

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 A.M. on February 7, 2006 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
Becky Krahl, Legislative Research Department
Matt Spurgin, Legislative Research Department
Michele Alishahi, Legislative Research Department
Reagan Cussimano, Legislative Research Department
Amy Deckard, Legislative Research Department
Audrey Dunkel, Legislative Research Department
Julian Efird, Legislative Research Department
Debra Hollon, Legislative Research Department
Susan Kannarr, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Leah Robinson, Legislative Research Department
Amy VanHouse, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Assistant
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Others attending:

See attached list.

- Attachment 1 Information on **HB 2583**
- Attachment 2 Response to Committee questions from the Division of Personnel Services
- Attachment 3 Baseline Budget Overview
- Attachment 4 Profile of State General Fund (SGF) with Governor's FY 2007 Budget recommendations and Baseline Budget
- Attachment 5 FY 2007 Baseline Budget
- Attachment 6 State General Fund (SGF) Receipts, July thru January, FY 2006

Chairman Neufeld referred the following bills:

HB 2528, HB 2778, HB 2796 and HB 2817 to Agriculture and Natural Resources Budget Committee.

HB 2363, HB 2475 and HB 2504 to Retirement Sub Committee.

HB 2653, HB 2674, HB 2799 and HB 2812 to Social Services Budget Committee.

HB 2786 and HB 2797 to General Government & Commerce Budget Committee.

HB 2818 to Public Safety Budget Committee.

Action on HB 2583 - KPERS amendments relating to purchase of service credit, beneficiaries and disability benefits.

Julian Efird, Legislative Research Department, presented a Legislative Data Sheet and information on **HB 2583**, which was worked by the Retirement Sub Committee (Attachment 1). **HB 2583** was requested by the Kansas Public Employees Retirement System (KPERS) to make technical amendments and clarify language in the KPERS Retirement Act. **HB 2583** can be implemented within current approved KPERS staffing and operating expenditure levels. The Retirement Sub

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 7, 2006 in Room 514-S of the Capitol.

Committee recommends favorable passage of the bill and placement on the consent calendar.

Representative Feuerborn moved to recommend **HB 2583** favorable for passage and to be placed on the consent calendar. The motion was seconded by Representative Lane. Motion carried.

Representative Feuerborn moved to introduce legislation regarding the Board of Regents and the ability to retain interest on accounts. The motion was seconded by Representative Lane. Motion carried.

Representative Henry moved to introduce legislation concerning public assistance for persons convicted of a crime concerning a controlled substance. The motion was seconded by Representative Ballard. Motion carried.

Information on wage rates for select "Hot Jobs", employee turnover comparison for select "Hot Jobs" and raises provided to state employees in the past twenty years, as requested by the Committee, was provided by the Division of Personnel Services and distributed to the Committee (Attachment 2).

J. G. Scott, Legislative Research Department, presented an overview of the baseline budgeting process (Attachment 3). Mr. Scott noted that the FY 2007 baseline budget is based on the FY 2006 budget as approved by the 2005 Legislature with adjustments for salaries and wages, FY 2007 debt service, statutory State General Fund (SGF) revenue transfers, consensus adjustments and selected expenditures and transfers. Responding to Committee questions, Mr. Scott explained that vehicle purchases are excluded from the baseline budget, some federal fund adjustments are excluded in the baseline budget, carry-over balances are not included in the baseline budget, and revenue transfers as directed by statute are included.

Mr. Scott presented a mini profile of the SGF using the Governor's Budget Recommendations and the Baseline Budget (Attachment 4). Responding to a question from the Committee with regard to the difference of \$6.8 million between the SGF Consensus Revenue estimate in the Governor's budget and the baseline budget estimate, Mr. Scott indicated that the Governor's estimate includes \$1.2 additional lottery revenue, \$2.1 additional revenue from Highway Patrol operations, \$500,000 from the Highway Patrol Motor Vehicle Fund, \$1 million from the Insurance Regulation Fund, \$300,000 from the Securities Commission and approximately \$2 million from the Education Safety Fund. The Committee noted that the baseline budget shows an ending balance of approximately \$62 million and maintains a 7.5% ending balance.

Responding to a question from the Committee with regard to the Attorney General's budget, Carolyn Rampey, Legislative Research Department, explained that the FY 2006 approved budget showed approximately \$1 million for water. The Governor's budget recommendation includes only \$280,000 for water which shows a reduction of expenditures in the Governor's budget recommendation

With reference to the reduced expenditures of \$61.7 million in the baseline budget, Mr. Scott stated that large items included in the Governor's budget recommendations pertain to the Board of Regents, employee's pay plan, waivers in Social and Rehabilitation Services (SRS), energy assistance programs, funds to develop teacher skills in education, funding of \$8.9 million for **SB 345** and \$5 million for the cancer research center at University of Kansas.

In addition, Mr. Scott presented the FY 2007 Baseline Budget (SGF) showing the differences between the baseline budget and the Governor's Recommended Budget (Attachment 5). Mr. Scott noted that these budgets do not include the biennial budgets. Adjustments will be explained in detail when each budget is worked by the appropriate budget committee.

Alan Conroy, Legislative Research Department, presented an update on State General Fund (SGF) Receipts for the period July through January, FY 2006 (Attachment 6). Mr. Conroy noted that SGF receipts are \$69 million or 2.4% above the estimated receipts. Also noting that there is strength in individual income taxes, up approximately \$28 million, and corporate income tax which is up over \$37 million. Mr. Conroy stated that income tax receipts from payers of estimated income taxes,

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during January, were \$105 million, the highest such monthly total on record. To date, total receipts for FY 2006 are \$280.4 million or 10.3 percent above FY 2005 receipts for the same period.

Representative Landwehr moved to approve the minutes, as written, of January 24 and January 31. The motion was seconded by Representative Feuerborn. Motion carried.

The meeting was adjourned at 9:45 a.m. The next meeting will be held at 9:00 a.m. on February 8, 2006.


