

# FISCAL FACTS

Bob Bullock, Texas Comptroller of Public Accounts

June 1988

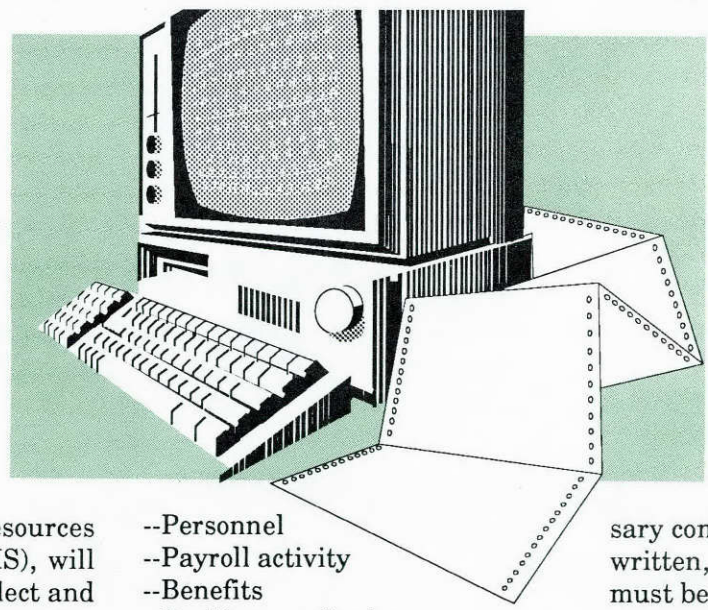
## New Personnel/Payroll System Planned for Texas

Plans for a new state government personnel and payroll system will soon leave the drawing board. Beginning September 1, 1988, Comptroller of Public Accounts staff will start to write and test computer programs for a statewide personnel data base to be fully integrated with a new state accounting system.

Both projects are required by H.B. 1785, passed by the 1987 Legislature, to make state government more efficient and less costly. The data base, known as the Human Resources Information System (HRIS), will help state government collect and maintain personnel information on the state's employees.

To ensure the data base's usefulness, Comptroller staff conducted interviews with 30 state

agencies to determine agency needs and capabilities. Agency cooperation enabled the staff to identify five categories of information to include:



- Personnel
- Payroll activity
- Benefits
- Position monitoring
- Ad hoc reporting.

These five categories will provide detailed employee information such as name, address,

social security number, age, sex, withholding deductions and insurance coverage. And data also will be kept on items such as savings bond deductions, retire-

ment, direct deposit of paychecks and employment dates.

A central resource for this information will give the state's decision makers a clear picture of the state's work force and enhance budget forecasting capabilities. However, tight security of the information is essential; access will be limited.

Before the necessary computer programs can be written, five additional phases must be completed and are now underway. These include developing the data base's functional and technical design. In other words, it must be decided what information

*Continued on Page 2*

Straight

**FACTS**By  
**Bob Bullock**

The Texas economy has "bottomed out." The state's recovery will continue. That's welcome news, but it reminds me that Texas is like a skilled deep sea diver rising from the bottom of the sea.

As he ascends, the diver carefully measures his progress. If he goes too fast, he'll get the bends. As Texas returns to the top, the state must also watch its progress and manage its ascent.

There is no doubt that Texas is regaining its former strength. But that confidence should be tempered with a realistic view of Texas' resources and priorities for the future.

Numerous checkpoints lie ahead. Costly demands face state government. A favorable economic climate and an up-to-date tax system must emerge if industry is to flourish. Unemployment must be reduced. All of the state's children should have an equal opportunity to obtain a good basic education. The poor need help to reach self-sufficiency. The list seems endless.

Interim legislative committees are already considering several proposals to revise the state's revenue structure and so improve the state's ability to meet these demands. As the 1989 legislative session approaches, there will be more suggestions. A careful analysis of each is essential if the final decisions are to be the best decisions for the state's future.

Texas is more than oil derricks, livestock and cowboys. We are proud of our heritage but we cannot afford to be its prisoner. We must build on it. We cannot continue past practices just because "we've always done it that way."

