

PRESENTATION TO THE LEGISLATIVE COUNCIL

September 27, 1988

By:

Patrick D. Cavanaugh, Director
Iowa Department of Management

W. Lynn Barney, Deputy Director
Iowa Department of Management

GENERAL FUND REVERSIONS
 BY FUNCTIONAL AREA: FY 87 AND FY 88
 (000s)

FUNCTIONAL AREA	FY 87 ACTUAL	FY 88 ESTIMATE	Difference
ADMINISTRATION			
Campaign Finance	25	14	(11)
Comp Worth	485	0	(485)
Exec. Council	6	6	0
General Svcs.	1,382	142	(1,240)
Governor	12	3	(9)
Inspec/App	207	92	(115)
Legislature	1	0	(1)
Livestk Tax Replce.	0	2,940	2,940 x
Lt.Gov.	4	17	13
Management	91	3	(88)
Personnel	32	28	(4)
Prop.Tax Apps.	1,602	841	(761)
Rev./Finance	604	105	(499)
Salary Adj.	171	23	(148)
Sec. State	31	26	(5)
Training	15	135	120
Treasurer	27	0	(27)

	4,695	4,375	(320)
EDUCATION:			
College Aid	232	175	(57)
Cultural Affairs	137	80	(57)
Dept. Education	235	240	5
Education Excell.	0	1,263	1,263
Regents	63	0	(63)

	667	1,758	1,091
ECON DEVELOPMENT/COMMERCE:			
Commerce	436	0	(436)
DES	162	107	(55)
Econ. Dev.	547	360	(187)

	1,145	467	(678)
HEALTH & HUMAN SERVICES			
Civil Rights	55	65	10
Elder Affairs	33	50	17
Human Rts	94	15	(79)
Human Services	3,395	2,395	(1,000)
Public Health	544	628	84

	4,121	3,153	(968)

General Fund Reversions

General Fund Appropriations	Fiscal Year	Estimated Reversions			Actual Reversions		
		Special	Regular	Total	Special	Regular	Total
1609.0	1980		10.5	10.5		13.1	13.1
1725.5	1981 *	78.2	16.6	94.8	78.2	21.8	100.0
1785.3	1982		8.0	8.0		22.5	22.5
1909.8	1983		41.7	41.7		40.7	40.7
2048.1	1984 **	55.3	11.8	67.1	55.3	15.0	70.3
2110.9	1985		10.0	10.0		26.2	26.2
2222.8	1986 ***	80.7	12.5	93.2	80.7	11.1	91.8
2203.3	1987		25.0	25.0		13.0	13.0
2413.5	1988 ****	15.9	23.6	39.5	12.5	10.9	23.5

* 4.6 Percent Across the board Reduction = \$ 78.2

** 2.8 Percent Across the board Reduction = \$ 55.3

*** 3.85 Percent Across the board Reduction = \$ 90.7

**** Item veto reversions

JUSTICE/PUBLIC SAFETY

Attorney General	42	7	(35)
Corrections	1,171	407	(764)
ILEA	48	30	(18)
Judicial	27	470	443
Parole	12	0	(12)
PER Board	70	42	(28)
Public Defense	17	17	0
Public Safety	660	25	(635)

	2,047	998	(1,049)

NATURAL RESOURCES/AGRICULTURE:

DALS	555	79	(476)
Natural Resources	200	120	(80)

	755	199	(556)
	=====		
	13,430	10,950	(2,480)

SPECIAL FY 88 REVERSIONS

Livestk Tax Replce.	0	2,940	2,940
Education Excell.	0	1,263	1,263
	=====		

NET REDUCTION OF FY 88 REVERSIONS (6,683)

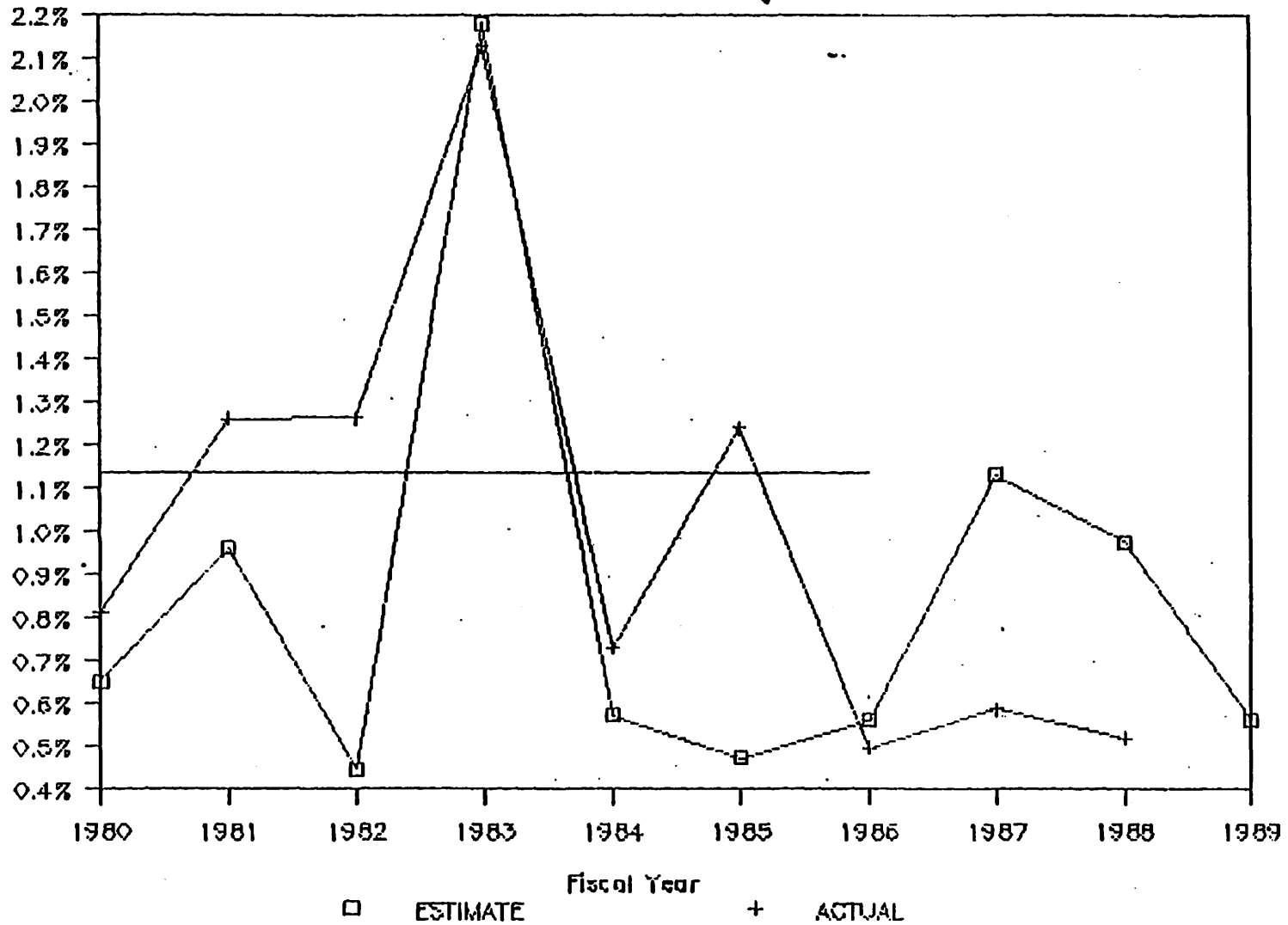
General Fund Reversions
As a Percent of total
Appropriations

