

Messages of the Governor

A pensive group of legislators filed into the House chamber for a joint session on the Sixty-Fourth General Assembly's second day. They were about to hear Governor Ray report on the general condition of the state.

Democratic legislators were convinced the state's economy had sagged to the point where red ink was being used to make book entries. They had said as much during the 1970 campaign and had been rebuffed by the Republican state officials their candidates were trying to defeat.

Yet they had reason to believe they were on the right track when State Comptroller Marvin Selden, late in December, estimated the June 30, 1971, treasury balance would be only \$782,000—lowest in years. His prediction sent shock waves up Republican spines while Democrats bit their tongues to keep from saying "I told you so."

But Governor Ray was head man. What was he going to say?

State of the State Message

Wearing a long face, Governor Ray minced no words in his term-ending inventory address as he stood before the legislators in the first of three appearances he would make during January.

He painted a bleak picture of the state's fiscal condition, saying "this sliding economy has affected both our Iowans and our government." But he made no mention of a possible treasury deficit.

In a more cheerful vein, he noted that "the national financial downturn and work stoppages of the last 18 months have not affected Iowa as severely as most states. Indeed, involved and knowledgeable observers are optimistic about the Iowa economic outlook."

However, he admitted readily that "only a fool would try to do a cosmetic snow-job" on the "intractable fact" that the short-range record for agriculture, Iowa's basic industry, "has been bleak."

The Governor saw nothing encouraging, either, in the state's slow population growth, which he described as being about one-sixth that of the nation's in 1960-70.

The low population gain meant that "our delegation in the lower House of Congress—which numbered 11 Representatives as recently as 1930—would shrink from seven to six, confronting this General Assembly with one of its major tasks in devising a fair and reasoned redistricting plan."

Governor Ray said the sharpest population losses and school enrollment declines were predominantly in rural counties, leaving one county with "fewer people than it had in 1844, two years before Iowa became a state. At the other extreme, some Iowa counties and communities grew

dramatically in the past 10 years. Most—but not all—of them fall into two groups: relatively industrialized urban areas and university locations.”

The Governor added that “in a broader way many of the difficult and controversial problems with which you and I—and the whole body of citizens—must wrestle in the months ahead spring from economic sources and from the restless mobility of modern man. This is especially true of three tall problems which cast so long a shadow . . . taxation, education, and transportation.”

The Governor promised to deal with these and other issues in his inaugural and budget messages. Meanwhile, he reviewed the record of the last two years, making these observations:

Voting Age—A proposed amendment lowering the voting age to 19 was half-way through the legislature. But the United States Supreme Court recently had upheld the constitutionality of a new federal law lowering the voting age to 18 for presidential and congressional elections. So Iowa should move to make the voting age consistent with the new law.

Crime Control—Breakthroughs were scored in these areas: Apprehension of suspects through consolidated police radio facilities, computerization of identification, upgrading of police investigation procedures, action speeding criminal justice, pre-sentence investigations under judicial supervision, cooperation among law enforcement agencies and addition of state crime laboratory facilities.

Education—His administration had initiated a tuition grant program for private college students, increased state aid to area schools, inaugurated a long-term bonding plan

for building programs at state universities, provided more state support than ever to education and scored a breakthrough for those attending non-public schools.

Industry—A program is under way to create new job opportunities by "attracting non-polluting, community-minded industries which provide employment."

Welfare—The state hopes Congress will support a change in "the antiquated welfare program, which would break the generation-to-generation chain that is not acceptable to either the taxpayers or the recipients."

Ombudsman—His administration had established the office of Ombudsman—a citizens' aide to whom people could go to discuss grievances against government.

Medicaid—A \$2.5 million Medicaid deficit had been made up and benefits to the elderly increased.

Pollution—Air pollution standards had been adopted and the controversy with the federal government over water quality standards on the Mississippi river was settled.

Drugs—A three-part program of education, enforcement, and treatment-rehabilitation was initiated.

Highways—More construction contracts had been let and more right-of-way purchased than ever before but improved roads did not prevent needless traffic deaths so his administration is taking aim on training the person behind the wheel, the chief cause of traffic accidents.

The Governor also reported substantial progress in carrying out the youth opportunity and work incentive programs and said the state had played a leading role in the Rubella project to immunize Iowa children against the possibility of a German measles epidemic. He reported an increase in workmen's compensation benefits and adoption of new industrial safety regulations.

