FISCAL UPDATE June 26, 1998

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May Board of Regents Meeting

**Regents Board Meeting** The Board of Regents met May 20 and 21 and conducted the following business:



* Received a report regarding the legislative session.
* Approved the plans from the institutions regarding designated funds from student tuition revenues, ranging from 6.1% to 9.7% of the FY 1999 undergraduate resident tuition of $2,666 being expended for certain student activities, student services, and building charges. New fees for FY 1999 include funds for debt service payments of the new ice facility in Ames from Iowa State University students and for the expansion of the Lang Hall renovation project beyond the appropriation from the General Assembly from University of Northern Iowa students.
* Approved the pay matrices for the Regents Merit System Pay Plan for FY 1999.
* Approved the reorganization of the Board Office, including the elimination of the Director of Human Resources position and establishment of a new Director of Legal Affairs and a new Assistant Director of Legal Affairs. The Assistant Director position would be from the University of Iowa positions available, increasing outside funded positions for the Board Office by one for a total of four.



* Approved the Professional and Scientific staff salary policies for FY 1999.
* Approved the FY 1999 salary policies for the faculty of the Iowa Braille and Sight Saving School and the Iowa School for the Deaf.
* Approved the annual governance report of the three graduate study centers.
* Approved FY 1998 budget ceiling increases as follows:
* At Iowa State University, tuition revenues are expected to be $1.3 million more than budgeted, an increase of 1.6% from original projections. An additional $100,000 is now planned from interest revenues, an increase of 10.3%. The planned expenditure of the $1.4 million total is to be divided equally between two categories: equipment and building repairs, and technology upgrades.



* At the University of Northern Iowa, tuition revenues are expected to be $350,000 more than budgeted, an increase of 1.2% from original projections. An additional $200,000 from indirect cost revenues is now expected, an increase of 23.5% from original projections. An additional $250,000 interest compared to original estimates is also expected, an increase of 100.0%. The total of $800,000 in revenues now expected compared to original budgets is to be expended on building repairs.
* At the Iowa School for the Deaf, sale of vehicles caused the “sales/services” revenue category to increase by $8,000, an increase of 4.3% from original projections. An additional $12,000 is expected from federal lunch program reimbursements, an increase of 34.3% from original projections. The total of $20,000 in revenues now expected compared to original budgets is to be expended on fire and safety requirements.
* Received initial information regarding the FY 1999 institutional budgets. This includes the five general operating budgets, athletic budgets of the three institutions of higher education, the Lakeside Laboratory, the Board Office, and the three graduate study centers. Additional information will be provided at the June meeting.
* Underwent a lengthy discussion regarding the annual faculty productivity report and the faculty portfolio concept. Concerns were expressed by several of the Board members regarding the earlier prescribed measures and the institutions not providing information regarding the measures of faculty productivity as agreed upon in February 1997.
* Received the annual report on child care.
* Changed the internal audit practice for the Iowa Braille and Sight Saving School and the Iowa School for the Deaf. In previous years, staff of Iowa State University provided the internal audit assistance without charge to the two Schools. The Board approved action which will have the University of Iowa providing the internal audit functions at the Iowa School for the Deaf and Iowa State University providing the internal audit functions at the Iowa Braille and Sight Saving School. The Board also approved action which will have the two higher education institutions charge the two Schools for the internal audit functions. The amount of charges were not provided to the members of the Board.
* Approved preliminary action regarding a bond sale at the University of Iowa for expenses related to the Health Sciences Complex. More detail is to be provided at the June Board meeting. The University of Iowa Facilities Corporation is to be the originator of the bonds. The sale will not affect the appropriation needed for Tuition Replacement.
* Discussed at the Banking Committee, the possible need to employ a consultant to review the work of the institutions regarding the conversion work for the Year 2000 at the institutions. No action was taken regarding this discussion.
* Approved the action previously approved by the Secretary of the Board of Regents regarding the lease purchase of a $506,000 centralized dictation system at the University of Iowa Hospitals and Clinics. The interest rate is 6.14%, with payments paid from internal savings expected due to the new equipment.



* Approved a reorganization of the Provost Office at Iowa State University, creating a Vice Provost for Undergraduate Programs.
* Approved a restructuring of the College of Business at Iowa State University.
* Approved Phase I of the razing of the Steindler Building at the University of Iowa at an estimated cost of $875,000, scheduled to begin in August. This is part of the Health Sciences Complex project.
* Approved project plans for a $1.2 million renovation of the Communications Building at Iowa State University, funded by WOI Endowment funds and general university funds.
* Approved the schematic design for a $1.1 million renovation of the State Gymnasium at Iowa State University. The project was approved at the September Board meeting.
* Approved the schematic design of the $2.7 million remodeling and addition for the Communications Building, previously approved by the Board in September.
* Approved the project and budget for the removal of the nuclear reactor at Iowa State University at a cost of $1.4 million, funded by general university funds ($1.0 million) and federal funds ($400,000).
* Approved completion of unfinished space in the Molecular Biology Building at Iowa State University at a cost of $758,000, funded by general university funds ($328,000), funds from other budget units ($96,000), indirect cost reimbursements ($25,000), and the Iowa State University Foundation ($309,000).
* Received preliminary information regarding a Master in Social Work degree at the University of Northern Iowa. The University plans to request FY 2000 funds from the General Assembly for the program of $513,000.
* Approved projects paid with building repair funds at the University of Northern Iowa, with Baker Hall at $520,000 and the Student Services Center at $400,000.

**More Information** Additional information is available upon request.

STAFF CONTACT: Sue Lerdal (Ext. 17794)

NATURAL RESOURCE COMMISSION



**Commission Meeting** The Natural Resource Commission met June 10 in Marengo, to tour the Iowa River Corridor Project. This floodplain project was initiated by the Natural Resource Conservation Service (NRCS) after the flood of 1993. The project provided landowners with several options that included:

* Participation in NRCS Easement Programs.
* Selling land to the Fish and Wildlife Service.
* Receiving technical assistance from Natural Resource Specialists.
* Planting conventional and alternative crops that encourage soil conservation.

**Meeting in Marengo** On June 11, the Commission met at the Iowa County Fairgrounds in Marengo for their monthly meeting. There were a number of presentations including:

* Stan Kuhn, Administrator of the Administrative Services Division, presented information on the monthly financial reports, construction projects, and land acquisitions. An overview on budget preparation for FY 2000 and FY 2001 was briefly discussed.
* Bill Farris, Administrator of the Forestry Division, updated the Commission on Iowa’s Urban Forestry Program and some of the accomplishments of the group.
* Mike Carrier, Administrator of the Parks, Recreation, and Preserves Division, made a number of presentations. Included was a discussion of the Pilot Program of the State/Local Cooperative Lake Rehabilitation legislation that was approved by the 1998 General Assembly.
* Al Farris, Administrator of the Fish and Wildlife Division, made a number of presentations. Included was a discussion on deer population management areas and the special deer hunts that have been scheduled for the 1998 hunting season. The Commission approved the scheduled hunts and will approve any remaining special deer hunts at the August meeting.

