

DEPARTMENT OF AGRICULTURE

	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Operating Expenditures:							
State General Fund	\$ 9,582,162	\$ 9,985,843	\$ 9,693,983	\$ 11,018,596	\$ 9,476,718	\$ 11,547,517	\$ 9,966,023
Other Funds	31,519,651	35,398,956	35,241,504	33,344,252	33,200,073	32,833,769	32,685,909
TOTAL	\$ 41,101,813	\$ 45,384,799	\$ 44,935,487	\$ 44,362,848	\$ 42,676,791	\$ 44,381,286	\$ 42,651,932
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 41,101,813	\$ 45,384,799	\$ 44,935,487	\$ 44,362,848	\$ 42,676,791	\$ 44,381,286	\$ 42,651,932
Percentage Change:							
Operating Expenditures							
State General Fund	(7.1) %	4.2 %	1.2 %	10.3 %	(2.2) %	4.8 %	5.2 %
All Funds	(1.2)	10.4	9.3	(2.3)	(5.0)	0.0	(0.1)
FTE Positions	143.5	142.5	142.5	142.5	142.5	142.5	142.5
Non-FTE							
Perm.Uncl.Pos.	214.0	215.5	215.5	215.5	215.5	215.5	215.5
TOTAL	357.5	358.0	358.0	358.0	358.0	358.0	358.0

AGENCY OVERVIEW

The Department of Agriculture is responsible for implementing food safety, consumer and environmental protection, and water resource allocation programs. This includes the assurance of a safe meat, milk, and egg supply; safety of the food supply through inspection at food processing and retail establishments; the responsible and judicious use of pesticides and nutrients; the protection of Kansas' natural and cultivated plants; the integrity of weighing and measuring

devices in commerce; and that the waters of Kansas are put to beneficial use. The agency consists of seven programs: Administrative Services and Support; Food Safety and Consumer Protection; Water Resources; Agricultural Laboratories; Environmental Protection; Animal Health; and Conservation. The Secretary of Agriculture is a gubernatorial appointee and serves as head of the agency.

MAJOR ISSUES FROM PRIOR YEARS

The **2007 Legislature** added \$584,217 from the State Water Plan Fund for the Interstate Water Issues subprogram for consultants in both the Arkansas and Republican River litigation and on-going expenses related to compact compliance, along with \$92,340 and 1.0 non-FTE position for the Ozark Plateau Aquifer Water Initiative Strategic Plan. The 2007 Legislature also added \$145,000 from the State General Fund for the replacement of one large scale test truck for the Weights and Measures subprogram.

The **2008 Legislature** transferred the Food Service Inspection program, including regulation of food service establishments (restaurants) and lodging, from the Kansas Department of Health and Environment (KDHE) to the Department of Agriculture. The transfer included \$1,811,893, including \$184,962 from the State General Fund, and 38.0 FTE positions, from the KDHE budget to the Department of Agriculture budget. In addition, the 2008 Legislature requested an audit be conducted on the feasibility of combining several state agencies. The resulting performance audit report was entitled "Agricultural-Related Agencies: A K-GOAL Audit Determining Whether Cost Savings Could Be Achieved By

Making the Animal Health Department and the Conservation Commission Part of the Department of Agriculture."

The **2009 Legislature** introduced SB 231, which would consolidate the Animal Health Department and the State Conservation Commission with the Department of Agriculture. A hearing was held on the bill in the Senate Agriculture Committee, but no further action was taken on the bill during the 2009 Legislative Session. Other bills regarding the increase of fees for several of the agency's fee-funded inspection programs had hearings as well, but ultimately, no further action was taken on the potential fee increases during the Session.

The **2010 Legislature** deleted \$233,797, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011, and added \$29,000, all from the State General Fund, to continue agricultural land valuations performed by the Agricultural Statistics program for FY 2011. The same amount was deleted from the Department of Revenue's FY 2011 budget. This amount would fully fund the land valuations for FY 2011.

The **2010 Legislature** also added \$75,000, all from the Economic Development Initiatives Fund (EDIF), for Grain Warehouse Inspection program expenditures for FY 2011, and language for FY 2011 that allows the agency to reappropriate.

The Legislature added \$210,000, including \$160,000 from the State General Fund and \$50,000 from the State Water Plan Fund, to fund wheat genetics research at the Kansas Wheat Innovation Center, and directed the agency to utilize State Water Plan Fund monies for expenditures other than salaries and wages for FY 2015.

The Legislature deleted \$160,000, all from the State General Fund, for supplemental funding for the Weights and Measures program for FY 2015.

The Legislature deleted \$50,000, all from the State Water Plan Fund, for streambank stabilization projects for FY 2015. The Legislature also added language establishing a new fund called the Lodging Fee Fund with a no limit expenditure limitation and added language stating that expenditures may be made from the fund for Lodging Inspection program expenditures.

The **2011 Legislature** approved Executive Reorganization Order (ERO) number 40. ERO 40 transferred the Agriculture Products Development Division within the Department of Commerce to the Department of Agriculture and renamed it the Marketing and Promotions program; consolidated the Kansas Animal Health Department and the Livestock Commissioner within the Department of Agriculture as the Animal Health Division; consolidated the State Conservation Commission within the Department of Agriculture as the Conservation Division.

The **2011 Legislature** also added \$1.0 million, all from the special revenue funds, for replacement vehicles, grain warehouse inspections, the Conservation Reserve

Enhancement program, streamgage monitoring, livestock market reporting, non-point source pollution, aid to conservation districts, the compliance education fee fund, and feral swine eradication. Those increases were partially offset by reductions totaling \$826,891, including \$227,025 from the State General Fund, for the Water Supply Restoration program, self-funded longevity bonus payments, office supplies, cell phone expenditures, a 5.0 percent information technology reduction, an administration activities reduction, a death and disability contribution moratorium, and an across-the-board reduction.

The **2012 Legislature** added \$468,983 and 6.0 FTE positions to restore funding and positions that were deleted for savings from the Voluntary Retirement Incentive Program for FY 2013. The 2012 Legislature also approved the addition of \$465,907, all from special revenue funds, and restored 3.0 FTE positions deleted by the Governor to the Division of Water Resources for FY 2013 to assist in the processing of water appropriation applications. The approved budget also shifted \$672,281, all from the State Water Plan Fund, from water rights purchased to the Water Transition Assistance program and Conservation Enhancement program for FY 2013.

The **2013 Legislature** added language to allow the agency to transfer funds between line items in the State Water Plan Fund appropriation with approval from the State Finance Council for FY 2014 and FY 2015.

The **2014 Legislature** added \$321,114, all from the Veterinary Examiners Fee Fund, and 4.0 FTE positions to consolidate the Board of Veterinary Examiners into the agency in accordance with 2014 SB 278 for FY 2015.

The **2014 Legislature** added \$210,000, including \$160,000 from the State General Fund and \$50,000 from the State Water Plan Fund, to fund wheat genetics research at the Kansas Wheat Innovation Center, and directed the agency to utilize

State Water Plan Fund monies for expenditures other than salaries and wages for FY 2015.

The **2014 Legislature** deleted \$160,000, all from the State General Fund, for supplemental funding for the Weights and Measures program for FY 2015.

The **2014 Legislature** deleted \$50,000, all from the State Water Plan Fund, for streambank stabilization projects for FY 2015.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates FY 2015 expenditures of \$45.4 million, an increase of \$3.9 million, or 9.5 percent, above the amount approved by the 2014 Legislature. The request includes \$10.0 million from the State General Fund, an increase of \$2,750, or less than 0.1 percent, above the approved amount. The request includes \$10.9 million from the State Water Plan Fund, an increase of \$1.4 million, or 14.5 percent, above the approved amount. The request includes \$570,832 from the Economic Development Initiatives Fund, which is no change

from the amount approved by the 2014 Legislature. The increase in all funds is attributable to increases in contractual services, capital outlay, and other assistance, offset slightly by decreases in salaries and wages. The estimate includes 141.5 FTE positions and 216.5 non-FTE positions, a decrease of 134.5 FTE positions and an increase of 14.5 non-FTE positions from the approved amount. This change is due to eliminating positions that had been vacant for an extended period and replacing those positions with unclassified positions.

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 expenditures of \$44.9 million, a decrease of \$449,312, or 1.0 percent, below the agency request. The recommendation includes \$991,160 from the State Water Plan Fund, a decrease of \$11,143, or 1.1 percent, below the agency request, and \$564,037 from the Economic Development Initiatives Fund, a decrease of \$6,795, or 1.2 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of \$249,624, including \$92,172 from the State General Fund and \$11,143 from the State Water Plan Fund, as a result of the

Governor's allotment plan reducing the Kansas Public Employer Regular and School Member employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015.

- Reduction of \$199,688, all from the State General Fund, as a result of the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies in FY 2015.