General Fund Appropriations	Fiscal Year	Estimated Reversions			Actual Reversions		
		Special	Regular	Total	Special	Regular	Total
1409.0	1980		0.65	0.65		0.81	0.81
1725.5	1981 *	4.53	0.96	5.49	4.53	1.24	5.90
1785.3	1982		0.45	0.45		1.27	1.27
1909.3	1983		2.18	2.18		2.13	2.13
2048.1	1984 **	2.70	0.58	3.29	2.70	0.73	3.43
2110.9	1985		0.47	0.47		1.24	1.24
2222.9	1986 ***	3.63	0.56	4.19	3.63	0.50	4.13
2203.3	1987		1.13	1.13		0.59	0.59
2413.5	1988 ****	0.56	0.98	1.64	0.52	0.45	0.97

* 4.6 Percent Across the board Reduction
 ** 2.3 Percent Across the board Reduction
 *** 3.85 Percent Across the board Reduction
 **** Item Veto reversions

STATE GENERAL FUND REGULAR REVERSIONS:

As Percent of Total Budget



General Fund Reversions
Fiscal Year 1988

Estimated Reversions	Description	Estimated Actual Reversions		
		Account Surplus	Funds Used	Total Reversions
19.9 *	Estimated Reversions From All Appropriations			
3.6	Aid To Dependent Children	11.5	4.5	7.0
	Food Stamps	0.1	0.1	
4.8	Medical Assistance	4.8	3.3	1.5
	Medical Contracts	0.0		
0.7	State Supplementation	0.8		0.8
2.7	Foster Care	2.8		2.8
0.3	Community Based Services	0.3		0.3
0.5	Home Based Services	0.5		0.5
0.7	Social Services Block Grant	0.8		0.8
0.2	General Administration	0.2		0.2
	Community Services	1.0	1.0	0.0
	Child Support Recoveries	0.2	0.2	
	Collection Services	0.1	0.1	
	Institution Reduction Plan	0.1	0.1	
0.3	Personal Property	0.8		0.8
2.9	Personal Property - LS	2.7		2.9
	Educational Excellence	1.2		1.2
	Standing Unlimited Appropriations	0.3		0.3
	Other Departments/Programs:			
	Administration	0.8	0.3	0.5
	Agriculture/Natural Resources	0.2		0.2
	Economic Development	0.4		0.4
0.4	Education	0.5		0.5
	Health and Human Rights	0.8		0.8
	Human Services	0.7		0.7
	Justice	1.7	1.0	0.9
	Regulation	0.3		0.3
	Transportation & Public Safety	0.2	0.1	0.1
39.5		34.2	10.7	23.5

* Reversions are estimated in the aggregate at the beginning of the budget cycle based on passed allowances for current conditions. No detail of this estimate is available.

Department of Management
September 27, 1988

GENERAL ASSEMBLY OF IOWA



LEGISLATIVE SERVICE BUREAU
STATE CAPITOL BUILDING
DES MOINES, IOWA 50319
515 281-3566
DONOVAN PEETERS, DIRECTOR

ADMINISTRATIVE CODE DIVISION
LUCAS BUILDING 515 281-5285

PHYLLIS V. BARRY
ADMINISTRATIVE CODE EDITOR

PUBLIC INFORMATION OFFICE
EVELYN HAWTHORNE
PUBLIC INFORMATION DIRECTOR

GERALDINE FRIDLINGTON
KENT A. PETERSON
PUBLIC INFORMATION OFFICERS

IOWA CODE DIVISION
LUCAS BUILDING 515 281-5285

JOANN G. BROWN
IOWA CODE EDITOR

LEGAL DIVISION

RICHARD L. JOHNSON
DIVISION CHIEF
DOUGLAS L. ADKISSON
MARTIN H. FRANCIS
MICHAEL J. GOEDERT
MARK W. JOHNSON
GARY L. KAUFMAN
DEANNE S. NAIL
JANET L. WILSON
DANIEL PITTS WINEGARDEN
LESLIE E. WORKMAN

RESEARCH DIVISION

DIANE E. BOLENDER
DIVISION CHIEF
PATRICIA A. FUNARO
THANE R. JOHNSON
JOHN C. POLLAK

September 27, 1988

MEMORANDUM

TO: CHAIRPERSON AVENSON, VICE CHAIRPERSON HUTCHINS, AND
MEMBERS OF THE LEGISLATIVE COUNCIL

FROM: Donovan Peeters *DP*

RE: Request for Publication of Election Code

The Legislative Service Bureau has received a request from the Secretary of State (copy attached) for the publication and subsequent updating of a loose-leaf edition of the Election Code. The Code Editor has authority to do so under Section 14.21 of the Code and will proceed to do so if there is no objection from the Legislative Council.

Election, Code
dp/dg/20



RECEIVED
SEP 01 88

Legislative Services
Bureau

SECRETARY OF STATE
STATEHOUSE
STATE OF IOWA
DES MOINES 50319

ELAINE BAXTER
SECRETARY OF STATE

515-281-5864

August 31, 1988

Donovan Peeters
Legislative Services Bureau
The Statehouse
L O C A L

Dear Donovan:

Since there have been numerous changes made to the 1987 edition of the Election Laws of Iowa, I would like to request that a new Election Laws supplement to the Code of Iowa be prepared.

