

# M I N U T E S

## LEGISLATIVE COUNCIL

September 10, 1980

The seventeenth meeting of the 1979-1980 Legislative Council was called to order at 2:20 p.m., Wednesday, September 10, 1980 in Committee Room 22 of the State House in Des Moines. Council members attending were:

Senator Calvin O. Hultman, Vice Chairperson  
Lt. Governor Terry E. Branstad  
Senator James E. Briles  
Senator C. Joseph Coleman  
Senator Willard R. Hansen  
Senator John S. Murray  
Senator William D. Palmer  
Senator Richard R. Ramsey  
Senator Ray Taylor  
Representative Don Avenson  
Representative Roger A. Halvorson  
Representative Ingwer L. Hansen  
Representative Norman Jesse  
Representative Delwyn D. Stromer  
Representative Richard W. Welden

Other persons present for the meeting were:

Representative Ned Chiodo  
Mr. Stanley McCausland, Director of General Services  
Mr. Michael Reagan, Commissioner of Social Services  
Dr. William J. Farrell, LEAG, University of Iowa  
Mr. Pat Cavanaugh, Director of Administration, Department of Social Services  
Mr. Gerry Rankin, Legislative Fiscal Director  
Mr. Serge Garrison, Director of the Legislative Service Bureau  
Ms. Diane Bolender, Senior Research Analyst, Legislative Service Bureau  
Mr. Bernie Koebernick, Senior Legal Counsel, Legislative Service Bureau

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

Senator Taylor moved that the minutes of the August 13 Council meeting be approved as submitted to Council members and the motion was adopted.

Vice Chairperson Hultman recognized Dr. Farrell for comments. Dr. Farrell stated that the Legislative Council had previously ap-

proved a grant request to the National Science Foundation for funds for a program between LEAG (Legislative Extended Assistance Group project) and the General Assembly to secure matching funds for technical and scientific assistance to the General Assembly. He noted that the Legislative Council had authorized the expenditure of up to \$30,000 for the project. Dr. Farrell commented that he had viewed the request as an opportunity to extend LEAG beyond cooperation on environmental issues. Dr. Farrell stated that on August 15 Speaker Harbor had received a letter which indicated that the National Science Foundation had turned down the proposal. Dr. Farrell listed some of the problem areas described in the letter and expressed the belief that the criticisms were answerable and it would be worthwhile for the General Assembly to reapply. He noted that the deadline for applications for the program is October 6.

Representative Stromer asked how the reapplication would differ from the original application. Dr. Farrell responded that the reapplication would not differ markedly from the original application, but explanations answering some of the criticisms would be provided.

Senator Hansen commented that he had introduced a bill in 1980 which provided a more comprehensive approach to cooperative endeavors between the state universities and the General Assembly. He distributed copies of Senate File 2196.

Senator Coleman moved that Dr. Farrell be authorized to renew the application for the grant. Senator Murray noted that the Legislative Council had authorized an expenditure of up to \$30,000 for the earlier grant and since it is important for the General Assembly to share responsibility for balancing the budget, he suggested reducing the approved amount to \$28,500. Senator Coleman accepted Senator Murray's amendment and the motion was adopted.

Senator Hansen moved approval of the Educational Leave Report which had been distributed to Council members. A copy of the report may be obtained upon request to the Legislative Service Bureau. Senator Hansen's motion carried.

Representative Stromer read the report of the Service Committee, a copy of which is attached to the minutes and by reference made a part thereof, and moved its adoption. The Service Committee report was adopted with Representative Welden voting in the negative because of opposition to the change in bill drafting procedure which deletes the requirement that bills become effective January first following their enactment.

Vice Chairperson Hultman called for Senator Ramsey to make the report of the Studies Committee. Senator Ramsey moved acceptance of the report, a copy of which is attached and by reference made a part of these minutes. Representative Halvorson asked why provision number 1 requires the respective Standing Committees on Commerce to meet prior to the October meeting of the Legislative Council to review subject matter relating to public utilities and

rate increases. He moved that the provision relating to the October meeting of the Legislative Council be stricken because he does not want to require the meeting to be held before sufficient information has been compiled to make an intelligent decision.

