

Approved:
Date

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Rhoades called the meeting to order at 9:06 a.m. on May 3, 2011, in Room 346-S of the Capitol.

All members were present

Committee staff present:

Jim Wilson, Office of the Revisor of Statutes
Nobuko Folmsbee, Office of the Revisor of Statutes
Alan Conroy, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Shirley Morrow, Kansas Legislative Research Department
Cindy O'Neal, Administrative Assistant, Appropriations Committee
Kathy Holscher, Committee Assistant, Appropriations Committee

Others attending:

See attached list

- Attachment 1 FY 2011 and FY 2012 SGF Receipt Revisions

Chairman Rhoades welcomed committee members and reviewed the meeting agenda.

Chairman Rhoades made a motion to introduce proposed legislation regarding National Bio Agro Defense Facility and duties for the Kansas Development Finance Authority. The motion was seconded by Representative Carlin. Motion carried.

Representative Mast made a motion to introduce proposed legislation regarding the Gaming and Racing Commission which defines qualified compensation. The motion was seconded by Representative DeGraaf.

Alan Conroy, Director, Kansas Legislative Research Department, provided an overview of the State General Fund Receipt Revisions for FY 2011 and FY 2012 (Attachment 1), and he responded to questions from committee members. He stated that the FY 2011 estimate decreased by \$10.2 million or 2% below the November consensus estimate, and the revised SGF estimate of \$5.7 billion represents an increase over FY 2010 receipts. Revised estimates for FY 2012 of \$5.7 billion was decreased \$21.5 million below the November estimates and the new estimates for FY 2012 represents a 2% increase above the FY 2011 revised estimate. He reviewed the economic forecast and two large one-time payments for taxes that were received in April, which was not previously reported in the revenue estimated. The possibility of April tax receipts coming in higher than originally projected, strong growth in individual income tax withholdings and concern for the decrease in retail sales was noted. He stated that the Consensus Revenue Estimating Group has a track record historically of a 1% forecasting margin and by law there must be a 7.5% ending balance for cash flow guarantees, certificate of indebtedness. Other estimating factors included gas and grocery prices which have increased with inflation, the possibility of federal government reductions, increased taxes in FY 2014 and the sales tax increase of 1%, which drops off in FY 2014.

Chairman Rhoades reviewed tomorrow's agenda.

Meeting adjourned at 9:27 a.m.

Marc Rhoades, Chairman