

REPORT OF THE
LEGISLATIVE FISCAL COMMITTEE
TO THE
LEGISLATIVE COUNCIL

June 11, 1980

The Legislative Fiscal Committee met June 10, 1980, at 1:30 p.m. in the Legislative Fiscal Bureau Conference Room. Members present were:

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

During a discussion of interim visitations, it was pointed out that the Studies Committee had referred the study of the Clarinda facility (intent language in Section 13 of House File 2595) to the Legislative Fiscal Committee. Representative Welden moved that a recommendation be made to the Legislative Council that approval be given for an interim committee of ten persons for five meetings to study the ultimate use of the Clarinda facility and that the committee membership be composed of five persons from the Standing Committees of Human Resources of both houses, and five persons from the Social Services Appropriations Subcommittees of both houses. The motion was approved. No other visitations were requested.

Gerry Rankin reported that the Studies Committee had referred HCR 112 to the Fiscal Committee. The resolution calls for a study of federal funds to be completed by the staff of the Fiscal Bureau. The committee agreed that the study should proceed. It was indicated that Taunya Martin, who was formerly on the staff of the Fiscal Bureau, will lead the study and there will be a monthly report to the Fiscal Committee starting in August with completion for November or December.

Chairperson Murray called upon Ronald Mosher, State Comptroller, who had been asked to give a report to the Fiscal Committee concerning the attempt by the administration to save money with the freeze on travel, hiring and other expenditures. Mr. Mosher related to the committee the details of the mechanism of how the hiring freeze and slow down in filling positions is being handled administratively. He indicated that the number of people on the payroll has declined each pay period since the hiring freeze was announced by the Governor. He said, however, that the decrease is not an absolute number in that it includes all funds, therefore some decrease in employees who are state funded could have been replaced by employees funded from other sources such as federal funds. He assured the committee that the Comptroller's office is administering the hiring freeze very strictly, but have been approving the positions that are critical such as workers at the correctional and mental health institutions.

Mr. Mosher said that the Department of General Services is reviewing each purchase order and is returning those to the departments on which there is some question of need. The Comptroller indicated that the present accounting system is not adequate to monitor the day-to-day issuance of warrants and availability of cash. He said that his office would be talking to the Legislature in the future about this problem.

Mr. Mosher stated he had asked R. Wayne Richey, Executive Secretary of the Board of Regents to be present to speak on the Governor's budget concerns. Mr. Richey explained that the Board of Regents have established guidelines on where money could be saved and still maintain classes for the increased enrollment that is expected this fall. Responding to a question concerning tuition at the state universities, Mr. Richey said that this issue would be discussed by the Board this fall with the earliest implementation of a tuition increase for the Fall of 1981.

Thom Freyer, Supervisor of the Program Evaluation Division of the Fiscal Bureau, presented a report on recommended evaluation studies. The report as presented by Mr. Freyer was changed on the motion of Mr. Welden and indicated on the attached copy. The motion carried.

Virginia Sheffield, Fiscal Bureau staff, reported on the progress of selecting a Data Base Management System. A committee including Ms. Sheffield, a representative of the Comptroller's office, and some of the major users of data processing have almost completed the bidding selection process and will be recommending to the director of the Fiscal Bureau their selection of a DBMS. It is hoped that a contract can be consummated in July. A report prepared by Ms. Sheffield covering details of the DBMS plus anticipated operating expense is attached to this report.

There was a brief discussion of the budget format by Dennis Prouty of the Fiscal Bureau. After some discussion, the Chairperson indicated that he would like to have the Fiscal Bureau make a recommendation to the committee for discussion at a later meeting this summer.

The Fiscal Bureau gave the committee a brief report on the State's financial outlook indicating that the General Fund balance on June 30, 1980, will be somewhere between \$27.8 and \$44.8 million.

A copy of Legislation Involving Bonding Authority prepared by the Fiscal Bureau was distributed.