We recommend that this new edition (and all future changes to the Election Laws) be in loose leaf format to allow for updates after the General Assembly makes changes. The loose leaf form would allow auditors, legislators and others who use the supplement to maintain current election laws in Iowa.

I hope that you will consider the advantages of having a loose leaf election laws supplement.

Sincerely,

A handwritten signature in cursive script that reads "Elaine Baxter".

Elaine Baxter
Secretary of State

EB/lS

GENERAL ASSEMBLY OF IOWA



LEGISLATIVE SERVICE BUREAU
STATE CAPITOL BUILDING
DES MOINES, IOWA 50319
515 281-3566
DONOVAN PEETERS, DIRECTOR

ADMINISTRATIVE CODE DIVISION
LUCAS BUILDING 515 281-5285

PHYLLIS V BARRY
ADMINISTRATIVE CODE EDITOR

PUBLIC INFORMATION OFFICE
EVELYN HAWTHORNE
PUBLIC INFORMATION DIRECTOR

GERALDINE FRIDLINGTON
KENT A PETERSON
PUBLIC INFORMATION OFFICERS

IOWA CODE DIVISION
LUCAS BUILDING 515 281-5285

JOANN G. BROWN
IOWA CODE EDITOR

LEGAL DIVISION

RICHARD L. JOHNSON
DIVISION CHIEF
DOUGLAS L. ADKISSON
MARTIN H. FRANCIS
MICHAEL J. GOEDERT
MARK W. JOHNSON
GARY L. KAUFMAN
DEANNE S. NAIL
JANET L. WILSON
DANIEL PITTS WINEGARDEN
LESLIE E. WORKMAN

RESEARCH DIVISION

JANE E. BOLENDER
DIVISION CHIEF
PATRICIA A. FUNARO
THANE R. JOHNSON
JOHN C. POLLAK

September 27, 1988

MEMORANDUM

TO: CHAIRPERSON AVENSON, VICE CHAIRPERSON HUTCHINS, AND MEMBERS
OF THE LEGISLATIVE COUNCIL

FROM: Thane R. Johnson, Legislative Service Bureau *Mej*

RE: New Member Legislative Orientation Conference

With the general election rapidly approaching, planning should commence for the orientation of new members elected to the Seventy-third General Assembly. New member orientation programs are important to ensure that new legislators receive a firm background in the vital areas of legislative processes, operations, functions and organization.

In the past, the new member orientation conference has been planned and implemented by Legislative Service Bureau staff under the direction of the Legislative Council. The legislative leaders have appointed veteran legislators and staff directors to serve as "faculty" members for the conference. The two-day conference has offered topics ranging from a tour of the physical facilities of the legislative branch of government to rules of procedure, decorum, and "how a bill becomes law". The Legislative Service Bureau is proceeding with preparations for this year's new legislator orientation.

The Legislative Service Bureau is updating a legislative handbook designed primarily for new legislators and will contact the National Conference of State Legislatures for resource materials and services to assist in the new member orientation conference. Information concerning available NCSL assistance is attached.

orient
cj/dg/20



National Conference of State Legislatures

1050 17th Street
Suite 2100
Denver, Colorado 80265
303/623-7800

President Ted Strickland
President of the Senate
Colorado

William T. Pound
Executive Director

September 8, 1988

RECEIVED

SEP 19 88

Dear New Member Orientation Conference Planner:

As election time approaches, many state legislatures have begun work on orientation programs for newly elected legislators. New member orientation programs are important to ensure that new members receive a firm grounding in the vital areas of legislative processes, operations, functions and organization.

The National Conference of State Legislatures offers individual state assistance in designing and developing new member orientations and issue conferences, and would be pleased to help with your upcoming program. NCSL has had considerable experience in helping state legislatures train new members. Assistance has been extended to as many as twenty states every two years.

NCSL can provide written and audio visual resource materials, help with agenda development, design workshops for new committee chairmen, and help identify and obtain outside speakers. NCSL also maintains a collection of sample legislative handbooks and tapes and films describing how the process works which can be borrowed by legislators and legislative staff.

In an effort to aid state legislatures in the development of both new member orientations and veteran member training, NCSL prepared in 1982 a handbook entitled Starting Off: A Guide for Planning Orientation and Member Development Programs. A supplement to the handbook Starting Off: An Update of Orientations and Member Development Programs was completed by NCSL in 1986. Copies of these materials are available upon request.

In order for NCSL to better assist you, please fill out the attached form and return it to the Denver office by October 10, 1988. NCSL looks forward to assisting you with your program.

Sincerely,

Jan Carpenter
Principal Staff Associate
Legislative Management

JC/jj

National Conference of State Legislatures

NEW MEMBER ORIENTATION CONFERENCE
CHECK LIST OF SERVICES

Contact Person: _____

Address: _____

Telephone: () _____

Orientation Conference Dates: _____

Orientation Conference Location: _____

Please check the areas where NCSL assistance may be needed.

- An NCSL staff presentation which might include an explanation of the purpose of the organization, its structure, the services available, or briefings on state and federal policy questions.
- Resource materials from the NCSL library which includes films on state legislative procedures, video tapes of ethical dilemmas, a slide tape on personnel management and sample legislative handbooks.
- NCSL video tapes on a variety of policy issues including liability insurance, long-term care insurance and AIDS. (See new video topics in the catalogue.)
- Copies of NCSL publications on a wide variety of policy issues and management topics.
- Workshops for new committee chairmen which might cover such topics as planning the committee work load, managing an effective meeting, managing committee decision making and utilization of committee members.
- Agenda development and program planning which might include designing and developing a mock session or other types of procedural workshops.
- Preparation of instructional materials on a wide variety of topics including staff management, legislative ethics, and case studies of rules and procedures.
- Speakers bureau which includes identifying and obtaining speakers from outside the state and bringing them into the state.

Please return by October 10, 1988 to:

Jan Carpenter
NCSL
1050 17th St., Suite 2100
Denver, CO 80265

REPORT OF THE LEGISLATIVE FISCAL COMMITTEE
TO THE
LEGISLATIVE COUNCIL

September 8 & 9, 1988

The Legislative Fiscal Committee met on September 8 and 9, 1988, at 10:00 a.m. in Room 22 of the State Capitol Building.

