

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by Senator August "Gus" Bogina at
Chairperson

11:00 a.m./p.m./on January 29, 1986 in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research Department: Ed Ahrens, Robin Hunn, Ray Hauke
Revisor's Office: Norman Furse
Committee Office: Judy Bromich

Conferees appearing before the committee:

Mr. Hauke distributed Kansas Legislative Research Department Memorandum dated January 29, 1986, regarding Impact of P.L. 99-177 on Kansas (See Attachment A). He then briefed the committee on the law, known as the Gramm-Rudman-Hollings Budget Reduction Amendment. Included in his presentation was a projection of the law's impact on the State of Kansas. He noted that the FFIS (Federal Funds Information for States) data is the source for all computation included in the memo.

During his presentation, there were questions from committee members. Senator Gaines asked if the projections for loss of federal funding are certain. Mr. Hauke said the information will be definite in approximately one month, but it appears they are certain. Senator Doyen commented that cuts can be made in other programs by Congress, thus avoiding automatic cuts in targeted programs. Mr. Hauke answered that proponents of the bill say that is the advantage of its contents--it forces Congress to act before the automatic cuts become effective.

Mr. Hauke continued his explanation of the federal Act by stating that the FFIS report assumes sequestering \$50 billion in Federal FY 1987, which is a 20% decrease for domestic programs which are not exempt. However, according to an article in the Wall Street Journal (January 27), the sequestered amount could be \$38 billion--a decrease of only 16%.

Mr. Hauke explained that the impact of PL 99-177 in Kansas will be in 26 major programs listed in Table I of Attachment A. The exempted programs are listed in Table VII; and if not listed there, they will be subject to sequestering. A comparison of Table II and Table III shows the difference between the reductions in budget authority and outlays for FY 1986 and Table IV and V, for 1987.

Responding to a question from Senator Bogina, Mr. Hauke said the Legislature should know by March 1 what to expect for Kansas for FY 1986, and by September 1 for FY 1987. When asked by Senator Doyen what happens if states do not comply (for instance, would the amount of reduction be greater the following year?), Mr. Hauke answered that this is a permanent reduction in budget authority; therefore, the sequestered amount cannot be obligated.

When asked by Senator Gaines if the Governor's budget takes the Gramm-Rudman Act into consideration, Mr. Hauke answered in the negative. Senator Gaines suggested the subcommittees will need to have a policy to follow as they proceed with agency budgets. He suggested if nothing is done, now, there may need to be a special session of the Legislature. Senator Bogina stated there is no policy at the present time.

Mr. Hauke was commended by the committee for his memorandum and his presentation of the memo.

There was discussion concerning the impact to the economy of farmers, and of student loans. Senator Winter noted these are not discussed in

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

room 123-S, Statehouse, at 11:00 a.m/p.m. on January 29, 1986

in the memorandum. Mr. Hauke answered that there will be need for a review of student loans, since they are on the list for special treatment. He said he would get a copy of the Congressional Record to determine how student loans are affected by the federal act. Senator Winter indicated that he would like a memo regarding what the Act means to students.

There was further discussion concerning the need for an understanding with the House of Representatives that a special session may be necessary. This issue was posed by Senator Gaines, and Senator Bogina suggested that the problem could be taken care of in January, 1987. Senator Winter suggested that it might be possible to leave slack in the fee funds to help with the first half of the fiscal year. Senator Bogina reminded him that the fee funds in the Governor's budget are spent down.

Senator Kerr asked about the "Other Grants" in Table V. Mr. Hauke said that some grants are "pass through" money. He said there is indication that those programs are more likely to be assistance and salary intensive than capital improvement. Responding to another question from Senator Kerr, Mr. Hauke said only the 26 major programs are listed in Table I.

Senator Gaines asked what input the Legislature would have on the Kansas Corporation Commission recommendation in the Exxon Oil case. Senator Werts said he had visited with Dr. Hayter, Director of the Kansas Engineering Extension Service at Kansas State University, and he indicated that Kansas will receive \$23 million to \$25 million, with no time line. He added that the Legislature will decide upon the ultimate appropriation. Senator Feleciano said he understood the use would need to be approved by the Department of Energy. The Chairman suggested that the staff should provide information on the subject.