Melvin Neufeld, Chair

HOUSE APPROPRIATIONS COMMITTEE

February 7, 2006

9:00 a.m.

NAME	REPRESENTING
Mark Heim	SCC
Leslie Torres	SIRCK
Marty Kendall	IC, DOA
Ron Seeburg	Heim Law Firm
A.M. Hoff	SxIL
JEREMY S. BARCLAY	KDOC
J. Dougherty	ESU
DK Prisleaux	FISH

Kansas Public Employees Retirement System

Legislative Data Sheet

2006 House Bill 2583

Sponsored by the Joint Committee on Pensions, Investments and Benefits

Effects of Bill

HB 2583 provides for three technical amendments that clarify vague or ambiguous language in the Kansas Public Employees Retirement Act at K.S.A. 74-4901 *et seq.*:

- Clarifies certain terminology describing Tier II members of the Kansas Police and Firemen's Retirement System who become disabled.
- Corrects the syntax of K.S.A. 74-4902(7) and K.S.A. 74-4902(33) to allow members of KPERs, KP&F, and the Retirement System for Judges to name individuals *and* trusts as co-primary beneficiaries for death benefits.
- Makes service purchase cost calculations more accurately reflect actual costs by specifying that such costs will be based on the *higher* of the current annual rate of pay or current final average salary.

Fiscal Impact

The Retirement System could implement HB 2583 within currently approved staffing and operating expenditure levels.

Date: January 19, 2006

Source: Mary Beth Gr

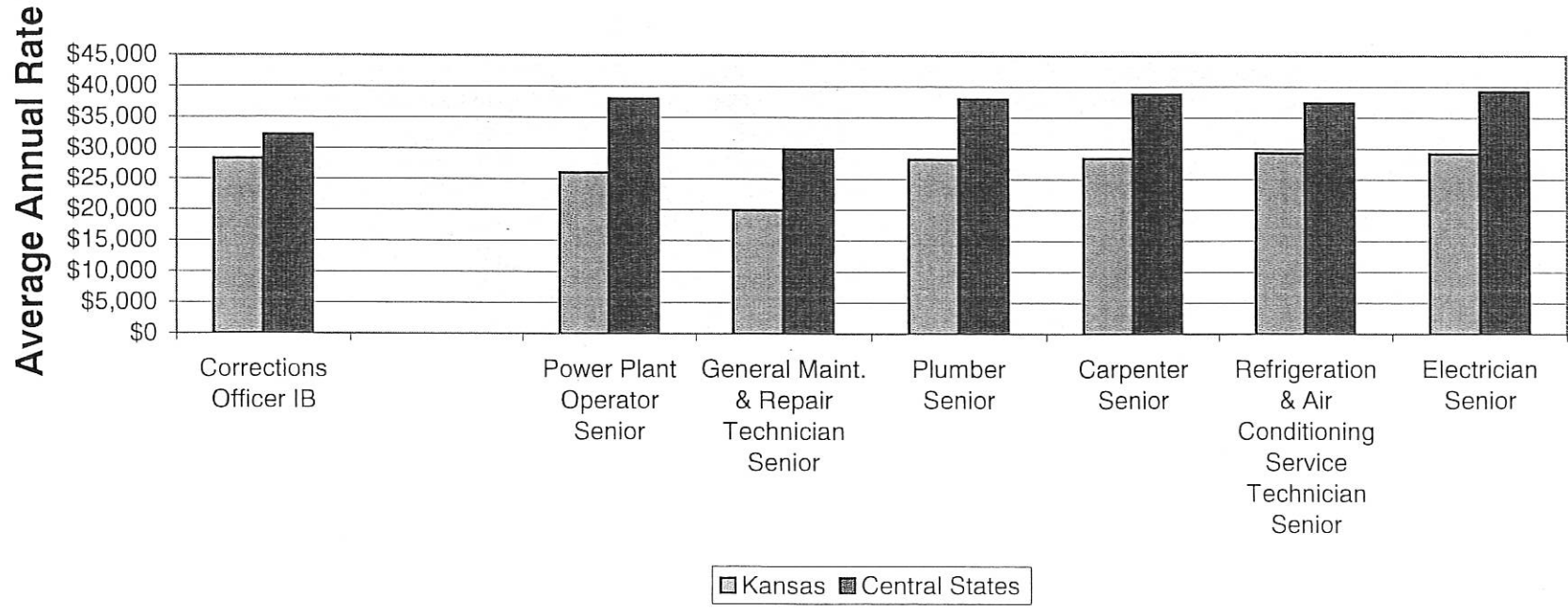
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Comparison of Average Wage Rates for Select "Hot Jobs": Kansas vs. Central States

Kansas' Job Classification	Average Annual Wage Rate		Annual	KS Rate as a
	Kansas	Central States	Difference	Percent of Cental States' Average
Corrections Officer IB	\$28,306	\$32,166	-\$3,860	-12%
Power Plant Operator Senior	\$26,042	\$38,042	-\$12,000	-32%
General Maint. & Repair Technician Senior	\$19,948	\$29,884	-\$9,936	-33%
Plumber Senior	\$28,221	\$38,039	-\$9,818	-26%
Carpenter Senior	\$28,454	\$38,804	-\$10,350	-27%
Refrigeration & Air Conditioning Service Technician Senior	\$29,302	\$37,409	-\$8,107	-22%
Electrician Senior	\$29,224	\$39,296	-\$10,072	-26%

