

MINUTES OF THE
LEGISLATIVE, JUDICIAL AND ADMINISTRATIVE SUBCOMMITTEE

March 2, 1979
8:00 a.m.
Room 132
State Capitol Building
Tape Data: 8:1-3:454-1505
Subject: Work Session

The meeting was called to order at 8:00 a.m. by Senator Lockrem, Acting Chairman. Chairman Menahan took charge later on in the meeting. All members were present. Fiscal Analyst JanDee May was also present. Others present were Les Simkins and Ed Eaton from the Budget Office; Laury Lewis, Don Bentson and John Clark from the Department of Revenue.

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

DEPARTMENT OF HIGHWAYS
General Operation Division

Under personal services, the committee discussed the work processing system and mini computer request of the Division.

The Department has reduced 17 FTE from its budget throughout the Department for the word processing system. The purchasing of mini computers would allow them to eliminate 9 1/2 FTE. The FA recommended a reduction of 9 1/2 FTE for this reason. The program has now reduced the FTE to 7 FTE and ask to keep the dual system, the FTE and the mini computer, until the bugs are worked out for 6 months at which time they could be eliminated.

Senator Lockrem made a motion to reinstate the 9 1/2 FTE with salaries and benefits of \$45,000 for 6 months for the system and at that time they would be eliminated. The budget would show \$45,000 and 4.75 FTE for 1980.

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

The FA commented that the civil defense director is funded 50% with federal money. The FA questions how much is done in civil defense everyday. Les Simkins responded stating that his duties are partly in civil defense and partly within handling of surplus property.

There was discussion on the job done by the civil defense.

The committee discussed the 2.5 clerical FTE which the Division asked to be reinstated to their budget. The 2.5 FTE were deleted as part of the 10 FTE deleted by the FA.

Senator Lockrem moved to reinstate the 2 GVW clerical positions with salaries amounting to \$17,282 which includes benefits to the FA budget in each year of the biennium. All were in favor. The motion passed.

The program also requests the reinstatement of the administrative assistant in personal services. This position was vacant 100% of the year and was deleted by the FA. The position was vacated to fill a higher position. The committee decided to leave the position deleted.

The committee discussed the Division request for putting back in 5 of the 10 positions they deleted after purchasing the system 6 machines.

Chairman Menahan was excused at this time.

Senator Thiessen moved to add 3 more positions to the 2 positions already reinstated to make the total 5 positions. The amount would be \$43,206 in each year including the 2 clerical positions.

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

Representative Wood moved to reinstate the Civil Defense Coordinator. Those in favor were Representative Wood and Representative Hand. Senator Thiessen and Senator Lockrem were opposed. The motion failed.

Mr. Simkins commented that the Civil Defense Program would have to put a FTE on to handle the duties of the Coordinator if it was deleted. He said if the committee wished it could be specified that these duties be designated to the Department of Administration under the Surplus Property Division, plus the responsibility for the Civil Defense Coordination. Mr. Simkins stated the Department of Highways would have to hire someone to take care of the hazardous waste category.

Chairman Menahan returned to the meeting at this time.

Senator Lockrem moved to reinstate the Civil Defense Coordinator in order that Chairman Menahan could vote to break the tie from the previous motion.

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

Senator Lockrem made the motion to leave the administrative assistant deleted from the budget.

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

The committee decided to not consider increasing inflationary increases.

Planning Research Contracted Services payments was an oversight and needed to be added to the FA recommendation. The amounts would be \$152,950 in each year.

Senator Lockrem moved to add the \$152,950 for each year to the FA recommendation for Planning Research Contracted Services payments.

All were in favor. The motion passed unanimously.

The committee discussed the paying of termination sick leave and annual leave. Mr. Simkins stated that it is a state liability. The committee took no action on this item.

The GWV uniforms are required. The amount requested would amount to approximately \$200 per year per employee.

Senator Thiessen moved to add the \$12,000 for each year for uniforms. Those in favor were Senator Thiessen, Representative Wood, Representative Hand and Chairman Menahan. Senator Lockrem was opposed. The motion passed.

The increase liability insurance payments will be taken care of through a lump sum figure appropriated to the Department of Administration. The program will be billed for the current level for 1978.

There was discussion of paying the insurance out of the earmarked revenue fund.

In travel, the Budget Office reduced their request to \$186,000 a year and the FA recommended \$163,000 which is a difference of approximately \$20,000 rather than the \$30,000 and \$43,000. The Budget Office kept the travel at the 1979 level for in-state. The GWV spent approximately half of the travel and the Planning and Research spent approximately half. Mr. Simkins stated they have to travel.