Texas in the year 2000 will be a very different place than Texas in 1988. We must build a new heritage based on our enormous reservoir of resources, both human and technological, if we are to be ready for the future.

We cannot wait for challenges, we must anticipate them. ✪

**Personnel/Payroll  
System Planned***Continued from Page 1*

tion the system can provide and how to make the system provide it. Computer hardware and software needs also must be assessed and a plan developed to implement the new system. A state-wide cost/benefit analysis will also be performed.

The plan now is to begin implementation at the agency level by spring 1989.

While the HRIS will expand the reporting activities of the current Job Classification System to include more detailed information than is currently kept, higher education institutions will still use their current report format.

At an April 4, 1988, conference sponsored by the Comptroller of Public Accounts for all state agencies, the planning staff emphasized that all documents relating to the project are available for review and questions. Suggestions also are welcome. ✪

**Notices to State Agencies**

Following is a list of recent Notices to State Agencies from the Comptroller's Office. For further information, contact the Fund Accounting Division at (512) 463-4900, the Claims Division at (512) 463-4850 or Deferred Compensation at (512) 463-4939.

<b>Notice</b>	<b>Division</b>	<b>Date</b>
Fiscal Year Determination for Payment of Subscriptions, Maintenance Agreements and Extended Warranties	Claims	April 11, 1988
Phone Policy - Vendor File Maintenance Section	Claims	April 11, 1988
Warrant Distribution	Claims	April 11, 1988
Distribution of Advanced Research and Advanced Technology Funds	Fund Acct.	May 13, 1988
Loan Repayments by Payroll Deduction in TEXA\$AVER	Def. Comp.	May 13, 1988
Agency Training	Claims	May 16, 1988
Reminder - Sick Leave Refund; Cost Center Requests; and Interagency Transaction Voucher	Fund Acct.	May 25, 1988
Fiscal Year 1989 Allocation of Appropriations	Fund Acct.	June 2, 1988

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# Travel Aid in the Works

The Comptroller of Public Accounts approves and issues payments for travel expenses. While the Comptroller's response procedures are designed to be as efficient and speedy as possible, the Comptroller's involvement in the payment process only begins after state agencies have already made their travel plans.

A new Travel and Transportation Division in the State Purchasing and General Services

Commission can help state agencies at the planning stage.

The new division is improving transportation services to Texas' state agencies and at the same time reducing costs.

In accordance with S.B. 115 passed by the 1987 Legislature, the new division is monitoring, coordinating and providing centralized travel services for state employees, as well as providing maintenance services for the

state's car and truck fleet.

The new division, under Cassie Carlson, will manage contracts with commercial travel agencies and auto rental companies. Its operations will make it easier to use charge cards and obtain hotel and motel discount rates for rooms and conventions.

Cost information along with other useful travel data are scheduled to be published this fall in a State of Texas Travel Directory.

The division also hopes to achieve additional savings for car and truck maintenance repair costs. Agencies in the Austin vicinity can use the division's low-cost, preventive auto maintenance services and its reduced prices for minor repairs. The division will also negotiate rates with private companies for major overhauls and repairs.

Information on the relative operating costs of different automobiles and trucks will be made available through the statewide vehicle reporting system so that agencies can better manage their vehicle fleets.

Although agencies are not required to consult the new travel division, the Legislature intended for state agencies to use the division's services when savings can be obtained or efficiency increased.

Questions and comments concerning the new division's services should be directed to the State Purchasing and General Services Commission's Travel and Transportation Division at (512) 463-3557. ☛

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## *Hotel/Motel Tax Exemptions Change*

Government employees will no longer be exempt from local hotel/motel occupancy taxes.

Attorney General Jim Mattox ruled on March 1, 1988, that cities and counties do not have the authority to grant exemptions from local occupancy taxes. These taxes range from one percent to seven percent.

Employees of federal, state or local governments, along with members of qualified religious, charitable or educational organizations, will continue to be exempt from the state's six percent hotel/motel occupancy tax.

