

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:30 A.M. on January 13, 2005 in Room 123-S of the Capitol.

Committee members absent: Ruth Teichman - excused

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes  
Alan Conroy, Director, Kansas Legislative Research Department  
J. G. Scott, Kansas Legislative Research Department  
Susan Kannarr, Kansas Legislative Research Department  
Matt Spurgin, Kansas Legislative Research Department  
Judy Bromich, Administrative Analyst  
Mary Shaw, Committee Secretary

Conferees appearing before the committee: none

Others attending: See attached list

Chairman Umbarger acknowledged Alan Conroy, Director, Kansas Legislative Research Department, who presented a staff overview of the following items.

Kansas State General Fund Ending Balance Law: Mr. Conroy explained 1990 **HB 2867** which dealt with several items regarding state finances (appropriations process and the State General Fund). He distributed a memorandum to the committee regarding State General Fund Ending Balances (Attachment 1). Mr. Conroy noted that this legislation provided for a required projected ending balance in the State General Fund beginning in 1992. In addition, he addressed the following items (detailed in the memorandum):

- Omnibus Reconciliation Spending Limit Bill
- \$100 Million Minimum Ending Balance
- Consensus Revenue Estimating Group
- Cash Operating Reserve Fund
- Cashflow Patterns and Requirements
- Other State's Budget Stabilization or "Rainy Day" Funds
- Contingency or Emergency Fund

Mr. Conroy explained that revenues for the State General Fund are realized from a variety of sources; however, the vast majority are from individual income tax (42.3 percent) and retail and compensating use (40.7 percent) taxation. He also emphasized that the ending balance requirement of 7.5 percent of State General Fund expenditures is not sufficient to assure a daily positive balance in the State General Fund without the use of certificates of indebtedness. Committee questions and discussion followed. Senator Barone requested that staff provide a history from when the certificates of indebtedness were first issued and include the amounts. Copies of the State General Fund Profile-Governor's Recommendation, Non-Statutory Budget, Based on November 2004 Consensus Revenue Estimates (In Millions) were distributed (Attachment 2).

Selected On-going Expenditure Adjustments: Mr. Conroy addressed selected on-going expenditure adjustments noted in a memorandum dated January 13, 2005, in reference to highlights selected State General Fund demand adjustments for FY 2005 (revised) and FY 2006 (Attachment 3). Committee questions and discussion followed.

Copies of the Senate Ways and Means Subcommittee Assignments for the 2005 Legislative Session were distributed to the committee (Attachment 4). Chairman Umbarger explained that each subcommittee chairperson needs to visit with the assigned staff as to their availability for meetings because they also staff the House Appropriations subcommittees. There will be orientation meetings for subcommittee chairpersons and their secretaries.

The meeting adjourned at 11:30 a.m. The next meeting is scheduled for January 18, 2005.