

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 a.m. on March 5, 2004 in Room 514-S of the Capitol.

All members were present except:

Representative Jo Ann Pottorff- excused  
Representative Tom Klein- excused

Committee staff present:

Alan Conroy, Legislative Research  
J. G. Scott, Legislative Research  
Amy VanHouse, Legislative Research  
Michele Alishahi, Legislative Research  
Robert Waller, Legislative Research  
Jim Wilson, Revisor of Statutes  
Mike Corrigan, Revisor of Statutes  
Nikki Feuerborn, Administrative Analyst  
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Others attending:

See Attached List.

- Attachment 1 Budget Committee Report on Department of Transportation (DOT)
- Attachment 2 State General Fund Receipts, July through February, FY 2004

Representative Bethell moved to approve the Committee minutes, as written, of the February 24 and February 25, 2004, meetings. The motion was seconded by Representative Landwehr. Motion carried.

Representative Schwartz moved to introduce two pieces of legislation regarding water. The motion was seconded by Representative Feuerborn. Motion carried.

**Hearing on SB 323 - Changing the date of the joint estimates of revenue to the state general fund from April 4 to April 20.**

The Chair recognized J. G. Scott, Legislative Research Department, who explained that **SB 323** strikes the temporary portion of the bill that moves the consensus revenue estimating date from April 4 to April 22 and statutorily changes the consensus revenue estimating date from April 4 to on or before April 20. This change in date will allow for the computation of more accurate revenue information to be used during Omnibus.

With no proponents nor opponents to speak on the bill, the hearing on **SB 323** was closed.

Representative Bethell moved to pass **SB 323** favorably. The motion was seconded by Representative Landwehr. Motion carried.

Representative McCreary, Chair of the Tax, Judicial, Transportation & Retirement Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Transportation (DOT) for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 1). The motion was seconded by Representative Campbell. Motion carried.

A minority report, written by Representative Mike O'Neal, member the Budget Committee, was read and included as part of the FY 2005 Department of Transportation Budget Committee recommendation (Attachment 1).

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on March 5, 2004 in Room 514-S of the Capitol.

Representative McCreary, Chair of the Tax, Judicial, Transportation & Retirement Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Transportation (DOT) for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 with comments (Attachment 1). The motion was seconded by Representative Campbell.

Representative Feuerborn moved for a substitute motion to accept the minority report on the FY 2005 recommendation for Department of Transportation. The motion was seconded by Representative Shultz. Motion failed.

The Committee expressed concern with the underfunding of the Comprehensive Transportation Plan (CTP) which was passed in 1999 and the effect the continued underfunding would have on scheduled projects. The Budget Committee noted that it is projected that the State could receive approximately a 35 percent increase in funds or approximately \$600 million additional funds, from the new federal transportation plan, if passed.

Representative Landwehr moved to amend the Budget Committee report by adding language requesting a report showing the amount of the transfer from the State General Fund (SGF) to the State Highway Fund and the amount of transfer from the State Highway Fund to the SGF for the past ten years. The motion was seconded by Representative Bethell. Motion carried.


Responding to a question from the Committee with reference to the bond payments, Deb Miller, Secretary of DOT, stated that bonds were authorized in 1999 and additional bonds were authorized in 2001 with those bonds being issued out of the State Highway Fund. When all of the bonds have been issued, the debt service, which is not level, will be approximately \$176 to \$180 million with all of the bonds being paid off in 2026. The Governor has proposed an additional \$465 million in bonds to be issued out of the SGF with the assumption that these would be 20-year bonds.

Representative Henry moved to amend the Budget Committee report by adding language requesting that the Department of Transportation provide a list of proposed projects to be eliminated in the CTP if funding is not available. The motion was seconded by Representative Ballard. Motion failed.

Representative McCreary renewed the motion to accept the Budget Committee report on the Department of Transportation for FY 2005 as amended. The motion was seconded by Representative Campbell. Motion carried. Representative Howell requested to be recorded as voting "no" on the motion.

Alan Conroy, Legislative Research Department, presented an update report on the State General Fund Receipts, July through February, FY 2004 (Attachment 2).

The meeting was adjourned at 10:10 a.m. The next meeting will be held at 9:00 a.m. on March 8, 2004.

  
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Melvin Neufeld, Chairman



Tax, Judicial, Transportation, Retirement Budget Committee

KANSAS DEPARTMENT OF TRANSPORTATION  
FY 2004 AND FY 2005

  
Representative Bill McCreary, Chair

  
Representative Larry Campbell

  
Representative Tom Klein

Representative Mike O'Neal

  
Representative Tom Sawyer

HOUSE APPROPRIATIONS

DATE 3-5-2004  
ATTACHMENT 1

## SENATE SUBCOMMITTEE REPORT

**Agency:** Kansas Department of Transportation    **Bill No.** 536

**Bill Sec.** 52

**Analyst:** Waller

**Analysis Pg. No.** Vol. 2 -1061

**Budget Page No.** 409

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2004</u>	<u>Gov. Rec. FY 2004</u>	<u>Senate Subcommittee Adjustments</u>
Agency Operations	\$ 235,676,813	\$ 233,876,534	\$ 0
Debt Service	108,138,040	108,138,040	0
Aid to Local Units	180,667,054	180,667,054	0
Other Assistance	3,385,000	3,385,000	0
Other Operations	689,792,499	689,792,499	0
Subtotal - Reportable	\$ 1,217,659,406	\$ 1,215,859,127	\$ 0
Nonreportable Expenses	234,640,751	38,629,501	0
Total - Operations	<u>\$ 1,452,300,157</u>	<u>\$ 1,254,488,628</u>	<u>\$ 0</u>
<u>Financing Summary</u>			
State General Fund	\$ 0	\$ 0	\$ 0
State Highway Fund	831,258,665	829,458,376	0
All Other Funds	386,400,751	386,400,751	0
Subtotal - Reportable	\$ 1,217,659,416	\$ 1,215,859,127	\$ 0
Nonreportable Funds	234,640,751	38,629,501	0
Total - All Funds	<u>\$ 1,452,300,167</u>	<u>\$ 1,254,488,628</u>	<u>\$ 0</u>
FTE Positions	3,247.5	3,247.5	0.0
Unclassified Temp. Positions	10.0	10.0	0.0
TOTAL	<u>3,257.5</u>	<u>3,257.5</u>	<u>0.0</u>

### Agency Estimate/Governor's Recommendation

The agency's revised FY 2004 reportable budget reflects a decrease of \$240,135,410 from the approved amount. The agency estimate contains no State General Fund related expenditures which is consistent with their approved budget.

