

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
JANUARY 15, 1979

The Senate Finance Committee convened at 2:00 p.m. Senator Floyd R. Lamb was in the chair.

PRESENT: Senator Floyd R. Lamb, Chairman
Senator James I. Gibson, Vice Chairman
Senator Eugene V. Echols
Senator Norman D. Glaser
Senator Thomas R.C. Wilson
Senator Lawrence E. Jacobsen
Senator Clifford E. McCorkle

OTHERS: Mr. Ronald W. Sparks, Chief Fiscal Analyst

Senator Lamb read the Committee Rules (see Attachment A) and asked for questions regarding the rules.

Senator McCorkle requested clarification of Rule 6, filing of a minority report. Senator Lamb explained that when a Senator votes "no" and the others vote "yes" he is in the minority but that does not necessarily mean that a minority report is filed. When a minority report is filed, it is placed on the board in the Senate Chambers and is recorded as such. A senator must notify the Finance Committee of intent to file a minority report.

Senator Wilson asked how many votes were necessary for a committee introduction of a bill or resolution. Senator Lamb replied, a majority.

Senator Lamb added Item 10 to the list of Committee rules, which states that a majority of votes are required for committee introduction of a bill or resolution. Senator Lamb entertained a motion to adopt the rules; it was seconded and passed by all members of the Committee.

Senator Lamb announced that he had received a request to have a meeting with the State Chamber of Commerce. He did not know their specific intent but supposed that they wished to discuss financial business. He mentioned that he thought it was a good policy for the Committee to allow the public to come in and talk occasionally -- it encourages their support. He had spoken to the Ways and Means Committee about a joint meeting but they declined. Senator Lamb had agreed to meet with the Chamber of Commerce on Wednesday, January 24, at 8:30 a.m. and asked if this meeting was agreeable with the Committee members.

Senator Echols replied that he felt that inviting the public to come in might create problems in the future because it might set a precedent encouraging other agencies to do the same. There was a discussion among the Committee members regarding the advantages and disadvantages of inviting public agencies. There was general agreement that inviting the public set a good precedent.

Senator Lamb called for other questions. Senator Gibson responded with a suggestion that the Chairman follow the procedure of last year where Senator Lamb developed the schedule for the Committee ahead of time. He added that he would like to avoid a prolonged session this time by planning the workload as was done last session and setting a date for adjournment. Senator Lamb said this will be done.

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Senator Glaser asked what hour the Committee will convene tomorrow morning. Senator Lamb replied that it would meet at 8:30 a.m. There was some discussion about the hour the Committee should convene. The hour remained 8:30 a.m.

Senator Lamb stated that he had asked Mr. Sparks to review the pay raise package as soon as possible and put all of it together -- longevity, days off, sick leave, etc. He said that reviewing the package is difficult to do right now but when the required figures are available, he will put together exactly what the percentage of increase is.

Senator Wilson asked what kind of analysis the Committee had available on the total impact of all the fringe benefits. Senator Lamb replied that the Committee does not have anything now.

Senator Wilson asked if there was anything presented in the Governor's Budget Hearings on the State Employee Pay-Wage. Mr. Sparks replied that it has been announced in the newspaper and was 8 percent the first year and 5 1/2 percent the second.

Senator Wilson said that he was talking about the analyses behind those numbers which support the conclusion given that those figures, including all the fringe benefits, would not if aggregated exceed the Presidential Anti-inflation Guidelines. Senator Lamb replied that the Committee really would not know until the Governor's Budget has been completed.

Senator Wilson replied that he believed that the pay-wage information was available now and that he assumes that the basis for it is also available and consequently, available to the staff of the Finance Committee. Mr. Sparks replied that those figures are based on the Consumer Price Index and Wage and Salary Survey, the same type of thing used in the past. Senator Wilson asked if the Governor's Office has made available to the Analyst's Office the total cost of all the fringe benefits and was told this information was not available.

Senator Wilson said that a conclusion has been announced that all of the fringe benefits do not exceed limits and he would like to be sure that this information is true. He stated he did not understand why this information would not be available in advance of the Governor's Message. Mr. Sparks replied that he has most of the information but not all, and therefore does not know what the entire fringe benefit package will be.

Senator Wilson stated that apparently there is a Memorandum of Agreement which represents the results of collective bargaining and that this information has been reduced to memorandum form. Mr. Sparks replied that this was true. Mr. Sparks added that he had a copy of the Memorandum which came from the Personnel Advisory Minutes but this document did not contain statistical data.

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Senator Wilson asked if the Personnel Advisory Committee had passed on this particular item. Mr. Sparks replied that the Personnel Advisory Committee had approved the package.

Senator Gibson asked Mr. Sparks if Mr. Sparks' group has made an independent assessment of the General Fund balance and respective revenues. Mr. Sparks replied that he had made a revenue estimate for the next two years which included an estimated inappropriated General Fund balance. He said he was unsure whether it would benefit the Committee to review his estimate without the Governor's Budget. Mr. Sparks added that the Governor's Budget is expected on Thursday morning.

Senator Lamb concluded the discussion by advising Committee Members to not interrupt each other or the witnesses, to be punctual, to not be rude to witnesses. He added that he will not bury any bills in the Finance Committee and that in the past the Committee has earned a good reputation which should continue.

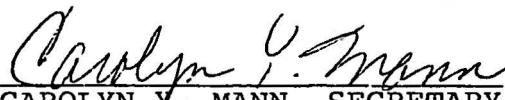
Mr. Sparks asked if regular Committee meetings would start at 8:00 a.m. Senator Lamb replied that they would.

Senator Lamb called for final remarks.


Senator Glaser was requested to report on the Taxation Committee. He stated that Ed Schorr, who works with Mr. Sparks, and Mr. Sparks' department will work with the Taxation Committee. Senator Glaser said he has already asked Mr. Schorr and Mr. Sparks to check on projected revenues and balance them against projected spending so that the Taxation Committee can see what kind of surpluses exist in order to design a tax package that will not generate the tremendous revenues that has been experienced in the General Fund balance. Senator Glaser announced that since the work load the next few days is light in most committees, including Taxation, the Taxation Committee is using this opportunity to conduct seminars for its committee members and others on background information regarding Taxation. The meetings will be held in Room 131, the Auditorium on the main floor, beginning Tuesday, January 16, at 2:00 p.m. Finance Committee members were encouraged to attend.

Senator Lamb adjourned the meeting at 2:40 p.m.

RESPECTFULLY SUBMITTED:


CAROLYN Y. MANN, SECRETARY

APPROVED:


FLOYD R. LAMB, CHAIRMAN

ATTACHMENT A

SENATE FINANCE COMMITTEE

RULES

1979 SESSION

1. Quorum consists of at least four members - Quorum required to hear bill, budget or resolution.
2. Majority of full committee (4) required to pass a bill, resolution or budget.
3. Require a two-thirds of full committee (5) to reconsider a bill, budget or resolution.
4. No committee action on bills, budgets or resolution during a hearing.
5. Secretary shall record the action of the Committee by roll call vote.
6. Minority report can be filed with Secretary of the Senate at the same time the Committee action is reported - Must be signed by all members disagreeing who are present when the vote is taken. The members who desire to submit a minority report must so indicate in advance to the entire Committee.
7. No smoking in Committee Room.
8. Committee recesses - Recesses shall be at the call of the chair.
9. Coffee available in the secretarial area.