

**REPORT OF THE FISCAL COMMITTEE TO THE
LEGISLATIVE COUNCIL**

June 4, 1997

The Fiscal Committee met June 4, 1997, in the Speaker's Conference Room of the State Capitol.

The Committee made the following recommendation to the Council regarding the changes in Senate File 2366 for State of Iowa lease-purchase agreements.

Senate File 2366, passed during the 1996 Legislative Session, limits the total principal lease-purchase amount the Treasurer of State may enter into on behalf of a State agency to \$1.0 million per year. Lease-purchase agreements in excess of \$1.0 million must be approved by the General Assembly, or the Legislative Council if the General Assembly is not in Session, and the Governor. (See the attached memo from Dave Reynolds, LFB.)

Because timing can be a critical element in securing an optional interest rate for a lease-purchase agreement, and because the Legislative Council does not always meet on a monthly basis, the Committee recommends that the Legislative Council delegate authority for approval of lease-purchase agreements to the Fiscal Committee when the General Assembly is not in session. The Fiscal Committee is currently notified on a monthly basis of all proposed lease-purchase agreements.

The Committee also discussed three other options concerning this issue. These are outlined in the attached memo as Options 1-3.

The Committee also discussed:

- A revenue update presented by Dennis Prouty, Director, Legislative Fiscal Bureau (LFB).
- An update on federal issues by Phil Smith, State/Federal Washington Office.
- Appropriations Transfers:
 - \$40,000 transfer to the Department of Public Safety, Division of Criminal Investigation (DCI) from the Division of Administrative Services (\$20,000) and the Division of Capitol Police (\$20,000).
 - \$525,000 transfer to the Department of Revenue and Finance, State Financial management Division from the Compliance Division (\$275,000) and Internal Resource Management (\$250,000).

- **Lease-purchase Notifications:**
 - The Department of Human Services for energy improvements at the Eldora State Training School. Total cost of the lease-purchase agreement is \$297,008 including \$240,000 in principal and \$57,008 in interest.
 - The Department of General Services to refinance six Xerox copiers which are currently financed by the Xerox Corporation. The total cost of the agreement is \$348,876, including \$314,208 principal and \$34,668 in interest.
- An Iowa Communications Network update by Douglas Wulf, LFB. This included reviewing the financial statements for the period ending April 30, 1997. The net cash (deficit) from operations and equipment is higher than anticipated.
- Over collection of health insurance premiums by Blue Cross Blue Shield was reviewed by Larry Sigel, LFB. The State of Iowa will receive \$12.4 million from Blue Cross Blue Shield due to an accounting error.
- The status of the Oversight/Communications Committee.
- Issues for possible consideration by the Committee during this interim.

The next meeting is tentatively scheduled for Tuesday, July 22, 1997, in the State Capitol.

Respectfully submitted,

Senator Derryl McLaren
Co-chairperson

Representative Dave Millage
Co-chairperson



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STATE CAPITOL
DES MOINES, IOWA
50319

STATE OF IOWA
LEGISLATIVE FISCAL BUREAU
MEMORANDUM

TO: Legislative Fiscal Committee Members
FROM: David L. Reynolds
DATE: June 4, 1997
RE: Changes to the Lease-Purchase Requirements

During the 1996 Legislative Session the General Assembly passed, and the Governor signed SF 2366 (Lease-Purchase Agreements Act) which made changes to the procedures used by State agencies to enter into lease-purchase agreements. Prior to the enactment of SF 2366, State agencies were only required to notify the Fiscal Committee 30 days prior to entering into a lease-purchase agreement.

Senate File 2366 made the following changes to the lease-purchase process:

- Transferred the centralized financing of lease-purchase arrangements from the Department of General Services to the Treasurer of State's Office.
- Limits the total principal amount that the Treasurer of State may enter into on behalf of a State agency to \$1.0 million per year. Lease-purchase agreements in excess of \$1.0 million must be approved by the General Assembly, or the Legislative Council if the General Assembly is not in Session, and the Governor.
- Increases the amount that the Iowa Telecommunications and Technologies Commission may spend for the purchase, lease, or lease-purchase of property and services from \$500,000 to \$1.0 million. Lease-purchase agreements in excess of \$1.0 million must be approved by the General Assembly, or the Legislative Council if the General Assembly is not in Session, and the Governor.

The lease-purchase provisions of SF 2366 do not pertain to the Board of Regents, lease-purchase agreements involving energy conservation improvements, or agreements funded through the Department of Transportation's Materials and Equipment Revolving Fund.

Because timing can be a critical element in securing a good interest rate for a lease-purchase agreement, and because the Legislative Council does not always meet on a monthly basis, a list of options for dealing with the lease-purchase approval process for agreements in excess of \$1.0 million is listed below.