1. Appearing before the Committee on September 8 to discuss the Iowa Medicaid Program reimbursement of hospitals under the diagnosis related group payment methodology (DRG) were Don Herman, Director, Medical Services, Department of Human Services, Ms. Heidi Rosenbaum of HLR Consulting, Don Dunn, Executive Director, Iowa Hospital Association, and Ken Yerington, Director, Financial Management and Control, University of Iowa Hospitals and Clinics.
2. Pat Cavanaugh, Director, and Lynn Barney, Deputy Director, Department of Management, discussed the FY 1988 Reversions and Senate File 2322 with regard to the Salary Adjustment Fund/Early Retirement Savings.
3. On September 9, Jim Hennessey, Director, and Norma Ryan, Bureau of Collections, Department of Human Services, appeared for an update concerning Child Support Recoveries.
4. Mr. Jim Combs, Department of Natural Resources, presented current information on Ground Water Funding. Also appearing for this discussion were Daryl Frey and Jim Gulliford, Department of Agriculture.
5. Paul Grossheim, Acting Director, Department of Corrections, appeared for an update on the appropriation of \$700,000 which was included in Senate File 2312 for Juvenile Detention Centers/Adult Correctional Facilities.
6. The Committee unanimously approved the names of Senator Charles Bruner and Ellen Jorgensen Rohlwing (EJ) for submission to the Governor, for his approval, as members of the nine member Enhanced Mental Health/Mental Retardation/Developmental Disabilities Services Plan Oversight Committee pursuant to H.F. 2447, Sec. 14.

REPORT OF THE
LEGISLATIVE PROCEDURES COMMITTEE

September 27, 1988

The Legislative Procedures Committee met on September 27, 1988, and makes the following recommendations to the Legislative Council:

I. BUDGET AND APPROPRIATIONS CHANGES

A. That the following changes in the appropriations process recommended in a July 13 Memorandum from Dennis Prouty be drafted into bill form and introduced for consideration by the General Assembly in 1989:

1. Current Code language states that, commencing September 1, the director of the Department of Management (DOM) shall provide weekly budget tapes to the Legislative Fiscal Bureau (LFB) reflecting finalized agency budget requests for the following fiscal year as submitted to the Governor. The proposed Code change is to strike the word "finalized" from this requirement.

2. Require the final computer tape containing all department requests be transmitted to the LFB by November 1 (current Code date is November 15). In addition, as part of the enforcement of Chapters 8.23 and 8.40, require the Department of Management to submit the previous year's appropriation level as the budget request for those agencies which fail to meet the September 1 deadline. The Governor should also be required to submit the previous year's appropriation (or less) for those agencies which fail to "finalize" their budgets by the November 1 deadline. The director of the Department of Management should also be prohibited from changing any of the "historical" data or the department requests after the November 1 deadline.

3. Require that the Revenue Estimating Conference prepare an estimate by December 1 (current date is December 15) of each year for the current fiscal year and for the fiscal year beginning the following July 1. Other proposed changes to Chapter 8.22A include: requiring that the third member of the Conference be from outside state government, and that member shall be reimbursed for their actual expenses incurred in the performance of their duties and may be eligible to receive per diem as provided in Chapter 7E.6.

4. Require the Department of Management to prepare a public budget containing DOM recommendations by December 1.

5. Require that the final computer tape containing the Governor's Recommendations and final agency requests be transmitted to the LFB by January 1. (Current Code requirement is January 1 or no later than the Governor's

budget document is delivered to the printer).

6. Require that the director of the Department of Management provide the following additional information to the LFB:

a. By July 1, the monthly planned expenditures for each appropriation, for the fiscal year, in the form and level of detail requested by the bureau. Chapter 8.35A(1) should also be changed to require that the LFB receive by the 15th of each month, updates regarding changes to the monthly planned expenditures and that any changes be explained in writing by the director of the Department of Management.

b. By July 1, the projected full time equivalent (FTE) position level for each appropriation for the fiscal year, in the form and level of detail requested by the bureau. DOM should also provide monthly updates on personnel utilization; the actual and projected versus budget personnel services expenditures and FTE positions.

c. Current law requires the director to transmit the total record of an appropriation, including reversions and transfers for the prior fiscal year ending June 30, to the LFB. The Code should be changed to include the actual FTE position level for the prior fiscal year in this report.

7. Require that the LFB be notified at the same time the appropriations chairpersons are notified of an appropriation transfer and also require that the LFB receive the monthly report of all Chapter 8.39 transfers. Currently, DOM must notify the chairperson of the appropriations committees and the chairpersons of the appropriation subcommittee of the proposed transfers. DOM also makes a monthly report of all transfers to the Fiscal Committee.

8. Require the Department of Management to provide the LFB with copies of approved or modified allotments of State funds.

9. Require that when an official report is required by law to be submitted to the General Assembly or its members, the report shall be accompanied by a cover letter citing the relevant statutory provisions and be submitted to the following:

a. The Lieutenant Governor and the Speaker of the House.

b. House and Senate majority and minority leaders.

c. The Secretary of the Senate and the Chief Clerk of the House.

d. The directors of the Legislative Fiscal Bureau and the Legislative Service Bureau.

10. Technical Code changes:

a. In Chapter 8.35A(3), require that the director of the Department of Revenue and Finance as well as the director of the Department of Management communicate any changes or anticipated changes to the budgeting system or the

accounting system in writing to the LFB prior to implementation.

B. That the following procedural changes relating to conference committees and interim study committee mandates be referred to the House and Senate Rules Committees for consideration as follows:

1. Restrict conference committees from adding new items or deleting items in the bill which have already been agreed upon by both chambers. Some possible methods of restricting conference committees include:

a. If new items are introduced, require a two-thirds vote of the conference committee to approve the addition. The same requirement could apply if a conference committee would want to delete an item already approved by both chambers.

b. Allow conference committees to pass out an appropriation bill and a statutory bill.

2. Rules discouraging the mandating of studies and evaluations in appropriation bills.

C. That the following additional Committee recommendations be approved:

1. That the proposed bill draft include language under item A7 that it is the intent of the General Assembly that if departments do not submit proposed budgets by the September 1 deadline, the General Assembly will approve appropriations in an amount no greater than the previous year's appropriation for that department.

