

M I N U T E S
LEGISLATIVE COUNCIL

October 8, 1980

The eighteenth meeting of the 1979-1980 Legislative Council was called to order at 11:35 a.m., Wednesday, October 8, 1980 in Committee Room 22 of the State House in Des Moines. Council members in attendance were:

Speaker William H. Harbor, Chairperson
Senator Calvin O. Hultman, Vice Chairperson
Lt. 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
Senator Richard R. Ramsey
Senator Ray Taylor
Representative Robert T. Anderson
Representative Donald D. Avenson
Representative John H. Clark
Representative Roger A. Halvorson
Representative Ingwer L. Hansen
Representative Delwyn D. Stromer

Also present were:

Mr. Glen Anderson, Jr., Director of the Communications Division,
Department of General Services
Mr. Tony Crandell, Coordinator, Communications Advisory Council
Representative Larry Kirlenslager
Mr. Ed Longnecker, Chief of the IPERS Division, Department of
Job Service
Mr. Larry Burch, Legal Counsel, Legislative Service Bureau
Mr. Bill Angrick, Citizens' Aide
Mr. Gerry Rankin, Legislative Fiscal Director
Mr. Serge Garrison, Director, Legislative Service 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 legislative staff persons, news media representatives, and other interested individuals.

Prior to convening the meeting, Chairperson Harbor introduced Mr. Glen Anderson, who was representing the Communications Advisory Council, for a presentation. Mr. Anderson stated that the Communi-

cations Advisory Council is a statutory committee composed of representatives from the seven largest communications-using agencies in the state. He introduced Mr. Crandell. Mr. Crandell commented upon a videotape presentation which, he stated, is an effort to provide a standardized presentation reflecting the views of 23 agencies involved in the work of the Communications Advisory Council and its several task forces. He showed a one-half hour videotape illustrating the activities relating to telecommunications planning in state government and the need for innovative and cost-effective communications planning. The videotape, narrated by Mr. Rod Thole, Director of the Iowa Public Broadcasting Network, reviewed the activities of the Communications Advisory Council and the recommendations made by a consulting firm employed by the Council. Mr. Thole outlined a request for an appropriation for the 1980-1981 fiscal year of \$643,000 for a coordinated systems design for communication in this state, including a \$240,000 one-time expense. It was explained that SPECTRA Associates of Cedar Rapids had submitted the low bid of \$204,000 for the system design which the appropriate subcommittee of the Appropriations Committees had recommended for funding, but when the revenue outlook was revised in April, reductions were made in the appropriations for state agencies for the second year of the biennium.

Mr. Thole asked whether Iowa state government should construct its own statewide system competing with private carriers, as some other states have done.

Upon completion of the videotape, Mr. Crandell stated that there are two alternatives to the approach suggested by the Communications Advisory Council and these are to continue to appropriate increased moneys to meet the rising costs of communications or to attempt to develop within agencies efficiencies in the networks. Mr. Crandell explained that in 1980 the state of Kentucky saved \$700,000 with its state-owned microwave system and by 1984 it anticipates saving \$2,800,000 annually.

Mr. Crandell stated that the Communications Advisory Council has viewed, and the Communications Review Committee of the General Assembly will view, a presentation by Bell Telephone Company which will provide some \$500,000 to \$700,000 savings annually on data communications networks alone.

Chairperson Harbor thanked Mr. Anderson and Mr. Crandell for the presentation and called the meeting to order.

Senator Hultman moved that the minutes of the September 10, 1980 meeting be approved as submitted to Council members and the motion was adopted.

Chairperson Harbor recognized Representative Kirkenslager for a report on the activities of the Committee on Prescription Drug Dispensing Practices. Representative Kirkenslager reviewed the final report of the Committee, copies of which may be obtained upon

request to the Legislative Service Bureau. Representative Kirkenslager noted that the Committee's mandate under Senate File 2070 was to study prevailing prescription drug dispensing practices, the laws governing those practices, and the opinion of the Attorney General to the Secretary of the Board of Pharmacy Examiners rendered July 5, 1979. He described the activities of the Committee and noted that the Committee had separated the issues of labeling, packaging and record-keeping from the dispensing issue and had requested a resolution be sent to the Iowa State Board of Medical Examiners urging the Board to adopt rules relating to the first issue. With regard to the issue of dispensing, the Committee urged that the six affected examining boards study and resolve the issues of dispensing and delegation and report their resolution of the issues to the next General Assembly. He commented that the examining boards met on October 4 and will meet again October 28 in order to make their recommendations. He commented that the members of the examining boards are aware that if they do not resolve their problems, the General Assembly will enact legislation to resolve the problem.

Vice Chairperson Hultman moved that the report be received by the Legislative Council. Representative Clark seconded the motion, and it carried.