There being no further questions, the meeting was adjourned by the Chairman.

M E M O R A N D U M

RE: Impact of P.L. 99-177 on Kansas

Introduction

This memorandum was prepared by the Legislative Research Department to facilitate legislative understanding of the impact of P.L. 99-177 upon Kansas. Public Law 99-177, popularly known as Gramm-Rudman, will have a major impact upon the availability of federal funding in Kansas. The Research Department has summarized major features of P.L. 99-177 within this memorandum. For purposes of reporting the monetary impact of the legislation, the Research Department utilized data furnished by Federal Funds Information for States (FFIS). FFIS is a service to which both the Department of Administration and the Legislative Research Department subscribe and frequently utilize. The FFIS service is sponsored by the National Conference of State Legislatures and the National Governor's Association.

The FFIS summary estimates that to achieve the savings in federal outlay, mandated by P.L. 99-177, reductions in non-exempt budget authority of 4.6 percent in federal FY 1986 and 20 percent in federal FY 1987 would be necessary for non-defense programs. Using this estimate, Kansas' reduction in budget authority it otherwise would receive is estimated to total \$23.5 million in federal FY 1986 and \$107.7 million in federal FY 1987. Such a reduction in budget authority is estimated to translate to a reduction in federal outlays (cash) to Kansas of \$7.8 million in federal FY 1986 and \$51.4 million in FY 1987. The difference between budget authority and outlays result from the differing time frames in which spending, particularly capital construction, is authorized to occur and when the actual expenditure is made.

FFIS has summarized Kansas anticipated reductions in federal funds among 26 major programs. That estimate is attached (Table I). The Research Department has utilized those estimates to prepare summaries showing the agencies impacted by those funding reductions, included in Tables II thru V.

Features of P.L. 99-177

Gramm-Rudman's many features, some of which are very complex, can probably best be divided into two major features. First, it substantially amends the Congressional budget cycle, including a special calendar for federal FY 1986. Secondly, it contains provisions for automatic spending reductions, if certain deficit reduction goals are not achieved. An outline of the revised budget cycle, including the special cycle for FY 1986, appeared in the Dec. 14, 1985 edition of Congressional Quarterly, and is included as Table VI of this memorandum.

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P.L. 99-177 mandates that federal budgets containing deficits not exceeding the following levels occur during upcoming Federal Fiscal years.

<u>Fiscal Year</u>	<u>Maximum Deficit</u>
1986	\$171.9 billion
1987	\$144.0 billion
1988	\$108.0 billion
1989	\$ 72.0 billion
1990	\$ 36.0 billion
1991	\$ 0.0

Delegated to the Congressional Budget Office and the Office of Management and Budget is the responsibility for preparing reports concerning the projected deficit, given existant spending authority, revenue laws, and indicators. Those estimates are forwarded to the General Accounting Office, which submits a report to the President. The estimate orders expenditure reductions, known as sequesters, if the projected deficit exceeds the above-mentioned targets by more than \$10.0 billion. The sequesters are to be across the board by a uniform percentage. They are divided equally between defense and non-defense accounts. However, several programs are exempted from the automatic cuts, while others are given special treatment. A listing of those partially or totally exempted is displayed in Table VII. The actual sequester order is to be issued by the President by February 1, 1986 and, if necessary, by September 1 in succeeding years. That order would become effective on March 1, 1986 and October 1, 1986 and in succeeding years. P.L. 99-177 limits the sequestering to \$11.7 billion in Federal Fiscal 1986, with \$5.85 billion to be cut from defense and a \$5.85 billion decrease to occur in non-defense spending.

Due to the many programs exempted from sequestering by Gramm-Rudman, the potential for across the board cuts is applicable to approximately one-third of the total federal budget. Proponents of the automatic expenditure reduction provisions believe that the non-discriminate nature of sequestering will cause the President and Congress to produce budgets that will avoid its necessity. However, the impact on an individual program could be particularly severe, if both its Congressional budget authority is reduced and sequestering further decreases actual expenditures.

