

LOCAL SERVICES STUDY COMMITTEE

Report to the Legislative Council
and the Members of the
First Session of the Sixty-sixth General Assembly

State of Iowa
1975

F I N A L R E P O R T

LOCAL SERVICES STUDY COMMITTEE

At its meeting of May 21, 1974 the Legislative Council voted to change the name of the 1973 interim Local Funding and Budgeting Study Committee to the "Local Services Study Committee" and the Council assigned additional study resolutions to it which were introduced during the Second Session of the Sixty-fifth General Assembly. The resolutions assigned to the Local Services Study Committee include House Concurrent Resolutions 29, 68, and 125, Senate Joint Resolution 5, and Senate Concurrent Resolutions 50, 56, and 120. These resolutions request the study of county, city and town finances, the compensation of county officers, the study of concepts relating to the unification of local governments, the study of unified law enforcement, and the study of county home rule. The Legislative Council appointed the following ten legislative members to the Local Services Study Committee:

Representative Delwyn Stromer, Chairman
Senator Bass Van Gilst, Vice Chairman
Senator James E. Briles
Senator James V. Gallagher
Senator James W. Griffin, Sr.
Senator Ralph W. Potter
Representative Ed Bittle
Representative John B. Brunow
Representative John H. Clark
Representative Russell L. Wyckoff

During the 1974 interim, the Local Services Study Committee held six meetings. At its first meeting on June 25, 1974, the Study Committee agreed not to appoint nonlegislative members but, as an alternative, to allow any interested person attending the meetings of the Committee to receive recognition from the Chairman and be heard on the study topics being discussed. The Study Committee also received testimony from Senator Forrest V. Schwengels, representing the Iowa Crime Commission, and Mr. Gordon Plepla, representing the South Iowa Area Crime Commission. Senator Schwengels and Mr. Plepla outlined the progress and basic operation of the unified law enforcement programs being studied and introduced in Iowa. Concerning problem areas needing legislative attention, Senator Schwengels stated that legislation is needed to provide a uniform pension and retirement system for law enforcement officers and a separate funding or taxing authority to carry out these unified law enforcement programs when Law Enforcement Assistance grants are no longer available for the planning and operation of such programs. Concerning the study priorities of the Committee, the Committee agreed to devote future meetings to the study of unified law enforcement, compensation of elected county officials, the consolidation of county funds and budgetary limitations, and the consolidation of local governmental services.

At its second meeting on July 15-16, 1974, the Study Committee heard testimony from the Iowa League of Women Voters, the Des Moines League of Women Voters, the Iowa Farm Bureau Federation, the Iowa State Association of Counties, the League of Iowa Municipalities and the Iowa Taxpayers Association. Representative Joan Lipsky also presented testimony to the Committee urging the strengthening of county government and providing for optional forms of county government. During the meeting, the Committee also moved to request the Lieutenant Governor and the Speaker of the House to authorize the expenditure of funds to employ a consultant to conduct a study of the compensation levels of elected county officers and the cost efficiency of elected county offices.

At its third meeting on August 26-27, 1974, the Study Committee heard testimony from Senator Forrest V. Schwengels; Mr. George W. Orr, Director, Iowa Crime Commission; Clinton County Sheriff Gary Mulholland; Dallas County Sheriff John E. Wright; Mitchell County Sheriff Richard E. Jahnel; Decatur County Sheriff Deral Houck; Chief Deputy Sheriff Anthony G. Crandell; Mr. Gordon E. Plepla, South Iowa Area Crime Commission; and Mr. Wendell Nichols, Chief of Police, Des Moines. The testimony received related to the current practices and problems regarding unified law enforcement. The Study Committee also received testimony from Mr. Scott Tinsman, Chairman, Scott County Governmental Study Commission, Mr. Stribling Boynton, Bi-state Metropolitan Planning Commission, Mr. Robert Tyson, Director, Office for Planning and Programming and representatives of several Regional Planning Commissions and Councils of Government throughout Iowa. The representatives of Regional Planning Commissions and Councils of Governments expressed concern to the Study Committee relating to the proliferation in Iowa of sub-state administrative and planning districts. These representatives concluded that the large number of overlapping sub-state districts causes considerable problems in carrying out planning and administrative programs.

