

MINUTES OF THE SEBATE COMMITTEE ON WAYS AND MEANSThe meeting was called to order by Senator Paul Hess at _____
Chairperson10:00 a.m./~~p.m.~~/on January 7, 19 82 in room 123-S of the Capitol.All members were present except:
Senator Talkington

Committee staff present:

Research Department: Marlin Rein, Sherry Brown, Mary Galligan, Ed Ahrens, Wayne Morris,
Revisor's Office: Arden Ensley, Norman Furse Richard Ryan

Conferees appearing before the committee:

Lynn R. Muchmore, State Budget Director
E. A. Mosher, Kansas League of Municipalities
Fred Allen, Kansas Association of Counties
Edwin J. Walbourn, Kansas Association of Community Colleges

The Chairman explained that the meeting had been called to discuss a proposed bill (3 RS 0000) relating to county and city revenue sharing; and Senate Bill No. 24 (not assigned) relating to the local ad valorem tax reduction fund. He then asked Mr. Muchmore to make his presentation concerning these matters.

Mr. Muchmore distributed his written presentation and explained a series of charts. (See Attachment A and Charts)

Senator Doyen asked if Mr. Muchmore had considered sharing some of the interest on funds being discussed with cities and counties. Mr. Muchmore replied that it had not been considered, and noted that anything which reduces the impact of his presentation on the state would require some thought.

Senator Steineger asked about the number of units sharing in the distributions of revenue. Mr. Muchmore said he did not have the exact number. However, LAVTR is distributed to political subdivisions so it is widely spread. The County and City Revenue Sharing Fund, on the other hand, goes only to counties and cities, but the impact would be very low on each subdivision. Senator Bogina indicated that there is a significant impact in Johnson County, and that he feels local units will have to make up the difference in tax increases.

At Senator Hess' request, Mr. Ryan gave a brief history of the setting of percentage distributions under the two measures being discussed.

Mr. Mosher distributed his prepared statement (See Attachment B). He stated that his organization would like to see the County and City Revenue Sharing Fund distributed on November 15 (or December 1 at the latest) instead of December 15 as set out in the proposed bill. On the Local Ad Valorem Tax Reduction Fund, he would appreciate the January 15 and July 15 dates being advanced a few days. This is in Senate Bill 24.

Mr. Mosher called attention to the fact that his written presentation included a proposed bill relating to no-fund warrants. The proposal would allow taxing units to by-pass all the present procedures in issuance of such warrants, thus accelerating the process.

When asked by Senator Werts about the extent to which local units of government have been suffering from shortfalls in sales tax revenues, Mr. Mosher said he was not aware of the point of urgency.

Referring to a previous statement of Mr. Mosher concerning advancing for a few days the LAVTR distributions, Senator Hess asked for specifics. Mr. Mosher said the tenth of the month would be better for local units of government. He added that the January 15 payment is not so significant as the later payments.

Referring to Mr. Mosher's comment (see written presentation) concerning the reference to the State Board of Agriculture on Line 40 of SB 24, Senator Hess explained that the Revisor's office had informed him this problem has been taken care of by statute. Wherever the Board of Agriculture appears, the Division of Budget is automatically indicated.

Mr. Allen said his organization concurs with Mr. Mosher in the procedure suggested for issuance of no-fund warrants. He also agreed with the dates of distribution suggested by Mr. Mosher. He added that he would be requesting an increase in percentage of county and city revenue sharing funds.

Mr. Walbourn reminded the committee that community colleges are on the same fiscal year as the state, and that the proposed distribution dates will result in the colleges losing half their distribution for the present fiscal year. There is no way in which this could be made up by the individual colleges.

Senator Hess asked Mr. Muchmore to respond to the suggestions made by conferees. He said his office would like to be as accommodating as possible; but that he would rather any changes in the measures being discussed occur in a subsequent amendment.

SB 24 and 3 RS 0000 - COUNTY-CITY REVENUE SHARING AND LOCAL AD VALOREM TAX REDUCTION

Motion was made by Senator Doyen and seconded by Senator Bogina that the committee approve SB 24 as printed and that the proposed draft (3 RS 0000) be introduced as a committee bill with the suggestion that it be referred to Committee of the Whole. The motion carried by roll call vote.

Secretary Harder distributed the Annual Report of the Kansas Department of Social and Rehabilitation Services and a resume of Medical Assistance and Public Assistance Caseload and Expenditures (See Attachment C).

Dr. Harder explained several procedures whereby SRS is working with the Kansas Hospital Association and the Kansas Medical Society in an attempt to reduce costs to the state for the various levels of assistance; including hospital care and nursing home care. He said the potential supplemental request for FY 83 would be approximately \$15 million. He said it might be possible to bring that request down to \$10 million, depending upon the Governor and the Legislature agreeing with the respective general assistance and other programs proposed by SRS. In the case of General Assistance a statutory change would be required, but other changes can be done by Rules and Regulations through a concurrent resolution. Following extensive questioning from committee members concerning various aspects of SRS assistance, the meeting was adjourned.

