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REPORTS OF SUBCOMMITTEES OF STANDING COMMITTEES
OF THE IOWA GENERAL ASSEMBLY
WHICH CONDUCTED STUDIES
DURING THE 1972 LEGISLATIVE INTERIM



Submitted to the Members of the
First Session of the Sixty-fifth General Assembly
Meeting in the year 1973


The following reports of subcommittees of standing committees
are contained herein and are in the order listed:

- Report of the Milk and Milk Products Standards Subcommittee of the
Standing Committees on Agriculture
- Report of the State Officials' Salaries Subcommittee of the
Standing Committees on Appropriations
- Report of the Grain Alcohol Motor Fuel Subcommittee of the
Standing Committees on Environmental Preservation
- Report of the Unified Law Enforcement Agencies Subcommittee of the
Standing Committees on Law Enforcement
- Report of the Department of General Services and
Space Needs Subcommittee of the
Standing Committees on Appropriations

NOTE: Reports of the No-Fault Insurance Subcommittee of the
Standing Committees on Commerce and Judiciary, and the
IPERS Subcommittee of the Standing Committees on State
Government will be submitted under separate cover.

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MILK AND MILK PRODUCTS STANDARDS SUBCOMMITTEE
of the
STANDING COMMITTEES ON AGRICULTURE

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

R E P O R T

MILK AND MILK PRODUCTS STANDARDS SUBCOMMITTEE

of the

STANDING COMMITTEES ON AGRICULTURE

1972

The Legislative Council, at its April 12 meeting, authorized the establishment by the Standing Committees on Agriculture of a joint interim subcommittee to conduct a comprehensive study of Iowa milk and milk products standards, and the effect of federal laws and regulations upon the production, inspection, and transportation of Iowa milk and milk products in interstate commerce. The respective Chairmen of the Senate and House Standing Committees on Agriculture appointed the following legislative membership:

Representative Charles F. Strothman, Chairman
Senator Richard L. Stephens, Vice Chairman
Senator Earl G. Bass
Senator Bass Van Gilst
Representative Delmont Moffitt
Representative John W. Patton

The Subcommittee held three meetings to complete its study assignment and to prepare its recommendations to the Legislative Council and to the respective Standing Committees on Agriculture. During the first two meetings, the Subcommittee organized and elected Representative Charles F. Strothman to serve as Chairman and Senator Richard L. Stephens to serve as Vice-chairman; and, from testimony received from representatives of the dairy industry in Iowa, the Department of Agriculture, the Department of Health and milk sanitarians, the Subcommittee identified and brought under consideration two main problem areas:

1. The advisability of the adoption by the State Department of Agriculture of the recommended requirements for the sanitary production and processing of milk used for manufacturing purposes.

Representatives of milk producers and State Department of Agriculture personnel testified to the effect that adoption of the requirements would serve as a means of improving and standardizing the regulation of milk for manufacturing purposes and, consequently, would insure an interstate market for Iowa dairy products. The recommended requirements were formulated by the United States Department of Agriculture in cooperation with representatives of the dairy industry from throughout the nation and various officials of state departments of agriculture. The recommended requirements include provisions not covered in Iowa law relating to milkrooms or milkhouses, sanitary milking procedures, standards for dairy farm water supply, milk cooling, proper sewage disposal, licensing of dairy plants, and dairy farm certification and inspection.

2. The lack of uniformity in the administration of the Grade A milk inspection program and in the assessment of fees by municipalities providing inspection services.

As the executive secretary of Iowa Dairy Products Association pointed out, the lack of uniform inspection procedures was evidenced by the fact that some milk sanitarians providing inspection services were not certified by the State Department of Agriculture nor the local governments for whom they were providing inspection services. The specific complaint of the Federal Food and Drug Administration in 1971 was that some of the Iowa milk supplies were not inspected under the supervision of the local health department personnel, state health department personnel, or state agriculture department personnel.

Also, the fees charged to producers and processors by municipal corporations and county health departments or sanitation units vary from a charge per hundredweight of milk to a flat yearly fee or no charge at all, while some municipal corporations are charging the dairies inspection fees for services that are not performed. In addition, the State Department of Agriculture, as authorized under Section 192.11 of the Code, conducts the Grade A milk inspection program free of charge for those cities which no longer provide the service. As of June 16, 1972, the State Department of Agriculture was inspecting approximately 3% of the total Iowa Grade A milk produced and processed.

The Subcommittee considered suggestions to provide for a uniform statewide testing program for all grades of milk. However, upon receiving testimony from representatives of the dairy industry and the milk sanitarians that the high quality of the existing Grade A milk inspection program might suffer under a combined inspection program, the Subcommittee recommended that legislation initially be adopted to improve the regulation of milk used for manufacturing purposes.

The recommended legislation authorizes the Secretary of Agriculture to adopt the recommended requirements relating to the production, processing, and inspection of milk used for manufacturing purposes issued by the Consumer and Marketing Service of the United States Department of Agriculture, and creates a committee to advise the Secretary of Agriculture in the preparation and administration of the rules and regulations.

At its third and final meeting on September 22, the Subcommittee recommended that the following legislation be submitted for the approval of the Legislative Council and then be transmitted to the respective Committees on Agriculture with the recommendation that it be introduced during the First Session of the Sixty-fifth General Assembly:

1. A Bill for an Act relating to the establishment of requirements for the sanitary production and processing of milk used for manufacturing purposes and providing an inspection fee. This bill authorizes the Secretary of Agriculture, after consultation with the dairy products advisory committee, to adopt rules and regulations corresponding to recommended requirements for the sanitary production and processing of milk used for manufacturing purposes issued by the Consumer and Marketing Service of the United States Department of Agriculture and printed in the Federal Register, Volume 37, Number 68, Part II, dated April 7, 1972.

2. A Bill for an Act relating to the production and adulteration of dairy food products. The bill has the following major provisions:

a. The specifications and standards for cheeses and cheese products required by Iowa law are updated to meet the federal food and drug standards under the federal Food, Drug, and Cosmetic Act, Part 19 of Title 21, as amended to December 31, 1972.

b. The term "municipal corporation" as used in Chapter 192 relating to the production of dairy products is defined to mean any political subdivision of the state.

c. Sections of the Chapter 192 relating the creation and powers of the Iowa butter control board are repealed. The recommendations of the Subcommittee were adopted by an unanimous vote of the five Subcommittee members present.

Copies of the proposed legislation as approved by the Subcommittee are attached to, and by this reference made a part of, this report.

The Office of the Chief Clerk provided secretarial assistance for recording and preparing the Subcommittee's minutes. The Legislative Service Bureau prepared the bill drafts as requested by the Subcommittee and provided other staff assistance relating to the scheduling of meetings and guest speakers.

Respectfully submitted,

CHARLES F. STROTHMAN
Chairman

SENATE FILE _____

By COMMITTEE ON AGRICULTURE
(Committee on Agriculture)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the establishment of requirements for the
2 sanitary production and processing of milk used for manu-
3 facturing purposes and to provide an inspection fee.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section one hundred ninety-four point one
2 (194.1), Code 1973, is amended to read as follows:

3 194.1 CITATION OF CHAPTER. This chapter may be cited
4 as the "Iowa inspection and grading law for milk used for
5 manufacturing purposes."

6 Sec. 2. Section one hundred ninety-four point two (194.2),
7 Code 1973, is amended by striking the section and inserting
8 in lieu thereof the following:

9 194.2 RULE-MAKING AUTHORITY AND ENFORCEMENT. The secre-
10 tary shall be responsible for the enforcement of the provi-
11 sions of this chapter and shall adopt, after consultation
12 with the dairy products advisory committee, rules and regula-
13 tions to provide for the sanitary production, transportation,
14 processing, and storage of milk used for manufacturing pur-
15 poses; the sanitary packaging, storage, transportation, and
16 handling of dairy products made from such milk; the inspection
17 and certification of dairy farms which produce and sell milk
18 used for manufacturing purposes to insure compliance with
19 adopted sanitary standards and procedures; the inspection
20 and certification of milk processing plants for compliance
21 with adopted sanitary standards and procedures; and the keep-
22 ing of appropriate books and records by milk processing plants.

23 The rules and regulations adopted by the secretary under
24 this chapter shall provide for the use and maintenance of
25 sanitary conditions and procedures which at least equal the
26 recommended requirements for the sanitary production and
27 processing of milk used for manufacturing purposes issued
28 by the consumer and marketing service of the United States
29 department of agriculture and printed in the Federal Register,
30 Volume 37, Number 68, Part II, dated April 7, 1972.

