

Approved 4-30-90  
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

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

12:01 ~~am~~ <sup>XX</sup>/p.m. on MARCH 30, 19 90 ~~in room~~ <sup>at the rail</sup> ~~XXXXXXXXXXXX~~ of the Capitol.

All members were present except:

Senators Johnston, Harder and Rock, who were excused

Committee staff present:

Research Department:

Revisor:

Committee Staff: Judy Bromich, Administrative Assistant  
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Chairman Bogina noted that the State Finance Council subcommittee report was inadvertently omitted from the review of HB 2638. Senator Winter moved, Senator Feleciano seconded, that HB 2638 as amended be reconsidered. The motion carried. Attachment 1

Senator Feleciano reviewed the FY 90 and FY 91 subcommittee report of the State Finance Council. Seeing that there were no questions, Senator Feleciano moved, Senator Winter moved that the subcommittee report as amended be adopted. The motion carried.

Senator Harder moved and Senator Feleciano seconded that HB 2638 as amended be recommended favorable for passage. The motion carried on a roll call vote.

The meeting was adjourned at 12:04 P.M.

## SUBCOMMITTEE REPORT

Agency: State Finance Council                      Bill No. 2638                      Bill Sec. 7  
 Analyst: Duffy    Analysis Pg. No. 492                      Budget Pg. No. 212

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$        3,163	\$        3,163	\$        --
FTE Positions	0.0	0.0	--

### Agency Request/Governor's Recommendation

**FY 1990 and FY 1991.** The agency submits an estimate for FY 1990 of \$3,329 and for FY 1991 of \$3,163 for compensation and travel of legislative members of the State Finance Council. There were no expenditures in FY 1989. The 1989 Legislature appropriated \$3.4 million from the State General Fund to the State Finance Council for transfers to agencies for their proportionate shares of the additional costs of the revisions to the state pay plan adopted by the 1989 Legislature in H.B. 2553. No such transfers were submitted to the Finance Council and the matter of additional costs is an item for legislative review with respect to revised FY 1990 budgets. The agency requests that the \$3.4 million be lapsed. There were no expenditures from the State Emergency Fund in FY 1989, therefore, the carryover balance is maintained at \$750,000.

The Governor concurs with the agency's FY 1991 and FY 1990 requests.

### House Subcommittee Recommendation

**FY 1990.** The House Subcommittee concurs with the Governor's recommendation.

**FY 1991.** The House Subcommittee concurs with the Governor's recommendation with the following adjustment:

1. Transfer \$480,000 (estimate) from the State Self-Insurance Reserve Fund to the State General Fund as soon as funds are available. The 1973 Legislature created the Self-Insurance Reserve Fund and authorized a transfer to it of \$2 million from the General Fund. K.S.A. 12-3724 provides for investment of money in the fund by the Pooled Money Investment Board. Also in 1973, the Legislature revised the law relating to state grants from revenue bond proceeds to local units receiving federal waste treatment construction grants. Among other things, this legislation gave an annual first claim and lien of \$1.5 million on the Self-Insurance Reserve Fund to insure debt service on the bonds. Principal and interest on the revenue bonds is paid by local units by means of sewer service charges. The revenue bonds are expected to mature in the mid-1990s. The Self-Insurance Reserve Fund currently has an invested balance of \$1,883,000. According to the PMIB, the

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investment matures on September 30, 1990 at which time it is estimated that \$480,000 would be available (the amount exceeding the \$1.5 million pledge on the revenue bonds) for transfer to the State General Fund. The Subcommittee notes that transfers from this fund occurred in FY 1986 when \$3.5 million was transferred to the State General Fund and in FY 1987 a transfer of \$447,750 was made from the State Self-Insurance Fund to the State Emergency Fund.

**House Committee Recommendation**

The House Committee concurs with the House Subcommittee's recommendation.

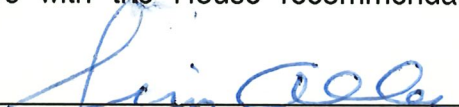
**House Committee of the Whole Recommendation**

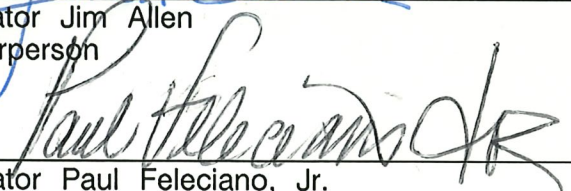
The House Committee of the Whole concurs with the House Committee's recommendation.

<u>Expenditure Summary</u>	<u>House Adj. FY 91</u>	<u>House Rec. FY 91</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 3,163	\$
FTE Positions	--	0.0	

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the House recommendations.

  
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 Senator Jim Allen  
 Chairperson

  
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 Senator Paul Feleciano, Jr.