Approved	_Qer	nuary	29	1990
<b>P P</b>		4Dat	te '	

MINUTES OF THE <sub>SENATE</sub> COMMITTEE ON WAYS A	AND MEANS
The meeting was called to order bySENATOR AUGUST "GUS"	POGINA at Chairperson
—11:15—a.m. xxm. on — JANUARY 22	, 19 <sub>90</sub> in room of the Capitol.

All members were present except:

Senators Allen, Harder and Parrish who were excused

Committee staff present:

Research Department: Diane Duffy, Leah Robinson

Revisor: Norm Furse, Gordon Self

Committee Staff: Judy Bromich, Administrative Assistant

Conferees appearing before the committee: Committee Secretary

Senator Kerr requested the introduction of bill draft RS 1932 -- an act concerning scholarships for certain students enrolled at the University of Kansas Medical School. Senator Feleciano moved , Senator Kerr seconded, the introduction of bill draft RS 1932. The motion carried.

Mr. Richard Ryan, Kansas Legislative Research Department, distributed and reviewed Attachment 1. He noted that the projections made in this document for FY 90 and FY 91 include the Governor's recommendations with the circuit breaker expenditures and circuit breaker financing from the State General Fund. Mr. Ryan stated that the projections for FY 92 have nothing to do with the Governor's recommendations. He noted that the first 3 projections on page 1 are based on the assumption of an ending balance equal to 5% of expenditures and assumed growth rates in revenue of 2%, 3%, and 4%.

Mr. Ryan cautioned the Committee that if revenue estimates are off by 1% in FY 90 and 3% in FY 91 (which are optimistic deviations), the ending balance would be off \$93 million in the two years combined.

In discussing the FY 92 budget, Mr. Ryan stated that there are items in the FY 91 budget that will not recur in the FY 92 budget. Conversely, however, he noted that there will be a \$14 million increase in school district income tax rebates in FY 92 over FY 91 based on current estimates. He said that the increase could be several million more if an anticipated growth in liability occurs. Other factors affecting the FY 92 budget are demand transfers and the prison improvements.

The final page of <u>Attachment 1</u> contains projections based on the Governor's recommendations. The projections assume an ending balance at the end of FY 92 of 7.5 % of expenditures and an ending balance in FY 93 of 10% of expenditures, with assumed growth rates in revenues of 2%, 3%, and 4%. He noted that this chart shows that the difficulty in enhancing the ending balance occurs in FY 92.

Senator Doyen moved and Senator Winter seconded that minutes of the December 9, 1989 and January 8, 9, 10, 11, 1990 meetings be approved. The motion carried.

The meeting was adjourned at 11:56 A.M.

# GUEST LIST

COMMITTEE: SENATE WAYS AND MEAN	NS DA	DATE: 1-22-90			
NAME (PLEASE PRINT)	ADDRESS .	COMPANY/ORGANIZATION			
KAY COLES	TOPEKA	K-NEA			
Bill Curtis .	Topeka	Ks. Assoc. of School Bds.			
Tom Whitaken	Topeka	KaMIBE GRELLE ASSA			
DONI POUND	TODEKA	SRS BUDGET DEFICE			
	Wichita.	Wichita Chamber			
Kerm Kelly	OP	· Scen			
Horme < :	TOPERA	BUDGET			
Davi Anne Brewer	Toolka	ASK			
anta ante	TOPEKA	ASK			
WALT DARLING	TOPERA	DIVISION OF BUDGET			
Miles Moscian	TOPFICA	BUSCHET			
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## SIX PROJECTIONS OF STATE GENERAL FUND FINANCES, FY 1992