FY 2016 Agency Request

The **agency** requests FY 2016 expenditures of \$44.4 million, a decrease of \$1.0 million, or 2.3 percent, below the FY 2015 request. The request includes \$11.0 million from the State General Fund, an increase of \$1.0 million, or 10.3 percent, above FY 2015. The request includes \$830,497 from the State Water Plan Fund, a decrease of \$171,806, or 17.1 percent, below the FY 2015 request. The request includes \$570,832

from the Economic Development Initiatives Fund, which is no change from the 2015 amount. The all funds decrease is attributable to decreases in contractual services, capital outlay, and other assistance, offset slightly by increases in salaries and wages. The State General Fund increase is attributable to the enhancement request for advertising, marketing, and outreach.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 expenditures of \$42.7 million, a decrease of \$1.7 million, or 3.8 percent, below the agency request. The recommendation includes \$9.5 million from the State General Fund, a decrease of \$1.5 million, or 14.0 percent, below the agency request; \$8.8 million from the State Water Plan Fund, a decrease of \$7,011, or 0.1 percent, below the agency request; and \$568,818 from the Economic Development Initiatives Fund, a decrease of \$2,014, or 0.4 percent, below the agency request. The Governor concurs with the agency's request with the following adjustments.

- Reduction of \$398,068, 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 Funded agencies for FY 2016.

- Reduction of \$221,091, including \$76,911 from the State General Fund and \$5,679 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.

FY 2017 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.

FY 2017 Governor 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.

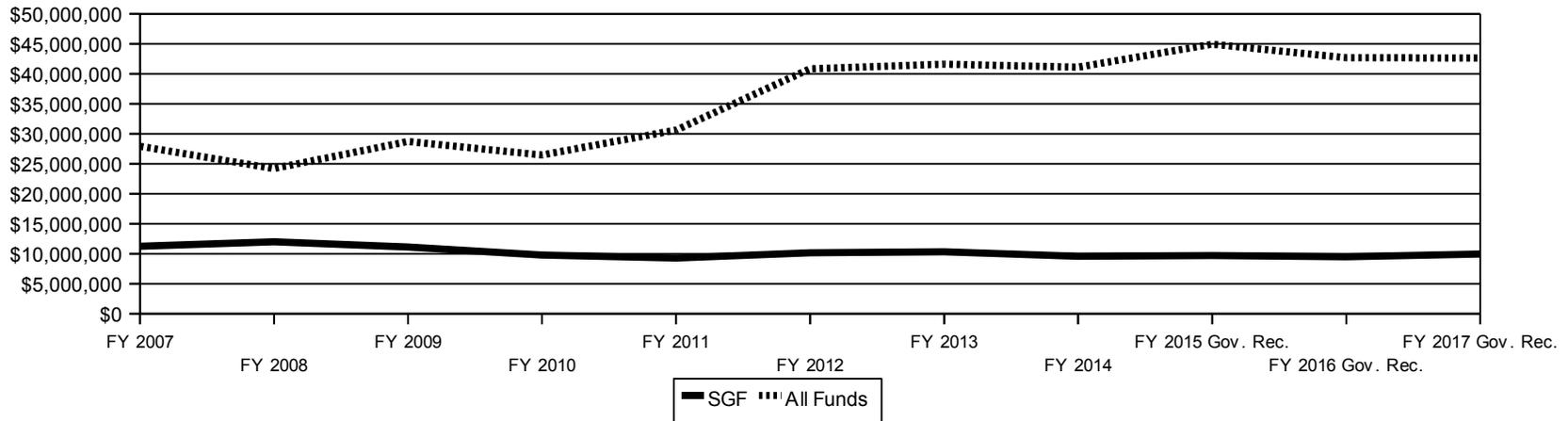
- Reduction of \$418,541, all from the State General Fund to continue the Governor's State General Fund allotment of 4.0 percent to Cabinet

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.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2007 – FY 2017



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	\$ 11,230,458	9.6 %	\$ 27,901,766	20.7 %	308.5
2008	12,012,274	7.0	24,192,194	(13.3)	314.5
2009	11,109,261	(7.5)	28,703,135	18.6	344.5
2010	9,796,750	(11.8)	26,450,210	(7.8)	341.5
2011	9,306,234	(5.0)	30,611,208	15.7	341.5
2012	10,143,610	9.0	40,822,187	33.4	353.5
2013	10,309,478	1.6	41,602,901	1.9	275.2
2014	9,582,162	(7.1)	41,101,813	(1.2)	357.5
2015 Gov. Rec.	9,693,983	1.2	44,935,487	9.3	142.5
2016 Gov. Rec.	9,476,718	(2.2)	42,676,791	(5.0)	142.5
2017 Gov. Rec.	9,966,023	5.2	42,651,932	(0.1)	142.5
Eleven-Year Change	\$ (1,264,435)	(11.3)%	\$ 14,750,166	52.9 %	(166.0)

Summary of Operating Budget FY 2014 - FY 2016

	Actual 2014	Agency Estimate				Governor's Recommendation			
		Estimate FY 2015	Request FY 2016	Dollar Change from FY 15	Percent Change from FY 15	Rec. FY 2015	Rec. FY 2016	Dollar Change from FY 15	Percent Change from FY 15
By Program:									
Administration	\$ 6,443,748	\$ 6,899,204	\$ 6,703,894	\$ (195,310)	(2.8) %	\$ 6,715,247	\$ 6,337,783	\$ (377,464)	(5.6)%
Agri-Business Services	13,446,121	14,502,472	14,985,765	483,293	3.3	14,335,657	14,808,662	473,005	3.3
Water Resources	7,499,342	7,990,368	8,336,095	345,727	4.3	7,930,420	8,286,885	356,465	4.5
Animal Health	2,638,162	3,157,938	3,097,165	(60,773)	(1.9)	3,138,229	3,079,981	(58,248)	(1.9)
Conservation	8,979,971	10,267,835	8,604,135	(1,663,700)	(16.2)	10,259,719	8,598,081	(1,661,638)	(16.2)
Agricultural Marketing	2,094,469	2,566,982	2,635,794	68,812	2.7	2,556,215	1,565,399	(990,816)	(38.8)
TOTAL	\$ 41,101,813	\$ 45,384,799	\$ 44,362,848	\$ (1,021,951)	(2.3) %	\$ 44,935,487	\$ 42,676,791	\$ (2,258,696)	(5.0)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 21,189,854	\$ 22,941,971	\$ 24,286,161	\$ 1,344,190	5.9 %	\$ 22,592,659	\$ 23,774,502	\$ 1,181,843	5.2 %
Contractual Services	9,975,274	10,869,271	10,202,378	(666,893)	(6.1)	10,869,271	9,332,448	(1,536,823)	(14.1)
Commodities	907,745	1,052,971	1,013,017	(39,954)	(3.8)	952,971	884,849	(68,122)	(7.1)
Capital Outlay	1,306,763	1,437,254	1,011,331	(425,923)	(29.6)	1,437,254	995,031	(442,223)	(30.8)
Debt Service	0	0	0	0	0.0	0	0	0	0.0
Subtotal - Operations	\$ 33,379,636	\$ 36,301,467	\$ 36,512,887	\$ 211,420	0.6 %	\$ 35,852,155	\$ 34,986,830	\$ (865,325)	(2.4)%
Aid to Local Units	3,243,292	2,937,494	2,927,227	(10,267)	(0.3)	2,937,494	2,927,227	(10,267)	(0.3)
Other Assistance	4,478,885	6,145,838	4,922,734	(1,223,104)	(19.9)	6,145,838	4,762,734	(1,383,104)	(22.5)
TOTAL	\$ 41,101,813	\$ 45,384,799	\$ 44,362,848	\$ (1,021,951)	(2.3) %	\$ 44,935,487	\$ 42,676,791	\$ (2,258,696)	(5.0)%
Financing:									
State General Fund	\$ 9,582,162	\$ 9,985,843	\$ 11,018,596	\$ 1,032,753	10.3 %	\$ 9,693,983	\$ 9,476,718	\$ (217,265)	(2.2)%
State Water Plan Fund	8,822,446	10,885,213	8,815,523	(2,069,690)	(19.0)	10,874,070	8,808,511	(2,065,559)	(19.0)
Economic Development Initiatives Fund	563,291	570,832	570,832	0	0.0	564,037	568,818	4,781	0.8
Federal Funds	4,784,575	5,696,920	5,839,810	142,890	2.5	5,669,771	5,811,811	142,040	2.5
All Other Funds	17,349,339	18,245,991	18,118,087	(127,904)	(0.7)	18,133,626	18,010,933	(122,693)	(0.7)
TOTAL	\$ 41,101,813	\$ 45,384,799	\$ 44,362,848	\$ (1,021,951)	(2.3) %	\$ 44,935,487	\$ 42,676,791	\$ (2,258,696)	(5.0)%

