

MINUTES
LEGISLATIVE COUNCIL

January 10, 1991

PRELIMINARY BUSINESS

The seventeenth meeting of the 1989-1990 Legislative Council was called to order by the Chairperson, Senator Bill Hutchins, at 1:50 p.m., Thursday, January 10, 1991, in Committee Room 22 of the Statehouse, Des Moines, Iowa. Members present in addition to Chairperson Hutchins were:

Lieutenant Governor JoAnn Zimmerman
Senator C. Joseph Coleman
Senator Donald V. Doyle
Senator Emil Husak
Senator John Jensen
Senator Jack Nystrom
Senator Joe Welsh
Representative Bob Arnould
Representative Florence Buhr
Representative Kay Chapman
Representative John Connors
Representative William H. Harbor
Representative Tom Jochum
Representative Mary Lundby
Representative Harold Van Maanen

Also present were: Ms. Diane Bolender, Director, Legislative Service Bureau; Mr. Dennis Prouty, Director, Legislative Fiscal Bureau; Mr. Sandy Scharf, Director, Computer Support Bureau; Mr. Richard Johnson, Deputy Director, Legislative Service Bureau; Mr. Thane R. Johnson, Senior Research Analyst, Legislative Service Bureau; other legislative staff members; representatives of the press; and other interested persons.

ROLL CALL, APPROVAL OF MINUTES, AND AWARD

Chairperson Hutchins noted that the roll had been taken as the members of the Legislative Council arrived. Chairperson Hutchins recognized Senator Jensen who moved to approve the minutes of the meeting of November 15, 1990, as distributed. The motion was adopted.

Chairperson Hutchins noted that the meeting is the final meeting of the 1989-1990 Legislative Council. He presented a certificate of appreciation of Senator

Joe Coleman, who is retiring from the Senate, for his many years of service as a member of the Legislative Council.

EDUCATIONAL LEAVE REPORT

Chairperson Hutchins recognized Representative Connors who moved that the Legislative Council receive and file the Educational Leave Report. The motion was adopted. A copy of the Educational Leave Report is filed with the Legislative Service Bureau as required under section 79.25 of the Iowa Code.

FISCAL COMMITTEE REPORT

Chairperson Hutchins recognized Senator Welsh for the reports of the Fiscal Committee. Senator Welsh stated that the Fiscal Committee met twice since the November meeting of the Legislative Council. He added that at the December 11 meeting, the Fiscal Committee directed the Legislative Fiscal Bureau to report to the Fiscal Committee members the time at which the budget request information from the Department of Personnel is formatted on the Department of Management computer tape in the manner requested by the General Assembly, and directed the Bureau to request that the Department of Agriculture and Land Stewardship respond to questions outlined in the Fiscal Bureau's background report regarding the employment of 18 soil conservation technicians. Senator Welsh stated the Legislative Fiscal Bureau had forwarded a written request for information to the Department of Agriculture and Land Stewardship concerning the soil conservation technicians, but had not received a response. He stated that on January 7 the Fiscal Committee directed the Department of Agriculture and Land Stewardship to respond to the Fiscal Bureau's questions concerning the hiring or employment of soil conservation technicians. He commented that the Department of Human Services was asked to respond in writing concerning oversight issues relating to child support recovery positions and the Glenwood Hospital-School inspection.

In reply to a question by Representative Connors about recent publicity concerning the Department of Human Rights, Senator Welsh stated that he recommends that the problems of morale and staffing at the Department of Human Rights be referred to the appropriate Appropriations Subcommittees for continued investigation.

Also, in light of recent developments, Senator Welsh stated that the Fiscal Committee recommends that items one, two, and three from the December 11 report be deferred. He added that these topics relate to a proposed study by the Iowa Protection and Advocacy Services, Inc. and the development of a statewide telecommunications network.

After further discussion, Senator Welsh moved the adoption of the reports of the Fiscal Committee dated December 11, 1990, and January 7, 1991, with items one, two, and three on the December 11 report deferred and item one on the January 7 report deferred. There being no discussion, the motion was adopted. A copy of the reports of the Fiscal Committee is attached to and by this reference made a part of these minutes.

IOWA AIR SERVICE STUDY

Chairperson Hutchins next recognized Mr. Matt Hardison, Apogee Research, Inc., who distributed a summary of the findings of the Iowa Air Service Study which was conducted by Apogee Research, Inc. He added that the consultant is employed under the direction of the Air Link Transportation Commission, which was established by the Legislative Council. A copy of the summary is attached to and by this reference made a part of these minutes.

During his remarks, Mr. Hardison stated that the summary of findings includes five recommended actions in order of priority. He stated that the first recommendation is to establish a state commercial aviation planning office; second, the recommendation is to provide matching grants for local airport promotion; third, the recommendation is to provide matching grants to provide financial incentives for new interstate air routes. The fourth recommendation, he said, is to provide matching grants to establish intrastate routes, and the fifth recommendation is to study international air cargo feasibility for Iowa.