SENATE BILL No. 24

By Senators Doyen and Talkington

1-3

0016 AN ACT relating to the local ad valorem tax reduction fund;
0017 concerning the apportionment and payment of moneys there-
0018 from to county treasurers; amending K.S.A. 79-2960 and K.S.A.
0019 1982 Supp. 79-2959 and repealing the existing sections.

0020 *Be it enacted by the Legislature of the State of Kansas:*

0021 Section 1. K.S.A. 1982 Supp. 79-2959 is hereby amended to
0022 read as follows: 79-2959. There is hereby created the local ad
0023 valorem tax reduction fund. All moneys transferred or credited to
0024 such fund under the provisions of this act or any other law shall
0025 be apportioned and distributed in the manner provided herein.
0026 On January 15 *and on July 15* of each year, the director of
0027 accounts and reports shall ~~transfer a sum~~ *make transfers in equal*
0028 *amounts which in the aggregate equal to four and one-half*
0029 ~~percent (4½%)~~ *4½%* of the total retail sales and compensating
0030 taxes ~~deposited in~~ *credited to* the state ~~treasury~~ *general fund*
0031 pursuant to articles 36 and 37 of chapter 79 of Kansas Statutes
0032 Annotated and acts amendatory thereof and supplemental
0033 thereto during the preceding calendar year from the state general
0034 fund to the local ad valorem tax reduction fund. The state
0035 treasurer shall apportion and pay the amounts so transferred to
0036 the several county treasurers on January 15 *and on July 15* in
0037 each year as follows: (1) Sixty-five percent ~~(65%)~~ of the amount to
0038 be distributed shall be apportioned on the basis of population of
0039 the counties as reported in the last preceding annual enumera-
0040 tion of the state board of agriculture; *and* (2) Thirty-five percent
0041 ~~(35%)~~ of such amount shall be apportioned on the basis of the
0042 equalized assessed tangible valuations on the tax rolls of the
0043 counties on November 1 of the preceding year as certified by the
0044 director of property valuation.

0045 Sec. 2. K.S.A. 79-2960 is hereby amended to read as follows:
0046 79-2960. Each year, the county treasurer shall estimate the
0047 amount of money each political subdivision in ~~his or her~~ *such*
0048 county (including the county as one such political subdivision)
0049 will receive from the local ad valorem tax reduction fund. The
0050 state treasurer shall advise each county treasurer, prior to June 1
0051 of each year, of the amount of the local ad valorem tax reduction
0052 fund of the state; that the state treasurer estimates (using the
0053 most recent available information) will be paid to such county on
0054 January 15 *and July 15* of the following year. The county trea-
0055 surer shall before June 15 of each year, notify the treasurer of
0056 each political subdivision of the estimated amount in dollars of
0057 the ~~distribution~~ *distributions* to be made from the local ad
0058 valorem tax reduction fund. Such estimate shall be made in
0059 accordance with K.S.A. 79-2961. Each tangible property tax
0060 levying political subdivision shall set out a local ad valorem tax
0061 reduction fund item of income for one or more tangible property
0062 tax funds of general application (excepting bond and interest
0063 funds), in its budget for the current year tax levies, the amount
0064 which the county treasurer has estimated as the share of such
0065 local ad valorem tax reduction funds to be so credited. The
0066 director of accounts and reports shall make suitable provision in
0067 the budget forms to be used by such subdivisions for listing local
0068 ad valorem tax reduction fund income items.

0069 Sec. 3. K.S.A. 79-2960 and K.S.A. 1982 Supp. 79-2959 are
0070 hereby repealed.

0071 Sec. 4. This act shall take effect and be in force from and
0072 after its publication in the Kansas register.

_____ BILL NO. _____

By

AN ACT relating to the county and city revenue sharing fund; concerning the allocation and distribution of moneys therefrom; amending K.S.A. 1982 Supp. 79-2964 and 79-2966 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 1982 Supp. 79-2964 is hereby amended to read as follows: 79-2964. There is hereby created the county and city revenue sharing fund. All moneys transferred or credited to such fund under the provisions of this act or any other law shall be allocated and distributed in the manner provided herein. The director of accounts and reports in each year on ~~March--15,~~ ~~June--15,~~ ~~September~~ July 15 and December 15, shall make transfers in equal amounts which in the aggregate equal ~~three-and--one-half percent---~~ ~~(3-1/2%)~~ 3 1/2% of the total retail sales and compensating taxes ~~deposited-in~~ credited to the state ~~treasury~~ general fund pursuant to articles 36 and 37 of chapter 79 of the Kansas Statutes Annotated and acts amendatory thereof and supplemental thereto during the preceding calendar year from the state general fund to the county and city revenue sharing fund.

