

M I N U T E S

IOWA LEGISLATIVE COUNCIL

April 28, 1976

The twelfth meeting of the 1975-1976 Iowa Legislative Council was called to order at 8:20 a.m., Wednesday, April 28, 1976 in the Speaker's Room of the State House, Des Moines. Members attending the meeting were:

Speaker of the House Dale M. Cochran, Chairperson
President Pro Tem of the Senate Minnette Doderer, Vice
Chairperson
Senator Lucas J. DeKoster
Senate Eugene M. Hill
Senator Clifton C. Lamborn
Senator Steve Sovern
Senator Bass Van Gilst
Representative Elmer H. Den Herder
Representative Donald V. Doyle
Representative Keith Dunton
Representative William J. Hargrave
Representative Floyd H. Millen
Representative Delwyn Stromer

Legislative staff personnel attending the meeting were Legislative Fiscal Director Gerry D. Rankin, Dennis Prouty and Marilyn Farr of the Legislative Fiscal Bureau, and Phil Burks and Burnette Koebernick of the Legislative Service Bureau.

Chairperson Cochran stated that the purpose of the present meeting would be to hear the report of the firm of Coopers & Lybrand on their study conducted pursuant to authorization of the Legislative Council at its previous meeting. (See minutes of Council's March 11, 1976 meeting, pages 1-4.) He added that Coopers & Lybrand would also present a demonstration of their capabilities in data base and state information systems.

Chairperson Cochran then recognized Mr. Pat Charles of Coopers & Lybrand, who in turn introduced his colleagues, Don McInnes, Dean Morgan and Walt Charnagle. Mr. Charles distributed to Council members present copies of a booklet entitled "State of Iowa Interactive Budgeting and Monitoring Systems: Phase I, April 28, 1976." The booklet is on file with the Legislative Fiscal Bureau.

Mr. Charles and his colleagues summarized the report presented in the booklet they had distributed, and presented a demonstration of the operation of certain equipment which would be a part of the budget analysis and fiscal monitoring system that they propose for the State of Iowa. At the conclusion of the presentation, Mr. Charles noted that it had necessarily been

somewhat brief and general, since the House of Representatives was scheduled to convene at 9:00 a.m. However, he noted that the equipment used in the presentation would remain in the Speaker's Room for most of the day, and that he and his colleagues would be available to demonstrate its use and to answer questions from Council members and other legislators.

The meeting was adjourned at 9:00 a.m.

May 20, 1976

The thirteenth meeting of the 1975-1976 Iowa Legislative Council was called to order at 12:20 p.m., Thursday, May 20, 1976 in the Speaker's Room of the State House, Des Moines.

Members attending the meeting were:

Speaker of the House, Dale M. Cochran, Chairperson
Lieutenant Governor Arthur A. Neu
Senator Lucas J. DeKoster
Senator Eugene M. Hill
Senator George R. Kinley
Senator Clifton C. Lamborn
Senator William D. Palmer
Senator Bass Van Gilst
Representative Elmer H. Den Herder
Representative Keith Dunton
Representative Jerome Fitzgerald
Representative William J. Hargrave
Representative James Middleswart
Representative Floyd H. Millen
Representative Delwyn Stromer
Representative Andrew Varley

Also in attendance were a number of legislative staff personnel.

Chairperson Cochran noted that the proposal for adoption by the State of Iowa of an interactive budgeting and monitoring system had been discussed by Council members at three earlier meetings during the current session of the General Assembly, and has been under study by the consulting firm Coopers & Lybrand. He stated that the purpose of the present meeting was to consider a memorandum submitted to the Council from its Subcommittee on a State of Iowa Interactive Budgeting and Monitoring System.

Chairperson Cochran then recognized Representative Dunton, chairperson of the Subcommittee, who noted that the Subcommittee had met on the previous day. At that meeting the Subcommittee had analyzed the Coopers & Lybrand report submitted April 28, 1976, as well as additional information on costs and benefits on the proposed budgeting and monitoring systems which was not included in the Coopers & Lybrand report.

Representative Dunton then called upon Dennis Prouty of the Legislative Fiscal Bureau to continue the presentation of information to the Council.

After brief introductory remarks, Mr. Prouty deferred to Marilyn Farr of the Legislative Fiscal Bureau, who reviewed the memorandum submitted to the Legislative Council by the Subcommittee. A copy of the memorandum, as corrected by an additional sheet provided at the meeting, is attached to and by this reference made a part of these minutes. Copies of the memorandum were distributed to Council members present at the meeting.

Noting the figures on page 3 of the memorandum indicate that the total cost of the proposed system for the first year will be \$473,000, Lieutenant Governor Neu inquired of Representative Dunton whether that amount is included in the overall budget projected by Representative Dunton. Representative Dunton replied that the budget on which his figures are based does not include plans for the proposed interactive budgeting and monitoring system, but that those costs could be worked into the budget.

