

Approved: Feb. 15, 1993
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 11:00 a.m. on February 11, 1993 in Room 123-S of the Capitol.

All members were present except: Senator Rock, who was excused

Committee staff present: Leah Robinson, Legislative Research Department
Scott Rothe, Legislative Research Department
Norm Furse, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

James Cobler, Director, Division of Accounts and Reports, Department of Administration
Roger Brazier, Attorney, Legal Section, Department of Administration
Becky Burkhart, Bureau Chief for Collections Processing Bureau and Collections Enforcement Bureau, Department of Revenue

Others attending: See attached list

SB 54 - ESTABLISHING THE FEDERAL CASH MANAGEMENT FUND

Mr. James Cobler, Director of the Division of Accounts and Reports, appeared before the Committee in support of **SB 54** and reviewed Attachment 1. In answer to the Chairman, he stated that those funds which receive more than \$4 million annually are subject to the Federal assessment. He stated that the state must also pay interest on pass-through funds for the period of time the state holds them. In answer to Senator Karr, Mr. Cobler stated that the federal government will pay interest to the state in the case of funds that are provided for reimbursed cost if the state provides the money in advance of receipt of the federal monies.

The Chairman noted that he would entertain a motion to amend **SB 54** as suggested on page 2 of Attachment 1. It was moved by Senator Karr and seconded by Senator Lawrence that **SB 54** be amended by changing the date from June 30, 1993 to June 30, 1994 on page 1, line 15, and that all references to the federal act be modified to the official title of "federal cash management **improvement** act of 1990". The motion carried on a voice vote.

SB 55 - ASSESSMENT OF INTEREST PENALTIES ON DEBTS OWED TO STATE AGENCIES

Mr. James Cobler appeared before the Committee in support of **SB 55** and reviewed Attachment 2. In answer to Senator Morris, he stated that many state agencies hire collection agencies but the cost of this service is not added to the bills. In answer to Senator Karr, Mr. Cobler stated that the Division of Accounts and Reports does a "match" against every payment made and goes through due process in debt setoff. He also noted that the second part of **SB 55** reduces the interest penalty the state must pay to a vendor from the current 1.5% to 1%.

Mr. Roger Brazier testified before the Committee in support of **SB 55**. He stated that the legal section within the Department of Administration does active collection work in addition to debt setoff. He told members that much of the workload involves active debt collection with KUMC write-off accounts which the Department has revived. He said that judgment interest is included in the computation of the debt which provides a stronger incentive for payment by the debtor. Mr. Brazier told the Committee that **SB 55** would provide

CONTINUATION SHEET

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another collection tool for the Department. Senator Vancrum expressed concern regarding timeliness of the billing and indicated his preference that interest accrue from the postmark of the bill.

Becky Burkhart, Department of Revenue, testified in support of **SB 55**, noting that the Department of Revenue currently imposes an interest rate on debtors which, she believes, is an incentive to pay. In answer to Senator Moran, Ms. Burkhart stated that **SB 55** addresses only prejudgment interest.

SB 56 - VACATION LEAVE INCLUDED IN PAYMENTS FROM STATE LEAVE PAYMENT RESERVE FUND

Mr. James Cobler presented and reviewed Attachment 3 in support of **SB 56**. In answer to Chairman Bogina's question, Mr. Cobler stated that the provision allowing the Secretary of Administration to determine the assessment rate is subject to appropriation. Senator Vancrum voiced his opposition to the original decision to allow accumulation of vacation leave and to the assessment of all agencies. He also stated his opinion that the provisions of this bill encourage the accumulation of vacation leave. Mr. Cobler responded that the Department provided this solution when asked by the Legislature to formulate a plan to solve budgeting problems for sick and vacation leave. He told members that the Department welcomed suggestions regarding any plan that might be more satisfactory. In answer to Senator Brady, he stated that he believed removing the large payments from agency budgets for sick and annual leave would stabilize turnover and make it easier to set turnover rates.

There was consensus that employees ought to take their annual leave within the year it's earned. Mr. Cobler said that currently maximum annual leave is 240 hours. In answer to Chairman Bogina, Mr. Cobler stated that it is for the sake of convenience that the shortfall is assessed only against the State General Fund. He added that the shortfall would be repaid to the SGF the following year.