- For agency operations, the following changes in the revised budget are noted:
  - Salaries and wages decrease by \$580,888 due to shrinkage and overtime compensation;
  - Other operating expenses decrease by \$4,105,706 due mostly to a reduction in commodity and capital outlay expenditures;

- Within the Substantial Maintenance program, \$99,326,000 is estimated to be expended. This is a reduction of \$75,599,000 from the \$174,925,000 approved figure due to the utilization of bonding proceeds to finance expenditures. However, if the additional \$75,000,000 in bond proceeds are taken into account, expenditures decrease by \$599,000 from the approved amount.
- For Construction, Design Right of Way contract expenses increase from \$26,000,000 to \$32,997,000 (26.9 percent), and Local Construction estimates are expected to increase by \$2,556,000 from the current year figure of \$136,724,000.
- Local Aid is reduced by \$3,002,377 from the current year amount (\$180,649,677).
- State Projects are estimated to decrease by \$168,575,250 from the approved \$557,731,000 amount. However, if the additional \$121,011,250 in bond proceeds are taken in account, the reduction between the approved and estimated amounts totals \$46,964,000.
- Debt Service payments are set to be reduced from \$120,002,449 to \$108,138,040 (9.9 percent).
- Building expenses increase from \$4,999,283 to \$13,033,749 due to the utilization of carry over balances to finance expenditures.

**The Governor** concurs with the agency's FY 2004 estimate, with the following adjustments:

- increases shrinkage savings (\$1,431,271); and
- reduces vehicle purchase expenditures by \$369,008.

### **Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation.

### **Senate Committee Recommendations**

The Senate Committee concurs with the Subcommittee's recommendation.

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## HOUSE BUDGET COMMITTEE REPORT

**Agency:** Kansas Department of Transportation

**Bill No.** HB 2899

**Bill Sec.** 52

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2004</u>	<u>Gov. Rec. FY 2004</u>	<u>House Budget Committee Adjustments</u>
Agency Operations	\$ 235,676,813	\$ 233,876,534	\$ 0
Debt Service	108,138,040	108,138,040	0
Aid to Local Units	180,667,054	180,667,054	0
Other Assistance	3,385,000	3,385,000	0
Other Operations	689,792,499	689,792,499	0
Subtotal - Reportable	\$ 1,217,659,406	\$ 1,215,859,127	\$ 0
Nonreportable Expenses	234,640,751	38,629,501	0
Total - Operations	<u>\$ 1,452,300,157</u>	<u>\$ 1,254,488,628</u>	<u>\$ 0</u>
 <u>Financing Summary</u>			
State General Fund	\$ 0	\$ 0	\$ 0
State Highway Fund	831,258,665	829,458,376	0
All Other Funds	386,400,751	386,400,751	0
Subtotal - Reportable	\$ 1,217,659,416	\$ 1,215,859,127	\$ 0
Nonreportable Funds	234,640,751	38,629,501	0
Total - All Funds	<u>\$ 1,452,300,167</u>	<u>\$ 1,254,488,628</u>	<u>\$ 0</u>
FTE Positions	3,247.5	3,247.5	0.0
Unclassified Temp. Positions	10.0	10.0	0.0
TOTAL	<u>3,257.5</u>	<u>3,257.5</u>	<u>0.0</u>

### Agency Estimate/Governor's Recommendation

The agency's revised FY 2004 reportable budget reflects a decrease of \$240,135,410 from the approved amount. The agency estimate contains no State General Fund related expenditures which is consistent with their approved budget.

- For agency operations, the following changes in the revised budget are noted:
  - Salaries and wages decrease by \$580,888 due to shrinkage and overtime compensation;
  - Other operating expenses decrease by \$4,105,706 due mostly to a reduction in commodity and capital outlay expenditures;

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- Within the Substantial Maintenance program, \$99,326,000 is estimated to be expended. This is a reduction of \$75,599,000 from the \$174,925,000 approved figure due to the utilization of bonding proceeds to finance expenditures. However, if the additional \$75,000,000 in bond proceeds are taken into account, expenditures decrease by \$599,000 from the approved amount.
- For Construction, Design Right of Way contract expenses increase from \$26,000,000 to \$32,997,000 (26.9 percent), and Local Construction estimates are expected to increase by \$2,556,000 from the current year figure of \$136,724,000.
- Local Aid is reduced by \$3,002,377 from the current year amount (\$180,649,677).
- State Projects are estimated to decrease by \$168,575,250 from the approved \$557,731,000 amount. However, if the additional \$121,011,250 in bond proceeds are taken in account, the reduction between the approved and estimated amounts totals \$46,964,000.
- Debt Service payments are set to be reduced from \$120,002,449 to \$108,138,040 (9.9 percent).
- Building expenses increase from \$4,999,283 to \$13,033,749 due to the utilization of carry over balances to finance expenditures.

**The Governor** concurs with the agency's FY 2004 estimate, with the following adjustments:

- increases shrinkage savings (\$1,431,271); and
- reduces vehicle purchase expenditures by \$369,008.

### **House Budget Committee Recommendation**

The House Budget Committee concurs with the Governor's recommendation.



## SENATE SUBCOMMITTEE REPORT

**Agency:** Kansas Department of Transportation

**Bill No.** 538

**Bill Sec.** 66

**Analyst:** Waller

**Analysis Pg. No.** Vol. 2 -1061

**Budget Page No.** 409

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2005</u>	<u>Gov. Rec. FY 2005</u>	<u>Senate Subcommittee Adjustments</u>
Agency Operations	\$ 240,096,841	\$ 238,895,934	\$ (3,645,920)
Debt Service	112,408,197	112,396,439	0
Aid to Local Units	167,399,207	167,399,207	0
Other Assistance	2,685,000	2,685,000	0
Other Operations	366,094,671	360,748,527	0
Subtotal - Reportable	<u>\$ 888,683,916</u>	<u>\$ 882,125,107</u>	<u>\$ (3,645,920)</u>
Nonreportable Expenses	437,132,703	38,232,703	0
Total - Operations	<u><u>\$ 1,325,816,619</u></u>	<u><u>\$ 920,357,810</u></u>	<u><u>\$ (3,645,920)</u></u>
 <u>Financing Summary</u> 			
State General Fund	\$ 0	\$ 0	\$ 0
State Highway Fund	506,907,081	500,371,788	(3,645,920)
All Other Funds	381,776,835	381,753,319	0
Subtotal - Reportable	<u>\$ 888,683,916</u>	<u>\$ 882,125,107</u>	<u>\$ (3,645,920)</u>
Nonreportable Funds	437,132,703	38,232,703	0
Total - All Funds	<u><u>\$ 1,325,816,619</u></u>	<u><u>\$ 920,357,810</u></u>	<u><u>\$ (3,645,920)</u></u>
FTE Positions	3,247.5	3,247.5	0.0
Unclassified Temp. Positions	10.0	10.0	0.0
TOTAL	<u><u>3,257.5</u></u>	<u><u>3,257.5</u></u>	<u><u>0.0</u></u>

\* The adjustment reflects deletion of the Governor's recommended pay plan adjustments.

