

Testimony
Senate Bill 2012 – Department Of Human Services
House Appropriations – Human Resources Division
Representative Pollert, Chairman
February 23, 2007

Chairman Pollert, members of the House Appropriations Human Resources Division, I am Brenda M. Weisz, Chief Financial Officer, for the Department of Human Services. I am here today to provide you with an overview of the Administration / Support area.

Programs

This area of the budget includes the Executive Office, Legal Advisory Unit, Human Resources, and Fiscal Administration. Each of these areas provides the needed support for the divisions within the Department to carry out their programs. This budget area includes centralized costs for department-wide expenditures such as program appeals, audit fees charged by the State Auditor's Office, and legal work provided by the Attorney General's Office. Also included are the centralized costs for the Central Office divisions such as motor pool expenses, postage for routine mailings such as federally required client TANF notices, along with the telephone services provided by the Information Technology Department.

Major Program Changes

During the current biennium the Department restructured to a centralized billing and receivable effort for Human Service Center services in order to capture the same efficiencies realized by private

industry. The benefits of this move have been the progress made toward the consistent application of billing practices across all Centers and the expectation that this change will make a difference in our Human Service Center collections into the future.

Overview of Budget Changes

Description	2005 - 2007 Budget	Increase / Decrease	2007 - 2009 Budget	Senate Changes	To House
Salary and Wages	7,088,313	678,016	7,766,329	0	7,766,329
Operating	4,028,466	184,692	4,213,158	0	4,213,158
Total	11,116,779	862,708	11,979,487	0	11,979,487
General Funds	5,570,708	407,867	5,978,575	0	5,978,575
Federal Funds	5,334,884	(118,903)	5,215,981	0	5,215,981
Other Funds	211,187	573,744	784,931	0	784,931
Total	11,116,779	862,708	11,979,487	0	11,979,487
FTE	70.10	-	70.10	-	70.10

Budget Changes from Current Budget to Executive Budget:

The Salary and Wages line item increased by \$678,016 and can be attributed to the following:

- \$556,826 in total funds of which \$377,595 is general fund is to fund the Governor’s salary package for state employees.
- \$88,608 to provide for the annual and sick leave lump sum payouts for four FTE expected to retire.

- The remaining \$32,582 is a combination of increases and decreases needed to sustain the salary of the 70.10 FTE in this area of the budget.

The Operating line item increased by \$184,692 (4.6%) and is a combination of the increases expected next biennium which are offset by decreases as follows:

- An increase in the postage budget to provide for the centralized Human Service Center billings that are now issued from the centralized office rather than the eight Human Service Centers along with an overall anticipated increase in the postal rates for our general client related mailings.
- Rate increases passed on to state agencies by the Central Service Agencies such as:
 - State Fleet increase of \$.05 per mile for the motor pool rate;
 - IT phone increases; and
 - Office of Administrative hearings hourly rate.
- Decrease in the rate charged by the Attorney General's office for legal services, decreased copier costs due to state-wide copier contracts negotiated by OMB; along with a reduction of anticipated contract dollars needed in this area of the budget.

The general fund request increased by \$407,867 with 93% of that increase (\$377,595) related to the Governor's salary package for state employees. The remaining increase of \$30,272 is associated with the increase in the operating changes described above.

The net change of the federal and other funds is a result of the increases above and the addition of collection dollars to fund a portion of the centralized billing and receivable costs.

Senate Changes:

The Senate made no changes to this area of the budget.

This concludes my testimony on the 2007 – 2009 budget request for Administration / Support area of the Department. I would be happy to answer any questions.