

MINUTES OF  
Budget and  
Control Board  
Meeting

NOVEMBER 29, 1977

MINUTES OF BUDGET AND CONTROL BOARD MEETING

NOVEMBER 29, 1977 10:30 A. M.

The Budget and Control Board met at 10:30 a. m. on November 29, 1977 in the Personnel Barracks at Oconee State Park with the following members in attendance:

Governor James B. Edwards  
Mr. Grady L. Patterson, Jr.  
Mr. Earle E. Morris, Jr.  
Representative Tom G. Mangum

Also attending were Board Secretary State Auditor W. T. Putnam, Governor's Executive Assistant Walter R. Pettiss, Messrs. P. C. Smith and Jesse A. Coles of the Division of Planning, Assistant State Auditors Edgar A. Vaughn and William A. McInnis, and Legislative Audit Council Executive Director George L. Schroeder and Deputy Director Albert M. Gross.

The following items of business were considered:

REPORT OF LEGISLATIVE AND CONSTITUTIONAL OFFICERS PAY COMMITTEE -

State Auditor Putnam reported that the referenced Committee, created by Act 214 of 1977, has completed its deliberations and, although the Committee's final report is not due until January 1, 1978, its recommendations have been agreed upon and reported in the press. Mr. Putnam distributed a memorandum summarizing the recommendations of the Committee which are to be effective January 1, 1979. The proposed salaries are as follows: the Governor, \$60,000; the Lieutenant Governor, \$30,000; all other Constitutional Officers and the Commissioner of Agriculture, \$45,000; and members of the General Assembly, \$10,000.

Mr. Putnam's memorandum noted that the aggregate additional cost of the increases for Constitutional Officers is \$110,500 per year but that, for fiscal year 1978-79, only one-half of this increase would have to be budgeted. He also pointed out that the total increase for the 170 General

Assembly members would amount to \$510,000 and that the budget would have to provide for this entire amount.

Following a brief discussion, upon a motion by Mr. Patterson, seconded by Mr. Morris, the Budget and Control Board agreed to include the recommended salaries of the Legislative and Constitutional Officers Pay Committee in its recommended budget for 1978-79 and to allocate the funds required.

Mr. Putnam also noted that it had been proposed that the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee be paid for their service on the Budget and Control Board. Following a brief discussion in which Mr. Morris called attention to the need to relate these payments to those received by other officers of the General Assembly, upon a motion by Mr. Patterson, seconded by Mr. Morris, the Budget and Control Board agreed to recommend the payment of \$3,000 each to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee for their service on the Budget and Control Board. Representative Mangum abstained from voting on this matter.

Information relating to this matter has been retained in these files and is identified as Exhibit I.

FINAL REPORT ON RECOMMENDED 1978-79 BUDGET - State Auditor Putnam distributed materials reflecting proposed adjustments to the 1978-79 budget as last approved by the Budget and Control Board and called attention to a listing of additional allocations in the net amount of \$4,398,834. He also noted that the \$1.2 million balance would be further reduced by the funds necessary to cover the salary increases proposed for members of the General Assembly and Constitutional Officers. Mr. Putnam reminded the Board that no provision had been made for additional staff for the General Assembly and that the unallocated balance of about \$500,000 would represent a start on meeting that need.

Mr. Putnam pointed out that the recommended allocations do not provide additional funds for the proposed increases in agency head salaries which he estimated would require about \$250,000. Mr. Putnam expressed the view that most agencies could absorb these additional costs within the funds allocated previously and he called particular attention to the proposed two-step salary increase recommended by the Executive Compensation Committee. In most cases, that Committee recommended a 4% increase to be effective 7/1/78 with an additional 5% increase to be effective 1/1/79.

Following a brief discussion, upon a motion by Mr. Patterson, seconded by Mr. Morris, the Budget and Control Board agreed to include the agency head salary increases in its recommended budget for 1978-79 and that the costs of these increases be absorbed from funds previously allocated except in a few cases to be identified by the State Auditor where the agency would not have sufficient funds. The adopted motion also stipulated that Board members would be polled on the Committee recommendations prior to their finalization in the budget.

Following this discussion, the Budget and Control Board without objection approved the adjustments to the previously-approved 1978-79 budget recommendations, as presented by State Auditor Putnam.

Information relating to this matter has been retained in these files and is identified as Exhibit II.

