

MINUTES OF THE MEETING  
APPROPRIATIONS COMMITTEE  
50TH LEGISLATIVE SESSION

The meeting of the Appropriations Committee was called to order by Chairman Rep. Gene Donaldson on January 28, 1987, at 1:30 p.m. in Room 104 of the State Capitol.

ROLL CALL: All members were present at the meeting with the exception of Reps. Winslow and Quilici who were absent and Reps. Iverson, Manuel, and Swift who were excused.

VACANCY SAVINGS: (14:A:0.26)

Proposed Committee Bill - Rep. Miller stated that last session a 4 percent across the board vacancy savings was used. Then the governor put another 2 percent cut on the state agencies in 1986, then another 5 percent cut prior to or during the special session in Fiscal 1987. With the governor's recommendation of another 4 percent vacancy savings, what we are really looking at is close to a 4 percent cut. The bill does have a fiscal impact. If the bill goes through, it means an impact of about \$300,000 impact to the general fund.

The subcommittee recommended that this bill be used with a 0 to 4 percent vacancy savings level and adjust the budgets, in subcommittee, to the proper level required to perform the job. He once again went through the bill stated that the first part of the bill defines vacancy savings and the establishment of agency pools. These pools would be used in emergency cases when there is a complete turnover in the staff of an agency and there can be no vacancy savings.

(14:A:12.30) Rep. Bradley stated she felt this is just more bureaucratic red tape and unnecessary.

(14:A:16.28) Rep. Peck felt it was a false premise and spoke against the bill. The department should be able to make vacancy savings as well as they can by using vacancy savings easily if they can be using vacancy savings money to buy equipment.

Rep. Menahan pointed out the committee would put these people at the staff ratio where they should be. Then give them a 2 percent vacancy savings or whatever they felt was appropriate. They are dealing with an inappropriate use of vacancy savings. He felt they need to be screwed down so vacancy savings can't be used to purchase equipment and things such as that.

Rep. Bardanouve suggested that the 0 to 4 percent vacancy savings be changed to 0 to infinity. Rep. Thoft also suggested that this be sunseted to come up again in one biennium.

Rep. Quilici asked what the agencies thought of this bill. Mr. Hunter, Director, OBPP stated that they felt there were no problems with the bill.

(14:B:2.20) Rep. Miller moved the vacancy savings request be presented as a committee bill with no upper limit on the percentage and also a sunset of June 30, 1989.

Rep. Spaeth stated he did not agree with the pooling aspect. Rep. Donaldson spoke in support of the bill stating that the legislature needed to take a closer look at the budgets. Rep. Bardanouve called the question. There was a roll call vote. Reps. Donaldson, Thoft, Connelly, Devlin, Menahan, Menke, Miller, Quilici, and Switzer voted YES. Reps. Bardanouve, Bradley, Nathe, Peck, Poulsen, Rehberg, and Spaeth voted NO. The motion failed by a vote of 9 to 7 as a 3/4 vote was required to pass the motion.

Rep. Miller asked for a firm policy as to what they should do in subcommittee at this point.

Chairman Donaldson stated that the policy previously decided was 20 and under will be zero and over would be 4 percent and the committee should use their discretion if they run into an agency that clearly has a vacancy savings that wouldn't follow those guidelines.


EXECUTIVE ACTION:(14:B:11.50)

Rep. Rehberg presented the subcommittee recommendation on Rep. Simon's bill, HB 248. He stated that this was done at the request of the Department of Administration, and therefore turned the explanation over to Kathy Fabiano. Ms. Fabiano, Administrator of the Accounting Division, stated the bill would allow them, as administrators of the general fund, to recover the cost of providing central services to certain earmarked accounts or state special accounts that keep their investment earnings. The law would allow the Board of Investments to deduct these services from the earmarked accounts interest earnings before the accounts are credited with those earnings. The cost of providing statewide centralized services are paid out of the general fund. The Department prepares a statewide indirect cost allocation plan that they provide to all state agencies that receive federal money. Currently that plan is used to

recover, from the federal government, their share of state-wide centralized services. Programs funded from these funds, are receiving services paid for through the general fund free of charge.

Rep. Rehberg stated that there was no opposition to the bill in the subcommittee, and the subcommittee voted to recommend it.

Rep. Rehberg moved to DO PASS HB 248. Rep. Thoft called the question. The motion CARRIED unanimously.

