

M I N U T E S

IOWA LEGISLATIVE COUNCIL

June 23, 1987

RELIMINARY BUSINESS

The third meeting of the 1987-1988 Legislative Council was called to order by Chairperson Donald D. Avenson at 3:05 p.m., Tuesday, June 23, 1987, in Senate Room 22 of the State Capitol Building, Des Moines, Iowa. Members present in addition to Chairperson Avenson were:

Senator Bill Hutchins, Vice Chairperson
Lieutenant Governor Jo Ann Zimmerman
Senator C. Joseph Coleman
Senator Donald V. Doyle
Senator Lee W. Holt
Senator Emil J. Husak
Senator David M. Readinger
Senator Dale L. Tieden
Senator Joe J. Welsh
Representative Robert C. Arnould
Representative Florence D. Buhr
Representative Dorothy F. Carpenter
Representative Kay Chapman
Representative John H. Connors
Representative William H. Harbor
Representative Thomas J. Jochum
Representative Delwyn Stromer
Representative Harold Van Maanen

Representative Harbor requested that Senator Hultman be excused due to his current hospitalization. Representative Harbor reported that Senator Hultman is doing quite well and should be released from the hospital soon. Also present were Donovan Peeters, Director, Legislative Service Bureau; Diane Bolender, Senior Research Analyst, Legislative Service Bureau; Richard Johnson, Legal Counsel, Legislative Service Bureau; other legislative staff members; representatives of the news media; and other interested persons.

APPROVAL OF MINUTES

Representative Harbor moved to dispense with the roll call and to approve the minutes of the June 3, 1987 Council meeting, as submitted. The motion was adopted by a unanimous voice vote.

COURT RULES RECEIVED

Chairperson Avenson recognized Senator Doyle for an explanation of the changes to Rule of Civil Procedure 136 received by the Council pursuant to Iowa Code section 602.4202. After a brief explanation of the rule changes received, Senator Doyle noted that no Council action is necessary other than acknowledging the receipt of the rules. Senator Doyle moved to receive the rules reported by the Supreme Court. The motion was adopted by a unanimous voice vote.

PUBLICATION OF RULES

Mr. Donovan Peeters, the Director of the Legislative Service Bureau, was recognized by Chairperson Avenson for his report on the proposed prices for the sale of the Administrative Bulletin, the Administrative Code Supplement, and the Court Rules. The Council is charged by Code section 17.22 with determination of subscription prices in consultation with the State Printer. Mr. Peeters reported that the proposed prices are as follows: Bulletin, \$146; Supplement, \$232; and Court Rules, \$41. The prices are increased approximately 10% from last year. Representative Connors moved that the proposed prices be approved. The motion was approved by a unanimous voice vote.

ACCEPTANCE OF BICENTENNIAL PLAQUE

Senator Hutchins was recognized by Chairperson Avenson and moved that the Council, on behalf of the State of Iowa, accept from the Iowa Constitution Committee the gift of a bronze memorial plaque in commemoration of the Bicentennial of the Constitution of the United States, and that the memorial plaque be installed on the second floor of the State House where the laws of this state are enacted. The motion was approved by a unanimous voice vote.

REPORT OF THE WORLD TRADE ADVISORY COMMITTEE

Chairperson Avenson recognized Mr. Ned Chiodo, the Chairperson of the World Trade Advisory Committee for an update on world trade activities. Mr. Chiodo reviewed briefly the work of the General Assembly and the Advisory Committee on the issues of establishing a world trade center and fostering world trade activities. Copies of the Recommendations to Focus Iowa World Trade Promotion of the Iowa World Trade Advisory Committee, dated February 1987, were distributed to the Council members. Mr. Chiodo explained that the report is the product of one year of work by the Advisory Committee and that with the publication of the report the Advisory Committee completed its charge. The next phase, which Mr. Chiodo recommended to the Council, would be the establishment of a five-member World Trade Committee to continue studying certain world

