

MINUTES OF THE MEETING
LEGISLATIVE, JUDICIAL, AND ADMINISTRATIVE SUBCOMMITTEE

January 29, 1979
8:30 a.m.
Room 132
State Capitol Building
Tape Data: 3:2-2: 350-end
4:1-1: 0-140
Subject: Work Session

The meeting was called to order at 8:30 a.m. by Chairman Menahan. Present were Representative Wood, Senator Thiessen and Representative Hand. Senator Lockrem was excused. Fiscal Analyst JanDee May was also present.

The meeting for the day was a work session for decisions on budgets for Department of Administration programs.

STATE AUDITOR

The Fiscal Analyst brought to the attention of the committee members that when the committee made it's decision on the programs within the State Auditor budget the major difference between the Fiscal Analyst's recommendation and the Budget Office's recommendation was thought to be in SBAS costs and the central payroll costs. Mr. Simkins and the Fiscal Analyst found that these costs, instead of being filtered through each program, had been put into the Administrative Support program only. The Fiscal Analyst then went through the programs to give the reasons for the differences between the Budget Office and the Fiscal Analyst's recommendations.

Management and Control. The Fiscal Analyst was under the Executive by \$8,500 for 1980 and \$4,800 for 1981. For the data processing costs the Fiscal Analyst went with normal inflation increases. The agency requested 21% and 27% increases. For supplies and materials the Auditor requested a 23% and a 31% increase from fiscal year 1978. Again, the Fiscal Analyst applied normal inflation increases. The Fiscal Analyst also applied normal inflationary increases in the area of repairs and maintenance.

Central Payroll. The differences were minimal.

Insurance and Regulations. The difference in operating was \$10,000 the first year and \$5,800 the second year. Travel was the main reason for the difference. The agency requested a 50% increase. The Budget Office went with the agency request in the area of travel. There was a \$1,000 expense for carpentry which was felt to be a one time expense and was taken out of the base

by the Fiscal Analyst. There was also a \$355 and \$651 difference in rent.

Investment Division. The Division added \$6,300 a year for position upgrades. In travel \$1,800 was expended last year and they request \$5,000 for 1980 and \$5,400 for 1981, plus \$2,500 more each year. The agency requested a 364% increase in communications for 1980 and a 399% increase for 1981 from what was actually expended on this. The Fiscal Analyst was \$5,000 under the Budget Office recommendation for each year. The agency request of \$6,000 for legal services was not recommended by the Fiscal Analyst.

The overall savings for the biennium by the Fiscal Analyst would be \$46,000. \$16,000 of the \$46,000 would be in the area of travel.

DEPARTMENT OF ADMINISTRATION
Director's Office

There was discussion on both the agency request and the Executive recommendation. Mr. Eaton said there was a rather large vacancy savings factor that the Fiscal Analyst had recommended for the 10 people in the program. The Fiscal Analyst stated that Mr. Lewis has spoken to her about the vacancy savings and she reduced her recommendation to include a 1% and adjusted her figures accordingly. The amended Fiscal Analyst's recommendation showed a difference of \$7,489 the first year and \$8,847 the second year which included the 1% vacancy factor and some minor expenditure differences within operating.

The motion by Representative Wood to approve the Fiscal Analyst's recommendation of \$222,499 for the first year and \$222,866 for the second year was passed unanimously.

Governor Elect

There was no conflict between the Fiscal Analyst's recommendation and the Executive recommendation in this program. There was discussion on the Governor Elect program being in the Office of Budget and Program Planning.

Senator Thiessen moved to accept the recommendation of the Fiscal Analyst and the Budget Office which are the same. The motion was passed unanimously.

Accounting

The Fiscal Analyst stated that she had spoken with Terry Cannon, Administrator, and they are requesting additional funds for SBAS for taking the universities on line. Mr. Eaton stated these are processing costs which are costing the additional funds. The

Fiscal Analyst and Mr. Cannon came up with the monthly cost for SBAS of \$49,600 a month for 1980 and \$46,800 a month for 1981. Mr. Cannon had said there were some other costs coming up but thought they could operate with this amount. Mr. Cannon also asked that a smaller vacancy savings be applied. The Fiscal Analyst's recommendation, with the monthly average cost for SBAS and a smaller vacancy savings applied, would be \$793,985 for 1980 and \$763,838 for 1981.

Mr. Cannon is requesting 2 additional FTE. The Fiscal Analyst commented on Management Systems having people who did go out to inform the agencies and she felt there could be some duplication in this area. If the 2 FTE were implemented there could be a subsequent reduction in Management Systems. Mr. Eaton concurred and made the suggestion that when the committee got to the Management Systems budget to reduce the FTE to bring the level to 7. The Fiscal Analyst stated that if the 2 FTE were added, the Executive budget total would be \$791,421 for 1981. The Fiscal Analyst recommendation would be \$816,876 in 1980. Mr. Cannon stated that he would rather have a higher monthly cost the first year to be safe. The Executive had the lower monthly cost the first year and the higher cost the second year. The Executive recommendation for 1981 would be \$826,869; the Fiscal Analyst would have \$786,739. Another difference between the Fiscal Analyst and the Executive is when the Fiscal Analyst took actual 1978 costs in data processing minus some SBAS upgrade enhancements. These were taken out and the Fiscal Analyst added inflationary increases. The Executive left these one time costs in their recommendation.

