

Approved 2-21-91  
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by George Teagarden at  
Chairperson

1:30 ~~x.m.~~/p.m. on February 12, 1991 in room 514-S of the Capitol.

All members were present except: Representatives Kline, Hochhauser and Patrick  
(all excused)

Committee staff present: Ellen Piekalkiewicz, Legislative Research Department  
Debra Duncan, Legislative Research Department  
Jim Wilson, Revisor of Statutes Office  
Susan Miller, Administrative Aide  
Sue Krische, Committee Secretary

Conferees appearing before the committee:

Others attending: see attached list.

Ed Ahrens, Kansas Legislative Research Department, reviewed a State General Fund Summary table pertaining to the balances, receipts and expenditures for FYs 1991, 1992, and 1993 as they relate to the Governor's Current Resources budget and Recommended budget (Attachment 1). Staff noted expenditures exceed receipts based on the Governor's recommendations for FY 1991 by \$119 million and in FY 1992 by \$54 million with inclusion of the sales tax package and additional expenditures. For FY 1993 receipts and expenditures, including the broadened sales tax base, an ending balance of \$287.3 million, which is 9 percent of expenditures, is projected. Staff noted the spending bill requires a 6 percent ending balance for FY 1993.

Staff reviewed a table included in Attachment 1 outlining FY 1991 adjustments to the approved General Fund budget resulting in a net increase of \$8,499,000.

Richard Ryan, Kansas Legislative Research Department, reviewed a table comparing the current resource budget with the Governor's recommended budget in some of the major State General Fund expenditure categories (see Attachment 1). Staff noted that funding for salaries associated with the margin of excellence is in the Regents budgets under the Governor's recommendations for FY 1992 and other salary funding for Regents is in a separate pay bill.

#### INTRODUCTION OF BILLS

Representative Wisdom moved introduction of a bill concerning contracts for construction and purchases of materials and services for state agencies. Representative Turnquist seconded. Motion carried.

Representative Hensley requested introduction of two bills concerning Washburn University: (1) a bill making the operating grant for Washburn statutory and making the administration of the grant the responsibility of the State Board of Regents in lieu of the State Board of Education; and (2) a bill phasing Washburn into the Regents system over a five year period. Representative Hensley moved introduction of the two bills. Representative Blumenthal seconded. Motion carried.

Chairman Teagarden requested introduction of three bills at the request of Attorney General Robert Stephan: (1) a bill concerning establishment of a pilot child care center for state employees' children; (2) a bill establishing child care facilities in newly acquired, remodeled or constructed buildings; and (3) a bill regarding child care centers in state facilities with no rent or utilities expenses. Representative Heinemann moved introduction of the three bills. Representative Vancrum seconded. Motion carried.

Chairman Teagarden announced that HB 2020 regarding establishment of Extension districts will be considered for final action in Committee next week. He stated that he has asked for bills to be drafted regarding demand transfers. He will request a bill that will reduce the demand transfer from the State General Fund to the State Highway Fund back to 1989 law. He advised that in the absence of a consensus in the Legislature on raising taxes, we must prepare to make the necessary adjustments to fund government within current resources.

Representative Solbach moved approval of the minutes for January 28, 29, 30, and 31 and February 4, 1991. Representative Heinemann seconded. Motion carried. The meeting was adjourned at 2:45 p.m. The next meeting is scheduled for Friday, February 15 and 8:00 a.m. in 514-S.



**STATE GENERAL FUND SUMMARY  
GOVERNOR'S CURRENT RESOURCES AND RECOMMENDED BUDGETS**

(Millions)

FY 1991

Beginning Balance		\$ 272.9	
Receipts			
Consensus Estimate	\$ 2,360.6		2.6% Increase from FY 90
Revenue Accelerations	21.8		
Govs. Recommendation	2,382.4	2,382.4	3.6% Increase from FY 90
Expenditures			
Authorized, 1990 Session	2,492.9 <sup>(a)</sup>		
Recommended Revisions	8.5 <sup>(b)</sup>		
Govs. Recommendations	2,501.4	2,501.4	4.2% Increase From FY 90
Ending Balance		153.9	6.2% of Expend.

FY 1992

Beginning Balance		\$ 153.9	
Receipts			
Consensus Estimate	2,454.2		4.0% Increase From FY 91
Gaming Revenues to SGF	21.4 <sup>(c)</sup>		
Other Transfers (net)	1.9		
Total -- Current Resource Budget	2,477.5	2,477.5	4.0% Increase From FY 91
Broaden Sales Tax Base		478.4	An Additional \$193.0 Million is Est. for FY 93
Total -- Gov's. Recommendation	2,955.9	2,955.9	24.1% Increase From FY 91
Expenditures			
Current Resource Budget		2,491.3	0.4% Decrease From FY 91
Additional Recommendations			
"Property Tax Relief"	286.5		An Additional \$153.8 is Est. for FY 93
Other	123.9		
Subtotal Add. Recommendations	410.4	410.4	
Total -- Gov's. Recommendation	2,901.7	2,901.7	16.0% Increase From FY 91
Ending Balances			
Current Resources Budget		140.1	5.6% of Expenditures
Tax Base Receipts		478.4	
Additional Expenditures		(410.4)	
Recommended Balance		208.1	7.2% of Expenditures

- a) Includes shifting and revised estimates of demand transfers.  
 b) Net increase due to supplemental appropriations and certain reductions in previously authorized expenditures.  
 c) 60 percent of gaming revenues, estimated at \$16.4 million, plus about \$5.0 million from balance in EDIF.

