

# House Budget Committee Report

**Agency:** Department of Agriculture

**Bill No.** HB 2397

**Bill Sec.** 79

**Analyst:** Potts

**Analysis Pg. No.** Vol. 1, pg. 607

**Budget Page No.** 484

Expenditure Summary	Agency Request FY 2022	Governor Recommendation FY 2022	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 9,906,839	\$ 9,416,155	\$ 60,000
Other Funds	41,617,927	39,839,151	219,264
<i>Subtotal</i>	<u>\$ 51,524,766</u>	<u>\$ 49,255,306</u>	<u>\$ 279,264</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><b>\$ 51,524,766</b></u>	<u><b>\$ 49,255,306</b></u>	<u><b>\$ 279,264</b></u>
 FTE positions	 342.1	 342.1	 0.0

## Agency Request

The **agency** requests FY 2022 expenditures of \$51.5 million, including \$9.9 million State General Fund (SGF). This is an all funds decrease of \$4.3 million, or 7.7 percent, and SGF increase of \$73,419, or 0.7 percent, from the FY 2021 revised estimate. The SGF increase is due to increased employer contributions to the Kansas Public Employees Retirement System (KPERs) and group health insurance. The all funds decrease is due to decreased expenditures for streambank stabilization, interstate water issues, the water quality buffer initiative, and basin management, which were higher in FY 2021 due to State Water Plan Fund reappropriations. The all funds decrease is due to decreased expenditures on the Kansas Reservoir Protection Initiative which was a supplemental request in FY 2021. The all funds decrease is also due to decreased CARES Act funds which occurred in FY 2021. These decreases are partially offset by the agency's enhancement requests for watershed dam construction, Conservation Reserve Enhancement Program (CREP), and streambank stabilization.

## Governor's Recommendation

The **Governor** recommends FY 2022 expenditures of \$48.8 million, including \$8.9 million SGF. This is an all funds decrease of \$2.8 million, or 5.4 percent, and an SGF decrease of \$990,684, or 10.0 percent, below the agency's FY 2022 request. The SGF decrease is due to the Governor recommending the implementation of the agency's reduced resources budget. The all funds decrease is due to the reduced resources budget, the Governor not recommending the agency's enhancement requests, and the application of a 5.0 percent salaries and wages shrinkage rate.

### **House Budget Committee Recommendation**

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

1. Add \$60,000, all SGF, for a grain inspector and other Grain Warehouse Program expenditures for FY 2022. The agency has proposed amending fees on public grain warehouses licenses in SB 143. The Committee notes that with SGF funding to the program, the agency may be able to decrease the fee increase.
2. Add \$219,264, all from the State Water Plan Fund, for aid to conservation districts for FY 2022. This program provides matching funds to county conservation districts to deliver and promote natural resources programs such as conservation methods. The addition of these funds would return funding to the FY 2020 level.
3. Transfer \$219,264 from the Economic Development Initiatives Fund to the State Water Plan Fund for FY 2022. This would bring the total transfer to \$719,264 for FY 2022.

### **House Committee Recommendation**

The **Committee** concurs with the Budget Committee's recommendation for FY 2022 with the following adjustment:

1. Add \$30,000, all SGF, for litigation costs for the Audubon of Kansas lawsuit concerning water rights of the Quivira National Wildlife Refuge.

### **House Committee of the Whole Recommendation (Sub. for HB 2397)**

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2022 with the following adjustment:

1. Add language to delete 2.0 percent of SGF appropriations and reappropriations, excluding debt service, for FY 2022.

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## Senate Subcommittee Report

**Agency:** Department of Agriculture

**Bill No.** SB 267

**Bill Sec.** 79

**Analyst:** Potts

**Analysis Pg. No.** Vol. 1, pg. 607

**Budget Page No.** 484

<u>Expenditure Summary</u>	<u>Agency Request FY 2022</u>	<u>Governor Recommendation FY 2022</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 9,906,839	\$ 9,416,155	\$ 115,000
Other Funds	41,617,927	39,839,151	350,000
<i>Subtotal</i>	<u>\$ 51,524,766</u>	<u>\$ 49,255,306</u>	<u>\$ 465,000</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><b>\$ 51,524,766</b></u>	<u><b>\$ 49,255,306</b></u>	<u><b>\$ 465,000</b></u>
FTE positions	342.1	342.1	0.0

### Agency Request

The **agency** requests FY 2022 expenditures of \$51.5 million, including \$9.9 million SGF. This is an all funds decrease of \$4.3 million, or 7.7 percent, and an SGF increase of \$73,419, or 0.7 percent, from the FY 2021 revised estimate. The SGF increase is due to increased employer contributions to the Kansas Public Employees Retirement System (KPERs) and group health insurance. The all funds decrease is due to decreased expenditures for streambank stabilization, interstate water issues, the water quality buffer initiative, and basin management, which were higher in FY 2021 due to State Water Plan Fund reappropriations. The all funds decrease is due to decreased expenditures on the Kansas Reservoir Protection Initiative which was a supplemental request in FY 2021. The all funds decrease is also due to decreased CARES Act funds which occurred in FY 2021. These decreases are partially offset by the agency's enhancement requests for watershed dam construction, Conservation Reserve Enhancement Program (CREP), and streambank stabilization.

