

Approved March 4, 1992

**MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.**

The meeting was called to order by Senator August "Gus" Bogina, Chairperson, at 11:09 a.m. on February 24, 1992 in Room 123-S of the Capitol.

All members were present except:

Senators Feleciano, Hayden, Kerr, Moran, Winter and Rock - who were excused

Conferees appearing before the committee:

Jack Lacey, Secretary, Department of Wildlife and Parks  
Dr. Harry Stephens, Emporia State University  
John Campbell, Deputy Attorney General, Litigation Division  
Gloria Timmer, Division of the Budget  
Jim Hays, Kansas Association of School Boards

The Chairman stated that a vote would be taken on the bills scheduled for today's hearings at a later date because of the number of absences caused by a subcommittee tour of the correctional facilities.

**HB 2675 - Crediting interest to the wildlife fee fund.**

Secretary Lacey presented Attachment 1 in support of HB 2675. Chairman Bogina read from the fiscal note of HB 2675 that \$88,775 in FY92 and \$532,647 in FY93 would be credited to the Wildlife Fee Fund (Attachment 1-A). Senator Parrish noted that the Wildlife and Parks subcommittee had tried to propose as many uses as possible for the fund, realizing that this additional money would be available to the agency.

**HB 2727 - Emporia state university foundation, changing statutory references from endowment association.**

Dr. Harry Stephens presented the testimony of Kimera Maxwell (Attachment 2) in support of HB 2727. There were no questions.

**SB 619 - Disposition of certain unclaimed intangible property.**

Deputy Attorney General John Campbell appeared before the Committee on behalf of the Attorney General's Office and reviewed Attachment 3 in support of SB 619. In answer to Senator Gaines' question, Mr. Campbell stated that the oil-run monies held by purchasing companies was not discussed, but could possibly be included.

Senator Doyen moved, Senator Harder seconded, that SB 619 be amended by changing the effective date to publication in the register. The motion carried on a voice vote.

**SB 589 - Limitations on expenditures and demand transfers from the state general fund.**

Gloria Timmer appeared before the Committee in support of SB 589 and reviewed Attachment 4. She pointed out (Attachment 4-8,9) that problems with negative ending balances first occurred in November, 1991 and would have continued through the end of the year. The state, however, was able to use \$75. million worth of certificates of indebtedness and delays of payment in order to handle the cash flow issues. The state did not experience negative ending balances, but the chart reflects ending balances without the \$75. million.

Ms. Timmer told the Committee that SB 589 also recommends the elimination of the State Cash Reserve Operating Fund which is basically a bookkeeping fund. She stated that 5% of the state general fund is transferred into the Cash Reserve Operating Fund at the beginning of the fiscal year and is transferred back to the state general fund when it is needed. She said that no purpose is served by the fund and recommended that the Committee consider its elimination.

The Chairman explained that in August when the Governor requested the issuance of certificates of indebtedness in the amount of \$75. million, the

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.

projected ending balance was \$112. million. The projected ending balance plus the \$75. million was still not sufficient to provide the cashflow. He stated that the intent of ending balances was to provide cashflow, but the mandatory 5% does not provide for that. He added that he felt there would be no problem with an ending balance of \$100. million, but suggested that the timing of payments be studied in order to evaluate whether payments in smaller increments over a larger period of time would aid cashflow. Ms. Timmer advised careful monitoring of the cashflow of school funding to avoid cashflow shortages.

In answer to Senator Salisbury, it was stated that the Ways and Means interim committee recommended going back to a 5% ending balance and keeping it at that percentage. It was noted that there is a bill in the House to accomplish that.

Jim Hays presented Attachment 5 on behalf of the Kansas Association of School Boards in support of SB 589. Senator Gaines asked Mr. Hays for an explanation of increased balances in the 18 month budget of school districts during a time of increased pressure for the reduction of property taxes. Mr. Hays stated that many school districts were faced with uncertainty about their budgets and state aid and shut down spending from the SGF late that fiscal year in hopes of mitigating against property tax increases the next year. In answer to a question, he stated that HB 2892 uses the dollars that were saved.

The Chairman adjourned the meeting at 11:45 a.m.





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DEPARTMENT OF WILDLIFE AND PARKS  
JOAN FINNEY, Governor  
JACK LACEY, Secretary  
JOHN S. C. HERRON, Assistant Secretary

February 24, 1992

TO: Senator Gus Bogina, Chairperson Committee on Ways and Means  
and Members of the Committee

FROM: Mr. Jack Lacey, Secretary of Wildlife and Parks

SUBJECT: 1992 House Bill No. 2675 by Committee on Legislative  
Budget Re Proposal No. 16

House Bill No. 2675 addresses an issue which was first presented to the Legislature during the 1990 Session. At that time, the Legislature was informed of a new regulation issued by the U.S. Fish and Wildlife Service, Department of Interior, which requires State fish and wildlife agencies to retain control of the interest earned by hunting and fishing license revenues deposited in State treasuries. The new regulation (50 CFR Part 80) requires that State agencies be authorized such control by May 17, 1992 or otherwise be ineligible to receive federal funds. State agencies were allowed three years from May 17, 1989 to obtain necessary Legislative approval. House Bill No. 2675 becomes effective upon publication in the Kansas Register.

The Department of Wildlife and Parks receives federal aid through the Pittman-Robertson Federal aid in Wildlife Restoration and the Dingell-Johnson Federal aid Sport Fish Restoration programs. This federal aid is utilized in maintaining the State fisheries and wildlife management programs. For FY 1993, federal aid for these programs is estimated at \$5.5 million. The Department would not be eligible to receive this aid without the passage of HB 2675. Failure to provide for interest earnings on hunting and fishing license revenue to be deposited to the Wildlife Fee Fund will be considered as a diversion of license revenue and would render the State ineligible to receive any further federal aid from the date the diversion is declared.

I have attached to this testimony a copy of the pertinent Federal regulation. In addition, I have also provided a copy of a letter received from the U.S. Fish and Wildlife Service regional office inquiring into the status of State efforts to comply with the regulation. In response to this inquiry I provided a copy of the legislation proposed by the interim Committee on Legislative Budget and assured the Federal regional office that I would request the 1992 Session of the Legislature to approve the needed amendments to State statutes.

**Kansas Outdoors "America's Best Kept Secret"**

*SWAM*  
*February 24, 1992*  
*Attachment 1*

Information has been provided to the Division of the Budget on the fiscal impact of HB 2675. As further information to assist the Committee, I have attached a brief summary on diversion related to the Wildlife Fee Fund. If the members of the Committee have any questions, I am available to respond as needed.

Attachments

Grant Number 84-1 for Arkansas Nongame Species Preservation Program. 18 pp.  
 Hubricht, L. 1972. The Land Snails of Arkansas. *Sterkiana* 46:15-18.  
 Pilsbry, H.A., and J. Ferriss. 1906. Mollusca of the Ozarkian Fauna. *Proc. Acad. Nat. Sci., Philadelphia*. 1906:529-567.  
 Pilsbry, H.A. 1940. Land Mollusca of North America (North of Mexico). *Acad. Nat. Sci., Philadelphia, Monog.* 3, 1(2):575-994.

**Author**  
 The primary author of this proposed rule is Mr. John J. Pulliam III (see ADDRESSES Section).

**List of Subjects in 50 CFR Part 17**  
 Endangered and threatened wildlife, Fish, Marine mammals, Plants (agriculture).

**Regulation Promulgation**  
 Accordingly, Part 17, Subchapter B of Chapter I, Title 50 of the Code of Federal Regulations, is amended as set forth below:

**PART 17—[AMENDED]**

1. The authority citation for Part 17 continues to read as follows:

Authority: Pub. L. 93-205, 87 Stat. 884; Pub. L. 94-359, 90 Stat. 911; Pub. L. 95-632, 92 Stat. 3751; Pub. L. 98-159, 93 Stat. 1225; Pub. L. 97-363, 96 Stat. 1411; Pub. L. 100-478, 102 Stat. 2306; Pub. L. 100-653, 102 Stat. 3825 (16 U.S.C. 1531 *et seq.*); Pub. L. 99-625, 100 Stat. 3500 unless otherwise noted.

2. Amend § 17.11(h) by adding the following, in alphabetical order under "SNAILS", to the List of Endangered and Threatened Wildlife:

§ 17.11 Endangered and threatened wildlife.