Sec. 2. K.S.A. 1982 Supp. 79-2966 is hereby amended to read as follows: 79-2966. Fifty percent of a county's entitlement from the county and city revenue sharing fund shall be the county government's share of such fund and the remaining 50% shall be allocated to each city in such county in the proportion that the population of each such city bears to the population of all such cities in the county. Persons residing within the Fort Riley military reservation shall not be included or considered in determining the population of any city located in Riley county or Geary county. The state treasurer shall make distributions from

the county and city revenue sharing fund in accordance with the allocation formulas prescribed in the foregoing provisions of this act in ~~quarterly~~ installments on the dates prescribed in K.S.A. 1982 Supp. 79-2964. The director of accounts and reports shall draw warrants on the state treasurer in favor of the several county treasurers and city treasurers on the dates and in the amounts determined as provided. The distributions shall be paid directly by mail to the several county treasurers and city treasurers who shall upon receipt of the moneys deposit the same in their respective county or city general funds.

Sec. 3. K.S.A. 1982 Supp. 79-2964 and 79-2966 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the Kansas register.

Governor's Proposal
Local Ad Valorem Tax Reduction Fund
and
County and City Revenue Sharing Fund

As part of Governor Carlin's package to resolve the fiscal problems facing Kansas in FY 1983, he proposes enactment of legislation to change permanently the statutory distribution dates for payments from the Local Ad Valorem Tax Reduction Fund (LAVTR) and the County and City Revenue Sharing Fund (CCRS). The combined effect of the changes would be to shift approximately \$18.9 million in State General Fund expenditures from FY 1983 to FY 1984. With a permanent change in payment dates, however, FY 1984 expenditures will not be appreciably different than under existing statutes.

Current Law

Current law provides that LAVTR payments shall be made annually on January 15 in an amount equal to 4.5 percent of the retail sales and compensating use taxes collected by the state in the preceding calendar year. Payments are made to each county with 65 percent being apportioned on the basis of population and 35 percent on the basis of equalized assessed tangible property valuation. The amount paid to each county is then apportioned among all taxing subdivisions within the county (except school districts) in

the proportion that a subdivision's mill levy bears to the total mill levy of all subdivisions (except school districts) in the county.

Current law for the CCRS provides that payments shall be made quarterly on March 15, June 15, September 15, and December 15 in equal amounts which in the aggregate total 3.5 percent of the retail sales and compensating use taxes collected by the state in the preceding calendar year. That is, the four payments in calendar year 1982 totalled 3.5 percent of the calendar year 1981 sales and use tax collections. Entitlements are determined for each county with 65 percent being apportioned on the basis of population and 35 percent on the basis of equalized assessed tangible property valuations. Of the amount determined for each county, 50 percent is paid to the county government and 50 percent is distributed directly among cities in the county in the proportion that a city's population bears to the total population of all cities in the county. (Statutes also contain provisions to insure that each county receives under LAVTR and CCRS at least the amount it received in state FY 1977 from the LAVTR and two other aid programs that existed when CCRS was adopted in 1978; with the growth in sales and use tax collections since FY 1977, this equalization feature has not been activated recently.)

Both the LAVTR and CCRS are demand transfers in that the distributions are mandated by law and not established annually by appropriations acts. On the statutory dates,

monies are transferred to special revenue funds (the LAVTR fund and the CCRS fund) from which the actual payments are made. For budgetary purposes they are treated as State General Fund expenditures.

Governor's Proposal

The Governor proposes that the LAVTR program be divided into two payments to be made annually on January 15 and July 15 in equal amounts which total 4.5 percent of the retail sales and use taxes collected in the preceding calendar year. For CCRS the Governor proposes that the current quarterly payments be consolidated into two payments to be made annually on July 15 and December 15 in equal amounts which total 3.5 percent of the retail sales and use tax collections in the preceding calendar year. The proposals do not affect the proportion of sales and use taxes shared with local governments, but only alter the distribution dates.

The effect of the changes is to reduce FY 1983 State General Fund expenditures by \$18.9 million as shown below. This is accomplished by deferring 50 percent of the LAVTR payment to July 15 and deferring the March and June CCRS payments also to July 15.