Representative Avenson moved a substitute motion that an interim committee be established by the Legislative Council to conduct a study including the following four areas:

1. A study of the extended period of time required by the Commerce Commission to evaluate and act upon requests for rate increases.
2. A proposal to allow the Commerce Commission to set interim rates while a final rate is being negotiated rather than allowing the utility to collect the rate request under bond.
3. A proposal to grant the Commerce Commission the authority to refund excess profits of utilities to the customers.
4. Any alternatives for rate structures.

Representative Halvorson agreed to withdraw his motion and Representative Avenson withdrew his motion and Senator Ramsey moved that the report of the Studies Committee be received by the Legislative Council. Senator Ramsey's motion was adopted.

Representative Halvorson remade his motion to delete the deadline for a meeting date of the Commerce Committees. Representative Avenson remade his substitute motion to establish a study.

Representative Hansen moved an amendment to Representative Avenson's motion that the Subcommittee be granted two two-day meetings.

Senator Ramsey noted that the meeting of the Commerce Committees will be their regular one-day meeting authorized under the Code. He expressed the belief that an interim study of this issue took place a couple of years ago and it does not appear that there is any new information since then.

Senator Palmer urged adoption of the motion for the study, commenting that a number of areas need to be addressed, such as how to incorporate major repairs into the rate structure. He asked for five members from each house.

Vice Chairperson Hultman agreed that comments could be made by Representative Chiodo who had requested the study at the August meeting of the Legislative Council. Representative Chiodo read from newspaper clippings which quoted Chairperson Varley of the Commerce Commission stating that he had questions about the present law relating to utility rate increases and felt that there were changes that could be made.

Representative Stromer suggested that in lieu of an interim study, Chairperson Varley could submit his recommendations in bill form.

Representative Jesse expressed support for Representative Avenson's motion, commenting that an interim study reviewing utility problems is long overdue.

Representative Hansen's motion for two two-day meetings was adopted.

Senator Murray moved that Representative Avenson's motion be amended to establish a study composed of ten persons, five members from each house. The motion carried.

Senator Coleman moved that Representative Avenson's amended motion be further amended to limit the number of meetings to one two-day meeting. Representative Hansen expressed support for Senator Coleman's motion. The motion carried on a voice vote with Representative Jesse voting in the negative.

Representative Avenson's amended motion failed with nine affirmative votes by Senators Briles, Coleman, Murray, and Palmer and Representatives Avenson, Hansen, Jesse, Stromer, and Welden; and five negative votes by Vice Chairperson Hultman and Senators Hansen, Ramsey and Taylor and Representative Halvorson. An action of the Legislative Council requires eleven affirmative votes.

The Legislative Council returned to consideration of the Halvorson amendment to strike the October deadline. Representative Avenson expressed opposition to Representative Halvorson's motion, commenting that it will give the Subcommittee too little time to complete its study. Representative Halvorson responded that he wants to ensure that the chairpersons of the Commerce Committees have all the information to make a decision. Representative Halvorson's motion was adopted on a voice vote.

Senator Ramsey moved the adoption of item number 1 in the report of the Studies Committee. The motion carried.

With regard to the second recommendation of the Studies Committee that the Grain Elevator and Grain Grading Subcommittee be granted two additional meeting days, Senator Palmer moved that the number of additional days be reduced to one. Senator Palmer's motion was adopted and Senator Ramsey's motion to approve the second recommendation as amended was adopted.

With regard to the third recommendation that one additional meeting day be authorized for the Funeral Directors Study Subcommittee, Senator Palmer moved that the additional day not be granted. A letter from the Co-chairpersons was read listing the reasons why the additional day was needed. Senator Palmer's motion failed on a division with six affirmative and seven negative votes.

Senator Ramsey moved adoption of the third recommendation and it carried.

With regard to the fourth recommendation that the Fair Play Study be deleted from the list of interim studies and the proposal be referred, without recommendation, to the Legislative Council, Representative Hansen, who has been designated as temporary House chairperson, expressed the belief that two meetings are not sufficient to make any meaningful decisions in the area. Representative Stromer moved that recommendation four be deleted and that temporary co-chairpersons Nystrom and Hansen take appropriate action. The motion carried.