2. That the Legislative Council direct a letter to be drafted and sent to the Attorney General requesting that all statutory deadlines within the budgetary and appropriations process be enforced.

II. INTERIM STUDY COMMITTEE GUIDELINES

A. That the proposed guidelines for interim study committees referred to the Legislative Procedures Committee by the Council be adopted as amended by the Legislative Procedures Committee. A copy of the guidelines is attached to this report.

III. PREFILING RULES

A. That the prefiling rules adopted by the Legislative Council be reconsidered and amended as follows:

1. Additional instructions must be received within 1 week of request for additional instructions or request will be considered withdrawn.

2. Approval of final draft must be received within 1 week of final draft being delivered to agency or request will be considered withdrawn.

Page 4

3. A guideline is established that all final drafts must be received by the first day of Session.

IV. ADDITIONAL BUSINESS

A. That the Service Committee be directed to meet with the Director of the Legislative Service Bureau, the Director of the Computer Support Bureau, the Chief Clerk of the House, and the Secretary of the Senate to discuss the implementation of a single computerized subject matter index relating to legislative proposals and enactments.

Respectfully submitted,

SENATOR BILL HUTCHINS
Co-chairperson

SPEAKER DONALD AVENSON
Co-chairperson

report, procedures927
mj/dg/20

PROPOSED GUIDELINES FOR INTERIM STUDY COMMITTEES

ADOPTION OF RULES

Interim Committees which have no public members must have a majority of the members representing each house voting affirmatively in order to adopt rules.

Interim Committees which have both legislators and public members must have a majority of the legislators voting affirmatively to adopt rules.

COMPENSATION OF PUBLIC MEMBERS

Persons serving as public members receive actual expenses only, if they are not eligible for expense reimbursement by an organization that they represent.

WORK FOR PUBLIC MEMBERS

After consultation with, as appropriate, the LSB or LFB Director, a study committee chair may authorize research or legislative drafting work by the LSB or LFB for public members of study committees.

APPROVAL OF NOMINEES

Public members of study committees may be nominated by designated organizations, subject to legislative leadership approval.

GENDER BALANCE

Appointment of public members to study committees shall be gender balanced.

APPROVAL OF MEETINGS OUTSIDE DES MOINES

Any meeting or public hearing by a study committee held outside of Des Moines requires the prior approval of the Studies Committee or legislative leadership.

APPROVAL OF EXPENSES FOR SPEAKERS AND CONSULTING WORK

Any expenditure by a study committee for a speaker or presentation or for contractual consulting work requires the prior approval of the Studies Committee.

APPROVAL OF ADDITIONAL MEETINGS

Any additional meetings in excess of the number for which the study committee is authorized requires the prior approval of the Studies Committee and must be requested on or before the September Council meeting.

SCHEDULING GUIDELINES

Proposed scheduling guidelines are attached.

Int, Guidelines
sw/29

PROPOSED SCHEDULING GUIDELINES FOR
1988 INTERIM COMMITTEE MEETINGS

Committees which are authorized 1 meeting

- . One meeting to be held before November 18, 1988

Committees which are authorized 2 meetings

- . One meeting to be held in July, August, or September
- . One meeting to be held in September, October or November

Committees which are authorized 3 meetings

- . One meeting to be held in July, August, or September
- . One meeting to be held in September or October
- . One meeting to be held in October or November

Committees which are authorized 4 meetings

- . One meeting to be held in July or August
- . One meeting to be held in September
- . One meeting to be held in October
- . One meeting to be held in November

Committees which are authorized more than 4 meetings

- . Last meeting to be held on or before November 18, 1988

NOTE: Any meetings to be scheduled in November are to be scheduled on or before November 18.

sched, guidelines
dg/20

Amend prefiling rules as follows:

. additional instructions must be received within 1 week of request for additional instructions or request will be considered withdrawn.

. approval of final draft must be received within 1 week of final draft being delivered to agency or request will be considered withdrawn.

. guideline of approval of all final drafts by first day of Session.

amend,prefile
dp/dg/20

REPORT OF THE
STUDIES COMMITTEE OF THE LEGISLATIVE COUNCIL

September 27, 1988

The Studies Committee of the Legislative Council met on September 27, 1988, and makes the following recommendations:

1. That the Early Childhood Education Study Committee be approved for an additional meeting day.

2. That the request of the Compulsory School Attendance Committee for payment of meeting expenses on September 30, 1988 be approved.

3. That an interim study committee be appointed to meet for one day to review the extent of the aflatoxin problem in the state in order to assure that the appropriate responses are in place to meet the problem and that the study committee shall consist of 5 House and 5 Senate members.

4. That the request of the Land Resource Conservation and Management Study Committee for payment of meeting expenses on October 11, 1988, be approved.

5. The Studies Committee notes that the Director of Corrections, Paul Grossheim, has made no recommendation as to the expenditure of \$250,000 for study of juvenile correctional facilities as requested by the Legislative Fiscal Bureau and recommends that the matter be referred to the Appropriations Committees during the 1989 Session.

The Studies Committee notes that it has received the following reports and information:

1. Progress reports from the three transportation related studies.

2. An overview of information relating to the Bill of Rights prepared by the Legislative Fiscal Bureau.

3. A request for information relating to the Corrections System Review prepared by the Legislative Fiscal Bureau and the response from the Department of Corrections.

Respectfully submitted,

SENATOR BILL HUTCHINS
Chairperson

report, studies927
jp/dg/20

DENNIS C. PROUTY
DIRECTOR
515/281-5279

STATE CAPITOL
DES MOINES, IOWA
50319

STATE OF IOWA
LEGISLATIVE FISCAL BUREAU

MEMORANDUM

TO: Members of the Legislative Council

FROM: Dennis C. Prouty

DATE: July 13, 1988 (680b)

RE: Proposed changes to the Code of Iowa necessary
to improve the budget and appropriations process.

Last interim, legislative leadership requested that alternatives be developed to improve the budget and appropriations process. Several alternatives were developed, ranging from modifications to the current process to the actual development of a legislative budget. Members of joint leadership chose to modify the current system, while maintaining the future capability of developing a legislative budget.

In a document distributed to all members of the General Assembly in September, 1987, the Fiscal Bureau outlined the procedural changes, enforcement of current statutory requirements and recommended changes to the Code of Iowa necessary to enhance and improve the current budget and appropriations process.

