

M I N U T E S  
LEGISLATIVE COUNCIL

June 29, 1983

The fifth meeting of the 1983-1984 Iowa Legislative Council was called to order by the Chairperson, Speaker Donald Avenson, at 1:45 p.m., Wednesday, June 29, 1983 in Senate Committee Room 22 of the State House in Des Moines. Council members present were:

Speaker Donald Avenson, Chairperson  
Senator Lowell L. Junkins, Vice-chairperson  
Senator James E. Briles  
Senator C. Joseph Coleman  
Senator Donald V. Doyle  
Senator Merlin D. Hulse  
Senator Calvin O. Hultman  
Senator C. W. Hutchins  
Senator Charles P. Miller  
Senator Arthur A. Small, Jr.  
Representative Dale Cochran  
Representative John Connors  
Representative Betty Hoffmann-Bright  
Representative Jean Lloyd-Jones  
Representative Lester Menke  
Representative Lowell Norland  
Representative Delwyn Stromer  
Representative Richard Welden

Also present were:

Senator Edgar H. Holden  
Mr. Dennis Prouty, Director of the Legislative Fiscal Bureau  
Mr. Serge Garrison, Director of the Legislative Service Bureau  
Mr. Bill Angrick, Citizens' Aide  
Mr. William Krahrl, Acting State Comptroller  
Mr. Burnette Koebernick, Senior Legal Council,  
Legislative Service Bureau  
Ms. Diane Bolender, Senior Research Analyst,  
Legislative Service Bureau

Also present were a number of other Iowa legislative staff persons, news media representatives, and other interested individuals.

Senator Junkins asked that the minutes of the June 6, 1983 Council meeting be clarified with regard to the payment of per diem and expenses for nonlegislative members of interim committees. It was noted that the Minutes on page 4, paragraph 2, read "Mr. Garrison explained that the Council can choose to pay per diem to nongovernmental public members." Senator Hultman moved that the Minutes be corrected to state that the Legislative Council will pay

actual expenses and mileage to nongovernmental public members of the Education Task Force. The motion was adopted. Senator Junkins moved that all nongovernmental public members of interim committees, including members of the Comparable Worth Study Committee and the Tax Study Committee be paid actual expenses and mileage. The motion was adopted. Senator Coleman interjected that the General Assembly can provide for payment of per diem to the nongovernmental public members by means of a legislative bill during the 1984 legislative session.

Senator Miller moved that the minutes of June 6, 1983 be approved as corrected. The motion was adopted.

Representative Lloyd-Jones moved that the Legislative Council receive the Educational Leave Report, and the motion was adopted.

Chairperson Avenson recognized Senator Holden for a presentation concerning the administrative rules review process. Senator Holden read his presentation, a copy of which is attached and by this reference made a part of these minutes. Senator Holden expressed hopes that the Legislative Council will find time to discuss problems relating to the oversight of administrative rules.

Senator Coleman noted that Senator Holden had requested a study of the administrative rules process either by the Legislative Council or an interim study committee. Senator Holden acknowledged the request and added that it might be possible for the Administrative Rules Review Committee to set aside three days during the current interim to meet solely for the purpose of discussing the process. Senator Coleman expressed agreement with Senator Holden's presentation.

Senator Junkins moved that copies of Senator Holden's presentation be sent to the Studies Committee for further discussion. Chairperson Avenson noted that a Legislative Procedures Study Committee has been authorized by the Legislative Council and the Studies Committee may wish to refer Senator Holden's comments to that committee. Senator Junkins's motion was adopted.

Chairperson Avenson called for the Report of the Space Committee by Senator Junkins. A copy of the Space Committee Report is attached and by this reference made a part of these minutes. Senator Junkins moved the adoption of the Report, and the motion carried.

Chairperson Avenson recognized Dr. William Farrell for a report concerning research proposals for 1983-1984 from the Legislative Extended Assistance Group (LEAG). Dr. Farrell stated that LEAG received 13 proposals for research to be performed during the summer and fall for presentation in January to the General Assembly. He distributed copies of information about each of the 13 proposals. A copy of this information may be obtained from the Legislative Service Bureau. He indicated that LEAG has attempted

to match studies with areas of focus of interim studies and has discussed the various studies with members of the legislative leadership. Dr. Farrell listed the following as LEAG proposals for studies:

1. State Policies to Facilitate the Financing of Infrastructure, \$4,925.00, Peter Fisher (Iowa).
2. Iowa Municipal Needs Assessment Study: An Analysis of Essential Municipal Services, \$4,265, Gary Mattson (Iowa State).
3. Impact Analysis of Alternative Highway Financing Methods in Iowa, \$6,506, David Forkenbrock (Iowa).
4. Child-Care Consumers: Assessing Information Needs of Iowa's Parents, \$1,120, Dorothy Pinsky and Robert Fuqua (Iowa State).
5. Emerging Problems and Opportunities for Child Day-Care Policy in Iowa, \$5,632, Lee Ann Osbun and Ardith Maney (Iowa State).