**Next Meeting** The Commission will not hold a meeting in July. The next meeting will be August 13 at Backbone State Park.

STAFF CONTACT: Deb Kozel (Ext. 16767)

Commission on Urban Planning, Growth Management of Cities, AND Protection of Farmland Holds Monthly Meeting



**Commission Meeting** The Commission on Urban Planning, Growth Management of Cities, and Protection of Farmland held their monthly meeting on June 1 at Farm Bureau in West Des Moines. Representative Russell Teig called the meeting to order. The following presentations were made:

* Stuart Huntington, Department of Community and Regional Planning at Iowa State University, gave a presentation on zoning issues.
* Larry Wilson, Director of the Department of Natural Resources, discussed land conservation issues.
* Glen Keppy, a farmer from Scott County, discussed the issues of annexation, condemnation, and economic development, and how they have affected him with regard to the development of an industrial park near his family farm.

**Meeting Schedule** Progress reports were presented by the Subcommissions and all members were encouraged to attend the town meetings that are scheduled during the summer. The tentative meeting schedule is:

* July 8 at the First National bank in Fairfield
* July 13 at Upper Iowa University in Fayette
* July 22 at Graceland College in Lamoni
* August 12 at the City Hall in Davenport
* August 19 at the State Historical Building in Des Moines
* August 26 at Kirkwood Community College in Cedar Rapids
* September 2 at the Community Building in Griswold
* September 9 at the Public Library in Mason City
* September 16 at Western Iowa Tech Community College
* September 24 at the Community Building in Spirit Lake

**Next Meeting** The Commission will not have monthly meetings during the summer, as the members will be attending the town meetings. The next Commission meeting will be October 5 in Des Moines.

STAFF CONTACT: Deb Kozel (Ext. 16767)

Environmental Protection Commission

**Commission Meeting** The Environmental Protection Commission met June 15 in Des Moines for their monthly meeting. There were a number of presentations which included:



* Stan Kuhn, Administrator of the Administrative Services Division, presented information on the monthly financial reports and presented an overview of the budget process for FY 2000 and FY 2001.
* Roya Stanley, Administrator of the Waste Management Division, discussed a number of items. Included was a discussion on changes to the Waste Tire End User Program that resulted from legislation passed by the General Assembly. The Commission was asked to approve emergency rules for these changes so that the Division can implement revisions to the program. The emergency rules were approved.
* Allen Stokes, Administrator of the Environmental Protection Division, made a number of presentations. Included was a discussion on the State Revolving Fund Intended Use Plan for the State of Iowa. The Commission approved the Program.
* Jack Riessen, Section Supervisor of the Environmental Protection Division, gave a presentation on the Section 401 Water Quality Certification Program. This Program certifies that any federally permitted discharge of dredged or filled material into State water does not violate the States’ water quality standards.

**Next Meeting** The Commission will hold their next meeting in Des Moines on July 20.

STAFF CONTACT: Deb Kozel (Ext. 16767)



Prison Population Growth Rate Increasing



**Prison Population** The prison population reached 7,483 for the week ending June 12. Eighty inmates were added during the week, the largest increase for any week during FY 1998. The following chart shows the weekly prison population growth for FY 1998.



**Increasing Growth Rate** The growth rate has been increasing over the fiscal year. The following chart shows the weekly increases and decreases for FY 1998 to date.

**First Quarter FY 1998** The first quarter of FY 1998 showed both increases and decreases in the weekly inmate population, adding on average 7 inmates per week. The number of inmates grew steadily each quarter, with an average of 25 inmates per week being added to date during the last quarter. A preliminary examination by the Criminal and Juvenile Justice Planning Division (CJJP) indicates that new admissions and probation revocations are contributing equally to the increased growth rate. The increases also appear to be occurring for offenses that allow for discretion in sentencing (Class C and D felonies and Operating While Intoxicated [OWI] offenses). CJJP is collecting data to examine the upsurge in prison admissions.

**Female Population** Women make up less than one-tenth of the inmate population, but their proportion of the inmate population is growing more rapidly than for male inmates. At the beginning of FY 1998, there were 6,115 (92.2%) men and 521 (7.9%) women in the Iowa prisons. At the end of April, there were 6,680 (92.0%) male inmates and 584 (8.0%) female inmates. The male population has grown by 9.2% during the fiscal year, while the female population has grown by 12.1% - approximately a one-third faster growth rate.

**Projections** At this point, it is not possible to determine if the recent rapid increase in the prison population growth rate will continue. Last year’s CJJP prison population forecast could not foresee the upswing and projected the FY 1998 inmate population would increase by 514 inmates to a total of 7,150 at the end of FY 1998. The forecast projected there would be 10,870 inmates at the end of FY 2007. Given current trends, the year-end population will increase by 824 inmates for a total of 7,460 at the end of FY 1998; there will be 13,400 inmates in FY 2007. If the recent upswing continues over the next decade, the unanticipated growth could require three additional 750-bed prisons costing approximately $105.0 million to construct and $45.0 million annually to operate. These prisons would be in addition to those that will be constructed to accommodate the anticipated growth of 3,700 inmates over the next decade.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561) Darlene Kruse (Ext. 16301)

Department of Corrections Pay-for-Stay Program



**Pay-For-Stay Program** The Legislative Fiscal Bureau has received the monthly report from the Department of Corrections showing the Pay-for-Stay Program collections from prison inmates and community-based corrections clients. The Department receives revenues in three ways:

* Community-based corrections charges a supervisory fee based on the type of offense. The fee for a felony is $150; an aggravated misdemeanor costs $125; and a serious misdemeanor is $100.
* Prison inmates who do not have private sector employment are charged $5 per month for room and board costs.
* Prison inmates employed by private sector business have deductions made from their paychecks to pay for supervision, room and board, victim restitution, child support, and other such costs. The maximum that can be deducted is 80.0% of the inmates earnings after taxes and other standard deductions.

**Cumulative Revenues** The following table shows the cumulative reported revenues for the Department of Corrections from the Pay-for-Stay Program.



**Fee Collections** Supervisory fee collections by the Community-Based Corrections District Departments are ahead of the budgeted amounts, with all Districts exceeding projected collections. Institutional fees were not collected in July 1998 because administrative rules were not yet in place. They are correspondingly less than budgeted.



