

REPORT OF THE  
LEGISLATIVE FISCAL COMMITTEE  
TO THE  
LEGISLATIVE COUNCIL

October 8, 1980

The Legislative Fiscal Committee met October 7, 1980, at 1:30 p.m. in the Legislative Fiscal Bureau Conference Room. Members present were:

Senator John Murray, Co-chairman  
Representative Richard Welden, Co-chairman  
Senator William Palmer  
Senator Stephen Bisenius  
Senator Bass Van Gilst  
Representative Gregory Cusack  
Representative Roger Halvorson  
Representative James West

Chairman Murray welcomed Senator Van Gilst who has been appointed to replace Senator John Scott on the committee. Minutes of the August and September meeting were approved.

Thom Freyer, Program Evaluation Division, presented a progress report on the current studies; Chronic Renal Disease Study and the Space Utilization Study. The Chronic Renal Disease Study will be released to the Health Department in two weeks, and to the Legislative Council just before Thanksgiving. Data is still being collected for the Space Utilization Study and will be ready for presentation to the Legislature the first part of the 1981 session.

Mr. Freyer also spoke to the Construction Review Form which the division has prepared. The division is waiting for additional responses from agencies.

Senator Murray asked that the Fiscal Director respond to the next item on the agenda, the General Fund Revenue Update. A copy of the Fiscal Bureau quarterly report, dated September 30, 1980, was distributed to the committee. The report indicated that the Fiscal Bureau had not changed the previous revenue estimate contained in its report dated June 30, 1980. As indicated in Exhibit C of the report, a graph presentation, economic conditions appear to be improving. The Fiscal Bureau will follow current General Fund revenue collections and update its report before the next quarterly report is due, if necessary.

Wayne Richey, Executive Secretary of the Board of Regents, had been asked to report to the Committee on the recent action of the Board relative to formal decisions made as a result of the 3.6 percent budget reduction. The Regents have decided to hold several staff positions open, thereby producing a savings in salaries. There will be closing of buildings during the holidays, a cut in supplies and services, equipment acquisitions, and building repairs and maintenance. Mr. Richey distributed a handout relating to enrollment and tuition at the three state universities. There has been increased enrollment at all universities this fall which the Regents assume to be temporary. Tuition will be increased in 1981 according to a schedule approved at the Regents' September

meeting which will be relied on to cover the cost of the added enrollment since no state funds were appropriated for that purpose.

Dr. Robert Benton, Department of Public Instruction, had been asked to address the general financial condition of school districts, and what measures are being taken to reduce expenses. In response to this question, the department surveyed 41 school districts. 35 of the school districts said they will be stamping warrants this year and 36 stamped warrants last year. Dr. Benton indicated that stamping warrants is a fairly routine process for a lot of schools and it is done to obtain cash flow.

In response to how the 3.6 percent cut affects the school districts, Dr. Benton said most schools won't necessarily have to cut their budgets because they have a Secretary's Balance to fall back on. For this reason, schools have a flexibility that other state departments do not have. The Superintendent estimated that 75 to 85 percent of an individual school's budget is for personnel and with these commitments made prior to the cutback, it is fairly difficult for them to reduce that expenditure. He stated that some of the area schools also committed themselves for the extra 2 percent increase proposed by the Governor during the last session and they are committed for that even though the Legislature would not formally appropriate it.

School districts, according to the Superintendent, have trimmed expenses by a few personnel vacancies, they have reduced field trips and other travel, they have made fewer major equipment purchases and they have stopped buying new buses.

Dr. Benton responded to questions by the committee concerning bussing and area school tuition.

Michael Reagen, Department of Social Services, presented a letter to the committee summarizing the status of budget reduction plans for the Department and the progress the Department has made to implement those changes. He also distributed a copy of a letter to the Iowa Council on Social Services containing the recommendations for reduction of the FY '81 budget. He stated that the Department faces a \$53 million dilemma.

Dr. Reagen indicated one of the Councils' jobs is to determine the percentage of median income that will be used to be eligible for a number of programs. The Council settled on 30 percent and asked that the Department do desk audits of recipient across the state to determine how these people would be affected.

The Commissioner was asked if decreasing district offices was considered by the Council. He said that a reduction of five district offices was considered as an option, but it was determined that it would cost the Department more money the first year and would save \$300,000.00 the second year. The Council did not choose that option in their final decision.

Taunya Martin, Fiscal Bureau staff, presented a progress report on the current study of legislative oversight of federal funds. Ms. Martin had prepared and mailed to the committee previous to the meeting a draft report. The report gave background information and presented two concepts and consideration on how the Legislature could have more input in the acceptance of federal grant programs.

After consideration and discussion by the committee, the consensus was that a final report to the Legislative Council would be acted upon at the November meeting.

The final item discussed by the Fiscal Committee was the question of the staffing of the Fiscal Bureau. The Fiscal Bureau is authorized 16 staff positions in the current appropriation bill. The Bureau has a staff of 14. Since a current staff member has resigned effective in November, the Fiscal Bureau would be reduced to a staff of 13.

Representative Roger Halvorson moved that one of the three vacant positions be staffed so that the Fiscal Bureau will have 14 staff members during the 1981 session. The motion passed unanimously.

The meeting was adjourned.