

Approved 1-22-90  
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Bunten at  
Chairperson

1:40 ~~xxx~~ p.m. on January 16, 1990 in room 514-S of the Capitol.

All members were present except: Representatives Wisdom and Heinemann (both excused)

Committee staff present: Ellen Piekalkiewicz, Legislative Research  
Ed Ahrens, Legislative Research  
Jim Wilson, Revisor of Statutes  
Eric Witkoski, Revisor of Statutes  
Sharon Schwartz, Administrative Aide  
Sue Krische, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list.

Chairman Bunten assigned HB 2613 dealing with the productivity process to Representative Wanda Fuller's subcommittee for review and recommendation to the full committee.

Ed Ahrens, Chief Legislative Fiscal Analyst, reviewed for the Committee the status of the State General Fund based on the Governor's budget recommendations for FY 1990 and FY 1991 (Attachment 1).

Staff noted the projected increase in demand transfers in FY 1990 of \$7.1 million is a result of the revised estimated school district income tax rebates. A member asked what would be adequate general fund balances to meet state obligations at crucial periods and staff indicated the estimated FY 1990 ending balance of \$250 million would present no cash flow problems.

Staff noted the drop of \$45.5 million in the Governor's recommendations in FY 1991 of "Other Assistance Grants and Benefits" is a result of different financing of circuit breakers, i.e. the residential circuit breaker in FY 1991 is financed through the EDIF. Expenditures exceed receipts by \$122 million in FY 1990 and \$121 million in FY 1991.

Staff advised that there is a total increase of \$28 million for the Regents institutions in the Governor's recommendations from FY 1990 to FY 1991. It was noted the total "State Operations" increase in the Governor's recommendations from FY 1990 to FY 1991 of \$36.6 million includes a 1½ percent across-the-board salary increase for classified and non-judicial personnel.

Budget Director Michael O'Keefe appeared briefly to respond to a question at a previous meeting on the reason for an increase of 14 percent in FY 1991 in the budget of the Division of Budget. He explained that by statute his budget includes \$125,000 for a gubernatorial transition.

The meeting was adjourned at 2:55 p.m.



TABLE I

STATUS OF THE STATE GENERAL FUND BASED ON  
THE GOVERNOR'S BUDGET RECOMMENDATIONS

		<u>\$ Millions</u>	<u>% Increase</u>
<b>FY 1990</b>			
Beginning Balance		\$ 371.4	
Receipts			
Consensus Estimate		2,297.9	3.1%
Governor's Recommended Adjustments			
Transfer from Special Employment			
Security Fund	0.2		
Acceleration of Certain Tax Collections	<u>3.7</u>	<u>3.9</u>	
Governor's Adjusted Receipts		\$ 2,301.8	3.3%
Expenditures			
Expenditures Authorized by 1989 Legislature			
Including Shifting	2,446.8		
Adjustments to Demand Transfers	<u>7.1</u>		
Adjusted Approved Expenditures		\$ 2,453.9	13.6%
Governor's Recommended Changes (See Table II)			
State Operations	(31.7)		
Aid to Local Units	(5.9)		
Other Assistance, Grants, and Benefits	38.2		
Capital Improvements	<u>(30.8)</u>		
Subtotal Recommended Changes		<u>(30.2)</u>	
Governor's Recommended Expenditures		\$ 2,423.7	12.2%
Ending Balance		\$ 249.5	
Percent of Expenditures		10.3%	
<b>FY 1991</b>			
Beginning Balance		\$ 249.5	
Receipts			
Consensus Estimate		2,337.0	1.7%
Governor's Recommended Adjustments			
Transfer from Special Employment			
Security Fund	0.5		
Acceleration of Certain Tax Collections	<u>11.1</u>	<u>11.6</u>	
Governor's Adjusted Receipts		\$ 2,348.5	2.0%
Expenditures			
Governor's Recommended Expenditures, FY 1990		\$ 2,423.7	
Governor's Recommended Changes (See Table III)			
State Operations	36.6		
Aid to Local Units	39.5		
Other Assistance Grants and Benefits	(45.5)		
Capital Improvements	<u>15.4</u>		
Subtotal Recommended Changes		<u>46.1</u>	
Governor's Recommended Expenditures		\$ 2,469.8	1.9%
Ending Balance		\$ 128.2	
Percent of Expenditures		5.2%	

