

# M I N U T E S

## LEGISLATIVE COUNCIL

September 16, 1981

The eighth meeting of the 1981-1982 Legislative Council was called to order at 11:05 a.m., Wednesday, September 16, 1981, in Committee Room 22 of the State House, Des Moines. Council members attending were:

Senator Calvin O. Hultman, Chairperson  
Speaker Delwyn Stromer, Vice Chairperson  
Lieutenant Governor Terry Branstad  
Senator James E. Briles  
Senator C. Joseph Coleman  
Senator C. W. Hutchins  
Senator Lowell L. Junkins  
Senator John S. Murray  
Senator William D. Palmer  
Senator Richard R. Ramsey  
Senator Ray Taylor  
Representative Robert T. Anderson  
Representative Donald D. Avenson  
Representative John H. Clark  
Representative John H. Connors  
Representative Gregory D. Cusack  
Representative Ingvar L. Hansen  
Representative Lawrence Pope  
Representative Richard W. Welden

Other persons present for the meeting were:

Dr. William Farrell, Legislative Environmental Advisory Group  
(LEAG)  
Mr. Ron Mosher, State Comptroller  
Mr. Doug Gross, Administrative Assistant to the Governor  
Mr. Serge Garrison, Director, Legislative Service Bureau  
Mr. Bill Angrick, Citizens' Aide  
Mr. Gerry Rankin, Director, Legislative Fiscal Bureau  
Mr. Burnette Koebernick, Senior Legal Counsel, 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 Coleman moved that the minutes of the previous meeting be approved as submitted to the Council members, and the motion was adopted. Representative Connors moved that the Legislative Council receive the Educational Leave Report, and the motion was adopted.

Chairperson Hultman called for discussion concerning a proposal submitted by Mr. Garrison relating to pre-filing rules. Mr. Garrison stated that the only changes made in the proposed rules for pre-filing legislative bills for the 1982 General Assembly from the 1981 rules are that the deadline dates have been changed to reflect the 1982 calendar year. He added that the Code requires that the Legislative Council annually approve pre-filing rules. The rules were approved without objection. Copies of the rules may be obtained from the Legislative Service Bureau upon request.

Chairperson Hultman called for comments from Mr. Garrison concerning correspondence distributed to Council members relating to distribution of maps containing the new congressional, Senate, and House districts. Mr. Garrison stated that the Service Bureau plans to distribute four copies of the maps to each legislator, one copy to each county auditor, one copy to each city clerk of a city in which there is more than one House district, a sufficient number of copies to each legislative office, one copy to each state agency having an interest in legislative districting, two copies to the elected state officials, and five copies to the political party state offices, free of charge. He then proposed a fee of one dollar for additional copies to any of those agencies or persons who request copies exceeding the free distribution and to other private persons and organizations. He added that the dollar would cover printing, handling, and mailing costs, but those persons who pick the maps up at the office will only be charged seventy-five cents per copy. Mr. Garrison noted that this is the first time the Service Bureau has charged a fee for distribution of a document, but added that the funds received will provide moneys for the reprinting of the maps for future years. Senator Hutchins moved that Mr. Garrison's proposal be amended to allow any city clerk to receive one free map upon request. The motion carried. Senator Junkins moved that Mr. Garrison's proposal be approved as amended. The motion carried.

Chairperson Hultman recognized Mr. Koebernick for comments concerning a memo distributed to members of the Legislative Council concerning a conditional appropriation of \$60,000 from the road use tax fund to the Legislative Council for employment of a consulting firm or person to conduct an independent study of the State Department of Transportation and other transportation issues. A copy of Mr. Koebernick's memo is attached and by this reference made a part of these minutes. Mr. Koebernick noted that the report of the study is to be submitted to the Sixty-ninth General Assembly, 1982 Session, not later than January 11, 1982. Mr. Koebernick expressed the belief that it will not be possible for a consulting firm to be employed and complete its study by this date. He also commented that the \$60,000 appropriation will not be sufficient to allow completion of studies of the various factors to be included in the study. Representative Welden expressed the belief that the various issues to be reviewed by the consultant are so diverse that it is beyond the purview of a single consultant to complete the study. He also commented that some information in the

study request is available from the Department of Transportation without the use of a consultant. Speaker Stromer moved that the Legislative Council refer the matter to the Administration Committee of the Legislative Council to make recommendations at the next Council meeting. The motion carried.