Wage Comparison with Other States



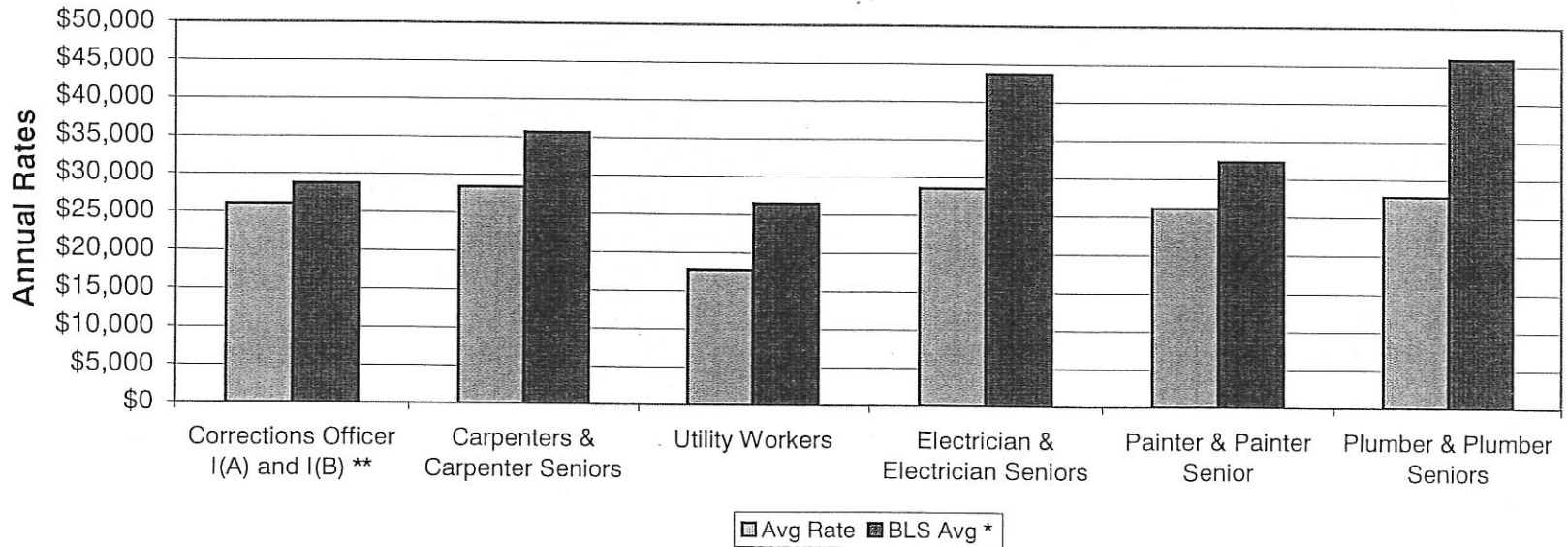
Wage Comparison for "Hot Jobs": State Employee Average versus Average of Kansas Employers

SOURCE: U.S. Bureau of Labor Statistics, November 2004 State Occupational Employment and Wage Estimates

Kansas Class Title	Avg Rate	BLS Avg *	Difference	KS Avg. Wage Rate as a % of BLS Avg.
Corrections Officer I(A) and I(B) **	\$26,083	\$28,772	-\$2,689	-9.3%
Carpenters & Carpenter Seniors	\$28,425	\$35,692	-\$7,267	-20.4%
Utility Workers	\$17,805	\$26,480	-\$8,675	-32.8%
Electrician & Electrician Seniors	\$28,559	\$43,705	-\$15,146	-34.7%
Painter & Painter Senior	\$26,139	\$32,286	-\$6,147	-19.0%
Plumber & Plumber Seniors	\$27,794	\$45,912	-\$18,118	-39.5%

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Wage Comparison: State Average vs BLS Survey Average



NOTES:

* Wages rates reported in the BLS source document were in effect as of November 2004. The reported rates were adjusted by 3% to reflect the change in wages which have occurred since that date, as reported by the Employee Cost Index of the BLS

** Wages rates provided in this survey include state corrections officers. The number of employees represented by state corrections officers in this survey constitute a significant portion of all employees which result in a figure which under represents the difference in wages between state employees and non-state corrections officers.

Comparison of Employee Turnover for "Hot Job Classes"

Job Class Title	Percent of Annual Employee Turnover				
	FY 05	FY 04	FY 03	FY 02	FY 01
Corrections Officer IA	50.6%	51.3%	12.0%	NA	NA
Corrections Officer II	10.1%	14.2%	9.7%	NA	15.4%
Carpenter Senior	7.9%	14.9%	12.0%	NA	NA
Electrician	0.0%	12.5%	11.1%	21.1%	41.0%
Electrician Senior	7.1%	13.3%	7.3%	NA	NA
General Maint. & Repair Technician	21.5%	20.1%	20.3%	25.9%	18.0%
Plumber	38.7%	31.6%	14.6%	12.5%	25.5%
Power Plant Operator Senior	17.0%	30.1%	21.0%	12.3%	16.3%
Refrigeration & A/C Service Technician	2.9%	18.2%	8.6%	NA	NA
Utility Worker	16.7%	16.7%	NA	NA	NA

"NA" means the data was not available

Raises Provided to State Employees in the Past 20 Years				
FY	General Increase	Step Movement	Total Percent of Increase	
FY 2006	2.5%	0.0%	2.5%	
FY 2005	3.0%	0.0%	3.0%	
FY 2004	1.5%	0.0%	1.5%	
FY 2003	0.0%	0.0%	0.0%	
FY 2002	3.0%	0.0%	3.0%	
FY 2001	0.0%	2.5%	2.5%	
FY 2000	1.0%	2.5%	3.5%	
FY 1999	1.5%	2.5%	4.0%	
FY 1998	1.0%	2.5%	3.5%	
FY 1997	0.0%	2.5%	2.5%	
FY 1996	1.0%	2.5%	3.5%	
FY 1995	1.5%	2.5%	4.0%	
FY 1994	0.5%	2.5%	3.0%	
FY 1993	1.0%	2.5%	3.5%	
FY 1992	0.0%	2.5%	2.5%	
FY 1991	1.5%	2.5%	4.0%	
FY 1990	3.0%	2.5%	5.5%	
FY 1989	4.0%	2.5%	6.5%	
FY 1988	2.0%	2.5%	4.5%	
FY 1987	3.0%	2.5%	5.5%	

BASELINE BUDGET OVERVIEW

- The starting point for the FY 2007 baseline budget is the FY 2006 budget as approved by the 2005 Legislature.
 - The FY 2007 budgets for biennially budgeted agencies are not impacted, because those budgets were addressed by the 2005 Legislature.
 - Most federal funds are maintained at the FY 2006 approved level.
 - The majority of capital improvements expenditures are held to the FY 2006 approved level.