31 The secretary shall hold a public hearing and receive tes-
32 timony concerning any proposed rule or regulation before it
33 is finally adopted. The secretary may modify or rescind any
34 rule or regulation adopted under this chapter after
35 consultation with the dairy products advisory committee.

1 The rules and regulations adopted by the secretary shall
2 be subject to the provisions of chapter seventeen A (17A)
3 of the Code.

4 Sec. 3. Section one hundred ninety-four point three
5 (194.3), subsection one (1), Code 1973, is amended to read
6 as follows:

7 1. "Secretary" means the secretary of agriculture or his
8 designee.

9 Sec. 4. Section one hundred ninety-four point three
10 (194.3), Code 1973, is amended by adding the following new
11 subsections:

12 NEW SUBSECTION. "Advisory committee" means the dairy
13 products advisory committee.

14 NEW SUBSECTION. "Dealer" means any person who buys, sells,
15 manufactures, processes or transports milk used for
16 manufacturing purposes, or who acts as a sales or purchasing
17 agent or broker of such milk.

18 Sec. 5. Section one hundred ninety-four point five (194.5),
19 Code 1973, is amended to read as follows:

20 194.5 FREQUENCY OF TESTS. A test shall be made on the
21 first purchase of milk from a new producer and at least once
22 within each ~~fifteen-day~~ thirty-day interval thereafter. One
23 lot of milk from each producer shall be selected at random
24 and tested for extraneous matter by an appropriate method.
25 The secretary shall determine and promulgate the standards
26 and methods of testing the milk for extraneous matter. The
27 method and standards shall be no less strict than those
28 recommended by the agricultural marketing service, U.S.
29 department of agriculture.

30 Sec. 6. Chapter one hundred ninety-four (194), Code 1973,
31 is amended by adding the following new section:

32 NEW SECTION. There is created within the department of
33 agriculture a dairy products advisory committee. The advisory
34 committee shall consist of:

35 1. Secretary of agriculture.

1 2. Head of the department of food technology, Iowa state
2 university of science and technology or his designee.

3 3. Two persons actively engaged in the production of milk
4 used for manufacturing purposes, appointed by the secretary
5 from nominations of the Iowa state dairy association.

6 4. Two persons actively engaged in the management or oper-
7 ation of a milk processing plant, appointed by the secretary
8 from nominations of the Iowa state dairy association.

9 5. One person actively engaged as a milk sanitarian,
10 appointed by the secretary.

11 6. One person appointed by the secretary from the general
12 public.

13 Appointive members of the advisory committee shall serve four-
14 year terms except that of the first appointees, two of the
15 five members shall be appointed to two-year terms. The
16 advisory committee shall advise the secretary in the prepara-
17 tion of rules and regulations for the inspection and regula-
18 tion of milk used for manufacturing purposes and on the imple-
19 mentation of the inspection and regulatory procedures.

20 The advisory committee shall adopt rules relating to its
21 organizational structure, procedures, and meetings. The
22 secretary shall act as chairman of the advisory committee.
23 The members of the advisory committee shall be reimbursed
24 for all necessary expenses incurred by them in the discharge
25 of their official duties.

26 Sec. 7. Chapter one hundred ninety-four (194), Code 1973,
27 is amended by adding the following new section:

28 NEW SECTION. There shall be paid by the first dealer to
29 the secretary an inspection fee based on the amount of milk
30 used for manufacturing purposes received by him. The secre-
31 tary shall annually fix the inspection fee at an amount, not
32 to exceed one cent per hundredweight of milk used for manufac-
33 turing purposes received by the first dealer, which is
34 estimated to produce sufficient revenue to pay the annual
35 cost of inspecting and certifying each dairy farm as provided

1 in this Act. The inspection fees collected by the secretary
2 shall be deposited in the general fund of the state.

3 Sec. 8. Chapter one hundred ninety-four (194), Code 1973,
4 is amended by adding the following new section:

5 NEW SECTION. The secretary may appoint the technical,
6 professional, secretarial, and clerical staff necessary to
7 accomplish the purposes of this chapter, subject to the provi-
8 sions of chapter nineteen A (19A) of the Code.

9 Sec. 9. In order to facilitate the orderly implementation
10 of the requirements of the rules and regulations adopted under
11 this Act without undue financial burden upon milk producers,
12 the secretary may, after consultation with the advisory
13 committee, issue a schedule of compliance granting a period
14 of time, not exceeding twenty-four months after the effective
15 date of such rules and regulations, for full compliance with
16 the requirements of one or more of such rules and regulations.
17 At any rate, full compliance with all of the rules and
18 regulations adopted under this Act shall be required on and
19 after January 1, 1976.

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EXPLANATION

21 This bill provides that the Secretary of Agriculture, with
22 the advice of a dairy products advisory committee, shall adopt
23 rules and regulations to insure the sanitary production, han-
24 dling, transportation, and processing of milk used for manu-
25 facturing purposes. The requirements of the rules and regula-
26 tions adopted by the Secretary are to at least equal the
27 recommended requirements for the sanitary production and
28 processing of milk used for manufacturing purposes issued
29 by the Consumer and Marketing Service of the U.S. Department
30 of Agriculture.

31 The Dairy Products Advisory Committee created by this Act
32 is composed of the Secretary of Agriculture, the Head of the
33 Department of Food Technology of Iowa State University, two
34 persons actively engaged in the production of milk used for
35 manufacturing purposes, two persons actively engaged in the

1 management or operation of a milk processing plant, and one
2 milk sanitarian. The purpose of this Committee is to advise
3 the Secretary on the rules and regulations and the
4 administration of the inspection program.

5 The inspection program is to be financed by an inspection
6 fee not exceeding one cent per hundredweight of milk received
7 by a milk processing plant and from the general fund of the
8 state. Approximately two-thirds of the cost will be derived
9 from the inspection fee and one-third of the cost from the
10 general fund of the state.

11 The Secretary is also authorized to implement full compli-
12 ance with the inspection program over a two-year period, but
13 not later than January 1, 1976.

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SENATE FILE _____

By COMMITTEE ON AGRICULTURE
(Committee on Agriculture)

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the production and adulteration of dairy
2 food products.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section one hundred ninety point one (190.1),
2 subsection four (4), Code 1973, is amended to read as follows:

3 4. CHEESES AND CHEESE PRODUCTS. The specifications and
4 standards for cheeses and cheese products shall be as provided
5 by the definitions and standards contained in federal food
6 and drug standards under the federal Food, Drug, and Cosmetic
7 Act, Part 19 of Title 21, as amended to December 31, 1968
8 1972.

9 Sec. 2. Section one hundred ninety-two point eight (192.8),
10 Code 1973, is amended by adding the following new subsection:

11 NEW SUBSECTION. "Municipal corporation" means any political
12 subdivision of this state.

13 Sec. 3. Sections one hundred ninety-two point forty-six
14 (192.46) through one hundred ninety-two point fifty-three
15 (192.53), inclusive, Code 1973, are repealed.

16 Sec. 4. All of the books and records of the Iowa butter
17 control board which is abolished under section three (3) of
18 this Act shall be collected by the secretary of agriculture
19 and delivered to the curator of the Iowa state department
20 of history and archives as provided in chapter three hundred
21 three (303) of the Code.

22 EXPLANATION

23 Under section 1 of this bill, the Milk and Milk Products
24 Standards Subcommittee recommends that the specifications
25 and standards for cheese and cheese products be updated to
26 meet the federal standards and specifications which may be
27 periodically changed under amendments to the federal Food,
28 Drug, and Cosmetic Act. This section will authorize the state
29 and local officials to require cheese processors to meet any
30 new standards.

31 Under section 2, the term "municipal corporation" is clari-
32 fied to include any political subdivision of the state. This
33 amendment was recommended to the Subcommittee by the State
34 Department of Agriculture.

35 Section 3 repeals sections of chapter 192 which create

1 and enumerate the powers of the Iowa butter control board.
2 The board no longer operates because of the grading and quality
3 standards of the U.S. Department of Agriculture.

4 Section 4 provides for the disposition of the records and
5 books of the Iowa butter control board which is abolished
6 under section 3.

