

REPORT OF THE
LEGISLATIVE FISCAL COMMITTEE
TO THE
LEGISLATIVE COUNCIL

November 12, 1980

The Legislative Fiscal Committee met November 11, 1980 at 1:30 p.m. in the Fiscal Bureau Conference Room. Members present were:

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

Thom Freyer, Program Evaluation Division, presented a progress report on the current studies; Chronic Renal Disease Study and Space Utilization Study. The Health Department has received the Chronic Renal Disease Study, and this will be released to the Legislative Council soon. Data is being collected on the Space Utilization Study, and should be ready the first part of the 1981 session.

Senator Murray called on Gerry Rankin to comment on the General Fund receipts for the first four months of the fiscal year, and to indicate what trends are developing in the state budget. Mr. Rankin distributed a graph prepared by the Fiscal Bureau, a copy of which is attached. The graph compares actual receipts for FY 1980 with the actual receipts for the first four months of the 1981 fiscal year and projects receipts that would be necessary to have enough funds for all of the state's obligations and end with a zero balance. According to the actual receipts for the first four months, the state is collecting 1.8% less revenue than the first four months of 1980. The tax receipts will have to equal 2% more than last year in order to take in the same revenue that was received during 1980 and would have to exceed the '80 receipts by 8.1% to have enough revenue to balance the budget. Mr. Rankin said that the likelihood of achieving the revenue estimate is unlikely. The Fiscal Bureau will probably make a new revenue estimate on December 1, 1980.

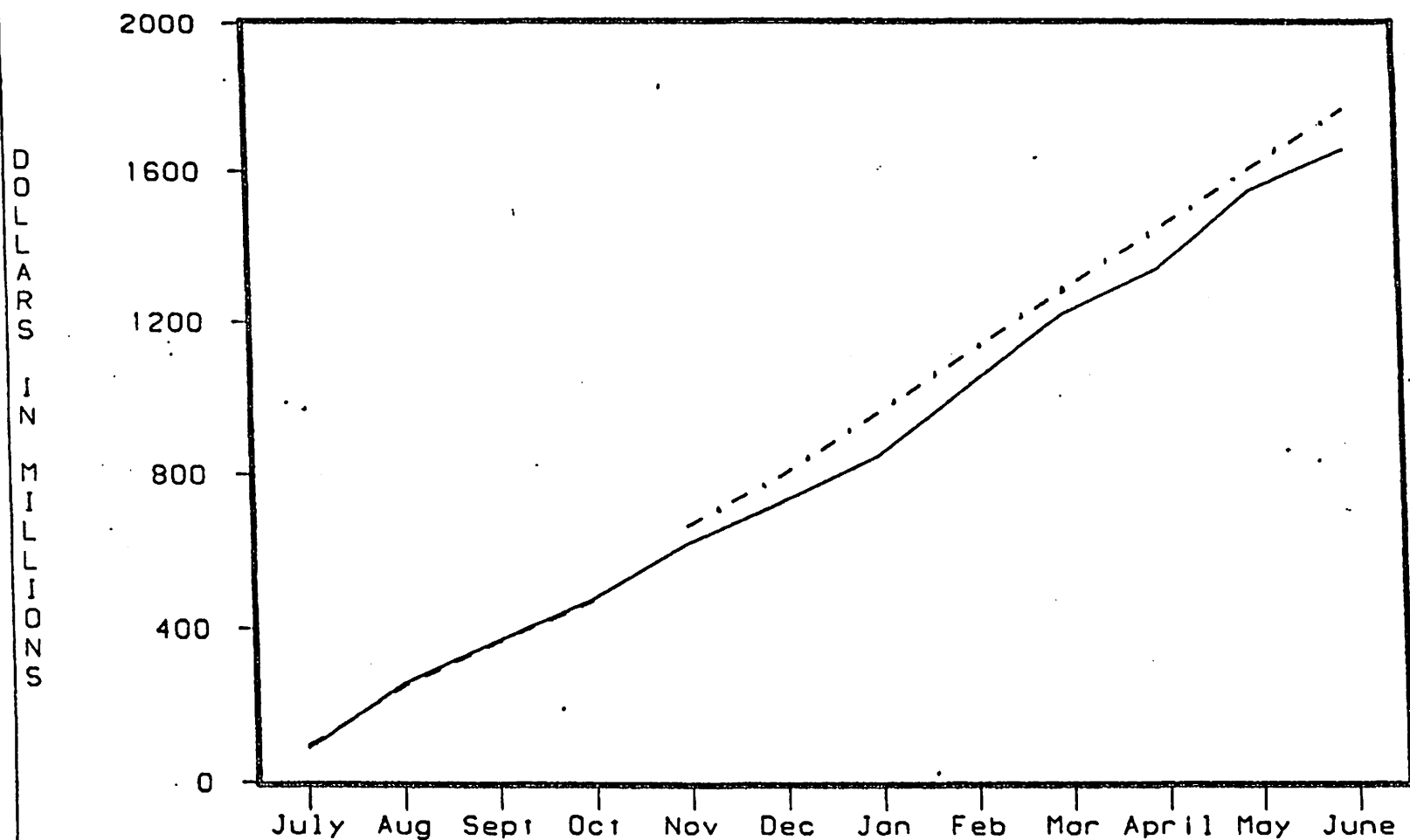
Mr. Rankin indicated that the Department of Social Services' last estimate is that they are \$12.4 million under appropriated, a problem that the Legislature will have to address. Also, that ending the Fiscal Year with a zero balance is not satisfactory. He stated that while there is no absolute solution to the problem that if the total deficit is to be recovered by reducing appropriations, then the appropriations would probably have to be cut across-the-board in a sufficient sum to make selective supplemental appropriations and leave a remaining balance.

Following Mr. Rankin's presentation, the committee members discussed various alternatives for balancing the budget.

Senator Murray called on Taunya Martin to discuss with the committee the project on federal funds oversight. Ms. Martin presented a revised concept of Legislative Oversight of Federal Funds. A copy of that concept is attached. After examining the draft report, the committee asked that the Service Bureau be requested to draft the concept into proper bill language and that it be presented at the December meeting of the Fiscal Committee. In addition to the presentation of the proposed bill draft in December, the committee asked that further definition be provided as to what federal funds would be included and which would be excluded from the oversight.

The meeting was adjourned.

COMPARISON OF FY 1980 AND FY 1981 RECEIPTS



— FY 1980 Actual Receipts
- - - FY 1981 Actual Receipts
- . - . FY 1981 Break Even Receipts