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Attachment 1

TABLE II

GOVERNOR'S RECOMMENDED CHANGES TO FY 1990 ADJUSTED EXPENDITURES  
STATE GENERAL FUND

		\$ Millions
<u>State Operations</u>		
Regents Institutions		
General Use Expenditure Authority	\$ (8.83)	
KUMC Hospital Revenues	(1.13)	
Tuition Receipts	(5.20)	
Other Non-SGF Resources	<u>(1.24)</u>	\$ (16.40)
Department of Corrections and Institutions		
Inmate Emergency Bedspace Contingency	(2.45)	
Other (Mainly Salaries and Wages)	<u>(2.41)</u>	(4.85)
Salary Plan Reserve		(3.40)
Social and Rehabilitation Services		(2.05)
MH/MR Hospitals		
Budget Reductions	(4.15)	
Revised Title XIX and Patient Receipts	<u>2.46</u>	(1.69)
Judicial Branch		(1.04)
Kansas Bureau of Investigation		(0.98)
Veterans Affairs/Soldiers Home		(0.51)
Department of Revenue		(0.38)
Youth Centers		(0.35)
Attorney General -- Arkansas River Litigation		0.40
Board of Indigent Defense Services -- Counsel		0.50
Board of Tax Appeals		0.36
All Other		<u>(1.33)</u>
TOTAL -- STATE OPERATIONS		\$ (31.72)
<u>Aid to Local Units</u>		
MH/MR Special Grants		\$ (1.27)
School Transportation Aid		(0.76)
Special Education Services		(1.00)
Community Colleges		1.95
Community Corrections Grants		(1.68)
Community Conservation Camps		<u>(3.17)</u>
TOTAL -- AID TO LOCAL UNITS		\$ (5.93)
<u>Other Assistance, Grants, and Benefits</u>		
Residential Circuit Breaker		\$ 7.29
Commercial Circuit Breaker		27.21
SRS Programs		6.18
Correctional Officers Lawsuit Contingency		(2.00)
All Other		<u>(0.45)</u>
TOTAL -- OTHER ASSISTANCE		\$ 38.23
<u>Capital Improvements</u>		
Demand Transfer, State Highway Fund		\$ (17.93)
All Other Agencies		
Historical Research Center -- Refinancing	(4.49)	
WSU Science Building -- Refinancing	(2.00)	
Debt Service, New Prison and MH Facilities	(6.60)	
Debt Service, Ellsworth	(0.53)	
KSIR Locking Systems -- Refinancing	(0.60)	
FHSU Sheridan Coliseum	0.96	
Other Changes	<u>.40</u>	
TOTAL -- CAPITAL IMPROVEMENTS		\$ (12.86)
TOTAL -- CAPITAL IMPROVEMENTS		\$ (30.79)
<b>TOTAL RECOMMENDED CHANGES</b>		<b>\$ (30.21)</b>

1.2

TABLE III

GOVERNOR'S RECOMMENDED CHANGES FY 1990 TO FY 1991  
STATE GENERAL FUND

		<u>\$ Millions</u>
<u>State Operations</u>		
General Government Agencies		\$ (1.18)
Department of Health and Environment		0.23
Department of Social and Rehabilitation Services		4.39
MH/MR Hospitals		
Increase in Expenditure Authority	6.06	
Additional Non-SGF Resources	<u>(8.29)</u>	(2.23)
Veterans Affairs/Soldiers Home		0.56
Regents Institutions		
Unclassified Salaries, 4%	13.04	
Other Operating Expenditures, 2%	2.04	
Utilities, 2%	0.43	
Enrollment Adjustments	4.00	
Faculty Salary Parity	0.40	
All Other	<u>11.25</u>	
Total GU Increase	31.16	
Additional Non-SGF Resources	<u>(3.27)</u>	27.89
Historical Society		(0.27)
Schools for Deaf and Visually Handicapped		0.33
Department of Education		0.30
KBI		(1.40)
Department of Corrections and Institutions		6.97
Youth Centers		0.70
Board of Agriculture		0.40
Water Office		(0.42)
Department of Wildlife and Parks		0.28
All Other -- Net		<u>.04</u>
TOTAL -- STATE OPERATIONS		\$ 36.59
 <u>Aid to Local Units</u>		
LAVTRF		1.72
CCRSF (actual)		1.75
CCHF		(0.35)
KPERS - School		1.90
USD General Aid		4.44
USD Income Tax Rebate		17.90
USD Transportation		2.26
Special Education Services		5.49
Area Vocational Schools		(0.50)
Community Colleges		0.00
Washburn University		0.25
Human Sexuality/Aids		0.50
At Risk Pupils		0.20
Parents As Teachers		1.00
Department of Health and Environment Programs		0.25
SRS MH/MR Special Purpose Grants		1.10
Community Corrections		2.43
Watershed Dam Construction		(0.64)
All Other		<u>(0.16)</u>
TOTAL -- STATE AID		\$ 39.54

TABLE III (continued)

		<u>\$ Millions</u>
<u>Other Assistance, Grants, and Benefits</u>		
Department of Commerce		\$ (1.82)
KTEC, Centers of Excellence		(0.40)
Homestead Property Tax Refunds		(0.90)
Residential Circuit Breaker		(17.29)
Commercial Circuit Breaker		(15.31)
SRS Programs		(12.38)
Board of Regents Scholarships		1.11
Correctional Officers Lawsuit Contingency		2.00
All Other		<u>(0.47)</u>
TOTAL -- OTHER ASSISTANCE		\$ (45.46)
 <u>Capital Improvements</u>		
State Highway Fund Demand Transfer		
Present Law	11.29	
Recommended Change	<u>17.10</u>	\$ 28.39
All Other Agencies		
FY 1990 Projects	\$ (30.73)	
FY 1991 Projects		
KU Regents Center	1.00	
Department of Corrections, Ellsworth Debt	1.71	
Department of Corrections, New Prison and MH		
Facility Debt	6.30	
KBI Debt Service	0.32	
Historical Society Research Center	4.49	
Wildlife and Parks, Cheyenne Bottoms	1.50	
Wildlife and Parks, Hillsdale Park	1.31	
Department of Administration, Various	0.66	
Adjutant General, Rehabilitation and Repair	0.25	
Other Projects	<u>0.23</u>	
Total -- All Other Agencies	\$ 17.77	<u>(12.96)</u>
TOTAL -- CAPITAL IMPROVEMENTS		\$ 15.43
 TOTAL CHANGES		 <u>\$ 46.10</u>