

Senate Subcommittee Report

Agency: Department of Agriculture

Bill No. 2135

Bill Sec. 149

Analyst: Skoglund

Analysis Pg. No. 669

Budget Page No. 382

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 11,547,517	\$ 9,966,023	\$ 0
Other Funds	32,833,769	32,685,909	0
Subtotal	\$ 44,381,286	\$ 42,651,932	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 44,381,286	 \$ 42,651,932	 \$ 0
 FTE positions	 142.5	 142.5	 0.0
Non FTE Uncl. Perm. Pos.	215.5	215.5	0.0
TOTAL	358.0	358.0	0.0

Agency Request

The **agency** requests FY 2017 expenditures of \$44.4 million, an increase of \$18,438, or less than 0.1 percent, above the FY 2016 request. The request includes \$11.5 million from the State General Fund, an increase of \$528,921, or 4.8 percent, above the FY 2016 request. The request includes \$729,085 from the State Water Plan Fund, a decrease of \$101,412, or 12.2 percent, below FY 2016. The request includes \$570,832 from the Economic Development Initiatives Fund, which is no change from the 2016 amount. The increase in all funds is largely attributable to increases to salaries and wages for the 27th pay period that occurs in FY 2017 for all state agencies, offset in part by a decrease in contractual services. The State General Fund increase is attributable to the enhancement request for advertising, marketing, and outreach.

Governor's Recommendation

The **Governor** recommends FY 2017 expenditures of \$42.7 million, a decrease of \$1.7 million, or 3.9 percent, below the agency request. The recommendation includes \$10.0 million from the State General Fund, a decrease of \$1.6 million, or 13.7 percent, below the agency request, \$8.7 million from the State Water Plan Fund, a decrease of \$7,231, or 0.1 percent, below the agency request, and \$568,790 from the Economic Development Initiatives Fund, a decrease of \$2,042, or 0.4 percent, below the agency request. The Governor concurs with the agency's request with the following adjustments.

- Reduction of \$418,541, all from the State General Fund, to continue the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Fund agencies for FY 2016.
- Reduction of \$226,832, including \$78,971 from the State General Fund and \$5,872 from the State Water Plan Fund, to reduce employer contributions for state employee health insurance.
- Reduction of \$1.1 million, all from the State General Fund, as a result of not recommending the enhancement package for marketing and outreach.

Senate Subcommittee Recommendation

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

1. The Subcommittee notes concern regarding the lack of standalone legislation approving the Conservation Reserve Enhancement Program.
2. Delete language authorizing the Conservation Reserve Enhancement Program for FY 2017.
3. The Subcommittee encourages the Department of Agriculture to introduce legislation to seek authorization for the Conservation Reserve Enhancement Program for FY 2017 and future years.
4. The Subcommittee requests the agency submit a zero base budget next session for FY 2017 for use as a pilot program for the budget process.

Senate Committee Recommendation

The **Committee** concurs with the recommendations of the Subcommittee.

House Budget Committee Report

Agency: Department of Agriculture

Bill No. 2370

Bill Sec. 150

Analyst: Skoglund

Analysis Pg. No. 669

Budget Page No. 382

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 11,547,517	\$ 9,966,023	\$ 0
Other Funds	32,833,769	32,685,909	500,000
Subtotal	\$ 44,381,286	\$ 42,651,932	\$ 500,000
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 44,381,286	 \$ 42,651,932	 \$ 500,000
 FTE positions	 142.5	 142.5	 0.0
Non FTE Uncl. Perm. Pos.	215.5	215.5	0.0
TOTAL	358.0	358.0	0.0

Agency Request

The **agency** requests FY 2017 expenditures of \$44.4 million, an increase of \$18,438, or less than 0.1 percent, above the FY 2016 request. The request includes \$11.5 million from the State General Fund, an increase of \$528,921, or 4.8 percent, above the FY 2016 request. The request includes \$729,085 from the State Water Plan Fund, a decrease of \$101,412, or 12.2 percent, below FY 2016. The request includes \$570,832 from the Economic Development Initiatives Fund, which is no change from the 2016 amount. The increase in all funds is largely attributable to increases to salaries and wages for the 27th pay period that occurs in FY 2017 for all state agencies, offset in part by a decrease in contractual services. The State General Fund increase is attributable to the enhancement request for advertising, marketing, and outreach.

