ADMIN 1000

DEPARTMENT Waste and Mismanagement

STATE OF MINNESOTA

Office Memorandum

TO : Governor Rudy Perpich

DATE: August 16, 1977

Revised September 14, 1977

FROM : Robert Goff, Director
Governor's Task Force on Waste and Mismanagement in State Government

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SUBJECT: Expenditures for Employee Professional Development and Communication

Through its laws, rules, and budgeting process, the State of Minnesota has indicated its commitment to the training and development of its managerial and professional personnel. A dollar of taxpayers' money spent on sound training and development programs is well spent when it leads to a more effective and productive work force. The Governor's Task Force Study indicates, however, that money allocated for professional development by the state is not spent as effectively as it should be.

Under the heading of "employee professional development and communication," the Task Force included the costs of conferences, workshops, meetings, and seminars, both in and outside the state, and professional memberships and subscriptions. The study did not include training courses offered through the Department of Personnel or tuition reimbursements authorized for courses offered by educational institutions, since the Department of Personnel is presently involved in its own study of those expenditures.

In keeping with your goal to exercise greater care in the spending of all types of tax dollars, we reviewed expenditures from all funds including revolving accounts as well as federal grant moneys. The study was limited to only those state agencies for which the Governor has direct authority and responsibility. For example, the Legislature, the Judiciary, and the University of Minnesota were excluded.

GENERAL FINDINGS

There are at present few general policies relating to the expenditures we have described as "professional development and communication costs," although more than $4.4 million is spent each year. (Those policies of a minor nature that appear in the Personnel rules and guidelines and in some state employee contracts will be specifically noted later in this report.) The lack of such general policies applying to all agencies has contributed to the following conditions:

--Those who allocate, spend, and review these expenditures have a fragmented view of their effects. Professional development costs are not looked at collectively.

--The Statewide Accounting System does not provide easily retrievable data on this subject. Also, except for out-of-state travel costs, budget allocations are not recorded for these purposes.

--There are dramatic variations among state agencies in the per person amounts expended for professional development and communication. For example, an employee of one agency may travel out of the state several times a year to attend professional conferences while an employee with similar duties in another agency may never do so.

--There has been since Fiscal Year 1975* a steady increase in most of the expenditure areas included in the study; however, some, such as the expenditures for agency-sponsored conferences in the state, have increased dramatically.

--Of the more than $4.4 million spent annually on items relating to employee professional development, at least $1.7 million could be saved by applying a few simple, common-sense policies and guidelines. The costs can be cut with no adverse impact on the quality of state service to the public.

OUT-OF-STATE TRAVEL

Findings

Approximately 18,000 employee-days were spent out of the state for various reasons in 1977. That is roughly equivalent to 360 state employees spending one day out of the state each week. The Task Force identified various types of out-of-state travel, which we divided into two basic categories:

Administrative Travel

Such travel is often a necessary part of an employee's job responsibilities. It is an important part of state operations and includes federal relations, official representation, site visits, etc. Examples are the Department of Revenue auditors who travel out of the state to audit records of companies doing business in Minnesota, the Investment Board

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* All references to years in this report pertain to fiscal years.

personnel who invest state revenues, and department head meetings with federal officials.

Professional Development and Communication Travel

This category covers attendance at conferences, workshops, meetings, training sessions, and seminars sponsored by others, including professional associations and government agencies. Examples might include a continuing legal education conference attended by a departmental lawyer, an annual meeting of an association of state officials, and an industry-sponsored conference attended by a state employee who works in the respective field.

Some types of travel are more difficult to categorize. A notable example is attendance at workshops relating to federal grants, where an employee may obtain necessary information for spending the federal grant while also benefiting from a professional development standpoint. In our judgment, the respective agency heads are in the best position to subjectively determine how to categorize such trips.