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STATE OFFICIALS' SALARIES SUBCOMMITTEE
of the
STANDING COMMITTEES ON APPROPRIATIONS

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

FINAL REPORT
STATE OFFICIALS' SALARIES SUBCOMMITTEE
of the
STANDING COMMITTEES ON APPROPRIATIONS

At the April 12 meeting of the Legislative Council, Representative John Camp, Chairman of the House of Representatives Committee on Appropriations, appeared to request that a joint subcommittee of the Standing Committees on Appropriations be appointed to review and make recommendations on the salaries set by the General Assembly for the biennium commencing July 1, 1973 and ending June 30, 1975. He asked that the study not include those positions which the Commission on Compensation, Expenses and Salaries for Elected State Officials had been assigned. The Legislative Council directed Representative Camp and Senator Francis Messerly, Chairman of the Senate Committee on Appropriations, to gather materials and information and report back in approximately sixty days.

On June 14 the Legislative Council approved the establishment of a joint subcommittee and the following members were appointed by Representative Camp and Senator Messerly:

Representative John Camp, Clinton, Chairman
Senator Charles Balloun, Toledo
Senator C. Joseph Coleman, Clare
Senator Wayne Keith, Algona
Senator Francis Messerly, Cedar Falls
Representative Wendell Pellett, Atlantic
Representative Laverne Schroeder, McClelland
Representative Arthur Small, Iowa City

The Subcommittee determined that the Sixty-fourth General Assembly set the salaries for sixty-seven separate positions in state government which varied from \$7,800 for the legal assistants of the Supreme Court Justices to \$35,000 for the Governor. Most of the salaries are contained in Chapter 2, "An Act setting the salary rate for state officials and designated employees of the state", Acts of the Sixty-fourth General Assembly, First Session.

Information was gathered for the Subcommittee concerning salaries paid in the private sector, by the federal government, and for positions under the State Merit Employment Department. Information was compiled indicating the number and classification of employees in every state department and agency whose chief administrator's salary is set by the General Assembly. The Subcommittee also received information on the numbers of permanent and part-time employees in each department and agency as well as the department or agency's annual budget, the tenure of each chief administrator, and the current salary of each chief administrator. A compilation was made of the Code requirements for each chief administrator. The Subcommittee directed that this information be furnished to the

State Officials' Salaries Subcommittee
Final Report - December 12, 1972
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Chairmen of the Standing Committees on Appropriations of the Sixty-fifth General Assembly.

The Subcommittee met with Mr. Elmer Vermeer, Administrative Assistant to Governor Ray, to discuss difficulties in recruiting chief administrators at the salaries offered and with Mr. Don Cleveland of the Iowa Association of Counties, to discuss the adequacy of salaries for county officers.

After reviewing methods of determining compensation levels in private industry and under Merit Employment, it was agreed that an objective and coordinated evaluation of the salaries set by the General Assembly be conducted. Since the consulting firm of Hay & Associates, Inc., a highly qualified and recognized firm, was employed by the Commission on Compensation, Expenses, and Salaries for Elected State Officials to conduct evaluations and recommend compensation for the judicial officers, elected state officials, and members of the General Assembly, it appears most feasible that this firm be employed by the Legislative Council to review the salaries set by the General Assembly. The study should be administered by the Legislative Fiscal Director for the Standing Committees on Appropriations and the Legislative Fiscal Director should be granted the authority to include a study of other salaries.

GRAIN ALCOHOL MOTOR FUEL SUBCOMMITTEE
of the
STANDING COMMITTEES ON ENVIRONMENTAL PRESERVATION

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

F I N A L R E P O R T

GRAIN ALCOHOL MOTOR FUEL SUBCOMMITTEE
OF THE
STANDING COMMITTEES ON ENVIRONMENTAL PRESERVATION

House Concurrent Resolution 133 introduced during the Second Session of the Sixty-fourth General Assembly proposed that the Legislative Council create a study committee to "conduct a study relating to the feasibility of the manufacture of grain alcohol motor fuel by Iowa industries, and to the development of state sponsored programs to support such manufacture". In response to this resolution, the Legislative Council authorized a joint subcommittee of the Standing Committees on Environmental Preservation. The Chairmen of the Senate and House Standing Committees on Environmental Preservation appointed the following legislative membership:

Senator Wayne D. Keith
Senator Cloyd E. Robinson
Senator George L. Shawver
Representative John H. Clark
Representative Dale M. Cochran
Representative Luvern W. Kehe

At the organizational meeting of the Subcommittee, Senator Shawver was elected Chairman, Representative Kehe was elected Vice Chairman, and Ms. Elizabeth O'Connor of the House Chief Clerk's staff was named as Secretary.

As of December 13, 1972, the Subcommittee has held four meetings. In the course of these meetings, testimony has been heard from the following persons:

Myron Brower, Grain Processing Corporation, Muscatine, Iowa
Woodrow Diehl, Iowa Corn Growers Association
Solon A. Ewing, Agriculture and Home Economics, Experiment Station, Iowa State University
Walter Goepfinger, National Corn Growers Association
Jerry Hall, Mechanical Engineering, Iowa State University
Ken Langer, Farm Bureau Federation of Iowa
Wayne Laufenberg, Rural Policy Council Coordinator, Office for Planning and Programming
Dwight Miller, Northern Regional Research Laboratory, Peoria, Illinois
Gary Shults, Nebraska Agricultural Products Industrial Utilization Subcommittee
Harold Swanson, Iowa Western Community College

The Subcommittee became aware that a grain alcohol motor fuel blend is feasible to produce and use and that this blend offers environmental and economic advantages to Iowans. However, the Subcommittee also became aware that the high production costs involved make grain alcohol motor fuel blend uncompetitive unless

the production costs are lowered by state support or unless petroleum shortages cause the price of regular gasoline to rise. Because the recommendations of the members of the Subcommittee are based on their understanding of the production, utilization, benefits, and marketability of a grain alcohol motor fuel blend, a more complete discussion of these topics is given below.

PRODUCTION

The grain alcohol blend that the Subcommittee considered is a one to ten mixture of two hundred proof anhydrous corn alcohol and 90 octane lead free low aromatic gasoline. The process of producing the corn alcohol is similar to that used by distillers that make one hundred ninety proof alcohol for human consumption except that a final drying process is required. At the present time, there are no companies in the Midwest that make two hundred proof anhydrous alcohol, that is, industrial alcohol, from grain. Most industrial alcohol is made synthetically at a lower cost, from petroleum.

Production costs for industrial grain alcohol have been estimated by Mr. Cloud Cray, President of Midwest Solvents, Atchison, Kansas, and Mr. Dwight Miller, Assistant Director, USDA Northwestern Regional Research Laboratories. According to their estimates a distillery of a minimum size would be one that processes about ten thousand to fifteen thousand bushels of corn per day. This size plant costs around \$7,500,000 to \$10,000,000, including the special anhydrous tower. The tower itself is estimated to cost around \$250,000 to \$350,000. It could be added to an existing distillery in two to three years. One bushel of corn makes 2.5 to 2.7 gallons of alcohol, which means that one gallon of alcohol can be made from .37 to .4 bushels of corn. When corn is \$1.00 a bushel, the cost of making one gallon of alcohol is between 57 cents and 60 cents. This figure is computed by adding the cost of corn to the conversion cost of 20.5 cents. This assumes a high protein feed by-product credit of 20.4 cents, that is 6.8 pounds of by-product feed per gallon of alcohol selling at \$60.00 a ton. The amount of power used in a distillation plant would be somewhat under 11,000,000 m.c.f., one m.c.f. equaling 1,000,000 btu's.

UTILIZATION

Grain alcohol has been used regularly as a motor fuel additive in Europe and in American race cars since at least the 1930's. Successful tests for highway vehicles using grain alcohol were made in Iowa in the 1930's, but at that time the high cost of production and the relatively low cost of gasoline made the use of grain alcohol economically unfeasible. At present utilization tests are being made by the Nebraska Agricultural Products Industrial Utilization Committee. In 1971 this Committee tested a one to ten grain alcohol motor fuel blend in five 1971 state-owned motor vehicles. The tests showed that with this blend ratio no new carburetor adjustment was required. The tests also indicated that the exhaust emissions were very similar to those of lead free gasoline, that the octane raising tendency was negligible after the

octane reached 92, that alcohol kept the engine somewhat cleaner, and that the cleaner engine caused valve seat recession. This latter problem was apparently caused because the 1971 engines needed a leaded gasoline to run properly. However, when the Environmental Preservation Association requires that lead be phased out of gasoline and the engines are changed accordingly, this problem is expected to disappear. It is estimated that lead in gasoline will be outlawed by 1975. The Nebraska Committee, in cooperation with the University of Nebraska, is now planning to make on-the-road tests with 50 to 60 state automobiles.