(h) \* \* \*

Species		Historic range	Vertebrate population where endangered or threatened	Status	When listed	Critical habitat	Special rules
Common name	Scientific name						
SNAILS							
Shagreen, Magazine Mountain.	<i>Mesodon magazinensis</i>	U.S.A. (AR)	NA	T	348	NA	NA

Dated: March 16, 1989.  
 Becky Norton Dunlop,  
*Assistant Secretary for Fish and Wildlife and Parks.*  
 [FR Doc. 89-3 Filed 4-14-89; 8:45 am]  
 BILLING CODE 4310-65-M

**50 CFR Part 80**

**Federal Aid in Sport Fish Restoration and Federal Aid in Wildlife Restoration Act; Interest Earned from License Fees**

**AGENCY:** Fish and Wildlife Service, Interior

**ACTION:** Final rule.

**SUMMARY:** On August 5, 1988, the U.S. Fish and Wildlife Service published a proposed rule in the *Federal Register* (53 CFR 29500) proposing that interest earned on revenues derived from license fees paid by hunters and fishermen be considered by the Secretary of the Interior as license fee revenue for purposes of the Federal Aid in Wildlife Restoration, Pittman-Robertson and Federal Aid in Sport Fish Restoration (Dingell-Johnson) Acts. It also clarified situations causing diversions, defined other assets acquired by license fees, and identified sources of license revenues affected by the proposed rule. This action requires States to use interest earned on hunting and fishing license revenues for fish and wildlife resource management as a condition to remain eligible to receive Federal Aid

(Pittman-Robertson or Dingell-Johnson) funds.

**EFFECTIVE DATE:** Provisions of this rule will become effective on May 17, 1989 except that those States that will require legislative action to implement requirements relating to the disposition of interest revenues will be allowed up to three years from this date to get such authorization.

**FOR FURTHER INFORMATION CONTACT:** Conley Moffett, Chief, Division of Federal Aid, U.S. Fish and Wildlife Service, Washington, DC 20240, telephone (703) 235-1528.

**SUPPLEMENTARY INFORMATION:** Both the Federal Aid in Wildlife Restoration (16 U.S.C. 669, *et seq.*) and Federal Aid in Sport Fish Restoration (16 U.S.C. 777, *et seq.*) Acts contain provisions requiring that no money may be apportioned to a State unless that State has passed laws assenting to the provisions of the pertinent Act and has passed laws for conservation of wildlife and fish. Such laws must contain a prohibition against diversion of license fees paid by hunters and fishermen for any other purpose than the administration of the State fish and wildlife agency. This rule clarifies previously undefined Department of the Interior rules in accord with the generally-accepted principle that interest should accrue to principal from which it was generated.

The Federal Aid in Wildlife Restoration Act and Federal Aid in Sport Fish Restoration Act require that as a prerequisite to receiving federal funds, States must prevent diversions of

license fees derived from fishermen and hunters to any purpose other than "the administration of said State game and fish department." The previous rule promulgated under authority of the Acts (50 CFR 80.4) stated that "[a] diversion of license fees occurs when a State fish and wildlife agency, through legislation or otherwise: (1) Loses control of the expenditure of any portion of its license revenues, or (2) Loses control of capital assets (or income therefrom) derived from license revenues \* \* \*." Because of the increased complexity of State government and the variety of responsibilities assigned to fish and wildlife agencies, the requirements relating to control of assets and expenditures involve an increased number of controls at higher levels in the State. Accordingly, this new rule does not require that fish and wildlife agencies have complete control over license funds, but, instead, that license revenues must be used by State fish and wildlife agencies only to manage fish and wildlife resources that they have authority by the State law to manage.

The Department has determined that this rule is not a major Federal action significantly affecting the quality of the human environment under the National Environmental Policy Act and, therefore, the preparation of an Environmental Impact Statement is not required.

This rule is not a major rule under Executive Order 12291 and will not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act (5

U.S.C. 601). The annual effect on the economy will be less than the threshold required for a major rule, no major increase in costs or prices will occur, and no significant effects on competition, employment, investment, productivity, innovation are expected. This rule does not contain any recordkeeping or information collection requirements requiring Office of Management and Budget approval under the Paperwork Reduction Act of 1980.

This rule was published as a proposed rule on August 5, 1988 (53 CFR 29500) and comments were invited until September 19, 1988. A total of 44 comments were received; 18 from State fish and wildlife agencies, 19 from State conservation organizations, 6 from National conservation organizations, and 1 from a private citizen. Of the 44 comments, 3 States expressed opposition to the portion that related to the requirement that interest earned on license revenues be regarded as license revenues. No negative comments were received from the other groups.

The 3 States expressed concern that claiming money derived from interest would jeopardize their existing appropriations from the general fund or that they would be assessed higher costs for State overhead than they are presently foregoing and that the rule would require the cost of additional accounting. We recognized that the rules could have negative impacts on several States but judged that significantly greater numbers of States would benefit from it. Income from interest had become a significant source of revenue for most agencies. The Wildlife Conservation Fund of America survey of 1987 shows that the number of States receiving interest from license revenues has increased from 18 to 36 in the 7 year period from the prior survey to the last one in 1986. The total interest was about 22 million dollars in 1986.

Many commentors asked for clarification of the effective date. The effective date of this revision is 30 days after publication in the *Federal Register*. However, it is recognized that some States may need to enact legislation to meet the requirements of this provision. Therefore, for those States a period not to exceed 3 years after the effective date of the rule will be allowed in order to enact the needed legislation. All other States will need to be in compliance, and remain in compliance, on or after the effective date. The 3 year period was generally accepted by most commentors.

Most of the State conservation organizations suggested that income derived from license revenue funded law enforcement activities such as fines, penalties, and sales of confiscated equipment be defined as license revenues for purposes of this rule. This suggestion was not adopted because it was judged that the Secretary was not given this authority by legislation.

Commentors also suggested that fees charged on recreation areas that are managed by the State using license revenues such as camping, boat launching, and parking be included in the term "access fees" in section (a)(1). The final rule had been changed to "access and recreation fees" to clarify this intent.

Some commentors suggested that the proceeds of leases of lands be treated as license revenues like the sale of lands. That suggestion was incorporated in section (a)(2).

The principal author of this proposal is Thomas W. Taylor, Division of Federal Aid, U.S. Fish and Wildlife Service.

#### List of Subjects in 50 CFR Part 80

Fish grant program, Natural Resources, Grant administration, and wildlife.

Accordingly, 50 CFR 80 is amended as follows:

#### PART 80—[AMENDED]

1. Authority for 50 CFR 80 continues to read as follows:

Authority: Federal Aid in Sport Fish Restoration Act (16 U.S.C. 7771) and Federal Aid in Wildlife Restoration Act (16 U.S.C. 6091).

2. Part 80 is amended by revising § 80.4 to read as follows:

#### § 80.4 Diversion of license fees.

Revenues from license fees paid by hunters and fishermen shall not be diverted to purposes other than administration of the State fish and wildlife agency.

(a) Revenues from license fees paid by hunters and fishermen are any revenues the State receives from the sale of licenses issued by the State conveying to a person the privilege to pursue or take wildlife or fish. For the purpose of this rule, revenue with respect to license sales by vendors, is considered to be the net income to the State after deducting reasonable vendor fees or similar amounts retained by sales agents. License revenues include income from:

(1) General or special licenses, permits, stamps, tags, access and recreation fees or other charges imposed by the State to hunt or fish for sport or recreation.

(2) Sale, lease, rental, or other granting of rights of real or personal property acquired or produced with license revenues. Real property includes, but is not limited to, lands, building, grazing, and animal products. Personal property includes, but is not limited to, equipment, vehicles, machine, tools, and annual crops.

(3) Interest, dividends, or other income earned on license revenues.

(4) Federal Aid project reimbursements to the States to the extent that license revenues originally funded the project for which the reimbursement is being made.

(b) For purposes of this rule, administration of the State fish and wildlife agency include only those functions required to manage the fish and wildlife-oriented resources of the State for which the agency has authority under State law.

(c) A diversion of license fee revenues occurs when any portion of license revenues is used for any purpose other than the administration of the State fish and wildlife agency.

(d) If a diversion of license revenues occurs, the State becomes ineligible to participate under the pertinent Act from the date the diversion is declared by the Director until:

(1) Adequate legislative prohibitions are in place to prevent diversion of license revenue, and

(2) All license revenues or assets acquired with license revenues are restored, or an amount equal to license revenue diverted or current market value of assets diverted (whichever is greater) is returned and properly available for use for the administration of the State fish and wildlife agency.

(e) Federal funds obligated for projects approved prior to the date a diversion is declared remain available for expenditure on such projects without regard to the intervening period of the State's ineligibility.

