

Approved January 26, 1988  
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by SENATOR AUGUST "GUS" BOGINA at  
Chairperson

11:10 a.m./~~p.m.~~ on January 20, 1988 in room 123-S of the Capitol.

All members were present except:  
Senators Johnston and Winter who were excused

Committee staff present:

Research Department: Scott Rothe, Russ Mills, Ed Ahrens, Richard Ryan  
Revisor's Office: Norman Furse  
Committee Staff: Judy Bromich, Pam Parker

Conferees appearing before the committee:

Staff from the Kansas Legislative Research Department distributed and reviewed a Profile of the State General Fund Based on the Governor's Budget Recommendations. (Attachment 1) This profile is computed on the basis of starting at a fixed point and shows changes that are contained in the Governor's recommended budget. The beginning balance for FY 1988 is \$73.3 million. The consensus estimate of receipts amounts to \$1,962.8 billion. The Governor's recommended adjusted receipts totals \$1,970.1 billion. Expenditures authorized by the 1987 Session equals \$1,866.1 billion and includes estimates in demand transfers which are automatically based on collections in addition to the estimate determined at the end of the 1987 Session increased by \$5.1 million of potential shifting of expenditures from FY 1987. The amount determined at the close of the 1987 Session has also been decreased by \$1 million for salary plan savings that resulted after the Finance Council took action based on agency requests to spread the appropriation for salary plan changes approved last session. The Governor's net adjustments amount to \$31.2 million.

In answer to a question from Senator Gaines, it was stated that the item of Set-aside for Corrections Officers Class Action Suit regards "show-up time" of corrections officers which was a condition of their employment. It was explained that "show-up time" refers to the fifteen minute overlap orientation time between shifts.

Resulting from a question from Senator Werts, it was decided that the Ellsworth Bond Payment Shifted from FY 1989 item under the Governor's recommended adjustments should be changed to the Ellsworth Lease Payment Shifted from FY 1989.

The adjusted expenditures equal \$1,897.3 billion and the recommended ending balance amounts to \$146.1 million.

For FY 1989, the Governor's recommended beginning balance equals \$146.1 million. Adjusted receipts equal \$1,990.8 billion. Recommended expenditures amount to \$1,990.6 billion and the recommended ending balance equals \$146.3 million.

Staff briefly reviewed the Governor's recommended Expenditure Changes for FY 1988 to FY 1989, Additional Employee Compensation and Benefits in Recommended FY 1989 State General Fund Budget, and the State General Fund Governor's Recommended Expenditures, FY 1989.

Senator Talkington moved, Senator Feleciano seconded, the approval of the minutes from the January 13 and 14, 1988 meetings. The motion carried.

The meeting was adjourned.



**A PROFILE OF THE STATE GENERAL FUND BASED ON THE  
GOVERNOR'S BUDGET RECOMMENDATIONS**

(\$ Millions)

A. FY 1988

		FY 1988
Beginning Balance		\$ 73.3
Consensus Estimate of Receipts	\$1,962.8	
Governor's Recommended Adjustments:		
County Reappraisal Aid Shifted to Expenditures	7.4	
Transfer to State Emergency Fund	(0.1)	
Adjusted Receipts		1,970.1
Expenditures Authorized by the 1987 Session*	1,866.1	
Governor's Recommended Adjustments:		
County Reappraisal Aid Demand Transfer	7.4	
LAVTRF and CCRSF Demand Transfers	0.2	
Homestead Property Tax Refunds	1.0	
SRS Medical Assistance	12.6	
SRS Homemaker and Other Non-Medical Programs	2.0	
School District Income Tax Rebate	(2.0)	
Community Colleges Formula State Aids	0.5	
Regents and Institutions Operating Expenditures	(0.8)	
KPERS-School Employer Contributions	(0.2)	
Ellsworth Bond Payment Shifted from FY 1989	1.2	
Set-aside for Corrections Officers Class Action Suit	2.0	
Purchase and Renovate Stockton Work Center	0.5	
Corrections Institutions, Inmate Health Care and Security	2.2	
Community Corrections Grants	0.2	
KBI-Gaming Operations Investigations	0.2	
Institutions for the Mentally III	2.2	
Winfield State Hospital	2.6	
Reserve for Longevity Bonus	1.0	
All Other	(1.6)	
Net Governor's Adjustments	31.2	
Adjusted Expenditures		1,897.3
Recommended Ending Balance (7.7 percent of Expend.)		\$ 146.1

\* Estimate of expenditures at end of 1987 Session increased by \$5.1 million for potential shifting of expenditures and decreased by \$1.0 million for salary plan savings.

B. FY 1989

	<u>FY 1989</u>
Recommended Beginning Balance	\$ 146.1
Consensus Estimate of Receipts, 2.9% Increase	2,019.4
Governor's Recommended Adjustments:	
Income Tax Reform	(21.3)
Sales and Use Tax Exemption	<u>(7.3)</u>
Adjusted Receipts, 1.1% Increase	1,990.8
Governor's Recommended Expenditures:	
FY 1988 Recommendation	1,897.3
State Operations, Increase of 5.8%	43.0
Local Aid, Increase of 5.7%	52.0
Other Assistance, Increase of 2.9%	7.0
Capital Improvements, Decrease of 65.9%	<u>(8.7)</u>
Total Increase in Expenditures 4.9%	<u>93.4</u>
Recommended Expenditures	<u>1,990.6</u>
Recommended Ending Balance (7.4 percent of Expend.)	\$ 146.3