Following the conclusion of Mr. Hardison's remarks, Senator Coleman moved that the Legislative Council receive the summary report on the Iowa Air Service Study presented by Apogee Research, Inc. There being no questions or remarks, the motion was adopted.

APPLICATION FOR FEDERAL DRUG FUNDS

Chairperson Hutchins recognized Senator Doyle for a motion relating to an application by the Governor's Alliance on Substance Abuse to the United States Department of Justice for funding from the Drug Control and System Improvement Formula Grant Program. Senator Doyle stated that with approval or acceptance by the Legislative Council, the federal grant moneys can be received by the State of Iowa earlier than if action is not taken by the Legislative Council. Senator Doyle moved to inform the Drug Enforcement and Abuse Prevention Coordinator and the United States Department of Justice that the Legislative Council has reviewed Iowa's application for the Drug Control and System Improvement Formula Grant and finds that the application is acceptable. The motion was adopted. A letter

requesting the Legislative Council action on the grant is attached to and by this reference made a part of these minutes.

TELECOMMUNICATIONS REPORT

Chairperson Hutchins recognized Mr. Jack Walters, Director, Department of General Services, for a report on the status of the telecommunications system provided for under House File 774, enacted in 1989. Mr. Walters reviewed the request for proposal process and the various steps taken to ensure that a fair and equitable bidding process on the telecommunications network was implemented. Mr. Walters stated that the Department did its very best to carry out the intent of the General Assembly and to allow that bids be made on a lease, a lease-purchase, and a purchase basis. He noted that only bids to purchase the network system were received from bidders. He further stated that the bidding process and award of contract procedures have been completed. He expressed reservations about any delays related to the requirement that adequate funding for the project be certified by the Legislative Council and the Department of Management. It was noted that the Department of Management has already certified that the financial resources of the state are adequate. Mr. Walters expressed his reservations about changing the competitive bidding process and procedures during the process itself.

Chairperson Hutchins also recognized Mr. Kevin Moersch, representing Kiewit Network Technologies of Omaha, Nebraska. Mr. Moersch stated that there were two bidders for the telecommunications network and that his company was very aggressive in its bid. He stated that his company is very interested in becoming a leader in the education field with the installation of this type of telecommunications technology. He stated that Kiewit Network Technologies is a midwestern firm which is dedicated to bringing education back to prominence in the Midwest.

Following Mr. Moersch's remarks, Chairperson Hutchins distributed a proposal which he had drafted for the Council's consideration. The proposal would provide the necessary certification of the adequacy of the state's financial resources by the Legislative Council subject to several conditions. The conditions would include the completion of a comprehensive financial analysis of the project by an independent consultant with expertise in telecommunications. He added that the proposal provides that the Department of General Services not sign a contract with the successful vendor until after April 5, 1991, but continue negotiations under terms of the contract with the vendor. He further stated that under his proposal the Legislative Council's determination that anticipated financial resources of the state are adequate to fund the expenditure during the fiscal years covered by the contract may be delayed or rescinded by an affirmative vote of a constitutional majority of both houses of the 74th General Assembly on or before April 5, 1991, following receipt of a final report of the consultant's findings by March 15, 1991.

Representative Jochum expressed concern about whether a majority of the members of the General Assembly really endorses the state telecommunications network system as proposed in the legislation because of the procedures by which the appropriations and authorizations were enacted. He further stated that Chairperson Hutchins' proposal does not ensure that action will be taken by the General Assembly with regard to the funding of the project, and he stated that the Capital Projects Committee of the Legislative Council should be involved in the final review and approval. He further suggested that Chairperson Hutchins' proposal be amended so that the determination of the adequacy of anticipated financial resources be reviewed by the Capital Projects Committee and that the recommendation of the Capital Projects Committee be submitted to the General Assembly by March 29, 1991. He agreed that no action should be taken by the Department of General Services until April 5, 1991.

Representative Chapman stated that Representative Jochum's proposal would change the burden of action to the General Assembly, so that the General Assembly would have to take affirmative action to approve certification of the contract bid rather than affirmative action to delay or rescind the Legislative Council's determination of adequate financial resources. In reply to a question by Chairperson Hutchins, Representative Jochum stated that it is his intention to require a positive or affirmative action by the General Assembly to continue with the telecommunications network proposal.

Representative Harbor stated that he essentially agrees with Chairperson Hutchins' proposal. He stated that he believes there is a substantial lack of information concerning many aspects of the telecommunications proposal and some of this information can be obtained from an unbiased consultant. Chairperson Hutchins stated that his proposal is designed to obtain information for the General Assembly from an independent source.