## In Millions

	Gov. Reco	nendations Y 1991	<u>Increase</u>		ojected ' 1992	Increase	
Beginning Balance	\$ 371.4	\$ 249.5		\$	128.2		
Receipts	0.007.0	0.007.0	4 70/		0 202 7	2.0%	
Consensus Est.	2,297.9 0.2	2,337.0 0.5	1.7%		2,383.7 0.5	2.0%	
Rec. Transfer Rec. Accelerations	3.7	0.5 11. <u>1</u>			0.5		
Total	 2,301.8	 2,348.5	2.0		2,384.2		
, otta	_,000	_,			,		
Expenditures		0.457.0	0.0		0.000.0	/O 7\0/	¢/65 6\
Excl. Circuit Breakers	2,379.2	2,457.9	3.3		2,392.3	(2.7)%	\$(65.6)
Homeowners' CB	17.3	11.0			0.5		
Commercial CB	 27.2 2,423.7	 11.9 2,469.8	1.9		2,392.8		
Total	2,420.1	2,403.0	1.5		L,00L.0		
Ending Balance	249.5	128.2			119.6		
% of Expenditures	10.3%	5.2%			5.0%		
Beginning Balance Receipts	\$ 371.4	\$ 249.5		\$	128.2		
Consensus Est.	2,297.9	2,337.0	1.7%		2,407.1	3.0%	
Rec. Transfer	0.2	0.5			0.5		
Rec. Accelerations	3.7	<u> 11.1</u>					
Total	2,301.8	2,348.5	2.0		2,407.6		
Expenditures							
Excl. Circuit Breakers	2,379.2	2,457.9	3.3		2,414.5	(1.8)%	\$(43.4)
Homeowners' CB	17.3				0.5		
Commercial CB	 27.2	 11.9					
Total	2,423.7	2,469.8	1.9		2,415.0		
Ending Balance	249.5	128.2			120.8		
% of Expenditures	10.3%	5.2%			5.0%		
Beginning Balance Receipts	\$ 371.4	\$ 249.5		\$	128.2		
Consensus Est.	2,297.9	2,337.0	1.7%		2,430.5	4.0%	
Rec. Transfer	0.2	0.5			0.5		
Rec. Accelerations	3.7	 11.1					
Total	 2,301.8	2,348.5	2.0		2,431.0		
Expenditures			. 12			(0.0) (1	<b>#</b> (04.4)
Excl. Circuit Breakers	2,379.2	2,457.9	3.3		2,436.8	(0.9)%	\$(21.1)
Homeowners' CB	17.3				0.5		
Commercial CB	 27.2	 11.9		_	0.407.0		
Total	2,423.7	2,469.8	1.9		2,437.3		
Ending Balance	249.5	128.2			121.9 5.0%		

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		Gov. Poo	omr	nendations		Pr	ojected			
	F	Y 1990		Y 1991	Increase		1992	Increase		
Beginning Balance	\$	371.4	\$	249.5		\$	128.2			
Receipts Consensus Est.		2,297.9		2,337.0	1.7%		2,453.9	5.0%		
Rec. Transfer		0.2		0.5	1.770		0.5	0.070		
Rec. Accelerations		3.7		11.1						
Total		2,301.8	-	2,348.5	2.0		2,454.4			
Form and thomas										
Expenditures Excl. Circuit Breakers		2,379.2		2,457.9	3.3		2,539.0	3.3%	\$81.1	
Homeowners' CB		17.3		2,407.9	0.0		0.5	0.070	ΨΦ	
Commercial CB		27.2		11.9						
Total	-	2,423.7		2,469.8	1.9		2,539.5			
Ending Balance		249.5		128.2			43.1			
% of Expenditures		10.3%		5.2%			1.7%			
						-				
Beginning Balance	\$	371.4	\$	249.5		\$	128.2			
Receipts		0.007.0		0.027.0	1.7%		2,581.7	10.5%		
Consensus Est.		2,297.9 0.2		2,337.0 0.5	1.770		0.5	10.570		
Rec. Transfer		0.2 3.7		11.1			0.5			
Rec. Accelerations Total		2,301.8		2,348.5	2.0		2,582.2			
lotai		2,001.0		2,0 10.0			<b>—,</b>			
Expenditures		0.070.0		0.457.0	3.3		2,580.8	5.0%	\$122.9	
Excl. Circuit Breakers		2,379.2 17.3		2,457.9	3.3		0.5	5.076	Ψ122.3	
Homeowners' CB		27.2		11.9			0.5			
Commercial CB Total		2,423.7	_	2,469.8	1.9		2,581.3			
		•								
Ending Balance		249.5		128.2			129.1			
% of Expenditures		10.3%		5.2%			5.0%			
Beginning Balance	\$	371.4	\$	249.5		\$	128.2	,		
Receipts							0.450.0	F 00/		
Consensus Est.		2,297.9		2,337.0	1.7%		2,453.9	5.0%		
Rec. Transfer		0.2		0.5			0.5			
Rec. Accelerations		3.7		11.1	2.0		2,454.4			
Total		2,301.8		2,348.5	2.0		2,404.4			
Expenditures					0.0		0.450.0	(0.0)9/	\$(4.0)	
Excl. Circuit Breakers		2,379.2		2,457.9	3.3		2,453.9	(0.2)%	\$(4.0)	
Homeowners' CB		17.3		11.0			0.5			
Commercial CB		27.2		11.9	1.9		2,454.4			
Total		2,423.7		2,469.8	1.9					
Ending Balance		249.5		128.2			128.2			
% of Expenditures		10.3%		5.2%			5.2%			

