

M I N U T E S  
IOWA LEGISLATIVE COUNCIL

September 27, 1988

PRELIMINARY BUSINESS

The thirteenth meeting of the 1987-1988 Legislative Council was called to order by Speaker Donald D. Avenson, Chairperson, at 1:50 p.m. on Tuesday, September 27, 1988, in Committee Room 22 of the State House, Des Moines, Iowa. Members present in addition to the Chairperson were:

Senator Bill Hutchins, Vice Chairperson  
Senator Calvin Hultman  
Senator George Kinley  
Senator Joe Welsh  
Senator Dale Tieden  
Senator C. Joseph Coleman  
Senator Donald Doyle  
Senator Lee Holt  
Senator David Readinger  
Representative Robert Arnould  
Representative Florence Buhr  
Representative Kay Chapman  
Representative John Connors  
Representative William Harbor  
Representative Thomas Jochum  
Representative Delwyn Stromer  
Representative Harold Van Maanen

Also present were Mr. Patrick Cavanaugh, Department of Management; Mr. Lynn Barney, Deputy Director, Department of Management; Donovan Peeters, Director, Legislative Service Bureau; Diane Bolender, Research Division Chief, Legislative Service Bureau; Richard Johnson, Legal Division Chief, Legislative Service Bureau; John Pollak, Research Analyst, Legislative Service Bureau; Thane R. Johnson, Senior Research Analyst, Legislative Service Bureau; other legislative staff members, representatives of the news media; and other interested persons.

Representative Stromer moved to dispense with the roll call and the reading of the minutes of the August 25th meeting and that the minutes of the August 25th meeting be approved as submitted. The motion was adopted unanimously.

PATRICK CAVANAUGH, DEPARTMENT OF MANAGEMENT, PRESENTATION

Upon recognizing Mr. Cavanaugh, Chairperson Avenson noted that the reversion estimates presented by the Department of Management in early June, 1988, were substantially different than the estimated actual reversions as of July 1, 1988. He asked Mr. Cavanaugh to explain why the significant change in the reversions was not foreseen by the Department. Mr. Cavanaugh responded that expenditures in the areas of medical assistance and aid to dependent children are very difficult to estimate with any accuracy. He stated that additional expenditures totalling approximately \$11 million were needed to complete the fiscal year 1988. Mr. Cavanaugh added that he is sorry that the June estimate was too optimistic but it is difficult to estimate certain expenditure levels even on a monthly basis.

Chairperson Avenson commented that there is a growing cynicism among members of the General Assembly when they are told by the Department that certain funding revenue levels are available and all of a sudden the balances are no longer available. He added that there is at least an appearance of a manipulation and it makes it difficult for the General Assembly to exercise its responsibility regarding funding and appropriation. Chairperson Avenson asked Mr. Cavanaugh if he had any ideas on how the General Assembly can help to improve the current situation so that these situations will not reoccur. Mr. Cavanaugh responded that he believes the General Assembly has given the Department good tools to carry out its revenue estimating responsibilities. He added that a modified accrual accounting system is being developed and should be an improvement. Representative Stromer commented that he believes one problem in the Medicare area which causes considerable fluctuation is that medical doctors tend to over-practice causing substantially inflated rates.

In reply to a question by Vice Chairperson Hutchins, Mr. Cavanaugh stated that the current expenditure levels on medicaid do fluctuate substantially but that he believes the increases are growing at a slower rate this year compared to last year.

Based on the June reversion estimates provided by the Department, Senator Welsh asked what state agencies are not reverting the expected amount. Mr. Cavanaugh responded that the 1988 estimated reversions are based only on the 1987 estimates and that therefore a breakdown of these reversions by program or department is not possible.

In reply to a question by Representative Buhr, Mr. Cavanaugh stated that the medicaid claims fluctuate from 15 to 20 thousand per week. These claims are coded into the auditing system to

check if the claim is covered by the medicaid program. He added that the "suspend" file has increased by approximately by \$900,000 in questionable charges each week.

After further discussion, Representative Harbor moved that Mr. Cavanaugh be requested to submit recommendations to the Legislative Council on what the Department needs to improve the fiscal projections for the various troublesome entitlement programs relating to revenue, spending, and reversion estimates.

Chairperson Avenson asked Mr. Cavanaugh if he would object to the revenue estimating committee also providing estimates for the school aid formula. Mr. Cavanaugh responded that he would have to consider this proposal and would not be able to make a commitment at this time.

Representative Van Maanen commented that the Department and the Council should consider the possibility of not using the new reversions for budgetary purposes and that any amount reverted should be placed in a "rainy day" fund.

After further discussion Representative Harbor's motion was adopted. (Materials presented by DOM are attached.)

#### PUBLICATION OF ELECTION CODE

Chairperson Avenson noted that a letter has been received from Secretary of State Elaine Baxter requesting that the Legislative Service Bureau publish and update a loose-leaf edition of the Election Code. He added that the Code Editor has authority to proceed with the publication if there is no objection. There being no objection from the Legislative Council, the publication of the Election Code will proceed. A copy of the letter and memorandum are attached to and by this reference made a part of these minutes.