Mr. Simkins commented that he cut the out-of-state travel, however, the FA responded that the program requested \$186,000 and the Budget Office recommended \$186,000. The program requested \$16,781 for out-of-state travel.

Senator Thiessen was excused from the meeting.

There was discussion on the out-of-state travel.

Senator Lockrem made the motion to add \$10,000 more for travel to the FA recommendation.

Those in favor were Senator Lockrem, Representative Hand and Representative Wood. The motion passed unanimously.

Chairman Menahan was excused from the voting.

The program requests 68 radio units a year. Last year, they received funds to replace 52 units a year.

Representative Hand moved to approve the funding for the radio units requested. Those in favor were Representative Hand, Representative Wood and Senator Lockrem. The motion passed unanimously.

There was discussion on the classification pay raises for the GVW enforcement officers. The FA pointed out that during Fiscal 1978 a significant amount of reclassifications occurred.

Representative Hand moved to approve the funding for the classification pay raises of \$60,395 for 1980 and \$60,395 for 1981.

Those in favor were Representative Hand, Representative Wood and Senator Lockrem. The motion passed.

The committee discussed the System 6 Machines. The program requests funding for monthly rate payments of \$800 to \$900. The FA stated assuming the lawsuit will be determined the monthly rate could be reduced.

Representative Wood moved to approve the \$24,000 for the first year and reduce the monthly rate by \$300 the second year.

Those in favor were Representative Wood, Representative Hand and Senator Lockrem. The motion passed.

Under the modification request, the FA included the amount for the airplane engine inspection in 1980 and the Budget Office included the amount for engine inspection in 1981. The FA commented that the program requested the inspection in 1980.

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

Travel Promotion

The FA allowed normal inflation off the 1978 base. The Executive reduced their budget by \$34,500 in national advertising costs. They reduced approximately \$15,000 in dues and also a film location coordinator and 1/2 FTE. The FA also reduced the 1/2 FTE.

Representative Wood moved the Executive budget recommendation.

The committee discussed the breakdown within the different categories of the advertising.

Those in favor of Representative Wood's motion to accept the Executive recommendation were Representative Wood and Representative Hand. Senator Lockrem was opposed. The motion passed.

Senator Lockrem moved that the \$600,000 a year approved for the Travel Promotion be taken from the general fund instead of the earmarked revenue fund.

There was discussion on funding the program through the general fund.

Chairman Menahan rejoined the meeting.

Those in favor of funding the Travel Promotion budget from the general fund were Senator Lockrem, Representative Hand and Representative Wood. Chairman Menahan was opposed. The motion passed.

Construction Program

In 1978, the Construction Program expended \$100,000,000. Mr. Simkins commented that the program has budgeted each year lower than what was spent and have come in for a budget amendment.

The FA stated that of the 121 new positions there were over 80 vacancies. Mr. Simkins stated that with 11 divisions they do not know when they will get a project. The positions are there but the projects are not which causes vacancies.

The committee discussed the FTE being hired without projects to keep them on staff.

The difference between the FA and the Budget Office is \$100,000 for travel. The Budget Office kept them at the 1979 level and the FA kept them at the 1978 level.

Senator Lockrem moved to approve the Executive Budget and to reduce \$100,000 for travel.

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

Under the modification, the FA addressed the coal funds of which nothing has been spent. The FA recommended that these funds be spent this biennium and used as match funds for federal funds.

DEPARTMENT OF REVENUE Operations Program

Ed Eaton commented on the problem with the revolving fund. This program has a revolving fund for the central supply which does not show in the Executive request. The revolving fund has a balance of \$21,000 which the agency feels is necessary for replacement of items at the higher replacement cost with added inflation.

Laury Lewis, Acting Director, felt the \$21,000 does not neces-

sarily have to be the amount in the fund but they do need a certain amount there. The Budget Office and the agency proposes a level of \$15,000 to \$18,000 as the fund balance with using the remainder of the balance to augment the first year.

The FA commented that the balance is growing each year. From 1977 to 1978 it increased 60% and from 1976 to 1977 it increased 40%. The FA stated with these percentages she estimates it will increase from 40% to 60% from 1978 to 1979. The FA offset the general fund by \$36,000.

Mr. Lewis commented that when they buy an item they buy a 6 or 12 months supply at different times of the year based on purchasing requirements. The fund balance is needed for replenishing of these items.

