

Approved \_\_\_\_\_  
Date July 6, 1990

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

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

4:10 ~~XX~~ a.m./p.m. on MAY 3, 1990 in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research Department: Diane Duffy, Leah Robinson  
Revisor: Norm Furse, Gordon Self  
Committee Staff: Judy Bromich, Administrative Assistant  
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Senator Harder moved, Senator Allen seconded, that the minutes of March 28, April 3 A.M., April 3 P.M. and April 25 be approved. The motion carried.

The Chairman explained that the decision was made to call this meeting because it was of general agreement that there should be an ending balance in FY 91 of \$100 million. At the present time, the ending balance is projected at \$56 million, including the current form of the Omnibus appropriations bill. Chairman Bogina explained that he had reviewed with research staff items that could be targeted for reductions (Attachment 1). These suggested reductions total \$18.1 million in state general fund dollars and, if approved in Committee, would have to be amended in to SB 799.

In answer to a question, it was noted that these proposals for reductions might suggest that the House consider a cigarette tax dedicated to the general fund.

The Committee discussed the items targeted for reductions found in Attachment 1 and made the following recommendations:

STATE HISTORICAL SOCIETY -- include all items

DEPARTMENT OF REVENUE -- include

HOMESTEAD/CIRCUIT BREAKER REFUNDS -- include all items

The Committee reviewed Attachment 2. Julian Efird, Research Department, noted that based on expenditures to date, a \$3.3 million unencumbered balance remains for this fiscal year.

SECRETARY OF STATE -- include

DEPARTMENT OF ADMINISTRATION -- include all items

1. In answer to a question, Chairman Bogina stated that a proviso states that the Department must perform the study.

2. The Committee recommended an additional \$25,000 for statehouse stonework in order that repairs would continue on schedule.

HEALTH AND ENVIRONMENT --

Scott Rothe, Research Department, stated that deleting \$1 million would leave a balance of \$1.3 million in the M & I program, which is the Governor's recommendation. He noted that this amount is within \$7,000 of the FY 90 appropriation, but there is a large increase in the number of persons served. Senator Winter, who served on the SRS subcommittee that reviewed this budget, stated that the Department of Health & Environment indicated during subcommittee meetings that programs are in place, and there is a demand for them. He said that this program results in lower hospital costs. Senator Parrish stated that the M & I program also has a positive impact on the special education budget.

Senator Winter moved, Senator Parrish seconded that this item be deleted from the list of possible reductions. Discussion was held concerning the proposed use of the \$1 million, with Senator Winter saying that the money would be used by existing programs because not all of the eligible populations is being served. 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.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS,  
room 123-S, Statehouse, at 4:10 XX m./p.m. on MAY 3, 1990

DEPARTMENT OF COMMERCE -- Include  
KANSAS TECHNOLOGY ENTERPRISE CORPORATION (KTEC) -- Include  
KANSAS, INC. -- Include

Senator Kerr expressed his displeasure over displacing current SGF expenditures with EDIF moneys for ongoing programs.

KANSAS WATER OFFICE -- Include

DEPARTMENT OF EDUCATION -- Include all items

Senator Winter noted that the Omnibus bill includes \$4.1 million for special education in FY 90 based on the latest estimates. Because he felt that guesswork was being prefunded, Senator Winter moved, Senator Kerr seconded, that the difference between 92% and 95% of the funding level for special education (approximately \$4.1 million) be deleted from the budget of the Department of Education. Concern was expressed that this motion might jeopardize the future of the Omnibus bill. The motion failed on a voice vote.

The Chairman suggested that the \$8.4 million federally mandated for the gifted program in special education might be a candidate for funding reduction. Senator Harder moved, Senator Doyen seconded, that the funding for the gifted program be reduced by 50% for one year. Discussion was held regarding the mechanics of how to accomplish this. Senator Harder expressed concern about the impact a one year funding reduction would have on school budgets and withdrew his motion.