In a comment relating to Representative Jochum's proposal, Representative Van Maanen stated that if Representative Jochum's proposal is to be workable, then amendments to Chairperson Hutchins' proposal will be necessary. Representative Jochum stated that he considers Representative Van Maanen's comment as a friendly amendment to his proposal. Representative Lundby stated that she questions the propriety of having the Capital Projects Committee involved at this point in the development of the telecommunications proposal since the Committee has not previously been a part of the development procedures.

After further discussion, Representative Jochum stated that he believes his purpose will be served if it is required that the Legislative Council's determination that the anticipated financial resources of the state are adequate to fund the expenditure during the fiscal year covered by the contract shall be approved, delayed, or rescinded by the 74th General Assembly. He added that if the words

"shall be approved, delayed, or rescinded" rather than "may be delayed or rescinded" are used, that his previous amendment will not be needed.

Chairperson Hutchins stated that Representative Jochum's substitute amendment would allow the Department to continue negotiations to reduce the overall cost of the contract and he believes that it is important to allow this negotiation to proceed. After further discussion, Representative Connors moved a substitute motion to provide that the Legislative Council's determination concerning adequate financial resources could be rescinded by a resolution filed in either house of the General Assembly. He stated that a resolution to rescind may be introduced in either house of the General Assembly by any member and will serve to allow members of the General Assembly to take action on the Legislative Council's decisions.

After further discussion, Representative Connors' substitute motion was defeated by a voice vote.

There being no further discussion, Representative Jochum's substitute motion was adopted by a voice vote. A copy of the proposal as amended is attached to and by this reference made a part of these minutes.

RECESS

Chairperson Hutchins recessed the Council meeting at 3:30 p.m. The Council was recalled to order at 3:35 p.m. with the members present prior to the recess again present.

INCOMING WATS CHANGES

Chairperson Hutchins next recognized Mr. Glen Anderson, Jr., Communication Division, Department of General Services, for comments relating to changes in incoming WATS telephone service for members of the General Assembly. Mr. Anderson stated that incoming WATS calls will be routed automatically through the central switchboard without an operator on duty under the new system. He stated that this will assist legislators in calling in from around the state at times other than regular working hours.

In reply to a question by Representative Van Maanen concerning the use of dial (nontouch tone) phones for incoming WATS service, Mr. Anderson stated that this undoubtedly will remain a problem unless the dial telephone will emit a tone sound like the touch tone telephone sets. He stated that he will further investigate Representative Van Maanen's question and provide a reply to the Legislative Council members.

There being no further questions for Mr. Anderson, Chairperson Hutchins thanked Mr. Anderson for his comments.

STUDIES COMMITTEE REPORT

Chairperson Hutchins, functioning as acting chairperson of the Studies Committee, presented the Studies Committee's report. Chairperson Hutchins briefly reviewed the recommendations of the Studies Committee. There being no questions or comments, Chairperson Hutchins moved the adoption of the report. 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.

ADMINISTRATION COMMITTEE

Chairperson Hutchins recognized Senator Doyle for the report of the Administration Committee of November 15, 1990. Senator Doyle stated that the Administration Committee met without a quorum and submits its report concerning the Code data base. He stated that the Administration Committee members received information concerning the sale of the data base and recommends that the Legislative Council approve any agreement reached with a vendor for the sale of the data base. He stated that the Committee members also recommend that the initial agreement be for one year and be negotiated by the staff on behalf of and in consultation with legislative leadership and the Administration Committee.

Senator Doyle recognized Mr. Mark Johnson, Legal Counsel, Legislative Service Bureau, for comments concerning on-going negotiations with Mead Data Central. Mr. Johnson stated that Mead Data Central has tentatively agreed to a one-year contract for \$10,000 with a 48-hour time verification provision. He stated that Mead Data Central would prefer to negotiate a five-year contract with the state for this information.

In reply to a question by Representative Chapman, Mr. Johnson replied that the contract provides for provision of a new Code base each year and not just the Session Laws. He also stated that the contract does not provide for an exclusive sale to Mead Data Central.

After further discussion, Senator Doyle moved that the Legislative Council authorize the negotiation of a contract with Mead Data Central and with other similar vendors and that the Chairperson and Vice Chairperson of the Legislative Council be authorized to approve the final contract or contracts. There being no further comments, the motion was adopted. A copy of the Report of the Administration Committee, November 15, 1990, is attached to and by this reference made a part of the minutes.

REDISTRICTING CONTRACT REPORT

Chairperson Hutchins stated that information from the Secretary of State's Office relating to election returns from the November 6, 1990 general election will be delayed in delivery to Election Data Services, Inc. (EDS) and requires that the contract between EDS and the Legislative Council be amended to provide for the delivery date to Iowa of data using this information be changed from January 15, 1991, to 30 days after receipt of the data by EDS. He also noted that census information to provide ideal populations for congressional, senate, and house districts is as follows: congressional districts, 555,351; senate districts, 55,535; house districts, 27,768.