Mr. Lewis stated he feels they could absorb the \$15,000 replacement of revolving fund with general fund for the first year rather than the \$36,000.

Of the FA figure of \$206,000 for 1980, \$191,000 would be general funding with the other \$15,000 going into the revolving fund.

The other item was the .5 FTE which was a program transfer from the Inheritance Tax Division.

Mr. Lewis commented that certain times their workloads and needs change and they have moved through program transfers positions to cover these workloads.

The committee discussed program transfers.

The FA stated that the program has had approximately 12 program transfers. She stated her point was the positions should have been brought in as a modification, not as current level and felt the committee should be aware of the shifts made within the personal category.

Mr. Lewis responded he had no problem coming in before the committee and justifying the shifts they have made.

Senator Lockrem stated that everyone had aired their views on program transfers and felt Mr. Lewis knew where the committee stood in relation to this point.

Senator Thiessen moved to approve the FA recommendation of \$206,000 for 1980 and \$208,000 for 1981, adding back \$1,400 a year for equipment and replacing general fund by \$15,000 the first year with revolving funds and reinstating the .5 FTE in the amount of \$4,600. The total figures are approximately \$212,931 the first year and \$214,524 the second year.

Those in favor were Senator Thiessen, Representative Wood,

Representative Hand and Senator Lockrem. The motion passed unanimously.

Chairman Menahan was excused at the time of voting.

Senator Thiessen moved to include language in the motion for the revolving fund authority to not exceed \$100,000 each year for the central supply.

All were in favor. The motion passed.

Senator Thiessen moved to approve the FA budget recommendation as amended.

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

Research and Information

The FA commented that this program also is a situation of having an internal revolving fund with a growing fund balance. In 1977, the fund balance was \$8,200 and has grown to \$47,000 in 1978. The FA recommends that the general fund be offset by this fund balance.

Chairman Menahan rejoined the meeting.

Mr. Lewis commented that in this situation when the billing was set up, the return was greater than the data processing cost incurred so the balance has built up.

Mr. Lewis stated again that they do need a certain amount in the account to pay salaries which they figure to be approximately \$40,000.

There was discussion of the fund balance in the revolving account within this program.

Mr. Eaton commented that the program would have approximately \$40,000 in the balance to offset the general fund the first year.

Senator Lockrem moved to allow a working fund authority of no more than \$40,000 for this account.

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

Under operations, the Budget Office reduced the FTE by 4. The FA has reduced the FTE by 7.5 which relates to 5 program transfers from the Homestead Property Tax Relief Fund and 2.5 vacant key-punch positions. The FA also applied a vacancy savings.

Senator Lockrem made a motion to approve the FA recommendation

with reinstating the \$17,000 taken out for vacancy savings.

John Clark, Administrator, commented that 3 positions were taken in the freeze. The Budget Office therefore, took these positions plus one administrator. The FA's deletion of 7.5 positions were not the 3 positions the Budget Office deleted. Mr. Clark stated he will be underfunded if the positions recommended by the FA are deleted. He commented that the FA is recommending funding for positions he no longer has which means the positions he does have that are higher level positions will be funded at this lower level.

Mr. Eaton stated the FA recommendation would be short \$6,295 the first year and \$6,423 the second year for funding of the FTE.

Senator Lockrem made a substitute motion to approve the FA recommendation with reinstating the \$17,000 taken out for vacancy savings and adding \$6,295 the first year and \$6,423 the second year for the funding of the positions presently on the roster.

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

In operating, there is a \$89,000 difference between the FA and the Budget Office. The difference is within the switch from the rental of equipment to purchasing of this equipment.

Mr. Clark commented that he has \$108,971 committed on leases on equipment. He said this would be a drop in maintenance. He stated he would need approximately what was requested in the budget.

The FA responded it would be a matter of increasing the rental by \$73,000 and decreasing the repair and maintenance by approximately \$8,000.

Mr. Clark stated he needs \$109,000 annually for the rental of equipment. The total would be \$170,671 the first year with the additional funding for the equipment and \$169,838 the second year, totaling approximately \$756,817 for 1980 and \$761,455 for 1981.

Senator Lockrem moved to approve the FA recommendation, adding \$65,000 for equipment rental each year in operating expenses.

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, Representative Hand and Chairman Menahan.

The motion passed unanimously.

The meeting adjourned at 11:30 a.m.

Respectfully submitted.

William Menahan

William Menahan, Chairman

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