SB 94 - KANSAS STATE UNIVERSITY, SALE OF LAND IN CHASE COUNTY

The Chairman told the Committee that the Legislature approved the sale of this land last year, but the statute did not include the complete description. Attachment 4 was distributed to members for their information.

The Chairman asked that members take **SB 55 and SB 56** under advisement and that action be taken on **SB 54 and SB 94**.

It was moved by Senator Kerr and seconded by Senator Karr that **SB 54 as amended** and **SB 94** be recommended favorable for passage. The motion carried on a roll call vote.

Senator Moran told members that he is have an amendment drafted for **SB 94** which involves a land swap between the city of Hays and Fort Hays State University which he will offer on the floor.

It was moved by Senator Lawrence and seconded by Senator Moran that the minutes of February 5, 1993 and February 8, 1993 be approved. The motion carried on a voice vote.

Senator Brady moved that bill draft 3 RS 1014 in introduced. The motion was seconded by Senator Lawrence and carried on a voice vote.

The Chairman asked that members read information provided by Representative Gary Blumenthal regarding the National Conference of State Legislatures' Task Force on Developmental Disabilities (Attachment 5). The meeting was adjourned at 12:00 noon.

The next meeting is scheduled for February 15, 1993.

GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS

DATE: Feb. 11, 1993

[illegible]

**STATE OF KANSAS
DEPARTMENT OF ADMINISTRATION**

JOAN FINNEY, Governor
JAMES R. COBLER, Director of Accounts and Reports
900 S. W. Jackson, Room 355
(913) 296-2311
FAX (913) 296-6841

MEMORANDUM

DATE: February 11, 1993

TO: August Bogina, Jr., Chairperson, Senate Ways and Means Committee

FROM: James R. Cobler, Director *JRC*

SUBJECT: Testimony on Senate Bill 54

My comments for testimony regarding the federal Cash Management Improvement Act of 1990 (CMIA), Senate Bill 54, are as follows:

General Comments:

Because the federal government has debated and delayed issuance of both the final regulations and the compliance date, it has been impossible to accurately estimate the cost of interest due or perform other than preliminary implementation measures at this time. However, the current regulations and the federal act impose an obligation on the states to make interest settlements on funds administered for specified federal grant programs for transactions commencing on and after July 1, 1993. On a historical basis, an auditable report and remittance must be prepared and filed for fiscal year 1994 by December 30, 1994.

Under the federal CMIA regulations, any federal grant funds in the hands of the State Treasurer, other than those provided for reimbursed cost, will be subjected to an interest obligation payable to the U.S. Treasury at the 91-day Treasury Bill rate until such grant funds are either paid by the State Treasurer over to the appropriate bank in purchase of state warrants or on automated clearinghouse transactions. The State Treasurer informs us that she is able to invest the federal grant funds at a rate that is adequate to equal the obligation to the U.S. Treasury.

Given the CMIA settlement requirements, it is in the State's interest to reduce the interest obligation to the required settlement amount, yet to receive reimbursements for the state funded expenditures at the earliest allowable time to prevent the State from losing interest on state fund balances. A number of procedural changes may be required to accomplish this goal, including the segregation of statewide and agency indirect cost recoveries from direct federal grant program funds because the first item represents reimbursement on a percentage of federal grant basis for state funded expenditures while the "direct federal grant" portion is the only part of the federal grant subject to interest payment to the U.S. Treasury.

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In addition, two corrections to the bill as it is now written should be made as follows: (1) the date on page 1, line 15 should be changed from June 30, 1993 to June 30, 1994, and (2) all references to the federal act should be modified to the official title of "federal cash management improvement act of 1990".

Effect on Operations and Responsibilities of the Division of Accounts and Reports:

Staffing: The implementation of SB 54 will impact the operations and responsibilities of the Division of Accounts and Reports significantly. A new Central Accountant III position and related operating costs were approved in the FY 1993 budget and an incumbent was hired on February 1, 1993 specifically for the implementation of and procedures related to compliance with the federal CMIA. These costs will be recovered by offset to any interest amount payable to the U.S. Treasury.