Of the total of $2,214,713 for out-of-state travel budgeted for 1978 for the agencies we studied, approximately $1,168,779 or 53 percent is allocated for Professional Development and Communication Travel and $1,045,934 or 47 percent for Administrative Travel. However, there is wide variation in the relative proportions of agency travel budgets devoted to these two types of travel, ranging from one agency's extreme of 15 percent Administrative

Travel, 85 percent Professional Development Travel to the other extreme of 85 percent Administrative Travel, 15 percent Professional Development Travel. There is also great variation in the amounts per professional-managerial employee. In one case, one major agency spends $935 per employee, while another department spends only $71 per employee for Professional Development Travel.

Due to legislative efforts to cut back on out-of-state travel spending, the overall amount budgeted for out-of-state travel by these agencies in 1978 ($2,214,713) is 11 percent less than the amount budgeted for them in 1977 ($2,475,888). However, the amount budgeted for 1978 is five percent more than the amount actually <u>spent</u> in 1977 according to Task Force estimates. There was a 32 percent increase in expenditures for out-of-state travel by all state employees from 1975 to 1977.

Out-of-state travel is paid for out of nearly 20 different accounting funds. Of the total amount spent, approximately 59 percent is General Fund, 22 percent is exclusively federal funds, and five percent is Trunk Highway Fund, with the remaining portion coming in smaller amounts from various revolving and dedicated funds.

Our review of individual expense reimbursements and special expense request forms indicates that it is not uncommon for agencies to send several employees on a particular out-of-state trip when it appears that one or two employees would be sufficient. One very small agency sent 20 people to Atlanta last winter to attend a conference.

Except for legislatively established agency budget limits, there are only a few restrictions on out-of-state travel expenditures. The personnel rules provide that trips out of state must be authorized by the appointing authority and that claims for expenses must be certified by the claimant to be "just and correct." Air travel is limited to coach class except in instances where such space is not available. Specific amounts reimbursable for out-of-state meals are limited by the Department of Personnel and some employee contracts to $3.20 for breakfast, $3.70 for lunch, and $7.90 for dinner.

Amounts reimbursable for lodging are limited by the following language in the travel regulations: "It is the responsibility of the appointing authority to instruct the employee to use good judgment in incurring lodging costs. Charges shall be reasonable and consistent with the facilities available." Employees are required to submit receipts for actual lodging expenditures. In addition, 13 employee contracts state that employees who incur lodging expenses "shall be allowed reasonable costs of lodging." Our review of expense reimbursements during the spring of 1977 revealed that in some cases, lodging costs appear to be unnecessarily high. Actual examples of expensive single accommodations included $100 in Dallas, $59.64 in Atlanta, $46.43 in Chicago, $51,84 in Washington, D.C., and both $72.80 and $84.24 in Minneapolis.

A unique feature of the employee contracts is the provision in the State University Faculty contract: Article XV, Section C.

> "For each fiscal year (1977-78; 1978-79) of this Agreement, each academic department will be allocated out-of-state travel funds at the rate of $100 per each full-time equivalent faculty member in the department as of the beginning of each fiscal year. The membership of each department shall, through a democratic process, determine an equitable procedure for the distribution of such funds to the faculty members. Funds provided by this Section shall be used only for financing out-of-state <u>travel to professional conferences, workshops, and similar meetings for professional development of the faculty member."</u>

In conversations with agency heads and personnel, the Task Force learned that out-of-state trips are often perceived as fringe benefits. In fact, some agencies have developed an informal policy of allowing each professional and managerial employee to take one trip per year. Specific trip decisions are sometimes more a function of the time of year and the location rather than the value of the conference.

<u>Recommendations</u>

The following recommendations regarding out-of-state travel are based on the philosophy that Professional Development Travel is a necessary, justifiable expenditure by state agencies. We do not agree with the policy of some states that employees who travel for Professional Development and Communication pay their own way. Neither do we agree with the policy in effect in some states which requires employees to pay 25 percent of the costs of each trip, since an employee who cannot afford to pay his/her share may be deprived of a valuable learning experience. Instead, the Task Force recommends three basic policies which will substantially reduce out-of-state travel costs without imposing any personal hardships on state employees or resulting in decreased service to the public.

