

M I N U T E S

LEGISLATIVE COUNCIL

November 12, 1980

The nineteenth meeting of the 1979-1980 Legislative Council was called to order by the Chairperson, Speaker William Harbor, at 11:15 a.m., Wednesday, November 12, 1980 in Committee Room 22 of the State House, Des Moines. Council members in attendance were:

Speaker William H. Harbor, Chairperson
Senator Calvin O. Hultman, Vice Chairperson
Lieutenant Governor Terry E. Branstad
Senator James E. Briles
Senator C. Joseph Coleman
Senator Willard R. Hansen
Senator Lowell L. Junkins
Senator John S. Murray
Senator William D. Palmer
Representative Robert T. Anderson
Representative Donald D. Avenson
Representative John H. Clark
Representative Gregory D. Cusack
Representative Roger A. Halvorson
Representative Ingwer L. Hansen
Representative Delwyn D. Stromer
Representative Richard W. Welden

Also present were:

Mr. Serge Garrison, Director, Legislative Service Bureau
Mr. Gerry Rankin, Director, Legislative Fiscal Bureau
Mr. Bill Angrick, Citizens' Aide
Mr. Ron Mosher, State Comptroller
Representative Sue Mullins
Ms. Diane Bolender, Senior Research Analyst, Legislative Service Bureau

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

Chairperson Harbor called upon Representative Welden who introduced Representative Poeffer, Chairperson of the House Appropriations Committee from the State of Missouri, who has been exchanging ideas with Iowa legislators. The members welcomed Representative Marvin Poeffer.

Chairperson Harbor called for the report of the Legislative Fiscal Committee, a copy of which is attached and by this reference made a part of these minutes. Senator Murray stated that the Fiscal Committee had met on November 11 and had heard revenue projections from Mr. Rankin. He commented that attached to the

Legislative Fiscal Committee report is a chart which compares fiscal year 1980 and projected fiscal year 1981 receipts. Senator Murray also indicated that the Legislative Fiscal Committee had approved a bill for drafting relating to the legislative oversight of federal aid by the General Assembly and the Fiscal Committee has recommended that the Appropriations Committees consider the bill during the next session of the General Assembly.

Senator Murray stated that the Fiscal Committee has asked Mr. Freyer from the Program Evaluation Division of the Legislative Fiscal Bureau, to list, prior to the December Legislative Fiscal Committee meeting, all executive and legislative recommendations that have been made in their studies during the past year, outlining action that has been taken on these recommendations.

Senator Murray stated that Mr. Rankin had expressed the belief that the possibility of achieving the revenue estimates for the current fiscal year is unlikely. Senator Murray commented that no motions were taken, but it was the general feeling of the Fiscal Committee that once the leadership is chosen for the next General Assembly, members of the leadership should be involved in deciding the best course for the General Assembly to take in making further budget reductions. He indicated that the size of the reductions for the remainder of the fiscal year will depend on the fiscal situation. He expressed the belief that members of the General Assembly should be informed about the fiscal situation and it will probably be necessary for the Appropriations Subcommittee members to meet during December for planning purposes. He suggested that the Legislative Fiscal Committee meet December 3 or 4 to review the November receipts.

Representative Avenson asked what the effects on state agencies will be of the decision to make further budget cuts rather than increasing taxes so that more money is available. Senator Murray responded that the role of the Legislative Fiscal Committee is to monitor the revenue that is there to make the payments to agencies, and he has not visited with the Chairpersons of the Ways and Means Committees about increasing taxes. Representative Avenson moved that the Legislative Council initiate a petition for a special session of the General Assembly to call the General Assembly into session to make decisions relating to budgets of state agencies for the current fiscal year so that any cuts that are necessary can be spread over 7 months rather than 5 months. Senator Hultman expressed agreement with Representative Avenson's concerns, but commented that the Appropriations Committees can meet in December and make decisions so that action can be taken by the General Assembly in January.

Senator Briles asked what could be accomplished during a special session. Representative Avenson responded that it would not be necessary for the entire General Assembly to be present every day during the special session but leadership and Appropriations Committee members can make decisions, and the entire General Assembly can act on the recommendations in either late November or

early December. Senator Briles moved that Representative Avenson's motion be laid on the table. Senator Briles' motion failed with ten affirmative votes by Chairperson Harbor, Senators Hultman, Briles, Hansen, and Murray, and Representatives Clark, Halvorson, Hansen, Stromer, and Welden and six negative votes by Senators Coleman, Junkins and Palmer, and Representatives Avenson, Anderson, and Cusack. (Actions of the Legislative Council require eleven affirmative votes for adoption.)

Representative Anderson questioned Mr. Rankin about the meaning of the graph which is attached to the report of the Legislative Fiscal Committee. Mr. Rankin explained that the computer has calculated where the revenue would have to be for each month remaining in the fiscal year in order to achieve the revenue projections made in September. He noted that the graph is valid as of November 1st and the trajectory can be recalculated every month based on revenues from the preceding month.