Without the local exemptions, government agencies should be prepared to pay higher bills for

their employees' accommodations.

To minimize confusion and ensure the correct tax is paid, the Comptroller of Public Accounts has revised the hotel tax exemption certificate that is used by travelers with exempt status. A copy of the new certificate was sent in May 1988 to hotel operators along with a bulletin explaining the tax exemption changes.

Questions on the state occupancy tax exemption may be directed to David Becerra at (512) 463-4035 or STS 255-4035 or Melvin Sobotik at (512) 463-4855 or STS 255-4855. ☛

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# Health Insurance Rates Increasing

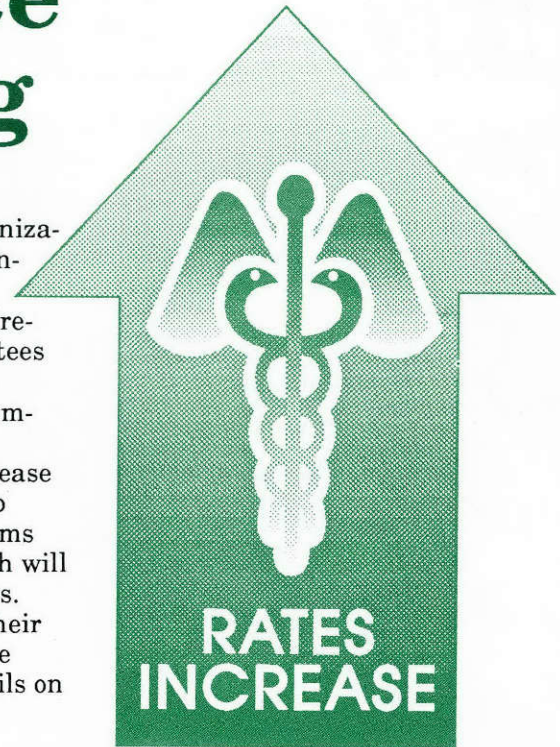
The average cost of health insurance for state employees covered by Blue Cross/Blue Shield will increase 16.5 percent beginning September 1, 1988. Rates for life, accident and disability insurance remain the same.

But a new benefit of the extended state contract with Blue Cross will eliminate filing prescription claims. Members will be issued a prescription drug card that only requires a \$4 co-payment for generic drugs and a \$6 co-payment for brand-name drugs.

Health maintenance organization (HMO) rates will also increase an average of 13.3 percent. The Employee Retirement System Board of Trustees has approved 23 additional HMOs to be available September 1, 1988.

At the same time, an increase in the state's contribution to employee insurance premiums from \$102 to \$115 per month will help offset the rate increases.

Employees may contact their personnel office or insurance coordinator for further details on the insurance changes. ☛



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## Goal: Improve Payment Service

# Claims Creates New Database

The Claims Division of the Comptroller of Public Accounts is developing a new computerized data base that will improve service to state agencies as well as the businesses and individuals who receive payments from the State of Texas.

The current taxpayer data base stores information on those who owe tax money to the state as well as those to whom the state

makes payments. Since only a relatively small percentage of businesses and individuals in the current data base receive payments, the Claims Division is creating a new independent data base for these accounts. These include businesses that sell products and services to the state, state employees, individuals entitled to state retirement checks and those qualifying for

various kinds of state or federal aid.

The new data base is being developed to give easier access to information, streamline the payment process, improve control of the information currently on file and enhance the level of service. ☛

# REPLAYS...

## Cost Allocation and Expenditure Transfers

Accounting Policy Statement No. 030 issued April 1, 1988, outlined new procedures to be used for cost allocations and expenditure transfers.

In the past, when agencies were not able to allocate costs properly because adequate information was not available, an Expenditure Transfer Voucher was required to make corrections. S.B. 1, passed by the 1987 Legislature, authorized a new, easier procedure.

When information is not avail-

able to allocate costs properly at the time of initial payment, agencies can now use a new summary vendor number--38880025705000--on a Comptroller's Journal Request Voucher. The allocations must be submitted to the Comptrollers' Fund Accounting Division within 12 months of the payment date.

