

M I N U T E S

IOWA LEGISLATIVE COUNCIL

October 26, 1987

PRELIMINARY BUSINESS

The sixth meeting of the 1987-1988 Legislative Council was called to order by the Chairman, Donald D. Avenson at 1:40 p.m., Monday, October 26, 1987, in Senate Room 22 of the State House, Des Moines, Iowa. Members present in addition to Chairman Avenson were:

Senator Bill Hutchins, Vice Chairman
Lieutenant Governor JoAnn Zimmerman
Senator C. Joseph Coleman
Senator Donald V. Doyle
Senator Lee W. Holt
Senator Calvin O. Hultman
Senator George R. Kinley
Senator David M. Readinger
Senator Dale L. Tieden
Senator Joseph Welsh
Representative Robert C. Arnould
Representative Florence D. Buhr
Representative Kay Chapman
Representative John H. Connors
Representative William H. Harbor
Representative Delwyn Stromer
Representative Harold Van Maanen

Also present were:

Donovan Peeters, Director, Legislative Service Bureau; Diane Bolender, Senior Research Analyst; Richard Johnson, Senior Legal Counsel; Sue Lerdal, Research Analyst; Thane R. Johnson, Senior Research Analyst; other legislative staff members; representatives of the news media; and other interested persons.

ROLL CALL AND MINUTES

Representative Connors moved to dispense with the roll call and to approve the minutes of the September 2, 1987 Council meeting, as submitted. The motion was adopted by unanimous voice vote.

COURT RULES RECEIVED

Chairman Avenson recognized Senator Doyle for an explanation of the Court Rules reviewed by the Legislative Council under section 602.4202. Senator Doyle stated that the changes relate to amendments to the Iowa Rules of Appellate Procedure 304 and the striking of Iowa Rule of Appellate Procedure 305. Senator Doyle also stated that the rules reviewed include changes to the District Court Small Claims Division original notice forms. Senator Doyle noted that no Council action is necessary other than acknowledging receipt of the rules. Representative Connors moved that the rules be received and filed by the Legislative Council. The motion was adopted by unanimous voice vote.

CENSUS BUREAU'S 1990 CENSUS REDISTRICTING DATA PROGRAM

Chairman Avenson next recognized Mr. Peeters relating to the state's participation in Phase II of the Census Bureau's 1990 Census Redistricting Data Program. Mr. Peeters stated that Phase I of the project was called the Boundary Block Suggestion Project and involved going over the Census Bureau maps and attempting to find accessible census boundaries which would coincide with precinct boundaries for the purpose of precinct data for the 1990 Census. He added that Phase II of the project requires tracing those precinct boundaries on two sets of census maps so that the data may be reported by precinct. He stated Phase II requires additional cooperation from cities and counties in that they have to respond to inquiries about their election precincts and have to select census boundaries for reporting the populations of those precincts. Mr. Peeters added that the Legislative Council authorized the state to participate in Phase I of the Program and that the Legislative Service Bureau was the participating agency on behalf of the state. He added that Mr. Gary Kaufman of the Legislative Service Bureau staff was designated as the state's liaison under Phase I and he is willing to participate in Phase II. In conclusion, Mr. Peeters stated that most of the additional work will occur in the 1988-1989 fiscal year and that there will be additional costs incurred in participating in the Program. The liaison will require one assistant to help in performing tasks within the timeframe required. He added that the additional staff, postage costs, and possible trips to the regional office of the Census Bureau will be reflected in the budget of the Legislative Service Bureau for the fiscal year 1989. There being no further discussion, Representative Connors moved that the Legislative Council authorize the state to participate in Phase II of the Census program and that the Legislative Service Bureau continue to act as the participating agency on behalf of the state. The motion was adopted by unanimous voice vote.