Representative Welden made a substitute motion to Representative Avenson's motion that the Legislative Council authorize a committee consisting of the Speaker, Speaker Pro Tem, President of the Senate, President Pro Tem, majority and minority leaders of both houses, and the Appropriations Committees Chairpersons and ranking minority members of the two houses to meet with the Governor to discuss the revenue situation. The time of the meeting would be determined by the Speaker and Lieutenant Governor and should be before the next Legislative Council meeting.

Senator Coleman asked that the Chairpersons and ranking minority members of the Ways and Means Committees of both houses be included. Representative Welden responded that actions that can be taken in December will not require the attendance of the representatives from the Ways and Means Committees. Representative Welden further commented that the meetings should include discussions about whether to make further budget cuts, either by extending the 3.6 percent across-the-board reductions or by calling a special session to make selective budget cuts.

Senator Palmer asked Mr. Mosher to discuss the various alternatives available to the General Assembly: selective and across-the-board reductions in allocations, implementation of the Governor's Economy Committee recommendations, and tax increases. He asked whether any decision to implement a tax increase would cause delays in receipt of revenues. Mr. Mosher noted that the General Assembly has the option of providing tax increases which are effective almost immediately, citing an increase in the sales tax. He noted that monthly collections of the sales tax bring in revenue of from \$25,000,000 to \$30,000,000. He commented that any income tax increases could be made retroactive.

Senator Palmer asked whether the Governor has considered an additional across-the-board budget reduction. Mr. Mosher responded that the Governor's office is not as pessimistic about revenue projections as is the Legislative Fiscal Bureau. He listed the following:

1. Withholding taxes through November 11 of this year are even with withholding taxes through November 11 of last year, and last year there was no tax indexing.

2. Personal income taxes in total for the first 10 days of November are even with the collections for last year and this also is affected by the indexing.

3. Sales taxes through November 10 are 1.1 million dollars ahead for this month compared to the same month last year.

4. Collections for the use tax this month have already equaled the collections for the entire month of November, 1979.

5. Corporation tax receipts are even with last year.

Mr. Mosher expressed the belief there is not a need for a revision of the estimates of the State Comptroller's office, but if the balance for November and early December does not continue in the way it has begun, there will be a need for revision.

Representative Welden asked to withdraw his substitute motion temporarily for consideration of Representative Avenson's motion.

Representative Anderson asked about Mr. Mosher's beliefs for the revenue picture. Mr. Mosher reiterated that the current assumption of the State Comptroller's office is that the revenue estimate is still valid. Representative Halvorson asked for further comments from Mr. Mosher. Mr. Mosher stated that the national economy has had a fairly sound increase within the last four months and that a turnaround in Iowa by the end of this calendar year is possible.

Senator Hultman called for the question on Representative Avenson's motion. Representative Avenson asked Mr. Mosher whether the signs of growth are sufficient to overcome the deficit anticipated by the Department of Social Services, to overcome the costs of the changes to be made in the state prisons as a result of court orders, and to solve the cashflow problem. Mr. Mosher responded in the negative, and commented that the Department of Social Services is compiling a budget package of options to deal with its deficit. Mr. Mosher further commented that he does not know when the federal judge will issue the order relating to the prisons and it may occur during the next fiscal year. Representative Avenson's motion failed with five affirmative votes by Senators Coleman and Junkins and Representatives Anderson, Avenson, and Cusack and ten negative votes by Chairperson Harbor, and Senators Hultman, Briles, Hansen, and Murray and Representatives Clark, Halvorson, Hansen, Stromer, and Welden.

Representative Welden rephrased his motion which had originally been made as a substitute motion to Representative Avenson's motion. The motion related to the appointment of a committee to meet with the Governor. Representative Cusack stated that he

favors Representative Welden's motion but believes the Appropriations Committee must prioritize services before identifying what can affordably be spent.

Representative Avenson inquired what the meeting could accomplish, asking whether the committee might recommend that the Governor make additional cuts. Representative Welden agreed that if the revenues warrant additional cuts, the committee would discuss this with the Governor and if the Governor will not make additional cuts, a special session could be requested. Representative Welden noted that at any rate, the General Assembly will be in session shortly after the third quarter of the fiscal year begins, and decisions on the third and fourth quarters can be made at that time. Representative Welden commented that if the legislative committee believes that additional budget reductions are needed and the Governor will not make the reductions and will not call a special session, it will be necessary for the General Assembly to call itself into session.