BENEFITS TO THE ENVIRONMENT

The Committee was told that the use of grain alcohol in a motor fuel would benefit the environment by conserving a nonrenewal resource, that is, petroleum. Representatives of the petroleum industry pointed out that at the present time the demand for petroleum is increasing while the supply, at least the supply in the United States, is being depleted. Iowa in 1971 used 1,500,000,000 gallons of gasoline. The United States in 1971 used 90,000,000,000 gallons made from 200,000,000,000 gallons of crude oil. The new exhaust emission devices are expected to bring about a six percent increase in gasoline consumption. Petroleum industrialists claim that gasoline reserves are being depleted, and offer as evidence of this the attempt by oilmen to find new supplies and to use new sources such as Alaska and Russia, the lowering of import restrictions on oil, and the difficulty of independent oil dealers in finding surpluses that they can buy and sell at lower prices at "cut-rate" gasoline stations. The petroleum industrialists claim that the rising price of gasoline is a result of this shortage. It appears that the use of a ten percent additive of grain alcohol, made from a renewable resource, would save billions of gallons of gasoline, a nonrenewable resource. In 1971, in the United States, it would have saved 9,000,000,000 gallons.

It was suggested to the Subcommittee that an alcohol additive would benefit the environment by allowing the use of a catalytic converter. The catalytic converter has been suggested by the major automobile producers as being a means to satisfy the 1975 federal exhaust emissions standards. These converters, usually made of a precious metal like platinum, use the heat of the engine to convert pollutants to carbon dioxide and water. These converters, however, are poisoned within three months by the anti-knock, high octane lead additive that most gasolines contain. Since grain alcohol also has anti-knock octane increasing properties, it was suggested that alcohol would be in demand as an additive. However, it was discovered that a higher octane, nonleaded gasoline such as those already on the market, could be substituted for the leaded gasoline, and at a lower price than a grain alcohol blend. It also became clear that most American cars do not have adequate engine compartment space for the converter. The motor companies have suggested that this problem could be solved by the use of a smaller rotary engine such as the Wankel. The use of a rotary engine, however, eliminates the need for either

an alcohol or a high octane blend of gasoline, since it uses low octane gasoline.

BENEFITS TO THE IOWA ECONOMY

It was suggested to the Subcommittee that the manufacture and sale of a corn alcohol additive would benefit the farm as well as the industrial economy of Iowa. If all the gasoline used in Iowa in 1971, one and one-half billion gallons, used a ten percent alcohol additive, there would have been an additional market in Iowa for 60,000,000 bushels of corn, one bushel making 2.5 gallons of alcohol. This would appear to provide a small but definite increase in the price of corn. It is estimated that a one percent drop in the supply of corn yields a two percent increase in the price. In 1971, the United States produced around 5.1 billion bushels of corn. Thus, the price increase would be about 2 cents a bushel. This increase would be greater if surrounding states developed a grain alcohol program. Nebraska has already developed a rather extensive grain alcohol program and both Wyoming and Kansas have indicated an interest in developing such a program. Because an increase in the demand for corn could mean a decrease in the need for the federal farm program, the state of Nebraska has authorized its Department of Economics of the University of Nebraska to do a study on the effect of eliminating the federal farm program. The results of this study are not yet available.

The members of the Subcommittee were told that the manufacture of grain alcohol provides a high protein feed by-product, similar to soybean meal. At present, Iowa produces about 19,649 tons of this feed, about one-third of which is sold to foreign markets. The United States produces about 450,000 tons per year. However, the market for this by-product is apparently not stable. According to Dr. Wisner, an Iowa State University Agricultural Economist, a one percent increase in the supply of the protein by-product results in a three to four percent decrease in the price. A greater percentage price decrease results when the supply continues to increase. The price is now about \$50 to \$60 per ton. Distillers believe that the sale of the by-product is essential to the financial success of the grain alcohol industry. Because of this and because of the sensitivity of the market for the by-product, alcohol producers such as Cloud Cray and Myron Brower of Muscatine Grain Processing of Muscatine, Iowa, have been somewhat skeptical about the wisdom of building and operating a large number of new alcohol plants. If enough plants were built in Iowa to produce the 150,000,000 gallons of alcohol needed for a ten percent additive to all the gasoline sold in Iowa in one year, 60,000,000 bushels of corn would be needed, and about 450,000 tons of distillers feed would be produced (one bushel of corn yields 15 to 19 pounds of feed). This would be an increase of 2200 percent for Iowa in the amount of distillers feed produced and a national increase of 100 percent. Distillers say that this would lower the price of the feed and make alcohol production uneconomical. Mr. R. Ross of the USDA Economic Resources Service, Washington, D.C., has suggested, however, that a large amount of high protein feed could be absorbed if distributed nationally since the United States is

now experiencing a protein shortage. It has also been suggested that the distillers grains could be converted to and sold as food for human consumption, thereby increasing the demand and perhaps the price.

It was suggested to the Subcommittee that the industrial development of Iowa would be benefited if alcohol plants could be encouraged to locate in Iowa. According to Dr. Miller 525 fermentation plants, each processing 20,000 bushels of corn per day, built with a capital investment of \$13,333,000 each, would have to be built to produce enough alcohol to supply the ten percent additive for the nation. Gary Shults of Continental Oil Company estimates that Nebraska would need about six plants built at a cost of about five to seven billion dollars each to supply the ten percent additive for the nation. At the present time there are no industries in Iowa that manufacture industrial grain alcohol, though alcohol is produced by Clinton Corn Products and Muscatine Grain Processing.

MARKETABILITY AND GOVERNMENT SUPPORTS

Testimony to the Subcommittee by representatives of the petroleum industry has indicated that a grain alcohol motor fuel blend is of little interest to consumers because of its high price. When grain alcohol sells at 65 cents per gallon and is blended in a one to ten ratio with gasoline, gasoline is 5 cents to 6 cents per gallon higher in price than regular leaded gasoline, and about 4 cents to 5 cents per gallon higher than regular unleaded gasoline. According to Gary Shults of Continental Oil Company, the petroleum companies are interested in using a grain alcohol additive to supplement diminishing petroleum reserves, but only if it can be produced and sold at a lower price.

At the present time there is no midwestern company that produces two hundred proof grain alcohol. The Nebraska Grain Alcohol Committee is using for their tests an alcohol made from paper by the Georgia-Pacific lumber company of Washington. Muscatine Grain Processing has stated that it is unlikely that any company will be interested in such production unless there is a reasonable guarantee of a market.

Both Kansas and Nebraska have confronted and attempted to solve the problem of the uneconomical nature of a grain alcohol motor fuel. The state of Kansas, in 1970, passed a concurrent resolution asking Congress to provide for a study of the grain alcohol additive. Some hearings were held, but no other action was taken. In 1971, Nebraska bill 776, later amended by bill 1208, provided for a grain alcohol fuel tax fund with an appropriation of \$40,000 plus one-eighth cent per gallon of the farm tax refund to be used to establish and analyze procedures and processes for the manufacture and market of grain alcohol fuels. This bill also provided for a three cent per gallon tax allowance on a motor fuel with a ten percent grain based ethyl alcohol additive. This allowance begins in 1973 and is to last until sales of gasoline with an alcohol additive reach ten million gallons per year. The

Agricultural Products Industrial Utilization Committee was established to administer the funds. Members of this Committee have worked closely with the Grain Alcohol Motor Fuel Subcommittee.

RECOMMENDATIONS

After considering the testimony presented, the members of the Subcommittee have concluded that a grain alcohol motor fuel program has a certain potential, and that a study of it should continue. However, they also concluded that no major state support, such as that given by Nebraska, should be provided until it becomes clear whether or not there is to be a petroleum shortage, and until the automobile companies decide the means by which they will comply with the 1975 exhaust emission standards.

In order to assure that the study of a grain alcohol motor fuel will continue, the Subcommittee has asked the Legislative Service Bureau to draft two legislative documents. The first provides that a department of grain resources research be established within the Iowa Development Commission for the purpose of pursuing the development of an Iowa grain alcohol industry. The second, a concurrent resolution, urges that Congress include in any major energy study, a study of grain alcohol as an energy resource.

Drafts of the bill and resolution are attached to this report. The Subcommittee is to consider these drafts at a meeting on December 14.

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act creating a division of grain resources research within
2 the Iowa development commission.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. GRAIN RESOURCES RESEARCH DIVI-
2 SION ESTABLISHED. There is established within the Iowa
3 development commission a division the purpose of which shall
4 be to pursue the development of an Iowa grain alcohol motor
5 fuel industry and its related products. This division, to
6 be known as the division of grain resources research, shall
7 cooperate with other administrative divisions established
8 by the commission and may call upon these divisions and
9 coordinate their functions for the development of the grain
10 alcohol motor fuel industry.