1. Whenever a lease-purchase proposal is in need of action, the Legislative Council arranges a meeting within 30 days of the date of notification.
2. The Council adopts a policy specifying that no action represents approval of the proposed project(s).
3. The Council votes to approve or deny a lease-purchase proposal via a conference call.
4. The Council delegates the authority for approval of lease-purchase agreements to the Fiscal Committee. The Fiscal Committee is currently notified on a monthly basis of all proposed lease-purchase agreements.

If you have any questions, please contact me at (515) 281-6934.

REPORT OF THE STUDIES COMMITTEE OF THE LEGISLATIVE COUNCIL

June 25, 1997

The Studies Committee of the Legislative Council met on June 25, 1997, and makes the following report and recommendations:

1. That approval be given to the establishment of and authorizations for interim studies as provided in the attached listing.
2. That a Legislative Oversight Committee be established as a standing committee of the Legislative Council as provided in the attached authorization.
3. That a four-member Value-Added Production Task Force be created in accordance with 1997 Iowa Acts, Senate File 542, to assist the Department of Economic Development and the Office of the Governor as provided in Senate File 542.
4. That the County Issuance of Motor Vehicle Licenses Study Committee be authorized to expend not more than \$20,000 for costs to carry out the requirements of 1997 Iowa Acts, House File 372, as described in that committee's request for funding received and filed by the Studies Committee.

Respectfully submitted,

Representative Chuck Gipp
Chairperson

Legislative Studies for the 1997 Interim

(approved by the Legislative Council on June 25, 1997)

Authorization for Mandated Study

- Public Retirement Systems Committee

Develop and recommend retirement standards and a coherent state policy on public retirement systems. Survey pension and retirement developments in other states and the private sector and evaluate the state's policy and standards in light of these developments. Study the following six pension studies in accordance with 1996 Iowa Acts, ch. 1187: (1) study proposals and make recommendations for establishing a defined contribution option and for converting the system into a defined contribution plan, (2) study proposals and make recommendations concerning contribution rates, (3) study proposals and make recommendations regarding disability retirement benefits, (4) study proposals and make recommendations concerning inclusion of members who are in a protection occupation, (5) study proposal and make recommendations concerning organizational structure of the IPERS system, and (6) study proposals and make recommendations regarding a comprehensive examination of plan design for the IPERS system.

5 Senate/5 House per Code Section 97D.4, 3 days

Legislative Council Studies

- Anatomical Gift Referral

Review Iowa's system for organ donation and procurement, including the compliance of hospitals and other health organizations in making referrals to organ procurement organizations.

3 Senate/3 House, 1 Day

- Criminal Sentencing

Review current criminal penalties and sentencing practices, including but not limited to the effects of mandatory minimum penalties on sentencing practices and the effects of sentencing practices on inmate populations at state and adult and residential community-based correctional facilities. The committee shall also conduct a comparative assessment of the relative penalties imposed for various crimes based not only on the threat posed by the prohibited criminal conduct, but also by the risk generally associated with particular criminal offenders. Review and make recommendations concerning sexual predator statutory proposals and the existing sex offender registry statute.

5 Senate/5 House/2 days

- Human Services Restructuring Task Force

Build upon the efforts of the 1996 Department of Human Services (DHS) Restructuring Task Force by developing a comprehensive proposal for transferring control of human services delivery to the local level, eliminating program duplication within DHS and between DHS and other state agencies, and reducing the amount of paperwork, red-tape, and bureaucracy to improve quality of services delivery and consumer satisfaction. Evaluate the adherence of DHS to the department's mission statement. In addition, the Task Force may consider other proposals for service restructuring, such as granting local authority for service delivery, using public institutions and facilities, feasibility of creating a separate agency for disability and rehabilitation services, and creating a "seamless" system for child day care assistance. The Task Force, may meet monthly, and may establish subcommittees which may include legislators and public members who are not members of the full Task Force. Legislators serving on a subcommittee are entitled to reimbursement for actual expenses associated with attendance at subcommittee meetings. The Task Force may hold public hearings and other meetings outside Des Moines.

5 Senate/5 House/5 nonvoting public members, 5 days

- Privatizing Management of the Iowa Communications Network

Study issues relating to privatizing the management of the Iowa Communications Network.

3 Senate/3 House, 2 Days

- **Solid Waste Fees and Incentives**

Conduct a comprehensive review of the goals, regulation, reporting, and status of statewide efforts to reduce and recycle solid waste. Evaluate the effectiveness of the statewide goals for waste stream reduction, incentives and penalties used to encourage planning areas to meet the goals. Review recycling programs, tonnage fees, and the programs funded by tonnage fees.