- Adjustments are made to the FY 2006 approved salaries and wages budget to reflect:
 - Removal of the 27th payroll period which occurs in FY 2006 and will not be repeated in FY 2007 (\$50.0 million, including \$32.6 million from the State General Fund);
 - Annualization of the FY 2006 2.5 percent base salary increase because funding was appropriated only for the second half of FY 2006 (\$23.2 million, including \$11.5 million from the State General Fund); and
 - Statutorily required increases for:
 - Kansas Public Employees Retirement System (KPERs) employer contribution rates (excluding KPERs-School), which increase from 5.27 percent of salaries to 5.77 percent of salaries (estimated at \$8.5 million, including \$4.0 million from the State General Fund);
 - KPERs Death and Disability contribution rates increases, funded at 1.0 percent of salaries, an increase from 0.8 percent in FY 2006 (estimated at \$3.4 million, including \$1.6 million from the State General Fund); and
 - Longevity funding for eligible employees (an estimated reduction of \$0.6 million, including \$0.2 million from the State General Fund).

- Funding is included for required FY 2007 debt service payment adjustments (\$27.0 million, including \$9.8 million from the State General Fund).

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- The statutory State General Fund revenue transfer to the School District Capital Improvement Fund increases by \$4.9 million, and the transfer to the Regents Faculty of Distinction Fund increases by \$0.1 million. No transfers are included for the Local Ad Valorem Tax Reduction Fund, or the County City Revenue Sharing Fund. Other State General Fund revenue transfers (Special City County Highway Fund, State Water Plan Fund, and the State Fair Capital Improvements Fund) remain at the FY 2006 approved level.

- Fall 2005 consensus adjustments, including school finance and caseload estimates of the Department of Social and Rehabilitation Services, the Department on Aging, the Department of Administration, and the Board of Indigents' Defense Services are fully funded.
 - School finance formula adjustments (*i.e.* enrollment adjustments, property valuation changes, special education, and KPERS-School) total \$82.8 million (all from the State General Fund) above the FY 2006 approved level.
 - Caseload estimates for the Department of Social and Rehabilitation Services, the Department on Aging, and the Department of Administration increase by \$21.5 million from the State General Fund and \$10.9 million from all funding sources (the smaller all funds increase is due to a lack of federal fund availability in the foster care/reintegration program).
 - Caseload estimates for the Board of Indigents' Defense Services increase \$400,000 (all from the State General Fund) above the FY 2006 level.

- Adjustments are made for selected expenditures and transfers.
 - The statutory repayment of \$32.5 million from the State General Fund to the State Highway Fund is included (the first of four scheduled annual transfers to repay funding to the State Highway Fund).
 - Vehicle purchase amounts approved in FY 2006 are excluded.
 - Other FY 2006 expenditures which will not reoccur or will be significantly less in FY 2007 are reduced, including funding for the Help America Vote Act (\$15.3 million); disaster relief funding (\$29.8 million); and unemployment insurance benefit payments (\$57.2 million).

**STATUS OF THE STATE GENERAL FUND
Governor's Recommendation and Baseline Budget
(In Millions)**

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	Actual FY 2004	Actual FY 2005	Revised Gov. Rec. FY 2006	Gov. Rec. FY 2007	Baseline Budget FY 2007
Beginning Balance	\$ 122.7	\$ 327.5	\$ 478.7	\$ 476.8	\$ 476.8
Released Encumbrances	2.4	-	-	-	-
Receipts (Nov. 2005 Consensus)	4,518.7	4,841.3	5,157.9	5,218.3	5,218.3
Gov. Adj. to November 2005 Consensus	-	-	3.6	6.8	-
Adjusted Receipts	<u>4,518.7</u>	<u>4,841.3</u>	<u>5,161.5</u>	<u>5,225.1</u>	<u>5,218.3</u>
Total Resources	\$ 4,643.8	\$ 5,168.8	\$ 5,640.2	\$ 5,701.9	\$ 5,695.1
Less Expenditures	<u>4,316.5</u>	<u>4,690.1</u>	<u>5,163.4</u>	<u>5,306.4</u>	<u>5,244.7</u>
Ending Unencumbered Cash Balance	<u>\$ 327.5</u>	<u>\$ 478.7</u>	<u>\$ 476.8</u>	<u>\$ 395.5</u>	<u>450.4</u>
Ending Balance as a % of Expenditures	7.6%	10.2%	9.2%	7.5%	8.6%
Adjusted Receipts in Excess of Expenditures	\$ 202.2	\$ 151.2	\$ (1.9)	\$ (81.3)	\$ (26.4)

As compared to the Governor's FY 2007 recommended State General Fund budget, the baseline budget:

- Increases the projected ending balance at the end of FY 2007 by \$54.9 million
- Reduces expenditures by \$61.7 million
- Maintains the November 2005 State General Fund Consensus Revenue estimates (\$6.8 million less than the Governor's recommendation)