Inaugural Message

Only two days later, on January 14, Governor Ray appeared again before the legislature, but in a completely different setting. For the inaugural ceremonies had been moved from the Statehouse to the spacious Veterans Auditorium in downtown Des Moines for the second straight time.

It was an inauguration that some legislators wanted to cancel. Indeed, only a few days earlier, no less a personage than Speaker Pro Tempore Millen had called inaugural ceremonies for reelected Governors "a lot of folderol" and had suggested cancelling this one to save expense.

Of course the inaugural went off as scheduled. Chief Justice C. Edwin Moore of the Supreme Court, administered oaths, first to Lieutenant Governor Jepsen and then to Governor Ray who, at 42, was the first Republican Governor to win reelection in Iowa in 18 years.

The Governor delivered a brief, punchy message which, he himself noted, was in sharp contrast to his first inaugural address that lasted nearly two hours. It was necessary then, he explained, "to outline both my philosophy and my program in a comprehensive, detailed way." But since his philosophy had not changed he would not review it this time nor go into great detail about his program.

"Instead," he said, "I shall set forth in broad, bold strokes the opportunities of the next two

years, which you and I share together as elected leaders of our commonwealth."

He then launched into an outline of his program for the 1971-73 biennium, but only after paving the way with these remarks:

"Iowa today is uniquely endowed by nature and by history to create—here in the heartland—a vibrant, compassionate, fulfilling society, which will epitomize everything constructive in the sharp winds of change that are now blowing across America. Iowa is enormously rich in those very assets to which all Americans—and, indeed, all human beings—are now beginning to attach prime value: uncluttered landscape, abundant living space, relatively clean air and water, widespread good neighborliness, and a serene, unhurried rhythm of life."

His message dealt chiefly with his "overriding concern about the condition of our environment"—human as well as natural environment.

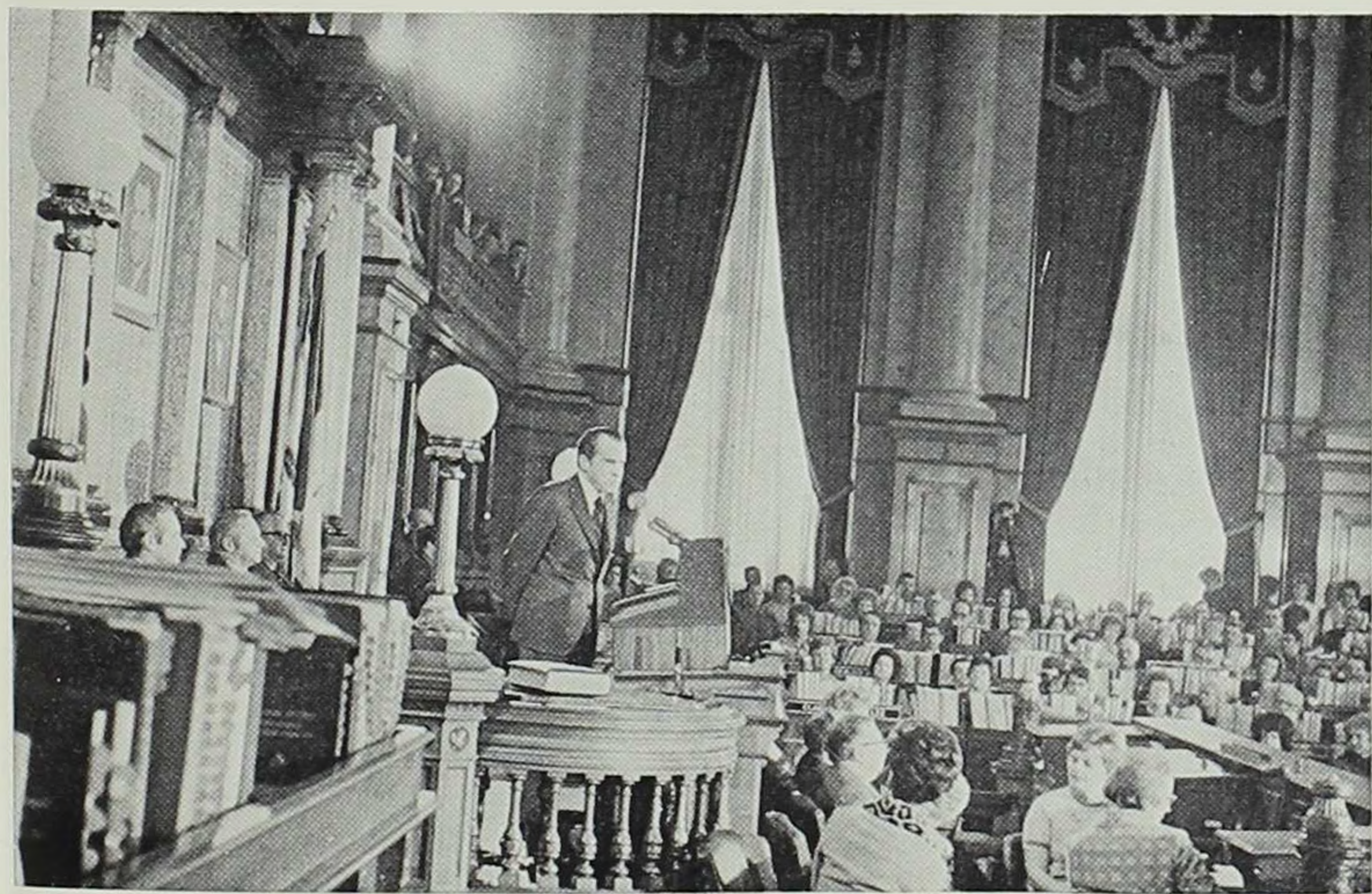
"For example," he continued, "the whole tragic problem of drug abuse is really one of human environmental pollution."