3 Senate/3 House, 2 Days

- **Task Force to Study Iowa's System of State and Local Taxation**

Study and make recommendations regarding the state and local tax systems in this state and address the goals of tax simplification, equity, and reduction. The study shall include the local property tax system, individual income tax system, taxation of corporations, financial institution, and other business taxation, sales, services, and use taxes, and other tax-related topics deemed appropriate by the task force. The task force may contract with one or more tax consultants or experts familiar with the Iowa state and local tax systems, or for other contract assistance deemed necessary. If contract assistance is deemed necessary, upon receiving approval of the Chair and Vice-Chair of the Legislative Council in consultation with the Minority Leaders of the Senate and House, not more than \$100,000 is authorized for costs of the contract assistance.

5 Senate/5 House/11 nonvoting public members, 5 Days

- **Commission on Urban Planning, Growth Management of Cities, and Protection of Farmland**

Survey the status of Iowa farmland and natural areas over the past 20 years to determine how much of these areas has been converted to residential, commercial, or industrial use and perform other activities outlined in HCR 21. The survey shall also report on the agricultural quality of the farmland converted to these uses. Survey the problems facing the state's cities and the effectiveness of local planning and zoning laws. Survey property developers and local government agencies to seek their advice on solutions to local planning problems. Hold public hearings around the state.

2 Senate/2 House/17 voting public members as described in HCR 21, monthly meetings

Completion Date

All interim studies shall complete their deliberations by November 30, 1997.

Legislative Council Standing Committee

- **Legislative Oversight Committee**

A Legislative Oversight Committee is established under the Legislative Council. The purpose of the Committee is to review and analyze the structure and operations of state government in providing services and enhancing the ability of the public to interact with government. The Committee is to give particular attention to state government's use of information technology, including its role in enhancing information sharing among subunits and branches of state government and between the state and other governmental bodies.

The Committee shall consist of 10 members of the General Assembly appointed as follows: 3 majority party senators designated by the Majority Leader, two minority party senators designated by the Minority Leader, three majority party representatives designated by the Speaker of the House, and two minority party representatives designated by the Minority Leader. All actions of the Legislative Oversight Committee shall require the affirmative vote of a majority of the members from each of the respective chambers.

Members of the Legislative Oversight Committee are entitled to receive per diem and expenses for their attendance at official meetings of the Committee while the General Assembly is not in session. These costs shall be charged as a joint expense under section 2.12.

The Legislative Oversight Committee is authorized to meet monthly. The Committee shall report to the Legislative Council with a listing of programs, rules, and other activities administered or enforced by state agencies which the Committee has identified for review. The Committee shall submit a final report to the Legislative Council and to the General Assembly not later than the convening of each regular session of the General Assembly. The final report shall include findings, recommendations, and a summary and may include proposed bills or resolutions.

REPORT OF THE SERVICE COMMITTEE TO THE LEGISLATIVE COUNCIL

June 25, 1997

The Service Committee of the Legislative Council met on June 25, 1997, and makes the following report and recommendations to the Legislative Council:

1. The Service Committee received and filed the June 1997 and the annual personnel report from the Legislative Fiscal Bureau.
2. The Service Committee received and filed the June 1997 and the annual personnel report from the Legislative Service Bureau and recommends the following:
 - a. That the following employees be promoted:
 - Mr. Gary Rudicil, from Computer Systems Analyst 3, grade 32, step 6, to Senior Computer Systems Analyst, grade 35, step 4, effective June 1997.
 - Mr. Roger Karns, from Document Processor 1, grade 16, step 2, to Document Processor 2, grade 19, step 1, effective August 1997.
 - Ms. Gina Garrett, from Proofreader 1, grade 16, step 3, to Proofreader 2, grade 19, step 2, effective June 1997.
 - Mr. Danny Degen, from Proofreader 1, grade 16, step 5, to Proofreader 2, grade 19, step 3, effective June 1997.
 - Ms. Betty Snugs, from Document Processor 2, grade 19, step 6, to Senior Document Processor, grade 22, step 5, effective June 1997.
 - Ms. Katharine Olah, from Proofreader 1, grade 16, step 3, to Proofreader 2, grade 19, step 1, effective June 1997.
 - Ms. Betty Shea, from Proofreader 1, grade 16, step 3, to Proofreader 2, grade 19, step 1, effective June 1997.
 - b. That Ms. Cindy Lewis, Proofreader 1, be reassigned from a temporary to a full-time, year-round position effective June 1997.
3. The Service Committee received and filed the June 1997 and the annual personnel report from the Legislative Computer Support Bureau and recommends that the following employees be promoted:
 - a. Mr. Bryan Boyd, from Computer Systems Engineer II, grade 32, step 3, to Division Administrator I, grade 35, step 2, effective June 1997.
 - b. Mr. Roel Campos, from Computer Systems Analyst III, grade 32, step 3, to Senior Computer Systems Analyst, grade 35, step 2, effective June 1997.
 - c. Ms. Cheryl Ritter, from Computer Systems Analyst II, grade 29, step 6, to Computer Systems Analyst III, grade 32, step 5, effective June 1997.
4. The Service Committee received and filed the June 1997 and the annual personnel report from the Office of Citizens' Aide/Ombudsman.