trade issues, to continue legislative shaping of world trade promotion, and to recommend specific implementation strategies for Iowa world trade promotion. Mr. Chiodo stated that a principal need at this juncture is to match educational assets in Iowa with business needs. The newly appointed Committee would be charged with such responsibilities as overseeing world trade research, surveying geographical marketing, studying access to other world trade centers, and developing a general orientation to international trade for Iowa. He observed that a single or multiple delivery mechanism for world trade programs and services in Iowa cannot now be made until these type of tasks are completed. The proposed Committee, to be composed of two Senators appointed by the Majority and Minority Leaders, two Representatives appointed by the Speaker and the Minority Leader, and one citizen member appointed by the Legislative Council, should be able to complete these tasks in one year approximately. Concerning funding, Mr. Chiodo proposed that a two-step approach be taken for supporting the work of this Committee. He recommended that the Council authorize \$150,000 for phase one of the Committee's work, and after legislative review of the Committee's work, authorize an additional \$150,000 for phase two of the Committee's work.

Responding to a question from Representative Harbor, Mr. Chiodo stated that the Advisory Committee's report and the recommendations presented today have no relationship whatsoever to the so-called world trade center building being renovated in downtown Des Moines. He emphasized that the Advisory Committee has not made any brick and mortar recommendations but has pursued only the goal of linking educational assets with business needs in its work over the last year. That goal can be realized through additional work by the proposed Committee in recommending a specific delivery mechanism for world trade promotion programs and services. In the future a building of some type might be appropriate but the need now is for the implementation of programs and services which are not tied to any institution.

Representative Buhr asked Mr. Chiodo to further explain the use of the proposed funding by the proposed World Trade Committee. Mr. Chiodo explained that the funding would be used to link educational assets to business needs, to test certain theories of linkage, and to develop a delivery mechanism for world trade programs and services before world trade promotion is bureaucratized in state government.

Senator Readinger asked if Iowa State University has been designated the leading educational institution for world trade promotion. Mr. Chiodo responded that although Iowa State personnel have helped develop a proposed delivery mechanism, Iowa State personnel would in no way control the further development of world trade promotion but that the proposed Committee should be in control of this next phase of world trade activity. In terms of duplication of work with other

state agencies, Mr. Chiodo stated that the Department of Economic Development does not currently match educational assets to business needs and is not interested in performing this function in the future. Therefore, the proposed Committee's activity in this area would be complementary, not duplicative, to the activity of the Department of Economic Development. In responding to Senator Readinger's statement that Iowa does not now adequately track potential Iowa exporters and foreign importers, Mr. Chiodo responded that the Advisory Committee found that to be true as approximately 20 to 30% of businesses on a list of Iowa exporters maintained by the Department of Economic Development were determined not to be exporters. He added that the Advisory Committee also found that 66% of those businesses surveyed were not familiar with the assistance available from the Department of Economic Development.

Representative Stromer asked if Mr. Chiodo's recommendations would duplicate any of the provisions of House File 636, which dealt with international trade promotion and which was passed by the Legislature and signed by the Governor recently. Mr. Chiodo remarked that the recommendations presented by him would be complimentary and not duplicative. Representative Stromer asked what financial commitments would be included if the Council approved his recommendations. Mr. Chiodo explained that the proposed world trade center was initially proposed at a cost of \$30,000,000, that the World Trade Advisory Committee was appropriated \$250,000 but only expended approximately \$72,000, and that the proposed funding level for this third phase would not exceed \$300,000, with only \$150,000 authorized initially and the second \$150,000 authorized only after legislative review of the proposed Committee's activities. Mr. Chiodo added that a potential exists for the receipt of some matching federal moneys.

Senator Hutchins moved that the Council approve the recommendations made by Mr. Chiodo regarding the establishment of a five-member committee and its funding. Chairperson Avenson stated that a need exists to follow through on the excellent work completed by the Advisory Committee. Senator Husak asked if the motion included the two phases of \$150,000 funding. Senator Hutchins answered in the affirmative. Representative Carpenter asked Mr. Chiodo if his proposal was to establish the World Trade Commission as recommended in the report of the World Trade Advisory Committee. Mr. Chiodo stated that his recommendation is an intermediate step which would precede the future establishment of a World Trade Commission as a part of state government. Mr. Chiodo explained that the establishment of the Commission was seen by the Advisory Committee as the ideal solution, but that the Advisory Committee, after reviewing its final report, felt that an interim step of establishing a five-member committee answerable to the legislative branch rather than the executive branch would be the most appropriate step at this time. Responding to Senator Tieden's question on time frames, Mr. Chiodo stated that the proposed Committee could