FINAL REPORT OF THE RECREATION - TOURISM - LEISURE STUDY COMMITTEE

Chairman Avenson introduced Mr. Gerald F. Schnepf, Chairman, Recreation-Tourism-Leisure Study Committee, to present the Study Committee's Final Report. A copy of the Final Report is filed with the Legislative Service Bureau. Mr. Schnepf stated that the Recreation-Tourism-Leisure Study Committee was created in 1984 by the Legislative Council to study the economic potential of recreation, tourism, and culture to Iowa's society. He stated that the Study Committee found the following:

1. Too many Iowans and potential state visitors hold the misconception that Iowa does not offer a broad range of naturally interesting and appealing recreation, tourism, and cultural activities.

2. The significant economic returns other states have enjoyed through properly marketed and developed recreation, tourism, and cultural programs have not been widely accepted or pursued in Iowa.

3. Even though travelers in Iowa annually spend \$1.7 billion which support at least 47,000 private sector jobs and generate nearly \$75 million in state revenue, only a fraction of the economic potential of recreation, tourism, and culture is currently being realized.

4. A long-range perspective and implementation strategy for realizing the many social and economic values of recreation, tourism, and cultural development are seemingly absent in many state agencies. Furthermore, the many state agencies delivering recreation, tourism, and cultural programs are acting independently without the beneficial efficiency of multi-agency coordination and cooperation.

5. The General Assembly has not chosen to appropriate adequate funds for state recreation, tourism, and cultural programs and while emphasizing short-term projects, the state government has not placed a strong emphasis on long-range multi-year development programs.

6. Many of the state's nationally important and rare natural, prehistoric and cultural resources are not being adequately protected, managed, or enhanced.

Mr. Schnepf noted that a number of recommendations of the Study Committee have been partially fulfilled by the General Assembly, but some of these projects have not been funded. Mr. Schnepf stated that the Recreation-Tourism-Leisure Study Committee has emphasized that the opportunity to lead rather than to follow is important and that investments made now in recreation, tourism,

and culture will provide immediate as well as sustainable returns to the state in the form of an improved quality of life, new jobs, and increased revenue for state and local government programs.

Mr. Schnepf recognized Mr. David L. Dahlquist, Project Director, Recreation-Tourism-Leisure Study Committee to comment on the Study Committee's recommendations. Mr. Dahlquist proceeded to briefly summarize the 15 recommendations of the Study Committee which are outlined on pages ii, iii, and iv of the Final Report.

In conclusion, Chairman Schnepf stated that implementing the 15 recommendations of the Study Committee would require between \$12 and \$17 million in new funding from the General Assembly during each of the next five years. He added that the returns from this investment would be two-fold. First, by making new opportunities for every Iowan to understand and appreciate the state's rich array of natural and cultural resources, a new sense of pride and spirit can be created for Iowa and secondly, the economic return of properly marketed and developed recreation, tourism, and cultural programs should be striking and substantial. For example, he added the travel spending of \$18 million by 200,000 newly attracted Iowa visitors annually would create and support 780 new full-time jobs and generate \$3.5 million of new state revenue.

Senator Welsh commented that he does not believe that a \$12 million to \$17 million additional annual expenditure for recreation, tourism, and cultural opportunities is feasible at this time. He also asked how many of the newly created jobs in the recreation-tourism market will be more than minimum wage or seasonal type jobs. Mr. Schnepf responded that the study does not specifically address the question of which type of jobs would be created, but he added that, overall, the recreation and tourism industry tends to create jobs that are above minimum wage levels. Senator Welsh responded that he believes the report should establish priorities among the recommendations so that \$2 million to \$3 million annually could be targeted. Chairman Avenson commented that he believes a number of the recommendations such as emphasizing greater coordination among state agencies and improved marketing plans and methods can be implemented. He also expressed his appreciation of the long hours and hard work of the Study Committee over the past three years.