**Allocation of Revenue** Revenues from private sector employment of inmates is divided between the prisons (43.0%) and Prison Industries (57.0%). Prison Industries receives funds to offset the costs of constructing a building at Rockwell City that is used for private sector employment of inmates. Because fewer inmates have been employed than projected and because of the sharing of revenues with Prison Industries, the institutions are projected to have a $336,000 (65.7%) shortfall in revenues from the Pay-for-Stay Program. If revenues had not been shared with Prison Industries, the shortfall would have been $103,000 (20.1%).

**FY 1999 Plans** In FY 1999, the Department of Corrections institutions do not plan to share revenues from inmate private sector employment with Prison Industries. Based on the Department’s request and the Governor’s recommendation, revenues for the Pay-for-Stay Program have been budgeted at $2.6 million for FY 1999. The Community-Based Corrections District Departments budget amounts have remained at the FY 1998 level. The budgeted revenues for the institutions (monthly fees and private sector employment) have been increased by $1.3 million. To attain the budgeted revenues, the Department will need to increase private sector employment of inmates approximately three-fold.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561) Darlene Kruse (Ext. 16301)

State Children’s Health Insurance Program - Implementation Update



**HAWK-I Program** The Human Services Appropriations Act (SF 2410) expanded Medical Assistance coverage, effective July 1, to children living in families with incomes up to 133.0% of the Federal Poverty Level (FPL), which is an annual income of $18,155. The Medical Assistance expansion is anticipated to serve an estimated 15,500 newly eligible children. The General Assembly also enacted the Healthy and Well Kids in Iowa (HAWK-I) Program Act (HF 2517), anticipated to be operational by January 1, 1999. The HAWK-I Program will provide health insurance coverage for children living in families with incomes up to 185.0% of the FPL, which is an annual income of $25,253. It is estimated that 39,500 children will be covered under the HAWK-I Program.



**State Plan Requirement** Prior to receipt of federal matching funds allotted for Iowa, the State must submit a State Plan to the Health Care Financing Administration (HCFA). As of April 21, the HCFA has approved nine of the 26 State Plans submitted for approval, with a standard delay of 90 days required for HCFA processing between receipt and approval of a Plan. In May, President Clinton signed legislation extending the deadline for submission of State Plans by one year, to September 30, 1999. Submission of a State Plan prior to the deadline will lock in a state’s FY 1998 allotment. The Iowa Department of Human Services (DHS) still anticipates submission of Iowa’s State Plan as soon as possible. Staff from the Division of Medical Services met with HCFA representatives to review a draft of the proposed State Plan. The first submission will only include the Medicaid expansion to 133.0% of the FPL to lock in Iowa’s entire Children’s Health Insurance Program FY 1998 allotment of $32.5 million. Once decisions concerning various issues of HAWK-I Program implementation are final, the DHS will submit an amendment to Iowa’s State Plan.

**Federal Requirements** Under Title XXI, the federal law requires that states create multifaceted outreach programs, including efforts to:

* Inform the public about the new programs.
* Identify all eligible children in the State.
* Assist families in enrolling children in the appropriate program.

**RFP’s Issued** In order to meet the first two federal outreach requirements, the DHS issued a Request for Proposals (RFP) to begin outreach efforts targeted at clients eligible for the Medical Assistance expansion effective July 1, and to begin outreach efforts targeted at clients eligible for the HAWK-I Program effective December 1, 1998. The closing date for receipt of bids is June 10. The contract is scheduled to be signed on June 30, which allows for approval by the HAWK-I Board during its first meeting on June 29. The Board consists of seven members appointed by the Governor, including three agency directors who were given access to the Draft RFP for comments prior to release of the RFP. The December date for HAWK-I outreach is tentative, assuming final HAWK-I Board decisions required prior to implementation of the HAWK-I Program are made as scheduled.

**Assisting Families** The third requirement of assisting families in enrolling children in the appropriate program, will be conducted by the Iowa DHS or an administrative contractor, as determined by the HAWK-I Board.

**Eligibility Determination** The General Assembly also required in HF 2517 a two-page application form for both Medicaid and HAWK-I Program eligibility determination. The DHS anticipates the form will not be ready prior to the January 1, 1999, HAWK-I implementation date. Representatives of the DHS are working with the HCFA Regional Office to identify items which must be included on the application according to federal requirements, including the areas of rights, responsibilities, and financial assets information. In developing the application for the HAWK-I Program, the DHS goal is to create a universal application for both Medicaid and the HAWK-I Program.

**Implementation Monitored** The LFB will continue to monitor HAWK-I Program implementation and apprise the General Assembly of any significant status changes.

STAFF CONTACT: Margaret Buckton (Ext. 17942) Deb Anderson (Ext. 16764)

Council on Human Investment (CHI) June meeting

**Council Name Change** The Council on Human Investment (CHI) agreed at its June 9 meeting to recommend to the Legislature that the Council’s name be changed to the Council for Accountable Government. The next meeting will be September 3 in the Walsh Room at the Botanical Center. The Council will be asking candidates for governor to attend.

STAFF CONTACT: Ron Robinson (Ext. 16256)

Abstinence Only Until Marriage Education Initiative Grants Awarded

**Grants Awarded** The Department of Public Health has awarded six project grants as part of the federally-funded Abstinence Only Until Marriage Education Initiative.



**Statewide Comm. Pilots** Two statewide community pilot projects were awarded out of eight applicants. Statewide community pilot projects vary, but must conform to the guidelines of the federal statute. This includes abstinence only education and developmental asset building including mentoring, counseling, and adult supervision to promote abstinence from sexual activity before marriage with a focus on those groups most likely to bear children out-of-wedlock.

**Education Pilot Projects** Four education pilot projects were awarded out of ten applicants. Education pilot projects are to provide models for comprehensive evaluation including staff development, curriculum materials, and independent evaluation.