UNEMPLOYMENT COMPENSATION PAYMENTS FOR STATE EMPLOYEES - State Auditor Putnam distributed a memorandum which noted that, under existing law, all State employees are to be covered by unemployment compensation insurance as of January 1, 1978. He also noted that, although South Carolina is participating in a suit along with many other state and local governments which is aimed at forestalling the implementation this Federal requirement, it is doubtful that an injunction can be secured prior to January 1. Mr. Putnam noted that, for that reason, it is necessary for the Board

to work with the Employment Security Commission to determine the necessary procedures for covering those State employees not already included. Mr. Putnam pointed out that his office had met with Executive Director David of ESC and with members of his staff and that his office is firmly of the opinion that the State of South Carolina should continue its unemployment compensation coverage on a reimbursement basis rather than going to the contributory or insured plan. He noted that, under the insurance approach, the State would have to pay about \$12,000,000 but that, based on past experience, it appears that even the lowest insurance rate available under the contributory plan would be significantly higher than the costs which might be expected under the reimbursement approach.

Following a brief discussion, upon a motion by Mr. Morris, seconded by Mr. Patterson, the Budget and Control Board endorsed continuing the payment of unemployment compensation benefits for State employees on a reimbursement basis.

Information relating to this matter has been retained in these files and is identified as Exhibit III.

DEPARTMENT OF SOCIAL SERVICES - ISSUANCE OF BENEFIT CHECKS BY COUNTY OFFICES - State Auditor Putnam distributed a memorandum which summarized a request from the Department of Social Services for the Board's reaction to a proposal that county offices be permitted to issue the first check due to welfare clients under programs of general assistance and AFDC. Mr. Putnam noted that the aim of this procedure simply is to provide a more immediate response to those welfare recipients in critical need. Mr. Putnam urged that, if favorable consideration is to be given to this request, it be initiated on a pilot basis involving at least two county offices prior to its implementation Statewide.

Following a discussion in which Board members expressed wholehearted opposition to the idea of county DSS offices drawing checks on a

central State account and found the apparent justification for the request to be insufficient, upon a motion by Mr. Patterson, seconded by Mr. Morris, the Budget and Control Board denied the referenced request and urged that the counties establish special funds to handle these needs on an emergency only basis.

Information relating to this matter has been retained in these files and is identified as Exhibit IV.

AGENCY HEAD SALARY RECOMMENDATIONS - FURTHER CONSIDERATION -

Governor Edwards called attention to the salary recommendations of the Executive Compensation Committee for the Presidents of the Medical University, the University of South Carolina and Clemson University and urged that these salaries be set at the same level. The Committee had recommended that the salaries of the Presidents of the University of South Carolina and Clemson University be increased from \$46,724 to \$50,000 effective 7/1/78 and that an additional increase to \$54,000 be effective 1/1/79. The Committee also had recommended that the salary of the President of MUSC be increased from \$56,000 to \$58,240 effective 7/1/78 and that this salary remain at that level for the fiscal year. Governor Edwards expressed the view that the difference proposed by the Committee is not justifiable and noted that the University of South Carolina has more schools, including a medical school, than MUSC and that the former idea that the MUSC President's salary should be higher because of the medical doctor requirement no longer pertains in that the incumbent MUSC President is not a medical doctor.

State Auditor Putnam expressed concern about equalizing these three salaries in a single step and pointed out that a similar effort was made during the last budget cycle and that it failed due to the amount of the increase necessary to bring the salaries of the Presidents of the USC and Clemson to the same level as that of the President of MUSC.

Following the ensuing discussion, upon a motion by Mr. Morris,

seconded by Mr. Patterson, the Budget and Control Board agreed to increase the salaries of the Presidents of the University of South Carolina and of Clemson University from \$46,724 annually to \$56,000 annually, effective 7/1/78, and that the salary of the President of MUSC be held at the current \$56,000 level in its recommended budget for fiscal year 1978-79.

BUDGET AND CONTROL BOARD REVIEW AND REPORTS ON CURRENT ACTIVITIES -

Mr. P. C. Smith, Director of the Division of Planning, assisted by State Planning Officer Jesse Coles, presented an assessment of the Board's management effectiveness and presented reports on several current activities of the Board and others.