	<u>Current Law</u>	FY 1983 <u>Proposed Law</u>	<u>Difference</u>
Local Ad Valorem Tax Reduction	\$21,277,000	\$10,638,500	\$(10,638,500)
County and City Revenue Sharing	<u>16,330,780</u>	<u>8,056,286</u>	<u>(8,274,494)</u>
Total	\$37,607,780	\$18,694,786	\$(18,912,994)

While the effect of the proposals on FY 1983 state expenditures is substantial, the impact on local units of government should not be severe. Local units will still receive the funds they would under current law within their 1983 budget year which is co-terminous with calendar year 1983. Additionally, the change will take effect during a period in which local governments are receiving a substantial portion of their property tax revenues which should enable them to schedule cash needs and investments without significant problems. Any adverse effects on local governments would come in the form of reduced interest earnings due to the deferred payments. If one assumes that the entire amount deferred was invested for the entire period of deferral at 8.0 percent annual interest, the maximum interest loss would be approximately \$647,000. Other things remaining the same, of course, this interest would accrue to the State General Fund. It should be noted that the LAVTR and CCRS funds were not reduced by the FY 1983 allotments in that Attorney General Opinion No. 82-160 stated that demand transfer payments could not be included in such a system. Other aid programs, including those to

unified school districts were reduced by 4.0 percent through the allotment system. The LAVTR and CCRS programs constitute the major aid programs for general purpose local units of government.

FY 1984 Effects

The Governor's proposals also affect the amounts estimated to be distributed in FY 1984 from what they would be under current law. CCRS payments will be approximately \$633,000 less than under current law because both FY 1984 payments (July and December 1983) will be based on 1982 collections. Under current law, the March and June 1984 payments would be based on 1983 collections.

LAVTR distributions would be approximately \$814,000 less than under current law because the July 15 payment will be based on calendar year 1982 collections. The second FY 1984 payment (January 15) will, however, be affected by the Governor's proposal to accelerate the remittance of sales and use taxes. Those proposals are estimated to increase FY 1983 (and calendar year 1983) receipts by \$31.5 million. In total, the FY 1984 LAVTR distributions including both the rescheduling and acceleration changes are estimated to be only \$53,500 less than under current law. FY 1984 CCRS distributions are not affected by the acceleration proposals because they will both be based on calendar year 1982 collections. The estimated FY 1984 distributions under

current law and the Governor's proposal with and without the acceleration of sales and use taxes are shown below.

Estimated FY 1984 Distributions

	<u>Current Law</u>	<u>Proposed Without Acceleration</u>	<u>Difference</u>
LAVTR	\$22,905,000	\$22,091,000	\$ (814,000)
CCRS	<u>17,182,000</u>	<u>16,549,000</u>	<u>(633,000)</u>
	<u>\$40,087,000</u>	<u>\$38,640,000</u>	<u>\$ (1,447,000)</u>

	<u>Current Law</u>	<u>Proposed With Acceleration</u>	<u>Difference</u>
LAVTR	\$22,905,000	\$22,851,500	\$ (53,500)
CCRS	<u>17,182,000</u>	<u>16,549,000</u>	<u>(633,000)</u>
	<u>\$40,087,000</u>	<u>\$39,400,500</u>	<u>\$ (686,500)</u>

F I S C A L Y E A R

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GOVERNOR'S RECOMMENDATIONS REGARDING
REVENUE SHORTFALL

1. ALLOTMENTS
2. PAYMENTS SHIFTS
3. ACCELERATED COLLECTIONS

1. ALLOTMENTS

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Shortfall 83.5

Adjustments (-) 1.6

Adjusted Shortfall 81.9m

Phase I Allotment 51.0m

IMPACT OF RECOMMENDATIONS

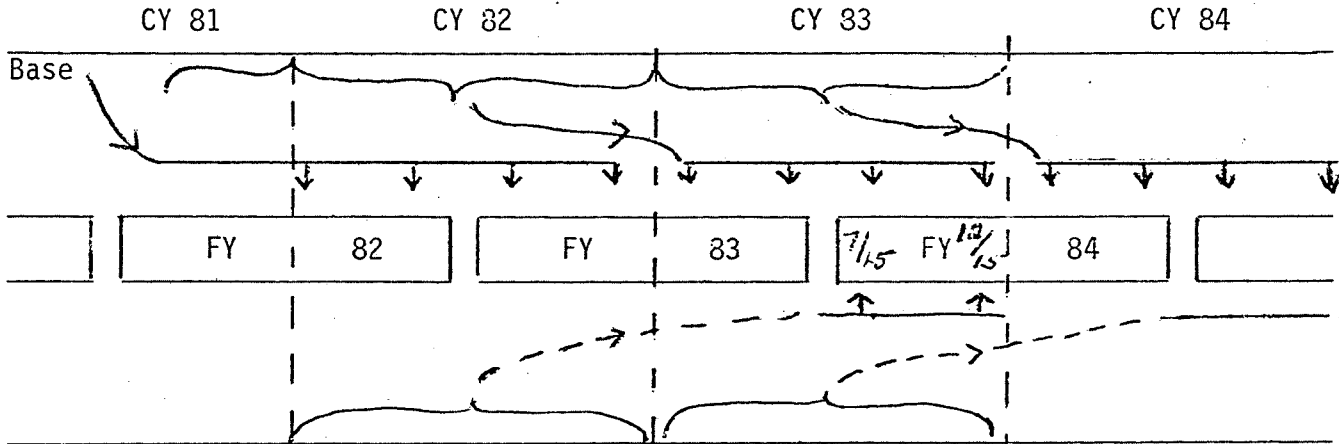
<u>Resources</u>		<u>Expenditures</u>	
Beginning Balance	92.4	Authorized	1479.9
Revenue	1304.0	Demand transfer adjustment	(-) 1.6
Income tax speed-up	80.6	Voluntary savings (leg. & judicial)	(-) 1.2
Sales and use tax speed-up	31.5	Phase I Allotment	(-) 51.0
		LAVTR shift	(-) 10.6
		C/C RS shift	(-) 8.3
	1508.5		1407.2

