

MINUTES OF THE MEETING OF
HOUSE APPROPRIATIONS SUBCOMMITTEE ON ELECTED OFFICIALS
MONTANA HOUSE OF REPRESENTATIVES

January 31, 1977
8:10 a.m.
Room 428A
State Capitol Building

The meeting was called to order by Vice-Chairman Regan; Chairman Lynch came in shortly thereafter. All members present for the hearings. The subject of the hearings: Department of Administration: General Services (Buildings and Grounds Division); and Personnel.

Mr. Gosnell began the hearing with an analysis of the budget, pointing out that the LFA recommendation is about \$39,000 low for 1978 and about \$51,000 high for 1979; the difference is in the funding mix of general funds and revolving funds.

Mr. Saxby continued that the net difference is almost zero, but there is a substantial difference in the funding. He indicated that about \$73,000 in 1978 and \$130,000 in 1979 would have to be put into general funds. They feel the cuts are significant, especially in the areas of security guards and painters. Their request for additional security guards is for centralizing control and coverage for the Historical Society facilities and for additional coverage. Mr. Gosnell reported that funds could be pulled from the Historical Society's funding and put into this budget for the security guards. If these two positions were added in, the total FTE variance would only be two, rather than four.

The request for one additional painter was explained by Mr. V.H. Lowe, Administrator of General Services Division. He justified the request by reporting that there are 2,800,000 square feet of surface to be painted in the capitol complex, 35,000 manhours, and an approximate cost of \$262,000 for labor and \$33,000 for supplies. (He estimated this is about one-third of the cost if done by a contractor.) This amount of work would require the staffing of three and three-quarter (3 3/4) FTEs; they now have two (2) FTEs and are requesting one (1) additional FTE. Mr. Gosnell explained that he did not include this FTE in his budget because they put on a third painter by budget amendments this past year and it could be carried over, but also because there are some new buildings that won't require painting and maintenance for possibly a couple more years.

The rent funds were decreased by the LFA as were some of the funds for supplies and maintenance. But Mr. Saxby related their concern is with the reduction of utilities funding. After a report by Mr. Lowe and further discussion, it was decided that these costs are included in the \$2 per square foot general services funding, and the conclusion was that there was really no problem with this issue.

ELECTED OFFICIALS SUBCOMMITTEE

January 31, 1977

Page 2

The only problems concerning the Department are with the reduction of the security guards and the mixing of funds. In response to a question by Senator Lockrem, Mr. Lowe explained that the janitorial, mechanical and elevator maintenance are contracted out. It was reported by Mr. Crosser that several years ago there was consideration made to contract the security guard responsibilities with the Pinkerton organization, but the cost was considerably higher than could be justified. The Historical Society considered contracting with the Burns Company, but the cost was almost double, Mr. Eaton reported. It was also felt that the term "security guard" is not accurate because this is actually a watchman position with no police powers. Senator Lockrem suggested they ask for bids for this work and reject the high bids. Mr. Gosnell and Mr. Eaton will work on the budget further.

Personnel: Mr. Gosnell reported that the budget proposal is a major departure of what we have had to date; the LFA budget is in line with the executive and the department's original proposals. The growth, he pointed out, is the doubling in staff. He observed that the recommendation is very ambitious but must begin dealing with this area. There are two important bills before the legislature now; one is Senate Bill 80, the other has not yet been introduced. He feels that, after much study by many people, this proposal is the first step in putting the State in good condition for good personnel management.

In introducing Mr. Duane Johnson, Administrator for the Personnel Division, Mr. Crosser said that as soon as Mr. Johnson arrived in the position, he began reviewing responsibilities and resources that would be needed to address these responsibilities and to develop a good program for the state.

The attached material was distributed to committee members. The Revised Legislative Report was presented by Mr. Johnson and for the record he read the "Introductory Statement of Critical Needs" on page 1. He then thoroughly reviewed the report, concluding with a reading, for the record, of the "Closing Statement to the Legislative Finance Committee" on page 23. He also interjected in his presentation that under the reorganization, the list of things that the division cannot accomplish is about three times as long as the list of things they can do.