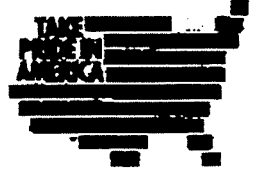
Date: February 17, 1989.

Becky Norton Dunlop,  
Assistant Secretary for Fish and Wildlife and Parks.

[FR Doc. 89-9089 Filed 4-14-89; 8:45 am]  
BILLING CODE 4310-55-M



United States Department of the Interior  
FISH AND WILDLIFE SERVICE



IN REPLY REFER TO:

FA/KS  
30  
MAILSTOP 60152

MAILING ADDRESS:  
Post Office Box 25486  
Denver Federal Center  
Denver, Colorado 80225

STREET LOCATION:  
134 Union Blvd.  
Lakewood, Colorado 80228

DEC 4 1991

Jack Lacey, Secretary  
Kansas Department of Wildlife & Parks  
Landon State Office Building  
900 Jackson, Room 502  
Topeka, Kansas 66612

Dear Jack:

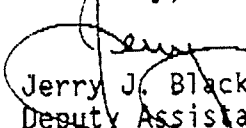
The final rule for 50 CFR, Part 80 requires State fish and wildlife agencies to have control of hunting and sport fishing license revenues, including interest earned on these funds. States must have legislation in place by May 17, 1992, to meet this provision, otherwise they will be ineligible to receive Federal Aid funds.

I need specific information from you on this issue.

1. Will Kansas have legislation in place by next May 17 to assure that your Department will have control of interest, dividends, or other income earned on license revenues?
2. If your answer to No. 1 is no, please provide a concise statement of the problem/reason why you will not have such legislation by that date.
3. Give your opinion whether the following options will solve the problem, either individually or in combination:
  - A. Development of a policy that compliance with the rule may be demonstrated by legislation, executive order, or Attorney General interpretation.
  - B. Development of a policy that compliance with the rule may be demonstrated by the agency expending at least as much for fish and wildlife management purposes as was collected from license revenues, including an amount that may reasonably be expected to accrue from interest on the fees.

Service Director Turner will be giving a briefing to Assistant Secretary Hayden on this issue in the near future, thus, I need your response by December 9, 1991.

Sincerely,

  
Jerry J. Blackard  
Deputy Assistant Regional Director  
for Federal Aid  
Fisheries and Federal Aid

cc: FA Coordinator



The Kansas Department of Wildlife and Parks is a recipient of federal aid through several sources. The primary federal aid programs utilized by the DWP are the Federal Aid in Wildlife Restoration (Pittman-Robertson) and Federal Aid in sports Fish Restoration (Dingell-Johnson) acts. These federal acts utilize excise taxes on hunting and fishing equipment to provide aid to States on a reimbursement basis. For FY 1993, it is estimated that the DWP will receive approximately \$5.5 million in federal reimbursable aid through these two programs.

The aid must be used for wildlife, fisheries and boating programs. Federal law prohibits the use of State collected hunting and fishing license and related fees for any other use. In other words, Federal law provides that license revenue must be used by State fish and wildlife agencies only to manage fish and wildlife resources that the Department has authority by State law to manage.

Federal rules and regulations issued by the U.S. Fish and Wildlife Service, Department of Interior, provide guidelines for State agencies to follow in order to avoid diversion of funds. Failure to comply with these guidelines will result in the State being declared in non-compliance with Federal requirements and the U.S. Fish and Wildlife Service will withhold federal aid.

The U.S. Fish and Wildlife Service is required to review all expenditures of federal aid by the State Department of Wildlife and Parks. The DWP submits an annual comprehensive plan of expenditures to the Federal agency for review and agreement. Items included in the expenditure plan which are considered inappropriate will result in withholding of federal funds for those purposes.

Kansas State Law (K.S.A. 1991 Supp. 32-990) also prohibits the use of receipts to the Wildlife Fee Fund for any purpose other than wildlife, fisheries, and boating which are under the control, authorities and duties of the Secretary of Wildlife and Parks as provided by law. Finally, the State has until May 17, 1992 to pass legislation requiring that interest earned on deposit of license fees to the State Treasury be credited to the Wildlife Fee Fund rather than the State General Fund or lose eligibility for federal aid.

STATE OF KANSAS



DIVISION OF THE BUDGET

Room 152-E  
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Topeka, Kansas 66612-1578

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JOAN FINNEY, GOVERNOR  
GLORIA M. TIMMER, Director

January 17, 1992

The Honorable George Teagarden, Chairperson  
Committee on Appropriations  
House of Representatives  
Third Floor, Statehouse

Dear Representative Teagarden:

SUBJECT: Fiscal Note for HB 2675 by Committee on  
Legislative Budget

In accordance with KSA 75-3715a, the following fiscal note  
concerning HB 2675 is respectfully submitted to your committee.

HB 2675 provides for a monthly transfer, from the State  
General Fund to the Wildlife Fee Fund, of any interest income  
attributable to Wildlife Fee Fund monies. The amount of these  
required transfers is to be determined by the Pooled Money  
Investment Board, subject to guidelines noted in the bill.  
Currently, interest earned on Wildlife Fee Fund balances is  
credited to the State General Fund.

The Department of Wildlife and Parks reports that the  
average monthly balance for the Wildlife Fee Fund during FY  
1991 was \$10,652,939. Using the average monthly balance in FY  
1991 and an interest rate of 5.0 percent as well as assuming  
that HB 2675 were to become effective on May 1, 1992, an amount  
of \$88,775 would be credited to the Wildlife Fee Fund in FY  
1992. For FY 1993, using the same average monthly balance and  
an interest rate of 5.0 percent, it is estimated that an amount  
of \$532,647 would be credited to the Wildlife Fee Fund during  
FY 1993.

The transfer of these interest earnings to the Wildlife Fee  
Fund would result in a reduction in interest income to the  
State General Fund of \$88,775 and \$532,647 in fiscal years 1992  
and 1993 respectively.

Sincerely,

*Gloria M. Timmer*  
Gloria M. Timmer  
Director of the Budget

cc: Dick Koerth, Wildlife and Parks  
Lyell Ocobock, PMIB

SWAM  
February 24, 1992  
Attachment 1-A

**Testimony in Support of Legislation to Approve  
Name Change of Emporia State University Endowment Association  
to Emporia State University Foundation  
Senate Ways and Means Committee  
February 24, 1992**

On June 14, 1991, the board of trustees of the Emporia State University Endowment Association formally approved the change in name of the Endowment Association to the Emporia State University Foundation. This name change was introduced as part of a strategic plan to position the organization to undertake a major capital campaign called Campaign 2000. The name change also was initiated to better clarify the organization's role as the formally recognized entity designated to receive private funds for Emporia State University. As the Foundation has broadened its efforts to seek and accept private funds, both current and endowed, the Endowment Association name did not cover the broad range of the organization's activities on behalf of Emporia State University. It is with the goal of clarifying the organization's full scope of responsibilities as well as better positioning it to embark on Campaign 2000 that the name was changed.

The Emporia State University Foundation promotes the general welfare, growth, and well-being of Emporia State University. Established in 1953 as an independent, nonprofit corporation, the ESU Foundation raises, accepts, and manages private funds to support ESU's missions in teaching, research, and public service.

The Foundation became a reality through the efforts of 10 individuals who wanted to provide a means by which people could contribute money to the institution with confidence that it would be used for a worthy cause, and to meet needs for the University in areas not supported by state funds. Only two months after the Foundation began, the first scholarship accumulated \$3,800. Today, with assets of more than \$14 million, the Foundation continues to provide valuable assistance to the University in many areas. In 1991, close to \$1 million in scholarships was provided to students through the Foundation. At the end of 1991, the Sauder Alumni Center was constructed with funds raised through Foundation efforts to provide a permanent home for the 35,000 ESU alumni who live in every county in Kansas, all 50 states, and more than 40 foreign countries.

On behalf of the faculty, students and staff at Emporia State University, I extend our appreciation to the State of Kansas for supporting this mutual goal of providing the means by which to educate the citizens of Kansas. Because of your support, Emporia State University "Dares to Excel."

Submitted by: Kimera Maxwell, Chief Executive Officer, Emporia State University Foundation

*SWAM  
February 24, 1992  
Attachment 2*



STATE OF KANSAS

OFFICE OF THE ATTORNEY GENERAL

2ND FLOOR, KANSAS JUDICIAL CENTER, TOPEKA 66612-1597

ROBERT T. STEPHAN  
ATTORNEY GENERAL

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**SENATE COMMITTEE ON WAYS AND MEANS**

**Testimony In Support of**

**Senate Bill 619**

**By**

**John W. Campbell  
Deputy Attorney General**

**February 24, 1992**

Mr. Chairman, Members of the Committee:

My name is John Campbell. I am a Deputy Attorney General for the State of Kansas. Attorney General Robert T. Stephan has asked me to testify in support of Senate Bill 619.

