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South Carolina House of Representatives

Legislative Update & Research Reports

Ramon Schwartz, Jr., Speaker of the House

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Legislative Update

The General Appropriation Bill

Editorial Note

The major issue of any legislative session is the annual appropriation bill. This year is no exception.

The House version of the appropriation bill has been in the Senate Finance Committee for over three weeks, and has just recently been sent to the Senate floor.

The staff of the House Ways and Means Committee has prepared the following information, which covers: first the development of the budget, including the economic situation of the past several years; second, a summary of the changes proposed by the Finance Committee.

Legislative Update appreciates the assistance from Scott Inkley and his staff on the Ways and Means Committee.

Background

The House Ways and Means Committee spent four months preparing its recommendation for the 1986-87 Appropriation Bill. This budget was debated and adopted by the House and sent to the Senate one week before the deadline the Senate established last year.

Economic Ups and Downs

In the 1970's, the average annual growth rate was 12%, with a cumulative increase of 180%. In contrast, the first few years of the 1980's reflected the nation's economic troubles. In 1980-81, General Fund revenues grew at only 7% and the fiscal year ended with a \$3,406,227 deficit. The 1981-82 revenue growth of 5.6% reflected the worst recession in decades. Fiscal year 1981-82 required budget cuts of almost 5%, reductions in force, and freezes of certain expenditures. Despite these efforts, the General Reserve Fund was utilized to the extent of nearly \$55,000,000 to avoid a year end deficit.

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The recession continued into 1982-83, with more budget cutbacks and freezes. These expenditure reductions were not enough to avoid a projected \$60,000,000 deficit. Consequently, in 1982-83 the General Assembly had to enact nearly \$50,000,000 in revenue raising measures. The General Assembly's new revenue actions and budget cuts turned things around and 1982-83 ended with a \$13,957,781 surplus. With natural revenue growth of 6.5% mirroring the lingering recession, the final 9% revenue growth represented new revenue measures adopted by the General Assembly rather than any economic recovery.

Unlike the first three years of the decade, 1983-84 revealed a strong economic recovery was underway. The Board of Economic Advisors had to revise the revenue estimate upwards three times during the year (21M + 33M + 24M = 78M) and the general fund revenue ended with a growth rate of over 13%.

The 1984-85 revenues again reflected the problems in South Carolina's economy (for example, those arising from our textile base, agriculture, etc.) as the growth rate tumbled to a 7-8% level. The fiscal year ended with an \$11,935,636 shortfall. Revenues were adequate to cover the 1984-85 appropriations and the open-ended appropriations, but the state was \$11,935,636 short of funding the 1985 supplemental appropriations. The Budget and Control Board, faced with the responsibility of avoiding a deficit, developed a two step proposal. First, the Board provided for the funding of the increase of the retiree's income tax exemption with recurring revenues from FY 1986 by extending the hiring freeze on new positions from three months to six months. This freed up \$3 million in non-recurring revenues which was utilized to address the FY 1985 shortfall. Second, the Board froze roughly \$9 million of the supplemental appropriations. These actions balanced the 1984-85 budget.

The Current Fiscal Year Picture

The current fiscal year 1985-86 reflects the continued slow growth rate. To date the Board of Economic Advisors has reduced the revenue estimate by some \$55,000,000. The Budget and Control Board has implemented a 2% budget cut of just over \$40,000,000, and is depending on lapsed funds to cover the remaining shortfall. There is a substantial chance the reserve fund will be needed to balance the 1985-86 budget.

Slow revenue growth rates are further eroded by tax expenditures. When taken together, new deductions, exemptions, credits, reimbursements and other tax breaks have begun to have a significant impact on revenues. There are over 100 of these tax expenditures which reduce the revenues more and more each year; their combined estimated cost for FY 1985-86 is over \$1.2 billion of lost revenues. One example is the three year phase-in of the inventory tax; while the measure is intended to stimulate economic

growth in the long run, in the short run there is a reimbursement cost of \$4 million in the first year, over \$8 million the next year, and \$38 to \$40 million annually by the third year. Revenue growth, without new taxes, will continue to be varied and likely sluggish because of the economy, and further eroded by the tax expenditures.

