budget Committee's recommendation to restore the \$6.0 million statutory transfer from the State General Fund to the State Water Plan Fund in FY 2011:
 - o \$61,204 for the Water Resources Cost-Share Program, which enhances and conserves natural resources through the use of financial incentives so that the agency can assist in the implementation of best management practices in partnership with farmers, ranchers, and other landowners;
 - o \$65,098 for the Non-Point Source Pollution Program, which assists landowners in planting native vegetation or establishing a variety of other conservation practices that protect surface and groundwater quality;
 - o \$17,171 for the Water Transition Assistance Program, which works to reduce irrigation water usage in targeted areas, to restore base flows in streams in need of recovery, and to recharge aquifers in need of restoration in over-appropriated areas within the High Plains Aquifer through the acquisition or paid retirement of water rights;
 - o \$46,071 for the Aid to Conservation Districts Program, which distributes funding as aid to local county conservation districts for natural resource efforts according to a formula in statute that requires state funding to match the contributions made by counties;
 - o \$19,771 for the Watershed Dam Construction Program, which seeks to achieve flood reduction benefits to agricultural land, roads, bridges, utilities, and urban areas, and includes construction of flood detention and/or grade stabilization dams to reduce or prevent sediment from depositing into public water supply lakes;
 - o \$5,622 for the Water Quality Buffer Initiative Program, which enhances state participation under the federal Conservation Reserve Program (CRP) for the installation of riparian forest buffers and grass filter strips by providing per acre rental payments in targeted water quality areas and reducing non-point source pollution run-off from cropland and marginal pasture acres enrolled in the program which improves water quality;

- o \$4,718 for the Riparian and Wetland Program, which provides planning assistance to local conservation districts in the development of protection plans to restore riparian areas, wetlands, and wildlife habitats; and
 - o \$18,751 for the Water Supply Restoration Program, which assists local entities in need of assistance for the restoration or renovation of public water supply systems by providing financial assistance in situations where systems are near the end of their service life or have reduced capacity because of sedimentation.
2. Add language that would allow the agency to spend State Water Plan Funds in the Water Resources Cost-Share Program for contractual technical expertise, and/or on non-salary agency administration expenditures in FY 2011 and place a cap on these expenditures at 6.0 percent of the program's total FY 2011 approved budget. The language is as follows:

And provided further, That expenditures from this account for contractual technical expertise and/or non-salary state conservation commission administration expenditures shall not exceed the amount equal to 6.0 percent of the approved budget amount for fiscal year 2011 for the water resources cost share account.

3. Add language that would allow the agency to reappropriate funding from FY 2010 to FY 2011 in the Conservation Reserve Enhancement Program (CREP) account of the State Water Plan Fund. Adding this language would allow the agency to continue the CREP in FY 2011, while not adding this language would lapse any remaining funding at the end of FY 2010 in this account. The CREP is a targeted, voluntary program that provides incentives and cost-sharing to participants that enroll their land into eligible conservation practices, such as native vegetation establishment or wildlife conservation for a period of 14 to 15 years, and permanently retire the water rights tied to the land. The CREP area lies within ten counties along the Arkansas River corridor, covering 1,571,440 acres. The language is as follows:

On or after the effective date of this act, during fiscal year 2009, fiscal year 2010 and fiscal year 2011, all expenditures made by the state conservation commission from the monies appropriated in the conservation reserve enhancement program account from the state water plan fund for fiscal year 2009, fiscal year 2010 or fiscal year 2011 as authorized by chapter 187 of the 2008 session laws of Kansas, or by this or other appropriation act of the 2010 regular session of the legislature, shall be made by the state conservation commission in accordance with the following:

Provided, that any unencumbered balance in the conservation reserve enhancement program account in excess of \$100 as of June 30, 2010, is hereby reappropriated for fiscal year 2011. And provided further, That all expenditures under the conservation reserve enhancement program, referred to as CREP in this subsection, are subject to the following criteria:

1-20¹⁹

- (1) *The total number of acres enrolled in Kansas in CREP for the four fiscal years 2008, 2009, 2010, and 2011 shall not exceed 40,000 acres;*
- (2) *The number of acres eligible for enrollment in CREP in Kansas shall be limited to one-half of the number of acres represented by contracts in the federal conservation reserve program that have expired in the prior year in counties within the CREP area, except that if federal law permits the land enrolled in the CREP program to be used for agricultural purposes such as planting of agricultural commodities, including, but not limited to, grains, cellulosic or biomass materials, alfalfa, grasses, legumes or other cover crops then the number of acres eligible for enrollment shall be limited to the number of acres represented by contracts in the federal conservation reserve program that have expired in the prior year in counties within the CREP area;*
- (3) *Lands enrolled in the conservation reserve program as of January 1, 2008, shall not be eligible for enrollment in CREP;*
- (4) *No more than 25 percent of the acreage in CREP may be in any one county;*
- (5) *No water right that is owned by a governmental entity, except a groundwater management district, shall be purchased or retired by the state or federal government pursuant to CREP; and*
- (6) *Only water rights in good standing are eligible for inclusion under CREP:*

And provided further, that to be a water right in good standing the following criteria must be met: (A) At least 50 percent of the maximum annual quantity authorized to be diverted under the water right has been used in any three years from 2001 through 2005; (B) In the years 2001 through 2005 the water rights used for the acreage in CREP shall not have exceeded the maximum annual quantity authorized to be diverted and shall not have been the subject of enforcement sanctions by the division of water resources in the last four years; and (C) The water right holder has submitted the required annual water use report required by K.S.A. 82a-732, and amendments thereto, for each of the most recent 10 years:

And provided further, That the state conservation commission shall submit a CREP report to the senate committee on natural resources and the house committee on agriculture and natural resources at the beginning of the 2011 regular session of the legislature which shall contain a description of program activities and shall include: (i) The total water rights, measured in acre feet, retired in CREP during fiscal year 2009, fiscal year 2010, and fiscal year 2011 to date; (ii) the acreage enrolled in CREP during fiscal year 2009 and in fiscal year 2010 and in fiscal year 2011 to date; (iii) the dollar amounts received and expended for CREP during fiscal year 2009 and in fiscal year 2010 and in fiscal year 2011 to date; (iv) the economic impact of the CREP; (v) the change in groundwater levels in the CREP area during

fiscal year 2009, fiscal year 2010, and fiscal year 2011 to date; (vi) the annual amount of water usage in the CREP area during fiscal year 2007, and fiscal year 2008, and fiscal year 2009, and fiscal year 2010 to date; (vii) an assessment of meeting each of the program objectives identified in the agreement with the farm service agency; and (viii) such other information as the state conservation commission shall specify.