Recommendation #1

All agency heads should limit the total amount of money spent in each fiscal year for Professional Development and Communication Travel. Each agency's limit should be determined by multiplying the number of managerial and professional employees within the agency by 100. For example, the Department of Finance has 75 managerial and professional employees and would thus be limited to spending $7,500 for Professional Development Travel (75 x $100 = $7,500). Professional Development Travel funds should be allocated and monitored by the department head as he/she deems most appropriate. This guide should apply to member of independent boards as well as employees of state departments.

The amount provided will not be sufficient to enable every employee to take a trip out of state each year as is presently the case in some agencies.

This policy will have a modest effect on 37 of the 67 agencies included in this study. However, some high-spending agencies such as Education, Transportation, Public Safety, Administration, the State University Board, Pollution Control Agency, and the Housing Finance Agency will experience substantial cuts.

Recommendation #2

An agency head shall authorize no more than one employee per out-of-state trip for either Administrative or Professional Development travel unless specific advance approval is granted by the agency head.

Approval for more than one person per trip should be granted only if the responsibilities cannot be handled by one person. For example, an agency head may need the specific expertise of a division employee in discussing a specific problem with federal officials.

An employee who is sent to a conference or meeting should be encouraged to tape-record the sessions, write a report, or in some other way make the information gained from the conference available to other agency personnel.

This recommendation applies to independent boards as well as to regular agency personnel, and it covers all out-of-state travel.

Recommendation #3

The amounts reimbursable for actual lodging expenses while in travel status both within Minnesota and outside the state should be limited to specific amounts established by the Commissioner of Personnel based on an acknowledged index of travel costs.

The Runzheimer Meal and Lodging Index, issued by the Runzheimer Company of Rochester, Wisconsin, should be used as an index for annual adjustment of the limits through Personnel guidelines. The Runzheimer report is used as a basis for travel cost reimbursements by the federal government, numerous states, and private industry.

According to the most recent Runzheimer report, the average cost of a single room in a first-class establishment in a sample of cities (excluding eight particularly high-cost areas) is $21.33 per night, including tax and gratuity. The average costs of a single accommodation at a first-class establishment in the eight high-cost areas (including tax and gratuity) are as follows:

Boston	$33.00	New York City	$49.50
Chicago	$33.00	Philadelphia	$30.00
Los Angeles	$28.00	San Francisco	$31.50
Newark	$29.00	Washington, D.C.	$40.00

The Task Force recommends that the above Runzheimer estimates be established as reimbursable limits (including tax and gratuity) for lodging in the eight identified high-cost areas and that a limit of $21 per night be allowed for lodging in all other areas of the country. These limits are quite generous since they exceed the lodging limits for federal employees and a recent poll of federal employees indicated that 92 percent found the federal amounts to be adequate.

A lodging expenditure for which reimbursement is sought that exceeds the allowable limits should require specific department head approval. Approval should be granted when an employee can demonstrate that no suitable accommodations were available within the amounts allowable.

An exception may be cases where employees attend conferences held at certain hotels whose rates exceed state maximums. In such instances, employees should be allowed to stay at the conference hotel. In accordance with the present travel regulations, receipts for lodging costs should be required as documentation of all actual expenditures.

In all cases, employees should seek inexpensive, prudent alternatives for incurring lodging expenses. In our review of lodging costs, we noted that it is common for field personnel of agencies such as the Department of Natural Resources, Department of Transportation, and Public Safety to secure in-state lodging at less than $10 per night. The $21 should be viewed only as a general maximum and will be obviously too high in some areas of the state.

The Task Force has estimated that this policy alone can save at least $100,000 annually in in-state and out-of-state lodging expenditures.

In addition to the above three recommendations, the Task Force also offers these simple, common-sense suggestions for cutting back on unnecessary out-of-state travel.

(a) When a state employee travels out of state, he should be able to show that the desired information to be gained from the trip cannot be secured in some other less expensive way, such as by mail or telephone.

(b) Whenever practical, state employees who are authorized to enroll in a specific training course at state expense should seek out good programs offered locally before investigating those offered by institutions in other parts of the country.

(c) Some agencies have brought people into the state for training and development purposes thus avoiding taking large numbers of our people out of state at much greater expense. This practice should be viewed as a desirable alternative.