Vice Chairperson Hultman moved the adoption of the report of the Administration Committee which relates to change orders submitted by Breiholz Construction Company relating to necessary placement of marble and patching plaster. A copy of the report of the Administration Committee is attached and by this reference made a part of these minutes. The report was adopted.

Mr. McCausland showed Council members a videotape which could be used to display the daily legislative schedule on television monitors. He explained that the installation of a coaxial cable in the Capitol complex has made videotape transmission available. He expressed the belief this would provide a public service for the General Assembly and it would be feasible to provide the service during the 1981 Legislative Session. He indicated that it would cost about \$5,000 for a device to provide the input to allow changes to be made in the schedule and to purchase television sets. He also added that videotapes could be shown illustrating how a bill becomes a law. Vice Chairperson Hultman indicated that the Legislative Council will take the suggestion under advisement and thanked Mr. McCausland for his presentation.

Vice Chairperson Hultman called upon Senator Murray for the report of the Legislative Fiscal Committee. A copy of the report is attached to these minutes and by reference made a part thereof. Attached to the report and available upon request from the Legislative Fiscal Bureau are copies of the following information:

1. Summary of legislative budgets and anticipated sources of a 3.6 percent reduction.
2. Correspondence from each legislative agency from which the summary was made.
3. A listing of all executive agencies with the amount of the budget cut, amount of adjusted annual appropriation, matching funds affected, other governmental bodies affected, the effects of the cut, and alternatives for legislative action.

Senator Murray recognized Mr. Reagan for comments about the budget cuts approved by the Council on Social Services at a recent meeting. Mr. Reagan distributed a summary of the budget reduction

plan for the fiscal year 1981 to Council members. Copies of the report are available from the Department of Social Services. Mr. Reagen commented that not only will his Department experience a reduction of 3.6 percent from its state appropriation, the General Assembly has knowingly underfunded some Social Services programs and there are shortfalls in these areas, and in addition federal funds are also affected by the loss of some state funds. He stated that the Department of Social Services faces a deficit of \$53,000,000 during the current fiscal year. He described how the Department anticipates making cuts to reduce its budget by \$43,000,000; but he expressed the belief he is not able to reduce the budget by the entire \$53,000,000. He noted that the Department of Social Services must maintain both minimum federal and state standards. Mr. Reagen commented that he is concerned about maintaining services when demand and need for services is increasing and dollars are decreasing.

Representative Avenson questioned the authority of the Department to delay implementation of a 6 percent increase in ADC benefits. Mr. Reagen expressed the belief that he has the authority to delay the implementation under the administrative rule process.

In response to further questions by Representative Avenson, Mr. Reagen indicated that Department of Social Services personnel met with the Governor, members of the Governor's staff, and staff of the State Comptroller's office before making recommendations. Mr. Cavanaugh stated that each line item appropriation was reduced 3.6 percent. Mr. Reagen explained that the criteria used for decisions were as follows:

1. Every attempt was made to affect the least amount of people served.
2. Decisions were made which would have the least impact on staff.
3. Basic services should be maintained.
4. Every statutory or federal mandate should be met.

Representative Avenson questioned how Mr. Reagen could justify not cutting nursing home reimbursement. Mr. Reagen responded that he believed that was an area that should remain intact at this time.

Representative Avenson expressed the belief that the General Assembly should have made the policy decisions for budget cuts that will affect the people of this state.

Senator Murray moved that the Legislative Council accept the Legislative Fiscal Committee report. The motion carried.

Vice Chairperson Hultman acknowledged that Chairperson Harbor had received correspondence from Senator Schwengels and Representative Wells, Chairperson and Vice Chairperson of the Communications Review Committee, asking the Legislative Council to reserve time to view a videotape presentation concerning communications networks in the state. Vice Chairperson Hultman stated that Chairperson Harbor would have the authority to place the videotape presentation on the agenda for October.

The next meeting of the Legislative Council will be October 8, 1980.

The Legislative Council adjourned at 4:40 p.m.

Respectfully submitted,

SERGE GARRISON  
Director

DIANE BOLENDER  
Senior Research Analyst