

MINUTES OF THE SENATE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Mark Taddiken at 8:30 a.m. on January 27, 2009 in Room 446-N of the Capitol.

All members were present.

Committee staff present:

Corey Carnahan, Kansas Legislative Research
Heather O'Hara, Kansas Legislative Research
Jason Thompson, Revisor of Statutes Office
Judy Seitz, Committee Assistant

Conferees appearing before the Committee:

Joe Lawhon, Kansas Legislative Post Audit

Others attending:

See attached list.

Chairman Taddiken noted that each Committee member has a copy of the minutes of the January 14, 2009 Senate Agriculture Committee and will be acted upon later in the meeting.

There were no bill introductions.

Chairman Taddiken introduced Heather O'Hara, Kansas Legislative Research, a fiscal analyst assigned to the agencies involved in this audit.

Barb Hinton, Legislative Post Auditor, Kansas Legislative Post Audit, stated that this audit was conducted as part of a Post Audit Committee initiative to focus more of the audits on efficiency. She then introduced Joe Lawhon, Audit Supervisor, who will give the report.

Joe Lawhon, Kansas Legislative Post Audit, (Attachment 1), said the Legislative Post Audit report on whether cost savings could be achieved by making the Kansas Animal Health Department (KAHD) and the State Conservation Commission (SCC) part of the Department of Agriculture (KDA) was released in December 2008. He noted the page which lists the mission, primary programs and functions, primary sources of funding in FY 2009 and the current board structure for each agency. Both the KDA and KAHD provide regulatory oversight, while much of the SCC's work involves activities intended to preserve the state's natural resources. The notion of restructuring agricultural agencies has been considered several times since the mid 1990's. Legislation to make the KAHD a division of the KDA was introduced in 2005 and 2008 but was not acted upon.

Financial information for FY 2008 shows that the KDA's operating expenditures were \$24 million with 340 authorized positions, KAHD's expenditures were \$3million with 34 authorized positions and the SCC's expenditures were \$16 million with 22 authorized positions. Much of the SCC's expenditures were amounts that were passed on to local entities for conservation work.

Mr. Lawhon noted that in the report (page 35) there is a fifty (50) state comparison of animal health oversight and conservation grant services provided by the state department of agriculture.

Mr. Lawhon reported that the auditors reviewed how many states have placed the functions of the conservation commission and the animal health department into their department of agricultures. Functions of the KAHD are: animal disease control, livestock brand inspection and enforcement and companion animal facility inspection. Forty states have placed the responsibility for animal disease control with a Department of agriculture. Twenty-two states have placed the livestock brand inspection and enforcement responsibility within a department of agriculture. Fifteen states have placed the responsibility of companion animal facility inspection in the department of agriculture.

Twenty-one states have placed the function of grants from the conservation commission into the department

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of agriculture. Kansas is one of six states that presently doesn't have any of these functions located within the department of agriculture.

Legislative Post Audit estimates there would be a savings of about \$710,000 a year by combining and restructuring these three agencies. Of that savings, \$390,000 would be attributable to the KAHD and \$320,000 attributable to the SCC. Those amounts represent about 13% of the combined FY 2008 operating costs for the KAHD and the SCC. Mr. Lawhon reviewed the proposed Department of Agriculture organizational structure including the new Animal Health Department and the Conservation Commission. Overall, \$630,000 of the \$710,000 savings would be a result of eliminating or restructuring staff positions.

Mr. Lawhon took questions.

He distributed an analysis of the KAHD expenditures for FY 2008 which compares actual expenditures and expenditures that might be made through consolidation. (Attachment 2)

He then discussed office space and rental expenses.

Chairman Taddiken requested an analysis of the actual expenditures for FY 2008 and the expenditures that might be made if the State Conservation Commission were merged into the KDA. Mr. Lawhon said that he would get that for the Committee.

Mr. Lawhon took further questions from the Committee.

Constantine Cotsoradis, KDA, took questions from the Committee.

Greg Foley, SCC, also answered questions.

Senator Barnett moved approval of the minutes of the January 14, 2009 Committee meeting; seconded by Senator Huelskamp. Motion carried.

The next meeting is scheduled for January 28, 2009.

The meeting was adjourned at 9:26 a.m.