The major task necessary to comply with the federal interest payment requirements is that of gathering and compiling data. Once such data is in place the tasks of fund transfers, reconciliation and information reporting will be necessary for the annual net interest remittance to the federal government. No additional staffing will be required other than that previously approved. Therefore, no effect on the Division of Accounts and Reports' budget is anticipated to comply with these additional procedures.

Cost Estimates:

FY 1994: The cost of interest due to the federal government was originally estimated and budgeted at \$1.5 million, although given the current available information this represents an approximation only. Adjustments must be made to separate federal grant indirect cost reimbursement dollars from the federal program grant dollars in order to calculate the principle amount on which the interest payment is due. Such interest obligation was originally budgeted in the Accounting Services Recovery Fund but was removed at the time of the Governor's Budget Recommendations. **If the act is adopted, the new Federal Cash Management Fund needs to be established as a no limit fund in an appropriation bill.**

Funding: The funding source for payment of interest on direct federal grant moneys will depend upon the fund in which interest earned on federal moneys is credited. Of the programs affected by the CMIA, it appears only the Department of Human Resources, Employment Security Fund - Benefit and Clearing Accounts, and the Department of Transportation (DOT) Highway Fund receive interest earnings and, thus, they will be the only non-General-Fund sources for payment of interest expenditures. **Thus income formerly credited to the State General Fund will be the source utilized for payment of interest and other costs due the federal government for all other federal funds affected.** Because DOT operates under a reimbursement method for federal funds which is expected to minimize the interest due, their portion of the total interest debt should be minimal. **Therefore, from a conservative perspective, an estimated amount of \$1.5 million in FY 1994**

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should be considered as a reduction of interest income to the State General Fund and as a liability for the Federal Cash Management Fund.

Long Range Fiscal Effect:

The long range fiscal effect of increased expenditures statewide will continue in future fiscal years for the interest due to the federal government for use of federal moneys. The concept foreseen is that the direct federal grant fund(s) balances will earn interest which will be adequate to pay the interest liability amount, due to the federal government, as well as other allowable costs of administering this program. However, the State General Fund to which such interest was credited in past years would lose a corresponding amount of interest income.

Any changes in control and procedures related to "drawdowns" of federal funds or of instantaneous electronic fund transfer transactions could reduce the amount of interest payable to the federal government.

If additional information is needed, please let me know.

JRC:HFG:cv

**STATE OF KANSAS
DEPARTMENT OF ADMINISTRATION**

JOAN FINNEY, Governor
JAMES R. COBLER, Director of Accounts and Reports
900 S. W. Jackson, Room 355
(913) 296-2311
FAX (913) 296-6841

MEMORANDUM

DATE: February 11, 1993

TO: August Bogina, Jr., Chairperson, Senate Ways and Means Committee

FROM: James R. Cobler, Director *JRC*

SUBJECT: Testimony on Senate Bill 55

My comments for testimony regarding the assessment of interest penalties on debts owed to the State, Senate Bill 55, are as follows:

General Comments:

In the private business sector, common business practices include adding interest or late charges on debts not paid within a specified payment period. The proposed interest penalty assessment will defray the costs of interest lost from the delayed payment as well as recover some of the expenses of carrying the debt to include issuing monthly statements, collection letters and other collection procedures, which are currently absorbed by most state agencies.

Effect on the Operations and Responsibilities of the Division of Accounts and Reports:

General: With the exception of the Municipal Accounting section, the majority of our billings are to other state agencies which are specifically excluded from assessment of the interest penalty.

Setoff: Setoff would be responsible for assessment of future interest penalties for agency debts written off and thereby assigned and available to the Division of Accounts and Reports for collection. For debts not yet written off but assigned to Setoff for collection assistance, a policy decision on the assessment of an interest penalty would be required from the agency which was originally owed the debt since assessment of the penalty is at the discretion of each agency. If the agency chose to impose the penalty, then appropriate accounting entries would be required to record the added charge and reflect it on future billings.

The receipts to the Accounting Services Recovery Fund related to the Setoff program will undoubtedly increase depending upon the assessment of interest penalties both prior to and after submission to the Setoff program, together with the percentage of debts collected. Such increased revenues are not expected to be significant.

