

Legislative report

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Legislative limelights . . .

JFAC predicts gloomy state funds outlook

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The tour of East Idaho state facilities last week convinced members of the Idaho Legislature's Joint Finance-Appropriations Committee they face an even gloomier financial picture for fiscal 1983,

John C. Andreason, director of the Legislative Fiscal Office, which handles JFAC business, said members of the committee generally see nothing but financial squeezes ahead for state government.

The 14 JFAC members who participated in all or part of the tour said they were impressed by many of the facilities they inspected but point out they will have only limited funding.



John C. Andreason

The JFAC viewed by helicopter and ground the mammoth molybdenum mining operations at Challis, Harriman State Park and Henrys Lake State Park at Island Park, Youth Service Center at St. Anthony, Eastern Idaho Vocational Technical School in Idaho Falls, Idaho State Hospital South at Blackfoot, Idaho State University and air-polluting plants at Pocatello, Lava Hot Springs Foundation, and oil drilling and state park at Bear Lake, before winding up the tour at the State School for the Deaf and Blind at Gooding.

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Andreason said the pessimistic outlook mainly results from the loss of federal funds which is expected to exceed 20 percent - a more than \$30 million loss.

This leaves the state the disagreeable options of cutbacks or elimination of programs.

"We are facing a more difficult session next year than the one this year," was the way Andreason put it.

Andreason said the tour, for the most part, convinced them that the state facilities are

doing an excellent job of management in view of reduced funding.

The JFAC cochairman, Sen. David Little, R-Emmett, and Kitty Gurnsey, R-Boise, also predict a bleak picture. They face the disagreeable tasks of trimming state agencies to the bone, even hacking into the bone.

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Andreason did report some bright spots. He forecast a 10 percent hike, or \$40 million more in state revenue above fiscal 1982. If this is the case, a state budget of about \$475 million can be expected for fiscal 1983. This would amount to \$475 million, compared with \$420 million approved for fiscal 1982.

Andreason said figures so far indicate sales tax revenue is a disappointment and is running barely ahead of a year ago. However, the rate of personal income tax shows substantial increase while corporate taxes or "not too bad."

He said the state also is earning money from the millions of dollars it has invested.

The JFAC will meet in December to review of state department audits. It will be January when the Legislature convenes before the committee will look at the financial picture.

The JFAC cut the governor's budget requests for the current year from \$438 million to \$420 million. The \$10 million surplus at the end of the 1981 fiscal year indicated the governor and Legislative Revenue Projection Committee were wrong in their surplus estimates. Each was about \$10 million off.

The state agencies now are expected to gnaw on only a \$2 million surplus because \$7.1 million was diverted to pay for the 3.85 percent holdback ordered last year when it was feared the revenue would not reach expectations.

It would appear both the governor and Legislature, for the first time in years, find themselves in the same cramped monetary basket and should come to terms amicably on a \$475 million budget. Perhaps the only fight will center on how the funds will be allocated. However, the revenue outlook could change appreciably if the committee and the Legislature approve a minerals severance tax or higher sales tax.