Unless Congress repeals P.L. 99-177 or enacts substantial deficit reducing measures prior to March 1, sequestering will occur.

Impact Upon Kansas

The FFIS estimates were based upon sequestering of 4.6 percent during FY 1986. Subsequently, the official OMB and CBO reports have been issued. Based upon those estimates, non-exempt domestic programs could experience a reduction of 4.3 percent. Consequently, the attached table, based upon FFIS data may slightly overstate the actual reductions.

The impacts of Gramm-Rudman upon 26 major programs, which comprise approximately 75 percent of the federal assistance in Kansas are shown on Table I. That table reflects the estimated impact of the legislation upon both budget authority and cash received. The reduction will be applied to budget authority as of March 1. Occasionally the FY 1986 budget authority exceeds actual FY 1985 authority, in which case Gramm-Rudman will only be a decrease to the increase. Nevertheless, in most cases the impact will be an actual decrease. Table I contains actual FY 1985 data, allowing this comparison to be made.

Although the FFIS data on 26 major grants reflects the majority of Kansas receipts of federal funds, several significant federal grants are not on that listing. Federal funding for higher education (Basic Educational Opportunity Grants), child support enforcement, airport improvement, and aging services are among those subject to reductions that were not included in the FFIS summary of 26 grants.

During the course of FY 1986, legislators will undoubtedly learn of many grants subject to automatic sequestering. Unless a grant is among those listed on Table VII for special treatment, it will be subject to automatic sequestering. One must remember that the difference between federal and state fiscal years will cause the grant reduction to be less than 4.6 percent in state Fiscal Year 1986. Given this difference in fiscal years, the actual reduction in non-exempt federal grants will be approximately 3 percent during FY 1986. If the FFIS prediction of 20 percent sequestering in Federal FY 1987 occurs, the reduction will be approximately 16.5 percent due to this difference in fiscal cycles.

The Research Department has utilized the FFIS totals to produce Tables II thru V. In those tables the Research Department has indicated the state agencies impacted by various reductions in the 26 major grants. If a particular grant is administered by more than one agency, the total is divided between the agencies by the ratio of estimated expenditures in the Governor's revised FY 1986 budget. Similarly, the Research Department has divided the grants among five basic expenditure categories, state operations, aid to local units, assistance, capital improvements and direct federal aid to local units. This division was made to provide decision makers with a general concept of the manner in which the grant is being expended. The anticipated FFIS cut is divided among those major expenditure categories at the same ratio the grant would be expended in the Governor's revised FY 1986 budget. Nevertheless, certain federal funds are not administered by the state. Those grants are listed on the attached tables as direct federal aid to local units.

The difference between budget authority and outlay is an important distinction in understanding the impact of Gramm-Rudman. Budget authority, as its name implies, is authority to expend funds. Outlay is actual cash expended. A reduction of \$1 in budget authority during FY 1986 results in \$1 less being expended. Whether that \$1 would have become outlay in FY 1986 largely depends upon the nature of the program. Among grants that are salary or assistance intensive, budget authority and outlay are almost identical. Among grants that are capital or construction intensive, a FY 1986 reduction in budget authority results in a much lesser FY 1986 reduction in outlay, due to the lengthy pay-out schedule for a

capital project. This relationship can be seen by comparing the budget authority to outlay ratio among SRS or DHE grants with those of KDOT or KDED.

Finally, it is important for decision makers to consider the difference between items being reduced by the various grant decreases. Among social service programs, the reduction translates to a decrease in either staff or grants to serve a particular clientele. Among capital or infrastructure programs, the reduction translates to a project which will not be initiated or which must be otherwise funded. Consequently, the impact of decreased funding is much more immediate among the social service programs. It is much more long term among capital and infrastructure programs.