Summary of Operating Budget FY 2016 - FY 2017

	Agency Estimate				Governor's Recommendation			
	Request FY 2016	Request FY 2017	Dollar Change from FY 16	Percent Change from FY 16	Rec. FY 2016	Rec. FY 2017	Dollar Change from FY 16	Percent Change from FY 16
By Program:								
Administration	\$ 6,703,894	\$ 6,719,240	\$ 15,346	0.2 %	\$ 6,337,783	\$ 6,332,157	\$ (5,626)	(0.1)%
Agri-Business Services	14,985,765	15,413,614	427,849	2.9	14,808,662	15,233,463	424,801	2.9
Water Resources	8,336,095	7,762,546	(573,549)	(6.9)	8,286,885	7,711,655	(575,230)	(6.9)
Animal Health	3,097,165	3,183,749	86,584	2.8	3,079,981	3,166,221	86,240	2.8
Conservation	8,604,135	8,602,198	(1,937)	(0.0)	8,598,081	8,596,023	(2,058)	(0.0)
Agricultural Marketing	2,635,794	2,699,939	64,145	2.4	1,565,399	1,612,413	47,014	3.0
TOTAL	\$ 44,362,848	\$ 44,381,286	\$ 18,438	0.0 %	\$ 42,676,791	\$ 42,651,932	\$ (24,859)	(0.1)%
By Major Object of Expenditure:								
Salaries and Wages	\$ 24,286,161	\$ 25,420,885	\$ 1,134,724	4.7 %	\$ 23,774,502	\$ 24,883,012	\$ 1,108,510	4.7 %
Contractual Services	10,202,378	9,223,271	(979,107)	(9.6)	9,332,448	8,353,258	(979,190)	(10.5)
Commodities	1,013,017	1,034,275	21,258	2.1	884,849	906,107	21,258	2.4
Capital Outlay	1,011,331	858,382	(152,949)	(15.1)	995,031	825,082	(169,949)	(17.1)
Debt Service	0	0	0	0.0	0	0	0	0.0
Subtotal - Operations	\$ 36,512,887	\$ 36,536,813	\$ 23,926	0.1 %	\$ 34,986,830	\$ 34,967,459	\$ (19,371)	(0.1)%
Aid to Local Units	2,927,227	2,927,227	0	0.0	2,927,227	2,927,227	0	0.0
Other Assistance	4,922,734	4,917,246	(5,488)	(0.1)	4,762,734	4,757,246	(5,488)	(0.1)
TOTAL	\$ 44,362,848	\$ 44,381,286	\$ 18,438	0.0 %	\$ 42,676,791	\$ 42,651,932	\$ (24,859)	(0.1)%
Financing:								
State General Fund	\$ 11,018,596	\$ 11,547,517	\$ 528,921	4.8 %	\$ 9,476,718	\$ 9,966,023	\$ 489,305	5.2 %
State Water Plan Fund	8,815,523	8,709,929	(105,594)	(1.2)	8,808,511	8,702,699	(105,812)	(1.2)
Economic Development Initiatives Fund	570,832	570,832	0	0.0	568,818	568,790	(28)	(0.0)
Federal Funds	5,839,810	5,004,528	(835,282)	(14.3)	5,811,811	4,975,797	(836,014)	(14.4)
All Other Funds	18,118,087	18,548,480	430,393	2.4	18,010,933	18,438,623	427,690	2.4
TOTAL	\$ 44,362,848	\$ 44,381,286	\$ 18,438	0.0 %	\$ 42,676,791	\$ 42,651,932	\$ (24,859)	(0.1)%

BUDGET OVERVIEW

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of \$10.0 million for the Department of Agriculture in FY 2015. An adjustment has subsequently been made to that amount. This adjustment changes the current year approved amount without any legislative action required. For this agency, the following adjustment has been made.

- A reduction of \$291,860, as the result of the Governor's December 9th State General Fund allotment.

- This adjustment changes the FY 2015 approved State General Fund to \$9,691,533. That amount is reflected in the table below as the currently approved FY 2015 State General Fund amount. The agency's budget was submitted prior to the December allotment, so the agency's revised budget estimates do not incorporate the allotment.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2015	Agency Estimate FY 2015	Agency Change from Approved	Governor Rec. FY 2015	Governor Change from Approved
State General Fund	\$ 9,691,533	\$ 9,985,843	\$ 294,310	\$ 9,693,983	\$ 2,450
All Other Funds	31,468,515	35,398,956	3,930,441	35,241,504	3,772,989
TOTAL	<u>\$ 41,160,048</u>	<u>\$ 45,384,799</u>	<u>\$ 4,224,751</u>	<u>\$ 44,935,487</u>	<u>\$ 3,775,439</u>
FTE Positions	233.0	142.5	(90.5)	142.5	(90.5)

The **agency** estimates FY 2015 expenditures of \$45.4 million, an increase of \$4.2 million, or 10.3 percent, above the amount approved by the 2014 Legislature. The request includes

\$10.0 million from the State General Fund, an increase of \$294,310, or 3.0 percent, above the approved amount. The increase includes \$10.9 million from the State Water Plan Fund,

an increase of \$1.4 million, or 14.5 percent, above the approved amount. The request includes \$570,832 from the Economic Development Initiatives Fund, which is no change from the amount approved by the 2014 Legislature. The increase in all funds is attributable to increases in contractual services, capital outlay, and other assistance, offset slightly by decreases in salaries and wages. The estimate includes 141.5 FTE positions and 216.5 non-FTE positions, a decrease of 134.5 FTE positions and an increase of 14.5 non-FTE positions from the approved amount. This change is due to eliminating positions that had been vacant for an extended period and replacing those positions with unclassified positions.

- **Salaries and Wages.** The agency requests FY 2015 salaries and wages expenditures of \$22.9 million, a decrease of \$294,631, or 1.3 percent, below the amount approved by the 2014 Legislature. This amount is attributable to budgeting to match actual expenditures.
- **Contractual Services.** The agency requests FY 2015 contractual services expenditures of \$10.9 million, an increase of \$2.1 million, or 23.5 percent, above the amount approved by the 2014 Legislature. This amount is largely attributable to contracting out activities related to water systems such as flood plain mapping.
- **Capital Outlay.** The agency requests FY 2015 capital outlay expenditures of \$1.4 million, an increase of \$1.1 million, or 278.8 percent, above the amount approved by the 2014 Legislature. This amount is largely attributable to replacement of cars, trucks, and office equipment.

- **Aid to Locals.** The agency requests FY 2015 aid to locals expenditures of \$2.9 million, an increase of \$10,267, or 0.4 percent, above the amount approved by the 2014 Legislature. This increase is a shift in State Water Plan funding from FY 2014.
- **Other Assistance.** The agency requests FY 2015 other assistance expenditures of \$6.1 million, an increase of \$985,618, or 19.1 percent, above the amount approved by the 2014 Legislature. This increase includes an increase of \$396,202 from federal funds and an increase of \$492,986 from the State Water Plan Fund. This category of expenditure includes allocations to conservation districts for cost sharing projects.

The **Governor** recommends FY 2015 expenditures of \$44.9 million, a decrease of \$449,312, or 1.0 percent, below the agency request. The recommendation includes \$9.7 million from the State General Fund, a decrease of \$291,860, or 2.9 percent, below the agency request; \$10.8 million from the State Water Plan Fund, a decrease of \$11,142, or 0.1 percent, below the agency request; and \$564,037 from the Economic Development Initiatives Fund, a decrease of \$6,795, or 1.2 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of \$199,688, as the result of the Governor's December allotment of 4.0 percent to Cabinet and other State General Fund agencies in FY 2015.
- Reduction of \$249,624, including \$92,172 from the State General Fund and \$11,143 from the State Water Plan Fund, as a result of the

Governor's December allotment plan reducing the Kansas Public Employer Regular and School Member employer contribution rate (excluding

KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015

Governor's Allotment

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a \$278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling \$280.0 million which reduced

expenditures by \$60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional \$219.9 million. The adjustments included in the \$219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place.

GOVERNOR'S ALLOTMENTS			
Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	\$ (92,172)	\$ (92,172)	0.0
Reduce SGF funding by 4.0 percent	(199,688)	(199,688)	0.0
TOTAL	<u>\$ (291,860)</u>	<u>\$ (291,860)</u>	<u>0.0</u>

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of \$92,172, as a result of the Governor's State General Fund allotment reducing the Kansas Public Employer Regular and School Member employer contribution rate (excluding KPERS Death and Disability) from 10.42 percent to 8.65 percent in FY 2015. This allotment will have no impact on

the agency expenditures but is reflective of a reduction of expenditures from the State General Fund.