Ending Balance

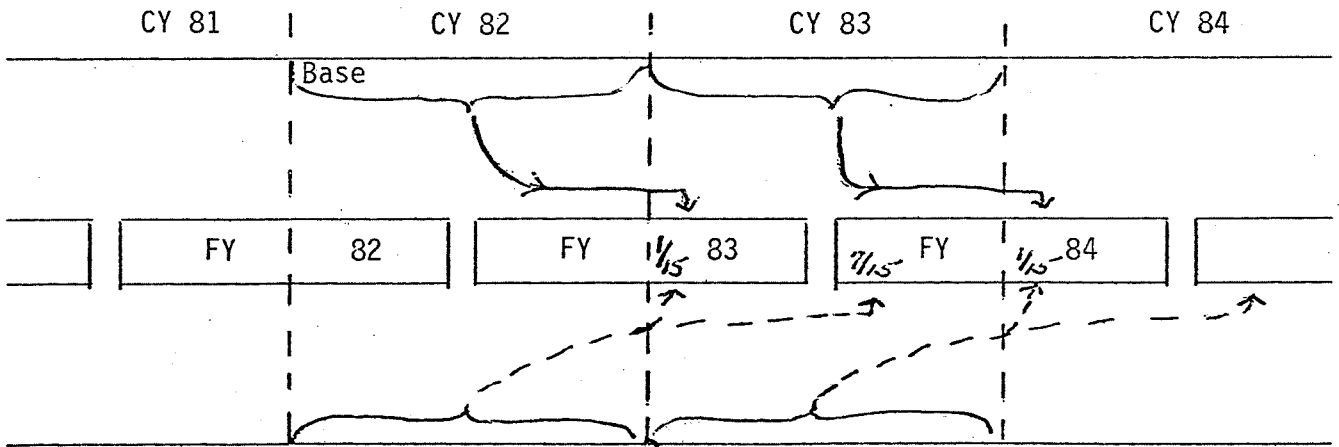
\$101.3m

PAYMENT SHIFTS

a. C/C RS



b. LAVTR



— Current
 - - - Proposed

IMPACT OF PAYMENT SHIFTS

1.	FY'83 outlays reduced		\$18.9m
2.	State interest gain (local loss)		
		C/C RS	221,000
		LAVTR	<u>426,000</u>
			647,000
3.	FY '84 saving because of base shifts		
		C/C RS (-)	633,000
		LAVTR (-)	<u>814,000</u>
			(-)1,447,000

STATEMENT ON PROPOSED DEFERRED STATE PAYMENTS TO CITIES

To Senate Committee on Ways and Means

By E.A. Mosher, Executive Director, League of Kansas Municipalities

January 7, 1983

The Governing Body of the league has reviewed the Governor's proposed deferment of certain state payments to cities, and has agreed to take no position on the proposal, provided such payments continue to be received within the same local fiscal year. The proposed bills will have, to our best knowledge, no serious adverse effects on local units. Obviously, there is some potential loss of local interest earnings, but we do not consider this to be critical, given the condition of the state treasury. However, we offer two suggestions. First, we would like to secure passage of a new law permitting the issuance of no-fund warrants in 1983 to meet possible city cash shortages, which I will discuss in a moment. Second, we would like to offer some proposed changes in the distribution dates.

Payment Dates

Of principal interest to us is to secure an advancement of the proposed December 15 payment of the second half of the county and city revenue sharing fund, which is estimated to be about \$8.2 million. As you know, the present law provides for a quarterly distribution, beginning March 15. The proposed bill provides for a July 15 and a December 15 payment. The months of November and December are commonly the low cash flow months for cities, primarily because most property tax payments are received by mid-August. A state payment mailed on December 15 means that the payment is actually deposited locally several days later. Since local units operate on a cash basis--accounts receivable are not considered revenue until actually received and deposited--some potential cash law violations could occur. We would like to accelerate this payment to November 15, and to December 1 at the latest.