He praised the legislature for tackling this "spectre" the first week of the session, saying Senate adoption of a drug abuse control bill the previous day "hits hardest where it should—at the supplier and the profiteer."

Turning first to the area of "natural environment," the Governor called for legislation:



President Richard M. Nixon and Governor Ray approach rostrum in House Chamber as Mrs. Ray and Mrs. Nixon, front row, center, applaud.



President Nixon becomes first Chief Executive ever to address a joint session of the Iowa legislature on March 1, 1971.



Iowa State University President Parks, facing camera, testifies before House-Senate Appropriations Subcommittee on Schools.



House-Senate conference committee discusses compromise on State School Aid-Property Tax Relief bill.



Reporters and lobbyists, background, listen as Senate Ways and Means Committee members deliberate property tax relief problem.



Senator Potgeter, standing, comments on legislative apportionment during a meeting of the Senate Constitutional Amendments and Reapportionment Committee.



Representative Sorg, arms folded, discusses property tax relief with a delegation of his Linn County constituents.



First Senate-House conference committee labored hard but failed to reach a compromise on Board of Regents appropriations.



Senate Democratic Leader Gaudineer, left, and Senate Republican Leader Lamborn

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ARBUCKLE



BALLOUN



BASS



BRILES



BROWNLEE



CARLSON



COLEMAN



CONKLIN



CURRAN



DAVIS



DeKOSTER



DODERER



ERSKINE



GAUDINEER



GILLEY



GLENN



GRAHAM



GRIFFIN



GROSS



HILL



KEITH



KENNEDY



KYHL



LAMBORN



LAVERTY



MESSERLY



MILLER



MILLIGAN



MOWRY



NEU



NICHOLSON



OLLENBURG



PALMER



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EGENES



ELLSWORTH



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HILL



HOLDEN



HUSAK



JESSE



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KELLY



KENNEDY



KINLEY



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KNOKE



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MC ELROY



MENDENHALL



MENEFEE



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PIERSON



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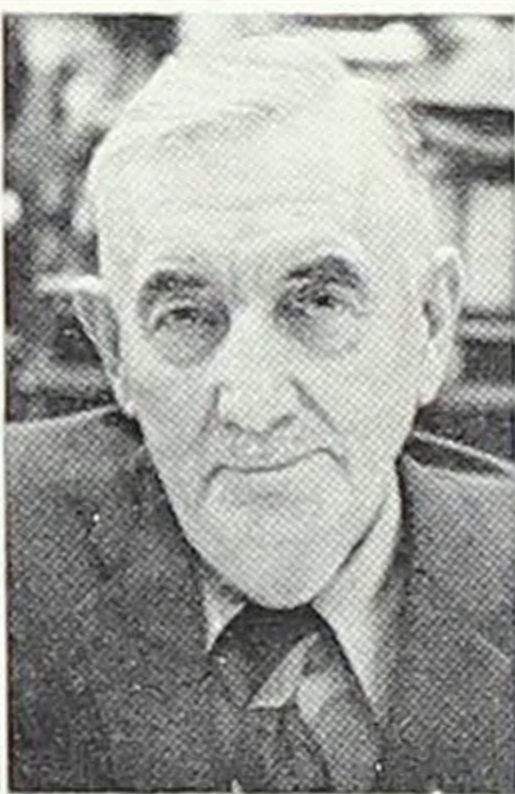
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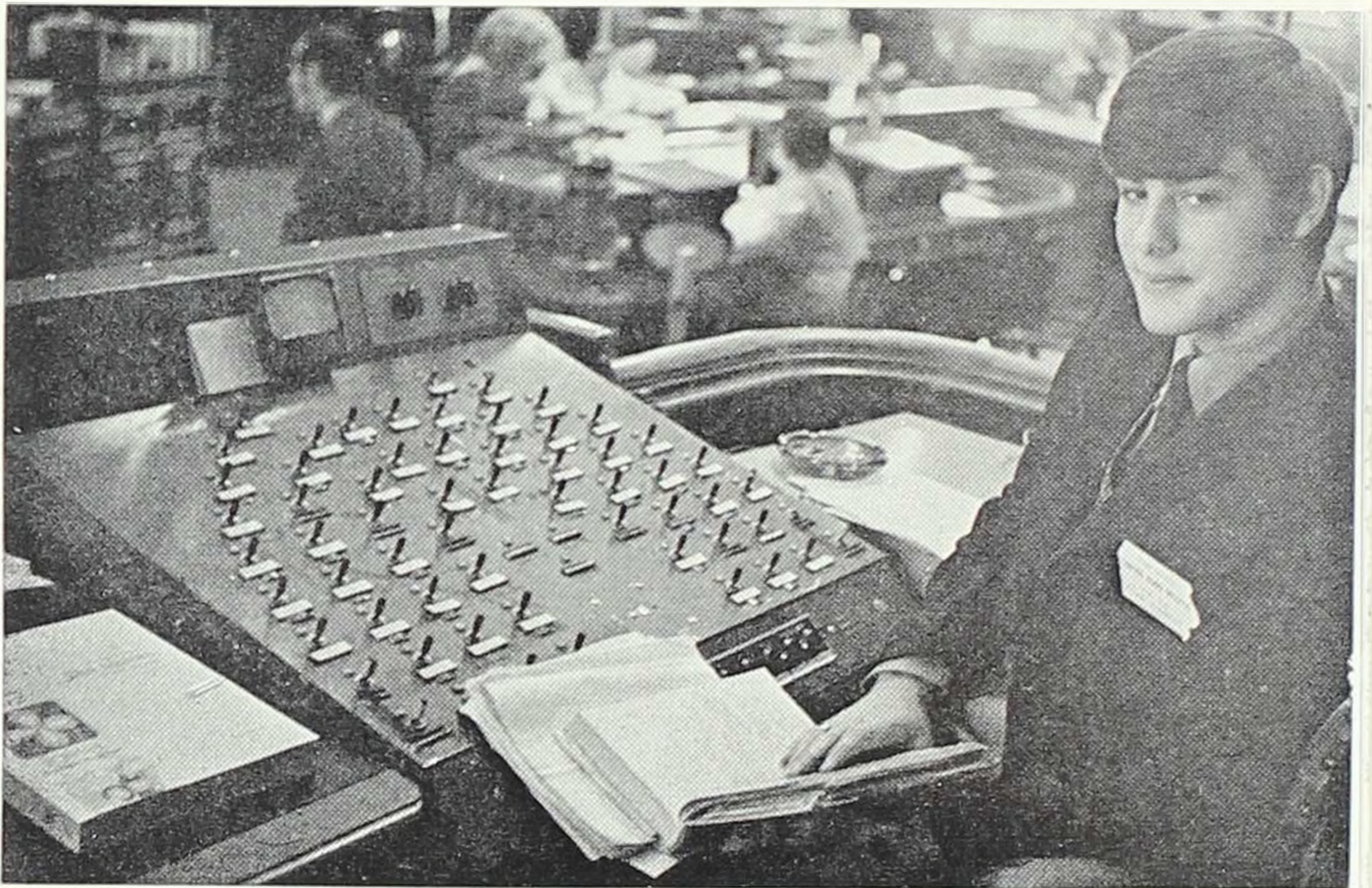
The presiding officers: Speaker Harbor of the House and Lieutenant Governor Jepsen of the Senate.