4.0 percent reduction to Cabinet-level and other SGF funded agencies

A reduction of \$199,688, as a result of the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Fund agencies in FY 2015.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 44,362,848	\$ 42,676,791	\$ (1,686,057)
FTE Positions	142.5	142.5	0.0
Change from FY 2015:			
<i>Dollar Change:</i>			
State General Fund	\$ 1,032,753	\$ (217,265)	
All Other Funds	(2,054,704)	(2,041,431)	
TOTAL	<u>\$ (1,021,951)</u>	<u>\$ (2,258,696)</u>	
<i>Percent Change:</i>			
State General Fund	10.3 %	(2.2) %	
All Other Funds	(5.8)	(5.8)	
TOTAL	<u>(2.3) %</u>	<u>(5.0) %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2016 expenditures of \$44.4 million, a decrease of \$1.0 million, or 2.3 percent, below the FY 2015 request. The request includes \$11.0 million from the State General Fund, an increase of \$1.0 million, or 10.3 percent, above FY 2015. The request includes \$830,497 from the State Water Plan Fund, a decrease of \$171,806, or 17.1 percent, below the FY 2015 request. The request includes \$570,832 from the Economic Development Initiatives Fund, which is no

change from the 2015 amount. The all funds decrease is attributable to decreases in contractual services, capital outlay, and other assistance, offset slightly by increases in salaries and wages. The State General Fund increase is attributable to the enhancement request for advertising, marketing, and outreach.

- **Salaries and Wages.** The agency requests FY 2016 salaries and wages expenditures of \$24.3

million, an increase of \$1.3 million, or 5.9 percent, above the amount requested for FY 2015. This amount is attributable to intending to fill all open positions by FY 2016.

- **Contractual Services.** The agency requests FY 2016 contractual services expenditures of \$10.2 million, a decrease of \$666,893, or 6.1 percent, from the FY 2015 request. This decrease is attributable to a decrease in repair and service of computer equipment and other professional fees.
- **Capital Outlay.** The agency requests FY 2016 capital outlay expenditures of \$1.0 million, a decrease of \$425,923, or 29.6 percent, below the FY 2015 request. The decrease is attributable to decreased expenditures on truck replacements and scientific equipment.
- **Aid to Local.** The agency requests FY 2016 aid to local expenditures of \$2.9 million, a decrease of \$10,267, or 0.3 percent, below the FY 2015 request. This decrease is due to some project costs funded by the State Water Plan Fund being shifted to FY 2015.
- **Other Assistance.** The agency requests FY 2016 other assistance expenditures of \$4.9 million, a decrease of \$1.2 million, or 19.9 percent, below the FY 2015 request. The

decrease is attributable to decreases in streambank stabilization and nonpoint pollution assistance from the State Water Plan Fund.

The **Governor** recommends FY 2016 expenditures of \$42.7 million, a decrease of \$1.7 million, or 3.8 percent, below the agency request. This recommendation includes \$9.5 million from the State General Fund, a decrease of \$1.5 million, or 14.0 percent, below the agency request; \$8.8 million from the State Water Plan Fund, a decrease of \$7,011, or 0.1 percent, below the agency request, and \$568,818 from the Economic Development Initiatives Fund, a decrease of \$2,014, or 0.4 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of \$398,068, all from the State General Fund, to continue the Governor's December allotment of 4.0 percent to Cabinet and other State General Funded agencies for FY 2016.
- Reduction of \$221,091, including \$76,911 from the State General Fund and \$5,679 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.

Enhancements Detail

Enhancements	FY 2016 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Advertising, Marketing, and Outreach	\$ 1,066,898	\$ 1,066,898	0.0	\$ 0	\$ 0	0.0

The **agency** requests an enhancement of \$1.1 million, all from the State General Fund, for advertising, marketing, and outreach. The agency notes that in 2011, the Division of Advocacy, Marketing, and Outreach transitioned from the Kansas Department of Commerce to the Kansas Department of Agriculture. Since then, the division has been operating with market development fund dollars. At the time of agency

transition, it was known that market development fund resources would eventually be exhausted and additional funding sources would have to be identified.

The **Governor** does not recommend the FY 2016 enhancement.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 44,381,286	\$ 42,651,932	\$ (1,729,354)
FTE Positions	142.5	142.5	0.0
Change from FY 2016:			
<i>Dollar Change:</i>			
State General Fund	\$ 528,921	\$ 489,305	
All Other Funds	(510,483)	(514,164)	
TOTAL	<u>\$ 18,438</u>	<u>\$ (24,859)</u>	
<i>Percent Change:</i>			
State General Fund	4.8 %	5.2 %	
All Other Funds	(1.5)	(1.5)	
TOTAL	<u>0.0 %</u>	<u>(0.1) %</u>	
Change in FTE Positions	0.0	0.0	

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 due to the 27th pay period 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.

- **Salaries and Wages.** The agency requests FY 2017 salaries and wages expenditures of \$25.4 million, an increase of \$1.1 million, or 4.7 percent, above the amount requested for FY 2016. This amount is largely attributable to expenses related to the 27th pay period that occurs in FY 2017 for all state agencies.
- **Contractual Services.** The agency requests FY 2017 contractual services expenditures of \$9.2 million, a decrease of \$979,107, or 9.6 percent, below the FY 2016 request. This decrease is due to decreased spending on architects and engineers funded by federal grants. The request includes \$1.7 million from the State General Fund, an increase of \$31,407, or 1.9 percent, above the FY 2016 request.
- **Commodities.** The agency requests FY 2017 commodities expenditures of \$1.0 million, an increase of \$21,258, or 2.1 percent, above the amount requested for FY 2016. This increase is attributable to gasoline, food, tires, equipment parts, and office supplies.
- **Capital Outlay.** The agency requests FY 2017 capital outlay expenditures of \$858,382, a decrease of \$152,949, or 15.1 percent, below the amount requested for FY 2016. This decrease is attributable to decreased expenditures on computer replacement and vehicle replacement.
- **Aid to Locals.** The agency requests FY 2017 aid to locals expenditures of \$11.5 million, an increase of \$528,921, or 4.8 percent, above the FY 2016 request. This increase is attributable to allocations to local governments for cost share projects.

- **Other Assistance.** The agency requests FY 2017 other assistance expenditures of \$32.8 million, a decrease of \$510,483, or 1.5 percent, below the amount requested for FY 2015. The decrease is attributable to allocations to conservation districts for cost sharing projects.

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 request with the following adjustments.

- Reduction of \$418,541, all from the State General Fund, to continue the Governor's December allotment of 4.0 percent to Cabinet and other State General Funded agencies for FY 2017.
- 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.

Enhancements Detail

Enhancements	FY 2017 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Advertising, Marketing and Outreach	\$ 1,083,981	\$ 1,083,981	0.0	\$ 0	\$ 0	0.0

The **agency** requests an enhancement of \$1.1 million, all from the State General Fund, for advertising, marketing, and outreach. At the time of agency transition, it was known that market development fund resources would eventually be exhausted and additional funding sources would have to be identified. The agency notes that in 2011, the Division of Advocacy, Marketing, and Outreach transitioned from the

Kansas Department of Commerce to the Kansas Department of Agriculture. Since then, the division has been operating with market development fund dollars.

The **Governor** does not recommend the FY 2017 enhancement package.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. The 2014 Legislature approved funding of \$11.3 million, including \$4.5 million from the State General Fund, in FY 2015 for a \$250 bonus for all full-time employees except elected officials who were employed on December 6, 2013, and which was paid December 6, 2014. **For this agency, the FY 2015 bonus totals \$89,876, including \$31,696 from the State General Fund, and affects 289 employees.**

Longevity Bonus Payments. For FY 2016 and FY 2017, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400), and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008 are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2016 payments is \$7.2 million, including \$2.8 million from the State General Fund. For FY 2017, the estimated cost for the payments is \$7.7 million, including \$3.0 million from the State General Fund. **For this agency, FY 2016 longevity payments total \$69,566, including \$24,067 from the State General Fund, and FY 2017 longevity payments total \$72,322, including \$25,330 from the State General Fund.**

Group Health Insurance. The Governor recommends Group Health and Hospitalization employer contributions of \$282.8 million, including \$108.2 million from the State General Fund, for FY 2016 and \$289.2 million, including \$110.7 million from the State General Fund, for FY 2017. For FY 2016 and FY 2017, the Governor recommends reducing the employer contributions for group health insurance by 8.5 percent. **For this agency this is a reduction of \$221,091, including \$76,911 from the State General Fund, for FY 2016. This is a reduction of \$226,832, including \$78,971 from the State General Fund, for FY 2017.**

Kansas Public Employees Retirement System (KPERs) Rate Adjustments. The FY 2015 employer retirement contribution for KPERs regular and school members was scheduled to be 11.27 percent, an increase of 1.0 percent from 10.27 in FY 2014. The Governor reduced the employer contribution rate from 11.27 percent to 8.65 percent for the second half of FY 2015, for an effective contribution rate of 9.96 percent as part of the Governor's allotment plan. For FY 2016, the Governor recommends the retirement rate increase by 2.41 percent from 9.96 percent to 12.37 percent. For FY 2017, the Governor recommends the retirement rate increase by 1.2 percent from 12.37 percent to 13.57 percent. This increase is attributable to the annual statutory increase for financing the unfunded liability of the KPERs fund.

In addition, the employer contribution for the KPERs death and disability insurance rate will be increased to 1.0 percent, from 0.85 percent, for FY 2016 and for FY 2017.