Table I

AUTHORITY ANALYSIS	CURRENT LAW					G-R-H LEVELS		% CHANGE FROM CURRENT LAW	
	FFY 1985	FFY 1986	FFY 1987	FFY 1986	FFY 1987	FFY 1986	FFY 1987		
AFDC	47,469	46,791	48,813	46,791	48,813	0	0		
CHILD NUTRITION PROGRAMS	28,810	35,535	36,957	35,535	36,957	0	0		
COMMUNITY DEVELOPMENT BLOCK GRANT	26,232	23,608	24,553	22,522	19,642	-1,086	-4,910		
COMMUNITY HEALTH CENTERS	186	195	203	193	198	-1	-4		
COMMUNITY SERVICE BLOCK GRANT	2,842	2,842	2,955	2,711	2,364	-130	-591		
COMPENSATORY ED. FOR DISADVANTAGED	26,487	25,965	27,263	24,770	21,810	-1,194	-5,452		
EDUCATION OF THE HANDICAPPED	11,544	12,357	12,852	11,789	10,281	-568	-2,570		
ENERGY CONSERVATION	3,254	3,084	2,974	2,942	2,379	-141	-594		
EPA WASTEWATER TREATMENT CONST.	22,082	22,082	24,976	21,066	19,980	-1,015	-4,995		
FEDERAL AID HIGHWAYS	160,578	157,980	166,840	150,713	133,472	-7,267	-33,368		
FOOD STAMPS	68,363	71,266	74,117	71,266	74,117	0	0		
FOREST SERVICE SHARED RECEIPTS	70	66	66	63	53	-3	-13		
GENERAL REVENUE SHARING	38,341	36,214	0	34,548	0	-1,665	0		
HEAD START	6,552	6,625	6,890	6,320	5,512	-304	-1,378		
HEALTH BLOCK GRANTS	8,521	8,629	9,102	8,023	7,064	-605	-2,037		
JOB TRAINING PARTNERSHIP ACT	17,714	15,370	15,989	14,663	12,791	-707	-3,197		
LOW INCOME HOME ENERGY ASSISTANCE	18,229	18,060	18,765	17,229	15,012	-830	-3,753		
MASS TRANSIT	6,589	5,753	5,990	5,488	4,792	-264	-1,198		
MEDICAID GRANTS TO STATES	135,968	139,943	146,985	139,943	146,985	0	0		
MIGRANT HEALTH CENTERS	290	298	310	295	303	-2	-6		
MINERAL LEASING	761	736	861	702	688	-33	-172		
SOCIAL SERVICES BLOCK GRANT	28,183	27,827	29,096	26,547	23,277	-1,280	-5,819		
URBAN DEVELOPMENT ACTION GRANTS	1,769	1,327	1,381	1,266	1,105	-61	-276		
VOCATIONAL AND ADULT EDUCATION	8,635	8,566	8,950	8,158	7,262	-407	-1,688		
WIC	10,969	11,481	11,929	11,481	11,929	0	0		
WIN	1,900	1,567	1,629	1,495	1,303	-72	-325		