11 Sec. 2. Section twenty-eight point four (28.4), Code 1973,
12 is amended to read as follows:

13 28.4 COMMISSION EMPLOYEES. The commission shall be
14 empowered to employ such assistants, clerks, and stenographers
15 as its business may require. All said employees shall be
16 paid from the funds hereinafter appropriated to the commis-
17 sion. The director, subject to approval by the governor,
18 may employ administrative assistants or deputies, and shall
19 employ administrative assistants or deputies for the division
20 of grain resources research.

21 Sec. 3. Section twenty-eight point seven (28.7), subsection
22 one (1), Code 1973, is amended to read as follows:

23 1. Collect and assemble, or cause to have collected and
24 assembled, all pertinent information available regarding the
25 industrial and agricultural and recreational opportunities
26 and possibilities of the state of Iowa, including raw materials
27 and products that may be produced therefrom; power and water
28 resources; transportation facilities; available markets; the
29 availability of labor; the banking and financing facilities;
30 the availability of industrial sites; and the advantages of
31 the state as a whole, and the particular sections thereof,
32 as industrial locations; the development of a grain alcohol
33 motor fuel industry and its related products; and such other
34 fields of research and study as the commission may deem
35 necessary. Such information, as far as possible, shall

1 consider both the encouragement of new industrial enterprises
2 in the state and the expansion of industries now existing
3 within the state, and allied fields to such industries.

4 EXPLANATION

5 This bill provides that a division of grain resources
6 research be established within the Iowa Development Commission
7 for the purpose of pursuing the development of an Iowa grain
8 alcohol motor fuel industry. The bill further provides for
9 cooperation between this division and the administrative
10 divisions of the Commission.

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Senate Concurrent
Resolution by Sub-
committee on Grain
Alcohol Motor Fuel.

WHEREAS, the reserves of nonrenewable energy resources are being depleted; and

WHEREAS, the Congress of the United States is making studies of the depletion of these energy resources and of means by which to supplement and substitute for them; and

WHEREAS, the use of grain alcohol as a motor fuel additive provides a renewable source of energy; and

WHEREAS, studies have been made in certain midwestern states on the utilization of grain alcohol as an energy source,
NOW THEREFORE,

BE IT RESOLVED BY THE SENATE, THE HOUSE OF REPRESENTATIVES CONCURRING, That the General Assembly of the State of Iowa respectfully petitions the Congress of the United States to include in any major energy resource study, a study of grain alcohol as an energy resource; and

BE IT FURTHER RESOLVED, That copies of this resolution be transmitted to the presiding officers of both houses of the United States Congress, to the chairmen of the agricultural committees of both houses of Congress, and to each member of the Iowa delegation to the Congress of the United States.

UNIFIED LAW ENFORCEMENT AGENCIES SUBCOMMITTEE
of the
STANDING COMMITTEES ON LAW ENFORCEMENT

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

FINAL REPORT
UNIFIED LAW ENFORCEMENT AGENCIES SUBCOMMITTEE
OF THE
STANDING COMMITTEES ON LAW ENFORCEMENT

The Legislative Council at its meeting on April 12, 1972 approved a request by Senator Harold Thordsen and Representative Perry Christensen, Chairmen of the Standing Committees on Law Enforcement, that a subcommittee composed of members of the Standing Committees on Law Enforcement be established to study the possibility and feasibility of joint, coordinated, or pooled law enforcement by the political subdivisions of the state. The Subcommittee was authorized three meetings.

Members appointed by Senator Thordsen and Representative Christensen were:

Representative Perry Christensen, Kent, Chairman
Senator R. Dean Arbuckle, Jefferson
Senator James F. Schaben, Dunlap
Senator Harold Thordsen, Davenport
Representative Donald Doyle, Sioux City
Representative Kenneth Logemann, Northwood

The Subcommittee met with the following persons:

Mr. Gerald Allen, Sheriff of Cerro Gordo County, President
of the Iowa State Sheriff's Association
Mr. John Wright, Sheriff of Dallas County
Mr. Marvin Bruhn, Sheriff of Clinton County
Assistant Police Chief Jerry Clift, Cedar Rapids Police
Department, President of Iowa Police Chief's Association
Mr. John Callaghan, Director of the Iowa Law Enforcement
Academy
Mr. H. J. Fries, Chief of Police of the City of Clinton

The Subcommittee received information concerning the numbers of law enforcement personnel in each county and each city and town in the state and noted that many towns have no police protection or have inadequate part-time police protection.

The Subcommittee determined at its first meeting that it appears unfeasible at this time to require law enforcement agencies to combine although some means should be devised to encourage cooperation between law enforcement agencies. Under Chapter 28E of the Code of Iowa (1973), any governmental subdivision may combine with any other governmental subdivision to perform services that each can perform separately. Pursuant to this law, some cities and towns in Iowa have contracted with county sheriffs' offices to provide law enforcement services.

The Subcommittee visited the Clinton County Law Enforcement Center in Clinton, a joint city-county facility. The County Sheriff's Office contracts with all of the cities and towns in

Clinton County, except for three, to provide law enforcement services. Crime Commission funds were available to help finance the joint facility.

In the hopes of encouraging more governmental subdivisions to cooperate in providing law enforcement services and to alleviate some of the jurisdictional problems and problems concerning liability, the Subcommittee makes the following recommendations:

1. That a resolution be drafted urging counties and cities within counties to complete agreements under Chapter 28E of the Code for the county sheriff to provide law enforcement services to cities unable to provide adequate services for themselves.

2. That a resolution be drafted urging the Iowa Crime Commission to encourage counties and cities or several cities jointly to investigate and implement joint funding endeavors for law enforcement projects.

3. That a resolution be drafted stating that the General Assembly encourages cooperation among county and city governments in building joint law enforcement facilities wherever feasible.

4. That a bill be drafted for consideration by the Committees on Law Enforcement to authorize mutual law enforcement assistance between any county or city, or combination thereof. The bill should provide that the person in charge of the agency requesting assistance be granted the authority for directing the operation and provide that the assisting agency is responsible for any injuries sustained by the assisting persons and is also responsible for disability and workmen's compensation.

5. That a bill be drafted for consideration by the Committees on Law Enforcement to set forth responsibility for liability, workmen's compensation, and disability when there is a law enforcement agreement made pursuant to Chapter 28E of the Code.

6. That a bill be drafted for consideration by the Committees on Law Enforcement to provide statewide jurisdiction for peace officers in the fulfillment of an agreement for auxiliary services and for requested law enforcement assistance.

7. That a bill be drafted for consideration by the Committees on Law Enforcement concerning elections for bond issues for joint city-county facilities. The bill would provide that there need be only one countywide election and the total number of votes cast within the city be regarded as conclusive evidence for the city bond issue as well as the county bond issue.

8. That a bill be drafted for consideration by the Committees on Law Enforcement to provide for standard uniforms for the county sheriffs and their deputies.

9. That a bill be drafted for consideration by the Committees on Law Enforcement to remove the \$50,000 limit on county building construction without an election in those cases where the construction is for joint law enforcement facilities and federal matching funds have been authorized.

10. That a bill be drafted for consideration by the Committees on Law Enforcement to provide sheriffs' deputies with civil service status, except for the sheriff and a chief deputy. The bill should provide that if a deputy with civil service status runs for sheriff, he must resign his civil service status.

DEPARTMENT OF GENERAL SERVICES
and
SPACE NEEDS SUBCOMMITTEE OF THE
STANDING COMMITTEES ON APPROPRIATIONS

Report to the Capitol Planning Commission,
Legislative Council,
and the Members of the
First Session of the Sixty-fifth General Assembly

For many years the Capitol Planning Commission has had a long range master plan for the Capitol Complex. Periodically, there have been some adjustments to this plan, but essentially it has been the dream of the future. Now a number of temporary solutions to existing problems over the years have converged. The magnitude of the pressure that must now be relieved is such to warrant consideration of implementing the long existing "20 Year Plan" over the next five or six years.

Very simply the basic master plan has been the construction of three or four buildings on the complex, developing a grand mall extending from the Capitol Building to the Grimes Building, and eliminating all the existing above ground parking in this area. Placement of the buildings has been suggested, but not architectural style.

In some respects the decisions that will be made now will be easier than those made in past years. The problem is clearly defined and we have run out of tenable alternatives.