The Governor further proposes offering \$1.5 billion in Pension Obligation Bonds, backed by the State General Fund, to be paid back over 30 years and extending the amortization on the current bonds by ten years to 2043. The proceeds of the bonds would be used to help reduce the future employer contribution rates of the State/School Group. The Kansas Public Employee Retirement System estimates this plan could reduce employer contributions by \$68.43 million in FY 2016 and \$132.85 in FY 2017. The Kansas Development Finance Authority estimates that the bond service would be \$90.3 million in FY 2016 through FY 2017, assuming the Kansas credit ratings are not downgraded.

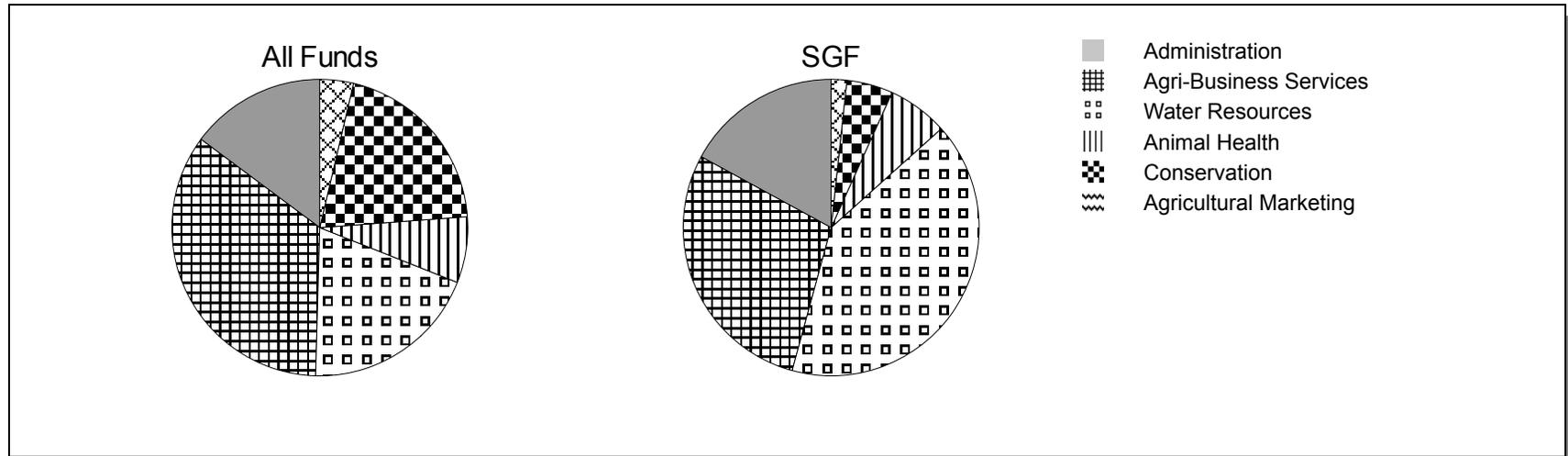
Funding Sources

Funding Source	Agency Req. Percent of Total FY 2016	Gov. Rec. Percent of Total FY 2016	Agency Req. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	24.8 %	22.2 %	26.0 %	23.4 %
State Water Plan Fund	19.9	20.6	19.6	20.4
Economic Development Initiatives Fund	1.3	1.3	1.3	1.3
Federal Funds	13.2	13.6	11.3	11.7
All Other Funds	40.8	42.2	41.8	43.2
TOTAL	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

Note: Percentages may not add due to rounding.

PROGRAM DETAIL

EXPENDITURES BY PROGRAM—GOVERNOR’S FY 2016 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2016	Percent of Total	Gov. Rec. SGF FY 2016	Percent of Total
Administration	\$ 6,337,783	14.9 %	\$ 1,617,443	17.1 %
Agri-Business Services	14,808,662	34.7	2,719,202	28.7
Water Resources	8,286,885	19.4	3,873,173	40.9
Animal Health	3,079,981	7.2	626,268	6.6
Conservation	8,598,081	20.1	480,632	5.1
Agricultural Marketing	1,565,399	3.7	160,000	1.7
TOTAL	\$ 42,676,791	100.0 %	\$ 9,476,718	100.0 %

FTE POSITIONS BY PROGRAM FY 2014 – FY 2017

Program	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Administration	10.8	10.8	10.8	10.8	10.8	10.8	10.8
Agri-Business Services	71.9	70.9	70.9	70.9	70.9	70.9	70.9
Water Resources	38.0	38.0	38.0	38.0	38.0	38.0	38.0
Animal Health	15.8	15.8	15.8	15.8	15.8	15.8	15.8
Conservation	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Agricultural Marketing	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	143.5	142.5	142.5	142.5	142.5	142.5	142.5

A. Administration

The Administration program provides the general policy, outreach, coordination, and management functions for the agency. This program is divided into three subprograms: administrative services and support, record center, and statistical services and support. The Administrative Services and Support subprogram provides the agency’s fiscal, personnel, legal, and information resource services. The goal of the Record Center subprogram is to maintain credible records to provide consistent and equitable implementation of Kansas statutes as

they relate to the agency. This includes the issuance of licenses, permits, registrations, and certifications, and the issuance of renewal notices. The Statistical Services and Support subprogram is responsible for providing meaningful, accurate, and objective statistical information and services to Kansas residents and the Kansas agricultural industry. Agriculture marketing has been moved to a separate program effective this budget cycle.

ADMINISTRATION
SUMMARY OF EXPENDITURES FY 2014 – 2017

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 3,034,978	\$ 3,155,323	\$ 3,021,366	\$ 3,346,338	\$ 3,027,727	\$ 3,520,016	\$ 3,180,433
Contractual Services	2,993,134	3,199,291	3,199,291	2,888,343	2,888,343	2,779,072	2,779,072
Commodities	100,955	156,375	106,375	149,197	109,197	150,457	110,457
Capital Outlay	278,911	388,215	388,215	320,016	312,516	269,695	262,195
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 6,407,978	\$ 6,899,204	\$ 6,715,247	\$ 6,703,894	\$ 6,337,783	\$ 6,719,240	\$ 6,332,157
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	35,770	0	0	0	0	0	0
TOTAL	<u>\$ 6,443,748</u>	<u>\$ 6,899,204</u>	<u>\$ 6,715,247</u>	<u>\$ 6,703,894</u>	<u>\$ 6,337,783</u>	<u>\$ 6,719,240</u>	<u>\$ 6,332,157</u>
Financing:							
State General Fund	\$ 1,826,491	\$ 2,005,370	\$ 1,835,395	\$ 1,971,223	\$ 1,617,443	\$ 2,231,454	\$ 1,856,921
All Other Funds	4,617,257	4,893,834	4,879,852	4,732,671	4,720,340	4,487,786	4,475,236
TOTAL	<u>\$ 6,443,748</u>	<u>\$ 6,899,204</u>	<u>\$ 6,715,247</u>	<u>\$ 6,703,894</u>	<u>\$ 6,337,783</u>	<u>\$ 6,719,240</u>	<u>\$ 6,332,157</u>
FTE Positions	10.8	10.8	10.8	10.8	10.8	10.8	10.8
Non-FTE Uncl. Perm. Pos.	44.1	34.2	34.2	34.2	34.2	34.2	34.2
TOTAL	<u>54.9</u>	<u>45.0</u>	<u>45.0</u>	<u>45.0</u>	<u>45.0</u>	<u>45.0</u>	<u>45.0</u>

The **agency** requests FY 2016 expenditures of \$6.7 million for the Administration program, a decrease of \$195,310, or 2.8 percent, below the FY 2015 request. This change is largely due to decreases in contractual services, offset in part by increases in salaries and wages.

- **Salaries and Wages.** The agency requests FY 2016 salaries and wages expenditures of \$3.3 million, an increase of \$191,015, or 6.1 percent,

above the FY 2015 request. The requested increase is funded by agency fee funds.

- **Contractual Services.** The agency requests FY 2016 contractual services expenditures of \$2.9 million, a decrease of \$310,948, or 9.7 percent, below the FY 2015 request. This decrease is largely attributable to decreased expenditures for computer equipment repairs.

- **Capital Outlay.** The agency requests FY 2016 capital outlay expenditures of \$321,016, a decrease of \$68,199, or 17.6 percent, below the FY 2015 request. This decrease primarily arises from decreased expenditures for the purchase of trucks.

The **Governor** recommends FY 2016 expenditures of \$6.3 million for the Administration program, a decrease of \$366,111, or 5.5 percent, below the agency request. The decrease is primarily attributed to salaries and wages and commodities expenditures.

- **Salaries and Wages.** The Governor recommends FY 2016 salaries and wages expenditures of \$3.0 million, a decrease of \$318,611, or 9.5 percent, below the amount requested for FY 2016. This decrease is due to the continuation of the Governor's allotment plan for a 4.0 percent reduction to Cabinet and other State General Fund agencies for FY 2016 and to reduce employer contributions for state employee health insurance.
- **Commodities.** The Governor recommends FY 2016 commodities expenditures of \$109,197, a decrease of \$40,000, or 26.8 percent, below the amount requested for FY 2016. The decrease is entirely attributable to office supplies.