The fourth meeting of the Study Committee was held on September 23-24, 1974. At this meeting, the Committee heard testimony from Mr. Charles O'Connor, Finance Director, City of Des Moines, relating to the financial problems of the major metropolitan areas of Iowa. The Committee also received testimony from Mr. Clayton Ringgenberg, Associate Director, Institute of Public Affairs, University of Iowa and Mr. Peter Gardner who is the principal author of an Institute of Public Affairs study entitled "Home Rule for Iowa Counties". The Committee received testimony from two guest speakers, Mr. George Lehr, County Executive, Jackson County, Missouri and Mr. Nicholas Meiszer, County Manager, Forsythe County, North Carolina. Mr. Lehr and Mr. Meiszer were invited by the Iowa State Association of Counties to present testimony and answer questions relating to the county manager and the county executive forms of county government.

At its fifth and sixth meetings on October 22 and November 26-27, 1974, the Study Committee discussed the draft proposals prepared by the Legislative Service Bureau, considered amendments and changes to the drafts, and heard testimony from interested persons on the proposed draft legislation.

REVENUE SHARING USE REPORT

At its August 25-26 meeting, the Study Committee requested the Legislative Service Bureau to prepare a report on federal revenue sharing receipts and expenditures of Iowa counties, cities and towns. Being unable to receive such data from the Office of Revenue Sharing, Washington, D.C., the Legislative Service Bureau contacted each county, city and town to obtain the actual expenditures of revenue sharing for the fiscal year 1973-74, the planned use expenditures for the fiscal year 1974-75, and the total amount of revenue sharing funds received as of June 30, 1974. All of the ninety-nine counties and seven hundred thirty of the nine hundred forty-five cities and towns responded to the request. Copies of the Report on the Use of Revenue-sharing Funds by county and city or town are available upon request at the Legislative Service Bureau.

The following are the recommendations of the Local Services Study Committee including a summary of the recommended bill drafts:

1. The Local Services Study Committee recommends to the Legislative Council for the consideration and enactment by the Sixty-sixth General Assembly, First Session, a bill relating to the creation of the county finance committee and specifying its powers and duties.

This bill creates a county finance committee consisting of ten members including the State Comptroller, the Treasurer of State, the Auditor of State, or their designees; an employee of the Office of Planning and Programming, four county officials experienced in county budget preparation, one operations research analyst and a certified public accountant. The four county officials and the certified public accountant are appointed by the Governor for four-year terms with the consent of two-thirds members of the Senate. The operations research analyst is appointed by the Legislative Fiscal Committee of the Legislative Council.

The principal duties and powers of the Committee are to establish guidelines for program-performance budgeting for counties and the preparation of capital improvement plans by counties. The Committee is also responsible for promulgating rules relating to budget amendments and the transfer of monies between funds and it must review and comment on the form of county budgets. The Committee is also given authority to approve the levying of taxes for the emergency fund.

2. The Local Services Study Committee recommends to the Legislative Council for the consideration and enactment of the Sixty-sixth General Assembly, First Session, a bill for an act relating to the creation of a county budget review committee,

specifying the powers and duties of the committee, providing for the consolidation of county funds and the limitation of certain budget expenditures for counties.

This bill establishes in each county a general fund, a debt service fund, a secondary road fund, a human resources fund, a court expense fund, and a restricted trust and agency fund into which existing county funds, programs and activities are consolidated.

a. The general fund will include all revenues to pay for the general operating expenses of the county, conservation, historic and recreational expenses, election and voting machines, public safety expenses, animal care, health and certain disease eradication expenses, agricultural promotion, fairground and related expenses, insurance expenses, planning, zoning and building code expenses and expenses relating to the acquisition, maintenance, and repair of county buildings.

b. The human resources fund will include all revenue to pay for expenses relating to assistance to the poor and indigent care, and treatment and habilitation of the mentally ill, mentally retarded or mentally and physically handicapped, health care facilities and services, care and education for delinquent or dependent children, and other health and welfare programs.

c. The secondary road fund will include all revenue to pay for expenses relating to the construction, reconstruction and maintenance of secondary roads, road clearing, and the eradication of weeds.

d. The court expense fund will include all revenue to pay expenses relating to the general operation of the district court, the office of the clerk of court, employees of the clerk of court and the district court, and bailiffs and other employees of the sheriff employed to carry out the serving of civil papers and documents of the court.

e. The debt service fund will include all revenue to pay for the interest and principal on county bonds, court house bonds, memorial hall bonds and other indebtedness authorized by law.

f. The restricted trust and agency fund will include all revenue collected or received from taxes and other sources for particular, restricted purposes such as gifts, money or property received by the county as a trustee or custodian and money collected or received from the taxation of specific property, or from particular taxing districts within the county, to be used for particular purposes such as library services, any contracts, flood and erosion control, bovine and swine brucellosis and tuberculosis eradication, the planning and maintenance of sanitary disposal projects, and employer payments for Social Security and Iowa Public Employee Retirement System.