STUDIES COMMITTEE REPORT

Chairman Avenson recognized Vice Chairman Hutchins for the Report of the Studies Committee. A copy of the Report is attached to and by this reference made a part of these minutes. Vice Chairman Hutchins stated that the Report includes recommendation of approval of one additional meeting day for the State Tax Reform Study Committee, the Teacher Preparation Task Force, the AIDS Task Force, the Public Funds for Economic Development Study Committee,

the Retraining and Retooling Study Committee, and the Infrastructure Funding Formula Study Committee. In addition, expense requests were approved for the cost of presenters to the Retraining and Retooling Study Committee, and the cost of the local police and fire retirement systems actuarial studies. He also stated that the Committee recommends the creation of a Code Publication Study Committee and per diem for the Chairs and Ranking Members of the House and Senate Education and Human Resources Standing Committees and the Co-chairs of the Welfare Reform Study Committee be approved to attend an early child care assistance program sponsored by the National Conference of State Legislatures. In conclusion, he stated that the Committee recommends an extension of time for the Mandatory Insurance LEAG Study to November 9 and the rescinding of authorization for the Consumer Finance Charges and Interest Rates LEAG Study. With respect to recommendation number 3, Senator Doyle asked if the Code Publication Study Committee is given a specific number of meeting days. Vice Chairman Hutchins stated that the written request does request a one-day meeting. Senator Doyle moved that recommendation number 3 include an amendment for one meeting day for the Code Publication Study Committee. The motion was adopted by an unanimous voice vote. There being no further remarks, Representative Connors moved the adoption of the Report of the Studies Committee as amended. The motion was adopted by an unanimous voice vote.

FISCAL COMMITTEE REPORT

Chairman Avenson recognized Senator Welsh for the Fiscal Committee Report. A copy of the Report of the Legislative Fiscal Committee is attached to and by this reference made a part of these minutes. Senator Welsh stated that the Report of the Legislative Fiscal Committee contains recommendations for Education Visitation, Justice Visitation, Human and Health Rights Visitation, Human Services Visitation, and authorization for all members of the Fiscal Committee to receive notice of the meetings and per diem and travel if they wish to attend these visitation committee meetings. There being no further comments, Senator Welsh moved the adoption of the Report of the Legislative Fiscal Committee. The motion was adopted by an unanimous voice vote.

SERVICE COMMITTEE REPORT

Chairman Avenson recognized Senator Welsh for a motion concerning the Report of the Service Committee. Senator Welsh explained that the Service Committee had not met, but there was one item of Service Committee business that he would like to bring directly before the Council. Senator Welsh asked and received unanimous consent of the Council to present this item of business. Senator Welsh stated that the Citizens' Aide has been exploring

building renovation costs to make the present office structure at 515 East 12th Street accessible to the handicapped. He said that the projected cost estimates range from \$18,000 to \$25,000 to construct a ramp, modify the entryway, and renovate the restroom and office space. He added that approval of this project would not take care of long-range roof and gutter repair needs at the current office. He added that a suitable alternative exists to the location at 515 East 12th Street. He stated that the Citizens' Aide has inspected, and approves of, space available in the Micrographics Building located south and west of the State House at 215 East 7th Street. He stated that the Department of General Services can make this building handicapped accessible and that the building has a much longer life expectancy than the current structure occupied by the Citizens' Aide. Senator Welsh stated that it would cost approximately \$23,000 to recondition and relocate the Office of Citizens' Aide. He added that cost-savings would be realized by the state almost immediately in that it will cost approximately \$4 less per square foot to house the Citizens' Aide in the new facility. He stated that the cost savings will be approximately \$6,300 per year.

In reply to a question by Representative Harbor, Senator Welsh stated that the square footage of the old and new location is approximately the same, approximately 16,000 square feet. There being no further comments, Senator Welsh moved that the Legislative Council approve the relocation of the Office of the Citizens' Aide to the Micrographics Building at 215 East 7th Street in Des Moines, Iowa. The motion was adopted by unanimous voice vote.