OUTLAY ANALYSIS

OUTLAY ANALYSIS	CURRENT LAW					G-R-H CUTS		% CHANGE FROM CURRENT LAW	
	FFY 1985	FFY 1986	FFY 1987	FFY 1986	FFY 1987	FFY 1986	FFY 1987		
AFDC	47,469	46,942	48,813	0	0	0.00	0.00		
CHILD NUTRITION PROGRAMS	34,802	35,064	36,857	0	0	0.00	0.00		
COMMUNITY DEVELOPMENT BLOCK GRANT	29,044	26,780	25,014	-21	-619	-0.08	-2.47		
COMMUNITY HEALTH CENTERS	184	191	199	-1	-3	-0.61	-1.60		
COMMUNITY SERVICE BLOCK GRANT	2,798	2,842	2,927	-98	-476	-3.45	-16.26		
COMPENSATORY ED. FOR DISADVANTAGED	25,243	26,450	26,056	-83	-1,492	-0.31	-5.72		
EDUCATION OF THE HANDICAPPED	10,928	11,601	12,392	-39	-708	-0.34	-5.71		
ENERGY CONSERVATION	3,900	3,165	2,923	-14	-116	-0.44	-3.97		
EPA WASTEWATER TREATMENT CONST.	25,210	24,382	25,631	-50	-503	-0.20	-1.96		
FEDERAL AID HIGHWAYS	143,482	153,936	158,902	-726	-6,243	-0.47	-3.92		
FOOD STAMPS	68,351	71,266	74,117	0	0	0.00	0.00		
FOREST SERVICE SHARED RECEIPTS	70	66	66	-3	-13	-4.60	-20.00		
GENERAL REVENUE SHARING	38,265	39,371	6,428	0	-1,665	0.00	-25.91		
HEAD START	6,335	6,585	6,745	-137	-787	-2.08	-11.67		
HEALTH BLOCK GRANTS	7,955	8,629	8,866	-363	-1,464	-4.21	-16.52		
JOB TRAINING PARTNERSHIP ACT	18,952	16,099	15,481	-120	-1,130	-0.74	-7.30		
LOW INCOME HOME ENERGY ASSISTANCE	18,229	18,060	18,765	-830	-3,753	-4.60	-20.00		
MASS TRANSIT	4,031	5,732	6,089	-26	-220	-0.46	-3.61		
MEDICAID GRANTS TO STATES	141,570	139,943	146,985	0	0	0.00	0.00		
MIGRANT HEALTH CENTERS	284	295	305	-1	-4	-0.60	-1.60		
MINERAL LEASING	761	736	861	-33	-172	-4.60	-20.00		
SOCIAL SERVICES BLOCK GRANT	28,183	27,827	29,096	-1,280	-5,819	-4.60	-20.00		
URBAN DEVELOPMENT ACTION GRANTS	3,623	4,994	2,297	-1	-34	-0.02	-1.51		
VOCATIONAL AND ADULT EDUCATION	7,828	8,628	8,488	-28	-497	-0.33	-5.86		
WIC	10,865	11,455	11,906	0	0	0.00	0.00		
WIN	1,903	1,600	1,623	-64	-300	-4.05	-18.51		

TABLE II
ESTIMATED GRAMM-RUDMAN REDUCTION (FY 1986)
REDUCTION IN BUDGET AUTHORITY
(IN THOUSANDS OF DOLLARS)

	State Operations	Aid To Local Units	Assistance and Grants	Capital Improve- ments	Direct Fed. Assistance to Local Units	Total Reduction In Funding
<u>SOC. & REHAB. SVC.</u>						
AFDC (Inc.Admin)	0	0	0	0	0	0
Medicaid (Inc.Admin)	0	0	0	0	0	0
Food Stamps (Inc.Admin)	0	0	0	0	0	0
Comm. Serv. Block Grant	9.4		120.6			130
Low Income Energy Asst.	176.8		653.2			830
Social Svc. Block Grant	531.2		748.8			1280
Work Incentive Program	32.9		8.1			41
Mental Health/ADAS Block	6.4	106.7	80.9			194
Energy Conservation	4.9		93.1			98
Subtotal - SRS	<u>761.6</u>	<u>106.7</u>	<u>1704.7</u>			<u>2573</u>
<u>DEPT. HEALTH & ENV.</u>						
Health Block Grants	232.4	179.6				412
Migrant Health	1.5	.5				2
Womens, Infants & Children	0	0				0
Subtotal - DHE	<u>233.9</u>	<u>180.1</u>				<u>414</u>
<u>STATE DEPT. OF ED.</u>						
Child Nutrition Prog.	0	0	0	0	0	0
Comp. Ed. for Disadv.		1194.0				1194
Ed. of Handicapped	20.4	547.6				568
Head Start					304.0	304
Vocational & Adult Ed.	<u>33.0</u>	<u>374.0</u>				<u>407</u>
Subtotal - SDE	<u>53.4</u>	<u>2115.6</u>			<u>304</u>	<u>2473</u>
<u>KS. DEPT. OF TRANS.</u>						
Federal Highway Aid				7267.0		7267
Mass Transit		264.0				264
Subtotal - KDOT		<u>264.0</u>		<u>7267.0</u>		<u>7531</u>
<u>KS. DEPT OF EC. DEV.</u>						
Comm.Dev. Block Gt.	13.0	766.7			306.3	1086
<u>DEPT. OF HUMAN RESOURCES</u>						
Jobs Partner. Trng. Act (JPTA)	156.2		550.8			707
WIN	<u>27.1</u>		<u>3.9</u>			31
Subtotal - DHR	<u>183.3</u>		<u>554.7</u>			<u>738</u>
<u>OTHER FEDERAL PROGRAMS</u>						
EPA Wastewater Trtmt.					1015.0	1015
Gen. Rev. Sharing					1665.0	1665
Urban Dev. Act. Grants					61	61
Energy Conserv. Funds					43	43
Forest Serv. Shared Repts.					3	3
Mineral Leasing					33	33
Subtotal - 26 Major Grants	1245.2	3433.1	2259.4	7267.0	3430.3	17635
Subtotal - Other Grants						5907
TOTAL Reduction						23542

