

Approved April 9, 1986

Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

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

5:15 a.m./p.m. on April 3, 1986 in room 123-S of the Capitol.

All members were present except:  
Senator Doyen

Committee staff present:

Research Department: Robin Hunn, Scott Rothe  
Revisor's Office: Norman Furse  
Committee Office: Judy Bromich, Doris Fager

Conferees appearing before the committee:

Robert Coldsnow, Legislative Counsel

Senator Bogina distributed Attachments A and B, and explained to the committee that the figures shown are estimated cuts in various budgets if there is no tax increase this year. He noted that these figures present the worst possible scenario at this point. He added that, since the House of Representatives defeated the measure authorizing a 1-cent sales tax increase, this may be the end result.

There followed an extended discussion concerning the possibilities of some tax increases, whether they be on income, motor fuel, or sales. Senator Talkington said he is hopeful that everything will fall into place, but it is necessary to face the eventuality that this will not happen. He stressed that, even if the 1-cent sales tax should be enacted and become effective on July 1, 1986, there would still be need for spending cuts.

Senator Bogina concluded this part of the meeting by stating that he wanted the committee to be aware of the problem facing the Legislature.

INTRODUCTION OF BILLS

Mr. Coldsnow appeared to bring the committee up to date on a continuing problem at the University of Kansas Medical Center resulting from a defective electric meter at the hospital following some construction there. He briefly reviewed the history of the claims by the Board of Public Utilities of Kansas City, Kansas, and payment by the state. He said an amount of \$133,000 was paid upon release of all claims by the BPU against the State of Kansas. Subsequently, the BPU brought a claim of \$3.075 million. Following a series of motions, etc., there has resulted a settlement offer of \$1.5 million. The proposition is to settle the first \$500,000 during FY 1986, and the final \$1 million in FY 1987 with interest at 10% on the \$1 million until paid. This, according to Mr. Coldsnow, would be approximately \$17,000 for two months.

Senator Bogina explained that this would involve introducing a multi-year appropriations bill to provide payments as described by Mr. Coldsnow. Following a short discussion, motion was made by Senator Gaines and seconded by Senator Harder to introduce the appropriations bill to provide for the settlement, and to request that the bill be sent to Committee of the Whole. The motion carried by roll call vote.

The Chairman said two additional bills have been presented to the committee for introduction. They are: (1) Bill Draft RS 2856, concerning applying the provisions of the sunset law to the public disclosure commission; and (2) an amendment to the law concerning claims against the state, providing that certain payments be made from petty cash. (Bill Draft RS 2858)

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS,  
room 123-S, Statehouse, at 5:15 a.m./p.m. on April 3, 1986

INTRODUCTION OF BILLS - Continued

Motion was made by Senator Talkington and seconded by Senator Harder to introduce the requested bills. The motion carried by roll call vote.

The meeting was adjourned by the Chairman.

PROFILE

State General Fund --

(No Tax Increase)

	<u>FY 1986</u>	<u>FY 1987</u>	
Beginning Balance	\$ 120.4	\$ 41.5	
Receipts:			
Consensus Estimate	1,661.4	1,688.8	
Additional Transfers	7.6	--	
TOTAL	<u>\$ 1,669.0</u>	<u>\$1,688.8</u>	
Expenditures:			
Current Status of Appropriations	\$ 1,747.9	\$1,781.2	
KPERs-School at 4%	--	4.2	
Subtotal	<u>\$ 1,747.9</u>	<u>\$1,785.4</u>	
Reductions	--	(135.1)	
Net Expenditures	<u>\$ 1,747.9</u>	<u>\$1,650.3</u>	(5.6%)
Ending Balance	41.5	80.0	

D86-67/EA

S.W + M  
5:15 PM  
A 4-3-86  
5:15

Estimate Presuming Reduction of 135.1 Million

Object and Function	FY 1986 As Appvd 4-2-86	FY 1987 As Appvd 4-2-86	Reduction	Revised FY 1987
*****				
<b>State Operations</b>				
General Government	115.1	113.2	9.7	103.5
Public Welfare	51.0	51.8	4.4	47.4
Education & Research	315.3	321.2	27.4	293.8
Public Safety	92.3	96.6	8.2	88.4
Agriculture & Nat. Resources	10.6	9.9	0.8	9.1
Health and Hospitals	84.2	85.2	7.3	77.9
Recreational & Historical	7.5	6.9	0.6	6.3
Subtotal-	676.0	684.8	58.4	626.4
<b>Aid To Local Units of Govt.</b>				
General Government	0.1	8.0	0.7	7.3
Public Welfare	13.4	14.5	1.2	13.3
Education & Research	618.6	632.9	54.0	578.9
Public Safety	4.7	5.2	0.4	4.8
Agriculture & Nat. Resources	1.8	1.8	0.2	1.6
Health and Hospitals	1.3	2.3	0.2	2.1
Recreational & Historical	0.0	0.0	0.0	0.0
Subtotal-	639.9	664.7	56.7	608.0
<b>Assistance, Grants, &amp; Benefits</b>				
General Government	0.7	0.6	0.1	0.5
Public Welfare	208.2	212.6	18.2	194.4
Education & Research	9.7	9.6	0.8	8.8
Public Safety	0.1	0.0	0.0	0.0
Agriculture & Nat. Resources	1.8	1.7	0.1	1.6
Other	0.0	0.0	0.0	0.0
Subtotal-	220.5	224.5	19.2	205.3
<b>TOTAL OPERATING</b>	<b>1,536.4</b>	<b>1,574.0</b>	<b>134.3</b>	<b>1,439.7</b>
<b>Capital Improvements</b>				
General Government	0.8	0.0	0.0	0.0
Education & Research	5.7	4.6	0.4	4.2
Public Safety	9.6	3.7	0.3	3.4
Agriculture & Nat. Resources	0.7	0.0	0.0	0.0
Recreational & Historical	0.8	0.0	0.0	0.0
Subtotal	17.6	8.3	0.7	7.6
<b>Total Expenditures</b>	<b>1,554.0</b>	<b>1,582.3</b>	<b>135.1</b>	<b>1,447.2</b>
<b>KPERS School &amp;</b>				
<b>Demand Transfers</b>	<b>194.0</b>	<b>202.9</b>		<b>202.9</b>
<b>Revised Total Expenditures</b>	<b>1,747.9</b>	<b>1,785.4</b>	<b>135.1</b>	<b>1,650.3</b>

SWM, 5:15 PM  
B 4-3-86  
5:15