The Current Situation

State needs exceed the state's ability to pay. Formula funded programs automatically consume so much of the new revenues that there is little left to meet the needs of other agencies. The settlement or threat of lawsuits require expenditures for capital and operating expenses to improve conditions in corrections, mental health and desegregation of higher education. Increases for insurance, rents and other operating expenses rise each year. With the impending federal cuts the fiscal environment looks even worse for the near future. The Gramm-Rudman-Hollings Federal budget reduction act or some other budget reduction plan may eliminate as much as \$80,000,000 over two years in funding for state programs and eliminate another \$80,000,000 for local government. State budgeting in the future will require the setting of priorities that will leave many programs underfunded or not funded at all.

A statute creating the "Rolling Reserve" or "95% limitation" required that an additional 1% of the operating budget be set aside each year until 5% of each year's projected revenues were set aside annually. The fund was intended to inject some stability in budgeting by avoiding mid-year budget cuts caused by over projections of revenues. The Rolling Reserve available at the end of a fiscal year could be used to avoid issuing bonds for capital improvement projects or for buying back old bond issues and avoiding debt service. This "rolling reserve" was amended to be the 2.5% capital fund last year and is further discussed in conjunction with the "Senate Finance Committee Revisions" on the next page.

The State Capital Improvement Program normally requires \$60 to \$70 million annually. The prison construction program required by the Nelson Lawsuit settlement will cost \$40 million more a year for the next four years. Capital improvement bonds, the traditional method of financing the capital program, cost over 60% in interest. A bond financed capital program will continue to cost the operating budget for debt service well over \$100,000,000 annually. A capital improvement budget financed with the Capital Fund cash would avoid 60% of the cost of the current program and ultimately save the operating budget over \$100,000,000 annually. It would take about four years to achieve a pay as you go capital improvement program, assuming the Board of Economic advisors revenue estimates are accurate.

The House Budget

The House budget for 1986-87 responded to the uncertain revenue situation by starting from a reduced base budget (incorporating a 2% reduction) and adjusting the budgets to fund the obligations and priorities of state government. State agencies have been cut back by 2% this fiscal year and the House started its budget from this base. The adjusted base is not a budget cut since the agencies never had the money this year to spend. Restoration of the 2% cut into 1986-87 would have the effect of giving agencies a 2% increase over the previous year.

The 2% cut was restored selectively by the House in order to provide increases for agencies with formulas, lawsuits and 24 hour responsibility for patients or clients. Increases were then provided for all of the requirements of government (constitution, statute, lawsuits, formula). After these actions, there was about \$6.5 million of discretionary funds allocated among one hundred agencies for top priorities.

The House budget addresses current programs and avoids the creation of new programs and other future costs. The House added 843 new positions, almost all in corrections. The House budget holds down the cost of government and puts the state in a more favorable posture for budgeting without tax increases in the future. The full funding of the capital fund will lead to avoiding 60% of the cost of the state's capital improvement program and freeing up over \$100,000,000 of the current budget for reallocation to other needs.

Senate Finance Committee Revisions

The Senate Finance Committee spent three weeks re-writing the Appropriations Bill. They started with last year's appropriations as a base, which restored the 2% cut, thus automatically giving every agency a 2% increase over their 1985-86 expenditures. From this base, the Committee funded the same basic requirements as the House. The Committee also added almost \$50,000,000 for state agencies and employees, and an additional 623 general fund positions and 1,648 total new positions. The two big increases were merit raises for state employees and higher education/Tech, with other smaller increases distributed throughout the budget.