TABLE III
ESTIMATED GRAMM-RUDMAN REDUCTION (FY 1986)
REDUCTION IN OUTLAYS
(In Thousands Of Dollars)

	State Operations	Aid To Local Units	Assistance and Grants	Capital Improve- ments	Direct Fed. Assistance to Local Units	Total Reduction In Funding
<u>SOC. & REHAB. SVC.</u>						
AFDC (Inc.Admin)						0
Medicaid (Inc.Admin)						0
Food Stamps (Inc.Admin)						0
Comm. Serv. Block Grant	7.1		90.9			98
Low Income Energy Asst.	176.8		653.2			830
Social Svc. Block Grant	531.2		748.8			1280
Work Incentive Program	28.9		7.1			36
Mental Health/ADAS Block	6.0	100.1	75.9			182
Energy Conservation	.5		9.5			10
Subtotal - SRS	<u>750.5</u>	<u>100.1</u>	<u>1585.4</u>			<u>2436</u>
<u>DEPT. HEALTH & ENV.</u>						
Health Block Grants	102.6	79.4				182
Migrant Health	1.0					1
Womens, Infants & Children	0					0
Subtotal - DHE	<u>103.6</u>	<u>79.4</u>				<u>183</u>
<u>STATE DEPT. OF ED.</u>						
Child Nutrition Prog.						0
Comp. Ed. for Disadv.		83.0				83
Ed. of Handicapped	1.4	37.6				39
Head Start					137.0	137
Vocational & Adult Ed.	2.3	25.7				28
Subtotal - SDE	<u>3.7</u>	<u>146.3</u>			<u>137.0</u>	<u>287</u>
<u>KS. DEPT. OF TRANS.</u>						
Federal Highway Aid				726.0		726
Mass Transit		26.0				26
Subtotal - KDOT		<u>26.0</u>		<u>726.0</u>		<u>752</u>
<u>KS. DEPT OF EC. DEV.</u>						
Comm.Dev. Block Grt.	.3	14.8			5.9	21
<u>DEPT. OF HUMAN RESOURCES</u>						
Jobs Partner. Trng. Act (JPTA)	26.5		93.5			120
WIN	24.4		3.6			28
Subtotal - DHR	<u>50.9</u>		<u>97.1</u>			<u>148</u>
<u>OTHER FEDERAL PROGRAMS</u>						
EPA Wastewater Trtmt.					50.0	50
Gen. Rev. Sharing					0	0
Urban Dev. Act. Grants					1.0	1
Energy Conserv. Funds					4.0	4
Forest Serv. Shared Repts.					3.0	3
Mineral Leasing					33.0	33
Subtotal - 26 Major Grants	909.0	366.6	1682.5	726.0	233.9	3918
Subtotal - Other Grants						3881
TOTAL Reduction						7799

TABLE IV
ESTIMATED GRAMM-RUDMAN REDUCTION (FY 1987)
REDUCTION IN BUDGET AUTHORITY
(IN THOUSANDS OF DOLLARS)

