

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chair Melvin Neufeld at 9:00 a.m. on February 28, 2003, in Room 514-S of the Capitol.

All members were present:

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Amy Deckard, Legislative Research Department
Becky Krahl, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Analyst
Sue Fowler, Committee Secretary

Conferees appearing before the committee:

Others attending: See Attached

HB 2415 was referred to Social Services Budget Committee.

Hearing on SB 175 - State general fund, consensus revenue estimate April 2003

J. G. Scott, Legislative Research Department, presented a briefing on State General Fund Revenue Estimates, Final Estimate as Compared to Actual Receipts (Attachment 1). He distributed information which details which fiscal year the estimates were made for the final estimate that was made, the actual receipts and the percent change.

The proposed date, under the bill, for the Consensus Revenue Estimates would be on or before April 22, 2003. Currently the Director of the Budget and the Director of the Legislative Research Department are charged with developing the joint estimate for the State General Fund for the current year and the ensuing fiscal year. This will be done with assistance from a group which includes personnel of the Division of Budget, Kansas Legislative Research Department, Department of Revenue and university economists.

The Director of Budget indicated in his previous testimony that by delaying the final estimate they will be able to open additional income tax returns, increasing the likelihood of a better estimate. The original final estimate date was to be held on or before April 18, 2003 and the Senate Ways and Means Committee amended the bill by moving the date to April 22, 2003.

There were no proponents or opponents to the bill and Chair Neufeld closed the hearing on **SB 175**.

Representative Nichols reviewed the budget noting that for February 2003 the budget was down \$37.6 million in tax monies. There is a the potential to nearly double the current fiscal short fall within this fiscal year when the \$37.6 million is added to the \$33 plus million decrease since the last estimate in November.

Representative Nichols moved to amend SB 175 to authorize a second consensus estimate prior to April 22, 2003, by adding language in subsection (d) to the effect that the directors may prepare a second, additional joint estimate of revenue to the state general fund for the current fiscal year and the ensuring fiscal year prior to April 22. Motion seconded by Representative Shriver.

The Committee discussed that the consensus revenue estimate done in the spring of FY 2002 had the largest margin of error in the history of this process and questioned the benefit of making the earlier estimate. An agreed date of April 22 by the Governor and the Senate was established in order to maximize the accuracy of of tax receipts. If a double consensus estimate is authorized (March and April), the Legislature might be forced to prepare three budgets before the end of the Session and Omnibus. One budget has been prepared using the November estimates and the actual budget will be developed at the end of the session and during Omnibus.

Representative Nichols clarified that his amendment does not mandate a second budget. It allows a second

CONTINUATION SHEET

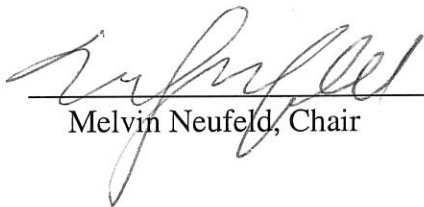
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budget meeting sometime between now and April 22, if the Legislature and the Governor so desire. It does not change that policy, it just allows a second estimate and more current numbers.

Representative Nichols renewed his motion to amend SB 175. Motion failed.

Representative Bethell moved to report favorably SB 175. Motion was seconded by Representative Merrick. Motion carried.

The meeting was adjourned at 11:05 a.m. The next meeting is scheduled for March 5, 2003.



Melvin Neufeld, Chair

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: *February 28, 2003*

NAME	REPRESENTING
<i>Beth Schmitt</i>	<i>LPA</i>
<i>Erin Hinton</i>	<i>"</i>
<i>Cindy Lash</i>	<i>LPA</i>
<i>Crystal Gatewood</i>	
<i>Carolyn Minos</i>	
<i>Kyle Kessler</i>	<i>DOT3</i>
<i>Dickiegnitche</i>	<i>DOT3</i>

STATE GENERAL FUND REVENUE ESTIMATES
In Millions

Final Estimate as Compared to Actual Receipts

Fiscal Year	Final Estimate ¹	Actual Receipts ¹	Diff. Between Actual Receipts and Final Estimate	
			Amount	Percent
1975	\$614.9 ^a	\$627.6	\$12.7	2.1%
1976	699.7	701.2	1.4	0.2
1977	760.7	776.5	15.8	2.1
1978	861.2	854.6	(6.5)	(0.8)
1979	1,019.3	1,006.8	(12.5)	(1.2)
1980	1,095.9	1,097.8	1.9	0.2
1981	1,226.4	1,226.5	0.1	0.0
1982	1,320.0	1,273.0	(47.0)	(3.6)
1983	1,366.9	1,363.6	(3.2)	(0.2)
1984	1,539.0	1,546.9	7.9	0.5
1985	1,679.7	1,658.5	(21.3)	(1.3)
1986	1,666.4	1,641.4	(25.0)	(1.5)
1987	1,764.7	1,778.5	13.8	0.8
1988	2,031.5	2,113.1	81.6	4.0
1989	2,206.9	2,228.3	21.4	1.0
1990	2,283.3	2,300.5	17.2	0.8
1991	2,360.6	2,382.3	21.7	0.9
1992	2,454.5	2,465.8	11.3	0.5
1993	2,929.6	2,932.0	2.4	0.1
1994	3,126.8	3,175.7	48.9	1.6
1995	3,243.9	3,218.8	(25.1)	(0.8)
1996	3,409.2	3,448.3	39.0	1.1
1997	3,642.4	3,683.8	41.4	1.1
1998	3,971.0	4,023.7	52.7	1.3
1999	4,051.9	3,978.4	(73.4)	(1.8)
2000	4,161.0	4,203.1	42.1	1.0
2001	4,408.7	4,415.0	6.4	0.1
2002	4,320.6	4,108.9	(211.7)	(4.9)

1. For FYs 1975-1988, not adjusted for 1988 legislation which changed three revenue transfers (netted out of receipts) to demand transfers (expenditures).
- a) The first estimate of the Consensus Estimating Group was the revised estimate for FY 1975. This final estimate of \$614.9 million reflects a reduction in receipts of about \$127,000 made by the 1975 Legislature.

Note: Details may not add to totals due to rounding.

HOUSE APPROPRIATIONS

DATE 2-28-03
ATTACHMENT 1