Mr. Smith prefaced his review and report by tracing briefly the history of the Board's budgetary and management roles. As a part of the background, Mr. Smith pointed out that, prior to 1919, the "Comptroller General's Report" essentially was the budget document but in 1919 the Governor was designated the Chief Budget Officer and the House Ways and Means Committee and Senate Finance Committee Chairmen were authorized to "sit with the Governor" in the preparation of budget recommendations. Mr. Smith noted that, subsequently, this group came to be known as the Budget Commission. Mr. Smith continued by pointing out that, in 1933, the position of State Auditor was established (prior to 1933 staff of the Board of Bank Control had performed the audit function) and that the State Auditor was to serve as Secretary of the Budget Commission and be appointed by that Commission. Mr. Smith concluded his re-cap of the events leading to the present organizational arrangement of the Board by calling attention to the 1950 reorganization plan which created the Budget and Control Board in its present form and by noting that the Board composition as provided in that plan represented a shift from a legislative majority to an executive majority on the body responsible for preparing budget recommendations to the General Assembly.

Mr. Smith continued his review by describing the present Budget

and Control Board as a "rather unique arrangement" and by noting the varied duties and responsibilities which have been assigned to the Board since 1950 which have resulted in a significant growth in the range and volume of detail of concern to the Board. Mr. Smith illustrated the changed circumstances by pointing out that State appropriations are now some fifteen times what they were in 1950 and that the number of State employees has grown from about 8,000 in 1950 to about 50,000 presently.

Mr. Smith expressed the view that the present structure of the Board provides for management continuity and noted that a total change in the membership of the Board at any one time is not actuarially likely. He illustrated this point by observing that, in the last ten years, the Board has had three Chairmen, two Treasurers, three Comptroller Generals, three House Ways and Means Committee Chairmen and two Senate Finance Committee Chairmen.

Mr. Smith concluded his background review by stressing the possibilities which the Board has for influencing positively the management of the affairs of the State Government.

Mr. Smith began his assessment of the Board's effectiveness as a managing agency by focusing on the reporting relationships between the Board and its several operating Divisions. In this connection, Mr. Smith observed that there is no formal requirement that Division heads report periodically to the Board. As an example, Mr. Smith stated that not since 1945 when the Retirement System was created has a financial report on the System been made to the Board. He stressed that use of this example carries no implication of anything being wrong but that the Board simply has not required that such a report be made. Mr. Smith acknowledged that a consulting actuary does advise the Retirement System but he emphasized that it would be good business management to get someone other than the consulting actuary to assess the System's condition from time to time and to report on it to the

Board.

In this same vein, Mr. Smith questioned whether the Board had ever had the General Services Division present an overall, long-range building space plan and he observed that the Finance Division is not required to report regularly on its post-audit work.

Mr. Patterson took exception to Mr. Smith's remarks regarding reporting on the Retirement System and stated that the actuary does report periodically. He also pointed out that the System's condition, including its unfunded liability, is reported in every official statement prepared in connection with issues of bonds. Mr. Patterson also took the position that the consulting actuary employed to advise the Retirement System is recognized as the best in the business. Mr. Smith expressed the view that it is important occasionally to have someone else examine the System, particularly in light of the growing concern about the stability of retirement systems all across the nation.

With respect to other aspects of the Board's effectiveness as a managing agency, Mr. Smith observed (1) that staff support to the Board is inadequate; (2) that the Board is involved in too much administrative detail and needs to focus more on policy setting and push back more administrative responsibility to staff; and (3) that the Board has no established objectives and no plan of action.

Mr. Smith then presented a summary of six on-going activities (budget revision, financial reporting, appropriation procedure revision, five-year planning, functional area computers and program classification) and called attention to the inter-relationships among them. He strongly emphasized a need for overall coordination and supervision of these activities and expressed the view that the Budget and Control Board, because of its strategic position, is in the best position to do the necessary coordination job.

At this point, a brief discussion of a possible staff "Executive Officer" for the Budget and Control Board ensued during which Governor Edwards expressed the view that the "Executive Officer" should be responsive to the Governor, possibly appointed by the Governor with the advice and consent of the Budget and Control Board, to function as an implementor of Board policy. Mr. Smith expressed concern about having the "Executive Officer" selected by governors because of a lack of continuity but he did urge that the Board move ahead on the resolution of the "Executive Officer" position.

Planning Officer Jesse Coles presented a brief report on the status of the five-year planning effort and outlined a schedule of events designed to make agency five-year plans available for use in the next budget cycle.