Mr. Eaton commented on the request for the Reader/Printer in 1980 and recommended this for the agency. The reader would cost \$2,000. There was discussion on Teacher's Retirement purchasing the Accounting Program's printer. There are two kinds of readers, one handles microfiche and one handles reels. They were not sure which one Teacher's Retirement needs.

The motion to approve the Fiscal Analyst's recommendation, including the 2 FTE, by Senator Thiessen was passed unanimously. Senator Thiessen said if it was indicated that the reader could not be done without, it would be inserted later. The Fiscal Analyst's recommendation was \$816,876 for 1980 and \$786,739 for 1981.

The Fiscal Analyst also made the suggestion to line item the money appropriated for data processing with the provision that if additional money was needed it could be expended.

Architecture and Engineering

Within personnel, Phil Hauck stated that he would like to have the .25 intern. With the position added, the Fiscal Analyst's recommendation would be \$259,414 for 1980 and \$260,524 for 1981.

The Fiscal Analyst would then be recommending 15.25 FTE and the Executive recommending 14.25 FTE. The Executive did not recommend a construction inspector that was vacant last year. This was due to the hiring freeze. Mr. Hauck stated the reason the position was not filled was that it was undergraded. The Fiscal Analyst's recommendation upgraded the position to a grade 12.

Another area of concern was the request by the agency for \$10,000 as a contingency account for legal or consultant services. Last year no funds were expended for legal or consultant services and the Fiscal Analyst did not recommend money for this. Mr. Hauck felt they should have something in case they did need help.

For supplies and materials the Fiscal Analyst went off the 1978 base and added normal inflation rates of 6%. The agency requested \$9,000 for each year in travel. The Fiscal Analyst recommended \$5,700 for each year.

The motion was made by Senator Thiessen to approve the Fiscal Analyst recommendation with the following amendments: the .25 intern position, an additional \$3,000 for travel per year, and \$5,000 a year for a contingency account for legal and consultant services. The Fiscal Analyst's adjusted recommendation would be \$299,311 for 1980 and \$301,471 for 1981. The motion also included all funding for Architecture and Engineering come from the Long Range Building Fund, with the language that the balance at the end of the year be reverted to the Long Range Building and that the 1% charge be assessed on a yearly basis. The motion was approved and passed unanimously.

Information Systems

The Fiscal Analyst recommended 34 FTE; the Executive recommended 32 FTE. The Fiscal Analyst stated that the 2 FTE recommended above the Executive had already been transferred to the Computer Services Division. The program is functioning at current level, 32 FTE, and they do not want any additional FTE. For overtime, the Fiscal Analyst did not recommend \$15,000 a year. Mr. McGee stressed the need for this funding for overtime. The Fiscal Analyst suggested to decrease the 2 additional FTE she had recommended but to leave the salaries for the overtime expense. The Budget Office did not apply the vacancy savings that the Fiscal Analyst applied.

There was discussion on adding the \$15,000 for overtime. The Fiscal Analyst commented on the change in equipment where the program was renting some equipment and now wanted to purchase this equipment. The Fiscal Analyst adjusted her figures to include additional rent and funding for purchasing some equipment. For 1980 her recommendation would be \$79,864 and \$84,311 for 1981.

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Senator Theissen moved to accept the Fiscal Analyst's recommendation of \$601,603, which included the \$15,000 for overtime and decreased the 3 FTE. The motion was passed unanimously. The total for 1980 was \$681,467 and \$685,914 for 1981.

Computer Systems

In personal services the Executive recommends 85.45 FTE and the Fiscal Analyst recommends 88.7 FTE. The positions eliminated by the Executive were a program analyst, an office clerk, and one automated typewriter position.

The Fiscal Analyst stated that the agency request for a teleprocessing position was recommended, however, the software specialist was not. The Executive did not recommend either position. The Fiscal Analyst's recommendation for 1980 is \$1,295,332 and \$1,298,216 for 1981 for personal services. Mr. Eaton stated that the reason for the elimination of the 3 FTE was the hiring freeze.

In the operating expenses the Fiscal Analyst stated that the Legislative Auditor will be doing an audit in 1980 so \$12,000 will need to be added. Another adjustment for consideration would be the uninterruptable power supply which would cost approximately \$6,000 for maintenance a year. The other increase cost in operating expenses was the request for a used second computer which could double what can be done now with the original computer. The computer would cost an additional \$7,000 a month for a total yearly amount of \$84,000. This will change the Fiscal Analyst's recommendation to \$1,546,310 in 1980 and \$1,566,071 in 1981. If these same items were added to the Executive recommendation, the figures would be \$1,656,520 in 1980 and \$1,712,611 in 1981.

The Fiscal Analyst did not recommend the Optical Character Reader. The agency has requested \$26,000 for training. The Budget Office's recommendation cut back on travel.

For supplies and materials the Fiscal Analyst recommended \$16,000 and \$27,000 less than requested. The agency requested a 57% increase for supplies and materials. There was approximately a \$32,000 difference in the area of rent. The agency requested a \$10,000 amount for unanticipated rental.

In communications there was a \$19,000 difference which, in fact, was for the teleprocessing position. The Fiscal Analyst said this \$19,000 should have been included in the modification. The Fiscal Analyst reduced this \$19,000.

The committee unanimously voted on the Executive personal service recommendation, the Legislative Fiscal Analyst's operating

recommendation with an additional \$51,000 a year, plus the Fiscal Analyst's equipment recommendation. These amounts totaled \$3,366,272 in 1980 and \$3,101,165 in 1981.

The meeting was adjourned at 11:30 a.m.

Respectfully submitted.


William Menahan
William Menahan, Chairman

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