STATE BOARD OF REGENTS -- Include  
FORT HAYS STATE UNIVERSITY -- Include both items  
KANSAS STATE UNIVERSITY -- Include both items  
UNIVERSITY OF KANSAS -- Include all items

Senator Kerr moved to shift the financing of \$1 million of other operating expenses of the Department of Commerce (Attachment 1-4) to the state general fund, and fund \$1 million of the Regents Center from EDIF. Senator Winter seconded the motion.

Senator Kerr offered a substitute motion to not shift the financing of KTEC and KANSAS, INC. from the state general fund, and to shift an appropriate amount from the Department of Commerce. Senator Winter seconded the substitute motion, which carried on a voice vote.

Senator Winter moved that \$155,000 of state general fund moneys for the DNA program be deleted. Senator Salisbury seconded, but the motion failed on a voice vote.

Senator Johnston moved, Senator Winter seconded, that the accelerators included in the Governor's original recommendations be made a part of Attachment 1. Because of a technicality involved in including tax measures in an appropriations bill, Senator Johnston withdrew his motion and offered a new motion to introduce a bill that would implement the accelerators. Senator Winter seconded, and the motion carried on a voice vote.

Senator Gaines moved, Senator Allen seconded that SB 799 be amended to include the recommendations agreed upon in Committee and in Attachment 1. The motion carried.

Senator Winter moved, Senator Salisbury seconded, to eliminate the 1% cuts from SB 799 and include instead a cigarette tax, the accelerators, and the recommended reductions in Attachment 1. The motion failed.

Senator Johnston moved to include the cigarette tax in the conceptual bill that would implement the accelerators. The motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS,  
room 123-S, Statehouse, at 4:10 XXm./p.m. on MAY 3, 1990

Senator Gaines moved, Senator Winter seconded, that the rate of reduction in SB 799 be set at 1% across the board. The motion carried.

Senator Gaines moved, Senator Allen seconded that SB 799 as amended be recommended favorable for passage.

Senator Kerr offered a substitute motion to reduce the SGF transfer to the State Water Plan by \$1 million and reduce the appropriation for the multipurpose small lake program for the purpose of Bone Creek by \$1 million. Senator Winter seconded the motion, which failed on a show of hands.

The primary motion carried on a roll call vote.

Senator Johnston distributed Attachment 3 and cautioned the Committee about adding to general fund obligations in the future.

The Chairman thanked the Committee for enduring the long and difficult deliberations regarding funding reductions and adjourned the meeting.



Senate Recommendation

**Sec. – State Historical Society**

1. Shift the appropriation for the new Center for Historical Research from FY 1991 and FY 1992 to FY 1992 and FY 1993 and apply a 5 percent inflation factor, resulting in an appropriation of \$6,000,000 in FY 1992 and \$1,904,000 in FY 1993.
- Lapse \$4,338,000 for FY 1991 and \$3,040,000 in FY 1992 contained in S.B. 443 for the new Center for Historical Research. The balance of the appropriation contained in S.B. 443 of \$150,000 is to be expended for final planning costs and a floodplain survey.
3. Lapse \$225,000 of the estimated unencumbered balance of \$454,000 in the Historic Properties -- Preservation, Restoration, and Development account.

**Sec. – Department of Revenue**

1. Lapse \$1.5 million SGF of \$2.0 million appropriated in FY 1991 for reappraisal aid to counties. This leaves \$2.0 million EDIF financing for state aid to counties and \$0.5 million SGF for either state aid or upgrading CAMA computer programs in the counties.

SWAM  
May 3, 1990  
Attachment 1

Senate Recommendation

**Sec. – Homestead/Circuit  
Breaker Refunds**

1. Lapse \$1.0 million SGF of \$10.4 million appropriated in FY 1990 for the regular homestead property tax relief program. This leaves \$9.4 million this fiscal year for payments.
2. Lapse \$2.0 million SGF of \$11.9 million appropriated in FY 1991 for the regular homestead property tax relief program. This leaves \$9.9 million next fiscal year for payments.
3. Reduce expenditures by \$4.0 million EDIF of the \$6.0 million appropriated in FY 1991 for the residential circuit breaker program. This leaves \$2.0 million next fiscal year for the program.

