

MINUTES OF THE
LEGISLATIVE, JUDICIAL AND ADMINISTRATIVE SUBCOMMITTEE

February 22, 1979
7:30 a.m.
Room 132
State Capitol Building
Tape Data: 8:2-4:48-569
Subject: Work Session

The meeting was called to order at 7:30 a.m. by Chairman Menahan. All members were present except Representative Hand who was excused. Fiscal Analyst JanDee May was also in attendance. Ed Eaton from the Budget Office and Laurry Lewis and Dennis Burr from the Department of Revenue were also present.

The meeting was a work session for making decisions on the Department of Revenue program budgets.

DEPARTMENT OF REVENUE
Property Valuation Division

Dennis Burr, Administrator, stated that after getting together with the Fiscal Analyst they had no problems with her analysis or the way the figures were derived.

The FA explained how she arrived at the 1978 operating base. After making various reductions for general match money, tax relief expenses, data processing costs for Mass Appraisal, etc., the FA arrived at a \$1.04 million operating base.

The FA stated that the operating base between 1978 and the estimation for 1979 is a 30% increase. To the 1979 base, the program applied the 6% inflation rate. One problem was the error in the salary amount for the 24 FTE which amounted to \$300,000 and not the \$174,000. Mr. Burr stated previously that this amount would be reduced from the budget.

Mr. Burr commented that the area of disagreement with the FA was the amount the Division needed to operate at current level. The program's requested budget after error corrections and reinstatement of Mass Appraisal in personal services was \$5.5 million.

As of the end of December 1979, the program had expended 49% of the personal services budget with 50% of the year gone. Mr. Burr pointed out that they are not showing vacancy savings.

In contracted services, \$492,000 was budgeted for in 1979 and as of the end of December they have spent \$110,000. Mr. Burr stated they have not purchased assessment lists or notices for this year as yet and will need some additional funding for these items.

Under travel, \$183,000 was budgeted for and as of

the end of December of 1979, 50% of the amount was expended. Mr. Burr stated he did not feel \$135,000 was adequate for 1980.

The FA rent figures were higher than the program had budgeted.

In the area of utilities, Mr. Burr stated they have committed \$130,000 to the counties for upkeep of the courthouses. The utility bills come in at the end of the year.

Mr. Burr commented that within other expenses is funding for purchasing of their appraisal manuals. The budget for this year is \$50,000 and at the end of December they had spent \$5,807 which is above the Executive recommendation. At the end of January they had spent \$18,490. Mr. Burr stated they will use the \$50,000 in this category and the expenses are not doubled up anywhere else in the budget.

In equipment, the program has budgeted \$31,000 for 1979 and has requested \$25,000 a year for the next biennium.

Mr. Burr reviewed each category as to the minimum amount the program could operate with. In personal services they request \$288,498 be restored to the 1980 budget. The Budget Office reduced the personal services by \$156,687 to account for vacancy savings. The FA recommended a 12% reduction for vacancy savings.

Mr. Burr stated the last two years positions were left open to cover operating expenses and this was how the vacancy savings occurred. The FA responded that they actually had a 12% vacancy savings but she had only taken a 2.4% vacancy savings.

The FA recommendation for contracted services in 1980 was 57% of the budgeted amount for 1979. Mr. Burr stated they request \$231,000 be restored to the budget in order for tax rolls to be produced.

Mr. Burr stated in the area of travel, obligations could not be fulfilled for supervision of county assessors and appraisers. They request \$50,000 be restored to the 1980 budget.

They are requesting \$81,000 be restored to the budget for utilities.

Senator Lockrem discussed with the committee and Mr. Lewis and Mr. Burr the drafting of language stipulating that the counties provide the space and utilities for the assessors and appraisers and this language be included in the appropriations bill.

In other expenses, they are requesting that \$47,000 be restored which would cover the purchasing of appraisal manuals. They request \$25,000 be restored for equipment to the budget for 1980. The total agency budget request for 1980-81 would be \$6.8 million. They have reduced \$1/2 million a year from their original request.

Mr. Lewis stated that 1978 was not a normal year. He stated money needed to be filtered into property tax in order for the program to get through the year. Mr. Eaton also felt that 1978 was not an adequate year to use for a base year.

Mr. Burr stated they are operating with the same number of positions as they were in 1973 and the workload has increased tremendously.

The FA recommendation is \$6,397,000 for 1980 and \$6,473,000 for 1981 without equipment.

Senator Lockrem made a motion to appropriate \$25,000 for each year for equipment.

The motion passed unanimously.

The FA recommendation including the \$25,000 each year for equipment is \$6,442,719 the first year and \$6,498,795 the second year.

Mr. Eaton stated the 6% inflation factor for printing will not cover the cost for 1980-81 in contracted services.

Senator Lockrem moved to reinstate the \$54,200 the first year and \$57,500 the second year for printing in the FA recommendation.

Those in favor were Senator Lockrem, Representative Wood, Senator Thiessen and Chairman Menahan. The motion passed unanimously.

The remainder of the difference between the FA and the program request is \$300,000. Of the \$300,000, \$288,000 is in personal services. The FA stated 4.8 aggregate positions which were vacant last year were eliminated and \$38,000 for these salaries reduced. County offices had a 5.37 vacancy savings of which approximately 5 positions were deleted for a total of \$98,000 for salaries. The remaining \$134,000 is the 2.6 vacancy savings applied.

Mr. Eaton responded that taking a vacancy savings on positions that were deleted would cause vacancy savings to be applied twice on these positions.

If a 1% vacancy savings was applied it would amount to \$52,476 each year.

Senator Lockrem moved to apply a 1% vacancy savings in place of the 2.6 recommended by the FA.

Those in favor were Senator Lockrem, Senator Thiessen, Representative Wood and Chairman Menahan. The motion passed unanimously.

Mr. Lewis suggested to the committee for preparation of the budgets that everyone use the same base to eliminate some of

the problems.

The committee discussed this point.

Senator Lockrem moved to approve the budget as amended including the language for the appropriations bill stipulating that the county shall provide space and utilities for the assessors and appraisers.

All were in favor. The motion passed unanimously.

Director's Office

The committee discussed the Director's Office request for legal services. The FA suggested if an increase in legal services was approved by the committee to line item the amount.

The FA stated the major problem in the Office was in legal fees and also the conducting of training for individuals other than department members and paying for this training.

The FA felt with the Investigation Division, the legal counsel should be utilized and this would be less expensive. Last year, the program spent \$20,800. They are requesting for private legal counsel \$28,000 and \$30,000 for legal services. The FA recommends to keep the funding at the \$20,000 level with no increases.

Senator Lockrem moved to appropriate \$25,000 for each year and line item the amount for legal services. Senator Thiessen seconded the motion.


Those in favor were Senator Lockrem, Representative Wood, Senator Thiessen and Chairman Menahan. The motion passed unanimously.

Senator Thiessen moved to include an additional \$300 for equipment in 1980. All were in favor. The motion passed unanimously.

Senator Lockrem moved to approve the FA budget recommendation as amended. Those in favor were Senator Lockrem, Senator Thiessen, Representative Wood and Chairman Menahan. The motion passed unanimously.

The meeting adjourned at 10:35 a.m. until Tuesday, February 27, at 10:00 a.m.

Respectfully submitted.



William Menahan, Chairman