Chairperson Hultman called for the report of the Administration Committee. Senator Briles, Chairperson of the Administration Committee, commented that he had appointed a subcommittee of the Administration Committee, composed of himself and Senators Hultman and Junkins, to review both an issue brought by Dr. Sam Grabarski, Director of the State Arts Council, requiring that one-half of one percent of the cost of construction or renovations of public buildings be expended for fine arts projects and an issue relating to funding of carpeting in the offices of the Legislative Fiscal Bureau located in the Lucas State Office Building. He stated that the subcommittee will report to the Administration Committee at its next meeting.

Chairperson Hultman called for the Service Committee report from Speaker Stromer. Speaker Stromer moved the adoption of the report, a copy of which is attached and by this reference made a part of these minutes. The motion carried.

Chairperson Hultman called for a report of the LEAG Committee from Speaker Stromer. Speaker Stromer called for comments from Dr. Farrell. Dr. Farrell stated that LEAG was established about four years ago to provide a systematic and economic way for the General Assembly to receive assistance from state universities for research and technical assistance. He indicated that LEAG was established to provide such assistance on environmental issues and briefly described a number of areas in which LEAG research had an impact on legislation which was enacted. Dr. Farrell stated that LEAG has conducted twenty-one studies, including the following current studies:

1. The economics of local public transportation funding.
2. An evaluation of soil productivity criteria used to aid in valuation of agricultural land in Iowa.
3. The cost to Iowa of diverting water from the Missouri River.
4. An analysis of selected policy options for the protection of groundwaters in Iowa.
5. Land use data inventory: sources and methods. (A continued project)

Dr. Farrell stated that the purpose of the studies is to describe in detail a number of options that are available, not to make specific recommendations.

Dr. Farrell explained that LEAG was originally funded through private grants and has recently received matching funds from the Legislative Council. Dr. Farrell noted that funds derived from the grant from the National Science Foundation will not be forthcoming and by conserving resources and limiting the studies to four, together with any special services provided to the Legislative Service Bureau, LEAG can continue to operate for the remainder of the calendar year.

Dr. Farrell stated that he has recently visited with an executive official from the Northwest Area Foundation who expressed interest in providing funding for LEAG if there is a continuation of state matching funds and the state matching funds increase during the second year. He distributed copies of a proposed LEAG budget for the 1982 and 1983 calendar years. It was noted that in order to receive \$30,000 from the Northwest Area Foundation for 1982, it is proposed that the Iowa General Assembly provide \$30,000 in matching funds. The 1983 year would require \$44,339 from the Iowa General Assembly for approximately \$22,170 from the Northwest Area Foundation. A copy of the proposed LEAG budget is attached to and by this reference made a part of these minutes.

Representative Anderson asked how the proposed budget differs from the proposal submitted to the National Science Foundation. Dr. Farrell responded that the total funding level is lower than the total funding level proposed in the National Science Foundation application.

Chairperson Hultman noted the use of the term "indirect costs" and asked for further information. Dr. Farrell responded that indirect costs are real costs to the university incurred in administering any project and include use of facilities, utilities, and administrative services and support. He commented that the indirect costs which will be paid to the university are budgeted at eight percent of the total direct costs and those indirect costs above this amount will actually be incurred by the university.

Speaker Stromer commented that a quorum was not present at the LEAG meeting held preceeding the Legislative Council meeting, and asked Senator Murray to voice his proposal to the Legislative Council. Senator Murray explained that for the 1981 calendar year the proposal for state matching funds was \$30,000, and the Legislative Council approved the expenditure of \$27,500. Senator Murray moved that the Legislative Council commit itself to providing \$30,000 for LEAG for the 1982 calendar year, but that the proposal for funding the 1983 calendar year be submitted to the appropriate appropriations joint subcommittees for consideration so that LEAG proposals would be included as a part of the general appropriation process for the General Assembly. He indicated that if the General Assembly chooses to support LEAG, the appropriation would be a separate line item under the direction of the Legislative Service Bureau. Senator Murray's motion carried.