 **Abstinence Only Until Marriage Initiative Grants**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  Statewide Community Pilot Projects |   |   Amount |  | Community Partnership Projects / Maternal and Child Health Centers |  |  Amount |
| Aid to Women/Sexual Health Education (Cedar Rapids) |  | $ 60,000 |  | Allen Women’s Health Center |  | $ 10,500 |
| Empower through Crossroads of Pella |  | 61,000 |  | American Home Finding |  | 8,000 |
|  |  |  |  | Community Health Resources - Muscatine |  | 2,500 |
| Education Pilot Projects |  | Amount |  | Community Opportunities |  | 4,000 |
| Aid to Women/Sexual Health Education (Cedar Rapids) |  | $ 59,000 |  | Crittenton |  | 6,000 |
| Interstate 35 Comm. School District (Truro) |  | 29,000 |  | Hawkeye Area Comm. Action  |  | 6,000 |
| Bethany Christian Services (Orange City) |  | 21,000 |  | Hillcrest |  | 6,000 |
| Empower through Crossroads of Pella |  | 38,000 |  | Marshalltown Medical Surgical |  | 4,000 |
|  |  |  |  | Maternal Health Center - Bettendorf |  | 9,000 |
|  |  |  |  | Mid-Sioux Opportunity |  | 4,000 |
|  |  |  |  | North Iowa Community Action |  | 6,000 |
|  |  |  |  | Upper Des Moines Opportunity |  | 5,000 |
|  |  |  |  | Visiting Nurses Association - Dubuque |  | 5,000 |
|  |  |  |  | Washington Co. |  | 2,000 |
|  |  |  |  | Women’s Health of Clinton |  | 4,000 |



**Partnership Projects** The Department also anticipates making grant awards to 15 Maternal and Child Health Agencies for community partnership projects. Community partnership projects are intended to mobilize and organize community resources in support of effective and sustainable community-wide abstinence only education programs that focus on development of youth assets to prevent teen pregnancies and related problems such as STDs.

**More Information** More information about the Statewide Community and Education Pilot Projects is available from the LFB upon request.

STAFF CONTACT: Valerie Thacker (Ext. 15270)

Iowa COMMUNICATIONS Network (ICN) Video Classroom Update



**Classrooms Added** The Iowa Communications Network (ICN) added two additional interactive video classrooms during the first half of June at Hawkeye Community College in Waterloo and Northern Iowa Area Community College in Mason City. Of these classrooms, 242 (44.0%) are not fully handicapped accessible either because of the facility, bathrooms, or the parking area. The table below presents the current distribution of sites by type of authorized user.

**IOWA COMMUNICATIONS NETWORK**

# Full-Motion Interactive Video Classrooms

|  |  |
| --- | --- |
| Area Education Agencies | 16 |
| Community Colleges | 93 |
| K-12 School Districts | 284 |
| Other Education | 2 |
| Libraries | 9 |
| Medical Facilities | 8 |
| Private Colleges | 14 |
| Regents Institutions | 24 |
| National Guard | 57 |
| State Agencies | 39 |
| Federal | 11 |
| Miscellaneous | 3 |
| Classrooms Total | 560 |

**Available on Internet** This information is updated weekly and is available on the Internet at **http://www.icn.state.ia.us/icn/html/map\_form.htm.** If you would like a copy of the full list of sites and their locations and do not have access to the Internet, you may contact the LFB and request a copy.

STAFF CONTACT: Douglas Wulf (Ext. 13250)

AUDIT Report - DEPARTMENT FOR THE BLIND



**Audit Report** The Office of the Auditor of State issued the FY 1997 Audit Report for the Iowa Department for the Blind (DFTB) on June 1, 1998. The Report was received by the Legislative Fiscal Bureau in June 1998.

**Audit Exception** The Report indicated the Office had identified one audit exception at the DFTB and included the DFTB response and corrective actions to be taken. The exception was:

**Payroll *Payroll*** - Under the Cash Management Improvement Act (CMIA) Agreement, the State utilizes a bi-weekly payroll system with a payday being every other Friday. Consistent with the State’s pre-issuance requirement, the DFTB must have funds on hand Tuesday preceding the payday to cover net pay, employer contributions, and employee deductions. Due to these administrative constraints, the State is required to pay interest on direct payroll costs for 4.60 days, which is the dollar weighted average clearance of payroll related costs mandatory and discretionary deductions held by the Centralized Payroll Trustee.

* Findings - Payrolls were not drawn consistently throughout a majority of the year and were not in compliance with the terms of the CMIA Agreement. The DFTB was made aware of the compliance requirements during the year and implemented corrective action in April 1997. The DFTB was in compliance with the Agreement for the remainder of the fiscal year, with the exception of one payroll drawdown.
* Audit Recommendation - The DFTB should develop procedures to ensure that federal funds are drawn consistently throughout the year and in compliance with the terms of the CMIA Agreement.
* Response - The DFTB implemented corrective action as indicated above and considers this to be resolved. The response was accepted.

STAFF CONTACT: Ron Robinson (Ext. 16256)

Audit Report - Department of Commerce



**Audit Report** The annual audit report for the Department of Commerce for FY 1997 was received by the LFB. The Auditor of State made one finding related to internal control and one finding related to statutory requirements.

**EDP Controls *Electronic Data Processing (EDP) Controls (Internal Control)*** - The Department staffs a data processing section for the liquor order entry system, the perpetual inventory of liquor for resale, and the licensing functions for the Alcoholic Beverage and the Professional Licensing Divisions. The following conditions related to the segregation of EDP duties were identified:

* The system analyst, programmer, and programmer analyst perform duties that overlap separate functional responsibilities. Job performance plans do not clearly identify separate assignments of responsibility.
* EDP staff have been allowed access to correct user input errors.
* EDP staff making program modifications were not prevented from placing the program in operation.
* Recommendation - The Department should establish procedures and update the EDP standard manual to improve the segregation of duties and documentation procedures for its EDP controls.
* Response -
* The data processing section no longer has programmer and programmer analyst positions. Therefore, the functional responsibilities of the four Information Technology Specialist 4’s and one Information Technology Specialist 5 are required to be very similar.
* EDP staff are allowed to correct user input due to safeguards that have been placed into operations to prohibit potential misuse on the user end. Requests for corrections are documented to show they have been made and for what reason.
* The operations area must run every work night in order for the Divisions to be able to perform their duties the following day. Therefore, the Information Technology Specialists are required to be able to back up the Operations area. This occasionally causes a problem with the person making the program modifications being the one to place the program modifications into production.
* Conclusion - Response acknowledged. Segregation of duties is difficult with a limited number of employees. The Department should continue to review its control procedures to ensure the maximum internal control possible under the circumstances.

**Licensing Boards *Professional Licensing Boards (Statutory Requirements)*** - Chapter 544A.4 of the Code of Iowa requires that the Architectural Examining Board submit a report of transactions and a roster of registered architects to the Governor by June 30 each year. In addition, Chapter 544B.6 of the Code of Iowa requires that the Landscape Architectural Examining Board submit a similar report and roster by July 1 each year. The Architectural and Landscape Architectural Examining Boards did not submit the required reports and rosters to the Governor for FY 1997.

* Recommendation - The Architectural and Landscape Architectural Examining Boards should implement procedures to ensure the required reports and rosters are submitted to the Governor in accordance with the Code of Iowa.
* Response - The 1997 report was filed under the date of July 1, 1997. However, the actual report was not delivered, along with a current roster, until January 1998.
* Conclusion - Response accepted.