HA  
2-12-91  
Attachment 1

FY 1993

Beginning Balance		\$ 208.1	
Receipts			
Projected Receipts	3,074.2		4.0% Increase From FY 92
One-time FY 92 Transfers	(1.9)		
Annualize Broadened Tax Base	193.0		
Estimated Receipts	<hr/>	3,265.3	10.5% Increase From FY 92
Expenditures			
Projected Expenditures	3,032.3		4.5% Increase From FY 92
Additional Property Tax Relief	153.8		
Estimated Expenditures	<hr/>	3,186.1	9.8% Increase From FY 92
Ending Balance		287.3	9.0% of Expenditures

Kansas Legislative Research Department  
January 22, 1991

91-53/EA

**Governor's Recommendation**  
**FY 1991 Adjustments to Approved General Fund Budget**  
**(Thousands)**

	<u>FY 1991 Changes to SGF Approved</u>
Department of Social and Rehabilitation Services	\$ 16,821
State Hospitals, Financing Shifts	(7,938)
Homestead Property Tax Refunds	(1,304)
Department of Administration, Financial Information System Development	988
Attorney General, Water Rights Litigation	3,418
Board of Indigents' Defense Services, Assigned Counsel	375
Legislature, Automated Redistricting System	463
Department of Education	
Special Education Aid	1,430
Transportation Aid	(355)
Regents' Institutions, Financing Shifts	(1,053)
KPERS, School Employer's Contribution	2,113
Department of Corrections	
El Dorado Correctional Facility Operations	2,453
Inmate Medical Costs	693
Correctional Officers Lawsuit	(400)
Debt Service	(171)
Kansas Highway Patrol, Recruit Class and Vehicle Repairs	542
Subtotal	<u>\$ 18,075</u>
All Others	<u>(9,576)*</u>
Net Increase from Approved Budget	<u><u>\$ 8,499</u></u>

\* Although this net difference is comprised of numerous increases and decreases to individual agency budgets, the largest factor common to all agencies is revision of health insurance rates. The revised single member health insurance premium rate for FY 1991 is almost 15 percent below the rate on which the approved budgets were based. The revised state-paid family premium rate is 28 percent lower. Based upon salary compilations contained in Governor's budget reports, the estimated General Fund reduction resulting from the revised rates is approximately \$8.0 million.

STATE GENERAL FUND EXPENDITURES, FYs 1991 AND 1992

In Thousands

	Gov's.	FY 1992 Current Res. Budget		FY 1992 Governor's Recommendations		
	Rec. FY 1991	Amount	Incr. From FY 1991	Amount	Incr. From FY 1991	Incr. Over Curr. Res. Budget
TOTAL	\$ 2,501,393	\$ 2,491,260	\$ (10,133)	\$ 2,901,670	\$ 400,277	\$ 410,410
Selected State Aids:						
General Aid to USD's	545,920	545,920	0	706,920	161,000	161,000
Income Tax Rebate	189,720	189,720	0	203,900	14,180	14,180
Transportation	47,260	47,260	0	54,126	6,866	6,866
Subtotal, SDEA	782,900	782,900	0	964,946	182,046	182,046
USD Prop. Tax Reduction	-	-	-	70,000	70,000	70,000
KPERS-School	44,879	51,641	6,762	51,641	6,762	0
Special Education	126,587	117,737	(8,850)	128,382	1,795	10,645
Community Colleges	44,037	44,037	0	51,702	7,665	7,665
Washburn University	6,033	6,033	0	7,095	1,061	1,061
Area Vocational Schools	21,759 <sup>(a)</sup>	21,759	0	24,191	2,432	2,432
Local Prop. Tax Reduction	37,164	37,164	0	43,676	6,512	6,512
County-City Rev. Sharing	28,351	28,351	0	29,461	1,110	1,110
City-Co. Highway Fund	9,127	9,127	0	9,500	373	373
Co. Reappraisal Maint.	- <sup>(b)</sup>	-	(b)	3,000	3,000	3,000
Pres. Primary Aid to Cos.	-	-	-	1,200	1,200	1,200
Board of Regents and Institutions	402,339	399,626	(2,713)	427,344	25,005	27,718
Dept. of SRS Except Hospitals	404,479	389,962	(14,517)	440,428	35,949	50,466
SRS Hospitals	76,727	74,429	(2,298)	74,388	(2,338)	(40)
Corrections Dept. and Institutions	134,282	150,545	16,263	150,545	16,263	0
Department of Commerce/KTEC*	3,741	9,658	5,917	14,550	10,808	4,892
Demand Transfer From SGF for Workers Compensation	3,930	0	(3,930)	4,000	70	4,000
Demand Transfer to Water Fund	5,895	-	(5,895)	3,000	(2,895)	3,000
Capital Improvements						
SGF Transfer to SHF	74,468	78,100	3,632	78,100	3,632	0
All Other	11,663	3,389 <sup>(c)</sup>	(8,274)	3,389 <sup>(c)</sup>	(8,274)	0
Employees Salaries						
Step Movement	Yes	None	-	Yes		
COLA	1.5%	None	-	1.5%/half yr.		
Longevity Bonus	Yes	No	-	Yes		
Regents & Other Unclass. Merit	Yes	None	-	2.5%		
				30,599 <sup>(d)</sup>	30,599 <sup>(d)</sup>	30,599 <sup>(d)</sup>
All Other Agencies and Programs	283,032	286,802	3,770	290,533	7,501	3,731