Representative Varley raised questions about exactly what the Legislative Council would receive from Coopers & Lybrand for the proposed expenditure of \$387,000 under a contract with that firm. In response, Ms. Farr stated that the proposed contract would obligate Coopers & Lybrand to provide development of system specifications according to the requirements of the Iowa Legislature, supervision of programming required, documentation of systems, implementation of systems, and training of user personnel. The firm will be available for consultation at all levels and will be responsible for project coordination and management for the period of the contract.

Representative Varley commented that it seems rather extraordinary that the Legislative Council is in the position of receiving from one of its subcommittees a recommendation, based on a consultant's report, that the Council enter into a sizable contract with that consultant. He added that he feels this situation is not to the Council's advantage. Ms. Farr expressed the view that Coopers & Lybrand is, at present, the only available source of the kind of expertise that would be required to carry out the proposed project.

Representative Varley then explored the reasons for the recommendation for temporary utilization of the computer facilities at Drake University. Ms. Farr replied that this arrangement will save the state time and money in initiating the proposed program, and will afford convenient access to the needed computer equipment. In response to further inquiries, she stated that it is proposed to shift to computer equipment which will be installed at the University of Iowa in Iowa City as soon as that equipment becomes available, because it is felt that it would be better to have the project utilize equipment under direct control of the state on a permanent basis. She added that Drake University will derive some advantages from the temporary arrangement from the state during the time it is in effect and would be quite willing to make the arrangement with it permanent if the state wished to do so.

Representative Varley then inquired whether it is not true that the information which will be programmed into the computer facilities at Drake University, and subsequently at the University of Iowa, will be the same as what is now programmed into the computers under the control of the State Comptroller. Ms. Farr replied that that is true to some extent, but that some of the information involved is not readily accessible from the Comptroller's computers because it is mixed with other information and is not readily separable.

After further discussion, Representative Varley asked what it would cost the State of Iowa to develop "in-house" the same capability as would be offered by the proposed interactive budgeting and monitoring system to be installed by Coopers & Lybrand.

In responding to this question, Ms. Farr indicated that the Comptroller's Data Processing facilities are presently busy with a number of other things, including some new responsibilities assigned by the present session of the General Assembly such as maintenance of voter registration records. She added that Mr. Dale Nelson, one of the data processing administrators in the Comptroller's office, had indicated that in-house development of such a system is not a task that his agency particularly wishes to undertake.

Senator Hill noted that while the proposed contract with Coopers & Lybrand sounds like a rather large expenditure, it should be kept in mind that the firm will have to pay support for its own people out of this money. He expressed the view that other consultant firms are not equally qualified to do the job for the State of Iowa that Coopers & Lybrand will be able to do. Ms. Farr agreed, adding that other firms which would be interested in bidding on such a contract would probably be seeking experience at the expense of the State of Iowa.

Representative Stromer observed that the Council could seek additional bids on installation of the proposed interactive budgeting and monitoring system, but that it is first necessary for Council members to decide whether in fact they wish to have this project undertaken or not. He added that, while he is not completely convinced that the project is basically desirable, he does agree that if it is undertaken the Council should check the qualifications of any firm other than Coopers & Lybrand very carefully before entering into a contract with such a firm.

Senator DeKoster said he does not believe the State of Iowa could develop an interactive budgeting and monitoring system itself as cheaply as it could employ the Coopers & Lybrand firm to do so. He added that if the state did attempt to develop the system in-house, it might find it necessary to employ people who would not actually be needed on a permanent basis but who could not

easily be taken off the state payroll when the development of the system is completed. Representative Den Herder expressed agreement with this view.

Representative Varley said it was not the intent of his earlier comments to suggest that the Council seek alternative bids, adding that when it is decided to purchase computer software, it is necessary as a practical matter to purchase it from the vendor who has it. However, he suggested that the State of Iowa will pay a sizable premium to apply the software which Coopers & Lybrand has developed for the State of Washington to Iowa's situation. He questioned whether the State of Washington's system is so superior as to justify such a cost, and suggested that instead Iowa start with what it presently has and direct its people to develop the desired capability themselves. He acknowledged that this procedure might require more time than employing Coopers & Lybrand to do the job, but expressed the belief that the end result might be preferable.

Chairperson Cochran suggested that the two committees proposed in the Subcommittee's memorandum to the Council are intended to help adjust the Washington system to Iowa, and that this might meet some of Representative Varley's concerns.

Ms. Farr emphasized that she does not wish to be in the position of arguing with Council members or defending the Coopers & Lybrand firm, but said she does believe that development of an interactive budgeting and monitoring system on an in-house basis will take a longer time and require more equipment than would otherwise be necessary.

Senator Palmer expressed agreement with Ms. Farr. He said that the Washington system's capabilities would be quite helpful in Iowa at the present time. He added there is no question that such a system could be developed on an in-house basis given adequate time and money. He also commented that perhaps Iowa should adopt some of the features which presently distinguish the State of Washington's appropriation process from that used in Iowa, particularly mentioning appropriation of federal funds to various agencies and purposes by the state legislature.