Since April of 1989, Kansas, along with the other States and the District of Columbia, has been a party to an original action in the United States Supreme Court entitled Delaware v. New York. By this litigation the Supreme Court will decide the manner in which unclaimed intangible

*SWAM  
February 24, 1992  
Attachment 2*

personal property, primarily securities, is distributed among the states.

There is very good news in this case. The Special Master assigned by the Supreme Court to hear the case has adopted the position of the State of Kansas. That position calls for the return of unclaimed intangibles to the State of the issuer of the security giving rise to the property. Thus, unclaimed intangibles, including interest and dividends, would not go to the State of New York, the location of the principal offices of many security firms, but to the state whose governmental or business entity caused the securities to be issue.

This case may be worth as much as 10 million dollars to the State of Kansas. Senate Bill 619 is a technical adjustment to K.S.A. 1991 Supp. 58-3933. This adjustment is needed in order to make more certain that Kansas will be legally entitled to money from this litigation.

The Attorney General requests that you act favorable on Senate Bill 619. The only amendment we request is that the bill become law upon its publication in the register. This is necessary because the Supreme Court could approve the Special Master's report prior to July 1, 1992. Such

quick action on the Court's part is possible. The sooner Senate Bill 619 is enacted into law, the better our chances are of recovering money in this litigation.

STATE OF KANSAS



DIVISION OF THE BUDGET

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JOAN FINNEY, GOVERNOR  
GLORIA M. TIMMER, Director

M E M O R A N D U M

TO: Senate Ways and Means Committee  
FROM: Gloria M. Timmer, Director of the Budget  
DATE: February 24, 1992  
SUBJECT: Senate Bill 589

Senate Bill 589 would amend KSA 1991 Supp. 75-6702 to require that the Governor submit a budget with a State General Fund ending balance of \$100 million beginning in FY 1993. The bill would also require that the Legislature enact a budget with this level of ending balance effective the same fiscal year. Current law requires that the ending balance of the State General Fund and the State Cash Operating Reserve Fund be equal to 6 percent of expenditures in FY 1993, 7 percent in FY 1994, and 7.5 percent in FY 1995. Senate Bill 589 is a part of the Governor's proposal for school finance. It would provide state funding of approximately \$60.0 million in FY 1993 for property tax relief and \$44.5 million in FY 1994 and subsequent years.

An ending balance of \$100 million would provide cash reserves aimed only at assuring the solvency of the State General Fund in uncertain economic times. It would not and is not intended to provide balances high enough to eliminate the need for ongoing cashflow management or the issuance of certificates of indebtedness. The balance of \$100.0 million would however provide a level of reserve which will allow the issuance and payback of certificates within the fiscal year as required by law.

If the need for certificates of indebtedness were to be eliminated completely, the ending balance of the State General Fund would need to be around 10 percent of expenditures and demand transfers, an amount equal to approximately \$250 million

SWAM  
February 24, 1992  
Attachment 4

in FY 1992. That level of balance is unacceptably high and could require an increase in taxes not for increased services but for maintenance of these required balances. The effect of such an action would be to tax Kansans to build a savings account for the state.

Clearly, all current cash management tools will need to continue to be used. For example, current law provides a 10 day window for the payment of aid to school districts. Use of that tool is fairly routine and will continue to be an option. It is possible to ask agencies to make payments from fee funds rather than the State General Fund. The Regents institutions have been asked to meet payroll requirements from their general fee funds in several instances in order to relieve the State General Fund balances for a period of time. Similar requests have been made of the Department of Social and Rehabilitation Services.

Two attachments are included for your information. First is a table showing the major payments made from the State General Fund and the dates these payments are due. Second is a cashflow model for FY 1992 showing a day by day accounting of the receipts and expenditures, the daily balances, and the balance as a percent of expenditures. The model shows the Governor's recommendations for FY 1992 without the certificate of indebtedness issued in November. It may be noted that the expenditures first exceeded the receipts in November when payrolls had to be met. Cashflow problems increased when the December payments to school districts were to be made.

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## Major FY 1992 Estimated Payments

<u>Payment</u>	<u>Frequency</u>	<u>Est. Dates</u>	<u>Est. Amounts (in millions)</u>
State Payroll	Monthly	2nd	\$36.2
Regents Payroll	Monthly	25th	22.9
SRS Major Payments	Twice Monthly	5th	5.1
		15th	11.8
Equalization Aid	Monthly (begin in Sept)	17th	54.6
LAVTR	Bi-Annually	Jul-12	18.8
		Jan-10	19.6
County-City Revenue	Bi-Annually	Jul-12	14.6
		Dec-05	14.6
State Highway Fund	Quarterly	Jul-02	18.8
		Oct-02	18.8
		Jan-02	20.2
		Apr-02	20.2
KPERs-School Aid	Quarterly	Jul-08	11.9
		Oct-08	11.9
		Jan-08	12.3
		Apr-08	12.3
Transportation Aid	Four Payments	Sep-26	10.6
		Nov-21	10.7
		Feb-25	11.1
		Apr-24	12.1
Income Tax Rebate	Seven Payments	Aug-27	28.6
		Sep-24	28.6
		Oct-25	28.6
		Nov-26	57.2
		Jan-28	10.3
		Apr-24	25.5
		May-29	25.5
Community College Aid	Four Payments	Oct-01	21.8
		Nov-27	11.3
		Apr-02	7.4
		Jun-26	3.0
Special Education Aid	Five Payments	Oct-15	29.7
		Dec-13	22.1
		Mar-13	20.1
		Apr-15	17.0
		Jun-25	32.4

FY 1992 Cashflow - Governor's recommendation's without the certificate of indebtedness or delay of payments

	<u>Receipts</u>	<u>Expend.</u>	<u>Cumulative Receipts</u>	<u>Cumulative Expend</u>	<u>Balance (Less Encumb)</u>	<u>Balance as percent of Expend.</u>
					162,283,712	
01-Jul-91	3,052,951	1,254,597	3,052,951	1,254,597	89,082,066	3.57%
02-Jul-91	3,408,989	22,959,681	6,461,939	24,214,278	69,531,373	2.79%
03-Jul-91	4,568,376	6,722,734	11,030,315	30,937,012	67,377,015	2.70%
04-Jul-91						
05-Jul-91	4,610,416	9,708,103	15,640,731	40,645,115	62,579,328	2.51%
06-Jul-91						
07-Jul-91						
08-Jul-91	5,701,622	1,254,597	21,342,353	41,899,712	67,326,353	2.70%
09-Jul-91	8,553,610	13,372,776	29,895,963	55,272,488	62,507,186	2.51%
10-Jul-91	7,504,163	1,254,597	37,400,126	56,527,085	68,756,752	2.76%
11-Jul-91	4,214,951	1,254,597	41,615,076	57,781,682	72,017,106	2.89%
12-Jul-91	4,053,411	43,397,925	45,668,487	101,179,607	32,972,591	1.32%
13-Jul-91						
14-Jul-91						
15-Jul-91	2,885,979	4,104,290	48,554,465	105,283,897	32,054,280	1.28%
16-Jul-91	4,162,949	1,254,597	52,717,414	106,538,494	35,262,632	1.41%
17-Jul-91	5,629,112	6,347,430	58,346,526	112,885,924	34,544,313	1.38%
18-Jul-91	5,995,689	3,092,288	64,342,214	115,978,213	37,447,713	1.50%
19-Jul-91	6,823,198	1,254,597	71,165,412	117,232,810	43,316,314	1.74%
20-Jul-91						
21-Jul-91						
22-Jul-91	8,766,951	1,254,597	79,932,363	118,487,407	51,128,669	2.05%
23-Jul-91	10,106,991	1,254,597	90,039,354	119,742,004	59,981,062	2.40%
24-Jul-91	14,498,835	1,254,597	104,538,189	120,996,601	73,225,300	2.94%
25-Jul-91	22,479,758	28,968,165	127,017,947	149,964,766	66,736,893	2.68%
26-Jul-91	19,910,585	1,254,597	146,928,532	151,219,363	85,692,881	3.44%
27-Jul-91						
28-Jul-91						
29-Jul-91	16,280,973	1,254,597	163,209,506	152,473,960	101,019,258	4.05%
30-Jul-91	5,897,420	1,254,597	169,106,925	153,728,557	105,962,080	4.25%
31-Jul-91	21,966,921	1,254,597	191,073,846	154,983,154	126,674,404	5.08%

