

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 11:00 a.m. on January 31, 1995 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Eric Milstead, Legislative Research Department
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Alan Conroy, Chief Fiscal Analyst, Legislative Research Department

Others attending: See attached list

Senator Brady moved. Senator Moran seconded that the minutes of January 24, 1995 and January 25, 1995 be approved as presented. The motion carried on a voice vote.

BILL INTRODUCTION

It was moved by Senator Kerr and seconded by Senator Lawrence that bill draft 5 RS 0712 be introduced as requested by the Senate Subcommittee on Education. The motion carried on a voice vote.

Senator Vancrum moved that bill drafts 5 RS 0246, 5 RS 0266, and 5 RS 0240 be introduced as requested by the Department of Administration. The motion carried on a voice vote.

A letter regarding retiree participation in the Health Plan from Dave Charay, Health Benefits Administrator, was distributed to members (Attachment 1).

Alan Conroy, Chief Fiscal Analyst for the Kansas Legislative Research Department, presented an overview of the Governor's Report on the Budget for FY 96 (Attachment 2). He noted that the overview incorporated the Governor's recommendations for additional state aid for Washburn University and the changes in the motor vehicle tax relief proposal. Senator Rock commended staff on the overview and on the accuracy of estimates. There was brief discussion regarding the tendency of fee agencies to dedicate a larger percentage of docket fees to special revenue fee funds. Senator Kerr pointed out that without the Governor's recommended increase of \$30. in the base state aid per pupil, there would have been an increase in all fund expenditures for education because of increased enrollment, the increase in special education, and other factors.

The Chairman adjourned the meeting at 12:05 P.M.

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: JANUARY 31, 1995

NAME	REPRESENTING
TK Shively	KS LEGAL SERVICES
Sandy Strand	KINHT
Heather Gray	Sen. Karr
Annette Siebert	KANSA
Marty Kennedy	DOB
Dan Hermes	DOB
Denney Clements	Eagle
Julie Wright	Eagle-news
Paul Johnson	PACK
Ed Walshaw	Washington U
John Stone	B-state
Fi. Sexton	WSU
John Kiefhaber	Ks. Health Care Assn.
Marty Yost	Ks Health Care Assn.
Melissa Ness	Ks Children's Service Agency



**KANSAS STATE EMPLOYEES
HEALTH CARE COMMISSION**

COMMISSIONERS:
Robert C. Harder, CI
Judy B. Rickerson
Richard E. Roberts
Susan M. Seltam
Ron Todd

Dave Charay,
Benefits Administrator

HEALTH BENEFITS ADMINISTRATION

January 24, 1995

The Honorable Bill Brady
Senate Chamber
Statehouse
Topeka, KS 66612

Re: Retiree Participation in the Health Plan

Dear Senator Brady:

Jack Hahn, Assistant Deputy Director of KPERS, supplied the following information regarding retirees from the State of Kansas. The number of former state employees receiving monthly KPERS warrants is 12,307. Of these 4,723 have their health insurance premiums deducted from their KPERS warrant.

Unfortunately, the 12,307 does not reflect all of the state retirees who are eligible to participate in the health plan. The regents institutions have a number of faculty members who participate in CREF, TIAA or one of the other annuity programs available to them. Also, a number of KPERS retirees elect a lump-sum distribution of their benefits. Both of these groups are eligible to continue to pay the premiums on a timely basis. We have been able to find no source for eligibility/participation rate based upon ratios of the current retiree population because once a plan member retires, agency affiliation is no longer tracked -- all are transferred to "agency 150, Direct Bill".

Senator Brady, I have enclosed a chart showing the enrollment classifications that are tracked for the Direct Bill segment of our group. These numbers reflect current enrollment as of January 23, 1995.

If you have additional questions, please call.

Sincerely,

A handwritten signature in cursive script that reads "Dave Charay".

Dave Charay
Health Benefits Administration

DC:srf
Encl.

cc: Senate Ways and Means Committee

SWAM
January 31, 1995
Attachment 1

DIRECT BILL MEMBERS ENROLLED IN THE GROUP HEALTH INSURANCE PLAN BY ENROLLMENT CATEGORY		
	Number Enrolled	Percent of Enrollment
Early Retirees (not eligible for Medicare)	1,024	11.7%
Regular Retirees (eligible for Medicare)	5,992	68.6%
Mixed (One spouse on Medicare, one not)	414	4.7%
Retiree 65+; Spouse <65	355	
Retiree <65; Spouse 65+	59	
KPERS Disability (Medicare status unknown)	473	5.4%
Surviving Family (Medicare status unknown)	712	8.1%
Surviving Spouse	707	
Surviving Dependent Child	5	
Miscellaneous (Medicare status unknown)	125	1.4%
Leave Without Pay	51	
Former Elected Officials	10	
Former Legislators	52	
Blind Vendors	12	
TOTAL	8,740	100.0%

counts as of 1/23/95 (A&R)

OVERVIEW OF THE GOVERNOR'S REPORT ON THE BUDGET FISCAL YEAR 1996

In this Budget Overview, various summaries of state expenditures and the plan for their financing are reviewed. The summary data were obtained from The Governor's Report on the Budget for Fiscal Year 1996. The Legislative Research Department utilizes the classification of expenditures by function of government so as to coincide with Division of the Budget and the Division of Accounts and Reports. The Department has made some changes in the classification of expenditures in order to be consistent with its prior reports to the Legislature.

The Summary data in this overview compare actual expenditures for FY 1994, the Governor's revised estimates for FY 1995, and the Governor's recommendations for FY 1996, and for selected agencies in FY 1997. The data also includes the Governor's recent FY 1996 change in recommendations concerning Washburn University (an additional \$238,000 from the State General Fund) and motor vehicle tax relief (\$5.9 million from the State General Fund).

Summary of Changes to Estimated FY 1995 Expenditures

Based on actions of the 1994 Session of the Legislature, it was estimated by the Research Department that FY 1995 expenditures from all funds would total \$7.262 billion. The Governor's Budget Report revises the all funds FY 1995 budget to \$7.426, an increase of \$164.0 million above the earlier estimate. Major differences from the session-end estimates and the current Governor's estimate consist of a revised capital improvement construction schedule for several Regents projects and the Department of Transportation; lower than anticipated unemployment insurance benefits; revised school district state aid payments; and increased state operations costs for the Regents institutions and the Department of Transportation.

At the close of the 1994 Session, FY 1995 expenditures from the State General Fund were estimated to be \$3.352 billion. *The Governor's Budget Report* revises the General Fund FY 1995 budget to \$3.342 billion, a net decrease of \$10.0 million from the earlier estimate. Major differences from the session-end estimate and the Governor's estimate consist of an increase of \$5.6 million for state operations, revised school aid payments, and capital improvement construction schedules.

The following tabulation summarizes the changes to FY 1995 expenditures by major category.

	General Fund	All Funds
Original FY 1995 Expenditure Estimates	\$ 3,352.3	\$ 7,262.3
Revisions:		
State Operations	5.6	57.2
Aid to Local Units	(18.4)	40.7
Other Assistance	(0.1)	(14.3)
Capital Improvements	2.9	79.7
Total Revisions	\$(10.0)	\$ 163.3
Revised FY 1995 Expenditure Estimates	\$ 3,342.3	\$ 7,425.6

SWAM
January 31, 1995
Attachment 2

Total State Expenditures for FY 1996

Summary of Expenditures from All Funds

The Governor's recommendation for FY 1996 state expenditures from all funds totals \$7.758 billion, an increase of \$332.0 million (4.5 percent) above the Governor's revised estimate for FY 1995 of \$7.426 billion. This rate of growth contrasts with the increase of \$325.9 million, or 4.4 percent, in FY 1995 revised expenditures compared to actual expenditures for FY 1994 of \$6.783 billion.