#### NEW MEMBER LEGISLATIVE ORIENTATION CONFERENCE

Chairperson Avenson recognized Mr. Peeters who outlined the current status of the New Member Legislative Orientation Conference being planned by the Legislative Service Bureau. He stated that the Bureau is updating a legislative handbook designed primarily for new legislators and will contact the National Conference of State Legislatures for resource materials and services. Vice Chairperson Hutchins moved that the report be received. The motion was adopted. A copy of the memorandum is attached to and by this reference made a part of these minutes.

REPORT OF THE LEGISLATIVE FISCAL COMMITTEE

Chairperson Avenson recognized Representative Jochum for the report of the Legislative Fiscal Committee. Representative Jochum briefly outlined the report of the Fiscal Committee for the meeting of September 8 and 9, 1988. Representative Jochum moved that the report be received. The motion was adopted. A copy of the Report of the Legislative Fiscal Committee is attached to and by this reference made a part of these minutes.

REPORT OF THE LEGISLATIVE PROCEDURES COMMITTEE

Chairperson Avenson next recognized Mr. Dennis Prouty, Director, Legislative Fiscal Bureau, and Mr. Donovan Peeters, Director, Legislative Service Bureau to briefly summarize the recommendations of the Legislative Procedures Committee to the Legislative Council.

In reply to a question by Senator Coleman, Speaker Avenson stated that the proposed guidelines for interim study committees do not apply to the current interim, but would be effective for the 1989 Interim.

After further discussion Vice Chairperson Hutchins moved that the Report of the Legislative Procedures Committee be adopted. The motion was adopted unanimously. A copy of the Report of the Legislative Procedures Committee is attached to and by this reference made a part of these minutes.

REPORT OF THE STUDIES COMMITTEE

Chairperson Avenson recognized Vice Chairperson Hutchins for the Report of the Studies Committee. Vice Chairperson Hutchins reviewed the recommendations of the Studies Committee.

Concerning the recommendation to create an interim study committee to study the aflatoxin problem in the state, Representative Stromer stated that he does not believe there is anything the Iowa General Assembly can do concerning the aflatoxin problem. In response to a question by Representative Stromer, Senator Coleman stated that he does not believe there is much anyone in Iowa can do to address the problems which may occur from aflatoxin. He stated that many corn companies have studied the problem for many years. He added that there are federal guidelines related to the aflatoxin problem.

Representative Harbor commented that grain dealers must deal with this problem often but that he does not believe there is a serious problem in Iowa as present.

After further discussion Representative Stromer moved to delete the recommendation for an aflatoxin study from the Report.

Vice Chairperson Hutchins stated that he believes the aflatoxin study can be useful if for no other reason than bringing direct attention to the problem and requesting federal action on the problem if it becomes serious.

On a roll call vote there were ten nos, four passes, and two ayes. The motion was defeated. Those voting no were Chairperson Avenson, Vice Chairperson Hutchins, Senator Coleman, Senator Doyle, Senator Kinley, Representative Arnould, Representative Chapman, Representative Connors, Representative Harbor, and Representative Jochum. Those voting pass were Senator Hultman, Senator Holt, Senator Readinger, and Representative Buhr. Those voting aye were Representative Stromer and Representative Van Maanen.

Concerning the Studies Committee action concerning the expenditure of \$250 thousand for a study of juvenile correction facilities, Representative Van Maanen asked that the Legislative Service Bureau notify Mr. Paul Grossheim, Director of Corrections, of the Studies Committee and Legislative Council action.

There being no further comment, Vice Chairperson Hutchins moved the adoption of the Report of the Studies Committee. The motion was adopted. A copy of the Report of the Studies Committee is attached to and by this reference made a part of these minutes.

#### LEGISLATIVE STAFF DISPLACEMENT

Chairperson Avenson noted that the Fiscal Director's Conference Room and several offices of the Legislative Fiscal Bureau and the Legislative Service Bureau will be directly affected by the remodeling and renovation of the East Portico of the State House. He added that Mr. Walters, Director, Department of General Services, should be given notice that additional space will be needed in the State House to accommodate the displaced legislative employees resulting from the remodeling and renovation of the East portico.

After further discussion, Representative Connors moved that Mr. Jack Walters, Director, Department of General Services, be given notice of the need for additional office space within the State House to accommodate legislative staff and the conference room which will be displaced as a result of the remodeling and reconstruction of the East Portico area. The motion was adopted.

DEPOSITION FOR LAWSUIT CANCELED

Senator Welsh stated that he and Representative Jochum wish to notify the Legislative Council that they are canceling any appointment to give depositions in a lawsuit which has been pending for three years. He stated that the attorneys for the defendant apparently have deliberately canceled several appointments to obtain depositions from Representative Jochum and himself and that it appears to be a maneuver to deliberately extend the duration of the lawsuit.

ADJOURNMENT

Senator Hultman moved that the Legislative Council adjourn as of 3:06 p.m. The motion was adopted.

Respectfully submitted,

DONOVAN PEETERS, Director  
Legislative Service Bureau

THANE R. JOHNSON, Senior Research Analyst  
Legislative Service Bureau