STAFF CONTACT: Carolyn India Black (Ext. 16765)

Audit Report - Department of Cultural Affairs



**Audit Report** The LFB has received a copy of the audit for the Department of Cultural Affairs. The audit is for the financial period ending June 30, 1997. Significant items reported in the audit are outlined below.

**Board Member Attendance** ***Board Member Attendance*** - Iowa statute states that all persons appointed by the Governor to a Board are considered to have submitted a resignation if:

* The person does not attend three or more consecutive meetings.
* The person attends less than half the regular meetings in a 12-month period.

 Two members of the State Historical Society of Iowa and two members of the Iowa Arts Council did not comply with attendance requirements. The Department responded that two of the four Board members in question have resigned. One Board member had a work conflict which has been resolved. Attendance of the fourth Board member is being investigated by the Director.

**Personal Service Contracts*****Personal Service Contracts -*** In a review of the personal service contracts, the audit disclosed that:



* One contract was issued without a non-transfer or assignment clause. The Department responded that standard contract language is used, but occasionally is edited to match specific contracts. In this case, it is presumed that the language was accidentally omitted when the contract was edited. Precautions will be taken to make sure this does not happen again.
* One contract was issued without a schedule of payments for services provided. The Department responded that a few contracts have no schedule of payments due to the nature of the contract, such as graphic design. The contract is issued with a maximum amount, but no payment schedule, since they are billed on a project basis.
* The Department did not maintain files documenting selection procedures on all contracts over $10,000. The Department responded that the majority of the contracts exceeding $10,000 were for contract employees in which an interview process was used and a pre-contract questionnaire was submitted for approval.



STAFF CONTACT: Mary Shipman (Ext. 14617)

Audit Report - Department of General Services Telephone Revolving Fund

**Audit Report** The annual audit report for the Department of General Services Telephone Revolving Fund was received by the LFB. The Auditor of State made one finding related to internal control.



**Fixed Assets *Fixed Assets (Internal Control)*** - During FY 1997 the Telephone Revolving Fund was administered by the Department of General Services. The Department entered into a Memorandum of Understanding with the Iowa Communications Network (ICN), under which the ICN would be the financial administrator of the Fund. The Department of General Services retained final signature authority. Starting in FY 1998 the Telephone Revolving Fund will be merged with the operations of the ICN. During FY 1997 the ICN undertook a detailed analysis of the fixed assets maintained by the Department of General Services. As a result of this analysis, and to be consistent with ICN’s current policies and procedures, the capitalization policies used for the determination of capitalizable equipment and depreciation were revised. The following conditions were noted:

* The capitalization policy used by the ICN to prepare the listing was inconsistently applied. The ICN capitalized freight charges and other costs in some cases, but not in others. Some items were capitalized as fixed assets, while similar items were expensed.
* The original listing prepared by the ICN did not identify individual assets and often grouped items together under the name of the company from which the assets were purchased.
* The listing did not provide locating information or descriptions for the majority of the assets listed.
* The ICN prepared the listing by using the FY 1993 listing and added assets to the listing based on a review of the purchase orders and invoices for the succeeding fiscal years. The ICN did not consider whether assets added had been previously deleted or replaced during FY 1994 through FY 1996.
* Costs which are allowed to be capitalized (i.e. installation and freight charges) were not associated with a specific asset and were occasionally identified separately on the listing.
* Recommendation - The Department of General Services, in conjunction with the ICN, should implement procedures to ensure that a complete and accurate record of property is maintained.
* Response - The ICN responded with the best available information for FY 1997. Due to the noted difficulty in substantiating the June 30, 1996, balance, the ICN began a 100% fixed asset observation project scheduled for completion by April 30, 1998.
* Conclusion - Response acknowledged. The Auditor of State will conduct a review of the fixed assets upon the ICN’s completion of the fixed asset observation project.

STAFF CONTACT: Carolyn India Black (Ext. 16765)



AUDIT Report - GOVERNOR’S ALLIANCE ON SUBSTANCE ABUSE

**Audit Report** The Office of the Auditor of State issued the FY 1997 Audit Report for the Governor’s Alliance on Substance Abuse (GASA) on June 8, 1998. The Report was received by the Legislative Fiscal Bureau in June 1998.

**Audit Exception** The Report indicated the Office had identified one audit exception at the GASA and included the GASA response and corrective actions to be taken. The exception was:

**Board Member Compliance *Board Member Compliance*** - Chapter 69.16A, **Code of Iowa**, requires the Narcotics Enforcement Advisory Council to be gender balanced. Additionally, Chapter 80E.3, **Code of Iowa**, allows no more than four members of the Council to belong to the same political party.

* Findings - On June 30, 1997, five of the eight board members were of the same gender and six board members belonged to the same political party.
* Audit Recommendation - The GASA should comply with the **Code of Iowa**.
* Response - The associations will be advised that hereafter they must submit names of individuals that will insure that the Council is in compliance with Chapter 69.16A, **Code of Iowa**. The response was accepted.

**Current Board** As of June 18, 1998, five of the eight board members were of the same gender and six board members belonged to the same political party.

STAFF CONTACT: Ron Robinson (Ext. 16256)

Audit Report - Juvenile institutions



**Audit Report** The annual audit report for the State Training School at Eldora was received by the Legislative Fiscal Bureau June 8. The Auditor of State reported the following findings related to statutory requirements and other matters:



**Pharmacy Supply** ***Pharmacy Supply Inventory*** - The Code of Iowa requires the State Training School to maintain a complete, up-to-date inventory of pharmaceutical supplies. The School’s pharmaceutical supply inventory was found to be incomplete, which resulted in an understatement of the balance at June 30, 1997.

* Recommendation - The School should implement policies and procedures to ensure that a complete and accurate inventory listing is prepared and maintained.
* Response - The School has a professional service contract with a local pharmacy and requires the pharmacy to complete a year-end inventory. School personnel will meet with the pharmacy contractor to ensure that the contractor understands the proper procedures and expectations concerning counting and recording of pharmacy supply.
* Conclusion - Response accepted.



**Holiday Compensation *Holiday Compensated Hours*** - School employees who work holidays may choose to receive time off at a later date provided that the hours are used within 12 months of the time they are earned. Payroll test results indicated that several employees were permitted to carry forward holiday hours beyond the 12-month period.

* Recommendation - The School should implement procedures to ensure that holiday compensated hours are used and recorded as required.
* Response - The carryover of employee holiday compensation hours occurred on a limited basis. Supervisors and staff were informed that this practice will be discontinued. Payroll staff will now monitor time-keeping records and notify both supervisors and staff when alternate holiday hours are to be utilized within the 12-month period.
* Conclusion - Response accepted.