Expenditures by Major Purpose

State Operations -- Actual agency operating costs for salaries and wages, contractual service, commodities and capital outlay.

The Governor's FY 1996 recommendation for state operations increases by \$105.5 million or 4.3 percent above the revised FY 1995 amount. Of the recommended increase, \$61.0 million can be found within the Department of Transportation (57.8 percent of the total increase and a 29.8 percent increase above the FY 1995 amount), \$35.3 million within the Regents system (including the Board Office), \$3.2 million for the Department of Corrections and institutions, \$2.3 million for the Judicial Branch, \$2.1 million for the Department of Administration, \$1.7 million for the Department of Revenue, while the Department of Social and Rehabilitation Services decreases \$8.8 million.

Aid to Local Units -- Aid payments to counties, cities, school districts, and other local government entities. May be from state or federal funds.

Aid to local units increases \$28.9 million or 1.2 percent in FY 1996. Aid to local units in the Department of Education increases by \$45.0 million in FY 1996. General and supplemental state aid to local school districts from the Department of Education increases \$26.1 million, while special education services aid increases \$9.7 million, and school food assistance increases \$4.3 million in FY 1996. Notable reductions in FY 1996 include \$14.1 million for federal flood relief payments in the Adjutant General's budget and \$9.6 million for flood relief in the Department of Commerce and Housing, \$3.0 million in the Department of Revenue for aid to counties for reappraisal.

Other Assistance, Grants, and Benefits -- Payments made to or on behalf of individuals as aid, including public assistance benefits, unemployment benefits, retirement payments and tuition grants.

Other assistance increases \$87.5 million or 4.6 percent above the revised FY 1995 amount. Major increases include \$33.8 million within the Department of Social and Rehabilitation Services, \$23.5 million for Kansas Public Employees Retirement System benefit payments, \$8.2 million in the Department of Commerce and Housing, and \$8.0 million in unemployment benefits in the Department of Human Resources.

Capital Improvements -- Cash of debt service payments for projects involving new construction, remodeling and additions, rehabilitation and repair, razing, and the principal portion of debt service for a capital expense.

Capital improvements are estimated to increase \$110.1 million or 15.8 percent above the FY 1995 level. Department of Transportation capital improvement construction (highway program) is recommended for a \$203.5 million increase, while Regents institutions reflect a reduction of \$55.1 million below the FY 1995 level. Other reductions include \$13.6 million in the Kansas Water Office (water storage capacity purchase in the current year) and \$8.9 million in the Department of Wildlife and Parks (flood repair in the current year).

Expenditures from All Funds by Major Purpose

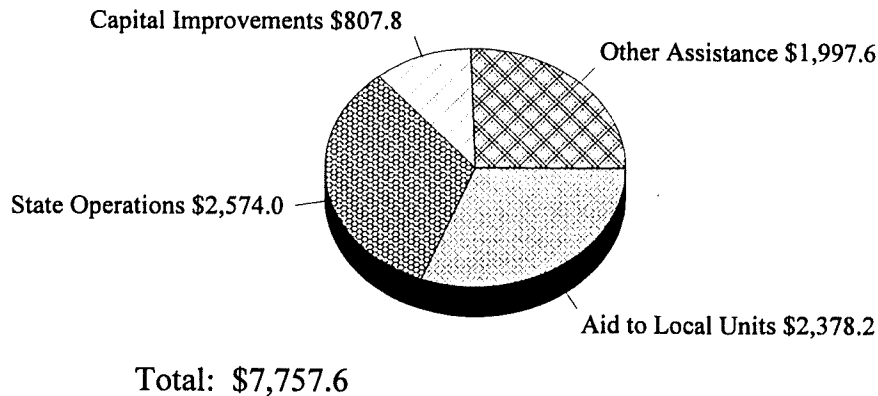
(Millions of Dollars)

Function	Actual	Est.	Change		Rec.	Change	
	FY 94	FY 95	\$	%	FY 96	\$	%
State Operations	\$ 2,325.7	\$ 2,468.5	\$ 142.8	6.1%	\$ 2,574.0	\$ 105.5	4.3%
Aid to Local Units	2,220.0	2,349.3	129.3	5.8	2,378.2	28.9	1.2
Other Assistance	1,875.9	1,910.1	34.2	1.8	1,997.6	87.5	4.6
Total Operating	\$ 6,421.6	\$ 6,727.9	\$ 306.3	4.8%	\$ 6,949.8	\$ 221.9	3.3%
Capital Improvements	361.0	697.7	336.7	93.3	807.8	110.1	15.8
TOTAL	<u>\$ 6,782.6</u>	<u>\$ 7,425.6</u>	<u>\$ 643.1</u>	4.4%	<u>\$ 7,757.6</u>	<u>\$ 332.0</u>	4.5%

Of the total budget recommendation for FY 1996, 33.2 percent is for state operations, 30.6 percent is for state aid to local units of government, 25.8 percent is for other assistance, grants, and benefits, and 10.4 percent is for capital improvements. The following pie chart displays the major categories of all funds expenditures in FY 1995.

FY 1996 Expenditures from All Funds by Major Purpose

(Millions of Dollars)



Expenditures by Function of Government

The following table summarizes expenditures from all funds by function of government. Functions of government reflect the six classifications into which similar agencies are grouped to that share similar basic purposes of state government. The functions include: General Government, Human Resources Education, Public Safety, Agriculture and Natural Resources, and Transportation. The education function is by far the largest component with 43.8 percent of the total. The three largest functions of government -- education, human resources, and transportation -- comprise 83.6 percent of the recommended expenditures for FY 1996.

Summary of Expenditures from All Funds by Function of Government

(Millions of Dollars)

Function	Actual FY 94	Est. FY 95	Change		Rec. FY 96	Change	
			\$	%		\$	%
General Government	\$ 757.6	\$ 816.3	\$ 58.7	7.7%	\$ 849.2	\$ 32.9	4.0%
Human Resources	1,830.7	1,912.0	81.3	4.4	1,945.9	33.9	1.8
Education	3,154.4	3,359.1	204.7	6.5	3,395.6	36.5	1.1
Public Safety	319.3	294.5	(24.8)	(7.8)	283.2	(11.3)	(3.8)
Agriculture/Natural Resources	118.9	160.3	41.4	34.8	137.5	(22.8)	(14.2)
Transportation	601.4	883.3	281.9	46.9	1,146.2	262.9	29.8
TOTAL	\$ 6,782.5	\$ 7,425.6	\$ 643.1	9.5%	\$ 7,757.6	\$ 332.0	4.5%

Summary Plan for Financing

Total state expenditures are financed by the resources contained in approximately 1,300 distinct funds. The following tabulation summarizes total state expenditures by major fund class, a useful way to group similar funds in the state's accounting system. The tabulation separates the plan for financing into operating purposes and capital improvements. The General Fund operating amount shown in the table for FY 1996 is based on current resources of the Fund. The increase in General Fund operating expenditures from FY 1995 to FY 1996 is \$137.9 million or 4.3 percent, but as previously noted the Governor does recommend several downward adjustments.