Secondly, we would like to propose that both the January 15 and July 15 distribution of the local ad valorem tax reduction fund (LAVTRF) be accelerated a few days, to either the first or fifth day of the month. Most county treasurers now distribute the LAVTRF money at the same time as property tax payments are distributed, although a few apparently make a separate distribution when the amount is large. Frequently, the present annual January 15 payment is received after the county treasurer closes the books for the January 20 tax distribution, resulting in the money being retained by the county treasurer. While there are apparently considerable variations as to when different county treasurers actually make tax distributions, the basic statute (12-1678a) provides for a distribution on or before the 20th day of January and July. There are some other distribution dates, but these are the big ones, covering tax payments made by December 20 and June 20. Our objective is to get the proposed two LAVTRF payments to the county treasurer in time for it to be distributed by January 20 and July 20. State payments to county treasurers as of the 15th cuts this a little tight. A distribution on either the first or fifth of these two months should permit the prompt distribution of the state payments to those local units which are legally entitled to the money.

As a minor suggestion to the LAVTRF bill, we would suggest the reference to the state board of agriculture be stricken and the provisions of K.S.A. Supp. 11-201 be recognized, since the enumeration is now certified by the division of the budget to the secretary of state.

No-Fund Warrants

We cannot provide you the name of any Kansas local unit which will actually experience a problem (excluding interest earnings) or a violation of the cash basis law in 1983 as a result of the proposed deferrments. However, this could occur, and we would like to offer a simple bill (attached) to prevent the problem. The bill permits a city to authorize the issuance of no-fund warrants to cover cash shortages resulting from the failure to receive previously scheduled and budgeted state payments. The authority would exist only for 1983. The authorization for the issuance of no-fund warrants would require an action by the governing body, but they would not actually be issued except when the finance officer finds a temporary cash shortage is imminent. If warrants are actually issued, they would have to be repaid, together with any interest, from the deferred state payments received later in the year.

We think the problem the bill addresses would be limited to cities, and probably to smaller cities. However, we have no objections if the bill is broadened to include counties.

Conclusion

In conclusion, let me again note that the League's formal position on this proposal is one of "no position." We do not appear "against", since the proposals are apparently of significant short-term benefit to the state's general fund fiscal problem. We do not appear "for" the bills since, as a minimum, they represent a loss of interest earnings on inactive moneys to local units. Reshuffling distribution dates is not high on our agenda. We continue to support increased state general revenue sharing, as well as increased highway assistance. For a number of years, our convention-adopted policy objective has been to increase the revenue base for the county and city revenue sharing fund from 3½ to 5 percent of total state sales tax collections. Given our primarily purpose of obtaining an increased level of state support for cities, we are not inclined to quibble too much as to when the payments are made.

BILL No. _____

By _____

AN ACT concerning cities; authorizing the issuance of no-fund warrants.

Be it enacted by the Legislature of the State of Kansas:

Section 1. To finance needed expenditures and to avoid violations of the cash basis law resulting from the failure to receive scheduled state payments from the local ad valorem tax reduction fund and the county and city revenue sharing fund equal to the amount budgeted and estimated to be received therefrom, the governing body of any city may, during the calendar year 1983, provide by resolution for the issuance of no-fund warrants. The amount of such warrants shall not exceed one-half the total amount budgeted from such payments for 1983. The resolution providing for the issuance of no-fund warrants may authorize the city clerk or other finance officer of the city, subject to the approval of the mayor or city manager of such city, to sell such amounts of the authorized warrants as may be necessary. Moneys not immediately needed in any fund of the city may be invested in such no-fund warrants. Such resolution shall provide for the redemption during 1983 of any warrants which are actually sold, with the principal and interest thereon payable from receipts from such state payments during the second half of 1983.

Sec. 2. This act shall take effect and be in force from and after its publication in the official state paper.

MEDICAL ASSISTANCE AND PUBLIC ASSISTANCE
CASELOAD AND EXPENDITURES

MEDICAL ASSISTANCE

	<u>FY 1981</u>	<u>FY 1982</u>	<u>FY 1983</u> (as appropriated)
Persons	1,534,516	1,422,716	1,473,069
Cases	919,082	833,096	
Expenditures	\$205.1 million	\$217.1 million	\$227.8 million

GENERAL ASSISTANCE

	<u>FY 1981</u>	<u>FY 1982</u>	<u>FY 1983</u> (as appropriated)
Persons	82,866	105,148	90,315
Cases	73,897	93,669	
Expenditures	\$11.2 million	\$15.1 million	\$12.9 million

AID TO DEPENDENT CHILDREN

	<u>FY 1981</u>	<u>FY 1982</u>	<u>FY 1983</u> (as appropriated)
Persons	855,317	776,843	737,384
Cases	315,743	279,709	
Expenditures	\$85.8 million	\$81.2 million	\$85.0 million