The Legislative Council recessed for lunch at 11:50 a.m. and reconvened at 1:30 p.m. with the same Council members present who had been present during the morning session.

Chairperson Hultman called for the report of the Legislative Fiscal Committee. Representative Welden moved the adoption of the report, a copy of which is attached and by this reference made a part of these minutes.

Speaker Stromer moved that the Legislative Council rescind its action taken at the August 11, 1981 Council meeting approving the expenditure under section 2.12 of the Code of \$35,000 for completion of the preliminary design phase of a project to curtail deterioration of stonework on the capitol. Chairperson Hultman explained that the Executive Council approved the allocation of \$35,000 under the performance of duties section of the Code. He commented that the Administration Committee will receive reports on the progress of the project.

Chairperson Hultman recognized Mr. Mosher and Mr. Gross for comments about receipt of block grants by the State of Iowa. Mr. Mosher reviewed a chart containing preliminary block grant information, a copy of which is attached and by this reference made a part of these minutes.

Senator Hutchins noted that a number of the block grants allow transfers and asked who is responsible for making the transfers. Mr. Mosher replied that transfers between block grants will require legislative action.

Senator Ramsey noted that one column is titled "Who Notifies of State Intent" and asked for information about the nature of the notification of intent. Mr. Mosher responded that the notification of intent includes a request for receipt of responsibility for administration of the block grant and if a state does not elect to administer a block grant, the federal government will administer it for the state. Mr. Gross added that except for the social services and home energy block grants, a state is under no obligation to opt for the block grants, although it is to a state's advantage to receive the block grants.

Representative Cusack asked whether a special session will be necessary, noting that the chart indicates a reduction of federal moneys in most instances and also noting that public hearings are not required for the fiscal year beginning October 1, 1981. It is not yet known if a special session will be required.

Representative Anderson asked whether Governor Ray has decided to file letters of intent for the block grants. Mr. Gross responded that a letter of intent was filed for the community services block grant, since these letters were required by September 11, 1981. He commented that it is the Governor's intent to participate in the block grants.

In response to a question from Senator Hutchins concerning the total loss of federal funds, Mr. Gross responded that it is not possible to determine the total loss in federal funds since the amounts listed on the chart are the total authorized dollar limits and the level of funding within these block grants may be reduced from the authorized limit.

Senator Hutchins asked about the shortfall of federal funds for the fiscal year ending October 1, 1981. Mr. Mosher responded that about \$139 million was lost in the state, but these fund losses are shared among the state government, local governments, and individuals. He added that the state's share, including individual losses for state programs, is about \$90 million.

Senator Hutchins asked about what will happen to moneys in the general fund which are not required for state match to federal funds if the federal funds are reduced. Mr. Mosher responded that under the legislation enacted in 1981 by the General Assembly, the amount of state funds not required for matching must be set aside in a special account and is not available for state expenditure until appropriated by the General Assembly.

Representative Welden expressed the belief that it appears that the funds will be available under continuing resolutions from the federal government, and he asked about problems which will be present when the federal government eventually reconciles the block grant amount with the categorical grant payments that have been continued. Mr. Mosher responded that as long as a state has not taken over a block grant program, the same categorical grant rules and regulations will apply. In response to a question from Chairperson Hultman about the level of funding under a continuing resolution as it relates to the level of funding a state can expect to receive under a block grant, Mr. Gross responded that the level of funding will depend upon the specific continuing resolution and Congress can set the amounts as it wishes.

Mr. Mosher stated that the Governor will not inform the federal government of intent to comply with the block grant until the last possible day.

Senator Junkins indicated that at a meeting on block grants held in Kansas City, representatives from the Office of Management and Budget indicated that they were making the decisions about the block grants. He stated that these representatives stated that the categorical grants may be continued at their present level of funding for a period of time but implementation of the block grant will result in immediate reductions in funding. He also commented that it may be expected that the categorical grant funds will be distributed to the states at perhaps the 75 percent level of funding. He asked how the Governor will make reductions if the funds are so reduced. He asked whether the reductions will be by programs, by agency, or by block grant area. Mr. Mosher responded that the view of the state of Iowa is that there are 57 programs

involved, which is the number of programs consolidated into nine block grants. He stated that the state law requires that reductions in funds be prorated among the programs.