Summary of the Plan for Financing State Expenditures

(Millions of Dollars)

Fund Class	Actual	Est.	Change		Rec.	Change	
	FY 94	FY 95	\$	%	FY 96	\$	%
Operating Expenditures:							
General Fund	\$ 3,026.1	\$ 3,238.5	\$ 212.4	7.0%	\$ 3,376.4	\$ 137.9	4.3%
Special Revenue Funds	2,212.9	2,284.3	71.4	3.2	2,266.2	(18.1)	(0.8)
Employment Security Funds	236.6	194.0	(42.6)	(18.0)	202.0	8.0	4.1
Highway Funds	316.2	328.2	12.0	3.8	387.3	59.1	18.0
Retirement Funds	312.2	346.9	34.7	11.1	371.6	24.7	7.1
All Other Funds	317.5	336.0	18.5	5.8	346.3	10.3	3.1
Total Operating	<u>\$ 6,426.5</u>	<u>\$ 6,727.9</u>	<u>\$ 306.4</u>	<u>4.8%</u>	<u>\$ 6,949.8</u>	<u>\$ 221.9</u>	<u>3.3%</u>
Capital Improvements:							
General Fund	\$ 84.9	\$ 103.8	\$ 18.9	22.3%	\$ 92.2	\$ (11.6)	(11.2)%
Highway Funds	195.6	461.6	266.0	136.0	653.2	191.6	41.5
Building Funds	31.5	44.2	12.7	40.4	30.2	(14.0)	(31.7)
All Other Funds	49.0	88.1	39.1	79.8	32.2	(55.9)	(63.5)
Total Capital Imprv.	<u>\$ 361.0</u>	<u>\$ 697.7</u>	<u>\$ 336.7</u>	<u>93.3%</u>	<u>\$ 807.8</u>	<u>\$ 110.1</u>	<u>15.8%</u>
TOTAL Expenditures	<u>\$ 6,782.5</u>	<u>\$ 7,425.6</u>	<u>\$ 643.1</u>	<u>9.5%</u>	<u>\$ 7,757.6</u>	<u>\$ 332.0</u>	<u>4.5%</u>

The State General Fund, to which most state tax receipts are credited, is the predominant source of financing for state expenditures. The General Fund finances 45.0 percent of estimated FY 1995 expenditures. In FY 1996, the General Fund finances 44.7 percent of the recommended expenditures.

Special revenue funds include most federal grants, students and patient fees, and other charges for benefits received. The All Other category is a combination of several fund classes, including trust and agency funds, shared tax collection funds, and enterprise funds.

Schedule 7 in The Governor's Budget Report (Volume 1) summarizes actual and estimated receipts of federal funds. Estimated FY 1995 receipts are \$1.481 billion, a reduction of \$130.2 million or 8.1 percent from the FY 1994 actual receipts. The FY 1996 estimate of \$1.540 billion, is \$59.0 million or 4.0 percent above the FY 1995 estimated receipts. Three agencies -- the Department of Social and Rehabilitation Services, the Department of Transportation, and the Department of Education -- account for 80.6 percent of FY 1996 estimated federal receipts.

Federal receipts for fiscal years 1995 and 1996 are dependent, of course, on future actions of the federal government. Past experience indicates that the final outcome of those actions will not be known prior to adjournment of the 1995 Legislature. Of particular significance during the 1993 and 1994 sessions was the use of federal disproportionate share funds.

Expenditures for State Operations

Expenditures, for state operations, *i.e.*, for purposes other than local aid, other assistance, and capital improvements, comprise 33.2 percent of total recommended expenditures for FY 1996. The tabulation below divides state operations expenditures into four major components: salaries and wages, contractual services (communications, rent, travel), commodities (food, supplies stationery), and capital outlay (equipment and furniture and not to building and highway construction projects). The All Other category is comprised of debt service and nonexpense items.

Summary of Expenditures from All Funds State Operations by Major Component

(Millions of Dollars)

Function	Actual	Est.	Change		Rec.	Change	
	FY 94	FY 95	\$	%	FY 96	\$	%
Salaries and Wages	\$ 1,501.2	\$ 1,592.3	\$ 91.1	6.1%	\$ 1,648.2	\$ 55.9	3.5%
Contractual Services	470.5	543.7	73.2	15.6	537.5	(6.2)	(1.1)
Commodities	161.7	156.0	(5.7)	(3.5)	161.0	5.0	3.2
Capital Outlay	127.8	106.4	(21.4)	(16.7)	153.8	47.4	44.5
All Other	64.4	70.2	5.8	9.0	73.5	3.3	4.7
TOTAL	\$ 2,325.7	\$ 2,468.5	\$ 143.8	6.1%	\$ 2,574.0	\$ 105.5	4.3%

Salaries and wages expenditures, including fringe benefits, comprise almost two-thirds of the state operations budget for FY 1996 and represent a \$55.9 million or 3.5 percent increase from the FY 1995 estimate.

Salaries and wages policy recommendations incorporated into the proposed FY 1996 budget include the following:

Governor's FY 1996 State Employee Salary Adjustments

I. Classified	State General Fund*	All Funds
A. Step Movement (2.5 percent to all classified employees on their anniversary of state service, assuming satisfactory performance)	\$12.34	\$26.09
B. Annualization of 1.5 percent base salary increase that was approved beginning September 18, 1994	1.55	2.54
C. Annualization of last stage of the Comprehensive Classification and Job Rate Study that was effective December 18, 1994	0.31	0.52
D. Longevity -- Longevity of \$40 a year for each year of service for those employees that have at least ten years of service up to a maximum of 25 years	5.68	12.00
E. 1.0 Percent Base Salary Adjustment	4.12	8.70
II. Unclassified		
A. 3.5 percent Base Increase for unclassified employees in the executive (including Regents unclassified), judiciary and legislative branches of government, and judges, and elected officials of the executive, judicial, and legislative branches	9.93	21.00
B. Annualization of 1.5 percent base salary adjustment for judicial and legislative employees that was approved effective September 18, 1994	0.25	0.25
GRAND TOTAL	<u>\$34.18</u>	<u>\$71.10</u>

* This tabulation assumes an estimated 47.3 percent of the financing for adjustments is from the State General Fund.

Financing for all employee benefit recommendations are contained in the recommended budgets for each state agency.

Quality Improvement Initiatives

The Governor recommends that agency heads be authorized to make salary bonus payments of up to \$1,000 to permanent full-time and part-time employees who contribute to the success of Kansas Quality Management initiatives. According to the Governor financing for such payments would originate from budgetary savings generated by the quality initiatives. The Governor also recommends that one-half of the amount agencies save from efficiencies initiated in FY 1995 be used in FY 1996 for the salary bonuses, professional development training tied to Kansas Quality Management initiatives, and technological equipment, such as computers.

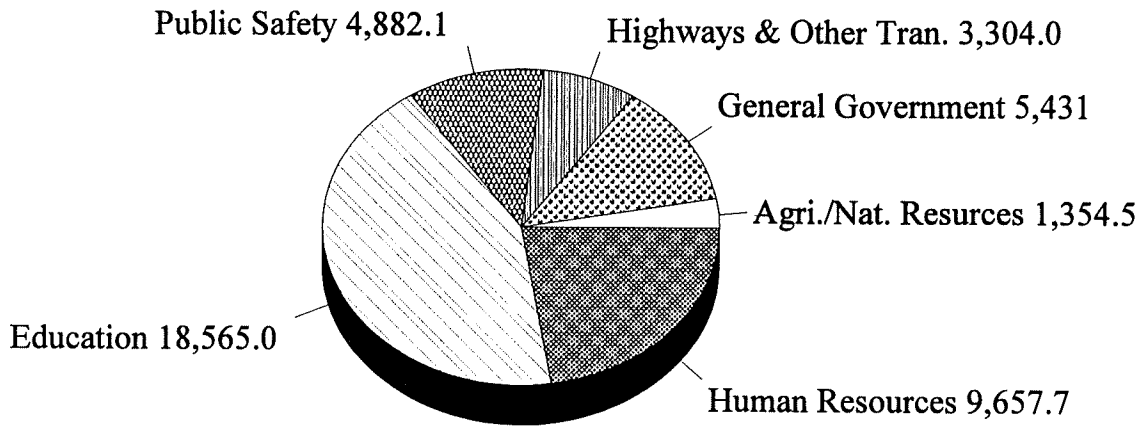
Normalized FTE Employees by Function of Government