In addition, Dr. Farrell recommended a research study on intercity bus transit which would be conducted by Dr. John Fuller at a cost of \$1,500. Dr. Farrell also commented that the Iowa State Department of Transportation had agreed to pay \$8,325 for the study of an alternative highway financing method. Dr. Farrell indicated that the total cost of the proposed studies is \$23,442. He also commented that in addition to the total amount \$6,000 would be available to assist the Education Task Force to analyze the impact of the National Excellence in Education Study in Iowa. He commented that the total amount for studies is \$29,442.

Dr. Farrell added that the Leadership of the General Assembly has expressed concern about jobs creation and economic development and he suggested that if the Legislative Council wishes to add such a research proposal to its list, the study could be done for about \$3,500. Chairperson Avenson indicated that the LEAG Research Reports will be very beneficial to the General Assembly and it will be helpful for the interim committee chairpersons to guide the research.

Representative Stromer asked about how decisions will be made on the expenditure of the \$6,000 for the Education Task Force. Chairperson Avenson responded that the researchers will be contacting the chairpersons and can sort through the various educational reports and summarize the information that is applicable to Iowa. Senator Hultman commented that the researchers can serve as a resource to the Education Task Force.

Representative Lloyd-Jones noted that the LEAG research proposals in the handout include proposals relating to water resources and Iowa agriculture that weren't mentioned as final projects. Chairperson Avenson responded that the research proposals relating to water resources were not a part of the interim agenda and he had hoped that the LEAG studies would be of assistance to the interim studies. Chairperson Avenson indicated

that proposals relating to water resources and Iowa agriculture can be requested for the next interim.

Senator Junkins moved that the Legislative Council approve the recommendations for research reports given by Dr. Farrell, with the understanding that the total cost is \$3,000 above the budgeted \$30,000 amount for LEAG. The motion was adopted.

Chairperson Avenson called for the report of the Joint Administration and Service Committees, a copy of which is attached and by this reference made a part of these minutes. Representative Connors, Chairperson of the Administration Committee, moved that the Report be received by the Legislative Council, and the motion was adopted.

Noting that the Report provides that the two vendors of computers be granted thirty days to meet additional capabilities within present specifications, Senator Hultman asked whether the Legislative Council will be meeting in July. Chairperson Avenson indicated that he anticipates an August 15th Legislative Council meeting to approve a vendor for the legislative computer because he does not believe that the Legislative Council can delegate that authority. Senator Junkins commented that after the thirty-day deadline, the Joint Service and Administration Committees can meet, and the Legislative Council can meet following the joint meeting. He indicated that it may be necessary for the Legislative Council to meet earlier than August 15th. Mr. Garrison commented that he believes it is a legislative decision whether a vendor meets the requirements set forth in specifications in the Request for Proposal.

Representative Stromer asked about whether the Space Committee is selecting a site for the computer hardware. Senator Junkins responded that the Space Committee is reviewing various possibilities where the computer can be located and has been consulting with Mr. Jack Walters, Director of General Services. Senator Junkins indicated that it is necessary to decide on a vendor first before a location is found for the computer since the specifications for computers' locations are different.

Representative Cochran expressed the belief that the Service and Administration Committees have begun the process of determining the vendor for the legislative computer, and he believes that these committees should continue to make the decision. He moved that the Service and Administration Committees meet with staff and review programs with the two vendors on July 29th. Senator Junkins moved that Representative Cochran's motion be amended to state that the Chairmen of the Service and Administration Committees should work with the Directors of the Legislative Service Bureau and the Legislative Fiscal Bureau in monitoring the progress of the vendors. If the vendors wish a meeting before the thirty-day deadline, the Chairpersons are authorized to call a meeting of the Committees to view demonstrations. The amendment to the motion carried and the amended main motion carried.

Chairperson Avenson called for a report of the Studies Committee. Senator Junkins moved that the Studies Committee Report be amended by adding a requirement that the membership of the Tax Study Committee include one Democrat and one Republican from each House as ex-officio nonvoting members. He also added that language describing the study for jobs training be titled "an Economic Development and Jobs Training Study be authorized". The motion carried and the Report was adopted as amended. A copy of the revised Studies Committee Report is attached and by this reference made a part of these minutes.

Chairperson Avenson called for a report of the Service Committee. A copy of the Service Committee Report is attached and by this reference made a part of these minutes. Senator Hutchins moved the adoption of the Service Committee Report and it carried.

Senator Junkins moved that the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House name the legislative and nonlegislative members of the Commission on Professional and Occupational Regulation and submit the names to the Legislative Council at its next meeting for its approval. The motion was adopted. It was noted that on July 1st the present law for this Commission is repealed and the terms of office of the present members expire.

