

58
MINUTES OF THE MEETING
AGENCIES II SUBCOMMITTEE

January 19, 1979
8:15 A.M.
Room 343
State Capitol Building

Subject: Work Session

Tape 2; Side 1, Track 1 (180)

Meeting was called to order by Chairman Rex Manuel. All members were present with the exception of Sen. Smith who was excused. Also present were Bob Robinson, LFA and Carolyn Doering, OBPP.

Purpose of the meeting was to act on budget proposals for the Department of Business Regulation in the areas of Consumer Protection and the Milk Control Board. Also to be considered are the Public Service Commission.

DEPARTMENT OF BUSINESS REGULATION

The subcommittee has previously acted on Centralized Services, Weights and Measures and Financial Divisions within this department. Refer to minutes of the meeting, January 17, 1979.

Consumer Protection (185)

This division is responsible for consumer protection and monitoring private, post secondary institutions. Sen. Stimatz stated that this department belongs in the Attorney General's Office. For purposes of this subcommittee it will be assumed that this department will stay where it is.

Primary difference in LFA and OBPP recommendations was in benefit rates.

Representative Manning made the motion that the subcommittee accept the LFA recommendation for Personal Services and FTE. Representative Hurwitz seconded the motion. Vote showed all members in favor with the exception of Senator Stimatz, who opposed the motion. Motion passed 4 to 1.

For Operating Expenses there is a \$3,000 error in the LFA recommendation. The figures should read \$21,330 for 1980 and \$22,247 for 1981.

Representative Hurwitz made the motion that the committee accept the LFA recommendation (with the additional \$3,000). Senator Boylan seconded the motion. Motion passed with all members in favor except Sen. Stimatz.

For the general fund, LFA recommended the subcommittee take figures listed by the LFA, as long as the subcommittee took the LFA recommendation for personal and operating expenses. If the committee bill passes, a change in earmarked fund to general fund would be in order. Of the increase in operating expense, \$2,000 would come from the general fund and \$1,000 earmarked revenue.

Milk Control (265)

This program has requested two additional FTE for butterfat testing. These positions were eliminated by the LFA and OBPP because the positions have never been filled.

Senator Boylan moved that the subcommittee reinstate one of these positions, with the idea that having one man on the job would make this a functional program. The LFA explained that the department currently has one man on the staff in this position. Senator Boylan felt that this was enough and withdrew his motion.

The Executive included in their recommendation \$3,000 for board compensation. All board members are entitled to compensation for attending board meetings. This compensation was not included in the LFA figures.

A problem arises in butterfat testing with one man. When test samples are taken off all trucks along one route, there is no way to tell which truck really has the problem. Chairman Manuel raised the point that if these additional positions were so important, why haven't they been filled up to this point.

Difference in travel recommendations arose when the Executive based recommendations on travel for base year 1979 and then made cuts. The LFA recommended the same amount spent in 1978.

The 1.25 FTE represents a part time secretary, which the department testified they could probably get along without.

The biggest difference was in the contracted services. The department requested \$16,000 and \$17,000. The Executive went along with this, the LFA recommended \$6,000 each year. This is primarily because the department is anticipating greater legal expenses. The LFA felt that legal expenses would remain about the same as last year.

Representative Manning made the motion that the subcommittee accept the Executive recommendation for FTE and Personal Services for 1980 and 1981. Senator Stimatz seconded the motion. A vote showed all in favor with the exception of Senator Boylan and Representative Manuel who were opposed. Motion passed three to two.

Representative Hurwitz made the motion that the subcommittee accept the Executive budget for Operating Expenses. Senator Boylan seconded the motion. Motion passes, four to one, with Representative Manuel opposed.

PUBLIC SERVICE COMMISSION (357)

Bob Robinson supplied copies of responses to subcommittee requests regarding a priority listing of modification requests.

Les Simkins, OBPP, joined the meeting at this point.

In response to the question of why printing costs were so high through

the Department of Administration. Jan Dee May stated to Bob Robinson the reason was they were paying a high overhead within the department and probably amortizing the equipment.

An estimate of the cost to adjudicate sewer and water rates submitted by Mr. Opitz was roughly \$55,000 a year. This program has a constant work load, as a result of these appeals.

With regard to FTE, the LFA recommended the department be kept at the current level. The Executive recommended the addition of a hearings officer. In addition, the Executive took a \$28,000 vacancy savings and the LFA kept them at the same level.

Les Simkins, to summarize Executive figures explained that they took out the step increases requested by the department. They took 85% of travel for 1978 and reduced their request by \$870. They took out one car and one calculator, and the printing costs. He added back the pay roll fees and accounting fees. They also added a little for telephone hookups.

There is another appropriation bill for pay increases.

The department made the suggestion that they had the option to buy the System 6 at a cost of \$12,000 per year. If they started paying on it this year, they could pay it off in three years.

