

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chair Melvin Neufeld at 9:00 a.m. on March 5, 2003, in Room 514-S of the Capitol.

All members were present except:

Representative JoAnn Pottorff, Excused
Representative Barbara Ballard, Excused
Representative Jerry Henry, Excused

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Amy Deckard, Legislative Research Department
Becky Krahl, Legislative Research Department
Amy VanHouse, Legislative Research Department
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Analyst
Sue Fowler, Committee Secretary

Conferees appearing before the committee:

Ken Grotewiel, Assistant Director, Kansas Water Office
Joe Fund, Fiscal Officer, Kansas Water Office
Kent Weatherby, General Counsel, Kansas River Water Assurance District #1

Others attending: See Attached

HB 2251 was referred to Agriculture and Natural Resources Budget Committee.

Hearing on HB 2397 – Establishing the water supply storage assurance fund

Amy VanHouse, Legislative Research Department, explained the Water Supply Storage Assurance Fund, which has been annually authorized in the appropriation bills since 1999, and is used to administer the Water Assurance Program. The bill was recommended for introduction by the Agriculture and Natural Resources Budget Committee. The language in this bill has been included as a proviso in the appropriation bills for the last several years and this bill would put the language into the general statutes instead of provisos. The bill will have no fiscal effect on the state.

The Governor's recommendation for expenditures for FY 2004 is \$400,000. The programs are not financed with state funding or State General Fund. They are funded by the users of the fund.

Ken Grotewiel, Assistant Director, Kansas Water Office, presented testimony in support of **HB 2397**, as recommended by the Agriculture and Natural Resources Budget Committee in place of the provisos, which have appeared since 1999 (Attachment 1). Director Grotewiel introduced Joe Fund, Fiscal Officer, Kansas Water Office, who explained the money comes from the members of the several Assurance Districts and a status report is published annually by the Kansas Water Office. The Water Assurance Program works somewhat like an insurance policy, guaranteeing water when there is low flow to the Assurance members. The collected funding is placed in a fund and expended as needed.

Kent Weatherby, General Council for Kansas River Water Assurance District #1, presented oral testimony in support of **HB 2397**. The Water Assurance Districts were established by special legislation about 15 years ago. The first one established included about 16 municipalities which included Lawrence, Kansas City, Johnson County Water District 1, Western Resources, Manhattan and Junction City. The Assurance District contracts with the state and the state contracts with the federal government for storage. The district pays whatever the federal government charges for storage, operation, and maintenance. The district pays the state for their storage and service and whatever costs the state has in administering and enforcing the program.

Chair Neufeld announced the hearing on **HB 2397** is closed.

CONTINUATION SHEET

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Representative Gatewood moved to report **HB 2397** favorably and place it on the consent calendar. Motion seconded by Representative Schwartz. Motion carried.

Hearing on HB 2399 – Authorizing the Kansas Water Office to borrow funds for certain purposes

Amy VanHouse explained **HB 2399** allows the Kansas Water Office to borrow money with interest for up to five years from the Pool Money Investment Board (PMIB). The bill also allows them to borrow an interest-free loan of less than one year from the PMIB to stabilize the rate charged to customers of the Water Marketing Program through the Water Marketing Fund. The language in this bill has been included as a proviso in the appropriation bills for the last several years and this bill would put the language into the statute instead of provisos. The bill will have no fiscal effect on the state.

Ken Grotewiel, Assistant Director, Kansas Water Office, presented testimony in support of **HB 2399**. (Attachment 1).

Chair Neufeld announced the hearing on **HB 2399** is closed.

Representative Schwartz moved to report favorably **HB 2399** and place it on the consent calendar. Motion was seconded by Representative Gatewood. Motion carried.

Hearing on HB 2400 – Establishing the local water project match fund

Amy VanHouse explained **HB 2400** creates a fund for receiving and passing through Local Match Funds for Federal programs. The language in this bill has been included as a proviso in the appropriations bills for the last several years and this bill would put the language into the general statutes instead of provisos. The bill will have no fiscal effect on the state.

Ken Grotewiel, Assistant Director, Kansas Water Office, presented testimony in support of **HB 2400** (Attachment 1).

Chair Neufeld announced the hearing on **HB 2400** is closed.

Representative Osborne moved to report favorably **HB 2400** and place it on the consent calendar. Motion was seconded by Representative Schwartz. Motion carried.

Agriculture and Natural Resources Budget Committee recommendations for HB 2387 – Charge fees for each head of cattle slaughtered in the state

Representative Schwartz, Chair of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee's recommendations on **HB 2387** and moved for the adoption of the Budget Committee recommendations (Attachment 2). Motion was seconded by Representative Osborne.

The Budget Committee recommended that an interim study be conducted on the fee structure and State General Fund financing of the Kansas Animal Health Department. Included in the study would be an evaluation of the equity of fees in the agency and the appropriate level of State General Fund appropriations in the agency's revenue sources.

Representative Gatewood made a substitute motion to not adopt the Budget Committee recommendations on **HB 2387**. Motion was seconded by Representative Feuerborn. Motion carried.

The meeting was adjourned at 9:45 a.m. The next meeting is scheduled for March 6, 2003.

Melvin Neufeld, Chair

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