Mr. Garrison stated that Senator DeKoster and Representative Daggett have requested two additional meetings of the Joint Interim Study Committee on Corrections Systems to review the report on Iowa's correction conditions made by Judge Stewart. Vice Chairperson Hultman moved that the Joint Interim Study Committee on Corrections Systems be granted two more meeting days. Representative Hansen seconded the motion, and it carried.

Representative Stromer requested that the Education Study Subcommittee of the House and Senate Committees on Education be granted one additional day in order to make recommendations relating to the issues given the Subcommittee to study as well as other issues which have surfaced since the adjournment of the General Assembly. Representative Clark moved that the Education Study Subcommittee be given a third meeting day. Representative Hansen seconded the motion, and it carried.

Senator Briles stated that the County Home Rule Study Committee needs additional meetings in order to make decisions about revisions of county laws. Representative Avenson moved that the County Home Rule Study Committee be authorized four more meeting days. Senator Junkins seconded the motion, and it carried.

Vice Chairperson Hultman moved that the Council accept the Educational Leave Report. He noted that some of the requests seem legitimate, but others do not. He suggested that the law relating to educational leave needs amendment since the Legislative Council has no authority over educational leave. Senator Hansen explained that during the previous interim a bill had been developed by a subcommittee of the Legislative Council, but due to the press of

other legislative business, it did not receive consideration by the General Assembly. Vice Chairperson Hultman's recommendation carried.

Chairperson Harbor called for the report of the Administration Committee, a copy of which is attached to the minutes and by this reference made a part thereof. Vice Chairperson Hultman reviewed the provisions of the report, including approving a revised change order relating to replacement of marble; authorization of Ms. Neva Petersen, Professor Emeritus of Design at Iowa State University, to develop designs and specifications for draperies for the first floor legislative meeting rooms; and scheduling the orientation conference for new legislators on December 3 and 4. Vice Chairperson Hultman moved the adoption of the report of the Administration Committee. Senator Junkins seconded the motion, and it carried.

Representative Stromer asked for Council approval for Mr. Angrick, Citizens' Aide, to employ a clerk/typist on a hourly basis in order to reduce a backlog of typing that has developed. Representative Hansen seconded the motion, and it carried.

The Legislative Council recessed for lunch at 12:00 noon and reconvened at 1:15 p.m. with the same Council members present who had been present during the morning session.

Chairperson Harbor recognized Mr. Burch. Mr. Burch stated that he is presenting the report of the Franchise Agreements Joint Subcommittee of the Committees on Commerce on behalf of Senator Holden who is unable to be present. He stated that the Franchise Agreements Joint Subcommittee was authorized two meetings and has held one meeting and may hold the second. Mr. Burch explained that Senate File 2322 was introduced during the 1980 Session and provided for succession of a franchise of a service station upon the death of the franchisee. He noted that the Interim Subcommittee was asked to study whether such legislation is needed and whether amendments which had been introduced to expand the scope of the bill to include all franchises should be recommended. He commented that the Subcommittee solicited comments from people throughout the state and had representatives of a number of franchisors and franchisees present at the meeting. He stated that the Subcommittee reached the conclusion that except for the problem that appears to exist between petroleum dealers and refiners, it does not appear to be a widespread problem. He commented that the Subcommittee asked the motor fuel dealers and the oil companies to work together to modify their franchise agreements to provide for succession and assurance that a fair value is received for the business dealers' assets and to report to the Subcommittee not later than November 1, 1980. The Subcommittee had agreed that if voluntary solutions are not submitted on or before November 1, the Subcommittee will meet after that date to consider legislative solutions.

Senator Ramsey asked whether there are any conflicts with federal regulations in this area. Mr. Burch responded that Congress passed legislation in 1978 that superseded the provisions of many state laws. He added that the legislation prohibits oil companies from terminating a dealership without just cause and any proposals submitted in Iowa must be accomplished without conflict to the federal law.

Representative Anderson asked whether the problem can be solved by legislation. Mr. Burch responded in the affirmative, but stated that the Subcommittee believed that the two parties should be allowed to negotiate an agreement before legislation is proposed.

The report was accepted by the Legislative Council.

Chairperson Harbor recognized Mr. Longnecker. Mr. Longnecker informed the Legislative Council about the expenditure of funds appropriated in 1980 by House File 2580, section 7. He stated that \$75,000 was appropriated to be used to establish a systems development program for IPERS. He explained that a bidder's conference had been held and the bidders had stated that the existing data processing system providing information about IPERS is archaic and cannot be patched any more. He added that many manual operations need to be computerized as well. He explained that it will be necessary to let one bid for a complete system analysis and design work and a second bid to implement the new system. He noted that the cost will exceed the \$75,000 appropriation and will probably result in a need for appropriations of over \$100,000. He asked for advice of the Legislative Council on whether action should be deferred until the forthcoming legislative session or whether the \$75,000 should be used for the first phase of developing the system design.