FY 1992 Cashflow - Governor's recommendation's without the certificate of indebtedness or delay of payments

	<u>Receipts</u>	<u>Expend.</u>	<u>Cumulative Receipts</u>	<u>Cumulative Expend</u>	<u>Balance (Less Encumb)</u>	<u>Balance as percent of Expend.</u>
01-Aug-91	7,098,072	3,092,288	198,171,918	158,075,442	130,680,188	5.24%
02-Aug-91	3,836,466	46,330,188	202,008,385	204,405,630	88,186,466	3.54%
03-Aug-91						
04-Aug-91						
05-Aug-91	5,422,501	5,769,032	207,430,886	210,174,663	88,139,935	3.53%
06-Aug-91	4,000,430	1,254,597	211,431,316	211,429,260	91,185,768	3.66%
07-Aug-91	3,535,230	1,254,597	214,966,546	212,683,857	93,466,401	3.75%
08-Aug-91	5,644,173	1,254,597	220,610,719	213,938,454	97,855,977	3.92%
09-Aug-91	4,402,049	1,254,597	225,012,768	215,193,051	101,003,429	4.05%
10-Aug-91						
11-Aug-91						
12-Aug-91	2,655,570	6,495,823	227,668,337	221,688,874	97,463,175	3.91%
13-Aug-91	5,344,893	1,254,597	233,013,230	222,943,471	101,553,471	4.07%
14-Aug-91	4,893,982	1,254,597	237,907,212	224,198,068	105,192,856	4.22%
15-Aug-91	6,229,090	5,001,774	244,136,302	229,199,842	106,420,173	4.27%
16-Aug-91	4,723,157	5,996,975	248,859,459	235,196,817	105,146,355	4.22%
17-Aug-91						
18-Aug-91						
19-Aug-91	5,303,422	1,254,597	254,162,882	236,451,414	109,495,180	4.39%
20-Aug-91	6,019,876	1,947,597	260,182,758	238,399,011	113,867,459	4.56%
21-Aug-91	6,435,268	1,254,597	266,618,026	239,653,608	119,348,130	4.78%
22-Aug-91	8,110,777	1,254,597	274,728,803	240,908,205	126,504,310	5.07%
23-Aug-91	6,719,232	1,254,597	281,448,034	242,162,802	132,268,945	5.30%
24-Aug-91						
25-Aug-91						
26-Aug-91	14,902,757	24,123,665	296,350,792	266,286,467	123,348,037	4.94%
27-Aug-91	16,457,638	29,851,977	312,808,430	296,138,444	110,253,698	4.42%
28-Aug-91	13,407,783	1,254,597	326,216,213	297,393,041	122,706,884	4.92%
29-Aug-91	4,515,387	3,092,288	330,731,601	300,485,329	124,429,983	4.99%
30-Aug-91	8,206,881	1,254,597	338,938,482	301,739,926	131,682,267	5.28%
31-Aug-91						

FY 1992 Cashflow - Governor's recommendation's without the certificate of indebtedness or delay of payments

	<u>Receipts</u>	<u>Expend.</u>	<u>Cumulative Receipts</u>	<u>Cumulative Expend</u>	<u>Balance (Less Encumb)</u>	<u>Balance as percent of Expend.</u>
01-Sep-91						
02-Sep-91						
03-Sep-91	6,484,509	34,271,566	345,422,991	336,011,492	104,195,211	4.18%
04-Sep-91	3,857,360	11,313,580	349,280,351	347,325,073	97,038,990	3.89%
05-Sep-91	3,296,406	1,259,451	352,576,757	348,584,524	99,375,945	3.98%
06-Sep-91	7,887,871	1,259,451	360,464,628	349,843,975	106,304,365	4.26%
07-Sep-91						
08-Sep-91						
09-Sep-91	1,347,699	1,259,451	361,812,327	351,103,425	106,692,613	4.28%
10-Sep-91	6,368,801	1,259,451	368,181,128	352,362,876	112,101,964	4.49%
11-Sep-91	14,448,042	1,259,451	382,629,170	353,622,327	125,590,555	5.03%
12-Sep-91	7,389,289	9,068,493	390,018,459	362,690,820	124,211,351	4.98%
13-Sep-91	8,844,116	3,159,971	398,862,575	365,850,791	130,195,496	5.22%
14-Sep-91						
15-Sep-91						
16-Sep-91	6,656,076	1,259,451	405,518,651	367,110,242	135,892,121	5.45%
17-Sep-91	14,497,185	61,373,312	420,015,836	428,483,554	89,315,993	3.58%
18-Sep-91	4,498,264	1,259,451	424,514,099	429,743,005	92,854,806	3.72%
19-Sep-91	11,184,486	1,259,451	435,698,585	431,002,456	103,079,841	4.13%
20-Sep-91	14,326,180	2,078,017	450,024,766	433,080,473	115,628,004	4.64%
21-Sep-91						
22-Sep-91						
23-Sep-91	15,300,659	1,259,451	465,325,425	434,339,924	129,969,213	5.21%
24-Sep-91	19,775,233	29,856,831	485,100,659	464,196,755	120,187,616	4.82%
25-Sep-91	8,722,883	34,731,419	493,823,541	498,928,174	94,479,079	3.79%
26-Sep-91	23,092,222	3,097,142	516,915,763	502,025,316	114,774,159	4.60%
27-Sep-91	33,187,360	1,259,451	550,103,122	503,284,767	147,002,068	5.89%
28-Sep-91						
29-Sep-91						
30-Sep-91	21,254,348	1,253,358	571,357,470	504,538,125	167,303,057	6.71%

FY 1992 Cashflow – Governor’s recommendation’s without the certificate of indebtedness or delay of payments

	<u>Receipts</u>	<u>Expend.</u>	<u>Cumulative Receipts</u>	<u>Cumulative Expend</u>	<u>Balance (Less Encumb)</u>	<u>Balance as percent of Expend.</u>
01-Oct-91	3,408,567	39,672,620	574,766,037	544,210,745	131,339,004	5.27%
02-Oct-91	5,992,689	37,447,364	580,758,726	581,658,109	100,184,329	4.02%
03-Oct-91	4,237,261	1,253,358	584,995,987	582,911,467	103,468,232	4.15%
04-Oct-91	3,485,469	22,861,257	588,481,456	605,772,723	84,392,445	3.38%
05-Oct-91						
06-Oct-91						
07-Oct-91	2,676,235	1,253,358	591,157,691	607,026,081	86,115,322	3.45%
08-Oct-91	7,778,088	1,253,358	598,935,779	608,279,439	92,640,052	3.71%
09-Oct-91	6,573,627	1,253,358	605,509,406	609,532,797	97,960,321	3.93%
10-Oct-91	5,647,165	3,086,276	611,156,571	612,619,073	100,521,209	4.03%
11-Oct-91	2,811,923	6,559,651	613,968,494	619,178,725	96,773,481	3.88%
12-Oct-91						
13-Oct-91						
14-Oct-91	4,698,754	1,253,358	618,667,248	620,432,083	100,518,878	4.03%
15-Oct-91	5,168,994	32,857,289	623,836,242	653,289,371	73,130,583	2.93%
16-Oct-91	6,960,331	1,253,358	630,796,573	654,542,729	79,137,556	3.17%
17-Oct-91	6,458,338	60,682,133	637,254,911	715,224,862	25,213,761	1.01%
18-Oct-91	8,394,352	2,071,924	645,649,263	717,296,787	31,836,188	1.28%
19-Oct-91						
20-Oct-91						
21-Oct-91	7,935,412	1,253,358	653,584,674	718,550,145	38,818,241	1.56%
22-Oct-91	7,519,541	1,253,358	661,104,215	719,803,503	45,384,424	1.82%
23-Oct-91	20,146,572	1,253,358	681,250,787	721,056,861	64,577,639	2.59%
24-Oct-91	14,966,484	3,091,049	696,217,271	724,147,910	76,753,073	3.08%
25-Oct-91	19,262,189	52,719,806	715,479,460	776,867,716	43,595,456	1.75%
26-Oct-91						
27-Oct-91						
28-Oct-91	14,334,336	1,253,358	729,813,795	778,121,074	56,976,434	2.28%
29-Oct-91	7,891,156	1,253,358	737,704,951	779,374,432	63,914,231	2.56%
30-Oct-91	15,851,640	1,253,358	753,556,591	780,627,790	78,812,513	3.16%
31-Oct-91	11,253,747	1,254,597	764,810,338	781,882,387	89,111,663	3.57%