The \$50,000,000 and 623 new positions were funded by the Senate Finance Committee by raising \$10,460,106 in new revenues and by saving \$39,000,000 by not complying with the Capital Fund statute they wrote last year. Last year the Senate re-wrote the law and created a "capital fund" at a 2.5% level (implemented at .5%, 1.5% and then 2.5% annually). The House concurred in these changes last year, and this year funded it at the required level, while adding back the original intent of the fund being available as a buffer against mid-year budget cuts. The Senate Finance Committee's version

of the bill leaves \$1,900,000 in the capital fund, and yet rewrites the statute so that the capital fund would start over at .5% in 1987-88. Some arguments suggest that notions like lost opportunities and inflation favor long term financing; conversely without debt service charges more money could be free for more programs.

The following sections summarize the major functional groups of the budget that the finance committee provided increases for. A detailed serial of House v. Senate changes, including revenues and provisos will be distributed as soon as the Senate completes its work on the Finance Committee version of the bill.

ADMINISTRATIVE AGENCIES

Governor's Office-SLED

The House restored SLED's 2% reduction (\$289,980) but Senate Finance granted an increase over 1985-86 of \$500,284 which is for 6 FTE's and operating expenses.

Governor's Office-OEPP

The House annualized the \$50,000 in Part III for the School of Arts but Senate Finance gave \$150,000 for the program.

Treasurer's Office

The House did not fund \$435,224 requests for improvements on the Cash Management System whereas the Senate Finance Committee did. The reason was because the House felt that the \$500,000 for accounting improvements and incorporated in the Office's base previously appropriated was sufficient for any further system changes.

B & CB-General Services

The Senate Finance Committee funded \$275,310 for rents in State owned buildings that the House did not. Also, \$335,000 was funded to pay rent for the Robert Mills building.

DEPARTMENT OF EDUCATION

The 1986-87 Senate Finance version of the General Appropriations Bill includes funding for public education through three sources of revenues. The total dollars changed from the House version to the Senate version are relatively minor. However within programs there are substantial changes. In Part III, the Senate version includes \$1.6 million for the Science Education Center Matching Funds. The House provided no funds in Part III.

In Part I, the Senate Finance Committee restored the 2% reduction imposed by the House. This restoration (over the amount selectively restored by the House) amounted to roughly \$4.1 million of which over \$3 million was school employee fringe benefits. Other additions include \$1.0 million for school bus tort liability, \$2.0 million for school bus purchases, and \$800,000 for adult literacy. These increases were offset by a reduction of \$2.9 in general fund school building aid, \$1 million for gasoline, and \$5.1 million from the Education Finance Act (reduction in the inflation factor from 5.8% to 5.0%), for a total general fund appropriation reduction of roughly \$1.0 million.

The difference in total allocation between the House and Senate Finance versions for the Education Improvement Act is under \$100,000. The increases include \$250,000 for advanced placement, \$5.4 million for teacher pay increases (when the EFA inflation factor is reduced an adjustment must be made to EIA salaries to stay at the Southeastern average), \$775,000 for equipment to reduce teachers' paperwork, \$500,000 for student loans, and \$370,000 for teacher tuition reimbursement. These increases are offset by a reduction of nearly \$7.2 million to the EIA school building aid.

HIGHER EDUCATION

The House of Representatives appropriated 4.4 million dollars to the public colleges and universities to partially restore their 2% midyear reduction. However, the Senate Finance Committee fully restored the current year's base by adding \$7.3 million and then added another \$6 million dollars to boost the institutions of higher education to 99% formula funding. Both the House and Senate fully restored the 2% reduction to the technical schools and transferred the Fireman Training Program to the B & CB - State Fire Marshal. The Senate moved further to add 2 million dollars to TEC's formula funding.

