

Approved January 29, 1990
Date

MINUTES OF THE ~~SENATE~~ COMMITTEE ON ~~WAYS AND MEANS~~

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

~~11:15~~ a.m./p.m. on ~~JANUARY 22~~, 19~~90~~ in room ~~123-S~~ of the Capitol.

All members were present except:

Senators Allen, Harder and Parrish who were excused

Committee staff present:

Research Department: Diane Duffy, Leah Robinson

Revisor: Norm Furse, Gordon Self

Committee Staff: Judy Bromich, Administrative Assistant

Conferees appearing before the committee: Ronda Miller, Committee Secretary

Senator Kerr requested the introduction of bill draft RS 1932 -- an act concerning scholarships for certain students enrolled at the University of Kansas Medical School. Senator Feleciano moved, Senator Kerr seconded, the introduction of bill draft RS 1932. The motion carried.

Mr. Richard Ryan, Kansas Legislative Research Department, distributed and reviewed Attachment 1. He noted that the projections made in this document for FY 90 and FY 91 include the Governor's recommendations with the circuit breaker expenditures and circuit breaker financing from the State General Fund. Mr. Ryan stated that the projections for FY 92 have nothing to do with the Governor's recommendations. He noted that the first 3 projections on page 1 are based on the assumption of an ending balance equal to 5% of expenditures and assumed growth rates in revenue of 2%, 3%, and 4%.

Mr. Ryan cautioned the Committee that if revenue estimates are off by 1% in FY 90 and 3% in FY 91 (which are optimistic deviations), the ending balance would be off \$93 million in the two years combined.

In discussing the FY 92 budget, Mr. Ryan stated that there are items in the FY 91 budget that will not recur in the FY 92 budget. Conversely, however, he noted that there will be a \$14 million increase in school district income tax rebates in FY 92 over FY 91 based on current estimates. He said that the increase could be several million more if an anticipated growth in liability occurs. Other factors affecting the FY 92 budget are demand transfers and the prison improvements.

The final page of Attachment 1 contains projections based on the Governor's recommendations. The projections assume an ending balance at the end of FY 92 of 7.5 % of expenditures and an ending balance in FY 93 of 10% of expenditures, with assumed growth rates in revenues of 2%, 3%, and 4%. He noted that this chart shows that the difficulty in enhancing the ending balance occurs in FY 92.

Senator Doyen moved and Senator Winter seconded that minutes of the December 9, 1989 and January 8, 9, 10, 11, 1990 meetings be approved. The motion carried.

The meeting was adjourned at 11:56 A.M.

SIX PROJECTIONS OF
STATE GENERAL FUND FINANCES, FY 1992

In Millions

	<u>Gov. Recommendations</u>		<u>Increase</u>	<u>Projected</u>	<u>Increase</u>	
	<u>FY 1990</u>	<u>FY 1991</u>		<u>FY 1992</u>		
Beginning Balance	\$ 371.4	\$ 249.5		\$ 128.2		
Receipts						
Consensus Est.	2,297.9	2,337.0	1.7%	2,383.7	2.0%	
Rec. Transfer	0.2	0.5		0.5		
Rec. Accelerations	3.7	11.1		--		
Total	<u>2,301.8</u>	<u>2,348.5</u>	<u>2.0</u>	<u>2,384.2</u>		
Expenditures						
Excl. Circuit Breakers	2,379.2	2,457.9	3.3	2,392.3	(2.7)%	\$(65.6)
Homeowners' CB	17.3	--		0.5		
Commercial CB	<u>27.2</u>	<u>11.9</u>		<u>--</u>		
Total	<u>2,423.7</u>	<u>2,469.8</u>	<u>1.9</u>	<u>2,392.8</u>		
Ending Balance	249.5	128.2		119.6		
% of Expenditures	10.3%	5.2%		5.0%		
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Beginning Balance	\$ 371.4	\$ 249.5		\$ 128.2		
Receipts						
Consensus Est.	2,297.9	2,337.0	1.7%	2,407.1	3.0%	
Rec. Transfer	0.2	0.5		0.5		
Rec. Accelerations	3.7	11.1		--		
Total	<u>2,301.8</u>	<u>2,348.5</u>	<u>2.0</u>	<u>2,407.6</u>		
Expenditures						
Excl. Circuit Breakers	2,379.2	2,457.9	3.3	2,414.5	(1.8)%	\$(43.4)
Homeowners' CB	17.3	--		0.5		
Commercial CB	<u>27.2</u>	<u>11.9</u>		<u>--</u>		
Total	<u>2,423.7</u>	<u>2,469.8</u>	<u>1.9</u>	<u>2,415.0</u>		
Ending Balance	249.5	128.2		120.8		
% of Expenditures	10.3%	5.2%		5.0%		
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Beginning Balance	\$ 371.4	\$ 249.5		\$ 128.2		
Receipts						
Consensus Est.	2,297.9	2,337.0	1.7%	2,430.5	4.0%	
Rec. Transfer	0.2	0.5		0.5		
Rec. Accelerations	3.7	11.1		--		
Total	<u>2,301.8</u>	<u>2,348.5</u>	<u>2.0</u>	<u>2,431.0</u>		
Expenditures						
Excl. Circuit Breakers	2,379.2	2,457.9	3.3	2,436.8	(0.9)%	\$(21.1)
Homeowners' CB	17.3	--		0.5		
Commercial CB	<u>27.2</u>	<u>11.9</u>		<u>--</u>		
Total	<u>2,423.7</u>	<u>2,469.8</u>	<u>1.9</u>	<u>2,437.3</u>		
Ending Balance	249.5	128.2		121.9		
% of Expenditures	10.3%	5.2%		5.0%		