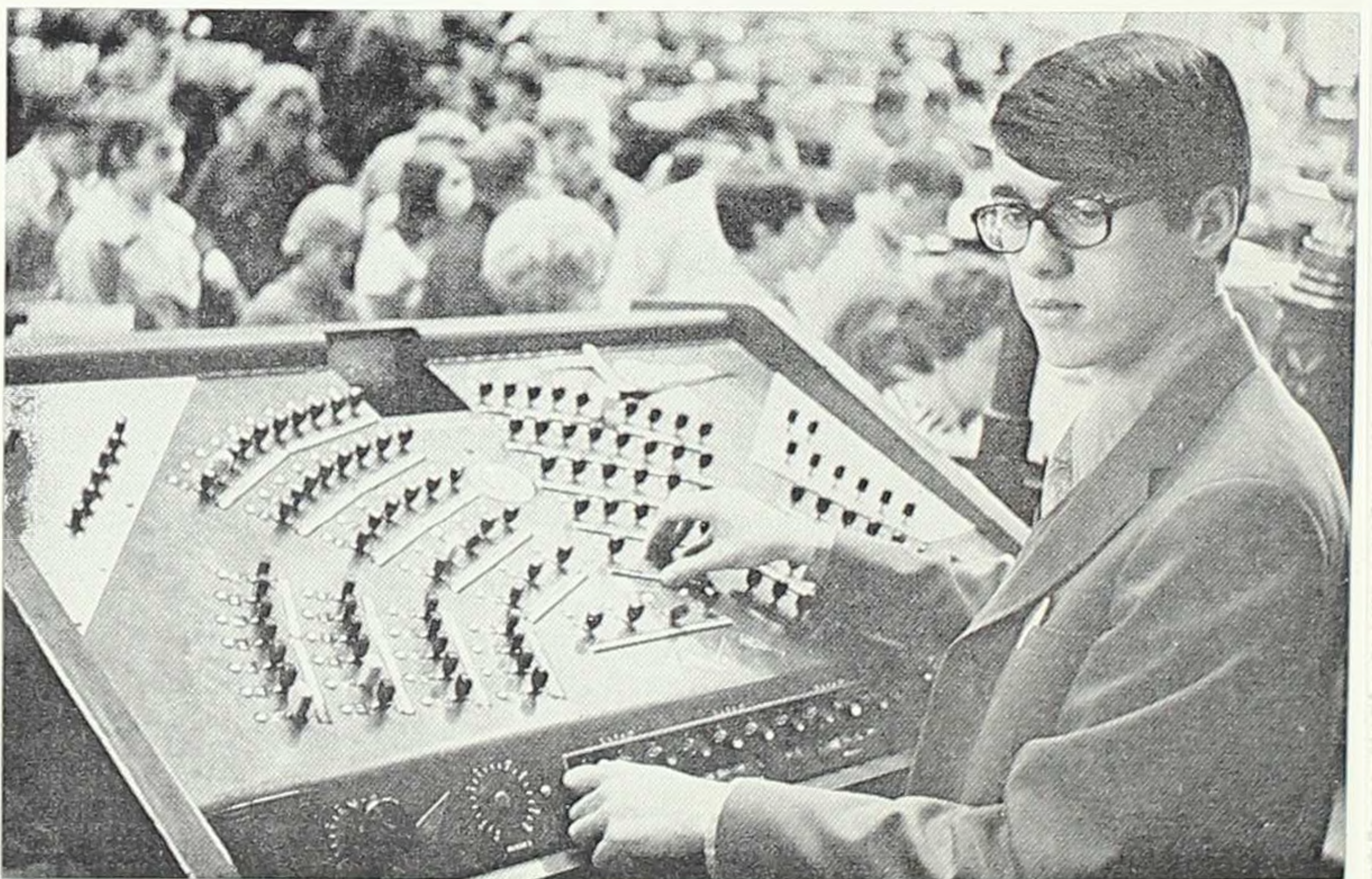
House Republican Leader Varley, left, and House Democratic Leader Cochran.