### Agency Request/Governor's Recommendation

The agency's FY 2005 reportable budget totals \$888,683,916 and reflects a decrease of \$328,975,490 (27.0 percent) below the current year. Included within the agency's request are increases of \$4,420,028 (1.9 percent) in agency operating expenses and \$4,270,157 (3.9 percent) in debt service expenditures, which were offset by a decrease in other operations (\$323,697,828 or 46.9 percent), \$700,000 (20.7 percent) in other assistance, and \$13,267,847 (7.3 percent) in aid to local units.

State Highway Fund expenditures decrease by \$324,351,574 from the current year due to an increase in non-reportable expenditures from \$234,640,751 to \$437,132,703 (bond issuances).

- For state operations, the following FY 2005 items are noted when compared with the current fiscal year:
  - An increase in salaries and wages expenses by 3.3 percent from \$138,240,066 to \$142,779,207;
  - No change in FY 2005 staffing level is requested;
  - A decrease in other operating expenditures from \$97,436,747 to \$97,317,634 (0.1 percent); and
  - For debt service, an increase in interest payments of \$9,778,399 from the FY 2004 amount of \$65,108,040
  
- For other operations, the following items in the budget are noted as changing from the current fiscal year:
  - A decrease in state construction projects from \$389,155,750 to \$65,537,000 (\$323,618,750 or 83.2 percent) due to a decrease in priority bridge, interstate/non-interstate roadway improvements, and corridor management expenditures. Also, the reduction can be attributed to an increase in bond issuances;
  - An increase in regular maintenance from \$120,648,374 to \$127,375,329 (3.4 percent) due to an increase in contractual services (repair and services) and commodity (maintenance construction material and motor vehicle part) expenses;
  - An increase of \$4,074,347 (3.4 percent) in Special City/County Highway aid payments above the current year. The amount includes \$10,063,664 in Motor Carrier Property tax revenue dedicated to local units of government;
  - An increase in substantial maintenance from \$99,326,000 to \$107,604,000 (\$8,278,000 or 8.3 percent);
  - A decrease of 1.4 percent below the current year estimate of \$54,101,623 within the Management program;
  - An increase in local construction expenses of \$4,003,000 (2.9 percent) above the FY 2004 amount of \$139,280,000;
  - A decrease in building projects from \$13,033,749 to \$9,470,671 (27.3 percent); and
  - A decrease in categorical aid expenditures of \$1,503,617 (6.9 percent) below the current year estimate of \$21,642,760

## **Governor's Recommendation**

**The Governor** recommends \$882,125,107, which is \$6,558,809 (0.7 percent) below the agency's request. From the current fiscal year, the recommendation reflects a decrease of \$333,734,020 or 27.4 percent in reportable expenditures. The Governor concurs with the agency's non-reportable expenditure amount of \$38,232,703, but does not include the non-reportable amount of \$398,000,000 in bond issuance the agency proposes to issue in FY 2005.

- For agency operations, the Governor recommends the following adjustments to the agency's request:
  - An increase of \$2,158,637 in salary expenditures and a decrease in other operating expenditures in the amount of \$3,359,544; and

- An agency operations expenditure limitation of \$238,895,934, a decrease of \$1,200,907 (0.5 percent).
- For other operations, the Governor recommends the following adjustments to the agency's request:
  - The Governor recommends the elimination of the statutory State General Fund demand transfer to the State Highway Fund in FY 2005 (\$180,178,602). The Governor concurs with the agency request to issue bonds (\$398,000,000) in FY 2005, but does not include the amount within the *Governor Budget Report*;
  - Increases shrinkage savings by \$1,487,283; and
  - BEST recommended reductions from the agency's requests: \$374,630 in contractual services, \$11,758 in debt services expenses, \$371,309 in Design Right of Way contracts, \$4,835,000 in building project expenditures, and \$139,835 in Local Construction.

Additionally, the Governor transfers \$44,390,515 in FY 2005 to finance operating expenditures of the Kansas Highway Patrol from the State Highway Fund.

**The Governor's** Comprehensive Transportation Plan Revenue package includes the following:

- Eliminates the State General Fund statutory demand transfer in FY 2005 (\$180.1 million) and FY 2006 (\$187 million est.);
- Reduces the current transfer rate for the demand transfer (from the current 12.0 percent in FY 2005 and beyond) to 3.0 percent in FY 2007 and 6.0 percent in FY 2008 and FY 2009; and
- Issues \$465 million in bonds backed and financed by the State General Fund and the proceeds deposited into the State Highway Fund.

**Summary of Operating Budget FY 2005**

<u>Expenditure Summary</u>	<u>Agency Request FY 2005</u>	<u>Governor Recommend FY 2005</u>	<u>Governor's Adjustments to Agency Request</u>
Management	\$ 53,317,758	\$ 52,122,174	\$ (1,195,584)
Construction	430,933,651	426,368,659	(4,564,992)
Local Support	172,105,786	172,154,839	49,053
Maintenance	<u>232,326,721</u>	<u>231,479,435</u>	<u>(847,286)</u>
<b>TOTAL- Reportable</b>	<b><u>\$ 888,683,916</u></b>	<b><u>\$ 882,125,107</u></b>	<b><u>\$ (6,558,809)</u></b>
Management	\$ 32,882,200	\$ 32,882,200	\$ 0
Construction	326,959,270	3,059,270	(323,900,000)
Local Support	1,317,000	1,317,000	0
Maintenance	<u>75,974,233</u>	<u>974,233</u>	<u>(75,000,000)</u>
<b>TOTAL- Non-Reportable</b>	<b><u>\$ 437,132,703</u></b>	<b><u>\$ 38,232,703</u></b>	<b><u>\$ (398,900,000)</u></b>
<b>GRAND TOTAL</b>	<b>\$ 1,325,816,619</b>	<b>\$ 920,357,810</b>	<b>\$ (405,458,809)</b>
<b>By Major Object of Expenditure:</b>			
Salaries and Wages	\$ 142,779,207	\$ 144,937,844	\$ 2,158,637
Contractual Services	40,565,693	40,191,063	(374,630)
Commodities	31,948,645	31,115,865	(832,780)
Capital Outlay	<u>24,803,296</u>	<u>22,651,162</u>	<u>(2,152,134)</u>
<b>Subtotal - Operations</b>	<b>\$240,096,841</b>	<b>\$238,895,934</b>	<b>(\$1,200,907)</b>
Aid to Local Units	168,684,207	168,684,207	0
Other Assistance	1,400,000	1,400,000	0
Debt Service	112,408,197	112,396,439	(11,758)
Other Operations	<u>366,094,671</u>	<u>360,748,527</u>	<u>(5,346,144)</u>
<b>TOTAL</b>	<b><u>\$ 888,683,916</u></b>	<b><u>\$ 882,125,107</u></b>	<b><u>\$ (6,558,809)</u></b>
<b>GRAND TOTAL</b>	<b>\$ 1,325,816,619</b>	<b>\$ 920,357,810</b>	<b>\$ (405,458,809)</b>
<b>Financing:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
State Highway Fund	506,907,081	500,371,788	(6,535,293)
Other Funds	<u>381,776,835</u>	<u>381,753,319</u>	<u>(23,516)</u>
<b>TOTAL- Reportable</b>	<b><u>\$ 888,683,916</u></b>	<b><u>\$ 882,125,107</u></b>	<b><u>\$ (6,558,809)</u></b>
Bond Proceeds	\$ 398,900,000	\$ 0	\$ (398,900,000)
State Highway Fund	5,009,203	5,009,203	0
Rail Service Improvement	800,000	800,000	0
Transportation Revolving Fund	<u>32,423,500</u>	<u>32,423,500</u>	<u>0</u>
<b>TOTAL- Non-Reportable</b>	<b><u>\$ 437,132,703</u></b>	<b><u>\$ 38,232,703</u></b>	<b><u>\$ (398,458,809)</u></b>
<b>GRAND TOTAL</b>	<b>\$ 1,325,816,619</b>	<b>\$ 920,357,810</b>	<b>\$ (405,458,809)</b>

