

M I N U T E S

IOWA LEGISLATIVE COUNCIL

July 10, 1984

The fourteenth meeting of the 1983-1984 Iowa Legislative Council was called to order at 1:40 p.m. by the Council Chairperson, Speaker Donald D. Avenson, on Tuesday, July 10, 1984, in Committee Room 22 of the Statehouse, Des Moines, Iowa. Members present were:

Speaker Donald D. Avenson, Chairperson
Senator Lowell L. Junkins, Vice-Chairperson
Lieutenant Governor Robert Anderson
Senator James Briles
Senator C. Joseph Coleman
Senator Donald V. Doyle
Senator Merlin Hulse
Senator Calvin O. Hultman
Senator C. W. (Bill) Hutchins
Senator Charles Miller
Senator Arthur A. Small, Jr.
Representative Dale Cochran
Representative Tom Jochum
Representative Jean Lloyd-Jones
Representative Lester D. Menke
Representative Lowell Norland
Representative Delwyn Stromer

Also present were:

Mr. Jack Walters, Director of General Services
Mr. Jerry Gamble, Inspector General
Mr. Gary L. Kaufman, Legislative Service Bureau
Mr. Serge H. Garrison, Director of Legislative Service Bureau
Mr. Dennis Prouty, Director of Legislative Fiscal Bureau
Mr. Bill Angrick, Citizens' Aide
Mr. Burnette Koebernick, Legislative Service Bureau
Ms. Diane Bolender, Legislative Service Bureau

Senator Small moved that the minutes of June 12, 1984 meeting be approved as distributed to Council members, and the motion was adopted. Senator Junkins moved that the Legislative Council receive the Educational Leave Report, and the motion was adopted.

Chairperson Avenson called for the report of the Administration Committee, a copy of which is attached and by this reference made a part of these minutes. With regard to the third recommendation concerning the request of Mr. Angrick for a cost estimate for rewiring or installation of central air conditioning for the Office of Citizens' Aide, Representative Cochran requested that Chairperson Avenson write Mr. Walters, Director of General Services, to ask that he respond to the request of Mr. Angrick. Representative Cochran moved that the report of the Administration Committee be adopted, and the motion carried.

Senator Hutchins, Chairperson of the Service Committee, stated that the Service Committee had received salary schedules from the directors of each of the legislative agencies listing the salaries of the employees as of July 1, 1984 and indicating where each employee falls within the grade and step schedule. Senator Hutchins added that the reports filed were consistent with what was requested at the June meeting of the Legislative Council.

Senator Hutchins asked Gary Kaufman to provide Legislative Council members with information about the school district director district situation. Mr. Kaufman distributed copies of a Memorandum, a copy of which is attached and by this reference made a part of these minutes. Mr. Kaufman explained that he is anticipating drawing director districts for from five to six school districts. In response to a question from Senator Hultman, Mr. Kaufman indicated that the average deviation of districts not having acceptable plans was 16.84; for districts whose plans were rejected before a redrawn plan was completed the average deviation was 21.13; and the average deviation of plans approved after redrawing was 1.99. Chairperson Avenson thanked Senator Hutchins for presenting information.

Chairperson Avenson called for the report of the Studies Committee, a copy of which is attached and by this reference made a part of these minutes. Senator Junkins pointed out that the \$150,000 requested for employing a consultant for the Economic Development Study Committee would be used to inventory the economic pluses and minuses in this state and recommend appropriate changes where there are minuses. He commented that there is only a single agriculture representative, but there are other agriculture studies authorized by the Legislative Council and the business representatives may include individuals with businesses connected to the agricultural economy.

With regard to the Sinking Fund Study Committee, Senator Junkins suggested that the Study Committee will look at the problem of the pledging of assets. He commented that the Studies Committee anticipates that the first meeting will be held early in the interim to gather information and the second meeting will be held later in the fall. He commented that federal legislation that is pending may also have an effect on the study.

Senator Junkins moved that the Legislative Council approve the establishment of a Drainage District Study Committee. Representative Stromer suggested that such a study is necessary and moved that Senator Junkins' motion be amended to state that five members of the Senate and five members of the House be on the Committee and the Committee be authorized two meeting days. Representative Stromer's amendment carried as did Senator Junkins' motion.

Senator Junkins moved that a Computer Outreach Committee be established since the Legislative computer will process information that nonlegislative agencies and businesses may wish to receive for a price. He commented that the Legislature is presently afforded an opportunity to have free programming information and assistance through August 15. Senator Junkins explained that the Department of Public Instruction is interested in accessing information for itself and the school districts. In response to a question from Senator Hultman, Senator Junkins responded that the process would be designed to be income producing. In response to a question from Representative Stromer, Senator Junkins stated that the Committee would consist of four people from each house, with two from each party. Senator Junkins' motion was adopted.