Mr. Smith reported that specifics on the uniform accounting system study, which is in support of the financial reporting objective, are due within two weeks.

A lengthy discussion ensued on the need to assign lead responsibilities for the various on-going activities to insure their timely completion and to facilitate their coordination, with the following results:

- (1) Mr. Putnam and the Waddell Committee: program classification;
- (2) Mr. Vaughn: financial reporting;
- (3) Representative Mangum: appropriation process revision;
- (4) Mr. Putnam and Mr. Smith: budget revision;
- (5) Mr. Morris: payroll/personnel system;
- (6) Mr. Pettiss and Mr. Smith: set date for follow-up to Oconee meeting prior to 1/10/78;
- (7) Mr. Pettiss and Governor Edwards: define Budget and Control Board "Executive Officer" job; and
- (8) Mr. Pettiss: initiate Budget and Control Board Division reporting procedure.

Further discussion of the "Executive Officer" position ensued,

during which Mr. Putnam stated that he has no quarrel with the idea but he urged the Board to take whatever time is necessary to clearly define the job in terms of what the person in that position will and will not do and, should any reorganization be involved, to reaffirm the whole staff structure in the interest of clarity. Mr. Patterson noted that the Board has not formally voted on the issue of an "Executive Officer" position and that it has never been defined. Governor Edwards expressed the view that the "Executive Officer" is not to be a policy-maker but is to carry out Board policy and that he is to collect information for presentation to the Board for its policy determinations. Governor Edwards and Mr. Pettiss agreed to provide a definition of the position for consideration at a future Board meeting.

EDUCATION FINANCE ACT OF 1977 - DEFINITION AND COMPUTATIONS -

State Auditor Putnam suggested that, because of honest differences of opinion on Education Finance Act elements and their costs, the Board employ three reputable persons to serve on a panel charged with responsibility for defining the elements of the Education Finance Act and for computing their dollar costs. Mr. Putnam suggested that Dr. James A. Morris, Mr. M. A. Wilson and Mr. Thomas Evans be considered as possible panel members.

Following a brief discussion, upon a motion by Mr. Patterson, seconded by Mr. Morris, the Budget and Control Board authorized the employment of three reputable persons to serve on a panel to define elements of the Education Finance Act of 1977 and make detailed computations of their dollar costs. The motion approved also authorized the payment of not to exceed \$1,500 to each of the three persons employed from the Civil Contingent Fund.

BUDGET AND CONTROL BOARD DIVISION DIRECTOR REPORTING - Mr. Smith

urged that the Board pursue the need for an evaluation of the Retirement System and the need for a report on the office space situation. Governor Edwards expressed a desire that all Divisions of the Board present status reports

at an early opportunity and that a Board meeting dedicated to that purpose be arranged. Mr. Smith urged that the formats of any reporting by Division Directors be discussed with the Division Heads and it was agreed that Mr. Pettiss would pursue this matter.

The meeting was adjourned at 4:45 p. m.



EXHIBIT I

11/29/77

STATE OF SOUTH CAROLINA

OFFICE OF THE STATE AUDITOR  
P. O. BOX 11333  
COLUMBIA  
29211

WILLIAM T. PUTNAM  
STATE AUDITOR

TELEPHONE  
(803) 758-3106

M E M O R A N D U M

Date: November 29, 1977

TO: Budget and Control Board Members  
FROM: William T. Putnam *WTP*  
RE: Report of the Committee Studying the Pay of the Legislature and Constitutional Officers

The Committee studying the proposed pay for the Legislature and the Constitutional Officers has completed its deliberations. Although the final report is not due until January 1, 1978, the recommendations have been agreed upon and, in fact, have been reported in the press.

The following salaries will be recommended effective January 1, 1979.

<u>Position</u>	<u>Present Salary</u>	<u>Proposed Salary</u>
Governor	\$ 39 000	\$ 60 000
Lieutenant Governor	17 500	30 000
Secretary of State	34 000	45 000
State Treasurer	34 000	45 000
Attorney General	34 000	45 000
Comptroller General	34 000	45 000
Superintendent of Education	34 000	45 000
Adjutant General	34 000	45 000
Commissioner of Agriculture	34 000	45 000
Members of General Assembly	7 000	10 000

The aggregate additional cost of the increases for Constitutional Officers amounts to \$110,500 per year. However, for the fiscal year 1978-79, only one-half of this increase would be needed. The total increase for the 170 members of the General Assembly would amount at \$510,000 and the 1978-79 Act would have to provide for the entire cost.