FLASH REPORT
FY 1981, 1982, 1983 Trends

	ADC				GA			
	Cases	% +Change	Persons	% +Change	Cases	% +Change	Persons	% +Change
<u>FY 1981</u>								
July '80	23,262	+0.1	63,496	-0.1	4,288	+2.8	4,785	+2.0
Aug. '80	23,940	+2.9	65,634	+3.4	4,659	+8.7	5,224	+9.2
Sept. '80	24,199	+1.1	66,264	+1.0	4,761	+2.2	5,323	+1.9
Oct. '80	24,337	+0.6	66,523	+0.4	4,834	+1.5	5,405	+1.5
Nov. '80	24,592	+1.0	67,303	+1.2	4,894	+1.2	5,433	+0.5
Dec. '80	24,320	-1.1	66,349	-1.4	5,015	+2.5	5,587	+2.8
Jan. '81	24,817	+2.0	67,826	+2.2	5,138	+2.5	5,735	+2.7
Feb. '81	24,924	+0.4	68,279	+0.7	5,189	+1.0	5,810	+1.3
Mar. '81	25,024	+0.4	68,538	+0.4	5,571	+7.4	6,200	+6.7
Apr. '81	25,665	+2.6	70,453	+2.8	5,959	+7.0	6,673	+7.6
May '81	25,587	-0.3	70,039	-0.6	5,858	-1.7	6,511	-2.4
June '81	25,404	-0.7	69,238	-1.1	5,627	-3.9	6,225	-4.4
<u>FY 1982</u>								
July '81	24,895	-2.0	67,596	-2.4	5,701	+1.3	6,295	+1.1
Aug. '81	25,369	+1.9	69,195	+2.4	5,920	+3.8	6,536	+3.8
Sept. '81	25,207	-0.6	68,691	-0.7	6,061	+2.4	6,696	+2.5
Oct. '81	25,451	+1.0	69,313	+0.9	6,042	-0.3	6,695	0.0
Nov. '81	19,970	-21.5	56,888	-17.9	5,784	-4.3	6,391	-4.5
Dec. '81	19,449	-2.6	55,490	-2.5	5,915	+2.3	6,564	+2.7
Jan. '82	19,577	+0.7	56,103	+1.1	6,292	+6.4	7,003	+6.7
Feb. '82	19,562	-0.1	56,219	+0.2	6,699	+6.5	7,485	+6.9
Mar. '82	19,868	+1.6	57,502	+2.3	7,144	+6.6	8,028	+7.3
Apr. '82	20,309	+2.2	59,029	+2.7	7,645	+7.0	8,592	+7.0
May. '82	20,357	+0.2	59,155	+0.2	7,837	+2.5	8,826	+2.7
June '82	19,904	-2.2	57,774	-2.3	7,973	+1.7	8,962	+1.5
<u>FY 1983</u>								
July '82	20,287	+1.9	58,971	+2.1	8,205	+2.9	9,226	+3.0
Aug. '82	20,629	+1.7	60,347	+2.3	8,552	+4.2	9,670	+4.8
Sept. '82	20,772	+0.7	60,877	+0.9	8,872	+3.7	9,985	+3.3
Oct. '82	21,044	+1.3	61,620	+1.2	8,895	+0.3	10,044	+0.6
Nov. '82	21,544	+2.4	63,152	+2.5	9,089	+2.2	10,328	+2.8
Dec. '82	21,772	+1.1	63,866	+1.1	9,601	+5.6	10,912	+5.7
Jan. '82	22,483	+3.3	66,345	+3.9	10,337	+7.7	11,781	+8.0

This report is a count of cases and persons receiving cash grants on the first working day of the month. For Fiscal Year 1983 the Flash Report averaged 92.7% of the final ADC person count (programs 31 and 32) and 84.0% of the final GA person count (program 53) .

Source: Payroll Allocation Report and Maint. Stat. Report

Research and Statistics
December 28, 1982

MEMORANDUM

FROM: Cheryl Weber CW

DATE : January 4, 1983

TO : Dr. Robert C. Harder

SUBJECT: FY 1983 Projections

Attached are charts showing projections for ADC and GA for FY 1983 made at various points through the year. This includes all projections we have available.

Also attached are projections of FY 1983 persons and expenditures for ADC and GA. Data for July through November is actual. December and January projections are based on the Flash report for those months. Beyond that projections are purely conjecture. In ADC the Flash showed an increase of 12.5% for January 1983 over July 82 with monthly increases ranging from 0.9% in September 1982 to 3.9% in January 1983. We anticipate a monthly increase of 2% in February and March with a 1% per month increase thereafter.

The Flash for GA in January 1983 showed an increase of 27.7% in persons over July 1982 with a monthly increase ranging from 0.6% to 8.0%. We anticipate a 4% per month increase in February and March with a 3% rise per month thereafter. GA persons and expenditures include programs 46 and 48 as well as 53 for consistency with the Projected Expenditures Report since this is all general fund.

cc: J. Charles Stevenson
Leslie Van Sickle

STATE DEPT. OF
SOC. REHAB. SERV.