Attachment 2

Staffing: No additional staffing is anticipated and no effect on the Division of Accounts and Reports' expenditure budget is expected in order to comply with the additional procedures.

Programming: Programming effort will be required from the Division of Information Systems and Communications to modify the Setoff program to not only record the interest penalty but also to age the receivables. The magnitude of programming effort is unknown at this time, and thus, no cost estimates are provided. However, no additional out-of-pocket costs are anticipated as the work would be performed by existing employees.

Assumptions for Revenue Estimates:

Assumptions used in the computation of the estimated revenues are as follows:

- 1) All interest penalties due were imposed. SB 55 gives agencies the discretion to "compromise or waive such interest penalties" but it is impossible to predict the effect this may have.
- (2) The previous interest penalty remained unpaid at the end of each thirty-day period after the payment due date and was added to the principal amount for which additional interest penalties were assessed.
- (3) The effect of the portion of the outstanding receivables subject to interest penalties under other provisions, such as delinquent tax payments which would not be subject to the 1.0% penalty allowed in SB 55, was ignored. It is impossible to assess, from the outstanding accounts receivable data currently available what portion of the outstanding receivables would be subject to specific interest penalty provisions other than those in SB 55.
- (4) Interest penalties for receivables that are in proceedings such as bankruptcies or whose age is unknown were not computed. Current data for these receivables is insufficient for application of the computation procedures of SB 55. These outstanding receivables are estimated to be \$509 million as of June 30, 1992 to include the Department of Social and Rehabilitation Services child support and tax payments to the Department of Revenue.
- (5) The percentage of collectible receivables is based upon the change in aged receivables as of June 30, 1992. As a conservative estimate, it is assumed that those receivables 121 days old or older will not be collected.

Revenue/Expenditure Estimates:

Revenue: The income to the State from assessment of a 1.0% interest penalty on past-due debts owed to the State is estimated at \$5.3 million as displayed on the attached schedule. This estimate is based upon the

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statewide aged accounts receivable data currently available as of June 30, 1992. The assumptions used in preparing this estimate should be carefully reviewed because variations could significantly affect anticipated revenues.

Expenditures: The decrease in expenditures to vendors of the State due to the decrease in the interest penalty rate from 1.5% to 1.0% is expected to be insignificant based upon an analysis of interest penalties paid in the three prior fiscal years.

If additional information is needed, please let me know.

JRC:SLF:cv

Attachment

Department of Administration
Division of Accounts and Reports
Calculation of Estimated Interest Income in Accordance with Senate Bill #55
Based upon Aged Accounts Receivable as of June 30, 1992

Rules for Debtor Interest Penalty Computation:
Rate equals 1.0% per month on the amount due.

Any amount of interest penalty which remains unpaid at the end of any thirty-day period shall be added to the principal amount of the debt, and interest penalties shall accrue on the total amount.

Days Overdue	Amount Due Including Prior Period(s) Interest/ Collection Penalties *	Current Period Interest/ Collection Penalty Assessed **	Total Gross Receivables + Interest/ Collection Penalties Due	Estimated Accts. Rec. & Penalties Collectible	Estimated Gross Accts. Rec. Collectible	Estimated Interest/ Collection Penalty Collectible **	Estimated Annualized Interest/ Collection Penalty Collectible **
1-30	\$ 29,599,728	\$ 295,997	\$ 29,895,725	\$ 10,170,526	\$ 10,069,827	\$ 100,699	\$ 1,208,388
31-60	19,726,361	197,264	19,923,625	6,566,827	6,437,434	129,393	1,552,716
61-90	13,356,616	133,566	13,490,182	4,051,102	3,931,959	119,143	1,429,716
91-120	9,439,083	94,391	9,533,474	2,383,369	2,290,370	92,999	1,115,988
121-365	40,775,940	407,759	41,183,699	0	0	0	0
> 365	70,659,866	706,599	71,366,465	0	0	0	0
	<u>\$ 183,557,594</u>	<u>\$ 1,835,576</u>	<u>\$ 185,393,170</u>	<u>\$ 23,171,824</u>	<u>\$ 22,729,590</u>	<u>\$ 442,234</u>	<u>\$ 5,306,808</u>

* NOTE: Prior period interest/collection penalties were calculated for 4 months for the 121-365 days past due group and for 12 months for the over 365 days past due group although some of the receivables in each group are older and would have been assessed more monthly interest/collection penalties.

