

SUMMARY OF GOVERNOR'S ITEM VETOES

Governor's Action. The Governor has signed, or item vetoed and signed, all of the appropriation acts. There were no vetoes that impacted General Fund appropriations for FY 2013, but some item vetoes affected General Fund revenues and estimated reversions. Most of the Governor's item vetoes impact intent or statutory language. There were some vetoes to other fund appropriations. Some appropriation acts were signed by the Governor without item veto. These include:

- [SF 2313 – Administration and Regulation Appropriations Act](#)
- [SF 2321 – Education Appropriations Act](#)
- [HF 2335 – Justice System Appropriations Act](#)
- [HF 2338 – Judicial Branch Appropriations Act](#)
- [SF 2314 – Transportation Appropriations Act](#)
- [HF 2466 – Veterans Trust Fund Act](#)
- [SF 2007 – National Guard Education Assistance Supplemental Appropriation Act](#)
- [SF 2217 – Flood Mitigation Act](#)
- [SF 2218 – School Bus Safety Penalty Act](#)
- [SF 2324 – Workforce Development Appropriations Act](#)

Post Veto Financials. The FY 2013 General Fund financials and tracking reflecting the Governor's veto action can be found at the following links. The LSA's annual **Fiscal Report** (Graybook), a summary of fiscal information and analysis of enacted legislation, including the final action Notes on Bills and Amendments (NOBAS) for the appropriation bills will be published to the website the week of June 25. The Fiscal Report will also include the financial information listed below, as well as non-General Fund balance sheets.

- [General Fund Balance Sheet](#)
- [General Fund Appropriations Tracking](#)
- [Other Funds Appropriations Tracking](#)
- [FTE Positions Tracking](#)

Item Veto Summaries. Following is a summary of the Governor's item vetoes of appropriation acts.

HF 2336 – Agriculture and Natural Resources Appropriations Act. The Governor signed [HF 2336](#) on May 25, 2012, and item vetoed the following sections of the Act:

- Section 49.2A(b) requiring the Department of Natural Resources (DNR) to employ 30.0 to 32.0 FTE positions as Park Rangers. The Governor stated this would hinder the State's overall operational needs and the number of Park Rangers hired should be based on costs and availability of funding.
- Section 50.1(1A) requiring the DNR to employ 84.0 FTE positions as Conservation Officers. The Governor stated this would hinder the State's overall operational needs and the number of Conservation Officers hired should be based on costs and availability of funding.

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HF 2337 – Economic Development Appropriations Act. The Governor signed [HF 2337](#) on May 25, 2012, and vetoed Section 19(2)(c). This language required the Workers' Compensation Division of Iowa Workforce Development to allocate \$153,000 for employing a Chief Deputy Commissioner. The Governor did not give a reason for this veto and stated the effect of his veto would cause the \$153,000 contained in this appropriation to revert to the General Fund. This will not happen until after FY 2013 closes. Since this is a veto of an allocation, and not a veto of an entire appropriation, the decrease will not be reflected in Legislative Services Agency (LSA) Appropriations Tracking.

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SF 2336 – Health and Human Services Appropriations Act. The Governor signed [SF 2336](#) on May 25, 2012, and item vetoed the following sections of the Act:

- Section 3.2(d) directs the Iowa Veterans' Home to submit monthly expenditure reports to the Legislative Services Agency in FY 2013. The Governor stated that the requirement was burdensome and the information is currently available in the State's accounting and budgeting system.
- Section 7, among other actions, appropriates \$500,000 to the Food Bank of Iowa. This is a new appropriation in FY 2013. The Governor stated his support of the Food Bank of Iowa but believes that private donations are the best way to support the organization.
- Section 11 limits Medicaid savings to the amount projected during the State's budgeting process. The Governor stated that this directive sets a poor policy precedent to limit savings that can be achieved by the Medicaid Program.
- Section 16 provides \$37,000 to Tanager Place in Cedar Rapids to increase reimbursement rates for outpatient clinical services for children. The Governor stated that it was inappropriate to designate a special reimbursement method for a single provider and the issue should be addressed for all providers through the Children's Disability Services workgroup.
- Section 29, among other actions, allows unencumbered and unobligated FY 2013 funds for Department of Human Services (DHS) Field Operations to be utilized in FY 2014. The Governor stated that carryforward authority reduces budget predictability and sustainability, and that it is inappropriate to provide such authority before it becomes clear that carryforward funds exist.
- Section 30, among other actions, allows unencumbered and unobligated FY 2013 funds for DHS General Administration to be utilized in FY 2014. The Governor stated that carryforward authority reduces budget predictability and sustainability, and that it is inappropriate to provide such authority before it becomes clear that carryforward funds exist.
- Section 50, among other actions, creates a new child welfare resources fund to support infrastructure projects, supplies, equipment, renovations, and other one-time expenses for publicly funded child welfare providers and appropriates \$1.0 million from the Children's Health Insurance Program – Child Enrollment Contingency Fund. The Governor stated that the DHS emphasizes the value and effectiveness of in-home and community-based care and that federal funding may already be available for this purpose.
- Sections 73 and 92 create a new competitive grant program for supportive and residential services with \$1.0 million from FY 2011 Child Welfare decategorization funding set aside for Home and Community-Based Services (HCBS) Waiver infrastructure loans. The Governor stated that it diverts critically important funds away from community-based care and, due to scarce State resources, care in a community-based setting should be a priority over institutional care.
- Section 75 allows carryforward for the Family Investment Program (FIP). The Governor stated that carryforward language is not needed for this Program.
- Section 84 allows unencumbered and unobligated FY 2012 funds for DHS child protection system improvements to be utilized in FY 2013. The Governor stated that carryforward authority is unnecessary due to carryforward language for the FY 2012 DHS General Administration appropriation.
- Section 100 directs the Department of Education to administer the costs of special education programs when contracted with a private agency that provides residential treatment services. The Governor stated that it is expected that all impacted entities will continue existing billing practices through FY 2013 due to current billing uncertainties and anticipated clarification of billing practices by July 1, 2014.

The Governor included several statements of disapproval in addition to the item vetoes, including:

- The Governor stated that he was concerned that SF 2336 does not adequately fund the Medicaid Program at \$30-40 million below the low end of the range of projections, and this is a budgeting practice that should not be continued in the future.
- The Governor stated his disapproval of carryforward language for State Supplementary Assistance, facilities, Field Operations, and General Administration because they are not consistent with best budgeting practices. In addition, he stated that it was his goal for next year's budget to forgo the use of any carryforward language.

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SF 2316 – Infrastructure Appropriations Act. The Governor signed [SF 2316](#) on June 7, 2012, and item vetoed the following:

- Section 1.9(b) appropriating \$400,000 in FY 2013 to the College of Veterinary Medicine at the Iowa State University for facility improvements. The Governor stated that the Board of Regents did not request the appropriation and it was not part of the Governor's budget recommendations.
- Section 3.5(a) appropriating \$500,000 in FY 2013 for a comprehensive audit and appraisal of the Iowa Communications Network. The Governor stated that the audit and appraisal is premature and unnecessary and if one is needed in the future, it could be conducted at that time.
- Sections 24, 25, and 26 that eliminated the standing appropriation of \$3.0 million from the Rebuild Iowa Infrastructure Fund (RIIF) to the Housing Trust Fund (HTF) and made changes to the distribution of the Real Estate Transfer Tax (RETT) by increasing the RETT amount to the HTF and reducing the amount to the General Fund. The Governor stated that the changes to the RETT were a diversion of General Fund revenue that circumvented the appropriation process. The Governor further stated that the changes would not work with his goals of returning predictability and sustainability back to government budgeting and that diversions of General Fund revenue are a bad budgeting practice.

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HF 2465 – Standing Appropriations Act. The Governor signed [HF 2465](#) on May 25, 2012, and item vetoed language that would allow certain cities to institute or increase a franchise fee with a maximum rate of 7.50% for the sole purpose of paying a judgment or court-approved settlement. The Governor stated that he favors tax reduction strategies that facilitate long-term economic growth and job creation. The Governor further stated that it is his desire to approach changes in tax policy in a comprehensive and holistic manner that fits within sound budgeting principles.

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SF 2071 – FY 2012 Supplemental Appropriations Act. The Governor signed [SF 2071](#) on March 5, 2012, and item vetoed Section 1 of the Act in its entirety and stated that reducing General Fund utility expenses by \$1.0 million for certain State agencies is not necessary because budget practices have restored predictability and stability to the State budget.