Several Council members expressed the belief that the language is probably broad enough to allow the expenditure of the funds for the system design, but there is no guarantee that the additional funds will be appropriated during the next session to implement the design. Senator Palmer suggested that the Department of Job Service wait to begin the process until after the General Assembly is in session in January and at the same time, the Department may have more accurate information as to the cost. In response to a question from Senator Ramsey, Mr. Longnecker commented that the Auditor of State's office determined that the present system for awarding benefits and making refunds to members is inadequate and a fully-automated system is needed immediately.

Senator Murray agreed with Senator Palmer and suggested that it may be helpful to the Department to solicit advice from the appropriations subcommittee that initially made the decision. He suggested that the subcommittee may be able to state whether it is prepared to commit additional funds to implement a new system.

Chairperson Harbor stated that no official action of the Legislative Council will be taken, but Mr. Longnecker has heard advice

from the Senate Appropriations Committee chairperson as well as other members of the Senate and House in leadership positions.

Senator Murray gave the report of the Legislative Fiscal Committee, a copy of which is attached and by this reference made a part of these minutes. In addition Senator Murray reviewed the quarterly report for the quarter ending September 30, 1980 issued by the Legislative Fiscal Bureau. He expressed the belief that the figures in the quarterly report are cautiously optimistic.

Representative Anderson, in response to the portion of the report of the Legislative Fiscal Committee which indicated that in response to a sampling of 41 school districts, Dr. Robert Benton, Superintendent of Public Instruction, indicated that 35 had said they would be stamping warrants this year and of the 41, 36 districts had stamped warrants last year, asked about whether the number was sufficient. Senator Murray agreed that was not a statistically significant number of districts. Representative Anderson asked whether Dr. Benton had been questioned on the amounts borrowed under warrants. Senator Murray responded in the negative, and asked Mr. Rankin to obtain this information for Representative Anderson.

Representative Anderson asked whether the Fiscal Committee had asked Mr. Reagan, Commissioner of Social Services, which programs are most adversely affected by the budget cuts. He indicated he had received comments about the reductions in home-health care and chore services. Senator Murray responded that the Fiscal Committee had asked these questions and Mr. Reagan indicated that there have been no cut-backs for mandated coverage, but only for those persons for which coverage is optional. He stated that Mr. Reagan had indicated that the Department of Social Services is planning to review each person in the optional group to see if the reduction in services will cause that person to enter a nursing home, and if it would, the person would be placed under a mandated coverage group so the person can continue to receive the services.

Representative Anderson asked where the impact on Iowans is going to be for the reductions in services of the Department of Social Services. Senator Murray responded that another way in which the Department is attempting to save money is to increase fees on the sliding fee schedule based on income for the services provided since the top charge is not necessarily paying for the service. Representative Anderson asked whether it is likely that the Department of Social Services will request supplemental appropriations next session for the preceding fiscal year. Senator Murray responded in the affirmative and noted that the Legislative Fiscal Bureau has prepared a report listing areas in which the Bureau sees problems existing.

Representative Avenson expressed the belief that the reduction in state-aid payments to school districts will result in higher costs to school districts which must stamp warrants. He discussed with Mr. Rankin the basis for optimism in the future of the

economy. Mr. Rankin responded that at the end of the quarter, revenue from some taxes was ahead of the previous year and during September consumer debt increased, where during May, June and July it had been decreasing. Mr. Rankin indicated that there are continuing cash flow problems, and it is possible that the Governor may have to make further budget cuts.

Representative Avenson moved that the Legislative Council establish a special committee composed not only of the Committees on Appropriations chairpersons, but members from the Ways and Means Committees and the appropriations subcommittees to look at the decisions that the General Assembly is going to have to make during the 1981 legislative session relating to budgets for state agencies and other appropriations. Chairperson Harbor expressed the belief that the Legislative Fiscal Committee is performing this function. Representative Avenson responded that a broader-based committee is needed than the Legislative Fiscal Committee. Representative Anderson expressed support for Representative Avenson's motion. Representative Avenson's motion failed with four affirmative votes by Senators Coleman and Palmer, and Representatives Anderson and Avenson and nine negative votes by Chairperson Harbor, Senators Hansen, Murray, Ramsey and Taylor, and Representatives Clark, Halvorson, Hansen, and Stromer.

The report of the Legislative Fiscal Committee was accepted by the Legislative Council.

Representative Hansen moved adjournment of the Legislative Council at 2:30 p.m. The motion was seconded by Representative Clark, and it carried.

Respectfully submitted,

SERGE GARRISON
Director

DIANE BOLENDER
Senior Research Analyst