Since the information was submitted for information purposes only, no action by the Council was necessary.

SERVICE COMMITTEE REPORT

Representative Connors reviewed the recommendations of the Service Committee. After review of the recommendations, Representative Connors, in response to a question by Representative Lundby, stated that the costs of updating the income tax projection model data base for the Legislative Fiscal Bureau as recommended in item three would be \$21,300.

Concerning the costs of the merit increases for central legislative staff agency directors, Representative Connors stated that he does not have a dollar amount for the recommended increases.

Representative Lundby also asked for clarification of recommendation 14 relating to position reclassifications requested by directors of legislative agencies. Representative Connors responded that the Service Committee is responding to a recommendation developed by the House Administration Committee and the Senate Rules and Administration Committee that all legislative staff or staff agencies submit their position reclassification proposals at one time regardless of whether the proposals are approved by Legislative Council or by the appropriate standing committees of the General Assembly.

There being no further questions, Representative Connors moved the adoption of the Service Committee report. The motion was adopted. A copy of the Service Committee report is attached to and by this reference made a part of these minutes.

Due to the unsettled nature of state revenues and state budgetary needs, the Legislative Council provides certification that the state's financial resources are adequate to fund the contract under section 18.136 for the state communications network for education, subject to the following conditions:

1. That the Department of General Services not sign a contract under section 18.136 until after April 5, 1991, but continue to negotiate the terms of the contract with the vendor selected.

2. That the Legislative Council's determination that the anticipated financial resources of the state are adequate to fund the expenditure during the fiscal years covered by the contract shall be approved, delayed, or rescinded by an affirmative vote by a constitutional majority of both houses of the 74th General Assembly on or before April 5, 1991.

3. That a comprehensive financial analysis of the project be performed for the Legislative Council by an independent consulting firm with expertise in telecommunications with a final report of their findings transmitted to the Council by March 15, 1991. The Legislative Council directs the Secretary of the Council, after consultation with the appropriate state agencies, including but not limited to the state Utilities Board, to prepare a request for proposal for the comprehensive financial analysis. The Council authorizes a subcommittee consisting of the Speaker of the House, the House Minority Leader, the Senate Majority leader, and the Senate Minority Leader to select a firm to undertake the study and enter into a contract for the comprehensive financial analysis.

The request for proposal shall indicate that the comprehensive financial analysis shall include but is not limited to an analysis of the total projected cost of the system as bid and awarded to Kiewit Network Technologies, Inc., including construction, maintenance, administrative, and other costs to the state and users of the system over the effective life of the system; an analysis of that bid to determine if the projected costs are reasonable and consistent with those of comparable projects; an analysis of any alternative proposals which are submitted in a timely manner to the consultant and which provide comparable service, including but not limited to proposals from Iowa telephone companies. The analysis also shall include but not be limited to leasing of a telecommunications system; an analysis of the educational advantages or disadvantages of alternative approaches; a cost analysis of the different approaches, including the cost of additional capacity, utilizing a 5-, 10- or 20-year purchase, lease, or any other identified approach.

EXECUTIVE BUDGET REPORT

Chairperson Hutchins recognized Ms. Gretchen Tegeler, Acting Director, Department of Management. Ms. Tegeler stated that the Department of Management is in the final process of assembling supplemental appropriation recommendations and the deappropriation recommendations. She stated that the proposals will be ready in bill form in approximately two hours. She stated that the supplemental recommendations would include all recommendations except for those relating to certain human services, Medicaid, and foster care issues. Concerning information in regard to fund transfers and any proposed tax increases such as cigarette taxes, she stated that this information would be presented on January 21, 1991, together with the Governor's budget recommendations for the 1992 fiscal year. In reply to a question by Representative Arnould, Ms. Tegeler stated that not all of the proposed changes for the 1991 budget year are available. She stated that the final budget figures are to be sent for printing and that the computer tape will be available to the Legislative Fiscal Bureau on Sunday, January 13.

There being no further comments or questions, Chairperson Hutchins thanked Ms. Tegeler for her report.

PRESENTATION

On behalf of the Legislative Council, Representative Arnould presented to Chairperson Hutchins a wall plaque which expresses appreciation to Senator Hutchins for his hard work and dedication as Chairperson of the 1989-1990 Legislative Council.

ADJOURNMENT

There being no further business to come before the Legislative Council, Representative Connors moved that the Legislative Council adjourn at 3:55 p.m. The motion was adopted and the Council adjourned at 3:55 p.m.

Respectfully submitted,

DIANE E. BOLENDER
Director, Legislative Service Bureau

THANE R. JOHNSON
Senior Research Analyst