Testimony regarding the Building and Grounds Division, General Services Division, was heard at this point from Mr. Gordon Hopperstad, a former building maintenance man for two and one-half years. He said he was interested in learning how many additional FTEs the division was requesting. He wanted the committee to know that they have had a "good deal of featherbedding in our department." He feels the section should be cleaned up before more people are added. Government is expanding far too fast. He feels that problems cannot be solved by throwing money into a program that is not being run properly at the present time. Primarily, he said, we are here to protect the investment of the state in these buildings. The committee is worried about

ELECTED OFFICIALS SUBCOMMITTEE

January 31, 1977

Page 3

giving too much money to a program and also of shorting a viable program. He felt the only problem in the next two years would be with the bureaucracy itself; and that if the goal is the maintenance of the buildings, they are not going to suffer. He asked the committee to look at the budget with a jaundiced eye; the state won't suffer from under funding this area. He had wanted to get more figures to back up his feelings, but he has tried and could not get any information from the department. He offered to help the committee in anyway possible.

Representative Bardanouve made some comments on behalf of the Personnel Division, which he felt is one division that should receive the utmost attention as 80% of all divisions is the personnel. He feels it is necessary that this division be given enough personnel, equipment, and tools to handle the personnel business for the state. He told about sitting in on another hearing dealing with the budget of a large department with many people in the administration end of the office. The increases in money were given to the administrators and not to the working people. He feels the administration has lost control of the whole pay plan. Mr. Johnson, administrator for the division, was given great praise by Representative Bardanouve; he has shown great interest in the working man. Maybe the committee should even enlarge upon the budget somewhat for the personnel division, he added.

The impact of SB 80 on the division was questioned. Mr. Johnson said that if it were to pass, it would not have a great impact on the division because it deals with a form of coalition bargaining. Mr. Gosnell felt that the other bill, which has yet to be introduced, will have more impact because it designates the merit system council as a classification and grievance board.

The Administrator of the state Merit System Council, Clifford T. McGillvray, distributed several packets of information (attached) and highlighted several portions, as indicated on the "Standards for a Merit System of Personnel Administration". He said that while the state does need a unified system, he does not agree with the LFA recommendation to abolish the merit system. He pointed out that it is a merit system council; it is a viable agency in the state government and until such time that that council is abolished by law, he requests that the committee restore the funds to the merit system council. Mr. Gosnell responded that the merit system is in the personnel division at the present time. There would be no lessening of the merit system council because of this consolidation; but there are now duplications that could be eliminated and benefits to be added by the consolidation. All criteria guiding the merit system council are still being met. While it is true that the budget was not presented as a separate item, it is part of the personnel function and was, therefore, not submitted separately.

The Department of Administration does concur with the merging of the merit system council with the personnel division, Mr. Saxby reported.

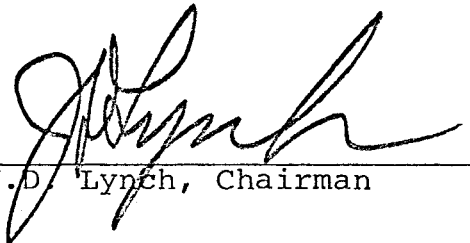
ELECTED OFFICIALS SUBCOMMITTEE

January 31, 1977

Page 4

Mr. Crosser also stated that he supports the fiscal analyst's position in this matter, and the department has moved toward the consolidation of the personnel functions. But Mr. McGillvray retorted that this is to consolidate a merit system with a personnel service function; he does not want to see it abolished. H.E.W. is also quite concerned over the merger of the merit system, as presented by the LFA recommendations. Mr. Gosnell observed that there may be a problem with calling it a merit system council. The merit system approach is allowed for within this budget; without saying it is a merit system, there is a merit system. The features of it will be met and it meets the needs of the state under consolidation.

There being no further questions or comments regarding this budget, the meeting was adjourned at 9:30 a.m.



J.D. Lynch, Chairman

jlm