** NOTE: Some of these receivables may already be subject to and/or include interest penalties and would not be subject to the 1.0% interest/collection penalty.
EXAMPLE: Delinquent tax payments

STATE OF KANSAS
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JAMES R. COBLER, Director of Accounts and Reports
900 S. W. Jackson, Room 355
(913) 296-2311
FAX (913) 296-6841

MEMORANDUM

DATE: February 11, 1993

TO: August Bogina, Jr., Chairperson, Senate Ways and Means Committee

FROM: James R. Cobler, Director *RC*

SUBJECT: Testimony on Senate Bill No. 56

My comments for testimony regarding the State Leave Payment Reserve Fund (State Leave Fund) and the assessment rate, Senate Bill 56, are as follows:

Analysis of Proposed Legislation:

Currently the State Leave Fund provides for the payment of compensation for accumulated sick leave payable to retiring employees. These payments are funded through centralized payroll assessments which are included in the budgetary process. Current goals include:

- o providing full funding of payouts on retirement, while
- o maintaining lowest possible assessment rate and State Leave Fund cash balance to minimize affects on agency budgets.

SB 56 includes three major elements:

1. Includes payments for annual leave to retirees from the centralized State Leave Fund in addition to the existing sick leave payouts.

This further alleviates the agency burden of funding accumulated annual leave payouts to retirees without the option of budgeting for these costs. Both sick and annual leave elements were included in the FY 1994 agency budget instructions.

2. Establishes the FY 1994 assessment rate at .34% of salaries, which was budgeted as .20% for sick leave, and .14% for annual leave.

These rates do not include provisions for the affects of the "90 Point" Early Retirement Plan adopted in the FY 1992 Session which added 512 potential retirees, nor for the affects of any subsequent early retirement legislation which may occur this session. This could cause the FY 1994 rates to be insufficient -- as currently experienced with the FY 1993 assessment (see attached State Leave Fund cash flow estimate for FY 1993).

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3. Gives Secretary of Administration authority to revise the assessment rate as needed.

Establishment of the assessment in accordance with current statute and budget procedure time frames require the rate projection 15 months prior to implementation, leaving wide time spans for other legislation to materially affect projections.

FY 1993 State Leave Fund Negative Cash Balance:

This flexibility is required to adequately provide funding of payouts because the number of retirees is significantly affected by other legislation related to employee retirement provisions. The "90 Point" Plan adopted for FY 1993 increased FY 1993 YTD retirements by 42% over original projections. Additionally, average payouts per retiree is 5.5% higher than originally projected. These two factors when assumed for the remainder of FY 1993 can cause a potential projected 6/30/93 negative cash balance estimated at \$(845,379). (refer to attachment)

State Leave Fund Negative Cash Balance Proposed Solution:

- o Amend to SB 56 as written to provide for the "borrowing" of an amount sufficient to cover the projected fund shortfall from the General Fund to be repaid in FY 1994 by building this loan amount into a revised assessment rate for FY 1994. The rate increment increase for the loan is estimated at .07%, (\$900,000 divided by \$1,232,000,000).
- o In conjunction, propose a further amendment to SB 56, section 5, to revise the effective date from publication in the statute book to publication in the Kansas register thus providing the means to borrow the funds in a timely manner to avoid the anticipated negative cash balance during FY 1993.

Assumptions for Cost Estimates and/or Anticipated Revenues:

Agencies have been notified through the budget instructions for the FY 1994 budget preparation to include the leave payment reserve assessment of .34% of gross wages, including both sick (.20%) and annual (.14%) accumulated leave elements. This rate was computed under the following assumptions:

- o) Actual accumulated sick and annual leave amounts by agency obtained from historical retirements during FY 1991 were used as a base as extracted from KIPPS agencies and as reported by Regents agencies.