	State Operations	Aid To Local Units	Assistance and Grants	Capital Improve- ments	Direct Fed. Assistance to Local Units	Total Reduction In Funding
<u>SOC. & REHAB. SVC.</u>						
AFDC (Inc.Admin)						0
Medicaid (Inc.Admin)						0
Food Stamps (Inc.Admin)						0
Comm. Serv. Block Grant	42.6		548.4			591
Low Income Energy Asst.	799.4		2953.6			3753
Social Svc. Block Grant	2414.9		3404.1			5819
Work Incentive Program	148.4		36.6			185
Mental Health/ADAS Block	33.7	562.7	426.6			1023
Energy Conservation	20.6		390.4			411
Subtotal - SRS	<u>3459.6</u>	<u>562.7</u>	<u>7759.7</u>			<u>11782</u>
<u>DEPT. HEALTH & ENV.</u>						
Health Block Grants	574.2	443.8				1018
Migrant Health	6.0					6
Womens, Infants & Children						0
Subtotal - DHE	<u>580.2</u>	<u>443.8</u>				<u>1024</u>
<u>STATE DEPT. OF ED.</u>						
Child Nutrition Prog.						0
Comp. Ed. for Disadv.		5452.0				5452
Ed. of Handicapped	92.5	2477.5				2570
Head Start					1378.0	1378
Vocational & Adult Ed.	136.7	1551.3				1688
Subtotal - SDE	<u>229.2</u>	<u>9480.8</u>			<u>1378.0</u>	<u>11088</u>
<u>KS. DEPT. OF TRANS.</u>						
Federal Highway Aid				33368.0		33368
Mass Transit		1198.0				1198
Subtotal - KDOT		<u>1198.0</u>		<u>33368.0</u>		<u>34566</u>
<u>KS. DEPT OF EC. DEV.</u>						
Comm.Dev. Block Gt.	58.9	3466.5			1384.6	4910
<u>DEPT. OF HUMAN RESOURCES</u>						
Jobs Partner. Trng. Act (JPTA)	706.5		2490.5			3197
WIN	122.2		17.8			140
Subtotal - DHR	<u>828.7</u>		<u>2508.3</u>			<u>3337</u>
<u>OTHER FEDERAL PROGRAMS</u>						
EPA Wastewater Trtmt.					4995.0	4995
Gen. Rev. Sharing					0	0
Urban Dev. Act. Grants					276.0	276
Energy Conserv. Funds					183.0	183
Forest Serv. Shared Repts.					13.0	13
Mineral Leasing					172.0	172
Subtotal - 26 Major Grants	5156.6	15151.8	10268.0	33368.0	8401.6	72346 35399
Subtotal - Other Grants						
TOTAL Reduction						107745

TABLE V
ESTIMATED GRAMM-RUDMAN REDUCTION (FY 1987)
REDUCTION IN OUTLAYS
(IN THOUSANDS OF DOLLARS)

	State Operations	Aid To Local Units	Assistance and Grants	Capital Improve- ments	Direct Fed. Assistance to Local Units	Total Reduction In Funding
<u>SOC. & REHAB. SVC.</u>						
AFDC (Inc.Admin)						0
Medicaid (Inc.Admin)						0
Food Stamps (Inc.Admin)						0
Comm. Serv. Block Grant	34.3		441.7			476
Low Income Energy Asst.	799.4		2953.6			3753
Social Svc. Block Grant	2414.9		3404.1			5819
Work Incentive Program	137.1		33.9			171
Mental Health/ADAS Block	24.3	404.3	306.4			735
Energy Conservation	4.0		76.0			80
Subtotal - SRS	<u>3414.0</u>	<u>404.3</u>	<u>7215.7</u>			<u>11034</u>
<u>DEPT. HEALTH & ENV.</u>						
Health Block Grants	412.8	319.2				732
Migrant Health	4.0					4
Womens, Infants & Children						0
Subtotal - DHE	<u>416.8</u>	<u>319.2</u>				<u>736</u>
<u>STATE DEPT. OF ED.</u>						
Child Nutrition Prog.						0
Comp. Ed. for Disadv.		1492.0				1492
Ed. of Handicapped	25.5	682.5				708
Head Start					787.0	787
Vocational & Adult Ed.	40.3	456.7				497
Subtotal - SDE	<u>65.8</u>	<u>2631.2</u>			<u>787.0</u>	<u>3484</u>
<u>KS. DEPT. OF TRANS.</u>						
Federal Highway Aid				6243.0		6243
Mass Transit		220.0				220
Subtotal - KDOT		<u>220.0</u>		<u>6243.0</u>		<u>6463</u>
<u>KS. DEPT OF EC. DEV.</u>						
Comm.Dev. Block Gt.	7.4	437.0			174.6	619
<u>DEPT. OF HUMAN RESOURCES</u>						
Jobs Partner. Trng. Act (JPTA)	249.7		880.3			1130
WIN	112.6		16.4			129
Subtotal - DHR	<u>362.3</u>		<u>896.7</u>			<u>1259</u>
<u>OTHER FEDERAL PROGRAMS</u>						
EPA Wastewater Trtmt.					503	503
Gen. Rev. Sharing					1665	1665
Urban Dev. Act. Grants					34	34
Energy Conserv. Funds					36	36
Forest Serv. Shared Repts.					13	13
Mineral Leasing					172	172
Subtotal - 26 Major Grants	4266.3	4011.7	8112.4	6243.0	3384.6	26018
Subtotal - Other Grants						25385
TOTAL Reduction						51403