probably complete its work in one year but that, if necessary, the Committee could be reauthorized for an additional year. Representative Stromer questioned whether the Legislature should continue to be in control of this process. Chairperson Avenson remarked that the Advisory Committee was successful, in part, because of its independence from the Department of Economic Development. The proposed Committee would give a bipartisan group a chance to continue the work of the Advisory Committee and to be insulated from the sometimes questionable objectivity of executive branch agencies in their administration of economic development projects. Representative Stromer emphasized his concern that the thrust of the process at this point in time should be on implementation as recommended in the report of the Advisory Committee. Chairperson Avenson responded that precedent does exist for legislative shaping of this type of effort, citing the bipartisan work of the recreation and tourism committees over the last several interims.

Representative Carpenter inquired about the reasons for reducing the number of business people involved from the number represented on the Advisory Committee. Chairperson Avenson stated that he would have no problem involving more business persons, if approved by the Council, but that a highly respected business person is already under consideration for membership on the proposed five-member Committee and could be appointed the chairperson of the Committee if the Council so chose. Mr. Chiodo responded that he would not oppose enlarging the Committee as long as the Committee would not become unwieldy. Representative Carpenter moved that the proposed Committee be made up of the four legislators initially proposed but that the business membership be expanded to five members and that a business person be appointed chairperson of the Committee. Senator Hutchins moved, as a substitute motion, the Carpenter amendment with a change from five to three business persons as members. Senator Coleman called the question and the substitute motion was adopted by voice vote.

Senator Hutchin's motion to approve the recommendations made by Mr. Chiodo for establishment of a Committee, as amended by the Carpenter/Hutchins motions, and for funding of the Committee, was approved by voice vote.

INVESTMENT BANKER PROPOSAL

On a matter related to world trade promotion, Chairperson Avenson explained that a proposal has come to light which would entail the retention by state government of an investment banker to promote foreign investment in Iowa. The state of Oklahoma has recently done this and has been initially successful in attracting foreign investment to the state. Chairperson Avenson asked the Council for unanimous consent to refer to the Studies Committee the proposal to establish a one or two-day interim study on the retention by the state of an investment banker. No

objection was made and the proposal was referred to the Studies Committee.

SERVICE COMMITTEE REPORT

Senator Welsh presented to the Council the written report of the Service Committee dated June 23, 1987. A copy of the report is attached to and, by this reference, made a part of these minutes. Senator Welsh reported that the Service Committee recommendations include the receipt and filing of the annual salary reports of and notification of merit step review dates for employees of the Legislative Service Bureau, Legislative Fiscal Bureau, and the Computer Support Bureau; the approval of an internal restructuring of the Legislative Fiscal Bureau; the restoration of the one-step reductions incurred by employees of the central legislative agencies who received increases in pay grades as a result of the adoption by the Council of the Report of the Comparable Worth Study; and the scheduling of a meeting of the Service Committee with the Director of the Department of General Services regarding the General Assembly's telephone system. The report of the Service Committee, as submitted, was adopted by a unanimous voice vote.

STUDIES COMMITTEE REPORT

Senator Hutchins presented to the Council the written report of the Studies Committee dated June 23, 1987. A copy of the report is attached to and, by this reference, made a part of these minutes. The report recommends the establishment of the following committees: Rural Development; Teacher Preparation Task Force; Mandatory Auto Liability Insurance; Education Trust Fund; Indigent Defense; Unemployment Insurance; Excise Taxes on Indian Lands; and Titles of Junked, Wrecked, and Salvaged Vehicles. The report includes the number of meeting days and the number of members, with authorization for their appointment by leadership. The report also recommends the approval of the following LEAG studies: State Services for Older Iowans; Head Injury Policy; and Consumer Finance Charges and Interest Rates. The RFP schedule and the publication costs and general LEAG expenses as requested are recommended for approval.