Senator Coleman moved that the motion be amended so that the meeting with the Governor will be called on or before December 1st. Representative Welden accepted the amendment. The Welden motion was adopted, as amended, with twelve affirmative votes by Chairperson Harbor, and Senators Hultman, Coleman, Hansen, and Murray and Representatives Avenson, Clark, Cusack, Halvorson, Hansen, Stromer, and Welden and two negative votes by Senator Junkins and Representative Anderson.

Senator Murray moved that the report of the Legislative Fiscal Committee be accepted. The motion carried.

The Legislative Council recessed for lunch at 12:35 p.m. and reconvened at 1:35 p.m. with the same Council members present who had been present during the morning session, except that Senators Richard R. Ramsey and Ray Taylor were also present.

Chairperson Harbor called for the report of the Administration Committee, a copy of which is attached and by this reference made a part of these minutes. Senator Hultman commented that the proposal submitted by David Snow for the two remaining chandeliers was rejected and an agenda was developed for Legislative Orientation. Mr. Garrison asked for clarification about other members of the General Assembly attending the Legislative Orientation. Senator Hultman moved that those members of the General Assembly who are not new members and who are not participants in the program, be allowed to attend and receive expenses if their attendance is approved by the presiding officer of the house of which the attendee is a member. The motion carried. Senator Murray asked whether the agenda could include time for a briefing on revenue projections and budgeting problems. Senator Hultman responded that some time could be used during the hour reserved for the luncheon on the first day. Senator Hultman moved that the Report of the Administration Committee be accepted. Representative Stromer seconded the motion, and it carried.

Senator Hansen moved acceptance of the Educational Leave Report. The motion carried.

Mr. Garrison asked members to review a Legislative Council Resolution which had been distributed to Council members. A copy of the Resolution is attached and by this reference made a part of these minutes. Mr. Garrison noted that Chairperson Harbor had requested the drafting of the Resolution which directs that copies of the 1979 Educational Leave Committee Report and a proposed bill draft relating to educational leave be forwarded to the appropriate committee chairpersons following their selection. The Resolution was adopted by the Legislative Council.

Mr. Garrison stated that Senator Edgar Holden and Representative Floyd Millen, Chairpersons of the Grain Elevator and Grain Grading Joint Subcommittee, have requested an additional meeting in order to complete their review of a bill draft prepared to implement recommendations of the Subcommittee. Senator Hultman moved that one additional day be granted. Representative Stromer seconded the motion, and it carried.

Mr. Garrison commented that correspondence had been received from Representative Avenson that Representative Pavich will be unable to serve on the Mandatory Spending Limits Subcommittee and he requests that Representative Pavich be replaced by Representative Jochum. Senator Hultman moved that the Council approve the change. The motion carried.

Chairperson Harbor called for the Service Committee report, a copy of which is attached and by this reference made a part of these minutes. Representative Stromer noted that the Service Committee has recommended the employment of five individuals by various legislative agencies. Representative Stromer moved that the report be accepted. The motion carried.

Chairperson Harbor called for a report of the Legislative Policy on the Family Subcommittee of the House and Senate Standing Committees on Human Resources. Representative Mullins, Co-chairperson of the Subcommittee, reviewed the recommendations of the Subcommittee, which include the development of a Iowa Family Policy Statement. A copy of the report is available from the Legislative Service Bureau upon request. Senator Taylor asked for comments about the statement made in the Family Policy Statement that the state recognizes and respects the diversity of contexts within which families may exist. He called for clarification. Representative Mullins responded that the Subcommittee had not attempted to define the term "family", but that statement had originally been written in a different manner using a more sociological description, and participants at a public hearing held in Des Moines had asked why the statement did not simply read that there are different kinds of families. Representative Cusack moved the acceptance of the report. Representative Hansen seconded the motion, and it carried.

Mr. Garrison noted that the next meeting of the Legislative Council is December 10 and some of the interim studies will not be completed by that date. He indicated that the Legislative Service Bureau will attempt to have final reports ready for as many studies as have been completed and those committees which have not finished their work will file their reports with the General Assembly.

Senator Briles asked for approval for a two-day meeting of the joint House and Senate County Government Committees prior to the legislative session. He noted that one day is allowed by law and requested that a second day be approved. Chairperson Harbor asked whether Senator Briles plans to wait until the new county government committees are appointed or whether the membership of the Sixty-eighth General Assembly would participate. Senator Briles responded that it would be the current members of the County Government Committees.

Representative Avenson moved that the Legislative Council authorize the County Government Committees to meet an additional day. Senator Coleman seconded the motion. Senator Taylor moved that the motion be amended to allow the meeting to take place only after the County Government Committees have been appointed for the Sixty-ninth General Assembly. Chairperson Harbor commented that the new members could not be paid nor could they vote. Senator Taylor's amendment failed on a voice vote. Representative Avenson's motion carried on a voice vote.

The Council adjourned at 2:00 p.m.

Respectfully submitted,

SERGE GARRISON
Director

DIANE BOLENDER
Senior Research Analyst