FY 1992 Cashflow - Governor's recommendation's without the certificate of indebtedness or delay of payments

	<u>Receipts</u>	<u>Expend.</u>	<u>Cumulative Receipts</u>	<u>Cumulative Expend</u>	<u>Balance (Less Encumb)</u>	<u>Balance as percent of Expend.</u>
01-Nov-91	6,039,238	8,126,247	770,849,576	790,008,634	87,324,654	3.50%
02-Nov-91						
03-Nov-91						
04-Nov-91	4,510,398	46,292,143	775,359,974	836,300,777	45,842,909	1.84%
05-Nov-91	4,804,945	1,254,597	780,164,919	837,555,374	49,393,257	1.98%
06-Nov-91	5,185,726	1,254,597	785,350,645	838,809,971	53,324,386	2.14%
07-Nov-91	2,728,550	3,087,515	788,079,195	841,897,486	52,965,421	2.12%
08-Nov-91	2,907,350	1,254,597	790,986,545	843,152,083	54,618,174	2.19%
09-Nov-91						
10-Nov-91						
11-Nov-91						
12-Nov-91	4,158,925	6,750,282	795,145,471	849,902,366	52,026,817	2.09%
13-Nov-91	7,538,374	1,254,597	802,683,844	851,156,963	58,310,594	2.34%
14-Nov-91	5,038,578	1,254,597	807,722,422	852,411,560	62,094,574	2.49%
15-Nov-91	3,524,182	62,785,130	811,246,604	915,196,690	2,833,626	0.11%
16-Nov-91						
17-Nov-91						
18-Nov-91	5,556,304	1,254,597	816,802,908	916,451,287	7,135,334	0.29%
19-Nov-91	5,576,138	3,092,288	822,379,047	919,543,575	9,619,184	0.39%
20-Nov-91	4,595,614	2,073,163	826,974,661	921,616,738	12,141,634	0.49%
21-Nov-91	9,654,056	11,946,597	836,628,717	933,563,335	9,849,093	0.39%
22-Nov-91	13,324,830	1,254,597	849,953,547	934,817,932	21,919,326	0.88%
23-Nov-91						
24-Nov-91						
25-Nov-91	19,429,117	24,151,119	869,382,664	958,969,051	17,197,324	0.69%
26-Nov-91	28,480,378	58,449,357	897,863,042	1,017,418,408	(12,771,655)	-0.51%
27-Nov-91	13,012,293	12,615,929	910,875,335	1,030,034,337	(12,375,290)	-0.50%
28-Nov-91						
29-Nov-91						
30-Nov-91						

FY 1992 Cashflow - Governor's recommendation's without the certificate of indebtedness or delay of payments

	<u>Receipts</u>	<u>Expend.</u>	<u>Cumulative Receipts</u>	<u>Cumulative Expend</u>	<u>Balance (Less Encumb)</u>	<u>Balance as percent of Expend.</u>
01-Dec-91						
02-Dec-91	4,131,497	36,260,248	915,006,831	1,066,294,585	(44,504,041)	-1.78%
03-Dec-91	4,359,548	1,254,597	919,366,379	1,067,549,182	(41,399,091)	-1.66%
04-Dec-91	4,432,105	10,893,016	923,798,484	1,078,442,198	(47,860,002)	-1.92%
05-Dec-91	3,559,626	22,515,063	927,358,110	1,100,957,261	(66,815,439)	-2.68%
06-Dec-91	3,650,657	1,254,597	931,008,767	1,102,211,858	(64,419,379)	-2.58%
07-Dec-91						
08-Dec-91						
09-Dec-91	2,871,082	1,254,597	933,879,849	1,103,466,455	(62,802,895)	-2.52%
10-Dec-91	3,306,634	1,254,597	937,186,483	1,104,721,052	(60,750,857)	-2.44%
11-Dec-91	6,322,024	1,254,597	943,508,507	1,105,975,649	(55,683,430)	-2.23%
12-Dec-91	8,009,705	6,698,162	951,518,212	1,112,673,812	(54,371,888)	-2.18%
13-Dec-91	18,133,767	25,260,038	969,651,979	1,137,933,850	(61,498,159)	-2.47%
14-Dec-91						
15-Dec-91						
16-Dec-91	9,435,456	1,254,597	979,087,435	1,139,188,447	(53,017,300)	-2.13%
17-Dec-91	9,435,456	60,891,742	988,522,891	1,200,080,189	(104,173,586)	-4.18%
18-Dec-91	7,770,933	1,254,597	996,293,824	1,201,334,786	(97,357,250)	-3.90%
19-Dec-91	9,968,165	3,092,288	1,006,261,989	1,204,427,074	(90,181,374)	-3.62%
20-Dec-91	26,140,281	2,073,163	1,032,402,270	1,206,500,238	(65,814,256)	-2.64%
21-Dec-91						
22-Dec-91						
23-Dec-91	10,367,985	1,254,597	1,042,770,254	1,207,754,835	(56,400,869)	-2.26%
24-Dec-91						
25-Dec-91						
26-Dec-91	8,427,129	24,093,201	1,051,197,383	1,231,848,035	(71,766,940)	-2.88%
27-Dec-91	16,136,157	1,254,597	1,067,333,541	1,233,102,632	(56,585,380)	-2.27%
28-Dec-91						
29-Dec-91						
30-Dec-91	23,041,110	1,254,597	1,090,374,651	1,234,357,229	(34,498,867)	-1.38%
31-Dec-91	30,671,584	1,254,597	1,121,046,235	1,235,611,826	(4,781,880)	-0.19%

FY 1992 Cashflow – Governor’s recommendation’s without the certificate of indebtedness or delay of payments

	<u>Receipts</u>	<u>Expend.</u>	<u>Cumulative Receipts</u>	<u>Cumulative Expend</u>	<u>Balance (Less Encumb)</u>	<u>Balance as percent of Expend.</u>
01-Jan-92						
02-Jan-92	20,173,265	62,319,029	1,141,219,500	1,297,930,855	(46,627,644)	-1.87%
03-Jan-92	13,598,363	7,202,793	1,154,817,862	1,305,133,649	(39,932,074)	-1.60%
04-Jan-92						
05-Jan-92						
06-Jan-92	7,262,296	5,696,738	1,162,080,159	1,310,830,387	(38,066,516)	-1.53%
07-Jan-92	7,381,828	1,254,597	1,169,461,986	1,312,084,984	(31,639,285)	-1.27%
08-Jan-92	9,533,660	13,372,776	1,178,995,646	1,325,457,760	(35,478,402)	-1.42%
09-Jan-92	8,880,641	1,254,597	1,187,876,287	1,326,712,357	(27,852,358)	-1.12%
10-Jan-92	8,336,221	54,430,631	1,196,212,508	1,381,142,988	(73,946,768)	-2.96%
11-Jan-92						
12-Jan-92						
13-Jan-92	7,428,054	1,254,597	1,203,640,562	1,382,397,585	(67,773,311)	-2.72%
14-Jan-92	19,248,217	1,254,597	1,222,888,779	1,383,652,182	(49,779,691)	-2.00%
15-Jan-92	15,290,131	6,152,012	1,238,178,910	1,389,804,194	(40,641,572)	-1.63%
16-Jan-92	10,420,137	3,092,288	1,248,599,047	1,392,896,482	(33,013,723)	-1.32%
17-Jan-92	16,701,202	29,506,777	1,265,300,249	1,422,403,259	(45,519,298)	-1.82%
18-Jan-92						
19-Jan-92						
20-Jan-92						
21-Jan-92	11,614,363	1,254,597	1,276,914,613	1,423,657,856	(35,159,532)	-1.41%
22-Jan-92	20,005,867	1,254,597	1,296,920,479	1,424,912,453	(16,408,262)	-0.66%
23-Jan-92	16,871,873	1,254,597	1,313,792,353	1,426,167,050	(790,986)	-0.03%
24-Jan-92	15,548,768	1,254,597	1,329,341,121	1,427,421,647	13,803,186	0.55%
25-Jan-92						
26-Jan-92						
27-Jan-92	29,472,573	24,123,665	1,358,813,694	1,451,545,312	19,452,094	0.78%
28-Jan-92	14,779,017	11,467,947	1,373,592,711	1,463,013,259	23,063,164	0.92%
29-Jan-92	9,999,765	1,254,597	1,383,592,476	1,464,267,856	32,108,332	1.29%
30-Jan-92	14,792,043	3,092,288	1,398,384,519	1,467,360,145	44,108,087	1.77%
31-Jan-92	9,779,457	1,254,597	1,408,163,976	1,468,614,742	52,932,947	2.12%