Expenditures for salaries and wages are also affected by policy recommendations which change the size of the state's workforce. The FY 1996 budget recommendations of the Governor finance 43,194.3 full-time equivalent positions, a reduction of 139.6 or 0.3 percent below the FY 1995 recommended level of 43,333.9. In addition, the Governor recommends 1,392.7 special project appointments equated to an FTE basis. Special project appointments are appointed to the unclassified service on a temporary basis to make or conduct a special inquiry, investigation, examination, or installation are designated special project appointments. These employees are not included in the FTE limitation. Although not agencies are subject to a specific position limitation (i.e., the Regents institutions). The Governor's recommendation for special project appointments in FY 1996 is a reduction of 25.5 or 1.8 percent from the FY 1995 recommended level of 1,418.2.

The following pie chart reflects the Governor's recommended FY 1996 full-time equivalent positions by function of government.

FY 1996 Full-Time Equivalent (FTE) Positions

by Function of Government



Total FTE Positions: 43,194.3

Expenditures for Aid to Local Units of Government

Comprising 30.6 percent of the total FY 1996, expenditures for state and federal aid to local units of governments are recommended by the Governor to increase by \$28.9 million or 1.2 percent from the FY 1995 estimate. Although aid to local units within the Department of Education increases \$51.1 million, there are three notable reductions for state aid in FY 1996. The three areas of reduction include \$14.1 million for federal flood relief payments in the Adjutant's General budget, \$9.6 million in federal flood aid in the Department of Commerce and Housing, and \$3.0 million in the Department of Revenue for aid to counties for reappraisal. State aid comprises approximately 90 percent of budgeted aid to local units of government for FY 1996. A tabulation appearing later in this memorandum provides details about state aid programs.

Program of Agency Components of the FY 1996 All Funds Budget

Heretofore, this memorandum has dealt primarily with measuring year-to-year changes proposed in The Governor's Budget Report. The following tabulation pertains to FY 1996 only and measures major programs or agency expenditures in dollar terms and as a percent of the total budget. The budgets of the Department of Education, the Department of Social and Rehabilitation Services, and the Board of Regents and its institutions account for just under two-thirds (59.47 percent) of the total state budget.

**GOVERNOR'S RECOMMENDED
EXPENDITURES FROM ALL FUNDS, FY 1996**

By Agency or Program

	Amount (Thousands)	Percent of Total	Cumulative Percent	Percent Increase From FY 95
Department of Education	\$ 1,990,013	25.65%	25.65	2.8%
Department of SRS, Except Hospitals and Youth Centers	1,413,765	18.22	43.87	1.9
Board of Regents/Institutions	1,211,553	15.62	59.49	(1.5)
Department of Transportation	1,146,919	14.78	74.27	29.8
Department of Human Resources	257,985	3.33	77.60	2.1
Department of Corrections/Institutions	186,377	2.40	80.00	1.5
Nonschool Employee Pensions (KPERS)	183,867	2.37	82.37	8.2
Local School Employee Pensions (KPERS)	165,755	2.14	84.51	6.1
State Hospitals	150,377	1.94	86.45	(0.9)
Department of Health and Environment	145,853	1.88	88.33	3.5
Kansas Lottery	108,989	1.40	89.73	6.0
Department of Commerce and Housing, KTEC, and Kansas Inc.	101,841	1.31	91.04	1.5
State Treasurer	98,651	1.27	92.31	3.3
Insurance/Health Care Stabilization Bd. of Gov.	91,745	1.18	93.49	4.9
Judicial Branch	69,792	0.90	94.39	3.3
Department of Revenue	69,631	0.90	95.29	(2.7)
Highway Patrol and KBI	50,538	0.65	95.94	(1.2)
Department of Wildlife and Parks	29,804	0.38	96.32	
Department of Administration	27,824	0.36	96.68	(22.3)
Youth Centers	22,900	0.30	96.98	(0.3)
KPERS-Operations	21,967	0.28	97.26	6.2
Department on Aging	20,836	0.27	97.53	3.8
Board of Agriculture	20,104	0.26	97.79	(3.7)
Legislative Branch	16,416	0.21	98.00	1.8
Adjutant General	15,001	0.19	98.19	(3.7)
Corporation Commission	13,690	0.18	98.37	1.5
Board of Indigents Defense Services	10,567	0.14	98.51	0.5
State Conservation Commission	10,136	0.13	98.64	(3.2)
All Other	104,719	1.36	100.00	(20.1)
TOTAL	<u>\$ 7,757,615</u>	<u>100.00%</u>		<u>4.5%</u>

NOTE: Each agency's expenditures include state and federal aid, if any, to local units of government.

INCREASE IN TOTAL EXPENDITURES FROM ALL FUNDS

FY 1995 TO FY 1996

	Amount (000)	Percent of Incr.	Selected Comments (\$ in 000)
Total Increase	\$ 332,049	100.0%	
Dept. of Transportation	262,897	80.7	\$203,538 increase in capital improvements
Department of Education	54,838	16.5	
SRS, Except Hospitals and Youth Centers	26,965	8.3	Increase in OAGB* - \$33,857
Nonschool Employee Pensions	13,952	4.3	Increased benefit payments
Local School Employee Pensions	9,503	2.8	Increased benefit payments
Dept. of Human Resources	5,385	1.7	\$5,101 increase in OAGB* -- mostly UI benefits
Dept. of Health and Environment	4,964	1.5	Increased state operations (\$898,387); and OAGB* (\$3,000,000)
Insurance Department/Health Care Stabilization Board of Governors	4,323	1.3	\$3,239 increase in OAGB* - Worker's Compensation and Health Care Stabilization
State Treasurer	3,128	1.0	Mainly demand transfer payments to local units of government; LAVTRF and CCRS
Department of Corrections/Institutions	2,682	0.8	Increase in state operations (\$3,158) and state aid (\$1,092); capital improvements decrease (\$1,326)
Department of Administration	1,963	0.6	\$2,075 increase in state operations
Board of Regents and Instit.	(18,436)	(5.6)	\$55,089 decrease in capital improvements
Adjutant General	(14,288)	(4.4)	\$66,958 decrease in disaster assistance
Kansas Water Office	(13,508)	(4.1)	Current year purchase of water storage capacity (\$13,611)
Department of Wildlife and Parks	(8,554)	(0.6)	\$8,809 decrease in capital improve
Historical Society	(5,193)	(1.6)	\$3,932 decrease in capital improvements
School for the Deaf	(4,968)	(1.5)	\$5,174 decrease in capital improvements
Department of Revenue	(1,882)	(0.6)	\$3,000 reduction aid to counties for reappraisal
State Hospitals	(1,391)	(1.6)	\$1,721 reduction in capital improvements
Net All Other	267	(0.4)	

EXPENDITURES AND STATUS OF THE STATE GENERAL FUND

Program and Agency Components of the FY 1996 General Fund Budget

The following tabulation provides an overview of the program or agency components of the Governor's FY 1996 expenditures from the State General Fund. This tabulation identifies individual components which comprise 98.6 percent of General Fund expenditures. Education and state aid other than for education account for 69.2 percent of General Fund expenditures.