**Sec. – Secretary of State**

1. Lapse the FY 1990 and FY 1991 state census program funds. The amount of the lapse is estimated to be approximately \$83,672 for FY 1990 and \$76,370 for FY 1991. The lapsed moneys are those provided for in 1989 S.B. 404, which requires the adjustment of the federal census records for military personnel and college students. (The amount lapsed in FY 1990 is the unencumbered balance, as of the effective date of the act.)

Senate Recommendation

**Sec. -- Department of Administration**

1. Delete \$100,000 in FY 1991 from the State General Fund in the Division of Personnel Services for professional consultant services to assist the Division with the study of Phase IV of the Comprehensive Classification and Job Rate Study relating to professional, administrative, and managerial jobs.
  
2. Reduce a total of \$255,000 from the State General Fund in FY 1991 for two capital improvement projects -- judicial center remodeling and statehouse stone and miscellaneous repairs. The Senate recommends that the two capital improvement line items be combined into one line item with a total appropriation of \$326,113 for both projects.
  
3. Delete \$30,000 from the State General Fund in FY 1991 for the Wichita consolidation study. The reduction eliminates all funding for this project.

**Sec. -- Department of Health and Environment**

Delete \$1,000,000 from the State General Fund in FY 1991 from the Mothers and Infants Prenatal Care Collaborative Program.

1-3

Senate Recommendation

**Sec. – Department of Commerce**

1. Shift the financing for \$1,798,521 of FY 1991 other operating expenses from the State General Fund to the EDIF.

**Sec. – Kansas Technology Enterprise Corporation**

1. Shift the financing for \$208,095 of FY 1991 operating expenses from the State General Fund to the EDIF.

**Sec. – Kansas, Inc.**

1. Shift the financing for \$285,923 of FY 1991 operating expenses from the State General Fund to the EDIF.

**Sec. – Kansas Water Office**

Shift the financing of FY 1991 Geographic Information System data base acquisition of \$200,000 from the State General Fund to the EDIF.

4-1



Senate Recommendation

Sec. – Department of Education

1. Delete \$1,000,000 from the State General Fund of the \$2,450,000 appropriated in FY 1991 for At Risk and Innovative Program Assistance and shift the funding of the \$1,000,000 to the Economic Development Initiatives Grant Fund (EDIF).

Delete the entire amount (\$25,000) appropriated from the State General Fund in FY 1991 for the Kansas Cultural Heritage and Arts Center, Dodge City, Kansas, and shift the funding to the EDIF.

3. Delete the entire amount (\$600,000) appropriated from the State General Fund in FY 1991 for Vocational Education Capital Outlay and shift the funding to the EDIF.

4. Delete \$50,000 from the State General Fund in other operating expenditures budgeted for the At Risk Academy in FY 1991 and shift the funding to the EDIF.

Delete the entire amount (\$30,000) appropriated from the State General Fund in FY 1991 for the Kansas Foundation for Agriculture Project Grant and shift the funding to the oil overcharge fund.

1-5

Senate Recommendation

**Sec. – State Board of Regents**

1. Lapse \$1,500,000 from the major maintenance and repairs Educational Building Fund account in FY 1991. The action will leave a total of \$6,500,000 for campus major maintenance and repair in the budget year.

**xc. – Fort Hays State University**

1. Lapse \$1,250,000 from the State General Fund appropriation for the renovation of Sheridan Coliseum in FY 1990.
2. Authorize expenditures of \$1,250,000 from the Educational Building Fund in FY 1991 for the renovation of Sheridan Coliseum.

**Sec. – Kansas State University**

1. Lapse \$500,000 in FY 1991 from a State General Fund appropriation for the final planning of Plant Science Phase IIA capital improvement project.

Transfer and authorize expenditures of \$500,000 in FY 1991 from the Economic Development Initiatives Fund (EDIF) of the Department of Commerce for final planning of Plant Science Phase IIA capital improvement project.

1-6

Senate Recommendation

**Sec. – University of Kansas**

1. Lapse \$550,000 from the FY 1991 State General Fund appropriation for the Geological Survey.
2. Transfer and authorize expenditures of \$550,000 in FY 1991 from the State Water Plan Fund of the Kansas Water Office to the Geological Survey Water Programs Fund of the University of Kansas.