The **agency** requests FY 2017 expenditures of \$6.7 million for the Administration program, an increase of \$15,346, or 0.2 percent, above the FY 2016 request. The request includes \$2.2 million from the State General Fund, an increase of \$260,213, or 13.2 percent, above the FY 2016 request, which trades off with a corresponding decrease in agency fee funds and federal homeland security grants. The all funds increase is attributable

to increases in salaries and wages, offset in part by decreases in contractual services.

- **Salaries and Wages.** The agency requests FY 2017 salaries and wages expenditures of \$3.5 million, an increase of \$173,678, or 5.2 percent, above the FY 2016 request. This increase is largely attributable to the 27th pay period that occurs in FY 2017 for all state agencies.
- **Contractual Services.** The agency requests FY 2017 contractual services expenditures of \$2.8 million, a decrease of \$109,271, or 3.8 percent, below the FY 2016 request. This decrease is largely attributable to equipment repairs and insurance premiums.

The **Governor** recommends FY 2017 expenditures of \$6.3 million for the Administration program, a decrease of \$387,083, or 5.8 percent, below the requested amount. The decrease is primarily attributable to salaries and wages and commodities expenditures.

- **Salaries and Wages.** The Governor recommends FY 2017 salaries and wages expenditures of \$3.2 million, a decrease of \$339,583, or 9.6 percent, below the amount requested for FY 2016. This decrease is due to the continuation of the Governor's allotment plan for a 4.0 percent reduction to Cabinet and other State General Fund agencies for FY 2017 and to reduce employer contributions for state employee health insurance.
- **Commodities.** The Governor recommends FY 2017 commodities expenditures of \$110,457, a decrease of \$40,000, or 26.6 percent, below the amount requested for FY 2017. The decrease is entirely attributable to office supplies.

B. Agri-Business Services

The Agri-Business Services program is an aggregation of three programs that were identified in previous years as Food Safety & Consumer Protection, Environmental Protection, and Agricultural Laboratories.

The **Food Safety and Consumer Protection** program focuses on protecting the health and well-being of all consumers in the state. These programs ensure a safe food supply from farm to fork; safe and sanitary lodging facilities; that inputs to agriculture are safe, quality products that are not misrepresented to consumers; that state-licensed grain warehouses are solvent and protecting the quality of stored grains; and that weighing and measuring devices used in commerce are accurate. All of these program functions are intended to protect consumers, but also benefit the agriculture industry by maintaining a climate of consistency and confidence in the marketplace. The Meat and Poultry Inspection subprogram conducts inspections to ensure safe and wholesome meat and poultry products, and to detect and eliminate those items that pose a health threat, are improperly labeled, or serve as a source of economic fraud to the consumer. The Division of Food Safety and Lodging subprogram inspects all regulated food establishments, food processors, and lodging establishments. The Dairy Inspection subprogram regulates the milk production, transportation, processing, and distribution industry in Kansas. The Agricultural Commodity Assurance (ACAP) subprogram regulates seed, commercial feeding stuffs, medicated feed mills, eggs, and

tissue residue investigations. The Weights and Measures subprogram is responsible for ensuring that devices involving weight, measurement, or price scanning in commerce are accurate in order to protect the consumer and provide equity in the marketplace. The Grain Warehouse Inspection subprogram ensures that depositors of grain in public warehouses are protected from fraud and that warehouses maintain accurate inventory records.

The **Environmental Protection** program works to ensure the protection and health of the state's natural and cultivated plant resources and the environment. This is accomplished through activities focused on prevention and ensuring the safe and proper use of pesticides and nutrients. The program is divided into two subprograms: Pesticide and Fertilizer and Plant Protection. The Pesticide and Fertilizer subprogram regulates pesticide and fertilizer products and chemical applicators. The Plant Protection and Weed Control subprogram protects the state's natural and cultivated plant resources from pests, diseases, and weeds.

The **Agricultural Laboratories** program provides analytical services necessary to enforce the regulatory functions of the agency. Analytical laboratory services are provided for the Meat and Poultry Inspection, Dairy Inspection, Agricultural Commodities Assurance program, and Pesticide and Fertilizer subprograms. Sample inspections are conducted to protect the health and safety of all Kansans and to facilitate accuracy of labeling of products offered for sale in the state.

AGRI-BUSINESS SERVICES
SUMMARY OF EXPENDITURES FY 2014 – 2017

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 10,058,986	\$ 10,899,083	\$ 10,782,268	\$ 11,550,286	\$ 11,433,183	\$ 12,058,511	\$ 11,938,360
Contractual Services	2,144,492	2,167,174	2,167,174	2,214,294	2,214,294	2,220,148	2,220,148
Commodities	602,943	722,746	672,746	687,881	627,881	699,529	639,529
Capital Outlay	573,359	713,469	713,469	533,304	533,304	435,426	435,426
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 13,379,780	\$ 14,502,472	\$ 14,335,657	\$ 14,985,765	\$ 14,808,662	\$ 15,413,614	\$ 15,233,463
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	66,341	0	0	0	0	0	0
TOTAL	<u>\$ 13,446,121</u>	<u>\$ 14,502,472</u>	<u>\$ 14,335,657</u>	<u>\$ 14,985,765</u>	<u>\$ 14,808,662</u>	<u>\$ 15,413,614</u>	<u>\$ 15,233,463</u>
Financing:							
State General Fund	\$ 2,837,844	\$ 2,803,649	\$ 2,729,176	\$ 2,803,653	\$ 2,719,202	\$ 2,889,828	\$ 2,804,740
All Other Funds	10,608,277	11,698,823	11,606,481	12,182,112	12,089,460	12,523,786	12,428,723
TOTAL	<u>\$ 13,446,121</u>	<u>\$ 14,502,472</u>	<u>\$ 14,335,657</u>	<u>\$ 14,985,765</u>	<u>\$ 14,808,662</u>	<u>\$ 15,413,614</u>	<u>\$ 15,233,463</u>
FTE Positions	71.9	70.9	70.9	70.9	70.9	70.9	70.9
Non-FTE Uncl. Perm. Pos.	112.5	117.1	117.1	117.1	117.1	117.1	117.1
TOTAL	<u>184.4</u>	<u>188.0</u>	<u>188.0</u>	<u>188.0</u>	<u>188.0</u>	<u>188.0</u>	<u>188.0</u>

The **agency** requests FY 2016 expenditures of \$15.0 million for the Agri-Business Services program, an increase of \$483,293, or 3.3 percent, above the FY 2015 request. This all funds change change is largely due to increases in salaries and wages, offset in part by decreases in capital outlay.

- **Salaries and Wages.** The agency requests FY 2016 salaries and wages expenditures of \$11.6

million, an increase of \$651,203, or 6.0 percent, above the FY 2015 request.

- **Capital Outlay.** The agency requests FY 2016 capital outlay expenditures of \$533,304, a decrease of \$180,165, or 25.3 percent, below the FY 2015 request. This decrease is largely attributable to decreased expenditures for laboratory equipment.

The **Governor** recommends FY 2016 expenditures of \$14.8 million for the Agri-Business Services program, a decrease of \$177,103, or 1.2 percent, below the requested amount. The decrease is attributable to salaries and wages and commodities.

- **Salaries and Wages.** The Governor recommends FY 2016 salaries and wages expenditures of \$11.4 million, a decrease of \$117,103, or 1.0 percent, below the amount requested for FY 2016. This decrease is due to the continuation of the Governor's allotment plan for a 4.0 percent reduction to Cabinet and other State General Fund agencies for FY 2016 and to reduce employer contributions for state employee health insurance.
- **Commodities.** The Governor recommends FY 2016 commodities expenditures of \$627,881, a decrease of \$60,000, or 8.7 percent, below the amount requested for FY 2016. The decrease is entirely attributable to decreased expenditures on gasoline.

The **agency** requests FY 2017 expenditures of \$15.4 million for the Agri-Business program, an increase of \$427,849, or 2.9 percent, above the FY 2016 request. The increase is primarily

C. Water Resources

The Division of Water Resources provides a public safety function through management of the state's scarce water resources and inspection of water structures. The program is divided into four subprograms: Water Management Services; Water Appropriation; Water Structures; and Basin Management Team. The Water Management Services subprogram is responsible for administrative, fiscal, legal, and legislative

attributable to increases in salaries and wages which is largely due to the 27th pay period that occurs in FY 2017 for all state agencies.

The **Governor** recommends FY 2017 expenditures of \$15.2 million for the Agri-Business Services program, a decrease of \$180,151, or 1.2 percent, below the agency request. The decrease is attributable to salaries and wages and commodities.