5. The Service Committee received and filed the following proposed mission statement for the Legislative Computer Support Bureau and recommends it be adopted:

The Legislative Computer Support Bureau supports the Iowa General Assembly and operates under the direction and control of the Iowa Legislative Council. The mission of the Legislative Computer Support Bureau is to provide information technology support and services in an efficient, effective and reliable way to Legislators, Legislative Staff, and Central Staff Agencies in a non-partisan manner. The Legislative Computer Support Bureau should guide the Iowa Legislature through new emerging information technologies and recommend technology standards for the Legislature to implement and follow.

6. The Service Committee received and filed a response to a U.S. Department of Justice Americans with Disabilities Act complaint concerning accessibility to legislative facilities and recommends that the final sentence of the physical access portion of the policy for accessibility for persons with disabilities, adopted by the Legislative Council on June 15, 1994, be amended to read as follows:

Pursuant to rules adopted by the Senate and the House of Representatives, access to the floor of the Senate and House of Representatives chambers shall be allowed during debate of interest to persons with physical disabilities, including such persons who are registered lobbyists, if those persons are unable to access the galleries.

Respectfully submitted,

Representative Brent Siegrist
Chairperson

**REPORT OF THE CAPITAL PROJECTS COMMITTEE
TO THE LEGISLATIVE COUNCIL**

June 25, 1997

The Capital Projects Committee of the Legislative Council met at 1:00 p.m. on June 25, 1997.

The Committee received the following information and reports:

1. The membership of the Capital Projects Work Group established by the Legislative Council at the Council's May 21, 1997, meeting.
2. A review of the Legislative Council action taken at the May 21, 1997, meeting regarding Capitol space usage and renovation.
3. An update on the progress of Capitol restoration and renovation from Dave Ancell and Tom Johnson, Department of General Services.
4. A review of Capitol accessibility (ADA) issues.

Respectfully submitted,

SENATOR JOHN JENSEN
Chairperson

LEGISLATIVE COUNCIL RESOLUTION

(approved, as amended, by the Legislative Council on June 25, 1997)

A Legislative Council Resolution relating to support for funding infrastructure projects at the state fairgrounds and for state assistance to local fairs.

WHEREAS, the General Assembly, in House File 733, appropriated \$5,460,000 to the Iowa State Fair Foundation, for the fiscal year beginning July 1, 1998, and ending June 30, 1999, for renovation, restoration, and improvement projects on the state fairgrounds and for distributing \$1,060,000 of that amount to qualified local fairs; and

WHEREAS, the Governor disapproved this appropriation through an item veto; and

WHEREAS, the state fair and local fairs are important assets to the state and its communities and the appropriation is necessary to the continued improvement and viability of the fairs; NOW THEREFORE,

BE IT RESOLVED BY THE LEGISLATIVE COUNCIL, That the Legislative Council expresses its support for the continued restoration and improvement of the state fairgrounds and continued assistance to local fairs through the use of state funds; and

BE IT FURTHER RESOLVED, That the Legislative Council supports an appropriation, by the 1998 regular session of the Seventy-seventh General Assembly, for the fiscal year beginning July 1, 1998, and ending June 30, 1999, of \$5,460,000, to the Iowa State Fair Foundation for renovation, restoration, and improvement projects at the state fairgrounds and for distributing \$1,060,000 of that amount to qualified local fairs who are members of the Association of Iowa Fairs.

Proposed Legislative Studies for the 1997 Interim Recommended Authorization for Mandated Studies

- **Public Retirement Systems Committee -**

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Legislative Council Studies

- **Anatomical Gift Referral**

Review Iowa's system for organ donation and procurement, including the compliance of hospitals and other health organizations in making referrals to organ procurement organizations.

3 Senate/3 House, 1 Day

- **Contested Workers' Compensation Claims**

Review state requirements for nonoccupational health plans to pay disputed workers' compensation claims. Consider fiscal estimates as to the cost to hospitals when payment is not made for contested claims. Determine the treatment of employers who elect self-insurance for workers' compensation coverage and settlement practices which do not provide for payment of outstanding medical charges. Consider testimony from the Insurance and Industrial Commissioners, labor and business interests, health and workers' compensation insurance carriers, physicians and hospitals, and the legal community.

3 Senate/3 House, 1 Day

- **Criminal Sentencing**

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5 Senate/5 House/2 days

- **Human Services Restructuring Task Force**

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- **Urban Planning, Growth Management of Cities, and Protection of Farmland**
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Completion Date

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