FY 2007 BASELINE BUDGET

State General Fund

	Gov. Rec. FY 2007	FY 2007 Baseline Budget	Difference From FY 2007 Governor's Recommendation	
			Dollar	Percent
Legislative Coordinating Council	\$ 807,027	\$ 737,990	\$ (69,037)	(8.6) %
Legislative Research Department	3,070,797	2,988,927	(81,870)	(2.7)
Revisor of Statutes	2,789,917	2,658,156	(131,761)	(4.7)
Legislature	15,510,849	15,571,358	60,509	0.4
Division of Post Audit	2,550,899	2,426,122	(124,777)	(4.9)
Office of the Governor	2,298,039	2,271,303	(26,736)	(1.2)
Lieutenant Governor	195,198	171,565	(23,633)	(12.1)
Attorney General	4,759,220	5,345,181	585,961	12.3
Secretary of State	-	-	-	-
State Treasurer	-	-	-	-
Insurance Department	-	-	-	-
Health Care Stabilization Fund Board	-	-	-	-
Judicial Council	-	-	-	-
Board of Indigents' Defense Services	18,161,055	18,203,945	42,890	0.2
Judicial Branch	100,940,343	95,946,483	(4,993,860)	(4.9)
Kansas Public Employers Retirement System (KPERs)	3,211,748	3,211,748	-	-
Commission on Human Rights	1,666,220	1,622,517	(43,703)	(2.6)
Kansas Corporation Commission	-	-	-	-
Citizens' Utility Ratepayer Board	-	-	-	-
Department of Administration	35,745,349	35,309,121	(436,228)	(1.2)
Board of Tax Appeals	1,459,060	1,334,593	(124,467)	(8.5)
Department of Revenue	20,154,916	20,164,984	10,068	0.0
Kansas Lottery	-	-	-	-
Kansas Racing and Gaming Commission	-	-	-	-
Department of Commerce	5,209,701	226,712	(4,982,989)	(95.6)
Kansas Inc.	-	-	-	-
Kansas Technology Enterprise Corp.	-	-	-	-
<i>Subtotal - General Government</i>	<i>\$ 218,530,338</i>	<i>\$ 208,190,704</i>	<i>\$ (10,339,634)</i>	<i>(4.7) %</i>
Department of Labor	\$ 368,141	\$ 338,692	\$ (29,449)	(8.0) %
Commission on Veterans Affairs	7,674,816	7,304,545	(370,271)	(4.8)
Dept. of Health and Environment - Health	22,700,804	18,363,980	(4,336,824)	(19.1)
Department on Aging	174,663,751	174,165,260	(498,491)	(0.3)
Social and Rehabilitation Services	510,666,852	502,388,606	(8,278,246)	(1.6)
Kansas Neurological Institute	11,670,591	11,617,794	(52,797)	(0.5)
Larned State Hospital	36,870,796	33,037,869	(3,832,927)	(10.4)
Osawatomie State Hospital	8,823,246	8,503,115	(320,131)	(3.6)
Parsons State Hospital	8,629,055	8,015,576	(613,479)	(7.1)
Rainbow Mental Health Facility	3,792,488	3,687,022	(105,466)	(2.8)
<i>Subtotal - SRS and Hospitals</i>	<i>580,453,028</i>	<i>567,249,982</i>	<i>(13,203,046)</i>	<i>(2.3)</i>
Kansas Guardianship Program	1,065,230	1,054,558	(10,672)	(1.0)
Department of Administration Division of Health Policy and Finance	417,615,683	-	(417,615,683)	(100.0)
Health Policy Authority	-	435,788,695	435,788,695	-
<i>Subtotal - Human Services</i>	<i>\$ 1,204,541,453</i>	<i>\$ 1,204,265,712</i>	<i>\$ (275,741)</i>	<i>(0.0) %</i>
Department of Education	\$ 2,672,394,934	\$ 2,669,232,870	\$ (3,162,064)	(0.1) %
State Library	5,284,397	4,991,708	(292,689)	(5.5)
Kansas Arts Commission	1,497,616	1,526,032	28,416	1.9
School for the Blind	5,065,031	4,952,944	(112,087)	(2.2)
School for the Deaf	8,215,731	8,045,989	(169,742)	(2.1)
State Historical Society	5,964,582	5,801,139	(163,443)	(2.7)
Fort Hays State University	32,803,701	32,5		

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	Gov. Rec. FY 2007	FY 2007 Baseline Budget	Difference From FY 2007 Governor's Recommendation	
			Dollar	Percent
Kansas State University	107,214,633	107,754,586	539,953	0.5
KSU - Extension Systems and Agricultural Research Program	50,356,962	50,325,149	(31,813)	(0.1)
KSU - Veterinary Medical Center	10,245,026	10,301,329	56,303	0.5
Emporia State University	31,906,246	32,051,789	145,543	0.5
Pittsburg State University	34,583,136	34,725,492	142,356	0.4
University of Kansas	140,046,474	140,467,719	421,245	0.3
University of Kansas Medical Center	112,221,166	107,720,748	(4,500,418)	(4.0)
Wichita State University	70,882,725	71,231,207	348,482	0.5
Board of Regents	181,608,428	157,848,554	(23,759,874)	(13.1)
<i>Subtotal - Regents</i>	771,868,497	745,408,648	(26,459,849)	(3.4)
<i>Subtotal - Education</i>	\$ 3,470,290,788	\$ 3,439,959,331	\$ (30,331,457)	(0.9) %
Department of Corrections	\$ 106,311,815	\$ 98,895,480	\$ (7,416,335)	(7.0) %
Topeka Correctional Facility	11,377,206	10,861,277	(515,929)	(4.5)
Hutchinson Correctional Facility	25,992,078	25,610,005	(382,073)	(1.5)
Lansing Correctional Facility	33,998,604	33,764,954	(233,650)	(0.7)
Ellsworth Correctional Facility	11,271,253	11,078,957	(192,296)	(1.7)
Larned Correctional Mental Health Facility	8,732,479	8,567,252	(165,227)	(1.9)
Winfield Correctional Facility	11,221,276	10,473,622	(747,654)	(6.7)
Norton Correctional Facility	13,072,605	12,838,921	(233,684)	(1.8)
El Dorado Correctional Facility	22,046,189	21,692,100	(354,089)	(1.6)
<i>Subtotal - Corrections</i>	244,023,505	233,782,568	(10,240,937)	(4.2)
Juvenile Justice Authority	30,442,208	29,671,370	(770,838)	(2.5)
Atchison Juvenile Correctional Facility	5,789,060	5,967,960	178,900	3.1
Beloit Juvenile Correctional Facility	4,353,606	4,510,761	157,155	3.6
Larned Juvenile Correctional Facility	8,060,971	7,853,900	(207,071)	(2.6)
Kansas Juvenile Correctional Complex	14,845,988	15,215,577	369,589	2.5
<i>Subtotal - Juvenile Justice</i>	63,491,833	63,219,568	(272,265)	(0.4)
Adjutant General	9,929,670	6,393,305	(3,536,365)	(35.6)
State Fire Marshal	-	-	-	-
Kansas Parole Board	453,659	445,914	(7,745)	(1.7)
Highway Patrol	34,558,672	34,752,868	194,196	0.6
Kansas Bureau of Investigation	15,903,754	14,097,200	(1,806,554)	(11.4)
Emergency Medical Services Board	-	-	-	-
Sentencing Commission	9,452,189	6,593,446	(2,858,743)	(30.2)
<i>Subtotal - Public Safety</i>	\$ 377,813,282	\$ 359,284,870	\$ (18,528,412)	(4.9) %
Dept. of Health and Environment - Environment	\$ 9,761,086	\$ 9,678,221	\$ (82,865)	(0.8) %
Department of Agriculture	11,047,255	10,037,654	(1,009,601)	(9.1)
Animal Health Department	685,074	657,008	(28,066)	(4.1)
Kansas State Fair Board	1,547,251	1,547,251	-	-
State Conservation Commission	874,302	621,335	(252,967)	(28.9)
Kansas Water Office	2,196,044	1,409,804	(786,240)	(35.8)
Department of Wildlife and Parks	3,603,045	3,548,482	(54,563)	(1.5)
<i>Subtotal - Agriculture/Natural Resources</i>	\$ 29,714,057	\$ 27,499,755	\$ (2,214,302)	(7.5) %
Department of Administration	\$ 4,992,724	\$ 4,992,724	\$ -	- %
Kansas Department of Transportation	-	-	-	-
<i>Subtotal - Transportation</i>	\$ 4,992,724	\$ 4,992,724	\$ -	- %
Total - State General Fund	\$ 5,305,882,642	\$ 5,244,193,094	\$ (61,689,548)	(1.2) %