(d) State employees should avoid writing out-of-state travel requirements into contracts with federal agencies.

The Task Force conservatively estimates that the combined effect of Recommendations #1, #2, and #3 would be an $800,000 annual reduction in out-of-state travel costs. The policy of limiting out-of-state travel to one employee per trip will have the effect of reducing administrative travel costs by at least $250,000. With the cooperation of agency heads in limiting Professional Development Travel expenditures to an amount equal to $100 per person, and by applying the lodging limit of $21 per night, another $550,000 will be saved each year. As is the case with the Inventory

Control Program, agency heads shall provide in their February 1 and August 1 progress reports to the Governor an accounting of the savings achieved from their out-of-state travel budgets. The reports shall include an estimate of savings from all funds, including federal funds and revolving accounts.

IN-STATE CONFERENCES AND MEETINGS

Findings

In Fiscal Year 1977, state agencies included in this study spent more than $1.2 million for various types of meetings held in private facilities in all parts of the state. This estimate is based on a careful review of actual payments made to vendors used by state agencies to accommodate the meetings, but does not include any state-reimbursed expenses for travel to and from the meetings.

Such meetings were sponsored by all major state agencies and many smaller agencies, including some boards and commissions. The meetings ranged in size from only a few people to several hundred. They were attended primarily by state employees and sometimes by employees of political subdivisions, such as local civil defense directors, law enforcement officers, welfare workers, school district personnel, etc. Occasionally, representatives from the private sector and members of the public were included. Expenditures sometimes included only one meal but often extended beyond one day and involved lodging expenses.

The meetings were held in hotels, motels, restaurants, resorts, and conference facilities throughout Minnesota. In a few cases, the agencies charged a registration fee, thereby recovering most of the expense involved in those meetings.

The Task Force has calculated the cost of these meetings held in private facilities and sponsored by state agencies by manually recording actual payments to vendors. Because the costs of state-sponsored events were coded into the accounting system in a variety of ways, the Task Force analyzed all of these expenditures recorded on microfiche. Out of the total of $1,154,148 spent in 1977, only $356,848 was coded as an expenditure for "Conferences, Meetings, and Catering." The remaining expenditures were miscoded, appearing in the accounting system as "Other Purchased Services," "Rents - Space - Non-State Owned," "Living Expense - In-State," etc.

The value of many meetings we reviewed seemed questionable. One example was a dinner meeting of state employees at a local restaurant for the purpose of "planning the agenda for the next meeting." In a number of cases, breakfast meetings or lunch meetings were held when the business could have been taken care of in the office during normal business hours. Some meetings which are purportedly "public" have been held in private clubs.

Few agencies have a centralized, administrative way of controlling these expenditures. If the head of a particular division or section wants to hold a meeting in a private facility and the meal amounts do not exceed those reimbursable under the Personnel Rules, there is frequently nothing preventing him or her from doing so other than the limitations imposed by a division's budget. In many cases, purchase orders or formal contracts with a vendor were not prepared in advance. Some agencies held meetings at which the meal costs exceeded those allowable under the Personnel Rules. In those cases, the agency submitted a Special Expense Form 435 to the agency controller (Department of Finance) in advance of the meeting. The primary requirement for approval has been only "that the meal expense is in connection with official duties or assignments of a state employee" and "the benefits of the employee's attendance or participation will accrue primarily to the state."

On June 16, 1977, the Commissioner of Administration issued a memorandum to all agency heads suggesting that whenever possible state-sponsored meetings should be held in state facilities. To estimate the potential cost savings of this suggestion, the Task Force contacted a number of restaurants, hotels, and resorts used by state agencies. We asked for cost estimates for hypothetical meetings to be attended by 50 people for both one day (lunch only) and one day and one night (meals and lodging) meetings. We then compared those estimates with others supplied by state departments which have comparable facilities including community colleges, state universities, the University of Minnesota, Camp Ripley, and the Veterans' Home.

Based on these estimates, the average cost of holding a one-day (lunch only) meeting in a private facility is three times that of holding a comparable meeting in a state facility. For an overnight meeting (including lodging and three meals) the private facility cost two and one-half times as much.