**Iowa Juvenile Home** The annual audit report for the Iowa Juvenile Home at Toledo was received by the Legislative Fiscal Bureau June 10. The Auditor of State found no reportable conditions.

STAFF CONTACT: Deb Anderson (Ext. 16764)

Audit Report - Glenwood State Hospital School



**Audit Report** The annual audit report for the Glenwood State Hospital School was received by the Legislative Fiscal Bureau June 16. The Auditor of State reported the following findings related to internal controls:

**Warehouse Inventory *Warehouse Inventory*** - The Hospital School does not segregate the duties of custody of assets and record keeping. The School has three employees who perform inventory duties in the warehouse. Each employee receives inventory, updates records for receiving and disbursing information, and performs inventory counts.

* Recommendation - The School should review control procedures to ensure that an appropriate segregation of duties exists over the warehouse inventory.
* Response - On a quarterly basis, disinterested staff will select five items to be physically inventoried and verified with the computerized inventory record. A written record will be made to document the results of the physical inventory. Any discrepancies between the physical count and the inventory record will be investigated and explained.
* Conclusion - Response accepted.

**Patient Funds *Patient Funds and Possessions*** - The personal possessions of a patient are to be marked for specific identification and listed on the individual’s personal belongings sheet. Personal possessions are to be inventoried each month. The audit review found that four of the 25 items tested were not marked as the client’s and three of the items were not on the client’s personal belongings sheet. The audit report also found that monthly inventories were not performed for seven of the 25 clients tested.

* Recommendation - The School should increase efforts to enforce its policies regarding the proper accounting and safeguarding of patient possessions.
* Response - The School will increase efforts to review at least 75% of client possessions. Procedures have been changed to require only those items that originally cost $25 or more to be on the personal belongings sheet.
* Conclusion - Response accepted.

STAFF CONTACT: Deb Anderson (Ext. 16764)



Audit Report - Mount Pleasant Mental Health Institute

**Audit Report** The annual audit report for the Mount Pleasant Mental Health Institute was received by the Legislative Fiscal Bureau June 2. The Auditor of State reported the following findings related to internal control:



**Cell Phone Usage *Cellular Phone Usage*** - Audit report testing indicated two separate instances, totaling $75.96, where the Institute overpaid its phone bill. In one instance, the Institute did not receive the free minutes of calling time specified in the cellular telephone contract. In the other instance, the Institute was charged for custom calling features that were not used. Additionally, phone calls totaling $345.24 appear to have been made on the Institute’s cellular phones for non-State related purposes. The charges were paid by the Institute and not reimbursed by employees. The Institute has not developed written policies or procedures regarding cellular telephone usage.

* Recommendation - The Institute should carefully review the terms of the cellular telephone contract and the monthly bills before payment is made. The Institute should seek reimbursement for personal phone calls made on the cellular telephones and develop written policies for cellular telephone usage.
* Response - The Institute has notified the cellular telephone contractor of erroneous billings and will receive the appropriate credit. The Institute will review all cellular telephone bills for accuracy. The Institute reviewed usage records for FY 1997 and FY 1998 and found other calls as well as paid time during these calls that required reimbursement. The individuals who used the cellular telephones for personal purposes have agreed to reimburse the Institute a total of $1,918.66 for salary costs and cell phone charges. A campus policy on the use of cellular telephones has been developed and implemented.
* Conclusion - Response accepted.

**Contract Overpayment *Overpayment on Doctor’s Contract*** - A contracted employee received double payment for a single bi-weekly pay period.



* Recommendation - The Institute should carefully review contracted employee timesheets to ensure that employees are paid only once for time actually worked. In addition, the Institute should take steps to recover the specified overpayment.
* Response - The contracted employee agreed to reimburse the overpayment. The Institute will review future timesheets to ensure there are no duplicate payments.
* Conclusion - Response accepted.

STAFF CONTACT: Deb Anderson (Ext. 16764)

Audit report - Department of Justice

**Audit Report** The State Auditor issued the FY 1997 Audit Report for the Department of Justice on March 6, 1998.



**Corrective Action Required** The following issues were outlined by the Auditor’s Report requiring corrective action. No issues of non-compliance were found during the audit.

### Findings Related to Internal Control:

**Segregation of Duties *Segregation of Duties* -** During our review of the internal control structure, the existing procedures are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and therefore maximizes the accuracy of the Department’s financial statements. One individual is responsible for recording and reconciling fixed asset information. In addition, duties for final review and approval of financial reports were not segregated from those of report preparation.

* Recommendation - We realize that with a limited number of office employees, segregation of duties is difficult. However, the Department should review the operating procedures to obtain the maximum internal control possible under the circumstances.
* Response - As realized, the Department of Justice has a limited number of accounting employees, making the segregation of duties involved in the recording and reconciling of fixed asset information difficult. Currently, each division secretary is responsible for performing an equipment inventory each fiscal year. This inventory confirms the addition of any new equipment and any location changes. All surplus/deletions are done by an Administrative Services person not involved in the accounting area. All new purchases and inventory updates are entered by the fiscal officer, as well as the reconciliation of the inventory. The Department feels that inventory duties have been segregated to an acceptable level, since three unrelated persons are involved in the updating of each division inventory each fiscal year.
* Conclusion - Response acknowledged. However, to ensure errors or irregularities would be discovered in a timely manner, the reconciliation process should be performed by an individual independent of all other fixed asset responsibilities.



**Payroll Records *Payroll and Employee Leave Records*** - The Department’s payroll records are maintained on the State’s centralized payroll accounting system. This system records hours worked, leave and compensatory time earned, used and remaining balances, based on the information entered onto the system by the Department from the employees’ approved time sheets or authorized leave forms submitted on a biweekly basis.

The Department does not enter the employee leave information on a timely basis. Generally, the leave information for a pay period is not entered into the payroll system until the next pay period.

* Recommendation - The Department should implement procedures to record all employee leave time on a current basis.
* Response - Beginning in February 1998, the Department of Justice is now utilizing the HRIS timekeeping system which will guarantee leave information is entered on a timely basis.
* Conclusion - Response accepted.

### Findings Related to Statutory Requirements and Other Matters:

**Personal Service Contracts *Personal Service Contracts* -** Executive Order Number 50 requires State agencies to follow rules established by the Department of Revenue and Finance for the execution of professional service contracts.

All 11 contracts issued by the Department for FY 1997 did not include required clauses regarding non-availability of funds. Eight of the 11 contracts lacked required clauses regarding compliance with applicable State and federal laws and regulations. Other contracts lacked indemnification or termination clauses or the completion of a pre-contract questionnaire.