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## Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation, with the following adjustments:

1. Delete \$3,645,920 from the State Highway Fund to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. The Senate Subcommittee notes the House Committee's recommendation to transfer \$44,390,515 in State Highway Fund, financing currently proposed to fund the Kansas Highway Patrol, to the State General Fund. The House Committee recommendation then transfers \$44,390,515 from the State General Fund to the agency's SGF operating fund. The Senate Subcommittee on Transportation encourages the Senate Subcommittee on the Highway Patrol Budget to utilize the same method of funding to finance Highway Patrol operations in FY 2005. The Senate Subcommittee also recommends that no reduction in the amount of operating funding for the Patrol be made with the transfer.
3. The Senate Subcommittee notes its concern relating to the deletion of the statutory demand transfer from the State General Fund to the State Highway Fund (180.1 million) in FY 2005, and draws attention to the Governor's plan to maintain the integrity of a number of projects outlined by the passage of 1999 HB 2071, the Comprehensive Transportation Act (CTP) and the "red map." However, with additional revenue packages introduced or to be introduced by the appropriate Legislative Committees, the Senate Subcommittee on Transportation makes no recommendation on the various CTP revenue packages. The Subcommittee recommends the Legislature continue its deliberations in determining the extent to which the CTP will continue with the appropriate amount of financing, ensuring that all announced projects will be completed over the life of the CTP. In the alternative, the Kansas Department of Transportation should be directed to begin the process of adjusting or eliminating projects associated with the "red map" due to the decision by the 2004 Legislature to not approve additional funding.
4. The Senate Subcommittee would like to compliment the agency on its efforts in discussing transportation issues with the citizens of Kansas. The Subcommittee notes the numerous grass root "citizen committees" throughout Kansas that the Department involves in critical decisions to ensure and enhance the safety of citizens within those specific regions.
5. The Senate Subcommittee compliments the agency on its efforts to create a state-wide communication network utilizing the towers currently owned and operated by KDOT, to which only the Kansas Highway Patrol currently has access. The introduction of HB 2756 would authorize the Kansas Department of Transportation to purchase equipment and lease that equipment, or access to the equipment, to public safety agencies and governmental and non-governmental entities. The Subcommittee applauds the agency efforts to assist in reducing costs to local entities, and provide personnel (responding to an emergency) the ability to communicate on one system, thereby reducing confusion and increasing the response time to those citizens of Kansas most in need.
6. The Senate Subcommittee directs the agency to provide information on or before Omnibus on the usage of KDOT's fiber optic cable infrastructure by public entities such as public television and libraries.

**Senate Committee Recommendations**

The Senate Committee concurs with the Subcommittee's recommendation, with the following adjustment:

1. The Senate Committee amends the Senate Subcommittee's recommendation in Item 3, the last sentence, after the word "eliminating" to read . . . "announced projects if the decision by the 2004 Legislature to not approve additional funding."

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**HOUSE BUDGET COMMITTEE REPORT**

**Agency:** Kansas Department of Transportation      **Bill No.** HB 2900      **Bill Sec.** 66

<u>Expenditure Summary</u>	Agency Estimate FY 2005	Gov. Rec. FY 2005	House Budget Committee Adjustments
Agency Operations	\$ 240,096,841	\$ 238,895,934	\$ 0
Debt Service	112,408,197	112,396,439	0
Aid to Local Units	167,399,207	167,399,207	0
Other Assistance	2,685,000	2,685,000	0
Other Operations	<u>366,094,671</u>	<u>360,748,527</u>	<u>0</u>
Subtotal - Reportable	\$ 888,683,916	\$ 882,125,107	\$ 0
Nonreportable Expenses	<u>437,132,703</u>	<u>38,232,703</u>	<u>0</u>
Total - Operations	<u>\$ 1,325,816,619</u>	<u>\$ 920,357,810</u>	<u>\$ 0</u>
 <u>Financing Summary</u>			
State General Fund	\$ 0	\$ 0	\$ 0
State Highway Fund	506,907,081	500,371,788	0
All Other Funds	<u>381,776,835</u>	<u>381,753,319</u>	<u>0</u>
Subtotal - Reportable	\$ 888,683,916	\$ 882,125,107	\$ 0
Nonreportable Funds	<u>437,132,703</u>	<u>38,232,703</u>	<u>0</u>
Total - All Funds	<u>\$ 1,325,816,619</u>	<u>\$ 920,357,810</u>	<u>\$ 0</u>
 FTE Positions	 3,247.5	 3,247.5	 0.0
Unclassified Temp. Positions	<u>10.0</u>	<u>10.0</u>	<u>0.0</u>
TOTAL	<u>3,257.5</u>	<u>3,257.5</u>	<u>0.0</u>

## Agency Request/Governor's Recommendation

The agency's FY 2005 reportable budget totals \$888,683,916 and reflects a decrease of \$328,975,490 (27.0 percent) below the current year. Included within the agency's request are increases of \$4,420,028 (1.9 percent) in agency operating expenses and \$4,270,157 (3.9 percent) in debt service expenditures, which were offset by a decrease in other operations (\$323,697,828 or 46.9 percent), \$700,000 (20.7 percent) in other assistance, and \$13,267,847 (7.3 percent) in aid to local units.

