REPORT OF THE
LEGISLATIVE FISCAL COMMITTEE
TO THE
LEGISLATIVE COUNCIL

August 13, 1980

The Legislative Fiscal Committee met August 12, 1980, 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 William Palmer
> Representative Gregory Cusack
> Representative Roger Halvorson
> Representative James West

Taunya Martin and other members of the Legislative Fiscal Bureau are
conducting a study mandated in HCR 112, passed by the 68th General Assembly,
to determine an effective method for legislative oversight of Federal Funds.
Ms. Martin presented a progress report of the study.

After discussion of the report, the Committee directed the Fiscal Bureau
to proceed with a more detailed examination of the three major areas for legis-
lative oversight that were identified. The next report will be made in October
with a final report made in December.

The Program Evaluation Division of the Fiscal Bureau reported on forms
that had been developed to implement legislative review of capital construction
requests. This project was requested by Senator Murray to allow the appropriations
subcommittees an oportunity to have input into capital requests made during the
legislative appropriations process.

After discussion of the proposed forms, some suggestions were made by the
committee members. The forms will be redrafted and presented to the Fiscal
Committee at their next meeting.

Thom Freyer presented a progress report on studies currently in progress.
A copy of that report is attached.

The Fiscal Bureau's current financial report was presented to the Committee,
and in conjunction with that, the Governor's statement on the budget. The state-
ment had been released while the Committee meeting was in progress.

After considerable discussion by the Committee and a discussion period with
the Comptroller, Ronald Mosher concerning the State's financial condition and the
option chosen by the Governor, Senator Murray asked that the Fiscal Bureau prepare
information and transmit it to the members of the Fiscal Committee in the next two
weeks or so. This information would include, 1) An itemization of potential pro-
blems created by the across-the-board appropriation reductions, prepared by the

staff after consulting with the chairmen and ranking members of the subcommittees; 2) Detail various alternatives for future action by the Legislative Council and/or the legislative appropriation committee and subcommittees.

Approval was given to the appointment of the following legislators to the Interim Committee of Clarinda Alternatives:

Senator Lucas DeKoster, Acting Co-chairman   Rep. Wayne Bennett, Acting Co-chair.
Senator Tom Slater   Rep. Harold Van Maanen
Senator Al Miller   Rep. Kenneth DeGroot
Senator Julia Gentleman   Rep. Jean Lloyd-Jones
   Rep. Kenneth Miller
   Rep. Virginia Poffenberger

The meeting was adjourned.

Project: Chronic Renal Disease Program
State Department of Health

Authorized: Legislative Council/SCR 117
June 11, 1980

Status: Most major working papers are completed:

- Legislative history
- Other sources of financial assistance
- Program and financial control
- Program cost analysis
- Survey of other states' programs
- Summary of federal research
- Technology development and research
- Clinical paradigms

Other major analyses yet to be completed:

- Recipient resources and characteristics (Patient Survey)
- Special request audit - State Auditor

Expected release date:

- November 24, 1980

Time: budgeted professional time   2800 hours
actual used by 7/31/80*   1282.5
time remaining from budget   1517.5 hours

* includes 369½ hours of Legislative interns
309 hours of fiscal analysts
604 hours of program analysts

Project: Office Space Utilization
Department of General Services

Authorized: Legislative Council
June 11, 1980

Status: Initial design of office space inventory completed
Requested background information

Expected Release Date: January 1, 1981

Time: budget professional staff time   2000 hours
actual used by 7/31/80   12 3/4
time remaining   1987 1/4

Project: Juvenile Probation Offices
                    Judicial Department

Authorized: Legislative Council/SCR 118
                    June 11, 1980

Status: Not active

Expected Release Date: March - April, 1981

Time: budgeted 3000 hours

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Project: Adult Community Based Corrections
                    Department of Social Services

Authorized: Legislative Council
                    June 11, 1980

Status: Not active

Expected Release Date: September - October, 1981

Time: budgeted 3000 hours

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		AUDITOR'S FIGURES		Calendar Days	Session Days	Cost Per Calendar Days	Cost Per Session Days
		DAYS	Avg. Cost				
1967				175	119	13,206.26	19,420 -
1969				131	88	14,392.74	21,425.55
1970				95	69	14,477.64	19,932.98
1971	*	131	14,718	159	131	12,126.26	14,718
1972	*	55	26,611	75	55	19,514.70	26,610 -
1973		168	12,144	168	113	12,144.06	18,054
1974		111	16,905	111	80	16,905.03	18,764.57
1975		159	18,296	159	105	18,295.58	19,913.33
1976		139	22,423	139	94	22,423.34	33,157.91
1977	*	155	20,280	167	96 *	(167)< 18,822.75> (155) 20,280 -	32,743.75
1978	*	131	23,198	188	82	(188) 16,164.77	(82) 37,06,069 6796
1979	*	84 / 124	43,856 / 29,704	124	84	*? 29,709	43,856
1980				104	71		