Perhaps the most dramatic example of what we are faced with is the Valley Bank Building which the State purchased for \$400,000 five years ago. We occupy on the top eight floors approximately 89,000 square feet of space which is impossible to use efficiently. In the context of the time it was probably a good purchase. During the time of our occupancy we have amortized the cost of the space, and the land

alone today is worth approximately \$200,000. But the building, which was built in 1916, is showing its age and unless we move out within two to five years we will be drawn into a series of necessary expenditures that could eventually reach \$2,500,000.

The State is now leasing exclusive of the Department of Agriculture, approximately 48,000 square feet of space in numerous locations in Des Moines. This space could be consolidated on the Capitol Complex, and unless such space is provided, using an average figure of \$4.50 per square foot per year, over a 20 year period, the cost will be \$4,320,000.

Space is also an acute problem on the Capitol Complex. In order to develop or better utilize space in existing buildings over a half million dollars will be or has been spent over a year and a half period. Although this space will be amortized over a period of years, the fact remains that close to 60,000 square feet of space is in either older remodeled buildings or converted apartment houses.

The State of Iowa is one of the few states that has had the good fortune to have had land available around its Capitol and the wise planning to acquire this land. Thus, Iowa has the potential to develop one of the most beautiful and coordinated state capitols in the nation. The Capitol Planning Commission has developed a plan that could make this possible.

Not all of the above problems have to be solved immediately, but because the problem of the Valley Bank Building is quite pressing, the Department of General Services recommends that the Capitol Planning Commission consider a modification of its "20 Year Plan". This

modification would be a major addition on to the south side of the Lucas Building which could be completed in about a two year period.

Thus, by 1975 we could: vacate the Valley Bank Building, consolidate most of the leased space in Des Moines, vacate Executive Hills, move the Attorney General and the cafeteria out of the Capitol Building and thus provide additional space for the Legislature.

As the second phase of a building program the Department of General Services recommends an architectural contest that would not only suggest the design and configuration of buildings, but also placement and landscaping details for the entire Capitol complex. This contest would begin in July of 1973 and the winner decided by January of 1974. It would require approximately a year and a half to design and obtain bids on the next two buildings - the Hall of Justice and Agricultural Building. The last building, the General Administration Building, could be planned for completion after July 1, 1977. The development of above and below ground parking would be tied into the building schedule.

SCHEDULE

- 1973-75 ----
1. Addition to Lucas Building
 2. Completion of six parking lots
 3. Architectural contest
 4. Design Hall of Justice and Agriculture Building
 5. Underground parking garage

- 1975-77 ----
1. Completion of:
 - A. Hall of Justice
 - B. Agriculture Building
 - C. Four parking lots
 - D. Design General Administration Building

SCHEDULE (continued)

1977-79 ---- 1. Completion of:

- A. General Administration Building
- B. One parking lot

COSTS

Construction cost estimates of between \$35.00 and \$38.00 per square foot for office buildings appear to be reasonable figures for 1972. Apparently, one of the biggest unknown variables in projecting future costs is the impact the Williams-Steiger Act (OSHA) may have. In the absence of anything specific and recognizing that all other things being equal, inflation costs should stay constant with inflation revenues. Cost projections are thus being made on the basis of 1972 dollars.

Analysis of cost of constructing parking facilities reflect somewhat of a spread in cost per car, even in the same area and in comparable time of construction. The amount of landscaping is an important variable here as well of course the selection of paving material.

Federal construction dollars are available today on a matching basis to support certain programs. The availability and the percentage of match in future years is an uncertainty. The estimated federal revenues in this report are based upon what is probably available today, but until specific building plans are forwarded by the individual agencies to the federal government, no one knows for sure how much will be approved.

SPACE

Space allocations are projected with several factors taken into consideration: agencies present space assignments, assessment of present building structures that affect efficiency of space utilization, departmental projections of future personnel and space requirements, estimated future space available and the relative efficiency of future space.

The impact on personnel of the trend away from federal control of programs in Washington to local control at the state level is unknown. Although we all applaud this direction it could result in a need for more space in state capitols.

PARKING

Providing "adequate" parking space is now and probably will remain a challenge. There is adequate land available to develop the parking facilities required to accommodate the proposed expansion program. The cost projections are such as to provide for attractive landscaping. The cost of the program can be either by appropriation, or by charging \$5.00 per month for above ground parking or \$15.00 per month in the underground garage. Controls can be such so as to enable assignment to specific lots and assure that space would always be available in every assigned lot. Development of lots 1 to 11 and the underground garage should provide over 1,200 additional parking spaces as compared to today.

ARCHITECTURAL CONTEST

The architectural style of the addition to the Lucas Building is of course established. Any additional building represents quite an architectural challenge taking into consideration the contrasting styles of the Capitol Building, Lucas Building, Grimes Building, and the complex north of Grand Avenue and south of Walnut. An architectural contest would be designed to show the architectural style and placement of proposed buildings and landscaping details on the complex. It would give the State an opportunity to make a judgment on a total concept, rather than a series of individual parts. Such contests are conducted under a set of rules developed by the American Institute of Architects: the first prize is usually the award of the project or a sum of money. The size of this project would suggest for first place either the contract for the project or \$25,000, second place \$15,000 and third place \$10,000.

FUTURE

Consideration should be given to designing the footings of the Administration Building to permit the future addition of another floor.

Below ground construction west of the Capitol Building can also provide for future expansion. The block at the northwest corner of the complex may be considered short range for additional parking and long range for building purposes.

LUCAS ADDITION

18,753 s.f. per floor

Basement, ground, first through fifth floor = 7 x 18,753-----	131,271 s.f.
Sixth floor - 16,493 s.f. due to parapet -----	<u>16,493</u>
Total s.f. -----	147,764 s.f.

147,764 s.f. x \$37.50 per s.f. ----- \$ 5,541,150

HALL OF JUSTICE

34,020 s.f. per floor

Four floors x 34,020 ----- 136,080 s.f.

136,080 s.f. x \$37.50 per s.f. ----- \$ 5,103,000

GENERAL ADMINISTRATION

47,120 s.f. per floor

Three floors x 47,120 ----- 141,360 s.f.

141,360 s.f. x \$37.50 ----- \$ 5,301,000

AGRICULTURE BUILDING

34,650 s.f. per floor

Four floors x 34,650 ----- 138,600 s.f.

138,600 s.f. x \$37.50 ----- \$ 5,197,500

COST SCHEDULE

July 1, 1973 to July 1, 1975

1. Parking Lot 1	\$ 64,400
2. Parking Lot 2	36,750
3. Parking Lot 3	27,300
4. Parking Lot 4	128,800
5. Roads around Lot 4	25,000
6. Parking Lot 5	144,900
7. Parking Lot 6	103,600
8. Underground garage	1,200,000
9. Addition to Lucas Building	<u>5,541,150</u>

Sub-Total \$7,271,900

July 1, 1975 to July 1, 1977

1. Visitor's Parking Lots 7 and 8	\$ 43,750
2. Hall of Justice Building	5,103,000
3. Agriculture Building	5,197,500
4. Parking Lot 9	59,850
5. Parking Lot 10	<u>98,700</u>

Sub-Total \$10,502,800

July 1, 1977 to July 1, 1979

1. General Administration Building	\$ 5,301,000
2. Parking Lot 11	<u>68,950</u>
Sub-Total	<u>\$ 5,369,950</u>
 TOTAL July 1, 1973 to July 1, 1979	 <u>\$23,144,650</u>

COST JUSTIFICATION 20 YEAR PERIOD

1. One half federal match, Justice Building	\$ 2,551,500
2. One third federal match, Admin. Building	1,767,000
3. Check off plan for Agriculture Building	5,197,500
4. Revenue from parking	3,378,000
5. Sale of land under Valley Bank	<u>200,000</u>
Sub-Total	\$13,094,000
Unless space is provided on Capitol Complex	
6. Restoration of Valley Bank Building	\$ 2,500,000
7. Payment for leased space	<u>4,320,000</u>
Sub-Total	\$ 6,820,000
TOTAL	<u>\$19,914,000</u>

PARKING LOTS

Based on using 380 s.f. per car at a cost of \$350.00 per car which includes grading, surfacing, sewers, catch basins, perimeters, paint, lights, control gates, landscaping.