Additional Committee recommendations will call for Legislative salaries for the entire year with no additional salary payments for special sessions and a requirement that all bills be introduced prior to April 1. The Committee also will call for a definition of the duties of the Lieutenant

Members of Budget and Control Board  
November 29, 1977  
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Governor commensurate with the salary proposed. In the absence of the assignment of additional duties, the Committee will suggest a reassessment of the salary level for this position.

1978-79 Budget

EXHIBIT II

11/29/77

November 8, 1977

Additional Increases Proposed

General Fund Estimates	\$ 1 350 175 700
Add: Insurance Assessment	150 000
Decrease in Indirect Costs (net)	(65 331)
	<u>\$ 1 350 260 369</u>
Less: Reserve of 1%	13 502 603
	<u>\$ 1 336 757 766</u>
Less: Preliminary Allocations	1 319 786 510
Balance Available	<u>\$ 16 971 256</u>

Additional Increases Proposed:

Unclassified Increments	\$ 2 774 495	
Judicial Department	150 000	
Governor's Office - Transition	75 000	
Governor's Office - Health & Social Dev.	101 331	
Lt. Governor - Transition	5 000	
Planning Division - Accounting Study Cont.	500 000	
Research & Statistics	8 000	
Motor Vehicle Division	22 301	
Personnel Division - Test Validation	84 166	
Employee Benefits	600 000	
Tuition Grants	1 000 000	
Medical University - Hospital	700 000	
Technical & Comprehensive Education	220 000	
Department of Education	(390 494)	
Archives and History	21 244	
Dept. of Health & Environmental Control	205 300	
Mental Health	1 000 000	
Mental Retardation	380 655	
Social Services	320 270	
Department of Corrections	1 000 000	
Probation, Parole & Pardon Board	328 500	
Youth Services	1 000 000	
Department of Agriculture	78 543	
Wildlife & Marine Resources	550 000	
Coastal Council	50 620	
Parks, Recreation & Tourism	89 872	
Workmen's Compensation Fund	10 188	
Department of Insurance	150 000	
Department of Labor	36 000	
Tax Commission	520 000	
Alcohol Beverage Control	9 700	
Committee to Study Alternate Sources of Revenue for Political Subdivisions	76 000	
Total Additional Increase	<u>11 676 691</u>	
Balance Available		<u>\$ 5 294 565</u>

1978-79 Budget

November 29, 1977

Proposed Adjustments

1978-79 Revenue Estimates per report of 11/8/77		\$ 1 350 260 369
Less: Reserve of 1%		13 502 603
		<u>\$ 1 336 757 766</u>
Less: Allocation of funds per report of 11/8/77		1 331 463 201
Balance		5 294 565
Adjustments: Indirect Cost Recovery		398 716
Reserve of 1% on Adjustment		(3 988)
		<u>\$ 5 689 293</u>
Additional Allocations:		
Aid to Subdivisions	\$ 5 134 685	
Department of Education		
Education Finance Bill	(2 084 004)	
Health Insurance - Retirees	207 600	
Judicial Department	168 550	
Land Resources	80 000	
Industrial Commission	33 500	
Alcoholic Beverage Control	29 600	
Comptroller General	12 000	
State Law Enforcement Division	499 353	
USC - Salkehatchie	30 000	
Budget and Control Board:		
Employee Benefits - Retirement	116 256	
Planning Division	100 000	
Finance Division	49 000	
Retirement Division	18 875	
Ethics Commission	3 419	
		<u>4 398 834</u>
Balance		<u>\$ 1 290 459</u>



EXHIBIT III  
11/29/77

STATE OF SOUTH CAROLINA

OFFICE OF THE STATE AUDITOR  
P. O. BOX 11333  
COLUMBIA  
29211

WILLIAM T. PUTNAM  
STATE AUDITOR

TELEPHONE  
(803) 756-3106

M E M O R A N D U M

Date: November 29, 1977

TO: Members of the Budget and Control Board  
FROM: William T. Putnam *WTP*  
RE: Unemployment Benefits For All State Employees

Present law calls for all State employees to be covered by unemployment insurance effective January 1, 1978. Although many state and local governments have joined together to enter a suit in Federal Court opposing this requirement (South Carolina is participating in this suit) it is now doubtful that an injunction will forestall the implementation of this law prior to January 1. For this reason, it is necessary for the Budget and Control Board to work with the Employment Security Commission to determine the procedures necessary for covering those State employees not already included in the unemployment plan.