Speaker Harbor, left, and Donald Glickman of Kansas City, deputy director of research and program development for The Conference on State Legislatures.



Kevin Albright, Sloux City high school student, studies during spare time as operator of Senate public address system.



Douglas L. Clayton, Whiting, mans public address control board in the House.



Representative Dewey Goode, Bloomfield, legislative "dean," receives gift on his 73rd birthday from Speaker Harbor.



Senate Queen Dorothy F. Curran of Mason City and House Queen Karol L. Larsen of Des Moines were selected by House and Senate pages for their queenly honors.



Mesquaki Indians perform a war dance in the well of the House Chamber to advertise the colorful Tama Powwow.



House committee notifies Senate that House is ready to adjourn until 1972.

To set a deadline for adoption at the local level of county zoning to protect property and to provide for orderly growth.

To merge state commissions and boards now charged with carrying out pollution control laws into a single environmental quality control agency.

To adopt "a reasonable" soil conservancy law designed to control siltation, thereby putting a stop to continued waste and spoilage of the land.

Legislators could "improve the human ecology of Iowa," Governor Ray said, by:

Implementing the money-saving recommendations of his economy committee, including one to replace the three-member Iowa Liquor Control Commission with a full-time director under a policy-making advisory board.

Making abortion a matter between physician and patient "with reasonable restraints."

Adopting a unified trial court system.

Enacting legislation to control the use, sale and possession of dynamite and other explosives; to allow immunity for witnesses from self-incrimination in necessary cases, and to enact a criminal trespass law "that will protect property rights and not imperil human safety."

Permitting counties to merge if the voters approve.

Setting up regional jails.

Still dwelling on human ecology, Governor Ray surprised his audience by calling for second passage of the proposed amendment lowering the voting and adult rights ages to 19 from 21, while simultaneously requesting first passage of a new amendment lowering the voting age to 18.

Human ecology, in the Governor's book, also

embraced "the processes of education" and he pronounced himself "especially proud of our newly-established Iowa tuition grant program . . . It has breathed new life into our private colleges and has provided new educational opportunities for 3,500 needy Iowa students." He added, with considerable emphasis: "I not only want it continued, I want it expanded."

In other areas, Governor Ray recommended:

Adoption of a collective bargaining law for public employees.

Creation of a state Department of Transportation.

A reduction in highway fatalities by (1) tightening drunk driving laws, (2) passing a motor vehicle homicide law for use in intoxication cases, (3) passing a law authorizing immediate suspension of drivers' licenses "when called for" and (4) authorizing the Highway Patrol to police freeways and interstate highways inside city limits.

That the legislature and the people "brainstorm" with him the possibility of holding a world's food exposition in 1976 as Iowa's part in the nation's observance of the bicentennial of American Independence.

Returning to the area of human environment, Governor Ray thanked Attorney General Richard Turner, with whom he had often feuded, for doing his part to improve it by protecting consumers against fraudulent practices, and he lauded legislators for supporting many of his first-term programs.

The Budget Message

Governor Ray dropped a bombshell that was

to leave a fiscal cloud tinged with red hanging over the legislature for the rest of the session when he appeared the third time, on January 27, to deliver his budget message.

He did not mention a deficit in the message. But budget figures, prepared by State Comptroller Selden, indicated a probable deficit of \$11.1 million as of June 30, 1971.

This revelation may have caught Republicans by surprise, but not the Democrats. Whether they had been only guessing or possessed clairvoyant powers, was a matter for conjecture. In either case, they had predicted a deficit all along.

But, the somewhat embarrassed Governor told legislators, things were not as bad for Iowa as they might have been if the previous legislature had not accepted his "no tax increase-tight fiscal control" program. This decision had enabled Iowa "to escape the nearly catastrophic financial plight of many other states," he said, but "Iowa's bills are being paid. . ."

This was possible, Comptroller Selden informed reporters, due to cash on hand from unspent capital appropriations of recent years. Actually, Selden said, the deficit was only on paper. He acknowledged that in December of 1970 he had predicted a surplus of \$782,000 for June 30, 1971. But even then the picture was darkening, for it was in December that tax revenues first started their downward slide.