1. 1971 "Avg Cost" based on Session Days
2. 1972 " " " " " " " "
3. 1973 - 1979 " " " " " Calendar Days
4. 1979 Correction to $29,704 should be $29,709.
5. 1979 change in avg cost reflects a 50% Legislators salary increase
6. Ignores significant increases in interim committee costs which is 27 1/2 times the cost of 1967 - pre-annual sessions

Year	Column 1	Column 2
1967		60 032 -
1969		
1970	177 076	
1971	220 619	402 014
1972	181 395	
1973	242 850	506 259
1974	263 409	
1975	507 570	1 091 809
1976	584 239	
1977	861 015	1 656 249
1978	795 234	

Year	Session Days	TOTAL Session Days Biennial	New Laws Passed
1967		119	474
1969	88		
1970	69		
		157	428
1971	131		
1972	55		
		186	426
1973	113		
74	80		
		193	591
1975	105		
1976	94		
		199	517
1977	96		
1978	82		
		178	378
1979	84		
1980	71		
		155	384

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MADE IN U.S.A

PRELIMINARY ESTIMATE
General Fund Condition
on June 30, 1980
As of August 12, 1980
(in millions of dollars)

	As of June 30,	
	1980	1979
Treasury - cash balance	$ 85.7	$144.8
Less: Outstanding warrants	(10.5)	(16.9)
Cash balance, per books	$ 75.2	$127.9
Cash balance, per books	$ 75.2	$127.9
Add: Receivable from revenue sharing fund	28.4	27.1
Add: Receivable from Corporation Reserve fund	--	25.0
Total Resources	$103.6	$180.0
Less: Appropriation liabilities	(87.1)	(98.8)
Add: Estimated reversions	7.0	9.5
	$ 23.5	$ 90.7

The Revised Revenue Estimates Are:
(in millions of dollars)

	FY80 Actual		FY80 Estimate	
	Amount	% Growth	Amount	% Growth
Personal income tax	$ 721.3	7.7%	$ 771.8	7.0%
Sales tax	391.8	6.3	420.1	7.2
Corporation income tax	152.2	2.0	156.9	3.1
USC tax	64.2	10.5	69.4	8.0
Cigarette & tobacco tax	46.6	0.6	47.9	2.8
Inheritance tax	47.7	17.2	55.0	15.3
Insurance premium tax	43.8	11.2	48.0	9.6
All other taxes	24.4	0.8	25.8	5.7
Total taxes	$1,492.0	6.8%	$1,594.9	6.9%
Federal revenue sharing	28.4	4.8	14.2	(50.0)
County reimbursements	36.1	15.7	39.7	10.0
Liquor profits	32.8	13.1	36.6	11.6
Interest	40.2	29.3	23.0	(42.8)
All other	35.1	12.5	38.9	10.8
Total revenue	$1,664.6	7.6%	$1,747.3[1]	5.0%

[1] In addition, $2.0 million is authorized to be transferred from the Military Tax Credit Fund.

REVISED ESTIMATE
General Fund Balance
(in millions of dollars)

	Previous Estimate	Current Estimate	Change
FISCAL YEAR 1980			
Balance June 30, 1979	$ 90.7	$ 90.7	--
Total receipts	1,704.8	1,667.8	$(37.0)
Total resources	1,795.5	1,758.5	(37.0)
Less: Expenditures	(1,726.9)	(1,735.0)	(8.1)
Balance June 30, 1980	$ 68.6	$ 23.5	$(45.1)
FISCAL YEAR 1981			
Total receipts	1,817.3 [1]	1,749.3 [1]	(68.0)
Total resources	1,885.9	1,772.8	(113.1)
Less: Expenditures	(1,822.2) [2]	(1,813.7) [2]	8.5
Balance June 30, 1981	$ 63.7	$ (40.9) [3]	$(104.6)

(1) Includes a $2.0 million transfer from the Military Tax Credit Fund.

(2) Includes estimated $22.1 million reversions.

(3) Because expenditures include estimated reversions of $22.1 million which will not be realized when Section 8.31 is implemented, the total reversions required to be produced under the authority of Section 8.31 is $40.9 million plus $22.1 million for a total of $63 million.

ADJUSTED APPROPRIATIONS
Section 8.31 of the 1979 Code of Iowa

	$ Millions
Total appropriations	$1,835.8
Less: Legislative	(6.0)
Courts	(10.4)
Tax refunds	(120.7)
Adjusted appropriations	$1,698.7

Each 1% reduction = $16,987,000

	$ Millions
Total reversions	
a) Section 8.31 reduction at 3.6%	$61.2
b) Other special reversions	1.8
	$63.0