* Recommendation - The Department should implement procedures to ensure compliance with rules established by the Department of Revenue and Finance governing personal service contracts.
* Response - Of the 11 personal service contracts issued by the Department, seven were from the Consumer Advocate’s Office and four from Prosecuting Attorneys Training. All contracts were written by the legal staff outside the accounting department. In the future, the accounting staff will work more closely with the legal staff to ensure the contracts meet Revenue and Finance standards.
* Conclusion - Response accepted.

**More Information** For more information on these comments, please contact the Legislative Fiscal Bureau.

STAFF CONTACT: Darlene Kruse (Ext. 16301)

Audit Report - Department of Public Safety

**Audit Report** The State Auditor issued the FY 1997 Audit Report of Recommendations for the Department of Public Safety on April 22, 1998.

**Correction Action Required** The following issues were outlined by the Auditor’s Report requiring corrective action:

### Findings Related to Internal Control:



**Internal Control *Internal Control over Receipts* -** Checks collected by various divisions and bureaus were not restrictively endorsed immediately upon receipt. Checks collected by the Fire Marshal Division for building code fees were not properly safeguarded.

* Recommendation - The Department should implement procedures to ensure that checks are restrictively endorsed immediately upon receipt and are properly safeguarded.
* Response - The Department will purchase restrictive endorsement stamps for those divisions and bureaus that do not already have such a stamp. The importance of properly safeguarding collected fees has been reinforced upon all divisions, that all checks should be restrictively endorsed immediately upon receipt and all checks and cash be retained in locked drawers or safes until deposits are made.
* Conclusion - Response accepted.



**Narcotics Fund *Narcotics Undercover Fund* -** Checks written for the Division of Narcotics Enforcement Undercover Fund require dual signatures. One check payable to “cash” for $20,000 contained only one signature.

* Recommendation - The Division of Narcotics Enforcement should ensure that all checks written on the undercover fund contain dual signatures, in accordance with their policy.
* Response - Discussion has taken place with the Division of Narcotics Enforcement regarding the necessity to maintain proper internal control by requiring dual signatures on the Undercover Fund.
* Conclusion - Response accepted.



**Fixed Assets *Fixed Assets*** - Section 7A.30, Code of Iowa, requires each department and division of State government to maintain an accurate, up-to-date inventory of all real and personal property belonging to the State and under their charge, control, and management.

* The Department did not reconcile current year equipment and purchases between financial records and fixed asset records in a timely manner.
* Detailed equipment inventory listings were not up-to-date:
* Three items totaling $87,801 were disposed of prior to June 30, 1997. These items were still included on the Department’s equipment listing at June 30, 1997, and no authorized deletion form existed for the deleted items.
* Of 40 items selected for observation testing, one item did not have a State of Iowa tag affixed, one item had an incorrect tag affixed, and one item could not be located.
* Two of 25 items selected for confirmation testing had different tag and serial numbers than the Department’s equipment listing.
* Recommendation - The Department should perform timely reconciliation between capital outlay expenditures and additions reported on the equipment records. In addition, the Department should develop and implement policies and procedures to ensure that equipment record are accurate and updated in a timely manner.
* Response - The Department will institute a policy that requires all additions and deletions to be requested in writing in a timely manner. Divisions will be required to submit a request for addition or deletion for all items purchased or disposed of, whether traded in or sent to surplus. Every effort will be made by the Department to reconcile fixed assets in a timely manner, to affix identification tags to all inventoriable equipment, and to ensure that tag and serial numbers listed on the inventory are accurate.
* Conclusion - Response accepted.

### Findings Related to Statutory Requirements and Other Matters:

**Untimely Deposits *Untimely Deposits*** - Section 12.10, Code of Iowa, states that departments shall, within ten days succeeding the collection, deposit with the Treasurer of State, or to the credit of the Treasurer of State in any depository designated by the Treasurer of State, 90.0% of all fees, commissions, and moneys collected or received.

In 11 out of 20 transactions tested, receipts collected were not deposited within ten days.

* Recommendation - The Department should implement procedures which ensure that receipts are deposited timely, in accordance with the Code of Iowa.
* Response - The Department has addressed the issue of timely deposits with each division director. A formal policy directing that deposits must be made with the Finance Bureau at least once a week has been circulated to all divisions and bureaus collecting receipts.
* Conclusion -.Response accepted.



**Cell Phone Usage *Cellular Phone Use* -** State departments are responsible for maintaining internal control measurers which ensure that resources are used in accordance with applicable laws, regulations and policies. They are responsible for monitoring expenditures for efficiency and to ensure that charges are directly related to the public purpose served.

 Monthly cellular phone bills for FY 1997 were reviewed and the following noted:

* Personal use of cellular phones. There were instances in which the personal calls made by employees were not within the covered “free” minutes of the regular monthly charge. The Department was not reimbursed for these personal calls.
* The Department does not have a written policy concerning the use of cellular phones.
* Recommendation - The Department should develop a written cellular phone policy to address reasonable business use and allowable/incidental personal use of cellular phones, and the reimbursement of personal calls. The policy should also require the periodic review and analysis of cellular phone bills to determine whether or not a different billing plan would address a specific employee’s calling pattern with less cost to the Department.
* Response - The Department previously has orally expressed, to all divisions and employees in possession of cellular phones, the departmental policy regarding the use of cellular phones. However, the Department is developing, and will implement, a written policy concerning all communications forums, including cellular phones. The Department also has recently required all divisions to review cellular phone accounts and tailor plans to better fit the official use by each employee in possession of a phone.
* Conclusion - Response accepted.

**More Information** For more information on these comments, please contact the Legislative Fiscal Bureau.

STAFF CONTACT: Darlene Kruse (Ext. 16301)

Audit Report - Commission of Veterans Affairs



**Audit Report** The annual audit report for the Commission of Veterans Affairs for FY 1997 was received by the LFB. The Auditor made four findings related to internal control and one finding related to statutory requirements and other matters.

**Segregation of Duties *Segregation of Duties (Internal Control)*** -One individual in the cashier’s office is responsible for deposit preparation, recording and accounting for cash receipts, as well as preparation of the daily cash reconciliation sheet. The cashier is also responsible for both the custody and the record keeping for certificates of deposit.

* Recommendation - The Commission should review procedures to improve the segregation of duties and supervisory control procedures.
* Response - The recording and accounting tasks are rotated daily among the cashier’s staff. Due to limited staffing, the Home strives to divide duties as staff and resources allow. The Iowa Veterans Home budget team now provides oversight on the record keeping and renewal of all certificates of deposit.
* Conclusion - Response accepted.