- **Salaries and Wages.** The Governor recommends FY 2017 salaries and wages expenditures of \$11.9 million, a decrease of \$117,103, or 1.0 percent, below the amount requested for FY 2016. This decrease is due to the continuation of the Governor's allotment plan for a 4.0 percent reduction to Cabinet and other State General Fund agencies for FY 2017 and to reduce employer contributions for state employee health insurance.
- **Commodities.** The Governor recommends FY 2017 commodities expenditures of \$639,529, a decrease of \$60,000, or 8.6 percent, below the amount requested for FY 2017. The decrease is entirely attributable to decreased expenditures on gasoline.

functions, in addition to supervising water conservation issues, data entry for the Water Rights Information System, management of the Geographic Information System, hydrologic studies, as well as coordinating with other water-related agencies and facilitating the stakeholder process in the state. The Water Appropriation subprogram manages, regulates, and protects water resources to ensure a substantial, long-term

water supply. The Water Structures subprogram regulates human activities that affect the flow of rivers and streams, to ensure that such activities are properly planned, constructed,

operated, and maintained. The Basin Management Team was consolidated into the Water Management subprogram in FY 2012.

WATER RESOURCES							
SUMMARY OF EXPENDITURES FY 2014 – 2017							
Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 5,179,445	\$ 5,373,851	\$ 5,313,903	\$ 5,716,496	\$ 5,667,286	\$ 5,998,416	\$ 5,947,525
Contractual Services	1,828,515	2,364,108	2,364,108	2,408,821	2,408,821	1,568,852	1,568,852
Commodities	93,368	84,598	84,598	85,567	85,567	91,817	91,817
Capital Outlay	388,146	167,811	167,811	125,211	125,211	103,461	103,461
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	<u>\$ 7,489,474</u>	<u>\$ 7,990,368</u>	<u>\$ 7,930,420</u>	<u>\$ 8,336,095</u>	<u>\$ 8,286,885</u>	<u>\$ 7,762,546</u>	<u>\$ 7,711,655</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	9,868	0	0	0	0	0	0
TOTAL	<u><u>\$ 7,499,342</u></u>	<u><u>\$ 7,990,368</u></u>	<u><u>\$ 7,930,420</u></u>	<u><u>\$ 8,336,095</u></u>	<u><u>\$ 8,286,885</u></u>	<u><u>\$ 7,762,546</u></u>	<u><u>\$ 7,711,655</u></u>
Financing:							
State General Fund	\$ 3,819,388	\$ 3,901,961	\$ 3,864,613	\$ 3,901,961	\$ 3,873,173	\$ 4,048,217	\$ 4,018,446
All Other Funds	3,679,954	4,088,407	4,065,807	4,434,134	4,413,712	3,714,329	3,693,209
TOTAL	<u><u>\$ 7,499,342</u></u>	<u><u>\$ 7,990,368</u></u>	<u><u>\$ 7,930,420</u></u>	<u><u>\$ 8,336,095</u></u>	<u><u>\$ 8,286,885</u></u>	<u><u>\$ 7,762,546</u></u>	<u><u>\$ 7,711,655</u></u>
FTE Positions	38.0	38.0	38.0	38.0	38.0	38.0	38.0
Non-FTE Uncl. Perm. Pos.	32.0	40.0	40.0	40.0	40.0	40.0	40.0
TOTAL	<u><u>70.0</u></u>	<u><u>78.0</u></u>	<u><u>78.0</u></u>	<u><u>78.0</u></u>	<u><u>78.0</u></u>	<u><u>78.0</u></u>	<u><u>78.0</u></u>

The **agency** requests FY 2016 expenditures of \$8.3 million for the Water Resources program, an increase of \$345,727, or 4.3 percent, above the FY 2015 request. This request includes \$3.4 million from the State General Fund, an increase of \$18,080, or 0.5 percent, above the amount requested for FY

2015, and \$660,058 from the State Water Plan Fund, a decrease of \$244,047, or 27.0 percent, below the amount requested for FY 2015. This change is largely due to increases in salaries and wages.

- **Salaries and Wages.** The agency requests FY 2016 salaries and wages expenditures of \$5.7 million, an increase of \$342,645, or 6.4 percent, above the FY 2015 request.

The **Governor** recommends FY 2016 expenditures of \$8.3 million in the Water Resources program, a decrease of \$49,210, or 0.6 percent, below the agency request. The decrease is entirely attributable to a reduction in salaries and wages due reduced employer contributions for state employee health insurance.

The **agency** requests FY 2017 expenditures of \$7.8 million for the Water Resources program, a decrease of \$573,549, or 6.9 percent, below the FY 2016 request. The decrease is attributable to contractual services, offset in part by increases in salaries and wages.

D. Animal Health

The Animal Health program ensures the public health, safety and welfare of Kansas' citizens and enhances the economic viability of the state's livestock production through livestock identification, animal health planning and preparedness, disease prevention, and control and eradication of infectious and contagious livestock and domestic animal disease in the state of Kansas. The program also regulates facilities that produce, sell, board, train, rescue, offer for adoption, or harbor companion

- **Salaries and Wages.** The agency requests FY 2017 salaries and wages expenditures of \$6.0 million, an increase of \$281,920, or 4.9 percent, above the FY 2016 request. This increase is largely due to the 27th pay period that occurs in FY 2017 for all state agencies.

- **Contractual Services.** The agency requests FY 2017 contractual expenditures of \$1.6 million, a decrease of \$839,969, or 34.9 percent, below the FY 2016 request. This decrease is attributable to a decrease in federal grant pass-through funding.

The **Governor** recommends FY 2017 expenditures of \$7.7 million in the Water Resources program, a decrease of \$50,891, or 0.7 percent, below the agency request. The decrease is entirely attributable to a reduction in salaries and wages due to reduced employer contributions for state employee health insurance.

animals and enforce the laws governing such facilities. The program directs a Brand Registration and Inspection program, identifies ownership of lost or stolen livestock; informs the public of the status of the health of livestock in the state, and promotes understanding and gains public assistance in achieving this mission. The Animal Health program was transferred to KDA in FY 2012 as part of Executive Reorganization Order No. 40.

ANIMAL HEALTH
SUMMARY OF EXPENDITURES FY 2014 – 2017

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 1,533,331	\$ 1,856,291	\$ 1,836,582	\$ 1,913,379	\$ 1,896,195	\$ 2,001,552	\$ 1,984,024
Contractual Services	964,519	1,154,474	1,154,474	1,107,027	1,107,027	1,103,338	1,103,338
Commodities	49,086	53,759	53,759	54,759	54,759	56,859	56,859
Capital Outlay	55,755	93,414	93,414	22,000	22,000	22,000	22,000
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 2,602,691	\$ 3,157,938	\$ 3,138,229	\$ 3,097,165	\$ 3,079,981	\$ 3,183,749	\$ 3,166,221
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	35,471	0	0	0	0	0	0
TOTAL	<u>\$ 2,638,162</u>	<u>\$ 3,157,938</u>	<u>\$ 3,138,229</u>	<u>\$ 3,097,165</u>	<u>\$ 3,079,981</u>	<u>\$ 3,183,749</u>	<u>\$ 3,166,221</u>
Financing:							
State General Fund	\$ 614,190	\$ 630,416	\$ 625,575	\$ 630,414	\$ 626,268	\$ 630,415	\$ 626,185
All Other Funds	2,023,972	2,527,522	2,512,654	2,466,751	2,453,713	2,553,334	2,540,036
TOTAL	<u>\$ 2,638,162</u>	<u>\$ 3,157,938</u>	<u>\$ 3,138,229</u>	<u>\$ 3,097,165</u>	<u>\$ 3,079,981</u>	<u>\$ 3,183,749</u>	<u>\$ 3,166,221</u>
FTE Positions	15.8	15.8	15.8	15.8	15.8	15.8	15.8
Non-FTE Uncl. Perm. Pos.	10.3	11.2	11.2	11.2	11.2	11.2	11.2
TOTAL	<u>26.1</u>	<u>27.0</u>	<u>27.0</u>	<u>27.0</u>	<u>27.0</u>	<u>27.0</u>	<u>27.0</u>

The **agency** requests FY 2016 expenditures of \$3.1 million for the Animal Health program, a decrease of \$60,773, or 1.9 percent, below the FY 2015 request. This change is largely due to a decrease in capital outlay expenditures of \$71,414, or 76.4 percent, due to decreased expenditures on computer replacement, passenger car replacement, and truck replacement.

The **Governor** recommends FY 2016 expenditures of \$3.1 million for the Animal Health program, a decrease of \$17,184, or 0.6 percent, below the agency request. The decrease is entirely attributable to a reduction in salaries and wages due to reduced employer contributions for state employee health insurance.

The **agency** requests FY 2017 expenditures of \$3.2 million for the Animal Health program, an increase of \$86,584, or 2.8 percent, above the FY 2016 request. The increase is

attributable to salaries and wages increases as a result of the 27th pay period that occurs in FY 2017 for all state agencies.