C. Governor's Recommended Expenditure Changes  
FY 1988 to FY 1989

	<u>(Change in Millions)</u>	
LAVTRF and CCRSF Demand Transfers		\$5.3
State Census		(3.3)
Technology Enterprise Corporation Operations		(1.5)
Judicial Branch		4.8
Dept. of Revenue State Operations		1.4
Dept. of Administration State Operations		0.9
Legislature and Agencies		0.6
County Share of Inheritance Tax		(0.3)
County Reappraisal Aid		(0.4)
SRS: State Operations	2.7	
Medical Assistance	8.4	
AFDC	2.8	
Special Purpose MH/MR Aid	1.7	
All Other	<u>1.2</u>	16.8
Homestead Property Tax Refunds		(1.1)
Human Resources REAP		0.3
Regents and Institutions Operating Expend.		
Gen. Use: Unclass. Salaries at 5%	13.2	
Student Salaries at 4%	0.3	
Classified Salaries at 4%	4.4	
Annualize FY 88 Salaries (\$3.7 unclass.)	4.9	
Classified Step Movement	2.6	
OOE (exc. Utilities) at 4%	3.0	
Servicing New Bldgs.	1.6	
Enrollment Adjust.	3.2	
Faculty Salary Parity	5.4	
Program Improvement KUMC	1.7	
All Other	1.2	
Non-SGF Gen. Use	<u>(30.5)</u>	11.0
Department of Education and Institutions State Op.		0.9
SDEA: General State Aid	24.8	
Income Tax Rebate	21.0	
Transportation at 94%	<u>1.1</u>	47.0
Special Education at 89% of Excess Costs		4.0
Sex/AIDS Education		1.5
Voc. Ed. Postsecondary Aid		0.6
Voc. Ed. Area Schools (Includes \$1.0 million for Capital Outlay)		0.8
Community Colleges Aid		3.4
Washburn University		0.2
KPERS-School Employer Contribution		(12.2)
KBI Operations		0.7
Highway Patrol State Operations		2.6
Dept. of Corrections and Institutions State Oper.		12.0
Community Corrections Aid		0.2
Lawsuit Set-Aside		(2.0)
Youth Centers		0.7
John Redmond Repairs		(0.8)
Dept. of Health and Environment: State Ops.		1.3
Local Aid		0.5
Hospitals for the Mentally Ill, All Funds	6.4	
Non-SGF	<u>(1.5)</u>	4.9
Hospitals for Mentally Retarded, All Funds	3.4	
Non-SGF	<u>(3.9)</u>	(0.6)
Historical Society State Operations		(0.3)
Dept. of Wildlife and Parks State Oper.		0.7
All Agencies Capital Improvements		
FY 1988 Recommendations	(13.2)	
FY 1989 Recommended Projects	<u>4.5</u>	(8.7)
Net All Other Changes		<u>1.4</u>
TOTAL		\$ 93.4

ATTACHMENT 1  
SWAM 1/20/88

Additional Employee Compensation and Benefits  
in Recommended FY 1989 State General Fund Budget  
(\$ Millions)

	<u>FY 1988</u>	<u>FY 1989</u>
A. Annualization of FY 1988 Benefits		
2% Classified and Non-Regents Unclassified	\$ --	\$ 4.0*
Judicial Branch Nonjudicial Employees	--	0.8
Classified Job Study, Mechanics and Laborers	--	<u>0.4*</u>
Subtotal	--	5.2
B. Step Movement Classified and Non-Regents Unclassified Employees (1.73%)	--	6.9*
C. Salary Plan Revision		
4% Classified and Non-Regents Unclassified	--	16.0*
Longevity Bonus (Classified Employees)	1.0	1.0
D. Employees Health Insurance CY 1988 and Projected CY 1989 Rates	1.3*	3.6*
E. Job Study, Registered Nurses and Therapists	<u>0.3</u>	<u>0.7</u>
TOTAL	\$ 2.6	\$ 33.4

\* Research Department estimates.

STATE GENERAL FUND -- GOVERNOR'S RECOMMENDED  
EXPENDITURES, FY 1989

In Thousands

	<u>Amount</u>	<u>Percent of Total</u>	<u>Cumulative Percent</u>
State Aid for Education	\$ 865,796	43.49%	
Bd. of Regents and Institutions	341,730	17.17	60.66%
Other Education*	<u>13,522</u>	<u>0.68</u>	<u>61.34</u>
Subtotal, Education	1,221,048	61.34	61.34
State Aid Except Education	92,631	4.65	65.99
SRS-OAGB**	227,893	11.45	77.44
Dept. of Corrections, Its Institu- tions, and Youth Centers	92,295	4.64	82.08
State Hospitals	82,176	4.13	86.21
SRS -- State Operations	59,478	2.99	89.20
Judicial Branch	48,702	2.45	91.65
Dept. of Revenue -- State Operations	26,123	1.31	92.96
Highway Patrol	20,858	1.05	94.01
Dept. of Administration	19,642	0.99	95.00
Dept. of Health and Environ. -- Oper.	16,034	0.80	95.80
Legislative Branch	13,230	0.66	96.46
Exec. Branch Elected Officials	11,168	0.56	97.02
All Other***	<u>59,342</u>	<u>2.98</u>	<u>100.00</u>
TOTAL	\$1,990,620	100.00%	

\* Department of Education operations, Schools for the Deaf and Visually Handicapped, State Library operations, and Public Broadcasting Commission.

\*\* Other assistance, grants, and benefits, e.g., medical assistance, aid to families with dependent children, foster care and adoption support, general assistance, and alcohol and drug abuse programs.

\*\*\* Includes \$1.0 million for salary bonus not allocated among agencies and institutions.

Kansas Legislative Research Department  
January 15, 1988

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