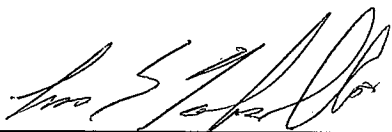
State Water Plan Fund

Agency/Program Expenditures	FY 2010 Approved w/ Allotments	FY 2010 Gov Rec.	FY 2011 Gov Rec.	FY 2011 House Budget Rec.
KDHE				
Contamination Remediation	\$ 567,216	\$ 447,951	\$ 753,870	\$ 1,032,793
TMDL Initiatives	210,780	194,959	166,821	233,550
Local Environmental Protection	1,066,942	1,066,942	980,000	1,372,000
Non-Point Source Program	291,241	305,876	246,072	293,859
Water Restoration and Protection Strategy	481,042	431,312	548,696	768,175
Treece Superfund	-	-	350,000	-
TOTAL	\$ 2,617,221	\$ 2,447,040	\$ 3,045,459	\$ 3,700,377
Department of Agriculture				
Interstate Issues	\$ 337,379	\$ 332,875	\$ 459,816	\$ 450,620
Water Use	49,700	60,000	46,200	64,680
Subbasin Management	737,536	641,771	490,032	758,112
TOTAL	\$ 1,124,615	\$ 1,034,646	\$ 996,048	\$ 1,273,412
State Conservation Commission				
Water Resources Cost-Share	\$ 2,351,510	\$ 2,435,803	\$ 2,142,151	\$ 2,999,012
Non-Point Source Pollution	2,501,102	2,562,787	2,278,435	3,189,809
Water Transition Assistance	81,010	100,000	600,984	841,377
Aid to Conservation Districts	2,255,919	2,266,962	2,113,796	2,257,491
Conservation Reserve Enhancement Program	-	1,113,584	-	-
Watershed Dam Construction	759,600	726,697	691,975	968,764
Water Quality Buffer Initiative	216,000	312,163	196,770	275,478
Riparian and Wetland	181,283	187,366	165,144	231,202
Multipurpose Small Lakes	-	-	-	-
Water Supply Restoration	718,896	-	656,298	918,818
TOTAL	\$ 9,065,320	\$ 9,705,362	\$ 8,845,553	\$ 11,681,951
Kansas Water Office				
Assessment and Evaluation	\$ 532,500	\$ 508,002	\$ 490,000	\$ 686,000
GIS Database Development	177,500	177,500	175,000	245,000
MOU - Storage Operations and Maintenance	216,550	274,500	248,500	347,900
Technical Assistance to Water Users	443,692	585,849	437,443	612,421
Water Resource Education	54,916	47,000	38,500	53,900
Weather Modification	156,200	156,200	168,000	235,200
Weather Stations	57,198	50,000	49,000	68,600
Neosho River Basin Issues	213,000	860,080	-	-
Wichita ASR Project	300,000	300,000	563,531	788,943
TOTAL	\$ 2,151,556	\$ 2,959,131	\$ 2,169,974	\$ 3,037,964
Department of Wildlife and Parks				
Stream Monitoring	\$ 28,800	\$ 28,800	\$ 28,800	\$ 28,800
KU Geological Survey				
Biological Survey	\$ 28,800	\$ 28,800	\$ 28,800	\$ 28,800
TOTAL FUNDING	\$ 15,016,312	\$ 16,203,779	\$ 15,114,634	\$ 19,751,304
Revenues				
Beginning Balance	\$ (153,638)	\$ 1,205,720	\$ 34,397	\$ 34,397
Adjustments/Receipts				
Released Encumbrances	\$ 421,709	\$ 421,700	\$ -	\$ -
State General Fund	-	-	1,348,245	6,000,000
Economic Development Initiatives Fund	2,000,000	2,000,000	2,000,000	2,000,000
Kansas v. Colorado Suspense Fund	-	-	-	-
Fee Revenues	12,898,756	12,898,756	12,118,170	12,118,170
Transfer to the KCC	(288,000)	(288,000)	(374,865)	(374,865)
Expenditures	\$ (15,016,312)	\$ (16,203,779)	\$ (15,114,634)	\$ (19,751,304)
ENDING BALANCE	\$ (137,485)	\$ 34,397	\$ 11,313	\$ 26,398

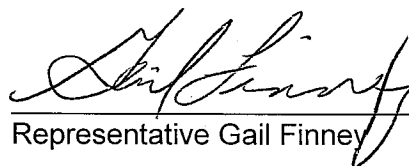
FY 2011

HOUSE TRANSPORTATION AND PUBLIC SAFETY BUDGET COMMITTEE

Board of Indigents' Defense Services
Kansas Parole Board
Kansas Sentencing Commission



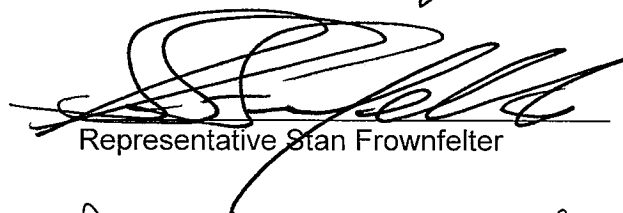
Representative Lee Tafanelli, Chair



Representative Gail Finney



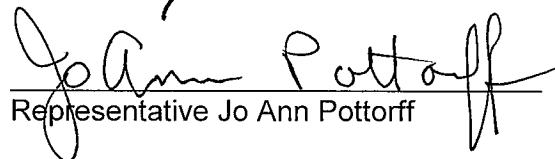
Representative Vern Swanson, Vice-Chair



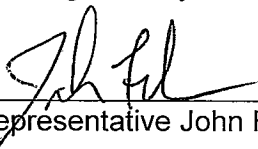
Representative Stan Frownfelter



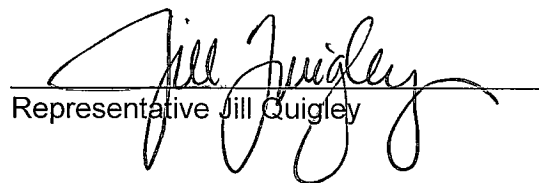
Representative Doug Gatewood,
Ranking Minority Member



Representative Jo Ann Pottorff



Representative John Faber



Representative Jill Quigley

Appropriations Committee
Date 3-2-10
Attachment 3-1

Senate Subcommittee Report

Agency: Board of Indigents' Defense Services

Bill No. SB 556

Bill Sec. 45

Analyst: Gorges

Analysis Pg. No.

