

MINUTES OF THE HOUSE APPROPRIATIONS

The meeting was called to order by Chairman Kevin Yoder at 9:07 a.m. on January 13, 2009 in Room 143-N of the Capitol.

All members were present.except:

Representative Mitch Holmes - Excused
Representative Harold Lane - Excused
Representative Owen Donohoe - Excused

Committee staff present:

Alan Conroy, Kansas Legislative Research Department
J.G. Scott, Kansas Legislative Research Department
Christina Butler, Kansas Legislative Research Department
Reagan Cussimanio, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Estelle Montgomery, Kansas Legislative Research Department
Jonathan Tang, Kansas Legislative Research Department
Dylan Dear, Kansas Legislative Research Department
Cody Gorges, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Christina Butler, Kansas Legislative Research Department
Amy Deckard, Legislative Research Department
Aaron Klaassen, Legislative Research Department
Michael Steiner, Legislative Research Department
Jim Wilson, Revisor of Statutes
Nobuko Folmsbee, Revisor of Statutes
Jason Long, Revisor of Statutes
Kelly Cure, Chief of Staff
Kathy Holscher, Committee Assistant

Others attending:

See attached list.

Conferees attending:

None

- Attachment 1 Legislative Fiscal Analyst Assignments
- Attachment 2 SGF Receipts Estimate for FY 2009 and FY 2010
- Attachment 3 SGF Receipts July through December, FY 2009
- Attachment 4 SGF Receipts, Expenditures, Balances as Projected
- Attachment 5 Children's Initiatives Fund for FY 2008 and FY 2009
- Attachment 6 State Water Plan Fund for FY 2007, FY 2008 and FY 2009
- Attachment 7 Economic Development Initiatives Fund for FY 2007, FY 2008 and FY 2009
- Attachment 8 SGF Overview
- Attachment 9 Kansas State Fair Budget Summary FY 2007, FY 2008, FY2009

Representative Feuerborn moved to introduce three pieces of legislation appropriating the Governor's recommended budget FY 2010, the supplemental budget for FY 2009, and the multi-fiscal recommendations for capital improvements. The motion was seconded by Representative Watkins. The motion carried.

Chair Yoder welcomed the Committee to the first meeting of the 2009 Session and introduced the committee leadership.

J.G. Scott Legislative Research Department, introduced the Fiscal Analyst Staff and distributed a listing of assignments (Attachment 1). Jim Wilson, Office of the Revisor of Statutes, noted that he will staff the Committee and introduced committee staff with the Revisor's office.

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Chair Yoder stated that Committee rules will be forthcoming.

Alan Conroy, Legislative Research Department, presented an overview of the following:

- State General Fund (SGF) Receipts Estimate ([Attachment 2](#));
- Consensus Estimating Group's memo to the Governor and Legislative Budget Committee ([Attachment 3](#));
- State General Fund (SGF) Receipts July through December FY 2009 ([Attachment 4](#))

Mr. Conroy stated that the Consensus Revenue Estimate for FY 2009 was decreased by \$211.4 million, or 3.5 percent, below the previous estimate made in April 2008. The economic forecast with the recent measures of consumer spending and confidence indicates that the economy is sliding deeper into a major downturn.

These estimates were also based on the assumption that the Kansas Gross State product will grow to 5.0 percent. Mr. Conroy noted that in November 2008, there were no indications of reduction in the aircraft manufacturing industry.

Mr. Conroy reported that the total receipts through December of FY 2009 were \$44.6 million, or 1.6 percent below the estimate. One tax source, retail sales, exceeded the estimate by more than \$1.0 million. Total SGF receipts through December of FY 2009 were \$224.6 million. Two large transfers out of the SGF went to education and maintenance. Tax receipts for the same period were below FY 2008 by \$22.4 million, or 0.8 percent.

Mr. Conroy addressed Committee members questions regarding Certificates of Indebtedness. He stated that (SGF) borrowed \$550 million with two certificates outstanding this fiscal year which will must be redeemed by June 30, 2009. A new certificate could be issued prior to July 1, 2009, at which time any unpaid bills are paid. Mr. Conroy explained the ending balance requirements and procedures.

Amy Deckard, Legislative Research, gave an update on the Children's Initiatives Fund, FY 2008 - FY 2009, ([Attachment 5](#)). The final legislature approved budget for FY 2009 indicates an ending balance of \$29,556.

Heather O'Hara, Legislative Research, presented an overview on the State Water Plan Fund, FY 2007, FY 2008 - FY 2009 ([Attachment 6](#)). The transfer to the Economic Development Initiative Fund was increased from \$2 million to \$3.04 million. This report shows a negative balance, however encumbrances released during 2008 reflects a positive balance.

Michael Steiner, Legislative Research, presented an overview on the Economic Development Initiatives Fund, FY 2007 - FY 2009 ([Attachment 7](#)). Mr. Steiner stated a negative ending balance, based on actions taken during the 2008 Legislature.

J.G. Scott, Legislative Research, presented the an overview of the Governor's Budget recommendations and Mr. Scott reviewed legislative procedures. ([Attachment 8](#)). A sample write-up on the Kansas State Fair was reviewed. This information should be available for all agencies in mid-February ([Attachment 9](#)).

The meeting adjourned at 10:43 a.m. The next meeting of the Committee will be held on January 14, 2009

Kevin Yoder, Chair

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