HEALTH AGENCIES

Department of Mental Health

The Department of Mental Health has had major problems with its funding over the past few years due to the economy, its management and increases in the number of admissions. The House approved \$9.8 million for their deficiency funding and the Senate Finance Committee adopted \$12.5 million and 212 new FTE's. The Senate Finance Committee also added \$2.9 million and 198.00 new FTE's for upgrades at State Hospital (due to last years compliance with Justice Department) and 50,000 for children treatment services. Both the House and Senate Finance Committee recommended annualizations of Mental Health Specialists, continuum of care and a \$200,000 transfer to John de la Howe for the Wilderness Camp program.

Department of Mental Retardation

The House and the Senate Finance Committee annualized Mental Retardation specialists, operating expenses in the community and a contribution to Greenwood Genetic Center. The Senate Finance Committee added 66 new FTE's and \$849,000 for "Look Behind" audits and 25,000 for contractual services.

"Look Behind" audits are a relatively new evaluation technique which concentrates on individuals served by such organizations as DMR. The auditors look to see if the person is receiving full, complete and coordinated services. The auditors "look behind" the person to get a complete picture.

S.C. Alcohol and Drug Abuse Commission

The House and Senate Finance Committee restored SCADA's 2% cut and the Senate Finance Committee added an additional \$1.6 million for children/adolescent services, rent, salary increases and structured outpatient treatment.

Department of Health and Environmental Control

The House added \$959,255 and 6.2 FTE's for DHEC. in areas of Health Hazard Evaluation, Family Planning and Vaccines for children, along with Burnt Gin Summer Camp and a change in EMS funding. The Senate Finance Committee added 12 new FTE's and \$79,905 under Maternal Child Health Care for Resource Mothers, Nurse Practitioners, and Nurse Midwives; \$150,000 and 4 FTE's for low level waste monitoring; also included, \$50,000 for EMS and \$300,000 for VD Control.

Health and Human Services Division

The Senate Finance Committee deleted the \$900,000 appropriated for annualization of the community long term care program and reallocated the funds to cover rent increases and to offset federal fund reductions in the Social Services Block Grant.

SOCIAL REHABILITATION SERVICE DIVISION

Department of Social Services

The \$2.5 million for annualization of the Medically Indigent Assistance Fund was deleted and funds were appropriated in approximately the same amount to fund children services such as child protective services, boarding homes, foster care, teen support and work support program.

Commission for the Blind

The Senate Finance Committee added a total of \$220,000 to increase in-home services and rehabilitation services. \$250,000 was added to the Commission on Aging's budget to increase in-home community services to functionally impaired elderly persons.

CORRECTIONAL AGENCIES

Department of Corrections

The House restored the Corrections budget cut but did not fund the following that Senate Finance did: Temporary Housing (\$1,833,355) and Reclassification of Correctional Officers (\$1,158,342).

Parole and Community Corrections

The House restored the 2% reduction and also funded 20 FTE's and \$400,000 for the Pre-sentence Investigation Program. Senate Finance did not fund this \$400,000 program.

Youth Services

The House restored the 2% reduction. Senate Finance further gave the Department \$400,000 for miscellaneous operating expenses.

Debt Services

The House had funded \$2,815,149 for debt service under the advise of the State Treasurer. The Treasurer, due to the reissuance of bonds, recommended that the debt service could then be cut by \$1,800,000 from FY 1985-86.

NATURAL RESOURCE AGENCIES

Water Resources Conservation Commission

The Senate Finance version gave the Water Resources Commission the same increase as approved by the House but pulled \$300,000 for aquatic plant management out of recurring and funded it in both Part I non-recurring and Part III.

Land Resources Conservation Commission

The Land Resources Conservation Commission received \$127,450 and 4 FTE's in Part I and \$324,500 in Part III.

Forestry Commission

The Forestry Commission was given \$165,000 for Disease Control in Part I and \$150,000 for equipment and supplies in Part III (down \$50,000 from the House version).

Department of Agriculture

Senate Finance funded \$50,000 for contractual services in addition to the constitutional officer salary increase for the Department of Agriculture and kept \$50,000 passed by the House in Part III.

