

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

R E P O R T
OF THE SERVICE COMMITTEE
TO THE LEGISLATIVE COUNCIL

July 15, 1982

The Service Committee of the Legislative Council met on July 15, 1982 and makes the following recommendations to the Legislative Council:

1. That the proposed policy relating to the participation in partisan politics by members of the Legislative Service Bureau and the Legislative Fiscal Bureau submitted to the Service Committee be accepted by the Legislative Council.

2. That the proposed policy relating to the participation in partisan politics by members of the Office of Citizens' Aide submitted to the Service Committee be accepted by the Legislative Council with the following changes:

a. Number 6 under permissible activities should be stricken and the following substituted:

"6. Attend political conventions or functions to which the public at large is invited if the employee does not take part in the convention or in the deliberations and refrains from a public display of partisanship.

7. Attend any political meeting such as where political candidates or political figures are attending if the public at large is invited and if the attendance will not result in the appearance to persons that the employee is engaging in a political activity with the result that confidence in that employee could be eroded."

b. Number 5 under prohibited activities should be amended by adding the word "attending," after the word "promoting," in the first line.

3. That the Citizens' Aide is authorized to begin a search for employment of an Assistant Citizens' Aide/Ombudsman at Pay Grade 24 to replace Mr. G. K. Renegar who has submitted his resignation.

Respectfully submitted,

DELWYN STROMER, Chairperson

DB:dg

R E P O R T
OF THE STUDIES COMMITTEE
TO THE LEGISLATIVE COUNCIL

July 15, 1982

The Studies Committee of the Legislative Council met at 1:15 p.m., July 15, 1982 to discuss the appointment of members to interim subcommittees and study committees approved by the Legislative Council in May and June. The Studies Committee makes the following recommendations to the Legislative Council:

1. That the Legislative Council approve the membership indicated for each study on the attached list of Membership and Studies for the 1982 interim.
2. That a subcommittee composed of five members each from the Senate and House Standing Committees on Commerce be allowed two days to study the relationship between the growth in health care costs and the increases in fees charged by various types of insurers who provides health care insurance coverage.
3. That the Chairpersons of the Senate and House Standing Committees on Transportation review the problems arising on highway bridges which have required the closure of bridges because of structural problems to determine whether an interim study is needed.
4. That the Federal Budget Impact Review Subcommittee be directed to establish a special subcommittee to review the impact of federal budget cuts for student loans.
5. That the Construct and Bidding Procedures Subcommittee established by the Legislative Council also review the bidding procedures used by the Board of Regents as it relates to the purchase of Indiana coal for use at the Regents institutions.

Respectfully submitted,

LESTER MENKE, Acting Chairperson

PROPOSED MEMBERSHIP FOR COMMITTEES

(Staffed by Legislative Service Bureau unless otherwise indicated)

<u>STUDY SUBJECT</u>	<u>COMMITTEE* STRUCTURE</u>	<u>NO. OF MEMBERS</u>	<u>MTG. DAYS</u>	<u>MEMBERSHIP *</u>	
				<u>SENATORS</u>	<u>REPRESENTATIVE</u>
1. Water Study (H.F. 2463) Staff: Thane Johnson, Dave Bailey, and Marty Francis	Natural Resources	10	5	Schwengels** Briles Gentleman Gallagher Rodgers	Stueland** James Anderson Diemer Copenhaver Sullivan
2. Gubernatorial Appointments (SR 109) Staff: Sally Rodgers and Dave Bailey	State Government (Senate only)	5	2	Hultman** Nystrom Tieden Slater Carr	
3. Equal Pay (HCR 141) Staff: Thane Johnson, JoAnn Brown, and Sue Lerdal	State Government	10	2	Holden** Schwengels Taylor Hutchins Carr	Doderer Fey
4. Contract and Bidding Procedures (SCR 106) (Concentration on consolidation and uniformity of bidding laws) Staff: Bernie Koebernick and Thane Johnson	State Government	10	2	Nystrom** Briles Drake Gallagher Charles Miller	Trucano ** Smith Lageschulte Rod Halvorson Renaud

* Members may be appointed from outside the membership of the designated committee if the Service Committee is notified.