The Task Force also reviewed in-state conference fee expenditures for conferences not sponsored by the agencies themselves. Since these conferences are sponsored by other levels of government, private organizations, etc., the state has no control over their locations; however, costs can and will be controlled by restricting the number of state employees who attend.

The agencies included in this study spent $135,151 for in-state registration fees during 1977. These expenditures represent a 16 percentile increase over 1976. Although, the increase seems large, only a small amount of money is involved. Because of the relatively nominal amount spent per employee for in-state conference fees and related travel costs, the Task Force does not recommend any action to curtail these expenditures at this time.

While reviewing in-state conference expenditures, the Task Force became aware that some agencies in the past have engaged in the practice of offering "conference grants" to private organizations or political subdivisions and then authorizing large numbers of agency employees to attend the conference without direct charge. The specific cases we reviewed were totally inappropriate in their use of state funds. This practice, where it exists, must be reviewed by the commissioners. The Department of Finance will review agency expenditures for possible continued evidence of misuse.

Recommendation

The Task Force recommends the following policy as a means of cutting back on expenditures for in-state conferences and meetings. The recommendations should not be construed as an attempt to limit necessary professional communcation among state employees or between state employees and other units of government. Most importantly, the implementation of this policy should not in any way restrict the vital exchange of information and ideas between state employees and the citizens of the state.

All state agencies should be directed, as of November 1, 1977, to hold all off-site conferences and meetings in publicly owned facilities. Privately owned facilities for which the state has secured long-term leases (e.g. the Space Center and the state agency conference rooms in the American Center Building) will be considered "publicly owned" under this policy.

In the meantime, agencies should attempt to voluntarily comply with this policy. This requirement applies to all agency-sponsored meetings and conferences for which participants receive prior notice and at which some type of state business is to be conducted. For example, when state employees are in travel status and happen to eat enroute together in the same restaurant, the meal would not be defined as a meeting.

Agencies may be allowed to sponsor conferences and meetings in private facilities if prior approval is granted by the agency head. Exceptions to this policy should be approved under the following conditions:

(a) There is no publicly owned facility which meets the specific needs of the conference or meeting (e.g. all publicly owned facilities within the geographic area are too small);

(b) A private facility is less expensive than available public facility; or

(c) Publicly owned facilities which do meet the needs of the meeting or conference are not available on the date on which the meeting or conference must be held.

Certain promotional meetings sponsored by the Department of Economic Development may also be exempted.
Exceptions granted must be paid through expenditure object code 183, "Conferences, Meetings and Catering." Exceptions to the policy will be recorded by the Department of Finance and will be subject to audit. Each agency head should designate an employee to be responsible for compliance with this policy.

Prior to the implementation of this policy, the Department of Administration will supply each state agency with a catalogue describing the state-owned meeting and conference facilities that are available. The catalogue will provide detailed information on sizes of rooms, meal arrangements, over-night accommodations, equipment availability, costs, scheduling, handicapped access, etc.

If a suitable state facility is not available for a particular meeting, agencies should attempt to find an appropriate public facility operated by another level of government. Regardless of whether meetings are scheduled in private or public facilities, agencies should seek locations in geographic areas that are most convenient for the participants in order to keep trave costs and time to a minimum.

The Task Force estimates that the implementation of this policy will save at least $750,000 annually. All savings shall be reported to the Governor in the February 1 and August 1 progress reports.

MEMBERSHIPS AND SUBSCRIPTIONS

Involvement in professional organizations and access to professional publications are valuable components of employee professional development. If the particular membership or subscription is appropriate to an employee's job responsibilities and is well-used, the cost-benefit ratio can be very high.

During 1977, the agencies included in this study spent more than $283,500 on departmental and individual memberships in various professional organizations. Overall, state expenditures for memberships have increased 24 percent since 1975. Previous agency cutbacks indicate that at least $50,000 can be saved by monitoring all memberships and following Task Force recommendations.