STATE GENERAL FUND EXPENDITURES BY PROGRAM OR AGENCY

Governor's Recommendations for FY 1996

	Amount (Thousands)	Percent of Total	Cumulative Percent	Increase Over FY 1995	
				Amount	Percent
Education					
State Aid to Local Units	\$ 1,734,184	50.00%	50.00%	\$ 42,068	2.5%
Bd. of Regents/Institutions	465,961 ^a	13.43	63.43	21,812	4.9
Other Education*	26,229	0.76	64.19	2,030	8.4
Subtotal, Education	<u>2,226,375</u>	<u>64.19</u>	<u>64.19</u>	<u>65,911</u>	<u>3.1</u>
State Aid Except Education	174,709	5.04	69.23	5,793	3.4
SRS, Except Hospitals/Youth Centers	483,607	13.94	83.17	57,863	13.6
Dept. of Corr./Institutions	152,414	4.39	87.56	3,351	2.2
Sales Tax Transfer to SHF	84,465	2.44	90.00	3,014	3.7
State Hospitals	67,839	1.95	91.95	(373)	(0.5)
Judicial Branch	65,463	1.89	93.84	2,622	4.2
Highway Patrol and KBI	33,047	0.95	94.79	92	0.3
Dept. of Revenue Operations	29,493	0.85	95.64	630	2.2
Dept. of Administration**	22,680	0.65	96.29	954	4.4
Youth Centers	22,102	0.64	96.93	504	2.3
Dept. of Health and Environment	19,778	0.57	97.50	459	2.4
Legislative Branch	16,287	0.47	97.97	668	4.3
Indigents Defense	10,394	0.30	98.27	118	1.1
Executive Branch Elected Officials	8,645	0.25	98.52	(1,037) ^b	(10.7) ^b
Water Office	1,283	0.04	98.56	(13,611) ^c	(91.4) ^c
All Other	50,010	1.44	100.00	(683)	(1.3)
TOTAL	<u>\$ 3,468,591</u>	<u>100.00%</u>		<u>\$ 126,276</u>	<u>3.8%</u>

* Includes Department of Education, Schools for the Blind and Deaf, State Library, Arts Commission, and Historical Society, except for state aid to local units.

** Includes Public Broadcasting, except state aid.

a) Aid to Washburn University is included in state aid to local units (\$7.045 million).

b) Decrease largely due to a reduction of \$1.196 million in litigation expenditures of the Attorney General.

c) In FY 1995, there is a one-time expenditure of \$13.621 million for purchase of water storage.

Note: All expenditures for each entry from SRS on down through "All Other" exclude state aid, if any.

Under education, the increase of 3.1 percent in state aid to local units is due in part to the fact that the Governor recommends an increase in basic general aid from \$3,600 per pupil to \$3,630 (\$16.2 million). Overall, general and supplemental state school aid from the State General Fund increases \$26.1 million and payments under the School District Capital Improvement Fund increase \$5.1 million in FY 1996 above the FY 1995 estimate. In addition, the budget for FY 1996 contains increases of \$8.3 million, or 4.7 percent, for special education aid.

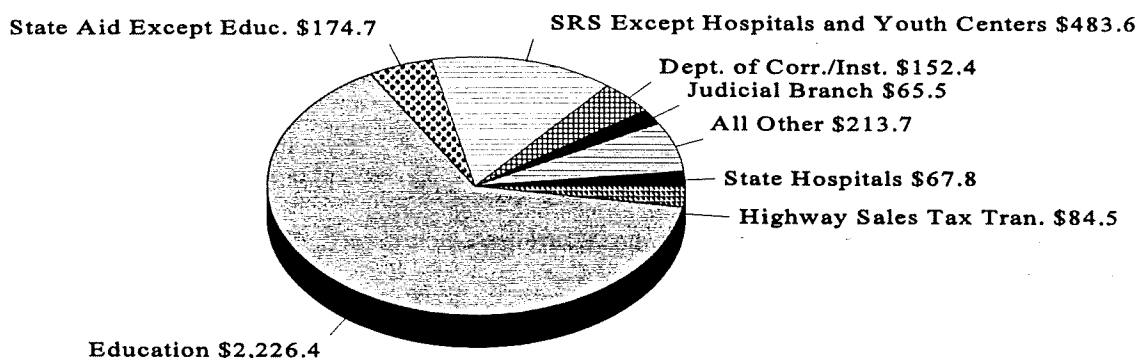
The Governor's FY 1996 recommendation for the Department of Social and Rehabilitation Services reflects an increase of \$57.9 million from the State General Fund above the FY 1995 amount. The main reason for the increase is the replacement of one-time funding surces that were used to finance on-going expenses in the current year (\$25.0 million from the Social Services Contingency Fund and \$38.4 million from the State Budget Stabilization Fund). The Department of Corrections and institutions increase \$3.3 million or 2.2 percent, mainly due to increased state operations.

The large decrease from FY 1995 in the Water Office budget reflects the one-time purchase (\$13.6 million) of water storage capacity from the federal government. The large percentage reduction in the executive branch elected officials reflects a reduction of almost \$1.2 million in litigation expenses of the Attorney General.

The following pie chart displays the FY 1996 State General Fund expenditures by major program.

FY 1996 State General Fund Expenditures

by Major Program or Agency



Total: \$3,468.6

General Fund Expenditures by Function of Government

The next tabulation summarizes General Fund expenditures by function of government. The Governor's recommendations for the education function reflect the FY 1996 increase in the base aid per pupil from \$3,600 to \$3,630 (\$16.2 million), and the first year of a several-year program to reduce motor vehicle property taxes (\$5.9 million).

State General Fund Expenditures by Function of Government

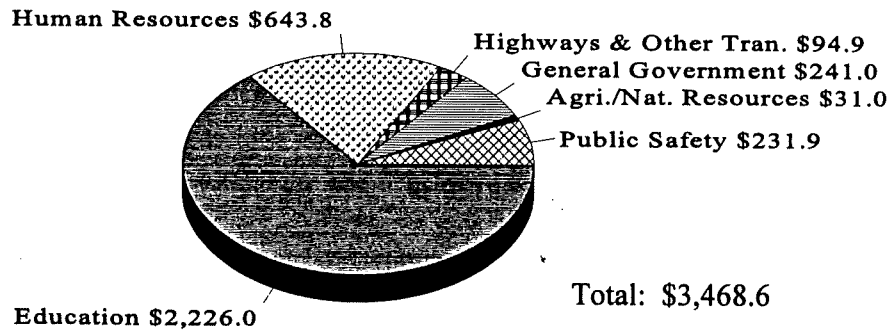
(Millions of Dollars)

Function	Actual FY 94	Est. FY 95	Change		Rec. FY 96	Change	
			\$	%		\$	%
General Government	\$ 219.5	\$ 235.3	\$ 15.8	7.2%	\$ 241.0	\$ 5.7	2.4%
Human Resources	507.2	584.2	77.0	15.2	643.8	59.6	10.2
Education	2,051.9	2,160.3	108.4	5.3	2,226.0	65.7	3.0
Public Safety	213.3	226.4	13.1	6.1	231.9	5.5	2.4
Agriculture/Natural Resources	30.3	44.6	14.3	47.2	31.0	(13.6)	(30.5)
Transportation	88.8	91.5	2.7	3.0	94.9	3.4	3.7
TOTAL	\$ 3,111.0	\$ 3,342.3	\$ 231.3	7.4%	\$ 3,468.6	\$ 126.3	3.8%

The following pie chart reflects FY 1996 General Fund expenditures by function of government.

