

MINUTES OF THE MEETING
AGENCIES II SUBCOMMITTEE

January 12, 1979
8:15 A.M.
Room 343
State Capitol Building

Subject: Work Session

Tape 1; Side 2, Track 4 (160)

The meeting was called to order by Chairman Rex Manuel. All members were present with the exception of Sen. Stimatz, who arrived later in the meeting. Also present were Bob Robinson, Legislative Fiscal Analyst; James Williams from the Executive Budget Office; Bill Gosnell, Personnel Director, Report and Pay Plan; Dave Evenson, State Personnel, and Jack Lucas, O.B.P.P.

Bill Gosnell was present at the subcommittee's request, to help explain and answer questions about the State Pay System. Mr. Gosnell explained that he is responsible to administer the Pay Plan Rules and the Health Insurance Plan for the state. It was his understanding that he was here to discuss Pay Rule 2.03 which states that "... an agency director may, at his discretion, authorize salary increases for employees when exceptional circumstances justify this action."

After the legislature approves a pay matrix, the Personnel Division develops pay rules to administer the pay plan. This sets up the way the government is run as far as salaries are concerned.

The Matrix represents a 25 grade structure with 13 steps. The steps supposedly represent 2.3% between them. However, they really do not. The higher you go in the pay plan, and the more steps you go out on, the steps become less than 2% and substantially less than 1% at the higher levels. The personnel division is looking at some alternatives for the matrix this session, which would possibly shorten the steps. They are also looking at the possibility of not granting steps automatically, but rather have them strictly for performance.

A discussion followed concerning some of the problems the subcommittee members felt were important. This included such things as the real or imagined need for all the attorneys in state government. It was felt that some of the problems presently being handled by lawyers could perhaps be handled by non-attorneys.

There could also be a situation where a program drains funds from a lower level to supplement higher levels. The Classification Plan controls this problem of taking from lower levels to supplement upper grades. They do not give upgrades unless the work is documented through their PIQ process. Rule 2.03 was designed to stop the grade-creep process.

The subcommittee felt that years of service was not a basis for competency.

The step raise should be granted on the basis of merit. The department is working on this problem now.

Mr. Gosnell explained that things can be changed. For example, his department took over certain tasks currently being handled outside the agency. His staff took the health insurance problem from the insurance division. They also took over the merit system. In this way they were able to cut costs. By consolidating he has been able to cut nine positions from his budget.

The Analyst asked for an overview of the process of negotiating for classification, rather than for dollars. In 1975 the Legislature amended the Classification Act to allow for negotiations on classification. At this point, if the Personnel Office approves any classification changes the whole contract must be opened up.

Mr. Gosnell feels that the system is under control. He has been a little bit more liberal than his predecessor.

The Analyst asked how many people have moved up and the additional cost in the last year. Mr. Gosnell estimated that close to 25 people in all state government have moved up, due to Rule 2.03.

Mr. Gosnell said that steps were being taken to help women become more qualified for jobs they are not trained for now. Sen. Boylan expressed the opinion that it was not the place of state government to be educating these people. This was the reason for the University system and vocational education. Mr. Gosnell felt that there are many tasks unique to working for the state and that these things had to be learned on the job.

Rep. Hurwitz asked if Mr. Gosnell looked on his job as being responsible for moving people up as fast as he could in the merit system. Mr. Gosnell looked on his job as providing a service to the executive branch of state government, to provide the best quality people for the merit system, and at the same time give them a structure from which they can manage their affairs. He does no hiring and cannot stop any hiring within an agency. He has tried to slow the constant grade-creep. Rule 2.03 is designed to do that and at a cheaper cost.

This concluded Mr. Gosnell's presentation. In summary, he stated that this payroll was designed to do a multitude of things. It was an attempt to recognize and reward merit, and it was an attempt to solve a few of the retention problems that keep people within an agency. He is in the process of designing a performance and evaluation system in the Department of Administration as a test department.

Executive Session (499)

The committee now turned to the business at hand, to vote on recommendations for the Department of Livestock budget. The numbers referred to in motions are those included in the committee worksheets (appendix 1).