The agencies included in the study spent more than $630,000 in 1977 on subscriptions, books, and similar items purchased for the professional enhancement of state employees. Overall, the 1977 expenditures for expenditure code #376 amounted to $2,174,479; however, it was necessary to subtract items purchased for resale by the Documents Division, items bought for inmates and patients at state institutions, library materials for students and members of the public, etc. The total expenditures for all these items increased by 42 percent from 1975 to 1977. Prior actual cutbacks indicate that a continual program of screening subscriptions can trim at least $100,000 from present subscription expenditures by the state.

Department heads should develop internal mechanisms for periodic review:

Recommendation #1

Some departmental and individual memberships are of questionable value and should be dropped. The state currently pays for more than 50 Chamber of Commerce memberships in addition to memberships to local community organizations such as Kiwanis, Rotary, Lions, Jaycees, etc. Reimbursement for these memberships should be allowed only when they are held in the name of the department and they bear a direct relationship to the specific job responsibility

Recommendation #2

Several agencies have purchased duplicate memberships in certain organizations. Duplicate departmental memberships are unnecessary and should not be permitted. Furthermore, if a department holds a membership, it is unnecessary for individuals within the department to also have their personal memberships paid for by the state.

Recommendation #3

A few agencies tend to spend relatively large amounts for memberships. The State University System, for example, accounted for more than 25 percent of total state expenditures for memberships in 1977. Others tending to spend large amounts in 1977 were the Community College System, the Departments of Education and Public Welfare.

Memberships in professional associations also lead to larger expenditures for employee in-state and out-state travel since the state reimburses for participation in association events. Because the real costs far exceed the amount paid for dues and fees, substantial savings will be realized by eliminating unnecessary memberships.

Recommendation #4

The Department of Personnel and the Governor's Task Force will review and revise the present membership guideline (May 19, 1976) which limits individual memberships to no more than two with a maximum of $100 per employee annually. The Task Force found more than 25 payments for individual memberships that exceeded that limit, some by as much as several thousand dollars. With an adequate review mechanism in the agencies, the $100 limit may not be necessary. Individual memberhips may be purchased when the cost is less than an equivalent departmental membership, when a departmental membership is unavailable, or when it is of obvious value to the state. It is understood that in all cases memberships must be justified as being of obvious value to the state.

Recommendation #5

In reviewing subscription expenditures, the Task Force noted that in 1977 state agencies spent nearly $27,000 on various newspapers and that a number of agencies paid for many duplicate copies. The colleges and universities alone accounted for $2,600 in just Minneapolis Tribune subscriptions. The Department of Transportation recently replaced its newspaper subscriptions by contracting a clipping service, an action which will save the department nearly $5,000 in subscriptions and staff time. This may be a cost-saving alternative for other agencies that subscribe to large numbers of newspapers.

Recommendation #6

One agency has a practical method of controlling subscriptions that has reduced subscription expenditures by one-third. Periodically, the agency circulates a list of all subscriptions it receives and requires employees to sign for those they use and need. If there is no interest in a particular newspaper or periodical, the subscription is not renewed.

The individual expenditures for memberships and subscriptions are, for the most part, nominal sums. They become significant, however, when the total amount expended exceeds $1 million, as will be the case this year if expenditures continue to grow at the present rate. As a practical matter, one cannot expect department heads to be personally concerned about such questions as which employee should be able to subscribe to what periodical. We recommend, however, that agency heads ensure that memberships and subscriptions are reviewed by the employees at least on an annual basis. As the functions of the agencies change and as employees change jobs, memberships and subscriptions often continue to be paid for although they no longer have the value they once did. Continual review will enable these unnecessary expenditures to be found and stopped.

All savings realized by cutting back on memberships and subscriptions will be reported in the February 1 and August 1 reports to the Governor. Because, memberships and subscriptions are usually paid for annually, these savings may not be fully realized until the second year of the biennium.

SUMMARY

	COSTS	ANNUAL SAVINGS GOAL
Out-of-state travel	$2,214,713*	$ 800,000
State-sponsored meetings	1,226,629	750,000
In-state registration fees	135,151	-
Memberships	283,477	50,000
Subscriptions	630,087	100,000
	$4,490,057	$1,700,000

* This is the amount budgeted for 1978. All other figures are based on actual 1977 expenditures.