FY 1996 State General Fund Expenditures

by Function of Government
(Millions of Dollars)



Expenditures by Major Purpose

Slightly over \$1.9 billion (55.0 percent) of recommended FY 1996 expenditures from the General Fund is paid to local units of government, 30.4 percent represents the costs of state operations, 12.0 percent is for other assistance payments, and 2.7 percent is for capital improvements. Of the \$92.2 million for capital improvements, \$84.5 million is the estimated amount of the demand transfer of General Fund sales tax receipts to the State Highway Fund.

State General Fund Expenditures by Major Purpose

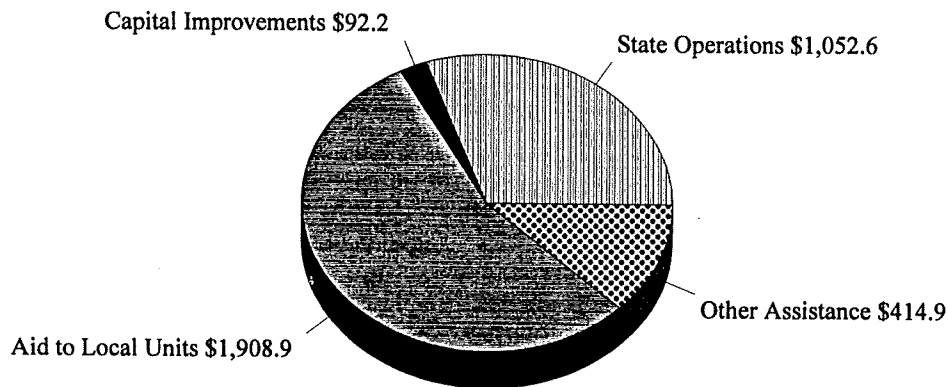
(Millions of Dollars)

	Actual FY 94	Est. FY 95	Change		Rec. FY 96	Change	
			\$	%		\$	%
State Operations	\$ 973.8	\$ 1,020.6	\$ 46.8	4.8%	\$ 1,052.6	\$ 32.0	3.1%
Aid to Local Units	1,750.2	1,861.0	110.8	6.3	1,908.9	47.9	2.6
Other Assistance	302.2	356.9	54.7	18.1	414.9	58.0	16.3
Total Operating	\$ 3,026.1	\$ 3,238.5	\$ 212.4	7.0%	\$ 3,376.4	\$ 137.9	4.3%
Capital Improvements	84.9	103.8	18.9	22.3	92.2	(11.6)	(12.6)
TOTAL	\$ 3,111.0	\$ 3,342.3	\$ 231.3	7.4%	\$ 3,468.6	\$ 126.3	3.8%

The following pie chart displays FY 1996 General Fund expenditures by major purpose.

FY 1996 State General Fund Expenditures

by Major Purpose
(Millions of Dollars)



Total: \$3,468.6

State Operations by Function of Government

The following tabulation shows expenditures for state operations, *i.e.*, excluding state aid, other assistance, and capital improvements, by function of government.

State General Fund for State Operations by Function of Government

(Millions of Dollars)

Function	Actual	Est.	Change		Rec.	Change	
	FY 94	FY 95	\$	%	FY 96	\$	%
General Government	\$ 146.2	\$ 152.4	\$ 6.2	4.2%	\$ 154.7	\$ 2.3	1.5%
Human Resources	170.4	188.2	17.8	10.4	188.9	0.7	0.4
Education	437.5	453.8	16.3	3.7	476.7	22.9	5.0
Public Safety	196.0	203.0	7.0	3.6	208.0	5.0	2.5
Agriculture/Natural Resources	23.7	23.3	(0.4)	(1.7)	24.2	0.9	3.9
Transportation	--	--	--	--	--	--	--
TOTAL	\$ 973.8	\$ 1,020.6	\$ 46.8	4.8%	\$ 1,052.6	\$ 32.0	3.1%

State Aid Local Units of Government

The tabulation on the following page lists state aid by major program or financing source. Although most of the programs of state aid to local units are financed from the State General Fund, some significant ones are financed from the resources of other funds and these are also listed in the tabulation. Some programs are jointly financed from two sources or financing has shifted among sources from time to time. Federal aid is not included in this tabulation.

The tabulation reflects General Fund aid to local school districts in FY 1996 which increases \$39.8 million or 2.5 percent above the FY 1995 level. Total General Fund aid to local units in the budget year increases \$47.9 million or 2.6 percent above the current year. Total other state aid to local units of government decreases \$19.1 million or 3.9 percent below the FY 1995 estimate.

STATE AID TO LOCAL UNITS OF GOVERNMENT
In Thousands

From State General Fund	Actual	Actual	Actual	Revised	Governor's	Increase	
	FY 1992	FY 1993	FY 1994	Est. FY 1995	Rec. FY 1996	FY 1995-1996	
						Amount	Percent
General State Aid	\$ 526,801	\$ 922,778	\$ 1,270,277	\$ 1,311,673	\$ 1,325,231	\$ 13,558	1.0%
Supp. General Aid	--	24,628	35,962	40,271	52,789	12,518	31.1
Income Tax Rebate*	203,901 (a)	--	--	--	--	--	--
Transportation Aid*	44,550	--	--	--	--	--	--
Bilingual Aid*	544	--	--	--	--	--	--
Ft. Leavenworth Aid*	1,608	--	--	--	--	--	--
Voc. Ed.-Area Schools (Part.)*	2,028	--	--	--	--	--	--
Subtotal	<u>779,432</u>	<u>947,406</u>	<u>1,306,239</u>	<u>1,351,944</u>	<u>1,378,020</u>	<u>26,076</u>	<u>1.9</u>
Cap. Improve. Aid	--	4,561	7,061	11,429	16,500	5,071	44.4
KPERS-School**	49,788	53,288	55,808	59,894	59,894	0	0
Special Ed.	121,078	149,026	149,026	177,497	185,816	8,319	4.7
Deaf/Blind/Hand. Children	98	96	99	100	--	(100)	(100.0)
Adult Basic Ed. (USDs)	187	280	290	300	300	0	0
Food Service	2,352	2,364	2,354	2,370	2,370	0	0
In-Service Training	988	2,468	2,475	5,400	5,400	0	0
Parent Education	990	1,754	2,277	2,500	2,750	250	10.0
Ed. Excellence Grants	1,386	--	--	--	--	0	--
Juvenile Detention Grants	--	--	--	2,021	2,243	222	11.0
Subtotal, USDs	<u>956,299</u>	<u>1,161,243</u>	<u>1,525,629</u>	<u>1,613,455</u>	<u>1,653,293</u>	<u>39,838</u>	<u>2.5</u>
Voc. Ed.-Postsecondary	13,616	20,283	16,308	17,755	17,757	2	0.01
Voc. Ed.-Area Schools (Part.)*	5,896	--	--	--	--	--	--
Community Colleges	44,867	48,652	50,076	51,520	52,128	608	1.2
Adult Basic Ed. (CCs)	292	412	420	455	455	0	0
Washburn University	5,932	6,108	6,350	6,807	7,045	238	3.5
Public TV (Washburn)	121	122	121	144	225	81	56.2
Libraries	1,817	3,003	1,979	1,980	3,230	1,250	63.1
Total, Education	<u>1,028,840</u>	<u>1,239,823</u>	<u>1,600,882</u>	<u>1,692,116</u>	<u>1,734,134</u>	<u>42,018</u>	<u>2.5</u>
Local Prop. Tax Reduction***	38,576	39,324	40,293	44,649	46,301	1,652	3.7
Co.-City Revenue Sharing	29,166	30,218	30,629	33,375	34,610	1,235	3.7
Community Corrections	8,764	10,981	11,769	16,038	17,130	1,092	6.8
Community Corr. Camps	1,213	1,381	1,412	1,412	1,455	43	3.0
Watershed Construction	1,558	--	359	--	--	--	--
Soil Conservation Dists.	--	--	--	276	--	(276)	(100.0)
Small Lakes Program	--	--	--	--	750	750	--
Local Public Health	5,682	6,103	6,122	7,237	7,237	0	0
Aging Dept. Programs	347	704	1,119	1,319	1,259	(60)	(4.5)
Community Mental Health	10,033	10,256	9,949	10,033	10,033	0	0
Community Mental Retard.	5,964	5,964	5,594	5,963	5,963	0	0
Community Assnt. Grants	21,155	27,213	31,265	36,115	37,672	1,557	4.3
Arts Program Grants	102	3	--	--	50	50	--
Disaster Relief	308	--	235	13	13	0	0
Motor Carrier Tax to CCHF	9,768	9,631	9,743	10,036	10,407	371	3.7
Pres. Primary Aid	1,291	--	--	--	--	--	--
HOME Program	--	--	678	794	281	(513)	(64.6)
Corp. For Change Grants	--	--	119	196	178	(18)	(9.2)
Mine Shaft Capping	--	124	--	--	--	--	--
Juv. Intake and Assess.	--	--	--	1,420	1,420	0	0
Crawford Co. Flood Study	--	--	--	40	--	(40)	(100.0)
Total, Other Programs	<u>133,927</u>	<u>141,902</u>	<u>149,286</u>	<u>168,916</u>	<u>174,759</u>	<u>5,843</u>	<u>3.5</u>
Total, General Fund	<u>\$ 1,162,767</u>	<u>\$ 1,381,725</u>	<u>\$ 1,750,168</u>	<u>\$ 1,861,032</u>	<u>\$ 1,908,893</u>	<u>\$ 47,861</u>	<u>2.6%</u>
Percent of Total SGF Expend.	46.7%	51.4%	56.3%	55.7%	55.0%		