State Highway Fund expenditures decrease by \$324,351,574 from the current year due to an increase in non-reportable expenditures from \$234,640,751 to \$437,132,703 (bond issuances).

- For state operations, the following FY 2005 items are noted when compared with the current fiscal year:
  - An increase in salaries and wages expenses by 3.3 percent from \$138,240,066 to \$142,779,207;
  - No change in FY 2005 staffing level is requested;
  - A decrease in other operating expenditures from \$97,436,747 to \$97,317,634 (0.1 percent); and
  - For debt service, an increase in interest payments of \$9,778,399 from the FY 2004 amount of \$65,108,040
  
- For other operations, the following items in the budget are noted as changing from the current fiscal year:
  - A decrease in state construction projects from \$389,155,750 to \$65,537,000 (\$323,618,750 or 83.2 percent) due to a decrease in priority bridge, interstate/non-interstate roadway improvements, and corridor management expenditures. Also, the reduction can be attributed to an increase in bond issuances;
  - An increase in regular maintenance from \$120,648,374 to \$127,375,329 (3.4 percent) due to an increase in contractual services (repair and services) and commodity (maintenance construction material and motor vehicle part) expenses;
  - An increase of \$4,074,347 (3.4 percent) in Special City/County Highway aid payments above the current year. The amount includes \$10,063,664 in Motor Carrier Property tax revenue dedicated to local units of government;
  - An increase in substantial maintenance from \$99,326,000 to \$107,604,000 (\$8,278,000 or 8.3 percent);
  - A decrease of 1.4 percent below the current year estimate of \$54,101,623 within the Management program;
  - An increase in local construction expenses of \$4,003,000 (2.9 percent) above the FY 2004 amount of \$139,280,000;
  - A decrease in building projects from \$13,033,749 to \$9,470,671 (27.3 percent); and
  - A decrease in categorical aid expenditures of \$1,503,617 (6.9 percent) below the current year estimate of \$21,642,760

## Governor's Recommendation

The Governor recommends \$882,125,107, which is \$6,558,809 (0.7 percent) below the agency's request. From the current fiscal year, the recommendation reflects a decrease of \$333,734,020 or 27.4 percent in reportable expenditures. The Governor concurs with the agency's non-reportable expenditure amount of \$38,232,703, but does not include the non-reportable amount of \$398,000,000 in bond issuance the agency proposes to issue in FY 2005.

- For agency operations, the Governor recommends the following adjustments to the agency's request:
  - An increase of \$2,158,637 in salary expenditures and a decrease in other operating expenditures in the amount of \$3,359,544; and
  - An agency operations expenditure limitation of \$238,895,934, a decrease of \$1,200,907 (0.5 percent).
- For other operations, the Governor recommends the following adjustments to the agency's request:
  - The Governor recommends the elimination of the statutory State General Fund demand transfer to the State Highway Fund in FY 2005 (\$180,178,602). The Governor concurs with the agency request to issue bonds (\$398,000,000) in FY 2005, but does not include the amount within the *Governor Budget Report*;
  - Increases shrinkage savings by \$1,487,283; and
  - BEST recommended reductions from the agency's requests: \$374,630 in contractual services, \$11,758 in debt services expenses, \$371,309 in Design Right of Way contracts, \$4,835,000 in building project expenditures, and \$139,835 in Local Construction.

Additionally, the Governor transfers \$44,390,515 in FY 2005 to finance operating expenditures of the Kansas Highway Patrol from the State Highway Fund.

## House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation, with the following comment:

1. The House Budget Committee notes its concern relating to the deletion of the statutory demand transfer from the State General Fund to the State Highway Fund (\$180.1 million) in FY 2005, and draws attention to the following bills introduced before the 2004 Legislature to provide sufficient financing to complete all announced projects associated with the passage of 1999 HB 2071 (the Comprehensive Transportation Plan):



The Governor's Comprehensive Transportation Plan Revenue package includes the following:

- ◆ Eliminates the State General Fund statutory demand transfer in FY 2005 (\$180.1 million) and FY 2006 (\$187 million est.).
- ◆ Reduces the current transfer rate for the demand transfer (from the current 12.0 percent in FY 2005 and beyond) to 3.0 percent in FY 2007 and 6.0 percent in FY 2008 and FY 2009.
- ◆ Issues \$465 million in bonds backed and financed by the State General Fund and the proceeds deposited into the State Highway Fund.

<b>Debt Service on \$465 Million of Bonds Back and Financed by SGF</b>		
Fiscal Year	Bond Sales	Debt Service
2006	\$ 100,000,000	\$ 0
2007	150,000,000	7,500,000
2008	215,000,000	22,781,250
2009 through 2028	--	34,750,000
<b>TOTAL</b>	<u><u>\$ 465,000,000</u></u>	<u><u>\$ 696,693,750</u></u>

**HB 2692**

- ◆ Utilizes the sales tax on new and used vehicles to replace the current demand transfer from the State General Fund to the State Highway Fund (FY 2006 - 20 percent, FY 2007 - 40 percent, FY 2008 - 60 percent, FY 2009 - 80 percent, FY 2010 and beyond - 100 percent)

**HB 2645**

- ◆ Utilizes the sales tax on new and used vehicles to replace the current demand transfer from the State General Fund to the State Highway Fund (FY 2006 - 25 percent, FY 2007 - 50 percent, FY 2008 and beyond - 75 percent)

The House Budget Committee makes no recommendation at this time on these or any other proposals. The Committee recommends the 2004 Legislature continue to explore the various options to finance CTP. However, the Committee notes that the Kansas Department of Transportation would be directed to begin the process of adjusting or eliminating announced projects if the decision by the 2004 Legislature is to not approve additional funding.

