

REPORT OF THE
LEGISLATIVE FISCAL COMMITTEE
TO THE
LEGISLATIVE COUNCIL

October 12, 1983

The Legislative Fiscal Committee met at 10:00 a.m. on October 12, 1983 in Room 116. Members present were:

Representative Tom Jochum, Chair
Senator Arthur Small, Jr.
Senator Edgar Holden
Senator C. W. Bill Hutchins
Senator William Palmer
Senator Dale Tieden
Representative Minnette Doderer
Representative Lowell Norland
Representative Richard Welden

Also present were Legislative Fiscal Bureau staff and other interested persons.

Chairman Jochum asked for consideration of the Education and Transportation and Law Enforcement visitation requests. Senator Small moved the Committee postpone consideration of any decision on the requests of the Education and Transportation and Law Enforcement visitations. The motion carried.

The next item on the agenda was the referral from the Studies Committee of:

- A. HCR 40 - Study of OPP's mission, structure, and its programs.

Senator Small moved the Committee postpone consideration of this proposal. The motion carried.

- B. Auditor's Request for audit oversight of federal funds pass-through to non-profit agencies.

After Committee discussion, the consensus was that the Legislative Fiscal Bureau contact the appropriate federal agency to find out what their responsibility is in auditing these federal grants and the Fiscal Bureau compile a fiscal note showing costs if this type of audit was instituted. It was also suggested that the Auditor be asked to appear before the Committee for further explanation on this request.

Dwayne Ferguson, Program Evaluation Division, gave a review of the Cost Allocation Study Design. Following questions and discussion with the Committee, Mr. Ferguson stated that once we

know what the current state of the system is, we will identify alternatives that could use indirect cost allocations to encourage efficiency, and after we know what the alternatives are, we can identify steps that can be taken to implement these alternatives. Benefits will be compared with their costs. This will aid policy makers and administrators in deciding whether or not it is worth setting up an indirect cost allocation system.

Thom Freyer, Program Evaluation Division, presented a brief overview of current studies.

Pat Hipple gave an update on the AEA evaluation. Senator Small asked that four members of the Fiscal Committee, Representative Jochum, Senator Tieden, Representative Welden, and himself select a five to seven member citizens committee to review the data being gathered by the AEA evaluation and suggest alternatives and make recommendations to the Fiscal Committee.

During the discussion of this matter, Representative Norland suggested that perhaps the recommendations of the evaluation could be referred to the Committee on Excellence in Education which is already functioning.

Senator Small moved that four members of the Fiscal Committee meet to review the feasibility of appointing a citizens advisory committee to look at the AEA information and report back to the Fiscal Committee next month. The motion carried.

Dennis Prouty then handed out copies of the Fiscal Bureau's September 30, 1983 Quarterly Report. He commented that the Bureau's estimate of the General Fund Receipts for the Fiscal Year 1984 has not changed from the last report.