

REPORT OF THE
LEGISLATIVE FISCAL COMMITTEE
TO THE
LEGISLATIVE COUNCIL

July 14, 1982

The Legislative Fiscal Committee met on July 14, 1982, 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 Gary Baugher
Senator Rolf Craft
Representative Robert Anderson
Representative Lowell Norland
Representative Hugo Schneklath

Dennis Prouty commented on the Quarterly Report of the Legislative Fiscal Bureau. The ending balance for Fiscal Year 1982 was \$18.7 million. The receipts increased by 9% over Fiscal Year 1981. The Legislative Fiscal Bureau is estimating that receipts in Fiscal Year 1983 will increase 8.8% over Fiscal Year 1982 and have an estimated ending balance June 30, 1983, of \$9.2 million.

Ron Mosher, State Comptroller, distributed a handout in which the Comptroller detailed the General Fund balance for Fiscal Year 1982 and Fiscal Year 1983. The Comptroller indicated the estimated ending balance for June 30, 1982 was \$16.5 million or \$2.2 million less than the Legislative Fiscal Bureau indicated. The Comptroller has reduced the estimate of the standing appropriations by \$1.6 million and reduced the estimated reversions by \$1.0 million. The Comptroller indicated the Fiscal Year 1983 ending balance will be \$17.9 million or \$8.7 million more than the Legislative Fiscal Bureau's report. The Comptroller estimates that Fiscal Year 1983 receipts will be \$7.0 million more, school aid appropriations will be \$4.7 million less and the reversions will be \$1.0 million less than reported by the Legislative Fiscal Bureau.

Ron Mosher distributed a graph displaying the cash balance of the General Fund for the last three years using the 15th and 30th day of each month. Senator Murray asked that the State Comptroller and the Legislative Fiscal Bureau work to develop a plan to improve the cash flow and to avoid large fluctuations in the General Fund.

Ron Mosher described the state's quarterly allocation system. About 2/3 of the state's monies are pass-through, paid out on various formulas. The other 1/3 is spent by the agencies after an allocation is approved and recorded in the accounting system.

Ron Mosher distributed the April 30 "Governor's Federal Budget Task Force" as follows:

SUMMARY OF FEDERAL BUDGET TASK FORCE
Analysis of 1983 Federal Budget
Federal Fiscal Year Version
 All Numbers in Millions of Dollars

Impact		FFY1982	FFY1983	Cumulative FFY 1982-1983
GRANTS*	State	\$36	\$ 25	\$100
	Local	\$23	\$ 35	\$ 81
	Private	\$24	\$ 74	\$ 89
	Total	\$73	\$124	\$270
LOANS/ SUPPORTS/ GUARANTEES		\$81	\$296	\$458
TAX CHANGES	State	\$0.5 M Gain	\$40 M Gain	\$41 M Gain
	Individuals			
	& Corporations	\$225 M Gain	\$500 M Gain	\$950 M Gain

*All numbers are rounded.

Ron Mosher distributed a copy of the accounting policy changes that are currently being considered by the Comptroller's Office. The Comptroller's Office recommends that the state's accounting policies be modified to conform to Generally Accepted Accounting Principles.

Two policies that can be adopted now are:

1. Recognize constructive receipt of franchise tax
 Impact: Increase receipts in year of adoption
 by \$8-10 million
2. Accrue accounts receivable for services rendered
 prior to June 30
 Impact: Increase receipts in year of adoption by
 #3-4 million