Clemson PSA

Clemson PSA received \$177,500 in Part I for Medical Research and the Spring Dairy Show plus \$542,245 in Part III for equipment and research. The Aquaculture Demonstration Pond, Fire Safety Program and the Fire Ant Programs approved by the House were dropped in the Senate version.

Migratory Waterfowl Commission

Senate Finance approved \$210,000 in other funds for the Migratory Waterfowl Commission. They also gave Wildlife and Marine Resources \$485,000 and 8 FTE's (5 of them state-funded) plus \$262,340 in Part III.

Coastal Council

Coastal Council and the Sea Grants Consortium both received additional funds for rent in non-state owned space. The Consortium also received \$23,000 in Part III for equipment.

PRT

The Finance Committee reduced the House funding for the Garcia decision (which mandates overtime payments in lieu of comp-time) by 8 FTE's and \$20,000 but added funding for the Festival of Flowers, the Pendleton Historic Recreation Commission, the Stump House Tunnel Park, and the Commercial Agricultural Museum. They also approved \$200,000 in Part I non-recurring for advertising and \$100,000 in Part III for Andrew Jackson State Park and \$1,000 for the Century Farm Program.

OTHERS

Aid to Subdivisions

Total aid to political subdivisions was increased by \$5.9 million over the prior fiscal year by House action. This fully funded the inventory tax phase out, while limiting formula funded items to an 89.6% level. The Senate Finance Committee added \$3.2 million, restoring the 2% reduction from FY 1985-86, and raising formula funding to 91.3%.

Regulatory Boards

House actions for regulatory boards and commissions, in most cases continued the 2% reduction from FY 1985-86. The Senate Finance Committee restored these agencies to the FY 1985-86 appropriation level. In several instances special needs were funded, bringing the Finance Committee increases to a total of \$292,048 with 5.05 new FTE's.

Economic Development

The House carried forward the 2% reduction from FY 1985-86 for economic development agencies and added \$132,400 to make up for a loss of federal funds in JEDA. Along with the restoration of budget cuts, the Senate Finance Committee granted \$1 million for the Family Farm Development Authority to establish a revolving farm credit loan fund. The Finance Committee did not fund the non-recurring amount of \$1 million for the Clarks Hill-Russell Authority contract as passed by the House.

State Employees

In the House version, state employees would be granted a 3% base pay increase at a cost of \$25,972,331. The House also agreed to initiate a pilot program to try the incentive pay plan recommended by the Budget and Control Board. Under this program 2,000 state employees in the Columbia SMSA would participate in the pilot project with a variable pay increase of between 0% and 8% and have an opportunity for earning one-time bonuses for superior productivity or cost savings to the agency. In addition, the House agreed to phase out longevity and to give agency heads a 3% raise on July 1. The Senate Finance Committee's version gives state employees a 3% base pay increase plus an average 2% merit increase or boost at a cost of \$34,522,331. This version retains the pilot incentive pay program but deletes the requirement that it be conducted only in the Columbia SMSA and raises the variable pay increase to from 0% to 10.66%. Senate Finance decided not to phase out longevity and to increase agency head pay by 6%.

Part II Permanent Provisions

The Senate Finance Committee added 21 permanent provisions and deleted 5 provisions adopted by the House. Major additions include the following:

- Delayed the requirement for pupil:teacher ration of 25-1 until 1988-89
- Established priorities for serving gifted and talented students and set the funding weight at .30 for base student cost.
- Increased the limitation on issuance of General Obligation Bonds to 5%.
- Added sales tax exemption for telephone carrier access charges and customer access line charges effective July 1, 1987.
- Require domestic insurance companies and foreign insurance companies to pay an insurance premium tax equal to 1.25% of premiums collected.