Budget Page No. 42

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 23,868,800	\$ 21,963,189	\$ (539,761)
Other Funds	1,531,279	1,531,279	0
Subtotal	<u>\$ 25,400,079</u>	<u>\$ 23,494,468</u>	<u>\$ (539,761)</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 25,400,079</u></u>	<u><u>\$ 23,494,468</u></u>	<u><u>\$ (539,761)</u></u>
FTE positions	195.0	195.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>195.0</u></u>	<u><u>195.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests an FY 2011 operating budget totaling \$25.4 million, including \$23.9 million from the State General Fund. The State General Fund request is \$1.2 million, or 5.1 percent, above the agency's FY 2010 revised request. The increase is due to enhancement requests for increased salaries for public defenders, computer and server upgrades, and eight vehicle replacements, totaling \$931,930. The request includes 195.0 FTE positions, the same as the current year.

Governor's Recommendation

The **Governor** recommends \$23.5 million, including \$22.0 million from the State General Fund for FY 2011. The Governor's recommendation is a reduction in the State General Fund appropriation of \$232,226, or 1.0 percent, below the FY 2010 recommendation. It is partially offset by an increase in the agency's fee funds of \$126,871, or 9.0 percent, above the FY 2010 recommendation. When compared to the agency's FY 2011 request, the recommendation is a reduction of \$1.9 million, or 7.5 percent. The entire reduction is in State General Fund, and reflects a State General Fund reduction of 8.0 percent. The recommendation includes the following adjustment to the agency's request:

- The Governor accepted the agency's 5.0 percent reduced resources which creates a savings of \$1.1 million in the Assigned Counsel program by lowering the rate paid to Assigned Counsel from \$80 per hour to \$62 per hour. The reduction is partially offset by an increase in the caseload estimate of \$173,163.
- The Governor does not recommend any of the agency's enhanced funding requests.

The recommendation includes 195.0 FTE positions, the same as the agency's request.

Senate Subcommittee Recommendations

The **Senate Subcommittee** concurs with the Governor's recommendation with the following adjustments and notations:

1. Delete \$539,761, all from the State General Fund, to apply a 2.5 percent across-the-board base adjustment to FY 2011.
2. The Subcommittee notes that the agency should be among those agencies with top priority in the event that revenues rise and additional funds become available.
3. The Subcommittee notes, with concern, the following testimony presented by the agency regarding budget reductions.
 - The agency testified that it does not have a sufficient number of public defenders to handle the current caseload, and that attorneys are resigning from the assigned counsel panel.
 - The agency testified that expert witness service fees continue to increase, and due to budget restrictions, the agency is three months behind in paying the fees. As a result, more experts are refusing to work with the agency.
4. The Subcommittee notes that the agency is proposing new regulatory changes that would limit the eligibility for BIDS services for a savings of \$10,000. According to the agency, the new regulation would make Kansas one of the most restrictive states in the nation. The agency notes this could create a gap in which persons whose assets are above the poverty level cannot find an attorney who will accept the limited resources they have.
5. The Subcommittee notes the agency's position on the proposed redrawing of judicial districts. The agency testified that reducing the number of judicial districts will make it very difficult for indigents to make court appearances.

Senate Committee on Ways and Means Recommendation

The **Senate Committee** concurs with the Subcommittee.

House Budget Committee

Agency: Board of Indigents' Defense Services

Bill No. HB 2706

Bill Sec. 45

Analyst: Gorges

Analysis Pg. No. - -

Budget Page No. 42

<u>Expenditure Summary</u>	<u>Agency Request FY 2011</u>	<u>Governor Recommendation FY 2011</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 23,868,800	\$ 21,963,189	\$ 0
Other Funds	1,531,279	1,531,279	0
Subtotal	\$ 25,400,079	\$ 23,494,468	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 25,400,079	 \$ 23,494,468	 \$ 0
 FTE positions	 195.0	 195.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	195.0	195.0	0.0

Agency Request

The agency requests an FY 2011 operating budget totaling \$25.4 million, including \$23.9 million from the State General Fund. The State General Fund request is \$1.2 million, or 5.1 percent, above the agency's FY 2010 revised request. The increase is due to enhancement requests for increased salaries for public defenders, computer and server upgrades, and eight vehicle replacements, totaling \$931,930. The request includes 195.0 FTE positions, the same as the current year.