- o) No reliable data could be found to support a trend or significant change in actual number of retirees from FY 1991 to FY 1994, therefore the actual amounts of the payouts to retirees during FY 1991 were increased by 2.5% per year to obtain the FY 1994 estimated liability. The estimated liability due to retirements for FY 1994 sick leave is approximately \$2,500,000 and \$1,400,000 for annual leave for a total estimated liability of \$3,900,000 due for retirement payouts.
- o) Actual gross wages for the period June 1, 1991 to March 31, 1992 were annualized for FY 1992, then increased by 2.5% per year for a FY 1994 gross wage estimate of approximately \$1,232,000,000. This amount compares to the Governors FY 1994 salary recommendation adjusted for shrinkage (\$1,270,000,000).
- o) The number of retirements varies widely from month to month during the fiscal year, therefore an additional amount was needed and built into the rate to accommodate the cash flow problems this creates.

Implementation Needs:

SB 56 may require additional modifications to the centralized payroll system. Programming salary costs are already provided in the Central Management Systems Operations (CMSO) appropriation. However, any modifications needed for the seven Regent payroll systems would be in addition to the programming costs funded through the CMSO appropriation.

Once modifications are made, processing transactions, monitoring of the State Leave Fund balances and establishing the assessment rate can be performed utilizing the existing staff and resources, under current budget limitations.

Long Range Fiscal Effects:

Sustain a budgeted salary and wage assessment rate sufficient to allow the funding of both sick and annual leave retirement payouts. The proposed composite rate of .34% for FY 1994 equates to approximately \$4,200,000 (\$1,232,000,000 estimated wages X .34%). Because of the potential shortfall of contributions resulting from enactment of the "90 Point" plan near the end of the 1992 Session, the recommendation to fund the shortage by repayment of a loan from the General Fund with a .07% charge in FY 1994 would increase the rate to .41%. The amount of additional statewide budgeted salary and wage assessment costs directly attributable to S.B. 56 for the annual leave portion is approximately \$1,700,000 during FY 1994. This consists of \$1,400,000 for estimated annual liability and \$300,000 for cash flow requirements and possibly allowance for a small increase in the number of retirements over and above projections.

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The \$1,700,000 does **not** represent an increase in expenditures to the state because agencies ultimately bear these costs regardless whether the sick and annual leave payouts come from the central State Leave Fund or agency operating funds.

The long range fiscal effects of the provision to allow adjustments to the rate as needed by the Secretary of Administration should be considered minimal (if any). Any increases(decreases) in the assessment rate over(under) annual projections will be solely to adjust to allow full funding of retirement leave payments while maintaining a minimum operating fund balance.

