

REPORT OF THE
LEGISLATIVE FISCAL COMMITTEE
TO THE
LEGISLATIVE COUNCIL
AUGUST 4, 1976

The Legislative Fiscal Committee of the Legislative Council met in Room 22 August 3, 1976. All members of the Fiscal Committee were present except Senator Nystrom and Senator Willits.

Senator Palmer, Chairman, stated the purpose of the meeting. The committee wants to determine what the state's policy is relative to obtaining federal funds-how various departments write for and receive federal aid, who determines which federal funds are applied for, what happens to these funds upon receipt by the department, how long the funds remain in the department budget, if there is any coordination of federal funds, how it will affect the budgeting for the department now and in the next few years, and what course will the department pursue when the funds are no longer available. To help the committee obtain answers to these questions certain departments were asked to appear before the committee to explain how they handled federal funds.

Robert Tyson, Director, Office for Planning and Programming stated that their office is in contact with the Iowa Congressional Delegation as well as the federal departments and agencies who have funds available. They also check the Federal Register daily so they are aware what money is being distributed to the states. Approximately 97½% of the federal funds the Office for Planning and Programming receives are passed through to other agencies of state and local government.

James Dysart, Comptroller's office, stated that he has a catalog of federal programs and grants which are available. Mr. Dysart has designed an accounting system to account for all federal funds coming to agencies who are included in the state accounting system. This includes all agencies except the Board of Regents and the Area Community Colleges. Total federal funds received this year by the agencies totals \$609 million. A complete report of federal funds as kept by the State Comptroller will be prepared for the committee.

The Department of Social Services presented a document outlining their procedure in requesting grants, eligibility requirements, grant writing, future funds available, and potential future loss of funds.

David Bechtel of the Department of Public Instruction stated that they receive information on the availability of federal fund grants through professional journals. He said that the applications for federal funds are approved by the Board of Public Instruction and signed by the Superintendent.

Ted Ellis, Department of Health, explained that they monitored federal agencies for available funds. The Board of Health makes the decision as to what grants will be applied for upon recommendation of the Division Chiefs.

Representatives of the state universities spoke for the Board of Regents. Both Iowa State and the State University of Iowa presented material which outlines their procedures and programs relative to federal funding.

The committee discussed the testimony as presented by the various departments. In summary, the testimony would seem to indicate that the only overall coordination of federal funds on a state level is the listing of federal fund application by the Office for Planning and Programming for A95 review purposes and the accounting system designed by the Comptroller, both of which exclude certain federal fund applications and receipts. The committee feels that a projection of the economic impact on state and local governmental budgets created by federal funds is a necessity.

The committee will have further meetings on the subject of federal funds to determine what, if any, legislation is needed to create state policy.

In compliance with Senate File 1261 the committee selected two members from the Iowa Society of Osteopathic Physicans and Surgeons--Dr. John P. Wakefield, Des Moines, Iowa, and Dr. R. P. O'Shana, Carlisle, Iowa; and two members from the Iowa Optometric Association--Dr. L. D. DeCook, Newton, Iowa, and Dr. John Gazaway, Eagle Grove, Iowa. The Fiscal Committee recommends that the Legislative Council approve these appointments.