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	Gov. Rec. FY 2007	FY 2007 Baseline Budget	Difference From FY 2007 Governor's Recommendation	
			Dollar	Percent
All Funding Sources				
Legislative Coordinating Council	\$ 807,027	\$ 737,990	\$ (69,037)	(8.6) %
Legislative Research Department	3,133,628	3,069,398	(64,230)	(2.0)
Revisor of Statutes	2,789,917	2,658,156	(131,761)	(4.7)
Legislature	15,631,352	15,830,172	198,820	1.3
Division of Post Audit	2,550,899	2,426,122	(124,777)	(4.9)
Office of the Governor	11,636,767	15,219,005	3,582,238	30.8
Lieutenant Governor	195,198	171,565	(23,633)	(12.1)
Attorney General	15,731,703	15,673,940	(57,763)	(0.4)
Secretary of State	5,628,880	4,267,273	(1,361,607)	(24.2)
State Treasurer	13,041,058	11,304,820	(1,736,238)	(13.3)
Insurance Department	21,227,247	21,492,788	265,541	1.3
Health Care Stabilization Fund Board	34,017,453	29,162,934	(4,854,519)	(14.3)
Judicial Council	438,816	426,548	(12,268)	(2.8)
Board of Indigents' Defense Services	18,886,055	18,787,149	(98,906)	(0.5)
Judicial Branch	111,587,694	110,124,003	(1,463,691)	(1.3)
Kansas Public Employers Retirement System (KPERs)	40,393,047	37,674,260	(2,718,787)	(6.7)
Commission on Human Rights	2,013,952	2,052,755	38,803	1.9
Kansas Corporation Commission	19,429,134	19,174,088	(255,046)	(1.3)
Citizens' Utility Ratepayer Board	739,283	722,821	(16,462)	(2.2)
Department of Administration	44,248,526	44,318,227	69,701	0.2
Board of Tax Appeals	1,888,664	1,603,593	(285,071)	(15.1)
Department of Revenue	88,689,864	87,609,768	(1,080,096)	(1.2)
Kansas Lottery	55,585,554	60,854,717	5,269,163	9.5
Kansas Racing and Gaming Commission	5,855,441	5,978,754	123,313	2.1
Department of Commerce	109,979,827	107,923,434	(2,056,393)	(1.9)
Kansas Inc.	585,656	560,919	(24,737)	(4.2)
Kansas Technology Enterprise Corp.	13,881,905	14,934,163	1,052,258	7.6
<i>Subtotal - General Government</i>	<i>\$ 640,594,547</i>	<i>\$ 634,759,360</i>	<i>\$ (5,835,187)</i>	<i>(0.9) %</i>
Department of Labor	\$ 368,692,372	\$ 351,125,097	\$ (17,567,275)	(4.8) %
Commission on Veterans Affairs	26,170,885	18,005,422	(8,165,463)	(31.2)
Dept. of Health and Environment - Health	145,404,122	131,554,200	(13,849,922)	(9.5)
Department on Aging	451,412,101	451,688,335	276,234	0.1
Social and Rehabilitation Services	1,361,449,183	1,356,123,963	(5,325,220)	(0.4)
Kansas Neurological Institute	26,674,804	26,675,122	318	0.0
Larned State Hospital	48,365,490	44,874,263	(3,491,227)	(7.2)
Osawatomie State Hospital	22,640,211	21,581,649	(1,058,562)	(4.7)
Parsons State Hospital	22,984,053	22,437,718	(546,335)	(2.4)
Rainbow Mental Health Facility	7,611,989	7,427,706	(184,283)	(2.4)
<i>Subtotal - SRS and Hospitals</i>	<i>1,489,725,730</i>	<i>1,479,120,420</i>	<i>(10,605,310)</i>	<i>(0.7)</i>
Kansas Guardianship Program	1,065,230	1,054,558	(10,672)	(1.0)
Department of Administration Division of Health Policy and Finance	1,373,582,483	-	(1,373,582,483)	(100.0)
Health Policy Authority	-	1,349,775,832	1,349,775,832	-
<i>Subtotal - Human Services</i>	<i>\$ 3,856,052,923</i>	<i>\$ 3,782,323,864</i>	<i>\$ (73,729,059)</i>	<i>(1.9) %</i>
Department of Education	\$ 3,157,100,590	\$ 3,144,260,690	\$ (12,839,900)	(0.4) %
State Library	7,069,236	6,335,647	(733,589)	(10.4)
Kansas Arts Commission	1,977,270	2,047,809	70,539	3.6
School for the Blind	5,567,052	5,455,493	(111,559)	(2.0)
School for the Deaf	8,768,921	8,554,865	(214,056)	(2.4)
State Historical Society	8,665,189	8,931,383	266,194	3.1
Fort Hays State University	75,730,338	70,460,024	(5,270,314)	(7.0)
Kansas State University	460,429,024	430,746,883	(29,682,141)	(6.4)