Chairperson Avenson introduced Mr. William Krah1, Acting Comptroller, for comments about Iowa's revenue. Mr. Krah1 distributed copies of a memorandum concerning general fund receipts which indicates that the Acting State Comptroller is estimating an ending General Fund balance of approximately \$1 million on June 30, 1983. A copy of Mr. Krah1's memo is attached and by this reference made a part of these minutes.

Senator Junkins asked how Mr. Krah1 arrived at a \$1 million balance. Mr. Krah1 responded that the figure was arrived at by adding accrued sales tax, use tax, income tax, county treasurer's remittances, and \$45 million accrued in state income tax withholding. Mr. Krah1 commented that the state is now on a consistent basis with generally accepted accounting practices for accrual accounting systems. Mr. Krah1 commented that Senate File 540, which was passed in 1983, contains criteria dealing with encumbrances over the year end and estimates of the encumbrances have ranged from \$5 million to \$15 million. He indicated that projections made by the State Comptroller's office used the \$5 million figure.

Senator Junkins asked about whether the June school aid payment will actually be made in the next fiscal year. Mr. Krah1 responded in the affirmative, commenting that schools were informed of this fact earlier in the fiscal year and the amount paid in July or August will equal around \$90 million.

Representative Norland, noting that the \$45 million worth of income tax withholding has been accrued, asked how this will affect

revenue projections for the 1983-1984 fiscal year. Mr. Krah1 responded that the Comptroller's office is conducting an extensive review of the estimated projections for the 1984 fiscal year and will be making recommendations to the Governor. He indicated that the Comptroller's office has made projections of the General Fund balance at the end of the 1983-1984 fiscal year of from \$15 million to \$20 million, using an assumption of a 7% growth rate.

In noting the precarious fiscal position of the state, Representative Norland suggested that the Legislative Fiscal Committee should maintain a close watch over state revenues and the effects of the ending General Fund balance on June 30, 1983, together with realistic figures for revenue during the next following fiscal year. It was noted that without adjustments made during the 1983 legislative session, the General Fund balance would have been about \$140 million less than actually occurred.

Representative Stromer asked whether the State Comptroller can wait for June 30th postmarked receipts in calculating the ending General Fund balance. Mr. Krah1 responded in the negative, commenting that the state must actually have received the receipts. He also commented that in 1970 the State Comptroller projected a deficit balance and since the Treasurer of State still had cash on hand, the state continued operating.

Senator Hutchins asked whether the ending General Fund balance is based upon anticipated taxes not due until later. Mr. Krah1 responded in the negative, commenting that the state will receive taxes already in the hands of the agents.

Mr. Krah1 explained that the members of the General Assembly will receive a revised report on the actual General Fund ending balance later during the year. He commented that the report is due by law on October 1st and he is not sure when the actual figures will be released.

Representative Welden asked whether if the actual balance is less than zero, it is a serious matter for the state? Mr. Krah1 responded that there is a possibility there could be a deficit in the General Fund, but a minor deficit in the General Fund will not trigger in a state property tax levy.

Chairperson Avenson described the downward revisions in the projected General Fund balance which occurred during the fiscal year, and suggested that there are serious implications for positive revenue growth during the next fiscal year. Representative Norland moved that the Legislative Fiscal Director, in cooperation with the Acting State Comptroller, keep the members of the General Assembly informed as often as is required concerning the state General Fund cash flow. He moved that the Legislative Fiscal Committee monitor the cash flow and receipts as necessary during the next fiscal year. Representative Welden seconded the motion, and it carried. Chairperson Avenson asked the Legislative Fiscal Committee to report to the Legislative Council at its next meeting concerning the General Fund revenues.

Mr. Prouty stated that the Legislative Fiscal Bureau will change its revenue estimate about the middle of July. He agreed that any fiscal measures taken during the fiscal year ending June 30, 1983 will affect revenues during the next fiscal year.

Senator Junkins asked about Mr. Prouty's views concerning the ending General Fund balance on June 30, 1984. Mr. Prouty indicated that using the Governor's recommended appropriations in April, there will be a \$27 million deficit. Mr. Krahll interjected that the Governor has indicated that the balance will be approximately \$10 million. Senator Small commented that during the next fiscal year \$47.8 million has already been expended for salary increases for state employees. Chairperson Avenson also commented that Governor Branstad vetoed some revenue triggers, the establishment of a state lottery, and legislation relating to the development of jobs. He indicated that all these potentially could reduce revenue during the 1984 fiscal year.

Representative Norland indicated that he is interested in information about the cash on hand in the state General Fund.

It was determined that the next meeting of the Legislative Council will be tentatively set for August 22nd, but could be changed to another day if necessary, based on the results of the meetings with the computer vendors.

The Legislative Council adjourned at 3:45 p.m.

Respectfully submitted,

SERGE H. GARRISON  
Director

DIANE BOLENDER  
Senior Research Analyst

7/11/83  
Council/24