\* The Governor proposes eliminating the EDIF and crediting 60 percent of gaming revenues to the General Fund. In the FY 1991 budget, Commerce and KTEC receive a total of \$18.7 million from the General Fund and the EDIF. There is no money for KTEC as such in FY 1992 under either budget, but Commerce picks up some of KTEC's programs.

a) Does not include \$0.6 million from EDIF for capital outlay aid.

b) For FY 1991, \$3.0 million was appropriated from the EDIF.

c) Excludes \$6.0 million already appropriated for the Historical Society Research Center.

d) Salary plan reserve not included in budgets of state agencies and institutions.

STATE GENERAL FUND FINANCES

In Millions

	<u>FY 1991</u>	<u>Increase</u>	<u>FY 1992</u>	<u>Increase</u>
<u>A.</u> Beginning Balance				
General Fund	\$ 272.9		\$ 8.9	
Cash Oper. Res. Fund	--		123.2	
% of Expenditures	--		5.0%	
Receipts (Consensus Est.)	2,360.6	2.6%	2,454.2	4.0%
Expenditures	2,501.4 <sup>a</sup>	4.2%	2,463.1	\$ (38.3) (1.5)%
Ending Balance				
General Fund	132.1		123.2	
% of Expenditures	5.3%		5.0%	
Cash Oper. Res. Fund	--		0	
Expenditures in Excess of Receipts	\$ 140.8		\$ 8.9	
<u>B.</u> Beginning Balance				
General Fund	\$ 272.9		\$ 29.6	
Cash Oper. Res. Fund	--		124.3	
% of Expenditures	--		5.0%	
Receipts				
Consensus Est.	2,360.6	2.6%	2,454.2	4.0%
Taxes Accelerated	21.8		--	
Gov. Rec. Excl. Elim. of EDIF and Broader Sales Tax Base	--		1.9	
Total	<u>2,382.4</u>	<u>3.6%</u>	<u>2,456.1</u>	<u>3.1%</u>
Expenditures	2,501.4 <sup>a</sup>	4.2%	2,485.7	\$ (15.7) (0.6)%
Ending Balance				
General Fund	153.9		124.3	
% of Expenditures	6.2%		5.0%	
Cash Oper. Res. Fund	--		0	
Expenditures in Excess of Receipts	\$ 119.0		\$ 29.6	

a) Governor's recommendation.

Kansas Legislative Research Department  
January 22, 1991

91-52/RWR

**STATE GENERAL FUND  
 ADDITIONAL RECEIPTS AND EXPENDITURE SAVINGS IN GOVERNOR'S CURRENT  
 RESOURCES BUDGET THAT WOULD REQUIRE CHANGES IN LAW**

	Estimates In Millions		Total
	FY 1991	FY 1992	
<b>Additional Receipts</b>			
Acceleration of Taxes	\$ 21.8	\$ --	\$ 21.8
Gaming Revenues to SGF	--	21.4	21.4
Total	21.8	21.4	43.2
<b>Expenditure Savings</b>			
<b>1. Demand Transfers*</b>			
Income Tax Rebate		14.2	
Local Property Tax Reduction		1.5	
Co.-City Revenue Sharing		1.1	
City-Co. Highway Fund		0.4	
Workers Compensation Fund		4.0	
Water Plan Fund		6.0	
Subtotal		27.2	27.2
<b>2. Other Savings</b>			
Special Ed.-Elim. of Gifted		8.9	
Longevity Bonus		8.0	
Historical Society Res. Center		6.0	
Pres. Primary Aid		1.2	
Subtotal		24.1	24.1
Total Savings			51.3
<b>Total Receipts and Expenditures</b>			<b>\$94.5</b>

\* The Governor's current resources budget does not "freeze" the demand transfer from the General Fund to the State Highway Fund.

Kansas Legislative Research Department  
 January 25, 1991