Governor Ray said the decline in revenue had been taken into consideration and compensated for in his budget figures. These figures also revealed that the Governor had cast aside the "no tax increase" image inherited from his first term, and that he had not let the impending deficit keep him from recommending a record-breaking budget of \$1,295,557,000 for 1971-73. This was \$227,-301,646 more than the \$1,068,255,354 appropriated by the previous legislature for 1969-71.

Additional revenue necessary to meet the increased budget, he said, would come from the state's normal economic growth of four to six per cent and from these proposed tax boosts:

A three-cents per pack increase in the cigarette tax, raising it to 13 cents from 10 cents, to bring in an additional \$7 million a year in revenue.

Restoring the individual income tax rate to 100 per cent from 75 per cent; redefining income tax brackets and making the rate more progressive. These changes would bring in estimated additional revenue of \$56 million in 1971-72 and \$62 million in 1972-73.

Increasing the corporation tax rate to six per cent from four on the first \$25,000 of taxable income, to eight per cent from six on the next \$25,000 to \$100,000 and to 10 per cent from eight on all over \$100,000, to bring in an additional \$6 million in 1971-72 and \$12 million in 1972-73.

Many legislators were hoping the Governor would recommend an increase in the three per cent state sales tax instead of going the income tax route. But he explained that records showed the

income tax had the greater growth potential so essential to financing his program.

The Governor insisted that his budget provided enough revenue to fund the new long-range state school aid program he was recommending in his attack on spiraling school property taxes.

Briefly, the Governor's complex school aid program called for a one-year freeze on the dollar amount school districts could receive from property taxes, and the substitution of a new foundation plan for distributing state school aid for the existing formula plan, which had proved to be inequitable. This would be accomplished on a gradual phase-in, phase-out basis over a ten-year period, with the state ultimately picking up the tab for 80 per cent of the statewide average per pupil cost of operating the public schools.

In explaining his budget, the Governor unveiled a new procedure. He was recommending a specific appropriation for each year of the 1971-73 biennium rather than an "average annual" appropriation as in the past. Many considered this to be the first step toward annual budgeting, a step the 1969-70 legislature, the first to meet annually, had refused to take.

Thus, Governor Ray recommended \$107,263,590 for State Board of Regents institutions for 1971-72 and \$118,292,850 for 1972-73, or a \$225,556,440 total, compared to the \$183,205,000 they received in 1969-71.

Nearly 55 per cent of the Governor's total budget was set aside for education in all its phases—a grand total of \$688.9 million for 1971-73 compared to \$542,748,232 appropriated for 1969-71.

Everything considered, the Governor said, 72 per cent of his budget would go back to schools, cities and counties in various forms of state aid, which really made it a "local aid" budget. Included in his request for funds to help financially hard-pressed municipalities were items of \$11 million on a per capita basis with no strings attached, \$12 million in pollution control matching funds, \$3 million to help pay for recently constructed sewage treatment plants, and nearly \$13 million to help control crime if the legislature would put up state matching funds.

In addition to education, the Department of Social Services and Board of Parole, which handles welfare programs, came in for a sizable request. Governor Ray recommended the department be given \$95,450,000 for 1971-72 and \$102,300,000 for 1972-73, or a \$197,750,000 total, compared to \$171.4 million in 1969-70.

In other areas, the Governor requested smaller increases or none at all. He told legislators it was necessary to trim askings of state subdivisions more than 25 per cent in making up his budget.

In conclusion, the Governor said: "Iowa has three major sources of revenue—taxes on property, sales, and incomes. What I have achieved in

this program is the stabilization of one—the property tax—the elimination of the necessity of boosting another—the sales tax—and have made reasonable increases in the third—the income tax.”

The Adjournment Message

Governor Ray's final message was in the form of a letter, which held up official adjournment nearly an hour while it was being prepared. It was read to the 15 Representatives and 11 Senators who had gathered in their respective chambers for the ceremony on June 29—even though the journals would record it as having taken place on June 19, the day the legislature actually went home. The extra time was necessary to complete routine staff work.

Differences between his administration and the legislature were apparent in the letter, for the Governor was short on praise for the lawmakers, even though acknowledging their “many worthwhile accomplishments.”

But the Governor expressed disappointment that his proposed budget for the Board of Regents institutions had been cut and that the legislature had defeated bills to liberalize the abortion law and to create a regional jail system.

He urged legislators to complete action in 1972 on bills to unify the trial court system, to revise the code governing municipalities, to create a collective bargaining agency, and to regulate billboards and junkyards.