FY 1992 Cashflow – Governor’s recommendation’s without the certificate of indebtedness or delay of payments

	<u>Receipts</u>	<u>Expend.</u>	<u>Cumulative Receipts</u>	<u>Cumulative Expend</u>	<u>Balance (Less Encumb)</u>	<u>Balance as percent of Expend.</u>
01-Feb-92						
02-Feb-92						
03-Feb-92	6,481,708	35,863,750	1,414,645,684	1,504,478,492	23,850,904	0.96%
04-Feb-92	3,653,871	11,126,222	1,418,299,555	1,515,604,714	16,678,553	0.67%
05-Feb-92	3,228,593	1,260,690	1,421,528,148	1,516,865,404	18,946,456	0.76%
06-Feb-92	5,259,917	1,260,690	1,426,788,065	1,518,126,094	23,245,683	0.93%
07-Feb-92	(377,227)	1,260,690	1,426,410,838	1,519,386,784	21,907,766	0.88%
08-Feb-92						
09-Feb-92						
10-Feb-92	2,971,826	1,260,690	1,429,382,664	1,520,647,474	23,918,902	0.96%
11-Feb-92	4,029,090	1,260,690	1,433,411,754	1,521,908,164	26,987,302	1.08%
12-Feb-92	4,466,778	6,940,677	1,437,878,532	1,528,848,841	24,813,403	0.99%
13-Feb-92	11,499,462	3,093,608	1,449,377,994	1,531,942,449	33,519,257	1.34%
14-Feb-92	8,203,299	3,156,728	1,457,581,293	1,535,099,177	38,865,828	1.56%
15-Feb-92						
16-Feb-92						
17-Feb-92	1,898,619	61,087,172	1,459,479,912	1,596,186,349	(20,022,725)	-0.80%
18-Feb-92	4,095,160	1,260,690	1,463,575,072	1,597,447,039	(16,888,255)	-0.68%
19-Feb-92	11,868,035	1,260,690	1,475,443,107	1,598,707,729	(5,980,910)	-0.24%
20-Feb-92	6,220,747	2,079,256	1,481,663,854	1,600,786,985	(1,539,419)	-0.06%
21-Feb-92	4,126,027	1,260,690	1,485,789,881	1,602,047,675	1,625,918	0.07%
22-Feb-92						
23-Feb-92						
24-Feb-92	8,553,854	1,260,690	1,494,343,735	1,603,308,365	9,219,082	0.37%
25-Feb-92	8,900,808	35,267,258	1,503,244,543	1,638,575,623	(16,847,368)	-0.68%
26-Feb-92	9,713,837	1,260,690	1,512,958,379	1,639,836,313	(8,094,221)	-0.32%
27-Feb-92	13,291,105	3,098,381	1,526,249,485	1,642,934,694	2,398,503	0.10%
28-Feb-92	19,823,293	5,590,476	1,546,072,778	1,648,525,170	16,931,320	0.68%
29-Feb-92						

FY 1992 Cashflow - Governor's recommendation's without the certificate of indebtedness or delay of payments

	<u>Receipts</u>	<u>Expend.</u>	<u>Cumulative Receipts</u>	<u>Cumulative Expend</u>	<u>Balance (Less Encumb)</u>	<u>Balance as percent of Expend.</u>
01-Mar-92						
02-Mar-92	8,169,123	37,050,867	1,554,241,901	1,685,576,036	(11,650,424)	-0.47%
03-Mar-92	7,953,436	1,254,597	1,562,195,337	1,686,830,633	(4,651,584)	-0.19%
04-Mar-92	4,078,220	11,572,731	1,566,273,557	1,698,403,364	(11,846,095)	-0.47%
05-Mar-92	2,451,534	1,254,597	1,568,725,091	1,699,657,961	(10,349,158)	-0.41%
06-Mar-92	4,191,140	1,254,597	1,572,916,231	1,700,912,558	(7,112,615)	-0.29%
07-Mar-92						
08-Mar-92						
09-Mar-92	6,841,057	1,254,597	1,579,757,288	1,702,167,155	(1,226,156)	-0.05%
10-Mar-92	17,821,411	1,254,597	1,597,578,699	1,703,421,752	15,640,659	0.63%
11-Mar-92	8,398,611	1,254,597	1,605,977,309	1,704,676,349	23,084,672	0.93%
12-Mar-92	(334,604)	7,442,229	1,605,642,705	1,712,118,579	15,607,838	0.63%
13-Mar-92	9,224,343	25,173,474	1,614,867,048	1,737,292,053	(41,292)	-0.00%
14-Mar-92						
15-Mar-92						
16-Mar-92	1,117,673	1,254,597	1,615,984,721	1,738,546,650	121,783	0.00%
17-Mar-92	5,140,218	61,545,678	1,621,124,939	1,800,092,328	(55,983,677)	-2.24%
18-Mar-92	(993,407)	1,254,597	1,620,131,531	1,801,346,925	(57,931,681)	-2.32%
19-Mar-92	8,944,026	1,254,597	1,629,075,557	1,802,601,522	(49,942,252)	-2.00%
20-Mar-92	7,221,577	2,159,328	1,636,297,134	1,804,760,850	(44,580,004)	-1.79%
21-Mar-92						
22-Mar-92						
23-Mar-92	8,059,452	1,254,597	1,644,356,586	1,806,015,447	(37,475,149)	-1.50%
24-Mar-92	9,337,907	1,254,597	1,653,694,493	1,807,270,044	(29,091,839)	-1.17%
25-Mar-92	1,278,912	24,151,119	1,654,973,405	1,831,421,163	(51,664,046)	-2.07%
26-Mar-92	19,434,116	1,254,597	1,674,407,521	1,832,675,760	(33,184,527)	-1.33%
27-Mar-92	15,480,352	3,092,288	1,689,887,874	1,835,768,048	(20,496,463)	-0.82%
28-Mar-92						
29-Mar-92						
30-Mar-92	11,833,059	1,254,597	1,701,720,933	1,837,022,645	(9,618,000)	-0.39%
31-Mar-92	10,198,373	1,254,597	1,711,919,306	1,838,277,242	(374,225)	-0.02%

FY 1992 Cashflow - Governor's recommendation's without the certificate of indebtedness or delay of payments

	<u>Receipts</u>	<u>Expend.</u>	<u>Cumulative Receipts</u>	<u>Cumulative Expend</u>	<u>Balance (Less Encumb)</u>	<u>Balance as percent of Expend.</u>
01-Apr-92	4,391,848	28,566,195	1,716,311,153	1,866,843,438	(23,948,572)	-0.96%
02-Apr-92	1,814,240	33,079,596	1,718,125,393	1,899,923,034	(54,613,929)	-2.19%
03-Apr-92	545,117	18,890,410	1,718,670,510	1,918,813,444	(72,659,222)	-2.91%
04-Apr-92						
05-Apr-92						
06-Apr-92	5,607,893	5,696,738	1,724,278,403	1,924,510,182	(68,248,068)	-2.74%
07-Apr-92	446,725	1,260,690	1,724,725,127	1,925,770,872	(68,762,033)	-2.76%
08-Apr-92	9,227,605	1,260,690	1,733,952,732	1,927,031,562	(60,495,117)	-2.43%
09-Apr-92	11,741,217	1,260,690	1,745,693,949	1,928,292,252	(49,714,590)	-1.99%
10-Apr-92	8,296,607	8,909,871	1,753,990,557	1,937,202,123	(50,027,854)	-2.01%
11-Apr-92						
12-Apr-92						
13-Apr-92	2,519,181	1,260,690	1,756,509,738	1,938,462,813	(48,469,363)	-1.94%
14-Apr-92	3,309,305	1,260,690	1,759,819,043	1,939,723,503	(46,120,748)	-1.85%
15-Apr-92	12,429,419	20,232,346	1,772,248,462	1,959,955,849	(53,623,675)	-2.15%
16-Apr-92	21,007,677	1,260,690	1,793,256,139	1,961,216,538	(33,576,688)	-1.35%
17-Apr-92	16,505,199	55,022,792	1,809,761,338	2,016,239,330	(71,794,280)	-2.88%
18-Apr-92						
19-Apr-92						
20-Apr-92	25,719,223	2,165,421	1,835,480,561	2,018,404,752	(47,940,479)	-1.92%
21-Apr-92	21,813,483	1,260,690	1,857,294,044	2,019,665,442	(27,087,686)	-1.09%
22-Apr-92	20,646,440	1,260,690	1,877,940,484	2,020,926,132	(7,401,936)	-0.30%
23-Apr-92	27,092,992	1,260,690	1,905,033,476	2,022,186,822	18,730,367	0.75%
24-Apr-92	21,197,429	40,749,356	1,926,230,906	2,062,936,178	(521,560)	-0.02%
25-Apr-92						
26-Apr-92						
27-Apr-92	25,131,940	24,129,758	1,951,362,845	2,087,065,936	780,622	0.03%
28-Apr-92	17,721,685	1,260,690	1,969,084,530	2,088,326,626	17,541,616	0.70%
29-Apr-92	18,723,483	1,260,690	1,987,808,013	2,089,587,316	35,304,409	1.42%
30-Apr-92	13,047,466	1,260,690	2,000,855,480	2,090,848,006	47,391,186	1.90%

