

Approved 1-21-87  
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Bunten at  
Chairperson

1:30 ~~xxx~~ p.m. on Thursday, January 15, 1987 in room 514-S of the Capitol.

All members were present except: Representatives Duncan, Lowther and Hoy (all excused)

Committee staff present: Gloria Timmer, Legislative Research  
Diane Duffy, Legislative Research  
Jim Wilson, Revisor's Office  
Sharon Schwartz, Administrative Aide  
Nadine Young, Committee Secretary

Conferees appearing before the committee:

The meeting was called to order by Vice Chairman Chronister.

Ed Ahrens of Legislative Research presented an overview of the changes in the status of the state general fund since the close of the 1986 session (Attachment 1). The revised current status of Balance, before supplementals, now stands at \$50.9 million.

Representative Vancrum asked about the possibility of the consensus people meeting more often and prior to November. After brief discussion, Richard Ryan explained that anything earlier than November would be of no use, because the information would not be current.

Brief discussion followed about this year's supplemental request. Staff reported that this year's request will probably be one of the highest in recent years.

Representative Chronister asked what the estimated additional revenue is as a result of the 1¢ sales tax increase. Mr. Ryan said the estimated figure for the end of last session was figured to be \$666 million, then was later reduced to \$633 million.

Richard Ryan addressed the committee and talked about where we stand on receipts so far in FY 1987. He told the committee that as of the end of December, under the new estimate, we are \$14.7 million ahead of the revised estimate, causing us to look pretty good, but cautioned the committee not to get too optimistic because we cannot rely too much on how we stand at end of December. As months go by, particularly the last quarter when the bulk of individual income tax refunds go out, this will have a large impact. He did say that one big positive note, as far as revenue, is the severance tax because of the rising price of crude.

Representative Solbach asked what would be the recommended optimal minimum balance needed to maintain the state's checkbook. Mr. Ryan replied that, based on the last few years' experience, his recommendation would be in the \$80 million plus range, without the use of certificates of indebtedness. This should give the state a good cash flow.

Chairman Bunten presented a draft bill relating to demand transfers and requested a motion to have the bill introduced and referred back to this committee (Attachment 2). On a motion by Representative Mainey and a second by Representative Chronister, the bill was introduced.

A second draft bill concerning the secretary of the Department of Human Resources was presented for introduction. On a motion by Representative Solbach and a second by Representative Miller, the bill was introduced. (Attachment 3)

Chairman Bunten then asked for a motion that would allow him, as Chairman of the House Appropriations Committee, to introduce the Governor's Appropriation Bills on the floor of the House. Representative Miller made the motion, Representative Mainey seconded and the motion carried.

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.

Meeting adjourned at 3:00 p.m.

CHANGES IN THE STATUS OF THE GENERAL FUND  
SINCE CLOSE OF 1986 SESSION

	Dollars in Millions*	Notes
<u>FY 1986</u>		
Beginning Balance	\$ 120.4	
Estimated Receipts	1,666.4	
Shortfall	(25.0)	1.5% of estimate
Actual Receipts	<u>1,641.4</u>	
Estimated Expenditures	1,749.8	
Underspending and Shifting	(6.8)	\$2.6 shifted; \$4.2 underspent
Actual Expenditures	<u>1,743.0</u>	
Estimated Ending Balance	37.0	2.1% of current year expenditures
Released Encumbrances	0.8	
Receipts Shortfall	(25.0)	
Expenditures Below Estimate	6.8	
Actual Ending Balance	<u>19.7</u>	1.1% of current year expenditures
<u>FY 1987</u>		
Estimated Beginning Balance	37.0	
Reduction	(17.3)	
Actual Beginning Balance	<u>19.7</u>	
Original Estimate of Receipts	1,858.5	
Consensus Group Reductions	(93.6)	5.0% of original estimate; 5.7% without federal reform
Current Estimate of Receipts	1,764.9	
Original Estimate of Expenditures	1,796.5	
Potential Shifting from FY 1986	2.6	
Finance Council Action on Pay Plan	(1.6)	
Adjusted Estimate	<u>1,797.5</u>	
Revised Estimate of Demand		
Transfers	(3.7)	Actual or consensus estimate
Lapse Bill as Passed By House	(60.1)	
Current Estimate Before Supplementals	<u>1,733.7</u>	0.5% less than actual FY 1986
Original Estimate Ending Balance	99.0	5.5% of current year expenditures
Change in Beginning Balance	(17.3)	
Change in Consensus Estimate	(93.6)	
Change in Expenditures	62.8	
Current Status of Balance Before Supplementals	<u>\$ 50.9</u>	

\* Detail may not add to totals due to rounding.

DRAFT BILL NO. \_\_\_\_\_

For Consideration by Committee on Appropriations

AN ACT imposing certain limitations on transfers of moneys from the state general fund during the fiscal years ending June 30, 1987, and June 30, 1988; amending K.S.A. 79-2959, 79-2964, 79-3425e and 79-34,147 and repealing the existing sections.

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

Section 1. K.S.A. 79-2959 is hereby amended to read as follows: 79-2959. (a) There is hereby created the local ad valorem tax reduction fund. All moneys transferred or credited to such fund under the provisions of this act or any other law shall be apportioned and distributed in the manner provided herein.