Governor's Recommendation

The Governor recommends \$23.5 million, including \$22.0 million from the State General Fund for FY 2011. The Governor's recommendation is a reduction in the State General Fund appropriation of \$232,226, or 1.0 percent, below the FY 2010 recommendation. It is partially offset by an increase in the agency's fee funds of \$126,871, or 9.0 percent, above the FY 2010 recommendation. When compared to the agency's FY 2011 request, the recommendation is a reduction of \$1.9 million, or 7.5 percent. The entire reduction is in State General Fund, and reflects a State General Fund reduction of 8.0 percent. The recommendation includes the following adjustment to the agency's request:

- The Governor accepted the agency's 5.0 percent reduced resources which creates a savings of \$1.1 million in the Assigned Counsel program by lowering the rate paid to Assigned Counsel from \$80 per hour to \$62 per hour. The reduction is partially offset by an increase in the caseload estimate of \$173,163.
- The Governor does not recommend any of the agency's enhanced funding requests.

The recommendation includes 195.0 FTE positions, the same as the agency's request.

House Budget Committee

The **Budget Committee** concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Kansas Parole Board

Bill No. SB 556

Bill Sec. 89

Analyst: Waltner

Analysis Pg. No. - -

Budget Page No. 413

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 510,135	\$ 510,135	\$ 0
Other Funds	0	0	0
Subtotal	\$ 510,135	\$ 510,135	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 510,135	\$ 510,135	\$ 0
FTE positions			
FTE positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Agency Request

The **agency** requests \$510,135, all from the State General Fund in FY 2011. The request is an increase of \$6,977, or 1.4 percent, above the FY 2010 revised estimate. The request includes \$28,609 in enhancement funding for building space rent.

Governor's Recommendation

The **Governor** recommends \$510,135, all from the State General Fund in FY 2011. The recommendation is the same as the agency's FY 2011 request, including the enhancement for building space rent.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's recommendation with the following notations:

1. The Subcommittee is concerned about the rent being charged to the Parole Board by the Department of Administration for its office space in the Landon State Office building. The rent is increasing from \$16.78 per square foot in FY 2010 to \$17.09 in FY 2011. In addition, the Parole Board received a delinquent notice from the Department of Administration in FY 2010 because the Board has not been able to pay its rent while it

awaits the outcome of SB 556, which includes a supplemental appropriation of \$28,090 for FY 2010.

2. The Subcommittee notes that the Parole Board utilizes forensic psychologists to complete assessments on certain parole eligible inmates to aid in Parole Board decisions. The forensic psychologists are included in the mental health care contract in the Department of Corrections (DOC). According to testimony heard by the Subcommittee, the forensic psychologists could be eliminated from the mental health care contract as part of contract negotiations currently taking place between the DOC and Correct Care Solutions (the medical and mental health care provider for the DOC). The Subcommittee is concerned about the prospect of losing forensic psychologists as a resource for the Parole Board and encourages the Department of Corrections to keep forensic psychologists in the next mental health care contract.

Senate Ways and Means Committee Recommendation

The **Senate ways and Means Committee** concurs with the Subcommittee recommendation.

House Budget Committee Report

Agency: Kansas Parole Board

Bill No. HB 2706

Bill Sec. 89

Analyst: Waltner

Analysis Pg. No. - -

Budget Page No. 413

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 510,135	\$ 510,135	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 510,135</u>	<u>\$ 510,135</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 510,135</u></u>	<u><u>\$ 510,135</u></u>	<u><u>\$ 0</u></u>
FTE positions			
FTE positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>3.0</u></u>	<u><u>3.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests \$510,135, all from the State General Fund, in FY 2011. The request is an increase of \$6,977, or 1.4 percent, above the FY 2010 revised estimate. The request includes \$28,609 in enhancement funding for building space rent.

Governor's Recommendation

The **Governor** recommends \$510,135, all from the State General Fund in FY 2011. The recommendation is the same as the agency's FY 2011 request, including the enhancement for building space rent.

House Budget Committee Recommendation

The **House Budget Committee** concurs with the Governor's recommendation with the following notation:

1. The **Budget Committee** commends the Parole Board on the quality of the information provided to the Budget Committee, specifically the agency goals and the strategies employed by the agency to achieve its goals.