STATE AID FROM OTHER FUNDS FOR EDUCATION
In Thousands

From Other Funds	Actual	Actual	Actual	Revised	Governor's	Increase	
	FY 1992	FY 1993	FY 1994	Est. FY 1995	Rec. FY 1996	FY 1995-FY 1996	
						Amount	Percent
School Dist. Finance	\$ --	\$ 11,606	\$ 26,309	\$ 32,259	\$ 32,600	\$ 341	1.1
Driver Safety/Training	1,396	1,492	1,465	1,515	1,515	0	0
School Dist. Cap. Improve.	--	(71)	--	71	--	(71)	(100.0)
Co. Mineral Prod. Tax	3,086	3,231	3,481	3,182	2,750	(432)	(13.6)
Econ. Devel. Initiatives							
Ed. Excellence Grants	990	1,497	1,485	1,485	1,485	0	0
Voc. Ed.-Postsecondary	500	500	4,963	5,700	6,050	350	6.1
Voc. Ed.-Cap. Outlay	1,000	999	990	1,500	1,500	0	0
Tech. Grants-CCs/AVS	496	497	492	495	145	(350)	(70.7)
Libraries	--	280	1,319	1,250	--	(1,250)	(100.0)
Total	\$ 7,468	\$ 20,031	\$ 40,504	\$ 47,457	\$ 46,045	(1,412)	(3.0)

- * Aid program was abolished in 1992 when the current programs for general and supplement general aids were created. The vocational education entry for USDs was for state aid paid on behalf of secondary students at area vocational schools. The new general aid program includes enrollment weightings for transportation and bilingual and vocational education, among others.
- ** State payment of employer contribution for school employees retirement, mostly on behalf of school districts but part on behalf of community colleges and area vocational schools.
- *** Community colleges and Washburn University share in this aid, but most goes to counties, cities, townships, and special districts. School districts do not participate.
- a) Amount actually distributed to school districts, excluding \$2.216 million that was transferred from the General Fund to the School Districts Income Tax Fund but returned to the General Fund as a receipt item at the end of FY 1992.

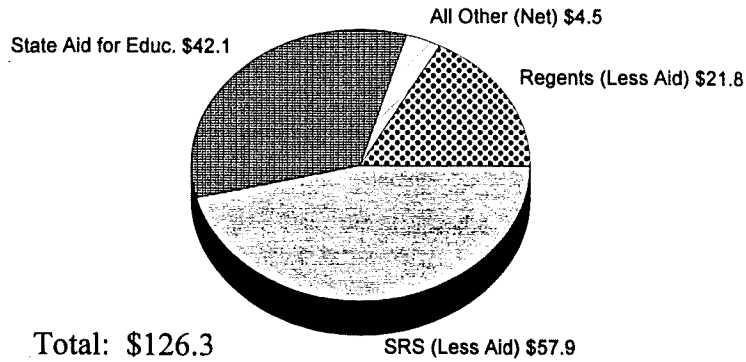
SELECTED NONEDUCATION STATE AID FROM OTHER FUNDS
In Thousands

From Other Funds	Actual	Actual	Actual	Revised	Governor's	Increase	
	FY 1992	FY 1993	FY 1994	Est. FY 1995	Rec. FY 1996	FY 1995-1996	
						Amount	Percent
City-Co. Highway and Co. Equal. and Adj.*	\$ 96,648	\$ 105,265	\$ 112,817	\$ 112,950	\$ 112,702	\$ (248)	(0.2)%
State Highway-City							
Maintenance Payments	2,165	2,143	2,169	2,240	2,240	0	0
Elderly/Hand. Transport.	116	240	377	1,156	1,000	(156)	(13.5)
Local Alcoholic Liquor	11,160	12,159	12,429	12,678	12,880	202	1.6
Firefighter's Relief	3,715	3,780	4,024	4,081	4,141	60	1.5
Co. Mineral Prod. Tax- Counties' Share	3,087	3,231	3,482	3,183	2,751	(432)	(13.6)
Econ. Devel. Initiatives							
Co. Reappraisal Aid	3,000	3,000	2,780	3,000	--	(3,000)	(100.0)
Rental MV Excise Tax	1,253	1,409	1,582	1,700	1,700	0	0
Waste Tire	--	940	661	808	1,000	192	23.8

- * Does not include demand transfer from the State General Fund of motor carrier property tax receipts.

STATE GENERAL FUND

Governor's Recommended Expenditure Changes FY 1995 to FY 1996 (Millions of Dollars)



DEMAND TRANSFERS FROM THE STATE GENERAL FUND

Demand transfers, certain expenditures specified by statute, are recommended by the Governor to increase by \$11.4 million in FY 1996. The Governor recommends limiting all the demand transfers to no more than a 3.7 percent increase above the prior year for FY 1996, with the exception of the School District Capital Improvement Fund. The recommendation for that fund reflects current law. The Governor's recommendation reduces the Local Ad Valorem Tax Reduction Fund, County-City Revenue Sharing Fund, City-County Highway Fund and the State Highway Fund below the amount provided by current law. The demand transfer amounts for FY 1994 through the FY 1996 recommendation are reflected in the following table.

Recommended Changes in General Fund Programs

The following tabulation summarizes General Fund expenditure changes from the FY 1995 Governor's revised estimate to the Governor's recommendations for FY 1996.

Increase in Total State General Fund Expenditures FY 1995 to FY 1996

	Amount (000)	Percent of Increase
Total Increase	\$ 126,276	100.0%
SRS, Except Hospitals and Youth Centers*	57,863	47.0%
Aid to Local Units		
Education	42,068	33.3
All Other	5,793	4.6
Subtotal	47,861	37.9
Regents Institutions*	21,812	17.3
Department of Corrections and Institutions*	3,351	3.6
Sales Tax Transfer to State Highway Plan	3,014	2.8
Judicial Branch	2,622	2.1
Water Office	(13,611)	(10.8)
All Other*	3,014	2.4

* Excludes state aid to local units of government, if any.