Representative Stromer asked whether the three labor representatives designated for membership on the Economic Development Study Committee would be required to belong to a labor union. Senator Junkins responded that the labor representatives could be blue collar workers, and not necessarily union members, but the four legislative leaders must agree on the seven citizen members of the committee.

Representative Stromer expressed concern that there is only one citizen representative designated to be from the agricultural sector. Senator Junkins responded that the entire committee will monitor an objective analysis of economic development in this state that will be conducted by an outside consultant. He stressed that the consultant must look at agriculture in Iowa as well as other economic aspects of the state. Representative Stromer commented that Governor Branstad has also appointed an economic development committee. Chairperson Avenson responded that the committee has been established in a manner to remove politics from its deliberations and the four legislative leaders will be required to agree on all nonlegislative members before they are appointed. He also commented that he believes that the legislative committee can work with the governor's task force.

Representative Stromer asked whether the Committee will obtain an inventory of resources and facilities in the state. Senator Junkins responded that an inventory of assets is necessary, as is information about whether the assets are being appropriately used. Lieutenant Governor Anderson expressed the belief that the Economic Development Committee will complement the Governor's effort and he agreed that it is advantageous to employ an outside consultant to look at Iowa's strengths. The Studies Committee Report, as amended, was adopted.

Chairperson Avenson called for comments from Mr. Gamble and Mr. Walters about the implementation of recommendations of the Governor's Task Force on efficiencies and Cost-effectiveness in Iowa State Government. It was noted that the appropriation for operation of the Department of General Services for the current fiscal year was reduced by \$700,000, and the appropriation to the

Office of State Comptroller for the Division of Data Processing was reduced by 2.3 million dollars, with the stipulation that savings realized from implementation of the Governor's Task Force recommendations could be transferred to these agencies in amounts not to exceed the amounts cut from their budgets. It was also noted that the reductions in the budgets of the two agencies will not occur until the third and fourth quarters of the current fiscal year.

Mr. Gamble distributed copies of a Status Report on implementation of the recommendations and commented that of the 81 recommendations, no action has been taken on 29, 35 are in the process of completion, and 17 have been completed. A copy of Mr. Gamble's Status Report may be obtained from the Legislative Service Bureau upon request. He stated that he has interpreted the legislation that the amount of any general fund savings realized from implementation of the efficiencies could be transferred to either of the state agencies, but it is necessary to identify the general fund savings. Mr. Gamble indicated that he has concentrated on the savings that can be realized from the recommendations relating to vehicle management, span of control, design of communications, and in-house travel (developing a standard contract with the same travel firm). Senator Junkins commented that the incentive in House File 2518 was to encourage the Inspector General to implement efficiencies in all agencies. He noted that the \$700,000 that had been cut from the Department of General Services budget can be replenished as soon as the Inspector General realizes \$700,000 in savings. Mr. Gamble commented that he will implement as many recommendations as is possible and is confident that the \$700,000 can be replenished. Senator Junkins commented that there needs to be communication among the Inspector General, the Governor, the State Comptroller, and the Department of General Services in order to replenish the funds that were taken.

It was indicated that the Director of General Services, Mr. Walters, has taken actions, including laying off five construction employees and the nurse, to reduce the expenditures of the Department during the entire fiscal year in order to operate the Department on the funds appropriated to it for the fiscal year. In response a question from Senator Junkins about the procedures he has used, Mr. Walters stated that he is not willing to plan for funds that he may or may not receive. He agreed that the process is painful and lay-offs are occurring, but he expressed the belief that he should operate his department within the funds appropriated by the General Assembly. Senator Junkins commented that the Legislature's intent was that there would be sufficient savings from implementation of the cost efficiencies to make up the \$700,000 shortfall to the Department. He commented that if there is a good faith effort to implement the cost efficiencies and the savings occur, the money will be restored.

Representative Jochum commented that he has received information that implementation of the cost efficiencies can save 1.3 million

dollars in 1984 and 8.9 million dollars in 1985, for a total of about 11 million dollars. He noted that the General Assembly has only reduced expenditures at the 3 million dollar level. He asked whether there are 11 million dollars that can be saved by the implementation. Mr. Gamble responded that there probably are, but the savings are not all general fund monies and some savings may be cost avoidance savings rather than actual savings.

Mr. Gamble stated that he understands the intent of the legislation, but cannot predict the amount of funds that will be saved from implementation. He indicated that he has received good cooperation from the Department heads.

Representative Jochum asked how the Comptroller's Office is acting concerning the reduction of 2.3 million dollars. Mr. Gamble responded that he understands that the State Comptroller is prepared to ask for a supplemental appropriation for monies that it does not receive but requires for operation of the data processing function. Mr. Dale Nelson, Director of Data Processing, was present in the room and he commented that his office has reduced expenditures as far as it can and may have to ask for a supplemental appropriation. He commented that if he does not receive any additional money from implementation of efficiencies, his office will have no funds to operate during the fourth quarter. He indicated that he must continue spending at a higher level if state data processing functions are to remain and not be disrupted.