Senate Subcommittee Report

Agency: Kansas Sentencing Commission

Bill No. SB 556

Bill Sec. 93

Analyst: Waltner

Analysis Pg. No. - -

Budget Page No. 417

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 8,444,163	\$ 7,359,555	\$ 0
Other Funds	541,723	1,204,123	0
Subtotal	\$ 8,985,886	\$ 8,563,678	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 8,985,886	\$ 8,563,678	\$ 0
FTE positions			
FTE positions	10.0	10.0	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	14.0	14.0	0.0

Agency Request

The **agency** requests \$9.0 million, including \$8.4 million from the State General Fund in FY 2011. The FY 2011 request is an all funds decrease of \$443,494, or 4.7 percent, and a State General Fund decrease of \$869,324, or 9.3 percent, below the FY 2010 revised estimate. The FY 2011 request does not include any enhancement requests. The FY 2011 request would fund 10.0 FTE positions and 4.0 non-FTE unclassified positions, the same as the FY 2010 revised estimate.

Governor's Recommendation

The **Governor** recommends \$8.6 million, including \$7.4 million from the State General Fund in FY 2011. The recommendation is an all funds decrease of \$422,208, or 4.7 percent, and a State General Fund decrease of \$1,084,608, or 12.8 percent, below the agency's FY 2011 request. The change is due to a decrease of 5.0 percent to the State General Fund request for SB 123 drug treatment (\$422,208) and the substitution of \$662,400 in fee funds to supplant a State General Fund appropriation.

The FY 2011 recommendation is an all funds increase of \$15,445, or 0.2 percent, above the FY 2010 recommendation, but it is a State General Fund reduction of \$819,815, or 10.0 percent, below the FY 2010 recommendation. The recommendation would fund 10.0 FTE and 4.0 non-FTE unclassified positions, the same as the FY 2010 recommendation.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's recommendation with the following notation:

1. The Subcommittee commends the Sentencing Commission on identifying efficiencies in it's budget to achieve savings. The Sentencing Commission has achieved savings by consolidated staff duties, reduced rent by reducing office square footage, and utilizing additional federal funds to supplant State General Fund expenditures.

Senate Ways and Means Committee Recommendation

The **Senate ways and Means Committee** concurs with the Subcommittee recommendation.

House Budget Committee Report

Agency: Kansas Sentencing Commission

Bill No. HB 2706

Bill Sec. 93

Analyst: Waltner

Analysis Pg. No. - -

Budget Page No. 417

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 8,444,163	\$ 7,359,555	\$ 0
Other Funds	541,723	1,204,123	0
Subtotal	\$ 8,985,886	\$ 8,563,678	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 8,985,886	\$ 8,563,678	\$ 0
FTE positions			
FTE positions	10.0	10.0	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	(1.0)
TOTAL	14.0	14.0	(1.0)

Agency Request

The **agency** requests \$9.0 million, including \$8.4 million from the State General Fund, in FY 2011. The FY 2011 request is an all funds decrease of \$443,494, or 4.7 percent, and a State General Fund decrease of \$869,324, or 9.3 percent, below the FY 2010 revised estimate. The FY 2011 request does not include any enhancement requests. The FY 2011 request would fund 10.0 FTE positions and 4.0 non-FTE unclassified positions, the same as the FY 2010 revised estimate.

Governor's Recommendation

The **Governor** recommends \$8.6 million, including \$7.4 million from the State General Fund in FY 2011. The recommendation is an all funds decrease of \$422,208, or 4.7 percent, and a State General Fund decrease of \$1,084,608, or 12.8 percent, below the agency's FY 2011 request. The change is due to a decrease of 5.0 percent to the State General Fund request for SB 123 drug treatment (\$422,208) and the substitution of \$662,400 in fee funds to supplant a State General Fund appropriation.

The FY 2011 recommendation is an all funds increase of \$15,445, or 0.2 percent, above the FY 2010 recommendation, but it is a State General Fund reduction of \$819,815, or 10.0 percent, below the FY 2010 recommendation. The recommendation would fund 10.0 FTE and 4.0 non-FTE unclassified positions, the same as the FY 2010 recommendation.

House Budget Committee Recommendation

The **House Budget Committee** concurs with the Governor's recommendation with the following adjustment and notation:

1. The Budget Committee recommends eliminating 1.0 non-FTE unclassified position that, according to testimony, has not been filled for several months and is not anticipated to be filled by the agency in the near future.
2. The Budget Committee requests the introduction of legislation to consolidate the administrative functions of the Sentencing Commission into the Department of Corrections. Merging the administrative functions is a recommendation made by the Legislative Post Audit report, titled: Adult Correctional Agencies: Determining Whether Functions Could Be Combined To Gain Cost Efficiencies.