During the past legislative session, many of the procedural changes, enforcement of current statutory requirements, and increased legislative oversight activities were effected. The recommended Code changes were not implemented. In light of the procedural changes and the increased oversight activities which were implemented this past session, I have reviewed my earlier recommended Code changes, and made some necessary modifications and additions.

The following pages outline these proposed Code changes which I submit for your consideration during the 1989 legislative session.

- o Current Code language states that, commencing September 1, the director of the Department of Management (DOM) shall provide weekly budget tapes to the Legislative Fiscal Bureau (LFB) reflecting finalized agency budget requests for the following fiscal year as submitted to the Governor. The proposed Code change is to strike the word "finalized" from this requirement.

Benefit to legislators: The Department of Management will not transmit an agency request until the agency has "signed off" on or approved, the request. Often this does not occur until shortly before the November 15 deadline when all agency requests are to be in final form and transmitted by tape to the LFB. This Code change would enable the LFB to begin analyzing the agency requests at an earlier date in the budget process, and allow legislators and staff to become more informed about the agency requests and issues prior to session.

Code Section affected: Chapter 8.35A(2)

- o Require the final computer tape containing all department requests be transmitted to the LFB by November 1 (current Code date is November 15). In addition, as part of the enforcement of Chapters 8.23 and 8.40, require the Department of Management to submit the previous year's appropriation level as the budget request for those agencies which fail to meet the September 1 deadline. The Governor should also be required to submit the previous year's appropriation (or less) for those agencies which fail to "finalize" their budgets by the November 1 deadline. The director of the Department of Management should also be prohibited from changing any of the "historical" data or the department requests after the November 1 deadline.

Benefit to legislators:

1. Advancing this date by two weeks will allow the LFB staff to prepare an in-depth analysis during the month of November for distribution to legislators in mid-December.
2. Enforcing the September 1 date (Chapter 8.23, Code of Iowa), by requiring the DOM to submit the previous year's appropriation level as the budget request for agencies failing to meet the deadline would ensure that the LFB analysis is based on accurate data and encourage the agencies to submit their requests to the Department of Management in a timely manner.

3. Enforcing the November 1 date by requiring the Governor to recommend the previous year's appropriation or less for those agencies which fail to meet the deadline and prohibiting the change of any historical data or department requests after the November 1 deadline would also ensure that the LFB analysis is based on accurate data. Last fall, the LFB staff began their analysis of the department requests using the November 16 budget tape. Subsequent tapes received from the Department of Management contained changes in the FY 1987 actual appropriation column, the estimated FY 1988 column, as well as changes in the departments' requests. These changes amounted to several million dollars and affected numerous agencies.

Code Sections affected: Chapter 8.23 and 8.35A(2)

- o Require that the Revenue Estimating Conference prepare an estimate by December 1. (current date is December 15) of each year for the current fiscal year and for the fiscal year beginning the following July 1. Other proposed changes to Chapter 8.22A include: requiring that the third member of the Conference be from outside state government, and that member shall be reimbursed for their actual expenses incurred in the performance of their duties and may be eligible to receive per diem as provided in Chapter 7E.6.

Benefit to legislators: Changing the date of the December conference would enable leadership to begin considering legislative revenue and spending priorities in December and establish revenue and spending limits for each appropriations subcommittee and Ways & Means committees by February 15.

The other changes would ensure that the third member is from outside state government and independent of the Executive and Legislative branches. Providing per diem and expenses would treat the non-state employee member of the Conference like other state board and commission members.

Code Section affected: Chapter 8.22A

- o Require the Department of Management to prepare a public budget containing DOM recommendations by December 1.

Benefit to legislators: Chapter 8.25 requires DOM to prepare a "tentative budget" containing DOM's appropriation recommendations to the Governor. This change would require

that this "tentative budget" be made public and departments could then respond to this recommended budget in the Governor's public hearings, rather than merely presenting a recap of their budget request.

Code Section affected: Chapter 8.25

- o Require that the final computer tape containing the Governor's Recommendations and final agency requests be transmitted to the LFB by January 1. (Current Code requirement is January 1 or no later than the Governor's budget document is delivered to the printer).

Benefit to legislators: The Governor's budget book is usually not delivered to the printer until one week before the Governor's budget message to the General Assembly, which is generally in mid-January. Changing this date would assure the LFB adequate time preparing an analysis of the Governor's budget and make this analysis available to legislators within one week of the Governor's budget address. The analysis would include an explanation of projected revenues and an explanation of differences between the current year's appropriation, the department request, and the Governor's recommendation.

Code Section affected: Chapter 8.35A (2)

- o Require that the director of the Department of Management provide the following additional information to the LFB:
 1. By July 1, the monthly planned expenditures for each appropriation, for the fiscal year, in the form and level of detail requested by the bureau. Chapter 8.35A(1) should also be changed to require that the LFB receive by the 15th of each month, updates regarding changes to the monthly planned expenditures and that any changes be explained in writing by the director of the Department of Management.
 2. By July 1, the projected full time equivalent (FTE) position level for each appropriation for the fiscal year, in the form and level of detail requested by the bureau. DOM should also provide monthly updates on personnel utilization; the actual and projected versus budget personnel services expenditures and FTE positions.
 3. Current law requires the director to transmit the total record of an appropriation, including reversions and transfers for the prior fiscal year ending June 30, to the LFB. The Code should be

changed to include the actual FTE position level for the prior fiscal year in this report.

Benefit to legislators:

1. Currently, DOM does provide the monthly planned expenditures to the LFB. This change would be codifying current practice. Requiring DOM to provide monthly updates regarding changes in the planned expenditures would enhance the LFB's expenditure oversight activities
2. DOM does not currently provide the FTE data to the LFB. This Code change would enable the LFB to track FTE positions throughout the fiscal year and examine the actual expenditures for personnel services compared to the budgeted level of expenditures. This information would aid the LFB in answering questions such as: a) Is the department actually filling all of the authorized FTE positions; b) How long are positions being held vacant; and c) Are budgeted salary dollars being used for salaries? This is what has been termed "FTE tracking" and is an important oversight function.

Code Section affected: Chapter 8.35A(1)

- o Require that the LFB be notified at the same time the appropriations chairpersons are notified of an appropriation transfer and also require that the LFB receive the monthly report of all Chapter 8.39 transfers. Currently, DOM must notify the chairperson of the appropriations committees and the chairpersons of the appropriation subcommittee of the proposed transfers. DOM also makes a monthly report of all transfers to the Fiscal Committee.