When true errors are made in issuing warrants, Expenditure Transfer Vouchers must still be used and the correct vendor identified. This voucher will be processed by the Comptroller's Claims Division.

The policy statement contains samples of each type of transaction. Questions on cost allocation procedures should be directed to the proper Appropriation Control Officer in the Fund Accounting Division at (512) 463-4900 or STS 255-4900. Questions on the use of expenditure transfers should go to the Voucher Audit Section of the Claims Division at (512) 463-4850 or STS 255-4850.

## Interagency Fund Transfers

Accounting Policy Statement 020, issued April 1, 1988, has changed the way funds are transferred between state agencies.

In the past, agencies using funds held in the State Treasury to buy goods or services from another agency had to prepare a purchase voucher. This voucher prompted the issue of a state warrant payable to the "seller" agency. That agency then deposited the warrant into the State Treasury. Under this system, some 10,000 warrants have been issued every six months.

Accounting Policy Statement 020 provides a new form entitled "State of Texas Interagency Transaction Voucher" that is designed to streamline the process. Under the new policy issued by the Comptroller's Fund Accounting Division, the paying agency's account is debited and the seller agency's account is credited using a single form. This procedure allows the transfer of funds without the need to issue a warrant.

Many interagency transactions will need approval from the State

*Continued on Page 6*

## HOW TO...

### *Use Fuel Tax Exemption*

State and local governments are exempt from paying the federal tax on gasoline purchases. There are two ways to take advantage of this exemption.

An agency may pay the tax to the supplier and later apply for a refund. Claims for less than \$1,000 per quarter must be filed annually, on either a fiscal or calendar year schedule. Annual claims must be filed no later than three years after the close of the taxable year on which the claim is based.

Refunds of \$1,000 or more may be claimed on a quarterly basis and must be filed before the end of the following quarter.

The second method allows the supplier to sell gasoline to the agency without charging the excise tax. The supplier pays the tax and later claims a credit or refund. Agencies should urge their suppliers to use this option because it saves government time and the initial out-of-pocket expense. ♣

## Q&A...

**Q.** How much will salaries increase for state employees beginning September 1, 1988?

**A.** Article V, section 102 of S.B. 1, passed by the 1987 Legislature, provides a two-percent raise for state employees. State college and university faculty are not included in Section 102 since the actual increase received by faculty is determined by each higher education institution.

**Q.** What appropriation authority will agencies use to pay the additional salary?

**A.** The Comptroller of Public Accounts will distribute the salary appropriation to agencies. An Accounting Policy Statement explaining

the allocation procedures will be issued before September 1, 1988.

**Q.** Where do agencies get new salary schedules that reflect the increase?

**A.** Do not consult 1989 salary schedules published in Article V of the General Appropriations Act or individual agency salary line items because they do not include the two-percent raise.

Revised salary schedules were sent to agencies on August 1, 1987, by the State Auditor's Classification Division. Agencies should use the schedule on page 23 of the "Three Way Tabulation Report," to ensure the increase is budgeted and distributed correctly.

Although salary schedules are not available for exempt positions, these employees are eligible for the increase. Agencies must multiply the annual salary for exempt personnel by 102 percent and round to the nearest dollar to calculate their new salaries. ♣

## Replays... *Continued from Page 5*

Purchasing and General Services Commission (SPGSC) prior to processing by the Comptroller's Office. These should be routed directly to the SPGSC.

If the voucher does not require SPGSC approval, it may be submitted directly to the Comptroller's Office, Fund Accounting Division. Accounting Policy Statement 020 provides a list of transactions which are exempt from SPGSC approval.

The Interagency Transaction Voucher Form (73-140) is available in the Central Supply Store, and must be in use by June 1, 1988. Interagency transactions submitted to Claims Division on a purchase voucher prepared after June 1, 1988, will be returned unprocessed.

Questions regarding the Interagency Transaction Voucher should be directed to Richard Starr, Appropriation Control Section of the Fund Accounting Division, at (512) 463-4900 or STS 255-4900. ♣

### **BOB BULLOCK**

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