### Summary of Operating Budget FY 2005

<u>Expenditure Summary</u>	<u>Agency Request FY 2005</u>	<u>Governor Recommend FY 2005</u>	<u>Governor's Adjustments to Agency Request</u>
Management	\$ 53,317,758	\$ 52,122,174	\$ (1,195,584)
Construction	430,933,651	426,368,659	(4,564,992)
Local Support	172,105,786	172,154,839	49,053
Maintenance	<u>232,326,721</u>	<u>231,479,435</u>	<u>(847,286)</u>
<b>TOTAL- Reportable</b>	<b><u>\$ 888,683,916</u></b>	<b><u>\$ 882,125,107</u></b>	<b><u>\$ (6,558,809)</u></b>
Management	\$ 32,882,200	\$ 32,882,200	\$ 0
Construction	326,959,270	3,059,270	(323,900,000)
Local Support	1,317,000	1,317,000	0
Maintenance	<u>75,974,233</u>	<u>974,233</u>	<u>(75,000,000)</u>
<b>TOTAL- Non-Reportable</b>	<b><u>\$ 437,132,703</u></b>	<b><u>\$ 38,232,703</u></b>	<b><u>\$ (398,900,000)</u></b>
<b>GRAND TOTAL</b>	<b>\$ 1,325,816,619</b>	<b>\$ 920,357,810</b>	<b>\$ (405,458,809)</b>
<b>By Major Object of Expenditure:</b>			
Salaries and Wages	\$ 142,779,207	\$ 144,937,844	\$ 2,158,637
Contractual Services	40,565,693	40,191,063	(374,630)
Commodities	31,948,645	31,115,865	(832,780)
Capital Outlay	<u>24,803,296</u>	<u>22,651,162</u>	<u>(2,152,134)</u>
<b>Subtotal - Operations</b>	\$240,096,841	\$238,895,934	(\$1,200,907)
Aid to Local Units	168,684,207	168,684,207	0
Other Assistance	1,400,000	1,400,000	0
Debt Service	112,408,197	112,396,439	(11,758)
Other Operations	<u>366,094,671</u>	<u>360,748,527</u>	<u>(5,346,144)</u>
<b>TOTAL</b>	<b><u>\$ 888,683,916</u></b>	<b><u>\$ 882,125,107</u></b>	<b><u>\$ (6,558,809)</u></b>
<b>GRAND TOTAL</b>	<b>\$ 1,325,816,619</b>	<b>\$ 920,357,810</b>	<b>\$ (405,458,809)</b>
<b>Financing:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
State Highway Fund	506,907,081	500,371,788	(6,535,293)
Other Funds	<u>381,776,835</u>	<u>381,753,319</u>	<u>(23,516)</u>
<b>TOTAL- Reportable</b>	<b><u>\$ 888,683,916</u></b>	<b><u>\$ 882,125,107</u></b>	<b><u>\$ (6,558,809)</u></b>
Bond Proceeds	\$ 398,900,000	\$ 0	\$ (398,900,000)
State Highway Fund	5,009,203	5,009,203	0
Rail Service Improvement	800,000	800,000	0
Transportation Revolving Fund	<u>32,423,500</u>	<u>32,423,500</u>	<u>0</u>
<b>TOTAL- Non-Reportable</b>	<b><u>\$ 437,132,703</u></b>	<b><u>\$ 38,232,703</u></b>	<b><u>\$ (398,458,809)</u></b>
<b>GRAND TOTAL</b>	<b>\$ 1,325,816,619</b>	<b>\$ 920,357,810</b>	<b>\$ (405,458,809)</b>

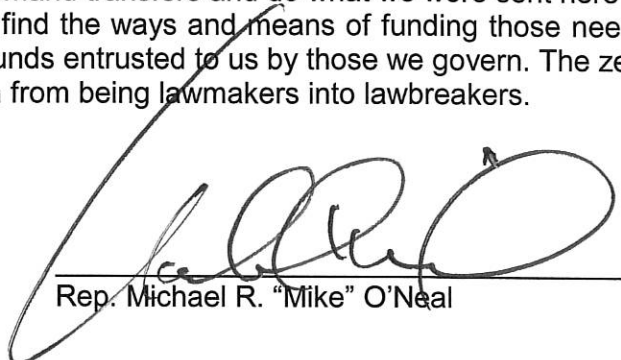
**MINORITY REPORT**

MR. CHAIRMAN:

I respectfully dissent from the Budget Subcommittee report on the FY 2005 Budget for the Kansas Department of Transportation. While I understand the Governor's Comprehensive Transportation Plan revenue package proposal is not technically included in this budget, the elimination of the SGF statutory demand transfer for FY 2005 is, and to that extent the Governor's FY 2005 budget proposal impacts the CTP substantially. The elimination of the statutory demand transfer for FY 2005 diverts an additional \$181 million from the Fund following substantial reductions in dedicated funding in prior years. Last year the proposal was to divert \$94.6 million from the Fund and it was only after my floor amendment passed was the diversion converted into a loan repayable in 4 installments beginning in 2007.

My legislative career has now spanned two comprehensive highway program enactments. These enactments represented hard fought battles culminating in promises to our constituents and to the construction industry that their roads would be built and would have dedicated funding sources. The legislature and now the governor have broken those promises by regular and massive raids on the dedicated highway fund in a desperate attempt to avoid tax increases for spending in other areas. We will be spending highway dollars in areas that didn't lift a finger to support the dedicated funding that was accomplished by supporters of the comprehensive highway program. The governor's proposal is essentially to continue raiding the Highway Fund, and, in order to fulfill the "promise" of roads, replace the diverted funds with a huge bond issue (\$465 million). In other words, we'll be replacing a solemn promise with another promise. And we wonder why state government has a credibility problem.

My proposal, Mr. Chairman, is to restore the funds we've diverted from the Highway Fund, keep our promise as codified in the statutory demand transfers and do what we were sent here to do – govern. If there are needs in the budget, find the ways and means of funding those needs without resorting to outright theft of dedicated funds entrusted to us by those we govern. The zeal to avoid taxes at all costs has caused us to turn from being lawmakers into lawbreakers.



Rep. Michael R. "Mike" O'Neal

### CTP FY 2000-2009 Revenue Summary (In Thousands)

#### Projected Ten-Year Revenues

	Approved 1999	Approved 2003 Legislature	Agency's Revised Sept. 2003	\$ Change from Approved	% Change from Approved	Agency's Revised Nov. 2003	Gov. Rec. FY 2005	\$ Change from Approved	% Change from Approved
Cash Beginning Balance	\$ 475,189	\$ 559,875	\$ 559,875	\$ 84,686	17.8%	\$ 559,875	\$ 559,875	\$ 84,686	17.8%
Motor Fuels Taxes	3,930,400	4,258,865	4,163,918	233,518	5.9%	4,235,530	4,235,530	305,130	7.8%
SGF Sales Tax Transfer	1,830,010	1,134,037	955,995	(874,015)	(47.8)%	967,418	472,526	(1,357,484)	(74.2)%
Quarter Cent	1,071,513	958,696	959,536	(111,977)	(10.5)%	957,690	957,690	(113,823)	(10.6)%
Registration Fees	1,387,995	1,538,440	1,537,127	149,132	10.7%	1,541,627	1,541,627	153,632	11.1%
Interest	251,900	215,473	272,416	20,516	8.1%	272,039	277,906	26,006	10.3%
Other Sources	44,613	59,619	62,239	17,626	39.5%	62,239	62,239	17,626	39.5%
Transfers In	156,762	131,210	123,698	(8,973)	(5.7)%	123,698	588,698	(119,814)	(76.4)%
Subtotal - State	\$ 9,148,382	\$ 8,856,215	\$ 8,634,804	\$ (513,578)	(5.6)%	\$ 8,720,116	\$ 8,696,091	\$ (452,291)	(4.9)%
Federal and Local Construction Reimbursement	\$ 3,012,953	\$ 3,520,248	\$ 3,475,436	\$ 462,483	15.4%	\$ 3,475,436	\$ 3,475,436	\$ 462,483	15.4%
Bonds	\$ 980,075	\$ 1,280,298	\$ 1,282,055	\$ 301,980	30.8%	\$ 1,282,055	\$ 1,282,055	\$ 301,980	30.8%
Net TRF Loan Transactions	\$ 0	\$ 0	\$ 5,085	\$ 5,085	--	\$ 5,085	\$ 5,085	\$ 5,085	--
<b>TOTAL REVENUES</b>	<b>\$ 13,141,410</b>	<b>\$ 13,656,761</b>	<b>\$ 13,397,380</b>	<b>\$ 255,970</b>	<b>1.9%</b>	<b>\$ 13,482,692</b>	<b>\$ 13,458,667</b>	<b>\$ 317,257</b>	<b>2.4%</b>