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### THREE STATE GENERAL FUND PROJECTIONS

#### In Millions

		FY	′ 1990 <b>*</b>	FY 1991*	Increase	- FY 1992	Increase	FY 1993	Increase
<u>A</u>	Beginning Balance	\$	371.4	\$ 249.5		\$ 128.3		\$ 175.3	
	Receipts Consensus Est. Rec. Transfer Rec. Accelerations Total	-	2,297.9 0.2 3.7 2,301.8	2,337.0 0.5 11.1 2,348.6	1.7%	2,383.7 0.5 	2.0%	2,431.4 0.5 	2.0%
	Expenditures Excl. Circuit Breakers Homeowners' CB Commercial CB		2,379.2 17.3 27.2	2,457.9  11.9	3.3	2,336.7 0.5	(4.9)	2,370.2  	1.4
	Total		2,423.7	2,469.8	1.9	2,337.2	(5.4)	2,370.2	1.4
	Ending Balance % of Expend.		249.5 10.3%	128.3 6 5.2%	, 5	175.3 7.5%		237.0 10.0%	
<u>B</u>	Beginning Balance	\$	371.4	\$ 249.5		\$ 128.3		\$ 176.9	
	Receipts Consensus Est. Rec. Transfer Rec. Accelerations Total		2,297.9 0.2 3.7 2,301.8	2,337.0 0.5 11.1 2,348.6	2.0	2,407.1 0.5 - - - 2,407.6	3.0%	2,479.3 0.5 2,479.8	3.0%
	Expenditures Excl. Circuit Breakers Homeowners' CB Commercial CB		2,379.2 17.3 27.2	2,457.9  11.9	3.3	2,358.5 0.5 	(4.0)	2,415.2  	2.4
	Total		2,423.7	2,469.8	1.9	2,359.0	(4.5)	2,415.2	2.4
	Ending Balance % of Expend.		249.5 10.3%	128.3 6 5.2%	<b>5</b>	176.9 7.5%		241.5 10.0%	
<u>C</u>	Beginning Balance	\$	371.4	\$ 249.5		\$ 128.3	<u> </u>	\$ 178.6	
	Receipts Consensus Est. Rec. Transfer Rec. Accelerations		2,297.9 0.2 3.7	2,337.0 0.5 11.1	1.7%	2,430.5 0.5	4.0%	2,527.7 0.5	4.0%
	Total		2,301.8	2,348.6	2.0	2,431.0		2,528.2	
	Expenditures Excl. Circuit Breakers Homeowners' CB Commercial CB		2,379.2 17.3 27.2	2,457.9  11.9	3.3	2,380.2 0.5 	(3.2)	2,460.7  	3.4
	Total		2,423.7	2,469.8	1.9	2,380.7	(3.6)	2,460.7	3.4
	Ending Balance % of Expend.		249.5 10.3%	128.3 6 5.2%	6	178.6 7.5%		246.1 10.0%	

<sup>\*</sup> Based on pages 8-13, Volume 1, <u>Governor's Budget Report</u> to the 1990 Legislature. For sake of simplicity, the ending balances in FYs 1991, 1992, and 1993 are the combined balances of the SGF and the proposed Cash Operating Reserve Fund.