

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 10:00 a.m. on April 21, 2004 in Room 514-S of the Capitol.

All members were present except:

Representative Dean Newton- excused
Representative Larry Campbell- excused

Committee staff present:

Alan Conroy, Legislative Research
J. G. Scott, Legislative Research
Amy VanHouse, Legislative Research
Leah Robinson, Legislative Research
Michele Alishahi, Legislative Research
Nicoletta Buonasera, Legislative Research
Audrey Dunkel, Legislative Research
Susan Kannarr, Legislative Research
Melissa Calderwood, Legislative Research
Julian Efird, Legislative Research
Becky Krahl, Legislative Research
Robert Waller, Legislative Research
Amy Deckard, Legislative Research
Debra Hollon, Legislative Research
Carolyn Rampey, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Analyst
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

None

Others attending:

See Attached List.

- Attachment 1 Initial State General Fund Memo for Revised FY 2004 and FY 2005 Estimates
- Attachment 2 State General Fund Receipts, Expenditures and Balances, April 2004 Consensus Revenue Estimates
- Attachment 3 Message from Governor Sebelius on **HB 2675**
- Attachment 4 Consensus Caseload Estimate
- Attachment 5 State Water Plan Fund: FY 2004 and FY 2005
- Attachment 6 Economic Development Initiatives Fund, FY 2004 and FY 2005
- Attachment 7 Children's Initiatives Fund, FY 2004 and FY 2005
- Attachment 8 Certification from Director of the Budget on FY 2004 **HB 2675**
- Attachment 9 Budget Committee Meeting Rooms
- Attachment 10 Items for Omnibus Consideration
- Attachment 11 Governor's Budget Amendment No. 3
- Attachment 12 Items for Omnibus Consideration by fiscal year and departments
- Attachment 13 Governor's Recommended Adjustments to April 2004 State General Fund Receipts Contained in Governor's Budget Amendment No. 3

Representative Pottorff moved to introduce legislation to allow for technical clean-up of legislation as requested by the Revisor of Statutes. The motion was seconded by Representative Feuerborn. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 10:00 a.m. on April 21, 2004 in Room 514-S of the Capitol.

The Fiscal Analyst Staff of the Legislative Research Department presented and reviewed the following documents and information relating to the FY 2004 and FY 2005 budgets, items for omnibus consideration and the Governor's Budget Amendment (GBA) No. 3:

Initial State General Fund Memo for Revised FY 2004 and FY 2005 Estimates ([Attachment 1](#));
State General Fund Receipts, Expenditures and Balances, April 2004 Consensus Revenue Estimates ([Attachment 2](#));
Message from Governor Sebelius on **HB 2675** ([Attachment 3](#));
Consensus Caseload Estimate ([Attachment 4](#));
State Water Plan Fund: FY 2004 and FY 2005 ([Attachment 5](#));
Economic Development Initiatives Fund, FY 2004 and FY 2005 ([Attachment 6](#));
Children's Initiatives Fund, FY 2004 and FY 2005 ([Attachment 7](#));
Certification from Director of the Budget on FY 2004 **HB 2675** ([Attachment 8](#));
Budget Committee Meeting Rooms ([Attachment 9](#));
Items for Omnibus Consideration ([Attachment 10](#));
Governor's Budget Amendment No. 3 ([Attachment 11](#));
Items for Omnibus Consideration by fiscal year and departments ([Attachment 12](#));
Governor's Recommended Adjustments to April 2004 State General Fund Receipts Contained in Governor's Budget Amendment No. 3 ([Attachment 13](#)).

The Staff noted that according to the Consensus Revenue Estimates of April 20, 2004, the State is projected to have a positive ending balance of \$244 million at the end of FY 2004 and \$141.7 million at the end of FY 2005. It was noted that this is the first time in five years that a positive balance has been projected based on the previous estimates. The Staff stated that revenues for FY 2004 include one-time receipts from the tax amnesty program of \$28 million, an additional \$15 million from the property tax accelerator and \$45.7 million from the federal fiscal government relief. The Staff indicated that the state's economy continues to grow but at a slower pace than the national economy. The State's personal income is expected to grow by 4.6% in FY 2004 and 4.9% in FY 2005. It was also noted that the state's unemployment continues to be a concern with an estimate of 5.3% in FY 2004 and 5.1% in FY 2005. The Staff stated that cigarette taxes are \$10 million less than anticipated as a result of the higher tax levied against cigarettes. Several members of the Committee voiced concern in regard to this disparity and requested comparative data on cigarette taxes collected by neighboring states.

The meeting was adjourned at 12:10 p.m. to allow Budget Committees to meet during the afternoon. The full Appropriations Committee will return at 9:00 a.m. on April 22, 2004, to begin discussion and action on the items for omnibus consideration.