SWAM
Jan. 22, 1990
Attachment 1

	Gov. Recommendations		Increase	Projected FY 1992	Increase	
	FY 1990	FY 1991				
Beginning Balance	\$ 371.4	\$ 249.5		\$ 128.2		
Receipts						
Consensus Est.	2,297.9	2,337.0	1.7%	2,453.9	5.0%	
Rec. Transfer	0.2	0.5		0.5		
Rec. Accelerations	3.7	11.1		--		
Total	2,301.8	2,348.5	2.0	2,454.4		
Expenditures						
Excl. Circuit Breakers	2,379.2	2,457.9	3.3	2,539.0	3.3%	\$81.1
Homeowners' CB	17.3	--		0.5		
Commercial CB	27.2	11.9		--		
Total	2,423.7	2,469.8	1.9	2,539.5		
Ending Balance	249.5	128.2		43.1		
% of Expenditures	10.3%	5.2%		1.7%		
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Beginning Balance	\$ 371.4	\$ 249.5		\$ 128.2		
Receipts						
Consensus Est.	2,297.9	2,337.0	1.7%	2,581.7	10.5%	
Rec. Transfer	0.2	0.5		0.5		
Rec. Accelerations	3.7	11.1		--		
Total	2,301.8	2,348.5	2.0	2,582.2		
Expenditures						
Excl. Circuit Breakers	2,379.2	2,457.9	3.3	2,580.8	5.0%	\$122.9
Homeowners' CB	17.3	--		0.5		
Commercial CB	27.2	11.9		--		
Total	2,423.7	2,469.8	1.9	2,581.3		
Ending Balance	249.5	128.2		129.1		
% of Expenditures	10.3%	5.2%		5.0%		
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Beginning Balance	\$ 371.4	\$ 249.5		\$ 128.2		
Receipts						
Consensus Est.	2,297.9	2,337.0	1.7%	2,453.9	5.0%	
Rec. Transfer	0.2	0.5		0.5		
Rec. Accelerations	3.7	11.1		--		
Total	2,301.8	2,348.5	2.0	2,454.4		
Expenditures						
Excl. Circuit Breakers	2,379.2	2,457.9	3.3	2,453.9	(0.2)%	\$(4.0)
Homeowners' CB	17.3	--		0.5		
Commercial CB	27.2	11.9		--		
Total	2,423.7	2,469.8	1.9	2,454.4		
Ending Balance	249.5	128.2		128.2		
% of Expenditures	10.3%	5.2%		5.2%		

THREE STATE GENERAL FUND PROJECTIONS

In Millions

	FY 1990*	FY 1991*	Increase	FY 1992	Increase	FY 1993	Increase
A Beginning Balance	\$ 371.4	\$ 249.5		\$ 128.3		\$ 175.3	
Receipts							
Consensus Est.	2,297.9	2,337.0	1.7%	2,383.7	2.0%	2,431.4	2.0%
Rec. Transfer	0.2	0.5		0.5		0.5	
Rec. Accelerations	3.7	11.1					
Total	2,301.8	2,348.6	2.0	2,384.2		2,431.9	
Expenditures							
Excl. Circuit Breakers	2,379.2	2,457.9	3.3	2,336.7	(4.9)	2,370.2	1.4
Homeowners' CB	17.3	--		0.5		--	
Commercial CB	27.2	11.9		--		--	
Total	2,423.7	2,469.8	1.9	2,337.2	(5.4)	2,370.2	1.4
Ending Balance	249.5	128.3		175.3		237.0	
% of Expend.	10.3%	5.2%		7.5%		10.0%	

B Beginning Balance	\$ 371.4	\$ 249.5		\$ 128.3		\$ 176.9	
Receipts							
Consensus Est.	2,297.9	2,337.0	1.7%	2,407.1	3.0%	2,479.3	3.0%
Rec. Transfer	0.2	0.5		0.5		0.5	
Rec. Accelerations	3.7	11.1					
Total	2,301.8	2,348.6	2.0	2,407.6		2,479.8	
Expenditures							
Excl. Circuit Breakers	2,379.2	2,457.9	3.3	2,358.5	(4.0)	2,415.2	2.4
Homeowners' CB	17.3	--		0.5		--	
Commercial CB	27.2	11.9		--		--	
Total	2,423.7	2,469.8	1.9	2,359.0	(4.5)	2,415.2	2.4
Ending Balance	249.5	128.3		176.9		241.5	
% of Expend.	10.3%	5.2%		7.5%		10.0%	

C Beginning Balance	\$ 371.4	\$ 249.5		\$ 128.3		\$ 178.6	
Receipts							
Consensus Est.	2,297.9	2,337.0	1.7%	2,430.5	4.0%	2,527.7	4.0%
Rec. Transfer	0.2	0.5		0.5		0.5	
Rec. Accelerations	3.7	11.1					
Total	2,301.8	2,348.6	2.0	2,431.0		2,528.2	
Expenditures							
Excl. Circuit Breakers	2,379.2	2,457.9	3.3	2,380.2	(3.2)	2,460.7	3.4
Homeowners' CB	17.3	--		0.5		--	
Commercial CB	27.2	11.9		--		--	
Total	2,423.7	2,469.8	1.9	2,380.7	(3.6)	2,460.7	3.4
Ending Balance	249.5	128.3		178.6		246.1	
% of Expend.	10.3%	5.2%		7.5%		10.0%	

* Based on pages 8-13, Volume 1, Governor's Budget Report to the 1990 Legislature. For sake of simplicity, the ending balances in FYs 1991, 1992, and 1993 are the combined balances of the SGF and the proposed Cash Operating Reserve Fund.