Representative Jochum commented that he believes Mr. Walters should have continued at the present level, making cost savings that were possible but not laying off employees, and if it can be proven he has made a good faith effort, he could also request a supplemental appropriation. Mr. Walters responded that if he makes no reductions in spending during the first half of the fiscal year, the reductions that come will be equivalent to 1.4 million dollars since they will be taken from the last two quarters' allocations. He expressed the belief that he intends to operate within the funds given him. He commented that over half the recommendations in the Governor's Task Force Report affect the Department of General Services in one way or another, and the Department personnel have been working to implement them. He added that there is a delay in getting the cost savings back from the agencies.

Mr. Walters commented that the Inspector General is an employee of the Governor. Representative Jochum responded that the General Assembly will be in session starting in January and during the last two quarters of the fiscal year can respond to crises. He urged Mr. Walters not to lay off employees.

Senator Hultman suggested that the General Assembly may have made a mistake in approaching the implementation of the cost efficiencies in this manner. He stated that he does not agree with the actions Mr. Walters has taken, but he can understand Mr. Walters' funding problems. He urged Mr. Walters to rethink his

actions that required laying off employees, reinstate those individuals, and work hard to implement the Task Force Report. Senator Hultman stated that if Mr. Walters functions in this manner, he will work to obtain a supplemental appropriation for the Department of General Services if one is needed. He expressed concern about the closing of the first aid station and laying off of the nurse since there are many visitors who may require attention at the Capitol.

Representative Stromer expressed agreement with Senator Hultman and also commented that members of his caucus were aware of the deficit situation in funding the state, but he commented that he is not sure that the Inspector General can implement the necessary cost savings within one year. Representative Stromer agreed that he does not know what alternatives Mr. Walters has.

Senator Junkins urged Mr. Walters to have confidence that he will receive the \$700,000 through cost savings. He stated that much of the savings that can be made will be made through the Department of General Services. He commented that the funding of the Department was not in any way an attack on Mr. Walters, and urged Mr. Walters to foster cordial relationships with the General Assembly.

Senator Junkins commented that he concurs with Senator Hultman's statements and asked Mr. Walters to reconsider his actions in light of comments of members of the General Assembly. He commented that the State Department's Subcommittee will study Mr. Walters' budget during the next session. Lieutenant Governor Anderson commented that he also agrees with Senator Hultman's comments and he stated that all persons in state government are responsible to each other and that the Comptroller's Office, the Department of General Services, and the Inspector General are all responsible to the Governor and he expressed hope that the four individuals involved can work out their differences and have some assurances of adequate funding. Senator Small interjected that the important item is that economies can be made in government. He commented if the economies cannot be made as predicted by the Governor's Task Force, the General Assembly would like Mr. Walters and the Comptroller's Office to inform the General Assembly. He stated that the General Assembly should review how economy committees actually operate in order to determine whether their recommendations can be implemented. Mr. Gamble commented that many of the recommendations can be implemented, but it is somewhat difficult to determine actual dollars saved by the implementation.

Representative Menke expressed the belief that many members of the General Assembly, had they been Director of General Services, would probably have acted in a manner similar to that in which Mr. Walters did. He expressed hope that Mr. Walters will change his original plans and reinstate some of the employees who were laid off.

Mr. Walters commented that some of the savings which he has implemented are areas in which cost savings should have been employed. He commented that he has heard the views of the members of the General Assembly and understands their desires. Representative Jochum, as Chairperson of the House Appropriations Committee, commented that he is willing to meet with Mr. Walters and representatives from the Comptroller's office. He expressed hope that the savings can be realized and funding cuts can be restored. He commented that if the savings are not present, the General Assembly has the responsibility to solve the problems that it created.

Chairperson Avenson thanked Mr. Walters and Mr. Gamble for being present at the meeting and responding to comments and questions.

Senator Hutchins announced that the Council of State Governments is hosting a meeting in Des Moines on July 20 and 21 consisting of Agriculture Committee chairs and leadership from throughout the midwest. He commented that the Conference will be held at the Savory Hotel and nine states have committed themselves to participate. Representative Stromer asked about attendance of people from Iowa. Senator Junkins responded that attendance at the meeting will be treated the same as attendance at other Council of State Governments meetings. He encouraged participation by representatives from Iowa.

The next meeting of the Legislative Council will be held on the call of the Chairperson and the Vice-Chairperson.

The Legislative Council adjourned at 3:10 p.m.

Respectfully submitted,

SERGE GARRISON
DIRECTOR

DIANE BOLENDER
Senior Research Analyst