## **Governor's Recommendation**

The **Governor** recommends FY 2022 expenditures of \$48.8 million, including \$8.9 million SGF. This is an all funds decrease of \$2.8 million, or 5.4 percent, and an SGF decrease of \$990,684, or 10.0 percent, below the agency's FY 2022 request. The SGF decrease is due to the Governor recommending the implementation of the agency's reduced resources budget. The all funds decrease is due to the reduced resources budget, the Governor not recommending the agency's enhancement requests, and the application of a 5.0 percent salaries and wages shrinkage rate.

## **Senate Committee on Agriculture and Natural Resources Recommendation**

The **Committee on Agriculture and Natural Resources** concurs with the Governor's recommendation for FY 2022 with the following adjustments:

1. Add \$60,000, all SGF, for a grain inspector and other Grain Warehouse Program expenditures for FY 2022. The agency has proposed amending fees on public grain warehouses licenses in SB 143. The Committee notes that with SGF funding to the program, the agency may be able to reduce the fee increase.
2. Add \$25,000, all SGF, for contracts to eradicate and control the feral swine population in Kansas for FY 2022.
3. Add \$30,000, all SGF, for litigation costs for the Audubon of Kansas lawsuit concerning water rights of the Quivira National Wildlife Refuge and review prior to finalization of the budget for FY 2022.
4. Add \$250,000, all from the State Water Plan Fund, for aid to conservation districts for FY 2022. This program provides matching funds to county conservation districts to deliver and promote natural resources programs such as conservation methods.
5. Add \$50,000, all from the State Water Plan Fund, for the Conservation Reserve Enhancement Program for FY 2022. This program provides financial assistance to landowners to retire irrigation water rights and plant a permanent cover crop. This would bring the total State Water Plan Fund allocation for the program to \$446,593 for FY 2022.
6. Add \$50,000, all from the State Water Plan Fund, for irrigation technology for FY 2022. This program provides cost-share contracts with landowners to implement irrigation technologies such as mobile drip irrigation systems and soil moisture probes to promote water conservation. This would bring the total State Water Plan Fund allocation for the program to \$250,000 for FY 2022.

## **Senate Committee Recommendation**

The **Committee** concurs with the Committee on Agriculture and Natural Resources' recommendation for FY 2022.

### **Senate Committee of the Whole Recommendation (Sub. for SB 267)**

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2022.

### **Conference Committee Recommendation (HB 2007)**

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

1. Add \$60,000, all SGF, for a grain inspector and other Grain Warehouse Program expenditures for FY 2022. The agency has proposed amending fees on public grain warehouses licenses in SB 143. The Committee notes that with SGF funding to the program, the agency may be able to reduce the fee increase.
2. Add \$30,000, all SGF, for litigation costs for the Audubon of Kansas lawsuit concerning water rights of the Quivira National Wildlife Refuge and review prior to finalization of the budget for FY 2022.
3. Add \$250,000, all from the State Water Plan Fund, for aid to conservation districts for FY 2022. This program provides matching funds to county conservation districts to deliver and promote natural resources programs such as conservation methods.
4. Add \$50,000, all from the State Water Plan Fund, for the Conservation Reserve Enhancement Program for FY 2022. This program provides financial assistance to landowners to retire irrigation water rights and plant a permanent cover crop. This would bring the total State Water Plan Fund allocation for the program to \$446,593 for FY 2022.
5. Add \$50,000, all from the State Water Plan Fund, for irrigation technology for FY 2022. This program provides cost-share contracts with landowners to implement irrigation technologies such as mobile drip irrigation systems and soil moisture probes to promote water conservation. This would bring the total State Water Plan Fund allocation for the program to \$250,000 for FY 2022.

### **Omnibus Action (SB 159)**

1. Delete \$500,000, all SGF, to not adopt GBA No. 3, Item 15 and to not establish the Animal Facilities Inspection program as an independent division within the Department of Agriculture for FY 2022.

	Governor's Recommendation FY 2022	Legislative Action FY 2022	Legislative Approved FY 2022	Omnibus Legislative Action FY 2022	Final Legislative Approved FY 2022
<b>All Funds</b>					
State Operations	\$ 41,126,959	\$ 90,000	\$ 41,216,959	\$ (500,000)	\$ 40,716,959
Aid to Local Units	1,973,373	250,000	2,223,373	0	2,223,373
Other Assistance	6,154,974	100,000	6,254,974	0	6,254,974
<i>Subtotal - Operations</i>	<i>\$ 49,255,306</i>	<i>\$ 440,000</i>	<i>\$ 49,695,306</i>	<i>\$ (500,000)</i>	<i>\$ 49,195,306</i>
Capital Improvements	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 49,255,306</b>	<b>\$ 440,000</b>	<b>\$ 49,695,306</b>	<b>\$ (500,000)</b>	<b>\$ 49,195,306</b>

**State General Fund**

State Operations	\$ 9,416,155	\$ 90,000	\$ 9,506,155	\$ (500,000)	\$ 9,006,155
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
<i>Subtotal - Operating</i>	<i>\$ 9,416,155</i>	<i>\$ 90,000</i>	<i>\$ 9,506,155</i>	<i>\$ (500,000)</i>	<i>\$ 9,006,155</i>
Capital Improvements	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 9,416,155</b>	<b>\$ 90,000</b>	<b>\$ 9,506,155</b>	<b>\$ (500,000)</b>	<b>\$ 9,006,155</b>

FTE Positions	342.1	0.0	342.1	0.0	342.1
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