The following pie chart displays the General Fund expenditure changes from FY 1995 to FY 1996. Recommended State General Fund expenditure increases include \$57.9 million (less aid) for the Department of Social and Rehabilitation Services, state aid for education (\$42.1 million), and additional support for Regents institutions (less aid) (\$21.8 million) accounts for 96.4 percent of the recommended increase.

State of the State General Fund

The following tabulation summarizes the status of the State General Fund as to receipts, expenditures, and unencumbered cash balances based on the Governor's recommendation for fiscal years 1995 and 1996.

State General Fund Receipts, Expenditures, and Balances

(Millions of Dollars)

	Actual FY 94	Revised FY 95	Change	Rec. FY 96	Change
Beginning Unencumbered Cash Balance	\$ 384.9	\$ 454.4	\$ 69.5	\$ 359.7	\$ (94.7)
Released Encumbrances	4.8	0.7	(4.1)	--	(0.7)
Receipts	3,175.7	3,247.0	71.3	3,397.1	150.1
Total Resources	<u>\$3,565.4</u>	<u>\$3,702.0</u>	<u>\$ 136.6</u>	<u>\$3,756.8</u>	<u>\$ 54.8</u>
Less Expenditures	3,111.0	3,342.3	231.3	3,468.6	126.3
Ending Unencumbered Cash Balance	<u>\$ 454.4</u>	<u>\$ 359.7</u>	<u>\$ (94.7)</u>	<u>\$ 288.2</u>	<u>\$ (71.5)</u>
Ending Balance as a Percentage of Expenditures	14.6%	10.8%		8.3%	
Receipts in Excess of Expenditures	\$ 64.7	\$ (95.4)		\$ (71.5)	

The FY 1996 General Fund balance as a percentage of expenditures under the Governor's recommendations would be 8.5 percent for that year. Under K.S.A. 75-6702 and 75-6703, the targeted minimum ending balance is 7.5 percent. Receipts for FY 1995 and FY 1996 are equal to the consensus estimates except the Governor recommends several adjustments. First, transfers to the Military Retirement Income Tax Refund Fund scheduled for FY 1996 and FY 1997 have been shifted to FY 1995. The Governor recommends repealing the sales tax on original construction services on March 1, 1995 and the sales tax on utilities consumed in production on June 1, 1995. The Governor also recommends a transfer of \$500,000 from the Security Commissioner to the State General Fund in FY 1996.

The following General Fund profile for FY 1995 to FY 1999 was included in The Governor's Budget Report.

DEMAND TRANSFERS FROM STATE GENERAL FUND TO OTHER FUNDS

In Thousands

Transfer To	Actual FY 1994	Actual or Estimated FY 1995	Estimated FY 1996			Referred to in "Notes" As
			Current Law	Governor's Rec.	Difference	
Local Ad Valorem Tax Reduction Fund	\$ 40,293	\$ 44,649	\$ 47,213	\$ 46,301	\$ (912)	LAVTRF
County-City Revenue Sharing Fund	30,629	33,375	36,070	34,610	(1,460)	CCRSF
City-County Highway Fund	9,743	10,036	12,150	10,407	(1,743)	CCHF
School Dist. Capital Improve. Fund	7,061	11,429	16,500	16,500	0	SDCIF
Subtotal, For Local Units	<u>87,726</u>	<u>99,489</u>	<u>111,933</u>	<u>107,818</u>	<u>(4,115)</u>	
State Highway Fund	79,079	81,451	91,650	84,465	(7,185)	SHF
Water Plan Fund	5,760	5,933	6,000	6,000	0	WPF
State Fair Capital Improvement Fund	117	146	112	112	0	
TOTAL	<u>\$ 172,681</u>	<u>\$ 187,019</u>	<u>\$ 209,695</u>	<u>\$ 198,395</u>	<u>\$ (11,300)</u>	
Increase From Prior Year		14,338	22,676	11,376		

NOTES

For FY 1994, transfers were reduced by 4.0 percent, except to the SDCIF and the State Fair.

For FY 1995, transfers to the CCHF, SHF, and WPF were capped at a 3.0 percent increase over actual transfers in FY 1994.

For FY 1996, the Governor recommends that transfers to the LAVTRF, CCRSF, CCHF, SHF, and WPF not exceed an increase of more than 3.7 percent over actual transfers in FY 1995.

**GOVERNOR'S RECOMMENDED
STATE GENERAL FUND PROFILE
In Millions**

	FY 1995	Increase	FY 1996	Increase	FY 1997	Increase	FY 1998	Increase	FY 1999	Increase
Beginning Balance	\$ 455.1		\$ 359.7		\$ 288.2		\$ 267.6		\$ 277.6	
Receipts										
Consensus Est.	3,288.1	3.5%	3,409.3	3.7%	3,560.5	4.4%	3,743.1	5.1%	3,916.3	4.6%
Sales Tax Adj.	(4.3)		(29.4)		(31.5)		(33.0)		(34.6)	
Other Adj.	(36.9)		17.8		17.3		--		--	
Total	3,247.0	2.2%	3,397.1	4.6%	3,546.3	4.4%	3,710.1	4.6%	3,881.7	4.6%
Expenditures										
Gen. and Supp. School Aids	1,351.9	\$ 45.7	1,378.0	\$ 26.1	1,409.3	\$ 31.3	1,424.9	\$ 15.6	1,430.2	\$ 5.3
Demand Transfer to:										
SDCIF	11.4	4.4	16.5	5.1	20.5	4.0	22.5	2.0	24.0	1.5
SHF	81.5	2.4	84.5	3.0	92.7	8.2	96.4	3.7	100.3	3.9
LAVTRF	44.6	4.4	46.3	1.7	48.4	2.1	50.2	1.8	52.3	2.1
CCRSF	33.4	2.7	34.6	1.2	36.9	2.3	38.3	1.4	39.8	1.5
CCHF	10.0	0.3	10.4	0.4	13.2	2.8	13.8	0.6	14.5	0.7
WPF	5.9	0.2	6.0	0.1	6.0	--	6.0	--	6.0	--
State Fair	0.1	--	0.1	--	0.1	--	0.1	--	0.1	--
All Other Expend.	1,803.5	171.4	1,892.2	88.7	1,939.9	47.7	2,047.9	108.0	2,201.9	154.0
Total	3,342.3	231.3	3,468.6	126.3	3,567.0	98.4	3,700.1	133.1	3,869.1	169.1
Percent Increase		7.4%		3.8%		2.8%		3.7%		4.6%
Ending Balance	359.7		288.2		267.6		277.6		290.3	
% of Expenditures	10.8%		8.3%		7.5%		7.5%		7.5%	
Receipts in Excess of Expend.	(95.4)		(71.5)		(20.7)		10.0		12.7	

Demand Transfers

See footnotes on following page

SDCIF -- School District Capital Improvements Funds

SHF -- State Highway Fund*

LAVTRF -- Local Ad Valorem Tax Reduction Fund

CCRSF -- County-City Revenue Sharing Fund

CCHF -- City-County Highway Fund*

WPF -- Water Plan Fund*

*For FY 1995, the SHF, CCHF, and WPF transfers are capped at 3 percent over FY 1994 actual.

Notes: Estimated demand transfers for FY 1996 are all capped at no greater than a 3.7 percent increase above the FY 1995 levels with the exception of the SDCIF. The SDCIF reflects the latest estimates. For FYs 1997 through 2000 the demand transfers reflect current law, although adjusted to reflect the Governor's revision to sales taxes.