** Temporary Chairperson

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<u>STUDY SUBJECT</u>	<u>COMMITTEE STRUCTURE</u>	<u>NO. OF MEMBERS</u>	<u>MTG. DAYS</u>	<u>MEMBERSHIP</u>	
				<u>SENATORS</u>	<u>REPRESENTATIVE</u>
5. Productivity Formula (SCR 132) (Study to be conducted by Department of Revenue, Committee to review study results) Staff: Mike Goedert and Bernie Koebernick	Ways and Means	10	1	Hester** Lura Waldstein Priebe Van Gilst	Branstad** Maulsby John Clark Davitt Norland
6. Tax Structure (SCR 136) Staff: Bernie Koebernick and Mike Goedert	Ways and Means	10	2	Craft** Holden Lura Palmer Husak	Schnekloth** Darrell Hanson Renken O'Kane Chiodo
7. Unemployment Compensation (HCR 136, SCR 110) (Emphasis on main- taining the solvency of the fund and analysis of the tax structure and not a reduction in benefits) Staff: Rich Johnson, Gary Kaufman, and Ron Rowland	Labor and Industrial Relations	10	2	Hulse** Carney Gratias Anderson Kinley	Egenes** Tyrrell Roger Halvorsen Connors Running
8. Nuclear Fuels (SCR 116) Staff: Sally Rodgers and Marty Francis	Energy and Transportation	10	1	Tieden** Jensen Yenger Anderson Alvin Miller	Mullins ** Bennett DeGroot Baxter Howell

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				<u>SENATORS</u>	<u>REPRESENTATIVE</u>
9. K-12 School Finance (Study conducted in conjunction with grant from NCSL) (Staffed by Legislative Service Bureau and Legislative Fiscal Bureau) Staff: Diane Bolender, Gary Kaufman, and Sue Lerdal	Education	10	3	Gratias** Carney Jensen Anderson Brown	Daggett** Carpenter Swearingen Groth Carl
10. Department of Corrections (SCR 112) Staff: Roger Nowadzky and Sally Rodgers	Judiciary and Law Enforcement and Appropriations Subcommittee on Corrections and Mental Health	10	2	Baughert** Dreeszen VandeHoef Carr Coleman	Krewson ** McKean Hummel Knapp Spear
11. Court Reform (Concentration on issues contained in bills especially funding and clerks of court) Staff: Larry Burch and Rich Johnson	Judiciary and Law Enforcement	10	2	Kudart** Lura Taylor Coleman Doyle	Poffenberger** Corey James Johnson Sturgeon Swartz
12. Sentencing (HCR 27) (Concentration on differences between the two houses) Staff: Roger Nowadzky, Marty Francis, and Ron Rowland	Judiciary and Law Enforcement	10	2	Gentleman** Dreeszen VandeHoef Coleman Doyle	Poffenberger** Krewson Schroeder Jay Rosenberg

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				<u>SENATORS</u>	<u>REPRESENTATI</u>
13. Federal Budget Impact Review	Chairman and Ranking Members of Ways and Means; Chairman and Ranking Member of Appropriations; Leadership	14	3	Hultman ** Craft Murray Drake Rodgers Palmer Junkins	Schnekloth ** Welden Hoffmann-Brig Pope Robert Anders Cochran Connolly
Staff: Sally Rodgers, Rich Johnson, and Sue Lerdal					
14. Legislative Procedures (HCR 149) (Include study of drafting and assignment of study bills and fiscal note filings)	Majority and Minority Leader Appointments	12	2	Hultman** Jensen Nystrom Junkins Hutchins	Menke** Crabb Harbor Avenson Lonergan Lloyd-Jones
Staff: Serge Garrison, Diane Bolender, and Dave Bailey					
15. Mortgage Problems (Discuss issues to determine if full committee meeting is necessary)	Chairman, Vice Chairman and Ranking Member of Commerce	6	1	Holden ** Baugher Deluhery	Schroeder Robert M.L. Jo Chiodo
Staff: Larry Burch and Ron Rowland					
16. Social Services Department Programs Oversight (Staffed by Legislative Fiscal Bureau)	Appropriations Subcommittee on Social Services	8	3	Waldstein VandeHoef Slater	Van Maanen** B. J. Clark Pellett Arnould J. Hum

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<u>VISITATION</u>	<u>COMMITTEE STRUCTURE</u>	<u>NO. OF MEMBERS</u>	<u>MTG. DAYS</u>	<u>MEMBERSHIP</u> <u>SENATORS</u>	<u>REPRESENTATIVES</u>
1. Visits to Corrections and Mental Health Facilities	Corrections and Mental Health Visitation Com- mittee (Human Resources Standing Committee Chairman)	6	2	Baughner** Gentleman Doyle	Krewson B. J. Clark Bruner
2. Visits to Educational Institutions and Agencies	Education Visitation Committee	6	3	Gratias** Carney Van Gilst	Lind Daggett Horn