**Cashier’s Office *Cashier’s Office (Internal Control)***- The Iowa Veterans Home cashier’s office provides banking services for the residents. Services include accepting deposits, cashing resident checks, withdrawals, and recording the transaction activity for resident accounts and for the special activities account. The following items were noted:

* Checks are not restrictively endorsed for deposit upon receipt.
* Deposits have not been made on a daily basis to avoid an excessive amount of cash and checks on hand. Four of nine special activities account deposits tested were not deposited timely.
* Collections have not been deposited intact.
* A deposit for $50,000 was credited to the contingent account that should have been credited to the special activities account. A corrective entry was made nearly two months later.
* Two U.S. Treasury checks payable to residents dated in 1993 and 1994 were discovered in unopened envelopes in a lost and found basket.
* Recommendation - The Commission should review procedures to improve accounting controls within the cashier’s office.
* Response -
* Deposit stamps “For Deposit Only” will be distributed to appropriate departments so that checks are restrictively endorsed upon receipt.
* The Home began making daily deposits in July 1997.
* The Home will begin depositing collections intact beginning in FY 1998.
* Improvements in computerization have allowed cashier’s staff to more effectively monitor the accuracy and timeliness in the financial activity. Deposits and check receipts, as well as day-to-day balancing activities, have improved and are expected to continue to improve.
* Conclusion - Response accepted.



**Fixed Assets *Fixed Assets (Internal Control) -*** Eleven oftwelve current year purchases selected for fixed asset observation at the Commission of Veterans Affairs - Camp Dodge office did not have a State of Iowa identification tag affixed. Also, two of twenty selected items located at the Camp Dodge office were not on the fixed asset listing.

* Recommendation - The Commission should implement procedures to ensure that proper identification is placed upon fixed assets when purchased and that accurate and complete records are being maintained.
* Response - The Commission of Veterans Affairs (Camp Dodge office) is reinventorying, re-tagging, and creating a new record keeping system which should be completed by June 30, 1998.
* Conclusion - Response accepted.

**Payroll  *Payroll (Internal Control)*** - The Commission has established control procedures that require supervisory review and approval of a payroll leave request form to provide authorization and to ensure the proper recording of vacation and sick leave used by staff. Five of thirty payroll leave request forms for selected vacation or sick leave transactions could not be located.

* Recommendation - The Commission should take steps to ensure that all payroll leave request forms are completed, reviewed, and maintained.
* Response - The Commission will strive to ensure that all payroll leave request forms are completed, reviewed by supervisory staff, and maintained for audit.
* Conclusion - Response accepted.

**Official Depository *Official Depository (Statutory Requirements and Other Matters)*** - Chapter 12C.2 of the Code of Iowa requires the Commission, by written resolution, to name each depository approved and specify the maximum dollar amount that may be kept in each depository. Although a resolution naming official depositories has been approved by the Commission, the maximum amounts authorized were exceeded during all twelve months at one financial institution and seven of twelve months at another financial institution during FY 1997.

* Recommendation - The Commission should monitor deposits held at the local depositories to ensure that deposits do not exceed the insured amounts and/or increase the maximum deposit amount.
* Response - The Iowa Veterans Home budget team will review the depository resolutions quarterly in order to maintain compliance with the Code.
* Conclusion - Response accepted.

**Statistical Information** The Audit Report also provided the following fiscal information.



 **Average Cost per Resident**

 **(Unaudited)**

 **FY 1993- FY 1997**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Average Number of Residents |  | Average Number of Employees |  | Annualized Cost per Resident |  | Average Daily Cost per Resident |
| FY 1993 |  | 554 |  | 662 |  | $ 53,202 |  | $ 145.76 |
| FY 1994 |  | 611 |  | 682 |  | 51,687 |  | 141.61 |
| FY 1995 |  | 654 |  | 748 |  | 55,766 |  | 152.78 |
| FY 1996 |  | 701 |  | 802 |  | 55,083 |  | 150.91 |
| FY 1997 |  | 710 |  | 834 |  | 56,714 |  | 155.38 |



 **FY 1997 Resident Population Statistics**

 **(Unaudited)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Population - Beginning of year |  | 704 |
|  |  |  |  |
|  | Admissions: |  |  |
|  |  First Admissions |  | 177 |
|  |  Readmissions |  | 13 |
|  | Returns: |  |  |
|  |  Home visits/furlough |  | 692 |
|  | Total admissions |  | 882 |
|  |  |  |  |
|  | Released: |  |  |
|  |  Discharges |  | 54 |
|  |  Deaths |  | 132 |
|  |  Home visits/furlough |  | 694 |
|  | Total released |  | 880 |
|  |  |  |  |
|  | Population - End of year |  | 706 |
|  |  |  |  |
|  | Daily average resident population |  | 710 |

STAFF CONTACT: Valerie Thacker (Ext. 15270)

Weekly Medical Assistance Expenditures in the Department of Human Services



**Medical Asst. Program** For the week ending June 8, 1998, FY 1998 General Fund expenditures for the Medical Assistance Program in the Department of Human Services were $7.2 million (99.7% of budget). This is $24,000 below the weekly budget established by the Department. Year-to-date Medical Assistance General Fund expenditures are $337.3 million, which is $3.6 million (1.1%) above the amount budgeted for the fiscal year-to-date.

**Surplus Projected** The Department stated during the Council on Human Services meeting on June 10 that the decision to retroactively fund the January 1, 1998, nursing facilities six-month rate increase was on hold, pending turnaround of Medical Assistance expenditures into a surplus budget situation. The DHS still estimates ending FY 1998 with a $4.0-$8.0 million surplus, based on anticipated receipts of drug company rebates not yet received.

**Expenditures Monitored** The LFB will continue to monitor Medical Assistance Program expenditures and will provide regular updates to members of the General Assembly. More information is available from the Fiscal Bureau.



STAFF CONTACT: Margaret Buckton (Ext. 17942)

Legislative Fiscal Committee



**July Meeting** The Legislative Fiscal Committee is tentatively scheduled to meet on Wednesday, July 15, at 10:00 a.m. in Room 118 of the State Capitol. The agenda will include:

* Discussion of deferred and major maintenance in state buildings
* Parking lots - Capitol Complex
* Capitol Work Group update
* Building renovation updates
* Discussion of Rebuild Iowa Infrastructure appropriations
* Major cultural/recreational infrastructure funding in other states
* Managed care contract update

**More Information** More information is available from the Legislative Fiscal Bureau.

STAFF CONTACT: Holly Lyons (Ext. 17845) Tim Faller (Ext. 14615)