Chairman Manuel brought to the subcommittee's attention, that if they took the Executive figures on personal and operating expenses, with 39 FTE it is \$871,308. If they used LFA figures for personal and operating it is \$850,654. If they added the cost of the hearings examiner it would be \$881,719. Thus, the LFA recommendation is approximately \$10,000 higher.

If there were no vacancy savings within the department it would have to be made up in other areas. It would be better to add \$10,000 more each year to cover this cost. The department felt they could live with this.

Personal Services (510)

Senator Boylan made the motion that the subcommittee add \$10,000 to personal services and take \$10,000 out of operating expenses recommended by the Executive. Figures would be \$705,172 for 1980 and \$705,617 for 1980 in personal services and operating expenses would be \$166,136 for 1980 and \$171,669 for 1981. Representative Hurwitz seconded the motion. Motion passed unanimously.

Equipment (525)

The department testified that they could go with the Executive budget for 1980 and 1981 because they could get by without the second car.

Representative Manning made the motion that the subcommittee accept the

Executive budget for 1980 and 1981. Representative Hurwitz seconded the motion. This would be \$7,233 in 1980 and \$8,205 in 1981. Motion passed unanimously.

The LFA stated they would have enough money in this for the System 6 and printing.

Senator Boylan made the motion that the committee recommend the purchase of the System 6 machine. Representative Manning seconded the motion. Motion passed unanimously.

Chairman Manuel asked for a motion to add the hearings examiner. Representative Manning made the motion to accept the Executive budget which included the hearings examiner. Senator Boylan seconded the motion. Motion passed unanimously.

Modification Requests (569)

The members turned to the department request for one FTE Gas Pipe Line Engineer (listed 8th on the department's priority list) at a total cost of \$20,000 a year (half of which would be paid by the federal government). Thomas, Dean and Hauskins stated that they could do the same job for \$5,000 as a contracted service.

Discussion followed concerning the priority listing of #1 for the FTE Receptionist. This position is currently covered by CETA funds. The department testified they would rather have this position filled than have higher paid personnel performing the same job.

Bob Robinson expressed the personal opinion that this department is most in need of auditing staff and questioned their priority list which places these positions below #9.

There was a 19 minute break at this point, Senator Smith rejoined the meeting.

One possibility would be to take the hearings examiner already approved by the subcommittee (listed #6 on the priority list) and replace it with the receptionist listed as a #1 priority by the department.

Senator Boylan made the substitute motion that they grant the request for the receptionist and take out the hearings officer, with the stipulation that they not hire anymore CETA employees. Representative Manning seconded the motion. Therefore, the 39 FTE would include the receptionist and not the hearings office.

Senator Smith stated that he would resist the motion. He was in favor of adding the position, but opposed to limiting this department to no CETA employees, unless the subcommittee does this to every agency.

A vote showed a three to three tie, Representative Hurwitz, Representative Manuel and Senator Smith were in opposition. Therefore, the 39 FTE stand with the hearings examiner, as in the original motion.

Representative Manning made a substitute motion that the subcommittee accept the FTE receptionist in place of the hearings examiner. This motion would be line itemed within the 39 FTE count already approved. Senator Boylan seconded the motion. Voting ended in a tie, Representative Hurwitz, Representative Manuel and Senator Smith opposed.

Senator Smith made a motion that they authorize the PSC 39 FTE. Motion was seconded by Representative Hurwitz.

Senator Boylan expressed the opinion that the department is fooling around with little things and ignoring more important things. He felt that the subcommittee should give them some more direction.

The LFA made the suggestion that the subcommittee could recommend that all positions which become vacant in the transportation division be replaced by new positions in the utility division.

Senator Boylan made the motion that the subcommittee accept this recommendation. Senator Smith seconded the motion. The subcommittee recommends that any vacancies within transportation be replaced by positions in the utility division. Motion passed unanimously.

Thomas Dean and Hoskins (903)

Senator Boylan made the motion to provide funds to contract for monitoring of gas lines beyond the central meter. This would be added to contracted services. Representative Manning seconded the motion. Motion passed unanimously in favor.

Senator Boylan made the motion that the rest of the priority list be terminated at this point. Motion was seconded by Representative Manning.

Chairman Manuel suggested that an investigation be made of the utility auditor. Therefore, delay further action pending this information. Senator Boylan withdrew his motion, Representative Manning withdrew his second.

Les Simkins informed the subcommittee that there might be some federal money coming into the program for administration of the National Energy Act. This could amount to as much as \$800,000 in a federal grant. There will be a hearing later on this.

Schedule (978)

Monday, Work Session to preview the Fish and Game Department; Tuesday, Fish and Game Department hearing; Wednesday, Fish and Game continued; Thursday, Fish and Game if necessary; Friday, Work Session.

Meeting was adjourned at 10:45 A.M.


REPT. REX MANUEL, Chairman

Thomas Manning
Secretary