Other recommendations in the Studies Committee Report are as follows: reauthorization of the Adolescent Task Force; deauthorization of the Mental Health Bill of Rights Interim Committee and referral of Bill of Rights' issues to the Fiscal Committee; a request to the Fiscal Committee to develop a limited visitation committee process for recommendation to the Council; the reimbursement of public members of interim committees with actual expenses only; the approval of scheduling guidelines for interim committee meetings; and direction to the Legislative Fiscal Bureau to complete the performance evaluations required by legislation passed by the General

Assembly during the last session, without regard to the Governor's item vetoes.

Representative Buhr inquired as to the reason why the issue of state services for older Iowans was included as a LEAG study but not as an interim committee topic. She added that the Health and Human Rights Appropriations Subcommittee had agreed that the issue should be a topic of an interim study committee. Representative Buhr moved that the Council defer approval of the LEAG study on State Services for Older Iowans and refer to the Studies Committee the proposal to either establish an interim study committee on the subject or establish an interim study committee on the subject and approve the LEAG study as well, but with an earlier LEAG study reporting date. The motion was approved by a unanimous voice vote.

Representative Jochum reported that the Studies Committee Report should be corrected to include the citation of another bill which directed the completion of a performance evaluation by the Fiscal Bureau. Representative Jochum also observed that the Studies Committee had not approved an interim study on health care as proposed in House Concurrent Resolution 47 or on professional health care practices regulation as proposed in House Concurrent Resolution 39. He recommended that the Studies Committee consider both proposals at its next meeting, but pay special attention to the health care study proposal. Senator Hutchins agreed that the Studies Committee would consider the proposals, there being no objection by the Council.

Chairperson Avenson cautioned the Studies Committee to finalize all of its study recommendations at its next meeting, adding that the Committee would also be considering the reestablishment of a tax study committee and the establishment of a committee to review the economic development grant making process.

Representative Stromer expressed his desire that all committee study proposals be made by the Studies Committee at once in order to allow a more orderly process of appointing study committee members. Representative Stromer also asked that Senator Welsh and Representative Jochum provide the Fiscal Committee with information regarding the proposed visitation process. Chairperson Avenson suggested that he foresees no problems of duplication in reauthorizing some visitations and appointing the membership of interim study committees. Chairperson Avenson reiterated that the reactivated Tax Study Committee would probably be composed of four legislative members, the public members of the old committee still willing to serve, and new members needed to balance the Committee by party and gender. Representative Stromer added that the reimbursement policy of only actual expenses for public members of interim committees is merely a reiteration of a statutory requirement.

Senator Doyle noted that the Studies Committee should also review the establishment of a Code Editor's Committee especially in light of the failure to pass the second Code Editor's bill during the last session.

Senator Readinger inquired as to the reasons for referring the Bill of Rights issue to the Fiscal Committee. Senator Hutchins reviewed the functions of the Fiscal Committee and the veto by the Governor of the substantive bill dealing with the implementation of the Bill of Rights, explaining that the principal issue remaining is one of financing the costs of implementation.

Senator Hutchins moved that the report of the Studies Committee, as amended by the Buhr amendment, as corrected by the Jochum inclusion of another bill requiring the completion of a performance evaluation, and as supplemented by referral of other issues to the Studies Committee, be approved. The motion was approved by a unanimous voice vote.

PUBLIC POLICY RESEARCH FOUNDATION MEMBERSHIP

Chairperson Avenson announced the appointment by leadership of the following members of the Public Policy Research Foundation: Donald P. Rowen; Pam Brinton, and Jerry Falck. Chairperson Avenson asked for approval of the three members as well as approval of the appointee to be selected by Senator Hultman. The Council approved the appointments without objection.

OTHER BUSINESS

Senator Welsh announced that due to current budget projections through the end of June approximately \$684,000 will have to be transferred to cover foster care expenditures and approximately \$2,300,000 will be the deficit in the medical assistance fund.

ADJOURNMENT

There being no further business to come before the Council, Senator Coleman moved that the Council adjourn and the meeting was adjourned at 4:15 p.m. The next meeting of the Council will be upon the call of the Chairperson.

RESPECTFULLY SUBMITTED,

DONOVAN PEETERS, Secretary to the Legislative Council

RICHARD JOHNSON, Legal Counsel