In response to a question from Senator Junkins, both Mr. Gross and Mr. Mosher stated that it will not be possible for the Governor to transfer funds to a new program that was not receiving money under the categorical grants and they are not aware of any instances where this will take place.

Senator Junkins asked about the time schedule for the state of Iowa to file a letter of credit. Mr. Gross responded that most applications require a letter of credit and the letter is sent at the time the application is sent. Mr. Gross expressed the belief that one letter of credit would be required for each separate block grant.

Representative Avenson expressed concern about the process for the executive branch to make decisions with regard to the reductions of funds necessary to accept the block grants. He asked who will make the decisions and whether there will be an input from the citizens of the state. Mr. Gross responded that it is the intent of the Governor's office to have as much public and legislative input as possible. He also explained that some block grants mandate that specified percentages of funds be used for the separate programs. He commented in addition that the state legislation, Senate File 563, requires that any reduction in funds be prorated to the various categorical programs. He commented that on September 30 an informational meeting will be held throughout the state through the CIDS network and provider groups and clients have been invited to participate as well as state and local governmental agencies.

In response to further questions from Representative Avenson about the kinds of decisions that will be made by executive branch personnel with regard to the expenditure of funds, Mr. Mosher commented that the Department of Social Services is developing a list of options for the General Assembly to consider in January for expenditure of available moneys due to reduction in the funds for categorical programs.

Representative Cusack, noting that the October 1 date is approaching, asked when more information might be available about the block grants. Mr. Gross responded that the Governor's office hopes to have sufficient information by September 25 to make assessments about whether to file the notification of intent with the federal government by October 1. He commented that any information the Governor's office received about block grants has been shared with the Legislative Council. Representative Cusack expressed support for a call for a special session if it is necessary, and expressed support for the work of the Block Grant Committee of the Legislative Council.

Representative Welden expressed concern about the Title XX program since the Department has made allocations for the first quarter of the state's fiscal year on the basis of total federal dollars of \$2.9 billion and asked how second quarter allocations would be cut. Mr. Mosher responded that the expenditure rate is set by the eligibility requirements. It was noted by several legislators present that the legislature will probably have to act to either reduce eligibility or appropriate supplemental state funds to pay the costs for Title XX. Mr. Gross commented that it is not possible for the Governor to change eligibility requirements because these changes would require changes in the rules which will take until January to be completed. Mr. Mosher interjected that the changes required are not mandatory so the regular rule-making process must be used instead of the emergency rule process.

Chairperson Hultman asked about the funding level for the block grants. Mr. Mosher responded that the exact amount is not known. He noted that calculating the amount which must be set aside for matches for the block grants only requires one or two days, but for some categorical grants based on caseload or utilization, it may not be possible to know the amount of funds until the fiscal year has ended.

Chairperson Hultman asked for more information about the type of plan that must be filed with the notification of intent to receive a block grant and whether the General Assembly will have any input on the plan. Mr. Mosher stated that the state of Iowa must file by October 1 a letter that it intends to accept the block grant. Mr. Gross added that the application for the block grant only requires a general plan for spending money and specific financial information is not required. Mr. Gross stated that it will be possible for the Legislative Council to have copies of the plans. Mr. Mosher agreed that the Legislative Council will be provided with all letters of intent and plans.

Chairperson Hultman called the next meeting of the Block Grant Subcommittee for Monday, September 28.

Chairperson Hultman thanked Mr. Gross and Mr. Mosher for their comments before the Legislative Council and called for the report of the Studies Committee from Representative Pope. Representative Pope moved adoption of the Studies Committee's report, a copy of which is attached and by this reference made a part of these minutes. The Studies Committee's report was adopted on a voice vote.

It was announced that the next meeting of the Legislative Council will be October 14, 1981.

The Legislative Council adjourned at 3:00 p.m.

Respectfully submitted,

SERGE GARRISON  
Director

DIANE BOLENDER  
Senior Research Analyst