Parking Lot 1	----- 70,000 s.f. for 184 cars x \$350 -----	\$ 64,400
Parking Lot 2	----- 40,000 s.f. for 105 cars x \$350 -----	36,750
Parking Lot 3	----- 30,000 s.f. for 78 cars x \$350 -----	27,300
Parking Lot 4	-----140,000 s.f. for 368 cars x \$350 -----	128,800
Parking Lot 5	-----157,500 s.f. for 414 cars x \$350 -----	144,900
Parking Lot 6	-----112,500 s.f. for 296 cars x \$350 -----	103,600
Parking Lot 7	----- 20,000 s.f. for 52 cars x \$350 -----	18,200
● Parking Lot 8	----- 28,000 s.f. for 73 cars x \$350 -----	25,550
Parking Lot 9	----- 65,000 s.f. for 171 cars x \$350 -----	59,850
Parking Lot 10	-----107,250 s.f. for 282 cars x \$350 -----	98,700
Parking Lot 11	----- 75,000 s.f. for 197 cars x \$350 -----	68,950
Employees parking	---- 2,095 cars x \$350 -----	\$ 733,250
Visitors parking	----- 125 cars x \$350 -----	43,750
Underground garage	--- 240 cars x \$5,000 -----	1,200,000
Roads	-----	<u>25,000</u>
		\$2,002,000



NO-FAULT INSURANCE SUBCOMMITTEE
of the
STANDING COMMITTEES ON COMMERCE AND JUDICIARY

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

REPORT

NO-FAULT MOTOR VEHICLE INSURANCE SUBCOMMITTEE
OF THE
COMMERCE AND JUDICIARY STANDING COMMITTEES

The No-Fault Motor Vehicle Insurance Subcommittee of the Commerce and Judiciary Standing Committees was created by the Legislative Council pursuant to a recommendation by the Legislative Council Studies Committee on May 10, 1972. The recommendation of the Studies Committee called for the creation of a six-member subcommittee for the purpose of conducting a study of no-fault automobile insurance plans. The original recommendation called for the Subcommittee to be composed of six members, three to be selected by each of the Chairmen of the Senate and House Commerce Committees. This recommendation was amended to provide two additional Subcommittee members, one each to be selected by the Chairmen of the Standing Committees on Judiciary and was given final approval on May 10, 1972.

The membership of the No-Fault Motor Vehicle Insurance Subcommittee as appointed by the appropriate chairmen of the Commerce and Judiciary Standing Committees is as follows:

Senate Commerce Committee

Senator James W. Griffin
Senator William D. Palmer
Senator W. R. Rabedaux

Senate Judiciary Committee

Senator Lucas J. DeKoster

House Commerce Committee

Representative Tom Dougherty
Representative Harold O. Fischer
Representative Dennis L. Freeman

House Judiciary Committee

Representative Robert M. Kreamer

The first meeting of the No-Fault Motor Vehicle Insurance Subcommittee was held on August 28, 1972, at which time Representative Harold O. Fischer was elected chairman of the Subcommittee and Senator W. R. Rabedaux, Vice Chairman. The Subcommittee began deliberations with a discussion of the desirability and necessity of enactment of some form of no-fault automobile insurance in Iowa in the 1973 session of the General Assembly. The Subcommittee noted the action taken by the United States Senate Commerce Committee in reporting favorably a bill providing for mandatory national minimum state standards for no-fault insurance and received copies of the United States Department of Transportation's proposed joint resolution regarding state efforts in the area of no-fault auto insurance. The Subcommittee discussed the possibility of federal

No-Fault Motor Vehicle Insurance Subcommittee

Page 2

no-fault legislation and noted the present administration's intent to urge individual state action in lieu of a national plan.

It was tentatively decided to draft a no-fault plan for submission to the General Assembly in 1973 that would best reflect the preferences of interested Iowa citizens and organizations. In order to ascertain the interests of the Iowa public, the Subcommittee heard statements and testimony of the following individuals during the course of its deliberations:

Commissioner William H. Huff, State Insurance Department
Mr. William Timmons, Iowa Insurance Institute
Mr. James B. West, American Insurance Association
Mr. F. Richard Thornton, Iowa Independent Insurance Agents
Mr. George W. Bowles, Farmers Casualty Company
Mr. William J. Hancock, AID Insurance Services
Mr. Don Rowen, South-Central Iowa Federation of Labor,
AFC-CIC
Mr. David S. Neugent, President, Hospital Service Inc. of
Iowa
Mr. Kenneth Keith, Iowa Defense Counsel Association
Mr. Edward Jones, Executive Secretary, Iowa State Bar Association
Mr. Edward J. Gallagher, Jr., Chairman, Iowa State Bar Association, Special Committee on Automobile Accident Reparations Reform
Mr. R. G. Hileman, Iowa Motor Truck Association
Mr. Price Normile, Yellow Cab Company, Hertz-Rent-A-Car
Mr. Bernard Mercer, Preferred Risk Mutual Insurance Company
Mr. Robert J. Link, Carriers Insurance Company
Mr. Lorne R. Worthington, Preferred Risk Mutual Insurance Company
Mr. Roswill P. Ellis, American Mutual Insurance Alliance
Mr. Robert Alderman, Independent Insurance Agents of Iowa
Mr. Fred M. Hagen, Midwest Mutual Insurance Company
Mr. Harry J. Reames, Jr., Farm Bureau Mutual Insurance Company

The second meeting of the Subcommittee was held on September 25, 1972 and was devoted entirely to presentations by the listed individuals who indicated the positions on no-fault insurance held by their respective organizations. The Subcommittee found that the public has been somewhat misled by claims that no-fault insurance will reduce automobile insurance premiums. It wishes to publicize its findings that most no-fault plans being suggested would not guarantee lower rates and might cause some increases. The principal benefits to be derived from a change to no-fault insurance were found to be certainty of compensation, timely payments, the elimination of premium dollar waste in the claim settlement process, and retention of state control over automobile insurance.

No-Fault Motor Vehicle Insurance Subcommittee

Page 3

The following no-fault plans among others were made available to the Subcommittee during the course of its deliberations:

1. The proposed federal no-fault plan as reported by the United States Senate Commerce Committee.
2. The plan adopted and promulgated by the Commissioners on Uniform State Laws.
3. The plan of the American Insurance Association.
4. The plans adopted by the states of Florida, Connecticut, New Jersey, Delaware and Michigan.

Since it was found that costs and features of the various no-fault plans are best determined by the particular requirements of the area to be covered by the plan, the Subcommittee decided at its third meeting on October 17, 1972 to use as a basis for its proposal the plan proposed by the Iowa Insurance Institute. This was the only plan for which a detailed cost estimate was made based upon the assumption of its enactment in Iowa. It was found that this plan, tentatively entitled the Iowa Motor Vehicle Accident Reparations Act, would if enacted, result in no change in the average annual Iowa automobile insurance premium although differences in individual premium payments could be expected. Moreover, the plan in some degree fulfills the intent of a majority of the members of the Subcommittee that certain aspects of the automobile insurance policy be standardized to eliminate the confusion presently existing over the precise details of policy limits. In addition, the plan equals or surpasses the guidelines suggested by the Department of Transportation for state action on no-fault insurance.

At its fourth meeting on November 20, 1972, the Subcommittee considered the proposed Iowa Motor Vehicle Accident Reparations Act in its entirety and gave approval to the following basic features of the plan:

1. All motor vehicles required to be registered in the state would be covered with the exception of motorcycles. Motorcycles were excepted since it was found that the cost of including them would be prohibitive.
2. The plan makes the no-fault insurance coverage and the present tort liability insurance mandatory. The plan provides that enforcement of this provision may be on an ad hoc basis as the capabilities of the Department of Public Safety permit. It is felt that there are constitutional problems in curtailing certain tort remedies and imposing certain liabilities unless these provisions apply to every motor vehicle operator.

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3. The plan imposes a legal liability without regard to fault on all owners of motor vehicles in the state for the benefits mandated by the plan for injuries to individuals occupying the motor vehicle and the pedestrians struck by it.

4. The mandated benefits may not exceed an aggregate of \$15,000 and would consist of the following:

- a. Medical expense benefits with a two-year time limit and a funeral expense limitation of \$1,250.
- b. Income replacement benefits limited to \$200 per week per person after a 15% deduction from the income loss for the income tax advantage unless the injured person can establish a lesser percentage. These benefits would not be payable during the first week of disability.
- c. Services replacement benefits limited to injured persons not entitled to income replacement benefits to a maximum of \$100 per week up to \$7,500 total. These benefits would not be payable for the first week of disability.
- d. Survivor's benefits payable if a person is killed or dies within one year of the date of the accident limited to 75% of the income loss to a maximum of \$200 per week with a deduction for any income replacement benefits paid prior to death. If the injured person or deceased was not entitled to income replacement benefits, a survivor's benefit is payable for essential services replacement with a maximum payment of \$100 per week up to \$7,500 total, to be reduced by any services benefits paid prior to death.
- e. Social Security and Workmen's Compensation benefits would be deducted from the basic reparations benefits.