(b) On January 15 and on July 15 of each year, the director of accounts and reports shall make transfers in equal amounts which in the aggregate equal 4 1/2% of the total retail sales and compensating taxes credited to the state general fund pursuant to articles 36 and 37 of chapter 79 of Kansas Statutes Annotated and acts amendatory thereof and supplemental thereto during the preceding calendar year from the state general fund to the local ad valorem tax reduction fund, except that the total amount transferred to the local ad valorem tax reduction fund during the fiscal year ending June 30, 1988, shall not be more than \$24,555,000.

(c) The state treasurer shall apportion and pay the amounts transferred under subsection (b) to the several county treasurers on January 15 and on July 15 in each year as follows: (1) Sixty-five percent of the amount to be distributed shall be apportioned on the basis of the population figures of the counties certified to the secretary of state pursuant to K.S.A.

11-201 and amendments thereto on July 1 of the preceding year; and (2) thirty-five percent of such amount shall be apportioned on the basis of the equalized assessed tangible valuations on the tax rolls of the counties on November 1 of the preceding year as certified by the director of property valuation.

~~(d) On June 1, 1983, the director of accounts and reports shall transfer from the state general fund to the local ad valorem tax reduction fund the amount certified by the state board of education as the total of all amounts received by community colleges and municipal universities under K.S.A. 79-2961 and amendments thereto from the payments made from the local ad valorem tax reduction fund on January 15, 1983. On June 1, 1983, the state treasurer shall apportion and pay the amount transferred under this subsection to the county treasurers of those counties which distributed money to one or more community colleges or municipal universities, or both, under K.S.A. 79-2961 and amendments thereto from the payments made from the local ad valorem tax reduction fund on January 15, 1983. The amount paid on June 1, 1983, to each such county from the local ad valorem tax reduction fund under this subsection shall bear the same proportion to the total amount paid to all such counties on June 1, 1983, that the total amount received by community colleges and municipal universities in such county under K.S.A. 79-2961 and amendments thereto from the payment made to such county on January 15, 1983, bears to the total amount received by community colleges and municipal universities in all such counties under such statute from such payment.~~

Sec. 2. K.S.A. 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 July 15 and December 10, shall make transfers in equal amounts which in the aggregate equal 3 1/2% of the total retail sales and compensating

taxes credited to the state 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, except that the total amount transferred to the county and city revenue sharing fund during the fiscal year ending June 30, 1988, shall not be more than \$18,648,000.

Sec. 3. K.S.A. 79-3425e is hereby amended to read as follows: 79-3425e. ~~On July 15, 1980, and the fifteenth day of January 15 and the fifteenth day of~~ on July 15 of each year thereafter, the director of accounts and reports shall transfer a sum equal to the total taxes collected under the provisions of K.S.A. 79-6a04 and 79-6a10 and amendments thereto and credited to the state general fund during the six months next preceding the date of transfer, from the state general fund to the special city and county highway fund, created by K.S.A. 79-3425 and amendments thereto, except that the total amount transferred to the special city and county highway fund during the fiscal year ending June 30, 1988, shall not be more than \$7,441,000. ~~No transfer under this section shall be considered to be an expenditure or demand transfer for the purposes of sections 1 to 5, inclusive, of 1979 Substitute for House Bill No. 2623.~~

Sec. 4. K.S.A. 79-34,147 is hereby amended to read as follows: 79-34,147. (a) The secretary of revenue shall certify daily to the director of accounts and reports the amount equal to 9.19% of the total revenues received by the secretary from the taxes imposed under the Kansas retailers' sales tax act and deposited in the state treasury and credited to the state general fund on the next preceding day that such revenues were so received and deposited.

(b) Upon receipt of each certification under subsection (a), the director of accounts and reports shall transfer from the state general fund to the state highway fund the amount computed as follows:

(1) ~~During the fiscal year ending June 30, 1984, the amount~~

~~equal to 5/42 of the amount so certified;~~

~~(2) -- during the fiscal year ending June 30, 1985, the amount equal to 10/42 of the amount so certified;~~

~~(3) -- during the fiscal year ending June 30, 1986, the amount equal to 15/42 of the amount so certified;~~

(4) During the fiscal year ending June 30, 1987, the amount equal to 20/42 of the amount so certified, except that not more than \$16,054,000 shall be transferred to the state highway fund during such fiscal year;

(5) (2) during the fiscal year ending June 30, 1988, the amount equal to 25/42 of the amount so certified, except that not more than \$16,054,000 shall be transferred to the state highway fund during such fiscal year; and

(6) (3) during the fiscal year ending June 30, 1989, and each fiscal year thereafter, the amount equal to 30/42 of the amount so certified.

Sec. 5. K.S.A. 79-2959, 79-2964, 79-3425e and 79-34,147 are hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the Kansas register.

PROPOSED BILL NO. \_\_\_\_\_

By

AN ACT concerning the secretary of the department of human resources; relating to the powers and duties thereof; authorizing certain contracts.

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

Section 1. Subject to the approval of the governor, the secretary of the department of human resources is authorized to contract with federal government agencies, governmental entities of any state, and private, not-for-profit corporations for the performance of data processing services and training.

Sec. 2. This act shall take effect and be in force from and after its publication in the Kansas register.