

# The Post-Register

## The political pulse

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Legislative limelights . . .

## State financial future appears more dismal

BY BEN J. PLASTINO  
Post-Register political editor

Recent financial reports emanating from Boise indicate state agencies may be snarling over the bones to keep operating for the 1983 fiscal year beginning July 1.

The financial picture looks even more dismal than originally anticipated - even Gov. John V. Evans, usually the optimist, has taken on the same gloomy contenance that is usually worn by the Republican-dominated Legislature.

If the governor and the Legislature agree on the anticipated revenue it will be the first time in years this has occurred, taking one of the prime topics from controversies.

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The budget makers generally believe a 10 percent growth could be expected, even in these tight times, which would indicate about a \$40 million increased revenue, or to about \$465 million general fund budget for fiscal 1963, as compared with the current 1982 fiscal budget of \$422 million.

However, to just keep up with inflation and replace lost federal fund would cost \$505 million next year, said the governor. Already, the ever optimistic state agency heads have submitted budget requests for \$540 million. This means the governor must slash about \$100 million from the requests before it even gets to the Joint Appropriation Finance Committee for a bruising battle.

Even more disconcerting is the possibilities the state could lose \$80 million or more in federal funds due to President Reagan's 25 percent or more cutback in funds, and possibly some \$8 million more because of the closure of Bunker Hill Co. mine and smelter.

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Larry Seale, state budget director, confirms the bleak forecasts, complaining of a \$30 million loss in federal funds, \$10 million cutback if it adopts the new federal rules on taxable income, mostly in lower corporate taxes, and further reductions in Social Security payments.

As of Nov. 1, however, the state general account revenue was not that bad. The report by Seale placed the fiscal year estimated revenue ending June 30 at \$438.2 million, which is some \$16 million above the budget. This would indicate the governor was more right than wrong than was the Legislature over the estimate revenue. The Legislature slashed the

governor's \$440 million budget to \$422 million. However, this extra \$16 million would come in mighty handy to offset the expected losses in other funds.

Predicted to date for the first four months of the current fiscal year was \$125 million, and of this, \$123.3 million has been received. The amount predicted and the amount accrued to date, respectively, was \$64 million and \$62 million in personal income tax, \$8.4 million and \$9.3 million in corporate income tax, \$41.8 million and \$36.9 million in sales tax, \$4.7 million and \$4.5 million in products tax, such as beer, wine, liquor and cigarettes; and \$6.1 million and \$9.9 million in miscellaneous.

Of these, only miscellaneous was above expectations, sales and product taxes were below expectations, and personal and corporate income taxes were within expectations.

It would appear then that the governor's pessimistic budget figures and that of the Legislative Revenue Projection Committee may come close to the \$465 million for the general fund. If that is the case, then much of the bitter dialogue between the governor and the Republican governorship should not be necessary.

The Democratic governor and the Republican Legislature in the 1982 election year will have enough partisan struggles on reapportionment, right to work, severance tax and other emotional issues without having to bicker over budget estimates.

The governor is at a disadvantage, because as has been the case the past two years, he releases his budget figures in mid-December. In the past, governors have not delivered their budget messages until the first week of the session. The early estimate gives the JFAC and legislators an opportunity to study the figures well in advance of the session to convene in early January. The legislature's Revenue Projection Committee usually doesn't arrive at its figures until after the session has convened and thus has access to later and more accurate figures.

If the governor and Legislature agree on these figures, it will mean the lack of bitter infighting that characterized the session this year. Even the so-called "dirty dozen", referring to the 12 on the JFAC who banded to slash the governor's budget figures, won't have a target to shoot at. They could even be renamed the "docile dozen" to rubberstamp an austere budget.