We have met with Mr. Jack David, Executive Director of the Employment Security Commission, and members of his staff and we are firmly of the opinion that the State of South Carolina should continue coverage on a reimbursement basis rather than engaging in the contributory or insured plan. It would appear that the initial assessment which would be levied against an employer who does not have an experience record would amount to something in excess of 3 percent. The lowest contribution rate available to any employer seems to be 1.3 percent. From the experience which the State of South Carolina has had with those employees previously covered, it would seem that even the lowest percentage available under the contributory plan would be significantly higher than might be expected under actual reimbursement procedures.

This matter has been discussed with Mr. Grady Patterson and Mr. Earle Morris and they are agreed that the Budget and Control Board should endorse the use of the reimbursement plan if the State is, in fact, required to participate fully under the new law.

It will be necessary to evolve an actual plan of administering the reimbursement for unemployment payments but these procedures will be reported to the Budget and Control Board at a subsequent meeting.



EXHIBIT IV  
11/29/77

STATE OF SOUTH CAROLINA

OFFICE OF THE STATE AUDITOR

P. O. BOX 11333

COLUMBIA

29211

WILLIAM T. PUTNAM  
STATE AUDITOR

TELEPHONE  
(803) 758-3106

M E M O R A N D U M

Date: November 29, 1977

TO: Budget and Control Board Members

FROM: William T. Putnam *WTP*

RE: Department of Social Services  
County Issuance of Checks

This memorandum is in answer to a request from the Department of Social Services for reaction to a proposal that county offices be permitted to issue the first check due to a welfare client under the programs for general assistance and aid to families with dependent children.

The aim of this procedure is simply to provide a more immediate response to critical needs of welfare applicants. Welfare officials at both the State and local levels seem agreed that the response time for the issuance of the first check must be shortened and this conclusion seems to be endorsed by the consulting firm of Arthur Andersen. Because of this consensus of opinion, the balance of this memorandum deals with the facts, problems and proposals connected with possible implementation of the plan.

In interviews with various welfare officials, it has been determined that approximately 2,000 checks per month would be issued under the proposed plan and that these checks would average approximately \$85 each. It was also determined that the present procedures result in a time lag of up to forty-five days between the initial contact of the welfare worker with the client and the date of issue of the first check.

It has also been learned that computer procedures, which presently precede the issuance of a check, would be accomplished only after the initial payment had been made under the new procedures. It is estimated that these computer runs forestall the issuance of some 30 or more initial checks because of errors. However, of these errors, approximately one-half are of a clerical nature with those remaining errors being of a substantial nature.

It has also been learned that some county offices are already making advance payments in cases of dire emergencies but that these payments are being made from county or other funds available to the local unit.

Budget and Control Board Members  
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The preliminary draft of an implementation proposal, as developed by some of the officials in the State Department of Social Services, seems to assume that local welfare officials would have some authority for drawing checks on a central State account. Since such an account would have significant amounts of monies at given periods of time, it is felt that this procedure would be unrealistic and that some procedure would have to be developed whereby local authorities would make the proposed first payments from special accounts established for that purpose. Of course, this procedure calls for an undetermined extension of duties of auditors of the Department and for accountants who would be called upon to reconcile the various accounts on a periodic basis. Even though the larger counties would issue no more than perhaps 120 checks in any one month, the additional workload of such issues along with the audit and reconciliation processes may call for additional personnel. At least one administrator from a very large county has indicated that he feels that no additional personnel would be needed by his office. However, any additional costs, including personnel and operational expenses, should be firmly established prior to embarking upon this new program.

It has been suggested by at least one welfare official that perhaps a pilot program should be established in at least two county offices prior to overall implementation. These projects could then be thoroughly evaluated and firmer cost estimates could be made. These cost estimates could then be weighed against such alternatives as a streamlining of the present system or the implementation of an on-line system, particularly for the most populous metropolitan areas.

It is suggested that the Budget and Control Board recommend that, if such a procedure is contemplated, it be tried on a pilot basis in a large, medium and small county.

**THE END**