Benefit to legislators: The director of the Department of Management does notify the director of the LFB of appropriation transfers made under Chapter 8.39A. This change would codify current practice and ensure legislative review of appropriation transfers prior to their occurrence. The General Assembly should also consider limiting transfer authority and at the very minimum, the Fiscal Committee should require a sufficient explanation as to why the transfer is required and why the source of the transferred funds has funds available for the transfer. Other methods of limiting transfer authority could include:

1. Eliminate Chapter 8.39, which allows interdepartmental and intradepartmental appropriation transfers. The General Assembly could approve a bill dealing with necessary transfers during the

legislative session. A 1983 survey by NCSL shows that the majority of states do not allow appropriation transfers between departments, and a number of states allow only limited transfers between programs within a department.

2. Require the approval of a legislative committee (such as the Fiscal Committee) prior to the transfer of any funds.
3. Allow subcommittee chairpersons, appropriations committee members or Fiscal Committee members to protest proposed transfers and delay the transfer process until the Fiscal Committee has had a chance to review it.

Limiting transfer authority will ultimately strengthen the legislative oversight function and help answer the question: Are funds being spent as they were intended to be spent by the Legislature?

Code Section affected: Chapter 8.39

- o. Require the Department of Management to provide the LFB with copies of approved or modified allotments of State funds.

Benefit to legislators: Currently, requisitions for allotments of appropriations are approved by the director of the Department of Management subject to review by the Governor. This Code change would enhance the budget oversight activities of the LFB, and assist members of the General Assembly in determining if appropriated funds are spent as intended.

Code Section affected: Chapter 8.31

- o. Require that when an official report is required by law to be submitted to the General Assembly or its members, the report shall be accompanied by a cover letter citing the relevant statutory provisions and be submitted to the following:
 1. The Lieutenant Governor and the Speaker of the House.
 2. House and Senate majority and minority leaders.
 3. The Secretary of the Senate and the Chief Clerk of the House.
 4. The directors of the Legislative Fiscal Bureau and the Legislative Service Bureau.

Benefit to legislators: This Code change would enhance legislative oversight activities by providing for

distribution of mandated reports to legislators and staff.

Code Section affected: Chapter 17.11 (new section)

o Technical Code changes:

1. In Chapter 8.35A(3), require that the director of the Department of Revenue and Finance as well as the director of the Department of Management communicate any changes or anticipated changes to the budgeting system or the accounting system in writing to the LFB prior to implementation.

Rationale: As a result of state government reorganization, the Department of Revenue and Finance is responsible for the state accounting system.

2. In Chapter 8.40, the reference to the state comptroller should be changed to the director of the Department of Management.

Rationale: There is no longer a state comptroller. Most of the functions of that position have been assumed by the director of the department of Management.

Proposed procedure changes:

The following changes are proposed procedure changes which I recommend the House and Senate Rules Committees consider:

- o Restrict conference committees from adding new items or deleting items in the bill which have already been agreed upon by both chambers. Some possible methods of restricting conference committees include:

1. If new items are introduced, require a two thirds vote of the conference committee to approve the addition. The same requirement could apply if a conference committee would want to delete an item already approved by both chambers.
2. Allow conference committees to pass out an appropriation bill and a statutory bill.

Benefit to legislators: Such a procedure change would help maintain the integrity of decisions made during the legislative appropriations process.

- o Rules discouraging the mandating of studies and evaluations in appropriation bills.

Benefit to legislators: Requests for studies should be presented to the Legislative Council. The Council is charged with reviewing study proposals and allocating staff resources to the approved studies.

Procedural changes implemented during 1988 session

The following procedural changes were implemented during the 1988 session in an effort to improve the budget and appropriations process. These changes should be continued.

1. Continued enforcement of Chapters 8.23 and 8.40 regarding the dates that department budgets are to be submitted to the Department of Management.
2. Mid-December meeting of appropriations subcommittee chairpersons, ranking members and LFB staff.
3. Spending targets established and communicated by leadership by mid-February.
4. "Appropriation Funnel", including one bill per appropriations subcommittee. However, do not implement the funnel at the same time as the regular bill funnel.
5. Highlighting statutory language in appropriation bills (noted in LFB bill summaries).
6. Enrolled appropriation bills sent to the Governor prior to the end of session.
7. Utilize visitation committees and expand the Fiscal Committee's function.