JRC:MEE:cv

Attachments

**State Leave Payment Reserve Fund
(Sick Leave Payouts Upon Retirement)
Cashflow / Fund Balance Projection For FY 1993**

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Fiscal Year 1993	Number of Retirements				Dollar Amount			Payouts Per Retiree			
	Original Proj.	[1] Actual / Revised Proj.	Diff. (Over) / Under Orig. Proj.	Percent Difference	Original Projection	[1] Actual / Revised Projection	Liability Diff. (Over) / Under Orig. Projection	Original Projection	Actual / Revised Projection	Diff. (Over) / Under Orig. Projection	Percent Difference
TOTAL RECEIPTS											
Estimated Gross Wages					1,201,697,552.94	1,223,494,907.00 [2]	(21,797,354.06)				
X Assessment Rate					0.23%	0.23%	0.23%				
Projected Assessment Receipts					2,763,904.37	2,814,038.29	(50,133.92)				
TOTAL LIABILITY	287	408	(121)	-42.2%	2,439,496.76	3,659,417.59	(1,219,920.83)	8,499.99	8,969.00	(469.01)	-5.5%
CASHFLOW	Number of Retirements				Dollar Amount			Payouts Per Retiree			
Beginning Balance					0.00	0.00	0.00				
Aug 1 Receipts					230,325.36	95,125.11	(135,200.25)				
Jul Liability	3	19	(16)	-533.3%	(25,499.97)	(213,901.73)	(188,401.76)	8,499.99	11,258.00	(2,758.01)	-32.5%
Aug Balance (Act)					204,825.39	(118,776.62) [3]	(323,602.01)				
Sep 1 Receipts					230,325.36	341,104.26	110,778.90				
UKMC Advance [4]						150,000.00	150,000.00				
Aug Liability	34	43	(9)	-26.5%	(288,999.62)	(387,839.35)	(98,839.73)	8,499.99	9,020.00	(520.01)	-6.1%
Sep Balance (Act)					146,151.13	(15,511.71) [3]	(161,662.84)				
Oct 1 Receipts					230,325.36	234,972.82	4,647.46				
Sep Liability	14	11	3	21.4%	(118,999.84)	(80,269.50)	38,730.34	8,499.99	7,297.00	1,202.99	14.1%
Oct Balance (Act)					257,476.65	139,191.61	(118,285.04)				
Nov 1 Receipts					230,325.36	111,342.66	(118,982.70)				
Oct Liability	6	12	(6)	-100.0%	(50,999.93)	(90,754.24)	(39,754.31)	8,499.99	7,563.00	936.99	11.0%
Nov Balance (Act)					436,802.08	159,780.03	(277,022.05)				
Dec 1 Receipts					230,325.36	357,522.78	127,197.42				
Nov Liability	32	34	(2)	-6.3%	(271,999.64)	(271,369.63)	630.01	8,499.99	7,981.00	518.99	6.1%
Dec Balance (Act)					395,127.80	245,933.18	(149,194.62)				
Jan 1 Receipts					230,325.36	263,756.94	33,431.58				
Dec Liability	8	19	(11)	-137.5%	(67,999.91)	(193,609.94)	(125,610.03)	8,499.99	10,190.00	(1,690.01)	-19.9%
Jan Balance (Act)					557,453.25	316,080.18	(241,373.07)				
Feb 1 Receipts					230,325.36	235,035.62	4,710.26				
Jan Liability	7	10	(3)	-42.9%	(59,499.92)	(89,691.60)	(30,191.68)	8,499.99	8,969.00	(469.01)	-5.5%
Feb Balance (Prj)					728,278.69	461,424.20	(266,854.49)				
Mar 1 Receipts					230,325.36	235,035.62	4,710.26				
Feb Liability	43	61	(18)	-41.9%	(365,499.51)	(547,118.76)	(181,619.25)	8,499.99	8,969.00	(469.01)	-5.5%
Mar Balance (Prj)					593,104.54	149,341.06	(443,763.48)				
Apr 1 Receipts					230,325.36	235,035.62	4,710.26				
Mar Liability	44	62	(18)	-40.9%	(373,999.50)	(556,087.92)	(182,088.42)	8,499.99	8,969.00	(469.01)	-5.5%
Apr Balance (Prj)					449,430.40	(171,711.24)	(621,141.64)				
May 1 Receipts					230,325.36	235,035.62	4,710.26				
Apr Liability	3	4	(1)	-33.3%	(25,499.97)	(35,876.64)	(10,376.67)	8,499.99	8,969.00	(469.01)	-5.5%
May Balance (Prj)					654,255.79	27,447.74	(626,808.05)				
Jun 1 Receipts					230,325.36	235,035.62	4,710.26				
UKMC Refund [4]						(150,000.00)	(150,000.00)				
May Liability	68	97	(29)	-42.7%	(577,999.23)	(870,008.52)	(292,009.29)	8,499.99	8,969.00	(469.01)	-5.5%
Jun Balance (Prj)					306,581.92	(757,525.16)	(1,064,107.08)				
Jul 1 Receipts					230,325.41	235,035.62	4,710.21				
Jun Liability	25	36	(11)	-44.0%	(212,499.72)	(322,889.76)	(110,390.04)	8,499.99	8,969.00	(469.01)	-5.5%
Jul Balance (Prj)	287	408	(121)	-42.2%	324,407.61	(845,379.30)	(1,169,786.91)				

[1] Reflects actual data July 1, 1992 through January 20, 1993 and projected data January 21, 1993 through June 30, 1993. Actual number of retirees YTD are approximately 42% over original projections, while the YTD average payout per retiree is approximately 5.5% greater than original projections. These increases are assumed for the revised projections for the remainder of fiscal year 1993.

[2] Actual/Revised Projection for Gross Wages is based on the Governor's FY 1994 Budget revised FY 1993 Recommendation for Total Salaries less 4% shrinkage.