SUMMARY

I. TRAVEL

A. Findings

1. 18,000 employee days spent out of the state. This is equivalent to 360 employees spending one day every week out of the state.
2. Great fluctuations in composition of travel budgets ranging from 15 percent Administrative Travel/85 percent Professional Development Travel to 85 percent Administrative Travel/15 percent Professional Development Travel.
3. Great fluctuations in expenditures for per capita Professional Development Travel for example $71 by one agency and $935 by another.
4. 32 percent increase in expenditures for out-of-state travel from 1975 to 1977.
5. Many employees sent when one person would suffice, i.e. one small agency sent 20 people to Atlanta last winter.
6. Excessive hotel room costs charged to the state; Dallas, $100; Atlanta, $59.64; Chicago, $46.43; Minneapolis, $72.80, etc.

B. Recommendations

1. Dollar limit in agency travel budget for Professional Development Travel. Limit equal to 100 times number of professional-managerial employees. Minimum savings $450,000.
2. Limiting authorization to no more than one employee per out-of-state trip (for all types of travel) unless advance approval is given by agency commissioner. Exception granted only when it is clear one person cannot handle the entire responsibility. Minimum savings $250,000.
3. Amounts reimbursable for lodging are limited according to the Runzheimer index of $21 except for eight high cost areas: Boston $33, Chicago $33, Los Angeles $28, Newark $29, New York City $49.50, Philadelphia $30, San Francisco $31.50, Washington, D.C. $40. Exception when nothing else is available. Minimum savings $100,000.

C. Additional savings suggestions

1. Employee traveling out of state should be able to show that information gained cannot be secured in some other less expensive way (Mail, phone, etc.)
2. Employees enrolling in training programs should seek out good programs offered locally as opposed to those out of state.
3. Bring trainers into the state to train and develop our employees.
4. Avoid writing out-of-state travel requirements into contracts with federal agencies.

II. CONFERENCES

A. Findings
1. Of $1.2 million spent, $1.15 million was miscoded. Only $356,848 properly coded.
2. Value of some conferences questionable, i.e. "planning the agenda for the next meeting."; breakfast meetings when work could have been done at the office; "Public" meetings in private clubs.
3. Survey showed private vs. public facility costs. Lunches, three times as much, room and three meals, 2½ times as much.

B. Recommendation
1. All agencies hold conferences in state-owned facilities as previously directed by the Governor. Minimum savings $750,000.

C. Additional savings suggestions
1. Base on catalogue forthcoming.
2. Consider conference location is convenient for participants.

III. MEMBERSHIPS

A. Findings
1. Total spent on professional memberships $283,500
2. This has increased by 24 percent since 1975.
3. Memberships of questionable value - 50 Chamber of Commerce and Kiwanis, Lion's Club, Rotary Clubs, Jaycees, Citizen's League...state should not have to pay for.
4. Duplicate memberships
5. Certain agencies spent excessive amounts on memberships, e.g. State University System accounted for 25 percent of total expenditures.

B. Recommendations
1. Drop memberships of questionable value
2. Drop duplicate memberships
3. Review present Personnel Guideline of two equals $100 for individual memberships
4. Big spending agencies should cut down. Minimum savings $50,000

IV. SUBSCRIPTIONS

A. Findings
1. Total spent $2,174,479 but of that $630,000 was spent on state employees. This is a 42 percent increase from 1975 to 1977.
2. Numerous cases of unnecessary duplicate or unread subscriptions.

B. Recommendations

1. Cut back all unnecessary subscriptions. This includes those which are not directly related to an employees work and also those which are not extensively used.
2. Cut back on the number of duplicate subscriptions.
3. Agency heads will require employees to monitor their subsciptions and rid those which are not used or duplicative, as described above. Minimum savings $100,000

C. Suggestions

1. Newspapers can be cut back on by using a clipping service when feasible. Department of Transportation estimates savings of $5,000 on subscriptions by their conversion to a clipping service.
2. Agency head can have a list of all subscriptions circulated through Departments and ask employees to sign for those they use and need.