Rabies and Rodent Control, FTEs (499)

Sen. Smith moved that the subcommittee accept the LFA recommended figures. The motion was seconded by Rep. Manning. Discussion clarified that the additional position would be restored, to insure the use of pesticides in the program. The LFA recommendation was accepted unanimously by the subcommittee.

Predatory Animal Control (518)

Sen. Smith moved that the subcommittee accept the LFA request. Motion was seconded by Rep. Manning. There was no further discussion. The members agreed unanimously to accept the LFA recommendation.

Diagnostic Laboratory, General and Other Funds (524)

The major discussion here was the difference between the LFA and Executive recommendations for the general and other funds. Disagreement was whether this program is more animal health related or human health related. The Executive recommends a 60/40 split and the LFA recommends a 20/80 split (20% and 60% to the general fund and 40% and 80% earmarked fund). The Analyst recommended a possible compromise would be to put them where they were previous to last session, at a 50/50 split. The Analyst had a hand out here (appendix #5) which summarized livestock taxes assessed to support the Department of Livestock.

Rep. Hurwitz made the motion that the members use the 50/50 split in support of the Diagnostic Laboratory. Rep. Manning seconded the motion. This would appropriate about \$225,000 for the other funds figure. There would be approx. \$225,000 increase for the general fund. This would establish a percentage of support and then, if there were other adjustments they could be filled in at a later time. This would be helpful if the amount of money were to change. This procedure was recommended by Jim Williams.

The 50% support was established. The Analyst was instructed to write this intent into the bill.

The subcommittee voted unanimously to accept this recommendation.

Diagnostic Laboratory, Operating Expenses (610)

The department testified that the cost of equipment, glassware for example, has risen sharply. Therefore, they objected to the Analyst's recommendation.

Rep. Manning made the motion that the subcommittee accept the Executive recommendation, Sen. Stimate seconded the motion. The vote was unanimous in favor of accepting the Executive recommendation for operating expenses in the Diagnostic Laboratory. This provides \$106,000 for 1980 and \$115,000 for 1981.

Diagnostic Laboratory, Central Services (638)

Jim Williams had a handout for the subcommittee (appendix #7) summarizing a

reconciliation of Executive and LFA budget recommendations for the Centralized Services Program, Department of Livestock. There is a total of \$14,677 difference in 1980 and \$17,828 in 1981.

Rep. Manning made the motion to accept the Executive Office recommendation with regard to Personal Services, Operations and Equipment. Rep. Hurwitz seconded the motion. On a vote, the members passed this motion unanimously.

Disease Control (392)

There is a difference of .5 FTEs recommended here between the LFA and Executive. The difference is with the appropriations for a computer man - the Executive has included money to contract this service in their budget.

Sen. Smith made the request that the Department of Livestock be allowed to pick their own man to provide this service. Anyway this is handled, the department would be able to hire their own man. Sen. Smith asked that language be included that specifically stated that the position be terminated when the job was completed. Thus, the FTE would be granted for two years only.

Sen. Smith made the motion that the subcommittee recommend the addition of 1 FTE for two years, to be terminated when the two years was up. Sen. Boylan seconded the motion. There was no further discussion. The members passed the motion unanimously.

Rep. Hurwitz moved that the subcommittee add \$6,000 to the LFA recommendation for travel. Rep. Manning seconded the motion. Chairman Manuel suggested they incorporate in this motion to accept the LFA recommendation plus the additional \$6,000.

Inspection and Control (739)

Sen. Smith made the motion to accept the LFA recommendation which includes .5 FTE data processor and includes language limiting this position to 1980 and 1981 biennium. Rep. Hurwitz seconded the motion which passed unanimously.

Milk and Egg (748)

Jim Williams recommended that they accept the LFA figures. Sen. Boylan made the motion to go with the LFA recommendation. Sen. Stimatz seconded the motion. Motion was passed unanimously.

Animal Health (787)

There was no recommendation for this department.

Tentative Schedule (794)

Monday - Brief overview of the Department of Business Regulation and Public Service Commission.

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Tuesday - Department of Business Regulation hearing.
Wednesday - Department of Business Regulation continued.
Thursday - Public Service Commission hearing.
Friday - Work Session.

There was no further business, the meeting was adjourned.


Rex Manuel, Chairman

Mary Finnegan
Secretary