

SENATE WAYS AND MEANS COMMITTEE

Minutes of the Meeting
January 6, 1964

The meeting was called to order by Chairman Smith at 9:00 a.m. on January 6, 1964. All members were present. Also present were Mr. James Bibb, Budget Director and Mr. Edmund Ahrens, Budget Analyst.

The Chairman noted and explained briefly the committee's schedule for the ensuing week.

The committee proceeded to a joint meeting with the House of Representatives Ways and Means Committee to hear a report from the Budget Director.

Messrs. Wayne McCoy, Director, James Pritchard, Assistant Director, Ray Dalquest, Controller, and Don Hickey, Acting Chief of Automatic Data Processing of the Department of Revenue, appeared in connection with budget requests for a deficiency appropriation for the agency. Mr. Pritchard noted:

Due to passage of Kerr-Mills legislation by the 1963 Legislature, it became necessary for the Department of Social Welfare to undertake an extensive Automatic Data Processing program. It was determined that the Department of Revenue could enlarge its present operation in this field to do such work for the Social Welfare Department and also increase its own operations extensively more economically than if the Social Welfare Department were to contract the services itself.

Therefore, the Department of Revenue requested the following:

1. A deficiency appropriation of \$30,790 for Fiscal Year 1964 enabling them to rent a more advanced computer to handle these services.
2. A revolving fund be set up to allow Social Welfare to make payments into such fund for its share of the Automatic Data Processing work. Such revolving fund to carry on into the 1965 fiscal year appropriation to continue the process.

It had been estimated that Social Welfare would have to pay approximately \$100,000 annually to do this work on its own. The Department of Revenue estimates it can do all work for about \$107,000 and the value of increased services to its own department would cost about \$70,000, thereby a savings of approximately \$63,000. These new programs would also bring in some increased offsetting revenues as yet undetermined.

Mr. Hugh Bryan, Executive Secretary of the School Retirement Board appeared in reference to the agency's budget requests. His comments follow:

Some increase is necessary in appropriation amount for service annuities due to addition of certain retirees by the last Legislature and by new groups coming under the system. Those under the system are also paid a savings annuity paid from employee contributions and accrued interest from the investment of funds.

The agency had requested \$80,734 and \$75,912 had been recommended for a cut in the agency budget for administration of \$4822. Mr. Bryan noted that he had prepared a tight budget and requested restoration of the following items.

1. \$1200 for reprinting of Employee handbook. This would be used only if necessary whenever supply is depleted.
2. \$100 for Repairs and Services
3. \$500 for Actuarial fees
4. \$421 for one new electric typewriter.

Senator Smith suggested the subcommittees could be meeting with the agencies soon to enable the committee to get an early start in drafting bills after the Legislature convenes.

The meeting recessed at 4:00 p.m.



Glee S. Smith, Chairman
Senate Ways and Means Committee