Senator DeKoster stated that the question is whether Iowa has or can quickly develop the necessary staff expertise to extract the information that will be available in the interactive budgeting and monitoring system. He added that if the Council elects to have Coopers & Lybrand develop such a system, he believes it is desirable to think in terms of obtaining the type of computer that Drake University now has and the University of Iowa is about to acquire, rather than attempting to modify the system to existing computer equipment in the Capitol complex or utilize the University's computers on a remote basis.

Representative Stromer, noting Chairperson Cochran's earlier comments regarding the legislative Information System

Management Committee proposed in the Subcommittee's memorandum, expressed concern about what he termed fragmentation of legislative administration committees. He suggested that possibly the Legislative Council, as such, should fulfill this function.

Lieutenant Governor Neu raised the question whether the Council is contemplating contracting with Coopers & Lybrand under the authority given in section 2.12 of the Code to expend money from the general fund to meet needs of the Legislature, or whether the intent is to prepare and pass a specific appropriation bill for this purpose. He added he has no strong feelings one way or the other but does feel very definitely that the Council's minutes should clearly indicate which alternative is intended. Chairperson Cochran indicated that he assumed the Council would proceed under 2.12 of the Code.

These remarks led to some discussion, in the course of which Legislative Service Bureau Director Serge Garrison pointed out that the proposed interactive budgeting and monitoring system is intended to be available to and utilized by the executive branch as well as the Legislature and that therefore it might not be appropriate to pay the entire cost under section 2.12 of the Code. Representatives Varley and Stromer expressed opposition to using section 2.12 at a time when the General Assembly is in session, expressing the view that this authority is intended primarily to permit the Council to meet relatively limited needs of the General Assembly during interims between sessions.

Chairperson Cochran inquired of Ms. Farr whether the figures for the first year listed on page 3 of the Subcommittee's memorandum are to be considered definite. Ms. Farr responded to the effect that the figures are now fairly firm and Mr. Prouty agreed.

Representative Dunton moved that the Legislative Council authorize the conclusion of a contract with Coopers & Lybrand to proceed with installation of an interactive budgeting and monitoring system in Iowa as proposed by the Subcommittee's memorandum.

Representative Hargrave moved to amend Representative Dunton's motion so as to provide that the Council receive the memorandum but take no specific action on it at this time. In response to an inquiry by Chairperson Cochran, Representative Hargrave stated that the intent of his motion is to permit Council members to study the memorandum at greater length and make a final decision on the matter at a later time. In answer to another question from Senator Hill, Representative Hargrave expressed belief that he would be ready to make such a decision by June first.

Senator DeKoster noted that if it is intended to use the regular appropriation process, and no decision is made until early June, that would probably mean delaying the matter for another year

since the General Assembly would presumably have adjourned by that time. Lieutenant Governor Neu said that the present session could pass an appropriation bill which would be drafted so as to make the actual expenditure contingent on approval of the Legislative Council. Representative Middleswart said he is reluctant to bind the state for a half million dollars on the basis of the information available to them at the present moment.

In response to a question from Chairperson Cochran, Ms. Farr stated that if it is the intent of the General Assembly to make use of the interactive budgeting and monitoring system for the next budget cycle, the installation and development of the system would have to begin not later than July first. She added that this in turn means that the Legislative Fiscal Bureau needs to begin necessary preparations immediately, since it is likely that employment of competent personnel will involve their transition from another job where they would have to give notice of resignation. Chairperson Cochran then suggested that the Legislative Council plan to meet on Wednesday, June 9 and make a decision at that time. Ms. Farr commented that delaying the decision until that date would be cutting matters very close in terms of beginning the project on July first. Representative Hargrave said that he sees no need to begin the project exactly on the first day of the month, and suggested that if it can be begun during the first half of July this should be sufficient.

After further discussion, Representative Dunton seconded Representative Hargrave's substitute for Representative Dunton's original motion. The substitute motion was adopted by a unanimous voice vote.

Representative Stromer then moved that the Council direct the drafting of an appropriation bill in the amount for the items listed under the first year's costs on page 3 of the Subcommittee's memorandum to the Legislative Council, the actual expenditure to be conditioned upon final approval by the Council.

Representative Hargrave expressed opposition to the motion by Representative Stromer. After a brief discussion, Senator Palmer moved as a substitute for Representative Stromer's motion that the Legislative Council recommend to the respective appropriations committees of the Senate and the House of Representatives that a bill as contemplated by Representative Stromer's motion be drafted for their consideration. The substitute motion was seconded by Representative Dunton and, after a short discussion, adopted by a unanimous voice vote.

No objection being expressed by Council members, Chairperson Cochran indicated that the Council's next meeting would be held on Wednesday, June 9. He added that he anticipates that a decision will be made on the contract with Coopers & Lybrand for development and installation of an interactive budgeting and monitoring system during the course of that meeting.

The meeting was adjourned at 1:15 p.m.

Respectfully submitted,

SERGE H. GARRISON
Director

PHILIP E. BURKS
Senior Research Analyst