

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 11, 2007, in Room 123-S of the Capitol.

All members were present except:

Senator Jim Barone- excused
Senator Donald Betts- excused
Senator Steve Morris- excused
Senator Chris Steineger- excused

Committee staff present:

Norman Furse, Revisor Emeritus
Jill Wolters, Senior Assistant, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Melinda Gaul, Chief of Staff, Senate Ways & Means
Mary Shaw, Committee Assistant

Conferees appearing before the committee: None

Others attending:

See attached list.

Copies of the Kansas Fiscal Facts and Kansas Legislature 2006-2007 Appropriations Report were distributed to the Committee and are available on-line or in the Kansas Legislative Research Department.

Chairman Umbarger recognized Alan Conroy, Director, Kansas Legislative Research Department, and J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department, who presented an overview of the Consensus Revenue Estimates and the State General Fund Profile. The following information was provided:

- State General Fund Overview, dated January 9, 2007 ([Attachment 1](#)).
- Letter addressed to Kathleen Sebelius and the Legislative Budget Committee from the Kansas Division of the Budget and the Kansas Legislative Research Department regarding State General Fund Receipts for FY 2007 (Revised) and FY 2008 ([Attachment 2](#)).
- State General Fund (SGF) Receipts, July through December, FY 2007 ([Attachment 3](#)).
- State General Fund Receipts, Expenditures and Balances as Projected FY 2006 - FY 2010 ([Attachment 4](#)).
- Appropriations Update, January 11, 2007 ([Attachment 5](#)).
- State General Fund Receipts, Expenditures and Balances as Recommended by the Governor FY 2006 (actual) - FY 2009 (projected). ([Attachment 6](#))

Mr. Conroy explained that the Consensus Revenue Estimating Group met on November 3, 2006, and revised the FY 2007 State General Fund estimate of receipts and made the first official estimate for FY 2008. For FY 2007 (current year) State General Fund estimated receipts were increased \$299.4 million, or 5.7 percent. Significant adjustments were individual income tax receipts, corporation income tax receipts and retail sales tax receipts. Mr. Conroy noted that these were signs of a strong economy. Mr. Conroy noted that the first estimate FY 2008 projected increased receipts of \$108 million, or 1.9 percent. However, Mr. Conroy explained that it should be noted that sales and compensating use taxes are affected by 2004 legislation that deposits additional amounts in the State Highway Fund, rather than the State General Fund.

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:30 A.M. on January 11, 2007, in Room 123-S of the Capitol.

Regarding the Overview of the FY 2008 Recommendation, the Committee requested additional information regarding increased FTE positions by 706.6 from the FY 2007 approved to FY 2008. Staff noted that most of the increase appears to be a reporting issue in the University of Kansas budget. Senator Kelly requested clarification what the FTE positions would be without the University of Kansas. Staff will research this information.

Chairman Umbarger noted that there are challenges to consider this legislative session. Some of these challenges include, but not limited to, KPERS, the Comprehensive Transportation Plan, Deferred Maintenance at the state's universities, Education and Prisons.

Senator Schodorf suggested having a report presented to the Senate Ways and Means Committee that was presented to the Senate Commerce Committee regarding the current status of the Kansas economy. It was noted that the areas of oil, gas, aviation and agriculture are currently helping the Kansas economy, but it is also realized that these areas are also subject to deviations at times.

The meeting adjourned at 11:25 a.m. The next meeting is scheduled for January 16, 2007.