  
Rep. Gene Donaldson  
Chairman

DAILY ROLL CALL

APPROPRIATIONS

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 1/23/87

| NAME                         | PRESENT | ABSENT | EXCUSED         |
|------------------------------|---------|--------|-----------------|
| DONALDSON, GENE (Chairman)   | ✓       |        |                 |
| THOFT, BOB (Vice Chairman)   | ✓       |        |                 |
| WINSLOW, CAL (Vice Chairman) |         | ✓      | <del>XXXX</del> |
| BARDANOUVE, FRANCIS          | ✓       |        |                 |
| BRADLEY, DOROTHY             | ✓       |        |                 |
| CONNELLY, MARY ELLEN         | ✓       |        |                 |
| DEVLIN, GERRY                | ✓       |        |                 |
| IVERSON, DENNIS              |         |        | ✓               |
| MANUEL, REX                  |         |        | ✓               |
| MENAHAN, WILLIAM "RED"       | ✓       |        |                 |
| MENKE, LARRY                 | ✓       |        |                 |
| MILLER, RON                  | ✓       |        |                 |
| NATHE, DENNIS                | ✓       |        |                 |
| PECK, RAY                    | ✓       |        |                 |
| POULSEN, HAROLD              | ✓       |        |                 |
| QUILICI, JOE                 |         | ✓      |                 |
| REHBERG, DENNIS              | ✓       |        |                 |
| SPAETH, GARY                 | ✓       |        |                 |
| SWIFT, BERNIE                |         |        | ✓               |
| SWITZER, DEAN                | ✓       |        |                 |
|                              |         |        |                 |
|                              |         |        |                 |
|                              |         |        |                 |

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 1/28/87 BILL NO. Proposed NUMBER \_\_\_\_\_

| NAME                            | AYE | NAY |
|---------------------------------|-----|-----|
| Rep. Gene Donaldson, Chairman   | ✓   |     |
| Rep. Bob Thoft, Vice Chairman   | ✓   |     |
| Rep. Cal Winslow, Vice Chairman |     |     |
| Rep. Francis Bardanouve         |     | ✓   |
| Rep. Dorothy Bradley            |     | ✓   |
| Rep. Mary Ellen Connelly        | ✓   |     |
| Rep. Gerry Devlin               | ✓   |     |
| Rep. Dennis Iverson             |     |     |
| Rep. Rex Manuel                 |     |     |
| Rep. Red Menahan                | ✓   |     |
| Rep. Larry Menke                | ✓   |     |
| Rep. Ron Miller                 | ✓   |     |
| Rep. Dennis Nathe               |     | ✓   |
| Rep. Ray Peck                   |     | ✓   |
| Rep. Harold Poulsen             |     | ✓   |
| Rep. Joe Quilici                | ✓   |     |
| Rep. Dennis Rehberg             |     | ✓   |
| Rep. Gary Spaeth                |     | ✓   |
| Rep. Bernie Swift               |     |     |
| Rep. Dean Switzer               | ✓   |     |
|                                 |     |     |
|                                 |     |     |

TALLY MOTION FAILED AS COMMITTEE BILL 9 7  
 (a 3/4 vote is required to pass)

Denise R. Thompson  
 Secretary

Rep. Gene Donaldson  
 Chairman

MOTION: Rep. Miller moved the vacancy savings request be presented  
as a committee bill with no upper limit on the percentage and  
also a sunset of June 30, 1989.

BY REQUEST OF THE APPROPRIATIONS COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE LEGISLATURE TO DETERMINE FOR CERTAIN AGENCIES' BUDGETS AN APPROPRIATE VACANCY SAVINGS RATE; REQUIRING AN AGENCY'S BUDGET TO BE ADJUSTED ACCORDING TO THIS RATE; CREATING VACANCY SAVINGS POOLS; PERMITTING CERTAIN AGENCIES TO APPLY FOR FUNDS FROM THE POOLS; APPROPRIATING FUNDS TO THE POOLS; AND PROVIDING EFFECTIVE DATES."

Section 1. Definition of vacancy savings. For the purposes of [this act], vacancy savings means the difference between the full cost and the actual cost of all authorized positions at the grade and step calculated in an agency's appropriation for each fiscal year. For positions exempt from the state salary matrix, the salary base is the amount budgeted by position when the appropriation was calculated. The aggregate amount of vacancy includes, without limitation the funds saved as a result of having a position vacant at any time during the fiscal year and of filling a vacant position with a person whose pay is less than the salary of the employee who was terminated minus the funds paid upon termination for unused annual leave under 2-18-617 and sick leave under 2-18-618.

exceeding the amount appropriated to the agency for personal services if the agency:

(a) had a vacancy savings rate applied to its appropriation as provided in subsection (1);

(b) maintains current and accurate personal service records on the state payroll, personnel, and position control system;

(c) during the fiscal year for which the application for funds is made, did not transfer funds or spending authority from personal services to another expenditure category thus reducing its ability to meet its vacancy savings rate determined under [section 1]; and

(d) did not use funds appropriated for personal services for upgrades or step increases that were not appropriated by the legislature.

(3) If an applying agency satisfactorily demonstrates to the pool administrator the need for additional funds, the administrator may increase the expenditure authority of the agency for personal services.

Section 4. Appropriations. (1) There is appropriated \$214,633 from the general fund for each year of the biennium ending June 30, 1989, to the governor's office to implement this act. The governor or his designee may increase the expenditure authority of executive branch agencies by \$269,867 for each year of the biennium ending June 30, 1989,