5. Under the medical expense benefits provisions of the basic reparations benefits, both medical rehabilitation costs and vocational rehabilitation costs would be allowable expenses.

6. An assigned claims plan is provided to cover those persons otherwise unable to collect benefits. An exception would be for the owner of an uninsured motor vehicle or his spouse. Benefits would be payable to children or other passengers in the uninsured vehicle. A deduction would be made for any and all collateral source benefits.

7. There would be mandatory inter-company arbitration for basic reparations benefits between the insurance company that paid the benefits and the insurance company insuring the party at fault in those cases involving fault.

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8. Damages for pain and suffering would be payable only in those cases where the medical treatment expenses exceed \$1,500 or there is death, dismemberment, serious permanent disfigurement or serious permanent injury.

9. In any tort action where damages are recoverable for loss of past earnings and future earnings, the award shall be reduced by any income taxes which would have been payable on such earnings.

At the close of its meeting on November 20 the Subcommittee requested that the Legislative Service Bureau in consultation with the State Insurance Department prepare the bill with necessary coordinating amendments for submission to the General Assembly. Drafting of the bill was completed on December 29, 1972.

Respectfully submitted,

REPRESENTATIVE HAROLD O. FISCHER
Chairman

SENATOR W. R. RABEDEAUX
Vice Chairman

IPERS SUBCOMMITTEE
of the
STANDING COMMITTEES ON STATE GOVERNMENT

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

FINAL REPORT
IPERS SUBCOMMITTEE

of the

STANDING COMMITTEES ON STATE GOVERNMENT

Representative C. Raymond Fisher, Chairman of the House Committee on State Government and Representatives Richard Drake and Harold McCormick met with the Commissioners of the Employment Security Commission, Mr. James T. Klein, Mr. Abe Clayman, and Mr. George Lundberg and with Mr. Fenton Isaacson and Mr. Denis Sullivan, Consulting Actuaries, from Milliman and Robertson, Inc. in June, 1972. Various suggestions were presented to improve the Iowa Public Employees Retirement System and were noted by the consulting actuaries who agreed to present a proposal to the Subcommittee of the costs of actuarial studies for each of the recommendations.

At the June meeting of the Legislative Council, a request was submitted by Representative Fisher and Senator James A. Potgeter, Chairman of the Senate Committee on State Government, that a joint subcommittee of the Standing Committees on State Government be authorized to meet and make recommendations on changes in the IPERS system. House members appointed to the subcommittee were Representatives Fisher, Drake and McCormick and Senate members appointed were Senator Gene Glenn, Senator Francis Messerly, and Senator John Rhodes. Legislative members of the IPERS Advisory Investment Board, Senator James Griffin and Representative Leonard Andersen, were invited to attend Subcommittee meetings.

Mr. Edmund Longnecker, IPERS Division of the Employment Security Commission, explained that currently the employer and the employee each contribute $3\frac{1}{2}\%$ of their wages up to \$7,800 to the IPERS program and monthly benefits to retirees are computed on the basis of one-twelfth of 1.45% per year of membership service multiplied by the average annual covered wages of the employee. An employee is vested in the program after eight years employment. The system is actuarially sound, meaning that present employees' contributions are not being used for payments to current retirees.

One of the reasons that the Subcommittee was established is that according to actuarial studies, only a 5.507% contribution rate is needed to fund the system on an actuarially sound basis and approximately \$38,000,000 has accumulated in the IPERS fund. One of the reasons for the surplus in the fund is that employees who terminate their employment before they are vested only receive their contributions plus interest credited and the employer contribution remains in the fund. Another reason is that the interest earnings have been higher than anticipated and the average yield is approximately 6% at the present time.

A series of twenty-one possible improvements to the IPERS system were developed by the Subcommittee, and actuarial studies on

these improvements were conducted by Mr. Isaacson and Mr. Sullivan. The following twenty-one possible improvements were considered:

1. The present system with no benefit changes.
2. Payment of a minimum benefit of \$4.00 per month for each year of membership service.
3. Payment of a minimum benefit of \$5.00 per month for each year of membership service.
4. Retirement at age 62 and benefits unreduced with thirty years of membership service.
5. Retirement at age 60 and benefits unreduced with thirty years of membership service.
6. Retirement at age 55 and benefits unreduced with twenty-five years of membership service.
7. Increase in annual benefit credit from 1.45% for each year of membership service to 1.75%.
8. Increase in annual benefit credit from 1.45% for each year of membership service to 2.00%.
9. Computation of the annual benefit credit of 1.45% for each year of membership service at 2.00% for each year of future membership service.
10. Increase in the covered salary for years after June 30, 1972 from \$7,800 to \$9,000.
11. Increase in the covered salary for years after June 30, 1972 from \$7,800 to \$10,800.
12. Increase in the covered salary for years after June 30, 1972 from \$7,800 to \$12,000.
13. Removal of the limit on covered salary for years after June 30, 1972.
14. Basing the retirement benefits on the average covered salary during the highest 5 of the last 10 years employment (assuming a \$7,800 salary limit).
15. Increase of the retirement benefit credit for each year of prior service from 1.10% to 1.25%.
16. Vesting of a member after five years of membership service rather than eight years membership service.
17. Increase in membership service benefits being paid to retirees as of June 30, 1972 by 20%.

18. Basing retirement benefits on the average salary during the highest 5 of the last 10 years with a \$9,000 salary limit.
19. Basing retirement benefits on the average salary during the highest 5 of the last 10 years with a \$10,800 salary limit.
20. Basing retirement benefits on the average salary during the highest 5 of the last 10 years with a \$12,000 limit.
21. Basing retirement benefits on the average salary during the highest 5 of the last 10 years with no salary limit.

A copy of a listing of the possible improvements and their effects on the current necessary 5.507% contribution level is attached and by this reference made a part of this Report.

The Committee held a public hearing in November and groups affected by IPERS changes (both employers and employees) were allowed to comment upon the twenty-one possible improvements.

Many of the employee associations met together and established a Joint Council on IPERS with a single set of recommendations from the Joint Council. Members of the Joint Council are:

Conservation Park Officers Association
Iowa Association of State, County and Municipal Employees
Iowa Fish and Game Officers Association
Iowa Municipal Finance Association
Iowa School Food Services Association
Iowa State Assessors Association
Iowa State Association of Counties
Iowa State Education Association
Municipal Civil Service Employees Association
State of Iowa Employees Association

The Joint Council recommended the following proposal for improving the Iowa Public Employees Retirement System:

1. Benefits under the IPERS program should vest in the employee after five years instead of eight years as under current law. (Code 1971, 97B.53)

2. Employees who were covered under the Iowa Old Age and Survivors Insurance System as of July 1, 1953 and subsequently have withdrawn their money from that system have the right to reinvest their original contributions with interest.

3. The IPERS program should include a minimum benefit level for hourly employees who have worked ten years or more as follows: \$4.00 per month for each year of membership service for those working 30 hours or less per week, and \$5.00 per month for each year of membership service for those working more than 30 hours per week.

4. Allowance should be made for retirement at age 60 without a loss or decrease in benefits with 30 years of membership service.

5. All law enforcement officers covered by the IPERS program should be able to retire after 25 years of membership service at age 55. The members payments under this plan should be adjusted to keep the program actuarially sound.

6. The monthly formula benefit should be changed to 1.85 percent per year of membership service multiplied by the annual average covered wages instead of 1.45 percent as under present law. (Code 1971, 97B.49)

7. Covered wages as prescribed in Code 1971, 97B.41 be increased from \$7,800 to \$12,000.

Representatives of these groups appeared before the Subcommittee and affirmed their support for the recommendations of the Joint Council. In addition representatives of the Des Moines Education Association, the Cedar Rapids Education Association, and the Polk Suburban Education Association expressed support for the stand of the Iowa State Education Association.

Other groups presenting their positions on the IPERS proposed improvements were:

Iowa Association of School Boards
League of Iowa Municipalities
Iowa State Association of Highway Commission Employees

The Committee recommends:

1. The IPERS system should remain actuarially sound.
2. The 3 1/2% matching contributions by the employer and the employee should not be increased.
3. Benefits under the IPERS program should vest after four years' employment instead of the current eight years.
4. Employees who are vested, current, or retired members of IPERS and who were covered under the Iowa Old Age and Survivors Insurance System at its termination on July 1, 1953 and have withdrawn their money from that system should have the opportunity to reinvest their original contributions together with interest.
5. A minimum monthly retirement benefit of fifty dollars should be paid to all retired members with ten or more years of membership service.