[3] Negative fund balances shown for August and September were avoided by delaying the adjustments which charge the State Leave Payment Reserve Fund and credit the agency operating funds which originally incur the expenditures.

[4] On September 23, 1992, the University of Kansas Medical Center advanced the State Leave Payment Reserve Fund \$150,000 shown here to be repaid prior to June 30, 1993.



**Vice President
for Administration and Finance**

Anderson Hall
Manhattan, Kansas 66506-0116
913-532-6226

STATEMENT

**Senate Ways & Means Committee
Honorable Gus Bogina, Chair
Senate Bill 94
Thursday, February 11, 1993**

BRIEF DESCRIPTION OF LEGISLATION:

Senate Bill No. 94 authorizes the State Board of Regents to sell certain real estate on behalf of Kansas State University. The real estate specified is land **deeded** to the University in 1985 by heirs of Francis W. ImMasche. This bill, if enacted, would enable Kansas State University to sell all of the ImMasche property gifted to the University.

BACKGROUND:

Last year (1992 Session), the State Legislature approved the sale of land received by the University in 1984 as a bequest from the estate of Francis W. ImMasche. The objective of House Bill No. 2979 was to authorize Kansas State University to sell all or a portion of the 740 acres of ImMasche property when necessary. By oversight, the state statute did not include the description of all the ImMasche land gifted to the university. A portion of the ImMasche property, **deeded** to the university in 1985 by an heir of Francis ImMasche, was not included.

The University is interested in selling 113.3 acres (83.9 acres of pasture and 29.4 acres of trees). Approximately 60 of the 113.3 acres is deeded land that was inadvertently not included in House Bill No. 2979. The parcel to be sold is not fenced and not accessible from surrounding property that is owned by the university because of a deep ravine and stream. This parcel of land has generated a payment of \$100 per year for the use of the pasture. Because of the access difficulties and the quantity of land involved, the University is unable to utilize it effectively.

The 113.3 acres of land was appraised in 1992 for approximately \$210 per acre. Request for Bids were advertised and a high bidder was chosen. In reviewing the State statute authorized last year, it was determined that about half of the 113.3 acres was from the deeded gift which was not included in the description of land authorized in 1992. Therefore, the land transaction could not be finalized.

Proceeds from the sale of land, approximately \$25,000, will be used to support range research and crop production research at Kansas State University.

*SWAM
Feb. 11, 1993
Attachment 4*

GARY H. BLUMENTHAL

REPRESENTATIVE, TWENTY-THIRD DISTRICT
JOHNSON COUNTY

HOME ADDRESS: 10125 EDELWEISS CIRCLE
MERRIAM, KANSAS 66203-4608
(913) 262-4635

OFFICE: ROOM 284-W STATEHOUSE
TOPEKA, KS 66612-1504
(913) 296-7688



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS

MEMBER: APPROPRIATIONS
EDUCATION

CHAIRMAN: NATIONAL CONFERENCE OF STATE LEGISLATURES
TASK FORCE ON DEVELOPMENTAL DISABILITIES

February 10, 1993

TO: House Appropriations Committee Members
Senate Ways & Means Committee Members
House Leadership
Senate Leadership

FROM: Rep. Gary Blumenthal

On behalf of the Kansas Legislature and the National Conference of State Legislatures' (NCSL) Task Force on Developmental Disabilities you are cordially invited to participate in a joint committee hearing Tuesday, February 16, 1993, at 7:00 a.m. This hearing is part of the technical assistance that NCSL is providing to the Kansas Legislature on community living for persons with developmental disabilities. Please come and take advantage of this opportunity to hear from several experts regarding deinstitutionalization and community living.

Louise Bauer, Policy Associate with NCSL and staff in the Task Force on Developmental Disabilities is expected to provide background information on NCSL's vision on community services and highlight innovative states' activities regarding deinstitutionalization and community living issues. Also, Wayne Sayler, Director, University Affiliate Program from the University of Kansas will address national trends and discuss the philosophy of community services.

There will be a get-aquainted reception for Ms. Bauer from 5 to 6:30 p.m. on Tuesday, February 16th at the Jayhawk Club in Jayhawk Tower. We hope to see you there.

SWAM
February 11, 1993
Attachment 5