**Sec. – University of Kansas  
Medical Center**

1. Lapse \$1,250,000 from the State General Fund appropriation in FY 1991 for operating expenditures for the University of Kansas Medical Center.
2. Based on additional receipts to the Hospital Revenue Fund in the current year, increase expenditures from the Hospital Revenue Fund by \$1,000,000 in FY 1991.

Shift \$250,000 in expenditures from the Hospital Fund to the Educational Building Fund in FY 1991 for a capital improvement project to renovate the cardio thoracic ICU.

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03-May-90

SWAM  
May 3, 1990  
Attachment 2

FY 1990  
HOMESTEAD & RESIDENTIAL CIRCUIT BREAKER  
REFUNDS PROCESSED AS OF 4/30/90

<u>FY 1990 Funds Available:</u>		<u>Amount</u>	
Homestead		\$10,401,435	
Residential		<u>2,003,000</u>	
Total**		\$12,404,435	
<u>Total FY 1990 Refunds:</u>		<u>Number</u>	<u>Amount</u>
Homestead		42,345	\$8,069,141
Residential		<u>7,440</u>	<u>994,846</u>
Total		49,785	\$9,063,988
<u>FY 1990 Funds Remaining:</u>		<u>Amount</u>	
Homestead		\$2,332,294	
Residential		<u>1,008,154</u>	
Total**		\$3,340,447	

\*\*Per 1990 S.B. 442, H.B. 2625, S.B. 793

Kansas Legislative Research Dept.

TABLE II

PROJECTIONS - STATE GENERAL FUND AND CASH OPERATING RESERVE FUND\*

In Millions

	FY 1990	FY 1991	Increase	FY 1992	Increase	FY 1993	Increase
<b>A. Beginning Balance</b>							
General Fund	\$ 371.4	\$ 244.4		\$ (19.3) (7-1-91)		\$ (2.7) (7-1-92)	
Cash Oper. Res. Fund	-	-		119.3 (7-1-91)		122.0 (7-1-92)	
% of Expend.	-	-		5.0%		5.0%	
<b>Receipts</b>							
Consensus Est.	2,283.0	2,343.4	2.6%	2,404.3	2.6%	2,466.8	2.6%
Legis. Adj.	0.3	0.7		-		-	
Total	2,283.3	2,344.1		2,404.3		2,466.8	
<b>Expenditures</b>	2,410.3	2,488.5	3.2%	2,385.0	(4.2)%	2,439.7	2.3%
<b>Ending Balance</b>							
General Fund	244.4	100.0 (6-30-91)		119.3 (6-30-92)		146.4 (6-30-93)	
% of Expend.	10.1%	4.0%		5.0%		6.0%	
Cash Oper. Res. Fund	-	-		0.0		0.0	

<b>B. Beginning Balance</b>							
General Fund	\$ 371.4	\$ 244.4		\$ (20.3) (7-1-91)		\$ (3.8) (7-1-92)	
Cash Oper. Res. Fund	-	-		120.3 (7-1-91)		124.1 (7-1-92)	
% of Expend.	-	-		5.0%		5.0%	
<b>Receipts</b>							
Consensus Est.	2,283.0	2,343.4	2.6%	2,425.4	3.5%	2,510.3	3.5%
Legis. Adj.	0.3	0.7		-		-	
Total	2,283.3	2,344.1		2,425.4		2,510.3	
<b>Expenditures</b>	2,410.3	2,488.5	3.2%	2,405.1	(3.4)%	2,481.7	3.2%
<b>Ending Balance</b>							
General Fund	244.4	100.0 (6-30-91)		120.3 (6-30-92)		148.9 (6-30-93)	
% of Expend.	10.1%	4.0%		5.0%		6.0%	
Cash Oper. Res. Fund	-	-		0.0		0.0	

\$ 103.5 M Cuts in programs for FY 92  
 23.6 M Increase in Demand Transfers  
 30-50 M SRS Supplemental

\$157 to 177 M

SWAM  
 May 3, 1990  
 Attachment 3