TABLE VI

Revisions to Budget Process Timetable (For Fiscal Years 1987-1991)

Action	Prior Law	PL 99-177
President submits budget request	End of January	First Monday after January 3 ¹
Congressional Budget Office (CBO) reports to Budget committees on fiscal policy and budget priorities	April 1	February 15
Committees submit reports and estimates to Budget committees	March 15	February 25
Senate Budget Committee reports budget resolution to floor	April 15 ²	April 1
Congress completes action on budget resolution	May 15 ³ , September 15 ⁴	April 15
House Appropriations Committee reports last regular appropriations bill	—	June 10
Congress completes action on reconciliation bill	September 25	June 15
House completes action on regular appropriations bills	Seventh day after Labor Day ⁵	June 30
"Snapshot" of economic indicators, laws affecting spending and revenues and projected deficit taken by CBO and Office of Management and Budget (OMB)	—	August 15
CBO and OMB report to General Accounting Office (GAO) on deficit and content of the so-called sequester order making automatic spending cuts to achieve deficit targets	—	August 20
GAO forwards deficit and sequester report to president	—	August 25
President issues sequester order based on GAO report	—	September 1
Sequester order takes effect	—	October 1
Fiscal year begins	October 1	October 1
CBO and OMB issue revised reports reflecting additional congressional action after earlier reports	—	October 5
GAO issues revised report to the president	—	October 10
Final sequester order, based on revised report, becomes effective	—	October 15
GAO issues compliance report on sequester order	—	November 15

¹ President's budget for fiscal 1987 is due February 5, 1986

² Prior law deadline for Budget committees in both houses to report budget resolutions

³ Prior law deadline for first budget resolution

⁴ Prior law deadline for second, binding budget resolution

⁵ Prior law deadline for Congress to complete regular appropriations bills

Special Timetable for Fiscal 1986

"Snapshot" of economic indicators, laws affecting spending and revenues and projected deficit taken by Congressional Budget Office (CBO) and Office of Management and Budget (OMB)	January 10
CBO and OMB report to General Accounting Office (GAO) on deficit and content of the so-called sequester order making automatic spending cuts to achieve deficit targets	January 15
GAO forwards deficit and sequester report to president	January 20
President issues sequester order based on GAO report	February 1
Sequester order takes effect	March 1
GAO issues compliance report on sequester order	April 1

TABLE VII
DOMESTIC PROGRAMS EXEMPT FROM P.L 99-177

Social Security
Interest On Federal Debt
Federal Payments To Retirement Program
Medicaid (including State Administrative funds)
Aid to Families with Dependent Children (including State Administrative Funds)
Womens Infants and Children (WIC) (excluding Administrative Funds)
Supplemental Security Income
Food Stamps (including State Administrative Funds)
Child Nutrition Program (principally school lunch and breakfast funding)

DOMESTIC PROGRAMS TO RECEIVE NO MORE THAN 1% FY 1986 REDUCTION
AND NO MORE THAN 2% IN SUCCEEDING YEARS

Medicare
Veterans Health
Indian Health
Community and Migrant Health

DOMESTIC PROGRAMS SUBJECT TO SPECIAL RULES

Foster Care
Adoption Assistance
Unemployment Compensation
Child Support Enforcement
Guaranteed Student Loans