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	Gov. Rec. FY 2007	FY 2007 Baseline Budget	Difference From FY 2007 Governor's Recommendation	
			Dollar	Percent
KSU - Extension Systems and Agricultural Research Program	121,020,931	122,882,323	1,861,392	1.5
KSU - Veterinary Medical Center	30,518,605	28,890,490	(1,628,115)	(5.3)
Emporia State University	67,095,419	67,760,831	665,412	1.0
Pittsburg State University	75,298,815	76,976,167	1,677,352	2.2
University of Kansas	482,348,327	481,724,591	(623,736)	(0.1)
University of Kansas Medical Center	257,371,790	246,715,978	(10,655,812)	(4.1)
Wichita State University	181,332,185	170,170,012	(11,162,173)	(6.2)
Board of Regents	254,261,347	230,118,171	(24,143,176)	(9.5)
<i>Subtotal - Regents</i>	<i>2,005,406,781</i>	<i>1,926,445,471</i>	<i>(78,961,310)</i>	<i>(3.9)</i>
<i>Subtotal - Education</i>	<i>\$ 5,194,555,039</i>	<i>\$ 5,102,031,357</i>	<i>\$ (92,523,682)</i>	<i>(1.8) %</i>
Department of Corrections	\$ 127,035,955	\$ 120,715,796	\$ (6,320,159)	(5.0) %
Topeka Correctional Facility	12,323,938	12,001,533	(322,405)	(2.6)
Hutchinson Correctional Facility	26,414,485	25,887,689	(526,796)	(2.0)
Lansing Correctional Facility	34,265,358	33,924,954	(340,404)	(1.0)
Ellsworth Correctional Facility	11,311,418	11,116,880	(194,538)	(1.7)
Larned Correctional Mental Health Facility	8,734,129	8,571,752	(162,377)	(1.9)
Winfield Correctional Facility	11,464,749	10,683,086	(781,663)	(6.8)
Norton Correctional Facility	13,256,115	13,020,407	(235,708)	(1.8)
El Dorado Correctional Facility	22,174,192	21,815,483	(358,709)	(1.6)
<i>Subtotal - Corrections</i>	<i>266,980,339</i>	<i>257,737,579</i>	<i>(9,242,760)</i>	<i>(3.5)</i>
Juvenile Justice Authority	67,038,270	56,732,752	(10,305,518)	(15.4)
Atchison Juvenile Correctional Facility	5,926,560	6,197,944	271,384	4.6
Beloit Juvenile Correctional Facility	4,562,612	4,798,168	235,556	5.2
Larned Juvenile Correctional Facility	8,217,425	7,911,736	(305,689)	(3.7)
Kansas Juvenile Correctional Complex	15,378,950	15,800,821	421,871	2.7
<i>Subtotal - Juvenile Justice</i>	<i>101,123,817</i>	<i>91,441,421</i>	<i>(9,682,396)</i>	<i>(9.6)</i>
Adjutant General	66,090,004	45,103,719	(20,986,285)	(31.8)
State Fire Marshal	4,392,194	4,121,403	(270,791)	(6.2)
Kansas Parole Board	453,659	445,914	(7,745)	(1.7)
Highway Patrol	103,714,717	96,518,929	(7,195,788)	(6.9)
Kansas Bureau of Investigation	25,347,233	23,953,283	(1,393,950)	(5.5)
Emergency Medical Services Board	1,507,139	1,179,074	(328,065)	(21.8)
Sentencing Commission	9,791,934	6,896,259	(2,895,675)	(29.6)
<i>Subtotal - Public Safety</i>	<i>\$ 579,401,036</i>	<i>\$ 527,397,582</i>	<i>\$ (52,003,454)</i>	<i>(9.0) %</i>
Dept. of Health and Environment - Environment	\$ 60,895,619	\$ 64,707,152	\$ 3,811,533	6.3 %
Department of Agriculture	25,201,492	21,926,970	(3,274,522)	(13.0)
Animal Health Department	2,687,388	2,401,234	(286,154)	(10.6)
Kansas State Fair Board	6,391,635	6,614,595	222,960	3.5
State Conservation Commission	17,166,603	11,121,295	(6,045,308)	(35.2)
Kansas Water Office	10,878,853	6,302,754	(4,576,099)	(42.1)
Department of Wildlife and Parks	48,317,801	44,978,488	(3,339,313)	(6.9)
<i>Subtotal - Agriculture/Natural Resources</i>	<i>\$ 171,539,391</i>	<i>\$ 158,052,488</i>	<i>\$ (13,486,903)</i>	<i>(7.9)</i>
Department of Administration	\$ 4,992,724	\$ 4,992,724	\$ -	- %
Kansas Department of Transportation	1,233,021,623	1,363,127,896	130,106,273	10.6
<i>Subtotal - Transportation</i>	<i>\$ 1,238,014,347</i>	<i>\$ 1,368,120,620</i>	<i>\$ 130,106,273</i>	<i>10.5 %</i>
Total - All Funds	\$ 11,680,157,283	\$ 11,572,685,272	\$ (107,472,011)	(0.9) %

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KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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February 3, 2006

To: Legislative Budget Committee

STATE GENERAL FUND (SGF) RECEIPTS July through January, FY 2006

This is the third month of experience under the revised estimate of SGF receipts in FY 2006 made by the Consensus Estimating Group on November 3, 2005. The figures in both the "Estimate" and "Actual" columns under FY 2006 on the following table include actual amounts received in July-October. That means that this report deals mainly with the difference between estimated and actual receipts in November through January.