COMPUTER MODEL PACKAGE FOR TAX STUDIES

Chairman Avenson asked the Council to authorize the joint majority and minority leadership of the General Assembly to negotiate an agreement for a computer modeling package for tax studies and authorize the Chairman of the Legislative Council to sign an agreement for an amount not to exceed \$250,000 for the tax modeling package. Chairman Avenson stated that the tax problems, discussion and negotiations between the legislative leadership and the executive department have shown the need for a separate computer tax modeling package for the use of the General Assembly. Chairman Avenson recognized Joe O'Hern, Chief Clerk, who explained that negotiations have been carried out with two consulting firms to develop computer tax models which would be useful in analyzing tax data and studying relative tax burdens based on various assumptions. In reply to a question by Representative Chapman, Chairman Avenson stated that the data base which will be used for the computer model will be from Internal Revenue Service statistics and tax data from the Department of Revenue and Finance. Representative Chapman responded that she believes additional information and tax data will be needed from the Department of Revenue and Finance before any future tax studies

will be meaningful to the General Assembly. She added that current data will not answer pertinent questions on tax burdens. Chairman Avenson commented that he believes that the software package utilized by the Department of Revenue and Finance is inadequate to provide the type of information that the General Assembly needs to make it's decisions on tax packages. Vice Chairman Hutchins also commented that the Department of Revenue and Finance can obtain a copy of the same tax model package acquired by the General Assembly for approximately ten percent of the cost to the General Assembly. Senator Readinger expressed concern that the authorization to pay up to \$250,000 for a tax model is excessive in light of the revenue problems in the state. Chairman Avenson responded that the alternatives available from the Department of Revenue and Finance have not been acceptable and that the Department is too slow in responding to the study requests of the General Assembly. Chairman Avenson stated that the General Assembly needs the capability to separately study and develop its own budget and tax alternatives. Senator Readinger commented that he would like to have more concrete information on the legislative proposal before authority to proceed is granted to the legislative leadership. Chairman Avenson responded that the request by Senator Readinger is fair and appropriate but that the leadership needs the authority to finalize the negotiations and reach an agreement with one of the consulting firms so that the tax modeling capability is available for use by the General Assembly during the 1988 Session. Representative Harbor commented that he also shares the concern of Senator Readinger concerning the costs and possible duplications of the tax modeling which is available from the Department of Revenue and Finance at present. Chairman Avenson responded that the Department of Revenue and Finance is an executive department and it's responses to requests of the General Assembly are slow and that information provided can be manipulated to present the executive department's plan for taxes and revenue in its best light. After further discussion Senator Hultman moved that the Legislative Council authorize the negotiation of a contract for a computer model for tax studies not to exceed \$250,000, that the Chairman of the Legislative Council be authorized to sign the contract, and that the legislative leadership provide members of the Legislative Council with information available to it concerning the negotiation and development of the computer model for tax studies. Representative Stromer expressed concern that having separate tax models will merely increase the potential for greater differences between the General Assembly and the Governor's Office over tax and revenue projections. He stated that the proposal is duplicative of capabilities of the Department and the two models will be using the same revenue base and tax data to reach different conclusions. After further discussion, the motion by Senator Hultman was adopted by a roll call vote of 12 ayes and 3 nays. Those voting aye were: Chairman Avenson, Senator Coleman, Senator Doyle, Senator Holt, Senator Kinley, Senator Readinger, Senator Tieden, Senator Welsh, Representative Arnould, Representative Buhr,

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Representative Chapman and Representative Connors. Those voting no were: Representative Harbor, Representative Stromer, and Representative Van Maanen.

ADJOURNMENT

There being no further business to come before the Council, Chairman Avenson adjourned the meeting at 2:53 p.m.

Respectfully submitted, .

DONOVAN PEETERS,
Secretary to the Legislative Council

THANE R. JOHNSON
Senior Research Analyst

Council, Oct
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