Federal Dollars: What South Carolina Stands to Lose

One of the major problems facing state legislators who have to write a budget is the forthcoming cut in federal funds. The cuts are coming, but it is difficult to say just when, and exactly how much.

The continuing federal deficit has caused Congress to pass the Gramm-Rudman-Hollings legislation which mandates cuts across the board in the federal budget. However, this measure is to be argued before the Supreme Court, and might be declared unconstitutional. Still, there seems to be growing consensus that something must be done to reduce the national debt.

At the same time, however, there is a move to reform the tax system, and this reform seems to be headed in the direction of lowering the tax burden on many individuals. Will Congress find a method of keeping tax reform "revenue neutral"--that is, not decreasing the amount of money the government takes in? What effects could this have on federal money coming to the states?

Whatever actions are taken, and however confusing the scenario becomes, it seems clear that less federal money will find its way to South Carolina. What will this mean? The only way to tell is to know how much money the federal government sends to South Carolina now.

That is not easy to determine, because federal dollars come in a variety of forms: there are grant awards to local governments, independent agencies, commissions and other groups; there are procurement contracts for supplies, goods and services; there are direct loans, such as those for students; there are guaranteed loans and insurance programs; there are salaries and wages for federal employees.

Largest of all, there are direct payments for individuals--which takes up the largest share of the federal budget in South Carolina, as in the nation as a whole.

Because of the substantial military presence in this state, there is considerable federal expenditure for contracts and procurement. Aiken County leads the way, with over \$1.022 billion coming in--because of the Savannah River Plant, obviously. Charleston, with the naval yard, and Richland County, with Fort Jackson, also pull in substantial sums of money. McCormick County makes the least through federal contracts: only \$64,000 in fiscal year 1984.

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The following chart gives the figures for the major federal funds coming into our state. These numbers are the latest available, for fiscal year 1984. Source: *South Carolina Statistical Abstract, 1985*, and the U.S. Department of Commerce, Bureau of the Census.

Federal Government Funds to S.C. Counties:
Expenditures and Obligations, FY 1984
(Figures in THOUSANDS of dollars)

<u>County</u>	<u>Total</u>	<u>Awards</u>	<u>Salaries</u>	<u>Payment to Individuals</u>	<u>Guaranteed Loans/Ins.</u>
Abbeville	36,768	3,555	1,537	31,001	1,980
Aiken	1,182,711	11,078	17,699	130,793	20,553
Allendale	21,055	3,551	986	14,990	9,061
Anderson	209,906	18,518	10,310	172,164	11,778
Bamberg	35,977	5,204	1,261	24,274	5,889
Barnwell	35,696	4,913	1,462	24,733	3,964
Beaufort	389,632	15,631	265,198	93,434	429,274
Berkeley	134,377	35,349	5,126	77,405	56,132
Calhoun	18,841	2,623	968	13,974	5,361
Charleston	1,647,896	105,092	936,602	393,290	744,666
Cherokee	59,023	4,746	2,715	48,282	8,481
Chester	58,887	8,778	2,069	42,810	2,340
Chesterfield	73,004	7,505	3,244	45,752	5,601
Clarendon	44,365	7,275	1,977	33,326	28,903
Colleton	57,915	7,808	3,011	45,131	32,544
Darlington	90,641	12,442	3,710	70,066	31,268
Dillon	47,298	10,401	2,284	33,523	18,408
Dorchester	91,446	9,317	5,701	75,495	55,084
Edgefield	30,262	6,797	2,297	20,047	5,472
Fairfield	34,577	3,888	1,660	28,645	758
Florence	185,944	32,929	16,825	130,863	74,117
Georgetown	71,627	10,227	2,579	54,860	93,959
Greenville	485,685	48,922	43,446	350,096	53,188
Greenwood	111,025	17,132	6,685	80,121	3,387
Hampton	35,470	4,820	2,484	24,562	6,372
Horry	265,041	24,673	75,469	148,672	321,608
Jasper	28,723	7,239	1,238	19,983	3,017
Kershaw	67,638	7,095	3,110	54,518	7,803
Lancaster	68,115	6,148	3,013	56,200	3,301
Laurens	84,730	5,923	4,076	69,337	2,020