Total receipts through January of FY 2006 were \$69.4 million, or 2.4 percent, above the estimate. The component of SGF receipts from taxes only was \$77.4 million, or 2.7 percent, above the estimate. Total SGF taxes only at the end of December were \$31.8 million, or 1.3 percent, above the estimate. Total receipts at the end of December were \$24.2 million, or 1.0 percent, above the estimate.

Taxes that **exceeded** the estimate by more than \$1.0 million were corporation income (\$37.1 million, or 31.2 percent), individual income (\$28.0 million, or 2.2 percent), retail sales (\$4.1 million, or 0.4 percent), severance (\$2.9 million, or 3.9 percent), insurance premiums (\$2.5 million, or 5.6 percent), estate (\$2.5 million, or 8.6 percent), and compensating use (\$1.2 million, or 0.8 percent). Individual income receipts from estimated payors this January (\$105.0 million and the highest such monthly total on record) exceeded January 2005 by \$27.2 million. Individual income tax withholding payments also exceeded last year's payments by \$15.8 million.

The only tax source that **fell below** the estimate by more than \$1.0 million was cigarette (\$2.0 million, or 2.8 percent).

Agency earnings and interest earnings both fell below the estimate by \$8.1 million and \$2.0 million, respectively. Net receipts from unclaimed property continue to be less than anticipated. Net transfers were \$2.2 million more than expected.

Total SGF receipts through January of FY 2006 were \$280.4 million, or 10.3 percent, above FY 2005 receipts for the same period. Tax receipts only for the same period exceeded FY 2005 by \$281.0 million, or 10.5 percent.

This report excludes the July 1 deposit to the SGF of \$450 million, pursuant to issuance of a certificate of indebtedness. This certificate will be discharged prior to the end of the fiscal year.

HOUSE APPROPRIATIONS

DATE 2-07-2006
ATTACHMENT 6

STATE GENERAL FUND RECEIPTS
July-January, FY 2006
(dollar amounts in thousands)

	Actual	FY 2006			Percent increase relative to:	
	FY 2005	Estimate*	Actual	Difference	FY 2005	Estimate
Property Tax:						
Motor Carriers	\$ 12,951	\$ 14,000	\$ 14,072	\$ 72	8.7%	0.5%
General Property	484	25	40	15	(91.7)	60.0
Motor Vehicle	1,258	775	1,308	533	4.0	68.8
Total	\$ 14,693	\$ 14,800	\$ 15,420	\$ 620	4.9%	4.2%
Income Taxes:						
Individual	\$ 1,170,115	\$ 1,271,000	\$ 1,298,984	\$ 27,984	11.0%	2.2%
Corporation	93,950	118,800	155,869	37,069	65.9	31.2
Financial Inst.	8,089	12,300	12,010	(290)	48.5	(2.4)
Total	\$ 1,272,154	\$ 1,402,100	\$ 1,466,863	\$ 64,763	15.3%	4.6%
Estate Tax	\$ 35,296	\$ 28,500	\$ 30,961	\$ 2,461	(12.3)%	8.6%
Excise Taxes:						
Retail Sales	\$ 982,081	\$ 1,027,000	\$ 1,031,076	\$ 4,076	5.0%	0.4%
Comp. Use	143,661	160,000	161,210	1,210	12.2	0.8
Cigarette	68,610	70,000	68,033	(1,967)	(0.8)	(2.8)
Tobacco Prod.	3,016	3,000	2,946	(54)	(2.3)	(1.8)
Cereal Malt Bev.	1,269	1,235	1,248	13	(1.6)	1.1
Liquor Gallonage	9,499	9,850	10,068	218	6.0	2.2
Liquor Enforce.	25,363	25,900	26,298	398	3.7	1.5
Liquor Drink	4,285	4,550	4,550	0	6.2	0.0
Corp. Franchise	12,947	12,000	11,885	(115)	(8.2)	(1.0)
Severance	59,533	75,200	78,141	2,941	31.3	3.9
Gas	43,778	53,500	57,861	4,361	32.2	8.2
Oil	15,754	21,700	20,280	(1,420)	28.7	(6.5)
Total	\$ 1,310,264	\$ 1,388,735	\$ 1,395,456	\$ 6,721	6.5%	0.5%
Other Taxes:						
Insurance Prem.	\$ 42,594	\$ 44,300	\$ 46,780	\$ 2,480	9.8%	5.6%
Miscellaneous	2,161	2,300	2,638	338	22.1	14.7
Total	\$ 44,755	\$ 46,600	\$ 49,418	\$ 2,818	10.4%	6.0%
Total Taxes	\$ 2,677,162	\$ 2,880,735	\$ 2,958,118	\$ 77,383	10.5%	2.7%
Other Revenue:						
Interest	\$ 12,098	\$ 33,300	\$ 31,258	\$ (2,042)	158.4%	(6.1)%
Transfers (net)	\$ (27,602)	\$ (28,300)	\$ (26,104)	\$ 2,196	(5.4)	7.8
Agency Earnings and Misc.	\$ 55,609	\$ 42,500	\$ 34,361	\$ (8,139)	(38.2)	(19.2)
Total	\$ 40,105	\$ 47,500	\$ 39,515	\$ (7,985)	(1.5)%	(16.8)%
TOTAL RECEIPTS	\$ 2,717,267	\$ 2,928,235	\$ 2,997,634	\$ 69,399	10.3%	2.4%

* Consensus estimate as of November 3, 2005.

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.