The **Governor** recommends FY 2017 expenditures of \$3.2 million for the Animal Health program, a decrease of \$17,528, or

E. Conservation

Prior to FY 2012, the State Conservation Commission was a separate agency that was established in 1937 to promote soil and water conservation. The mission of the Commission was to administer conservation programs designed to enable local entities and individuals to protect and enhance Kansas' natural resources. The Conservation program operates eight

0.6 percent, below the agency request. The decrease is entirely attributable to a reduction in salaries and wages due to reduced employer contributions for state employee health insurance.

subprograms, including: Aid to conservation districts, watershed dam construction, water resource cost-share, water supply restoration, non-point source pollution, riparian and wetland protection, land reclamation, and water quality buffer initiatives. The Conservation program was transferred to KDA as part of Executive Reorganization Order No. 40.

CONSERVATION
SUMMARY OF EXPENDITURES FY 2014 – 2017

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 708,028	\$ 752,771	\$ 744,655	\$ 769,166	\$ 763,112	\$ 804,832	\$ 798,657
Contractual Services	1,000,293	1,080,863	1,080,863	713,963	713,963	681,848	681,848
Commodities	10,075	7,325	7,325	7,445	7,445	7,445	7,445
Capital Outlay	8,583	66,745	66,745	2,000	2,000	2,000	2,000
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 1,726,979	\$ 1,907,704	\$ 1,899,588	\$ 1,492,574	\$ 1,486,520	\$ 1,496,125	\$ 1,489,950
Aid to Local Units	3,243,292	2,937,494	2,937,494	2,927,227	2,927,227	2,927,227	2,927,227
Other Assistance	4,009,700	5,422,637	5,422,637	4,184,334	4,184,334	4,178,846	4,178,846
TOTAL	<u>\$ 8,979,971</u>	<u>\$ 10,267,835</u>	<u>\$ 10,259,719</u>	<u>\$ 8,604,135</u>	<u>\$ 8,598,081</u>	<u>\$ 8,602,198</u>	<u>\$ 8,596,023</u>
Financing:							
State General Fund	\$ 484,249	\$ 484,447	\$ 479,224	\$ 484,446	\$ 480,632	\$ 503,621	\$ 499,731
All Other Funds	8,495,722	9,783,388	9,780,495	8,119,689	8,117,449	8,098,577	8,096,292
TOTAL	<u>\$ 8,979,971</u>	<u>\$ 10,267,835</u>	<u>\$ 10,259,719</u>	<u>\$ 8,604,135</u>	<u>\$ 8,598,081</u>	<u>\$ 8,602,198</u>	<u>\$ 8,596,023</u>
FTE Positions	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Non-FTE Uncl. Perm. Pos.	3.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL	<u>10.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>

The **agency** requests FY 2016 expenditures of \$8.6 million for the Conservation program, a decrease of \$1.7 million, or 16.2 percent, below the FY 2015 request. This change is largely due to decreases in other assistance funded by the State Water Plan Fund for local conservation districts related to watershed dams, small municipal lakes, and other conservation projects.

The **Governor** recommends FY 2016 expenditures of \$8.6 million for the Conservation program, a decrease of \$6,054, or

0.1 percent, below the agency request. The decrease is entirely attributable to a reduction in salaries and wages due to reduced employer contributions for state employee health insurance.

The **agency** requests FY 2017 expenditures of \$8.6 million for the Conservation program, a decrease of \$1,937, or less than 0.1 percent, below the FY 2016 request. The decrease is attributable to contractual services, offset in part by increases in salaries and wages due to the 27th pay period in FY 2017.

The **Governor** recommends FY 2017 expenditures of \$8.6 million for the Conservation program, a decrease of \$6,175, or 0.1 percent, below the agency request. The decrease is entirely

attributable to a reduction in salaries and wages due to reduced employer contributions for state employee health insurance.

F. Agricultural Marketing

Agriculture marketing was transferred to the Department in FY 2011 as part of Executive Reorganization Order Number 40. This program is focused on growing the agricultural industry in

Kansas through loan programs, marketing, and agricultural initiatives. This program was previously categorized as a subprogram within Administration.

AGRICULTURAL MARKETING SUMMARY OF EXPENDITURES FY 2014 – 2017							
Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 675,086	\$ 904,652	\$ 893,885	\$ 990,496	\$ 986,999	\$ 1,037,558	\$ 1,034,013
Contractual Services	1,044,321	903,361	903,361	869,930	0	870,013	0
Commodities	51,318	28,168	28,168	28,168	0	28,168	0
Capital Outlay	2,009	7,600	7,600	8,800	0	25,800	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 1,772,734	\$ 1,843,781	\$ 1,833,014	\$ 1,897,394	\$ 986,999	\$ 1,961,539	\$ 1,034,013
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	321,735	723,201	723,201	738,400	578,400	738,400	578,400
TOTAL	<u>\$ 2,094,469</u>	<u>\$ 2,566,982</u>	<u>\$ 2,556,215</u>	<u>\$ 2,635,794</u>	<u>\$ 1,565,399</u>	<u>\$ 2,699,939</u>	<u>\$ 1,612,413</u>
Financing:							
State General Fund	\$ 0	\$ 160,000	\$ 160,000	\$ 1,226,898	\$ 160,000	\$ 1,243,981	\$ 160,000
All Other Funds	2,094,469	2,406,982	2,396,215	1,408,896	1,405,399	1,455,958	1,452,413
TOTAL	<u>\$ 2,094,469</u>	<u>\$ 2,566,982</u>	<u>\$ 2,556,215</u>	<u>\$ 2,635,794</u>	<u>\$ 1,565,399</u>	<u>\$ 2,699,939</u>	<u>\$ 1,612,413</u>
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	12.0	11.0	11.0	11.0	11.0	11.0	11.0
TOTAL	<u>12.0</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>

The **agency** requests FY 2016 expenditures of \$2.6 million for the Agricultural Marketing program, an increase of \$68,812, or 2.7 percent, above the FY 2015 request. This change is largely due to increases in salaries and wages.

- **Salaries and Wages.** The agency requests FY 2016 salaries and wages expenditures of \$990,496, an increase of \$85,844, or 9.5 percent, above the FY 2015 request.

The **Governor** recommends FY 2016 expenditures of \$1.6 million for the Agricultural Marketing program, a decrease of \$1.1 million, or 40.6 percent, below the agency request. The decrease spans a number of categories but is entirely attributable to two adjustments.

- A decrease of \$1.1 million, all from the State General Fund, as a result of not recommending the enhancement package for marketing and outreach.
- A decrease of \$3,497 for reduced employer contributions for state employee health insurance.

The **agency** requests FY 2017 expenditures of \$2.7 million for the Agricultural Marketing program, an increase of \$64,145, or 2.4 percent, above the FY 2016 request. The increase is attributable to salaries and wages and capital outlay.

- **Salaries and Wages.** The agency requests FY 2017 salaries and wages expenditures of \$1.0 million, an increase of \$47,062, or 4.8 percent, above the FY 2016 request. This increase is largely due to the 27th pay period that occurs in FY 2017 for all state agencies.

- **Capital Outlay.** The agency requests FY 2017 capital outlay expenditures of \$25,800, an increase of \$17,000, or 193.2 percent, above the FY 2016 request. This increase is attributable to the replacement of a vehicle.

The **Governor** recommends FY 2017 expenditures of \$1.6 million for the Agricultural Marketing program, a decrease of \$1.1 million, or 40.3 percent, below the agency request. The decrease spans a number of categories but is entirely attributable to two adjustments.

- A decrease of \$1.1 million, all from the State General Fund, as a result of not recommending the enhancement package for marketing and outreach.
- A decrease of \$3,545 for reduced employer contributions for state employee health insurance.

PERFORMANCE MEASURES					
<u>Measure</u>	<u>Gov. Rec. for FY 2014</u>	<u>Actual FY 2014</u>	<u>Gov. Rec. FY 2015</u>	<u>Gov. Rec. FY 2016</u>	<u>Gov. Rec. FY 2017</u>
Total establishments licensed	14,500	15,635	15,900	16,100	16,000
Number of Grade A dairy farm inspections	840	892	906	910	909
Notices of noncompliance issued to meat and poultry establishments	N/A	814	1,033	1,033	1,033
Percentage of licensed elevators examined	N/A	94.0%	100.0%	100.0%	100.0%
Total scale inspections	N/A	2,812	4,200	5,040	5,100
Total food establishment inspections	21,760	22,202	21,851	21,400	21,200
Average number of days to process a complete application for a new water right	N/A	16	15	15	15
Number of private high hazard dam inspections reviewed	130	94	130	130	130
Number of floodplain fill or levee permits completed	N/A	116	120	120	120
Number of cost-share contracts funded	898	797	797	797	797
Percentage of conservation districts receiving the maximum level of state financial assistance	N/A	60.0%	61.0%	62.0%	62.0%
Number of livestock market brand inspections	N/A	156,170	187,500	151,000	150,000
Number of existing brand registrations renewed	N/A	4,205	3,000	3,500	3,500
Number of feedlot licenses issued	N/A	375	375	400	380
Number of deer licenses issued	N/A	51	50	48	48
Number of livestock market vet inspections	N/A	2,270,903	2,250,000	2,096,000	2,050,000