FY 1992 Cashflow – Governor’s recommendation’s without the certificate of indebtedness or delay of payments

	<u>Receipts</u>	<u>Expend.</u>	<u>Cumulative Receipts</u>	<u>Cumulative Expend</u>	<u>Balance (Less Encumb)</u>	<u>Balance as percent of Expend.</u>
01-May-92	13,247,147	4,530,703	2,014,102,627	2,095,378,709	56,407,630	2.26%
02-May-92						
03-May-92						
04-May-92	11,080,293	38,057,300	2,025,182,920	2,133,436,009	29,730,623	1.19%
05-May-92	5,211,068	1,254,597	2,030,393,988	2,134,690,606	33,987,094	1.36%
06-May-92	10,995,737	1,254,597	2,041,389,724	2,135,945,203	44,028,234	1.76%
07-May-92	9,984,696	1,254,597	2,051,374,420	2,137,199,800	53,058,332	2.13%
08-May-92	7,525,446	3,087,515	2,058,899,866	2,140,287,315	57,796,263	2.32%
09-May-92						
10-May-92						
11-May-92	4,628,100	1,254,597	2,063,527,966	2,141,541,912	61,469,766	2.46%
12-May-92	11,246,536	6,930,600	2,074,774,501	2,148,472,512	66,085,701	2.65%
13-May-92	8,650,852	1,254,597	2,083,425,353	2,149,727,109	73,781,956	2.96%
14-May-92	7,810,408	1,254,597	2,091,235,761	2,150,981,706	80,637,767	3.23%
15-May-92	4,393,026	57,906,169	2,095,628,788	2,208,887,875	27,424,625	1.10%
16-May-92						
17-May-92						
18-May-92	10,014,841	1,254,597	2,105,643,628	2,210,142,472	36,484,868	1.46%
19-May-92	9,057,147	1,254,597	2,114,700,775	2,211,397,069	44,587,418	1.79%
20-May-92	15,858,189	2,159,328	2,130,558,964	2,213,556,397	58,586,279	2.35%
21-May-92	8,263,063	1,254,597	2,138,822,027	2,214,810,994	65,894,745	2.64%
22-May-92	8,552,159	3,092,288	2,147,374,187	2,217,903,283	71,654,616	2.87%
23-May-92						
24-May-92						
25-May-92						
26-May-92	13,181,535	24,123,665	2,160,555,722	2,242,026,948	61,012,486	2.45%
27-May-92	16,026,609	1,254,597	2,176,582,331	2,243,281,545	76,084,498	3.05%
28-May-92	17,157,399	1,254,597	2,193,739,730	2,244,536,142	92,287,300	3.70%
29-May-92	4,840,586	27,135,711	2,198,580,315	2,271,671,853	70,292,174	2.82%
30-May-92						
31-May-92						

FY 1992 Cashflow - Governor's recommendation's without the certificate of indebtedness or delay of payments

	<u>Receipts</u>	<u>Expend.</u>	<u>Cumulative Receipts</u>	<u>Cumulative Expend</u>	<u>Balance (Less Encumb)</u>	<u>Balance as percent of Expend.</u>
01-Jun-92	13,457,771	28,958,278	2,212,038,086	2,300,630,131	55,091,667	2.21%
02-Jun-92	6,126,005	29,097,379	2,218,164,090	2,329,727,511	36,620,292	1.47%
03-Jun-92	5,762,642	1,255,836	2,223,926,732	2,330,983,347	42,027,098	1.68%
04-Jun-92	7,644,685	11,668,138	2,231,571,418	2,342,651,484	38,303,645	1.54%
05-Jun-92	3,277,902	3,093,527	2,234,849,319	2,345,745,012	38,788,019	1.55%
06-Jun-92						
07-Jun-92						
08-Jun-92	4,847,092	1,255,836	2,239,696,411	2,347,000,848	42,679,275	1.71%
09-Jun-92	8,669,053	1,255,836	2,248,365,464	2,348,256,684	53,092,492	2.13%
10-Jun-92	9,613,354	1,255,836	2,257,978,818	2,349,512,520	64,450,009	2.58%
11-Jun-92	13,942,744	1,255,836	2,271,921,562	2,350,768,356	80,136,917	3.21%
12-Jun-92	6,744,033	30,379,562	2,278,665,595	2,381,147,918	56,801,388	2.28%
13-Jun-92						
14-Jun-92						
15-Jun-92	9,934,711	3,305,470	2,288,600,305	2,384,453,388	63,730,629	2.55%
16-Jun-92	10,541,174	1,255,836	2,299,141,479	2,385,709,224	73,315,967	2.94%
17-Jun-92	7,585,740	7,068,890	2,306,727,219	2,392,778,114	74,132,817	2.97%
18-Jun-92	8,797,469	1,255,836	2,315,524,688	2,394,033,950	81,974,450	3.29%
19-Jun-92	10,579,038	3,691,908	2,326,103,726	2,397,725,859	89,161,579	3.57%
20-Jun-92						
21-Jun-92						
22-Jun-92	10,866,906	1,255,836	2,336,970,632	2,398,981,695	99,072,649	3.97%
23-Jun-92	17,621,752	1,255,836	2,354,592,384	2,400,237,531	115,738,565	4.64%
24-Jun-92	18,539,336	1,255,836	2,373,131,720	2,401,493,367	133,322,065	5.34%
25-Jun-92	22,019,562	59,591,603	2,395,151,281	2,461,084,970	96,050,023	3.85%
26-Jun-92	20,516,068	3,088,754	2,415,667,350	2,464,173,724	113,777,337	4.56%
27-Jun-92						
28-Jun-92						
29-Jun-92	26,846,422	29,135,914	2,442,513,771	2,493,309,638	111,487,845	4.47%
30-Jun-92	14,636,228	1,255,836	2,457,150,000	2,494,565,474	124,868,238	5.01%
	2,457,150,000	2,494,565,474				
	ENDING BALANCE					
	124,868,238					



Testimony on Senate Bill No. 589  
before the  
Senate Committee on Ways and Means

by

Jim Hays, Director of Research  
Kansas Association of School Boards

February 24, 1992

Mr. Chairman, Members of the committee. My name is Jim Hays and I am Research Director for the Kansas Association of School Boards. I appreciate the opportunity to appear here today and to express the views of our member boards of education on the subject addressed by Senate Bill No. 589.

We opposed this legislation when it was first enacted and support the concept of the amendment proposed in Senate Bill No. 589. While school boards have a keen interest in the fiscal health of state government, and depend greatly for their own budget planning on the soundness of the State General Fund, we view the ending balance requirements imposed by current law to be unnecessarily high.

The original legislation on this subject addressed two issues: the degree of protection necessary to guard against fluctuations in revenue; a "rainy day fund"; and, the degree of protection necessary to guard against having to "borrow" in order to meet cash flow demands on the State General Fund throughout the year. The "cash operating reserve fund" was to meet one of those needs, and the ending balance

SWAM  
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Attachment 5

requirement was supposed to meet the other. If we agree that the balances necessary to absolutely ensure against having to "borrow" for cash flow purposes are simply too high, then the need to guard against revenue shortfalls can be accommodated by some flat amount of money rather than a percentage requirement. We do not express an opinion on whether or not \$100.0 million is the correct amount; only that the amount should be a fixed amount rather than a percentage.

The notion of a percentage figure for an ending balance means that the dollars must grow as total expenditures grow. School boards are especially sensitive to the notion that state aid should offset the need for local property tax dollars, on a "dollar for dollar" basis. But if the state needs  $7\frac{1}{2}\%$  of every new dollar collected in its ending balances, then only 92.5¢ of every dollar sent to Topeka in state taxes could possibly come back to the local school board for property tax relief. With a flat amount of ending balance maintained, every new state tax dollar collected for the purpose of property tax relief could be sent back to school boards, on a "dollar for dollar" basis.

Thank you for this opportunity to express the concerns of our members and I would be happy to respond to any questions.