DATE 26 SEP 88 17:43:03 RID 327G 26 SEP 88 HML
 FY 1990 - CURRENT SPECIAL DEPARTMENTS RECEIVED

*Executive Departments Only

*SP *DEP	SPECIAL DEPARTMENT NAME	Budget Tape*											Hard Copy											HARD COPY REC'D	L F B	
		9/5	9/12	9/19	9/26	10/3	10/10	10/17	10/24	10/31	11/7	9/5	9/12	9/19	9/26	10/3	10/10	10/17	10/24	10/31	11/7					
040	AGRICULTURE AND LAND STEWARDSHIP	NO	NO	NO	NO							NO	NO	NO	NO											
090	ATTORNEY GENERAL	NO	NO	YES	YES							NO	NO	YES	YES											9/15
100	AUDITOR OF STATE	NO	NO	NO	YES							NO	NO	NO	NO											
140	BLIND, IOWA COMMISSION FOR THE	NO	NO	NO	NO							NO	NO	NO	NO											
155	CAMPAIGN FINANCE DISCLOSURE COMMISSION	NO	NO	YES	YES							NO	NO	YES	YES											
180	CIVIL RIGHTS COMMISSION	YES	YES	YES	YES							NO	NO	YES	YES											9/19
185	COLLEGE AID COMMISSION	NO	NO	NO	NO							NO	NO	NO	NO											9/15
190	COMMERCE, DEPARTMENT OF	NO	NO	NO	YES							NO	YES	YES	YES											9/13
217	CORRECTIONS, DEPARTMENT OF	NO	NO	NO	NO							NO	NO	NO	NO											
245	CULTURAL AFFAIRS, DEPARTMENT OF	NO	NO	YES	YES							NO	NO	NO	NO											
270	ECONOMIC DEVELOPMENT, DEPARTMENT OF	NO	NO	NO	NO							NO	NO	NO	NO											
280	EDUCATION, DEPARTMENT OF	NO	NO	YES	YES							NO	NO	NO	NO											
308	ELDER AFFAIRS, DEPARTMENT OF	YES	YES	YES	YES							NO	YES	YES	YES											9/12
320	EMPLOYMENT SERVICES, DEPARTMENT OF	NO	NO	YES	YES							NO	YES	YES	YES											
340	EXECUTIVE COUNCIL	YES	YES	YES	YES							NO	YES	YES	YES											9/7
380	GENERAL SERVICES, DEPARTMENT OF	NO	NO	NO	YES							NO	NO	YES	YES											9/21
400	GOVERNOR	NO	NO	NO	NO							NO	NO	NO	NO											
410	GOVERNOR, LIEUTENANT	YES	YES	YES	YES							NO	YES	YES	YES											9/7
420	HEALTH, DEPARTMENT OF PUBLIC	YES	YES	YES	YES							NO	YES	YES	YES											9/12
450	HUMAN RIGHTS, DEPARTMENT OF	NO	NO	NO	NO							NO	NO	NO	NO											
460	HUMAN SERVICES, DEPARTMENT OF	NO	NO	NO	NO							NO	NO	NO	NO											
495	INSPECTIONS AND APPEALS, DEPARTMENT OF	NO	NO	NO	YES							NO	NO	NO	NO											
560	LAW ENFORCEMENT ACADEMY	YES	YES	YES	YES							NO	NO	YES	YES											9/7
640	MANAGEMENT, DEPARTMENT OF	YES	YES	YES	YES							NO	YES	YES	YES											9/7
660	NATURAL RESOURCES, DEPARTMENT OF	NO	NO	NO	YES							NO	NO	NO	NO											
677	PAROLE, BOARD OF	NO	NO	YES	YES							NO	NO	YES	YES											9/15
680	PERSONNEL, DEPARTMENT OF	NO	NO	NO	NO							NO	NO	NO	NO											
750	PUBLIC DEFENSE, DEPARTMENT OF	NO	NO	YES	YES							NO	NO	YES	YES											9/13
755	PUBLIC EMPLOYMENT RELATIONS BOARD	NO	NO	YES	YES							NO	NO	YES	YES											9/14
770	PUBLIC SAFETY, DEPARTMENT OF	NO	NO	NO	NO							NO	NO	NO	NO											
800	REGENTS, BOARD OF	NO	NO	NO	NO							NO	NO	NO	NO											
810	REVENUE AND FINANCE, DEPARTMENT OF	NO	NO	NO	YES							NO	NO	NO	NO											
820	SECRETARY OF STATE	NO	NO	NO	NO							NO	NO	NO	NO											
845	STATE FAIR AUTHORITY	NO	NO	NO	NO							NO	NO	NO	NO											
855	STATE-FEDERAL RELATIONS, OFFICE OF	NO	NO	YES	YES							NO	NO	YES	YES											9/7
895	TRANSPORTATION, DEPARTMENT OF	NO	NO	NO	NO							NO	NO	NO	NO											
910	TREASURER OF STATE	NO	NO	NO	NO							NO	NO	NO	NO											
920	UNIFORM STATE LAWS, COMMISSION ON	NO	NO	NO	NO							NO	NO	NO	NO											

*NOTE: All departments are showing some numbers on the budget tape. A "NO" in this section means that the tape does not contain the corresponding budget text.

RECEIVED

AUG 26 1988

LEGISLATIVE
MEMORANDUM



Marvin A. Pomerantz, President, *Des Moines*
Charles Duchon, *Des Moines*
John R. Fitzgibbon, *Des Moines*
John M. Greig, *Estherville*
Percy G. Harris, *Cedar Rapids*
James R. Tyler, *Atlantic*
Jacklyn Van Ekeren, *Monroe*
Bass Van Gilst, *Oskaloosa*
Mary C. Williams, *Davenport*

State Board of Regents

DES MOINES, IOWA 50319

LUCAS STATE OFFICE BUILDING

Telephone (515) 281-3934

R. WAYNE RICHEY, *Executive Secretary*

MEMORANDUM

TO: Dennis Prouty, Director - Legislative Fiscal Bureau

FROM: R. Wayne Richey

SUBJECT: FY 1990 Budget Process

DATE: August 24, 1988

I recently reviewed the changes you proposed to the Legislative Council in July and wanted to express some concerns about their impact on the Board of Regents institutions as well as inform you of the time schedule being followed by the institutions in preparing the Fiscal Year 1990 budget requests.

The Board of Regents is familiar with both the September 1 and November 15 statutory requirements for budget submission. However, it is virtually impossible to meet the September 1 date and provide adequate development and review by the institutions and the Board. This difficulty is not unique to the Board of Regents, but appears to be shared by most State departments. The Board is sensitive to the need for timely budget information by all parties involved in the budget process, and is committed to providing that information as soon as is reasonably possible. Given that commitment, the following schedule has been developed for preparation of the fiscal year 1990 budget:

July 15	Final Board of Regents approval of FY 1989 institution budgets
August 29	Initial institution budget requests due into Board office
September 15	Board of Regents reviews initial budget requests and provides further direction to the institutions
October 20	Final Board approval of Board of Regents budget requests
November 1	Submission of final Board of Regents budget requests to Department of Management

This time schedule is tight at several points, but is designed to meet the November 15 date for final budget request submission. For example, the institutions only have six weeks to prepare budget requests which represent approximately 15 percent of the total general fund budget. The Board office has two weeks to review the budget requests for initial discussion by the Board of Regents; and there is only one week to put the data into final form after Board of Regents approval.

Memorandum to Dennis Prouty
August 24, 1988
Page 2

Since it has long been difficult for departments to comply with the September 1 requirement, this might suggest that a review of that date is in order. Hopefully, agreement could be reached on a date which meets the needs of the legislature while recognizing the time realities of the departments. The process established in the Code acknowledges the impracticability of the September 1 date by further requiring weekly tapes, and then final submission by November 15. Perhaps the best solution is to eliminate the September requirement and enforce the November 15 final submission deadline.

Please be assured that the Board of Regents is doing everything possible to provide timely and accurate budget information. The intent in sharing our time schedule with your office is to assist in your review of the budget requests when they are finalized.


R. Wayne Richey

plg/EE014/Budget1.F90
CC: Pat Cavanaugh