JAN 05 1983

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CW:bh

0117H

KANSAS PUBLIC ASSISTANCE

FY 1983 Projections
ADC

	<u>Persons</u>		<u>Average Grant</u>	<u>Expenditures</u>
July 1982	63,196	(Act)	109.26	6,905,078
August	65,065	(Act)	109.21	7,105,819
September	65,550	(Act)	109.48	7,176,689
October	66,553	(Act)	110.35	7,343,807
November	67,426	(Act)	106.08	7,152,291
December	68,895	(Flash)	109.60	7,550,892
January 1983	71,570	(Flash)	109.60	7,844,072
February	73,001	(2%)	109.60	8,000,910
March	74,461	(2%)	109.60	8,160,926
April	75,206	(1%)	109.60	8,242,578
May	75,958	(1%)	109.60	8,324,997
June	76,718	(1%)	109.60	8,408,293
Total	843,599		109.31	92,216,352

Research & Statistics
January 4, 1983

0117H

KANSAS PUBLIC ASSISTANCE

FY 1983 Projections
GA^{1/}

	<u>Persons</u>		<u>Average Grant</u>	<u>Expenditures</u>
July 1982	11,304	(Act)	137.69	1,556,455
August	11,971	(Act)	132.37	1,584,543
September	12,192	(Act)	134.24	1,636,653
October	12,414	(Act)	135.88	1,686,856
November	12,556	(Act)	125.64	1,577,573
December	13,377	(Flash)	136.00	1,819,272
January 1983	14,425	(Flash)	136.00	1,961,800
February	15,002	(4%)	136.00	2,040,272
March	15,602	(4%)	136.00	2,121,872
April	16,070	(3%)	136.00	2,185,520
May	16,552	(3%)	136.00	2,251,072
June	17,049	(3%)	136.00	2,318,664
Total	168,514		135.95	22,740,552

1/ Includes Programs 46,48, and 53.

Research & Statistics
January 4, 1983

0117H

MEMORANDUM

FROM: Charles Stevenson
 TO : Dr. Robert Harder

DATE : January 5, 1983
 SUBJECT:

Estimates of the need for a supplemental appropriation for ADC and GA have been made in memos of October 20 and December 20. These estimates, and their assumptions, were as follows:

- October 20 -- ADC would rise .075% per month and the total expenditure would be \$90,171,208.
- GA would rise 1.0% per month and the total expenditure would be \$21,345,064.
- December 20 -- ADC would rise 1.25% per month and the total expenditure would be \$90,876,374.
- GA would rise 1.25% per month and the total expenditure would be \$22,818,080.

Now, based upon the "Flash" report for January, an even more pessimistic estimate could be made of 3.9% gain in ADC and 8.0% gain in GA. While it is unlikely this rate of gain would be maintained, the expenditures, if it were to happen, would be \$95,133,683 for ADC and \$24,252,872 for GA.

Current rates of expenditure plus the projections noted above will cause us to run out of funds at various times during the coming 6 months, as noted below.

	Appropriated	Estimated Expenditures through		Needed		
		January	Remaining	Oct. 20 Est.	Dec. 20 Est.	Jan. 5 Est.
ADC	\$83,586,884	\$51,078,648	\$32,508,236	\$90,178,208	\$90,876,374	\$95,133,683
GA	12,710,312	11,823,152	887,160	21,345,064	22,818,080	24,252,872

For ADC and GA, the cumulative expenditures, using the three estimates are as follows:

Expenditure	ADC			GA		
	Oct. 20*	Dec. 20*	Jan. 5	Oct. 20*	Dec. 20*	Jan. 5
thru January	\$51,078,648	\$51,078,648	\$51,078,648	\$11,823,152	\$11,823,152	\$11,823,152
February	58,740,894	59,020,812	59,228,614	13,804,536	13,883,008	13,941,896
March	66,463,091	67,062,164	67,696,420	15,805,776	16,045,816	16,230,096
April	74,245,897	75,204,129	76,494,560	17,827,008	18,316,880	18,701,352
May	82,089,750	83,447,803	85,635,858	19,868,368	20,701,368	21,370,352
June	89,995,198	91,794,501	95,133,683	21,930,128	23,205,128	24,252,872

*The cumulative totals on the October 20 and December 20 estimates are slightly different than the estimates produced in those memos because the base period (expenditures through January) was not exactly the same as what had been projected through that period. However, the basic assumptions of increases per month and the same average grant were used in the cumulative estimates.

Therefore, for ADC, using either the October 20 or December 20 estimates, full payments (\$109.60 average per person) could be made through May but almost no payments could be made in June. Using the January 5 estimate, full payments could be made through April with May reduced to 26% with no Payment in June.

The GA funds will allow full payments through January with February reduced to 6% and no payment after that.

If ADC and GA funds were combined and prorated to get by without a supplemental, a reduction of 42% at the October 20 estimate, or 47% at the December 20 estimate, or 51% at the January 5 estimate would be required.

CS:cr