The bill also creates a five-member county budget review committee consisting of the State Comptroller or his designee, two county officials who are regularly involved in budget preparation, and two electors of the state to represent the general public. The principal powers and duties of the Committee are to establish a modified allowable growth for a county by reducing its allowable growth by not more than fifty percent of the amount of the allowable growth established by law for all counties if, in the Committee's judgment, the county costs are unreasonably high in relation to comparable costs of counties of similar size. The Committee may also establish a modified allowable growth for a county by increasing its allowable growth because of unusual circumstances or emergencies as specified in the bill.

The bill provides for a limitation on the dollar amount of the proposed expenditures for the budgets of the general fund, court expense fund, and the human resources fund in lieu of levee limitations. Using the proposed expenditures in the budgets of these three funds for the preceding fiscal year as a base and excluding any proposed expenditures received from federal funds, the proposed expenditures from these three funds for a given fiscal year may not exceed the base year expenditures, plus an amount of allowable growth which is determined by a formula based on the growth in the revenue in the general fund of the state, and real property valuation throughout the state plus the unspent balance from the three budgets for the base year. This limited budget system will become effective for the budgets of the three funds for the fiscal year beginning July 1, 1977, using the proposed expenditures of the budgets of the fiscal years beginning July 1, 1976 as the first base year. Thereafter, the base year will be the last preceding fiscal year. As stated in the powers and duties of the county budget review committee, the committee may increase or decrease the amount of allowable growth for a county if, in its judgment, an increase or decrease is warranted due to past fiscal policy, unusual circumstances, or emergencies.

3. The Local Services Study Committee recommends to the Legislative Council for the consideration and enactment of the Sixty-sixth General Assembly, First Session, a bill for an act relating to county administrators.

This bill authorizes the board of supervisors to establish an office of county administrator to carry out the administrative and supervisory duties assigned to the county administrator by the board. The bill also provides the option that upon petition of five percent of the county electorate voting for the office of governor at the last preceding election at which a governor was elected, the board of supervisors shall submit the question of establishing the office of county administrator to the county electorate. The board of supervisors may abolish the office of county administrator at any regular or special meeting of the board unless the office is established by mandate of the electorate. If

the office is created by the election process, the board of supervisors must submit the question of abolition to the electorate, but not within two years after the office is established. The board of supervisors may assign only such administrative and supervisory powers to the county administrator as the board possesses. This bill does not effect the administrative duties of other elected county officers.

4. The Local Services Study Committee recommends to the Legislative Council for the consideration and enactment of the Sixty-sixth General Assembly, First Session, a bill for an act relating to the effective date of certain Acts of the General Assembly.

This bill provides that any Act or resolution of a public nature which will increase the expenses of counties or cities and towns in this state a total of two hundred and fifty thousand dollars or more shall not take effect until the first of July of the year next following the year of its enactment.

5. The Local Services Study Committee recommends to the Legislative Council for the consideration and enactment of the Sixty-sixth General Assembly, First Session, a joint resolution proposing to amend Article III of the Constitution of the State of Iowa to provide home rule for counties.

The Study Committee recommends two separate amendments to provide home rule for counties. One proposal grants home rule power and authority to counties, not in conflict with laws of the General Assembly as they may exist on the effective date of the amendment or as they may be changed by subsequent enactments of the General Assembly, to determine their local affairs in government, except that they shall not have the power to levy any tax unless expressly authorized by the General Assembly. The second proposal grants county home rule power with fewer restrictions by stating that counties shall have all powers and functions not denied or limited by the constitution or state law. The Study Committee recommends that the General Assembly consider the merits of each proposal for county home rule and select the desired form.

CONCLUSION

The Local Services Study Committee makes no recommendation concerning the consolidation and unification of local governments. It is the consensus of the Study Committee that additional study is needed to evaluate the various governmental structures which could best serve the individual needs of local governments.

The Local Services Study Committee also makes no recommendations relating to countywide unified law enforcement. It is the consensus of the Study Committee that additional study is needed concerning the existing law enforcement pension and retirement systems.

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The minutes of the Study Committee meetings, written testimony presented to the Committee, and other supportive informational materials are available upon request at the Legislative Service Bureau. The bill drafts recommended by the Study Committee will be prepared by the Legislative Service Bureau for submission to the First Session of the Sixty-sixth General Assembly.

Respectfully submitted,

Local Services Study Committee
Representative Delwyn Stromer, Chairman