Federal Government Funds to S.C. Counties:
Expenditures and Obligations, FY 1984
(Figures in THOUSANDS of dollars)

<u>County</u>	<u>Total</u>	<u>Awards</u>	<u>Salaries</u>	<u>Payment to Individuals</u>	<u>Guaranteed Loans/Ins.</u>
Lee	28,680	4,766	1,234	21,113	9,155
Lexington	181,700	29,008	11,464	134,373	37,059
McCormick	19,728	2,676	2,742	10,992	508
Marion	104,078	12,829	3,269	43,908	30,582
Marlboro	49,023	7,691	2,320	37,361	5,392
Newberry	69,295	10,477	4,343	51,790	2,968
Oconee	75,955	5,237	3,684	65,816	5,220
Orangeburg	150,390	29,577	7,255	110,298	12,027
Pickens	115,126	18,317	8,064	86,258	19,614
Richland	1,413,308	500,974	373,599	403,381	69,295
Saluda	22,885	3,313	1,589	17,590	7,424
Spartanburg	336,664	38,472	16,320	266,254	38,167
Sumter	306,081	22,766	125,489	123,950	29,233
Union	50,900	5,519	2,788	42,292	1,717
Williamsburg	60,318	11,863	2,927	43,438	53,776
York	154,279	17,469	8,996	125,296	13,269

How do the figures for South Carolina compare to other states in our region? Generally speaking, federal money coming into Southeastern states is fairly evenly divided, with the exceptions of Maryland and Virginia, who rake in more because of their proximity to the District of Columbia. All the other states—with two exceptions—rank in the middle range.

The exceptions are Louisiana, which ranks 43rd in receipt of federal funds, and North Carolina, which ranks a puzzling 49th.

The chart below shows the distribution of federal funds in the Southeast, and gives some indication of how states in this area will be affected by federal budget cuts.

Note that not all federal funds are included in this chart. Salaries and wages, contracts and procurement payments, and other and miscellaneous programs and payments are omitted. These funds are included, however in the column of "Total" payments.

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Distribution of Federal Funds in Southeast
(Figures in MILLIONS of dollars,
except for "per capita dollars")

<u>State</u>	<u>Ranking Per Capita</u>	<u>Per Capita Dollars</u>	<u>Grants to Govts</u>	<u>Individual Payments</u>	<u>Total</u>
Alabama	27	2,868	1,532	5,829	11,444
Arkansas	34	2,592	946	3,475	6,088
Florida	16	3,027	2,784	20,722	33,244
Georgia	28	2,726	2,214	6,964	15,915
Kentucky	38	2,517	1,590	5,029	9,369
Louisiana	43	2,396	1,776	4,989	10,693
Maryland	2	4,319	1,697	6,464	18,783
Mississippi	13	3,187	1,176	3,529	8,278
North Carolina	49	2,210	1,929	7,439	13,626
SOUTH CAROLINA	31	2,711	1,169	4,059	8,947
Tennessee	23	2,885	1,885	6,250	13,610
Virginia	4	4,303	1,628	8,314	24,251

As can be seen from these figures, the impact of federal budget cuts will be considerable in the Southeast. At a time when the economic picture is improving but still unpredictable, the loss of federal dollars makes the task of state budget-writing increasingly difficult.

NCSL and SLC Meetings: Cut-off Date for Requests

The National Conference of State Legislatures (NCSL) meeting is coming up in August in New Orleans; the Southern Legislative Conference (SLC) will be held in Houston.

Since a large number of members have indicated a desire to attend these meetings, the Speaker has set a cut-off date of May 21 for requests of approval for attendance.

It may be necessary to request that members pay a portion of their costs as they did last year.