\* **Source:** KDOT estimates for FY 2005: 2003 Legislative Approved, September and November of 2003, and the Governor's FY 2005 CTP Cash Flow recommendation (which includes the changed in statutory transfer amounts and \$465 million of State General Fund receipts).

**Expenditures:** The CTP budget includes expenditures for maintenance, including regular and substantial maintenance; construction and reconstruction, including major modifications and priority bridges; system enhancement projects; and a highway demonstration project to evaluate guarantees by a contractor. The CTP budget also provides for enhanced assistance to local units of government and other entities, including increased aid from the Special City and County Highway Fund, increased state payments for city connecting links, new state assistance for communities with railroad crossings not on the state highway system, a railroad loan program with new state funding, state financing for general aviation airports, and additional state aid for public transit. Revisions in the proposed 10-year expenditures are noted in the following table.

The 2002 Legislature passed HB 3011, which provides additional financing for the Comprehensive Transportation Plan with the following enhancement provisions:

Motor Fuels taxes increased an additional two cents per gallon with two cents effective June 1, 2002, and an additional cent on July 1, 2003 in accordance with the original CTP legislation. Motor fuels tax rates when all increases are fully phased in on June 1, 2004, would be as follows: gasoline, increased from 21 to 24 cents per gallon; the special fuels tax would be increased from 23 to 26 cents per gallon; and the LP-gas tax would be increased from 20 to 23 cents per gallon.

Motor vehicle registration taxes were increased for passenger automobiles and motorcycles by \$5; and for various trucks by amounts ranging from \$2 to \$10, effective July 1, 2002.

Additionally, the 2002 Legislature reduced major modification and priority bridge set-aside projects (not yet identified) by \$40,000,000 from the State Highway Fund. The projects are identified on a one to three year planning horizon. Cuts were approximately one year of economic development, geometric improvement, railroad crossing surfacing, ITS, corridor management, priority bridge redeck, priority bridge, culvert-bridge, and state and local railroad grade separation funding funding for projects not yet identified.

**CTP FY 2000-2009 Revenue Summary  
(In Thousands)**

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**Projected Ten-Year Expenses**

	Approved 1999	Approved 2003 Legislature	Agency's Revised Sept. 2003	\$ Change from Approved	% Change from Approved	Agency's Revised Nov. 2003	Gov. Rec. FY 2005	\$ Change from Approved	% Change from Approved
Routine Maintenance	\$ 1,226,149	\$ 1,187,034	\$ 1,184,567	\$ (41,582)	(3.4)%	\$ 1,179,730	\$ 1,184,434	\$ (41,715)	(3.4)%
Substantial Maintenance	2,061,731	1,884,696	1,869,150	(192,581)	(9.3)%	1,869,150	1,816,817	(244,914)	(11.9)%
Major Modification and Priority Bridges	3,321,458	3,970,639	3,934,090	612,632	18.4%	3,931,545	3,863,246	541,788	16.3%
System Enhancements	979,993	1,081,501	1,092,458	112,465	11.5%	1,092,458	971,036	(8,957)	(0.9)%
General Aviation	30,000	296,285	29,712	(288)	(1.0)%	29,712	29,712	(288)	(1.0)%
Public Transit	103,823	106,820	110,638	6,815	6.6%	110,638	110,638	6,815	6.6%
Rail Assistance	44,410	40,139	37,334	(7,076)	(15.9)%	37,326	37,326	(7,084)	(16.0)%
Special City-County Highway Fund	1,599,821	1,593,082	1,558,509	(41,312)	(2.6)%	1,579,849	1,579,849	(19,972)	(1.2)%
Local Aid	1,041,867	986,727	959,486	(82,381)	(7.9)%	959,486	959,486	(82,381)	(7.9)%
KLINK Payments	33,600	32,288	32,288	(1,312)	(3.9)%	32,288	32,288	(1,312)	(3.9)%
Management and Other	729,604	744,768	739,287	9,683	1.3%	736,916	739,964	10,360	1.4%
Transfers Out	486,312	598,534	623,672	137,360	28.2%	621,262	777,304	290,992	59.8%
Debt Service (Existing and New)	1,198,034	1,286,886	1,162,402	112,083	9.4%	1,152,628	1,152,628	145,515	12.1%
<b>TOTAL Expenditures</b>	<b>\$ 12,856,802</b>	<b>\$ 13,809,399</b>	<b>\$ 13,333,593</b>	<b>\$ 624,506</b>	<b>4.9%</b>	<b>\$ 13,332,988</b>	<b>\$ 13,254,728</b>	<b>\$ 588,847</b>	<b>4.6%</b>
<b>Ending Balance</b>	<b>\$ 281,607</b>	<b>\$ 113,820</b>	<b>\$ 63,786</b>	<b>\$ (217,821)</b>	<b>(77.3)%</b>	<b>\$ 149,703</b>	<b>\$ 203,939</b>	<b>\$ (230,743)</b>	<b>(81.9)%</b>
<i>Minimum Ending Balance</i>	<i>\$ 220,237</i>	<i>\$ 464,875</i>	<i>\$ 190,360</i>	<i>\$ 262,883</i>	<i>119.4%</i>	<i>\$ 200,019</i>	<i>\$ 200,019</i>	<i>\$ 247,473</i>	<i>112.4%</i>
<b>Available Ending Fund Balance</b>	<b>\$ 61,370</b>	<b>\$ (351,055)</b>	<b>\$ (126,574)</b>	<b>\$ (187,944)</b>	<b>(306.2)%</b>	<b>\$ (50,316)</b>	<b>\$ 3,920</b>	<b>\$ (478,216)</b>	<b>(779.2)%</b>

\* Source: KDOT estimates for FY 2005: 2003 Legislative Approved, September and November of 2003, and the Governor's FY 2005 CTP Cash Flow recommendation.

# KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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March 4, 2004

To: Legislative Budget Committee

## STATE GENERAL FUND RECEIPTS July through February, FY 2004

Based on the revised estimate of SGF receipts in FY 2004 made last November, it was estimated that receipts in November through February would total \$2.870 billion. Actual receipts for those four months were \$2.858 billion or 0.4 percent below the estimate. (Remember that the figures in the "Estimate" and "Actual" columns under FY 2004 in the following table include actual receipts in July through October.)

**Total receipts from July through February of FY 2004 were \$11.4 million or 0.4 percent below the estimate. The component of SGF receipts from taxes only was \$13.6 million or 0.5 percent below the estimate. Total taxes only at the end of January were \$0.7 million or 0.0 percent below the estimate.**

Taxes falling below the estimate by more than \$1.0 million were retail sales (\$13.4 million or 1.2 percent), individual income (\$11.9 million or 1.0 percent), cigarette (\$6.5 million or 7.6 percent), severance (\$3.8 million or 6.6 percent), financial institutions privilege (\$2.8 million or 16.7 percent), and compensating use (\$2.5 million or 1.7 percent). Of note is individual income tax balance due remittances were approximately 15,000 fewer at the end of February 2004, as compared to the end of February 2003. However, February 2004 individual income tax receipts were still \$40.5 million or 3.6 percent above February 2003 individual income tax receipts. February 2004 retail sales tax receipts were \$28.3 million or 2.7 percent above February 2003 retail sales tax receipts.

The tax sources that exceeded the estimate by more than \$1.0 million were corporation income (\$15.6 million or 26.1 percent), insurance premiums (\$6.6 million or 15.3 percent), and motor carriers property tax (\$2.1 million or 18.2 percent). Remember that corporation income tax receipts reflect \$10 million received in December 2003 for amnesty tax payments that had not been part of the total estimated corporate income tax receipts for FY 2004.

Net transfers out of the SGF were \$1.6 million more than the estimate. Interest earnings exceeded the estimate by \$0.9 million and agency earnings exceeded the estimate by \$3.0 million.

Total SGF receipts through February of FY 2004 were \$250.0 million or 9.6 percent above FY 2003 for the same period. **Tax receipts only for the same period exceeded FY 2003 by \$138.8 million or 5.3 percent.**

This report excludes the July 1 deposit to the SGF of \$450.0 million pursuant to the issuance of a certificate of indebtedness. This certificate will be discharged prior to the end of the fiscal year.

HOUSE APPROPRIATIONS

DATE 3-5-2004  
ATTACHMENT 2

## STATE GENERAL FUND RECEIPTS

July-February, FY 2004

(dollar amounts in thousands)

	Actual FY 2003	FY 2004			Percent Increase— FY 2004 Over	
		Estimate*	Actual	Difference	FY 2003	Estimate
<b>Property Tax:</b>						
Motor Carriers	\$ 11,302	\$ 11,250	\$ 13,300	\$ 2,050	17.7 %	18.2 %
General Property	0	8,500	7,835	(665)	--	(7.8)
Motor Vehicle	0	1,200	999	(201)	--	(16.8)
Total	\$ 11,302	\$ 20,950	\$ 22,134	\$ 1,184	95.8 %	5.7 %
<b>Income Taxes:</b>						
Individual	\$ 1,116,587	\$ 1,169,000	\$ 1,157,127	\$ (11,873)	3.6 %	(1.0) %
Corporation	29,041	59,800	75,410	15,610	159.7	26.1
Financial Inst.	15,014	16,600	13,833	(2,767)	(7.9)	(16.7)
Total	\$ 1,160,642	\$ 1,245,400	\$ 1,246,370	\$ 970	7.4 %	0.1 %
Estate/Succ. Tax	\$ 31,591	\$ 30,500	\$ 34,820	\$ 4,320	10.2 %	14.2 %
<b>Excise Taxes:</b>						
Retail Sales	\$ 1,058,257	\$ 1,100,000	\$ 1,086,597	\$ (13,403)	2.7 %	(1.2) %
Comp. Use	148,243	145,000	142,492	(2,508)	(3.9)	(1.7)
Cigarette	86,932	86,000	79,463	(6,537)	(8.6)	(7.6)
Tobacco Prod.	3,031	3,250	3,133	(117)	3.4	(3.6)
Cereal Malt Bev.	1,552	1,675	1,479	(196)	(4.7)	(11.7)
Liquor Gallonage	10,022	10,700	10,542	(158)	5.2	(1.5)
Liquor Enforce.	26,023	27,300	26,822	(478)	3.1	(1.8)
Liquor Drink	4,411	4,800	4,692	(108)	6.4	(2.3)
Corp. Franchise	11,836	15,200	15,699	499	32.6	3.3
Severance	42,507	58,100	54,261	(3,839)	27.7	(6.6)
Gas	31,933	46,500	42,604	(3,896)	33.4	(8.4)
Oil	10,574	11,600	11,658	58	10.3	0.5
Total	\$ 1,392,814	\$ 1,452,025	\$ 1,425,178	\$ (26,847)	2.3 %	(1.8) %
<b>Other Taxes:</b>						
Insurance Prem.	\$ 42,971	\$ 43,150	\$ 49,745	\$ 6,595	(15.8) %	15.3 %
Miscellaneous	2,814	2,600	2,736	136	(2.8)	5.2
Total	\$ 45,785	\$ 45,750	\$ 52,480	\$ 6,730	(14.6) %	%
Total Taxes	\$ 2,642,134	\$ 2,794,625	\$ 2,780,982	\$ (13,643)	5.3 %	(0.5) %
<b>Other Revenue:</b>						
Interest	\$ 13,514	\$ 8,200	\$ 9,082	\$ 882	(32.8) %	10.8 %
Transfers (net)	(83,940)	(15,800)	(17,426)	(1,626)	--	10.3
Agency Earnings and Misc.	36,900	82,550	85,550	3,000	131.8	3.6
Total	\$ (33,526)	\$ 74,950	\$ 77,206	\$ 2,256	-- %	3.0 %
<b>TOTAL RECEIPTS</b>	<b>\$ 2,608,607</b>	<b>\$ 2,869,575</b>	<b>\$ 2,858,188</b>	<b>\$ (11,387)</b>	<b>9.6 %</b>	<b>(0.4) %</b>

\* Consensus estimate as of November 3, 2003. Excludes \$450 million to State General Fund due to issuance of a certificate of indebtedness.

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