Governor's Recommendation

The **Governor** recommends FY 2017 expenditures of \$42.7 million, a decrease of \$1.7 million, or 3.9 percent, below the agency request. The recommendation includes \$10.0 million from the State General Fund, a decrease of \$1.6 million, or 13.7 percent, below the agency request, \$8.7 million from the State Water Plan Fund, a decrease of \$7,231, or 0.1 percent, below the agency request, and \$568,790 from the Economic Development Initiatives Fund, a

decrease of \$2,042, or 0.4 percent, below the agency request. The Governor concurs with the agency's request with the following adjustments.

- Reduction of \$418,541, all from the State General Fund to continue the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Fund agencies for FY 2016.
- Reduction of \$226,832, including \$78,971 from the State General Fund and \$5,872 from the State Water Plan Fund, to reduce employer contributions for state employee health insurance.
- Reduction of \$1.1 million, all from the State General Fund, as a result of not recommending the enhancement package for marketing and outreach.

House Budget Committee Recommendation

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

1. Add \$500,000, all from the Economic Development Initiatives Fund, for funding agricultural marketing for FY 2017.

House Committee Recommendation

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

Conference Committee Recommendation (House Sub. for SB 112)

The **Conference Committee** concurs with the Governor's recommendation for FY 2017 with the following adjustments:

1. Add \$500,000, all from the Economic Development Initiatives Fund, for the agricultural marketing program for FY 2017.
2. Delete language authorizing the Conservation Reserve Enhancement Program to eliminate the program for FY 2017.
3. Add language authorizing the agency to prorate license fees and alter license due dates as needed in order to transition to online license applications and renewals for FY 2017.
4. Delete \$484,671, including \$173,592 from the State General Fund, to reduce the Kansas Public Employee Retirement System employer contribution rate from 13.57 percent to 10.81 percent for FY 2017. This implements the provisions of SB 228.
5. Delete \$56,166, including \$20,116 from the State General Fund, to suspend employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund, or Death and Disability Fund, for the final seven pay periods for FY 2017.

6. Delete \$16,557, all from the State General Fund, for a 25.0 percent reduction of travel expenditures for FY 2017.
7. Delete \$790, all from the State General Fund, for a 50.0 percent reduction of advertising expenditures for FY 2017.
8. Add language to prohibit expenditures on newspapers and magazines, including electronic subscriptions, for FY 2017.

	Governor's Recommendation FY 2017	Legislative Action	Legislative Approved FY 2017	Governor's Vetoed FY 2017	Final Legislative Approved FY 2017
All Funds					
State Operations	\$ 34,967,459	\$ (230,106)	\$ 34,335,458	\$ 0	\$ 34,335,458
Aid to Local Units	2,927,227	0	2,927,227	0	2,927,227
Other Assistance	4,757,246	(276,297)	4,480,949	0	4,480,949
Subtotal- Operations	\$ 42,651,932	\$ (506,403)	\$ 41,743,634	\$ 0	\$ 41,743,634
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 42,651,932</u>	<u>\$ (506,403)</u>	<u>\$ 41,743,634</u>	<u>\$ 0</u>	<u>\$ 41,743,634</u>
State General Fund					
State Operations	\$ 9,806,023	\$ (211,055)	\$ 9,594,968	\$ 0	\$ 9,594,968
Aid to Local Units	0	0	0	0	0
Other Assistance	160,000	0	160,000	0	160,000
Subtotal-Operating	\$ 9,966,023	\$ (211,055)	\$ 9,754,968	\$ 0	\$ 9,754,968
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 9,966,023</u>	<u>\$ (211,055)</u>	<u>\$ 9,754,968</u>	<u>\$ 0</u>	<u>\$ 9,754,968</u>
FTE Positions	142.5	0.0	142.5	0.0	142.5
Non-FTE Unclass. Perm. Pos.	215.5	0.0	215.5	0.0	215.5
TOTAL	<u>358.0</u>	<u>0.0</u>	<u>358.0</u>	<u>0.0</u>	<u>358.0</u>