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**REBUILD IOWA INFRASTRUCTURE FUND (RIIF)
STATUS AFTER GOVERNOR'S VETOES**

RIIF Balance Sheet. Before the 2012 Legislative Session began, the RIIF balance sheet was updated with the latest revenue estimates from the December Revenue Estimating Conference (REC). Once the balance sheet is updated, those numbers are used during the Legislative Session. With additional changes passed by the General Assembly, revenues were estimated for FY 2013 at \$209.3 million. Based on that estimate, after the General Assembly passed the infrastructure budget, the RIIF had a balance of \$1.4 million for FY 2013.

Governor's Veto. On June 7, 2012, the Governor vetoed \$400,000 for the College of Veterinary Medicine improvements and the elimination of the standing appropriation to the Housing Trust Fund (HTF). By vetoing the elimination of the appropriation, the \$3.0 million to the HTF remains funded. While final Legislative Action left a balance of \$1.4 million in the RIIF for FY 2013, the Governor's item vetoes added an additional \$2.6 million in appropriations and put the RIIF at a negative balance (\$-1.2 million).

Temporary Negative Balance. The Legislative Services Agency and the Department of Management anticipate that this negative balance will be temporary and that once actual FY 2012 revenues are calculated, reversions occur, and new revenues are estimated at the October and December REC, the RIIF will be balanced again by the next Legislative Session. In addition, the Treasurer of State recently refunded the school infrastructure bonds and reduced the amount of debt service payments, so additional moneys will begin to transfer to the RIIF from the unneeded amounts for that debt service beginning in FY 2013 (approximately \$450,000 to \$480,000). That additional amount was not reflected in the revenue estimate being used during the Legislative Session.

Balance Sheet Adjustments. The RIIF balance sheet generally changes from its ending balance numbers at the end of a Legislative Session, by the time the next Legislative Session begins. For example, immediately after the end of session and Governor's vetoes in July 2011, the RIIF balance projection for FY 2013 was estimated at \$900,937. By the time the December REC was completed and the 2012 Legislative Session was beginning, the RIIF balance going into FY 2013 was \$14.0 million, as reflected on the balance sheet that was used during the Legislative Session.

Continued Monitoring. The Legislative Services Agency will keep the General Assembly and staff apprised of the status of the RIIF as the revised revenue estimates are available. If the RIIF is not in balance by the 2013 Legislative Session, the General Assembly will need to make adjustments to the FY 2013 RIIF appropriations.

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DEPARTMENT OF PUBLIC SAFETY COMMISSIONER RETIREMENT

Commissioner Retirement. On June 15, 2012, the Governor's Office announced the retirement of Department of Public Safety Commissioner Larry Noble, effective July 5, 2012. The Commissioner had been in office since January 14, 2011. Steve Ponsetto will serve as the interim commissioner until a replacement is named.

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NEW DIRECTOR AT IOWA DEPARTMENT FOR THE BLIND

New Director. Effective June 1, 2012, Richard Sorey became the new Director at the Iowa Department for the Blind. Mr. Sorey is a native of Chesapeake, Virginia. He attended James Madison University earning a B.S. in Communication Arts and has a M.A. in counseling from Old Dominion University. Mr. Sorey has nearly 30 years of experience, beginning his career as a job placement specialist in Richmond, Virginia. He worked several years at the Virginia Department for the Blind as Director of the Business

Enterprise Program and as the Regional Director for the Blind and Vision Impaired. Mr. Sorey most recently worked as the Director of the Office of Vocational Rehabilitation for the Blind at the Mississippi Department of Rehabilitation for the Blind.

Statement. Mr. Sorey delivered the following statement after being hired: "I've enjoyed my time in Mississippi and have moved some initiatives forward. Being housed within a general vocational rehabilitation agency does impose limitations on what we can do to serve the blind of Mississippi. I saw the chance to lead an agency dedicated solely to meeting the needs of the blind as an excellent career opportunity, and am thrilled to have been selected. The Iowa Department for the Blind is a leader in the field of blindness rehabilitation. I look forward to working with all of you to advance our mission of serving blind Iowans while changing what it means to be blind."

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POWER FUND CONTRACT TERMINATION

Power Fund Award Terminated. The Iowa Economic Development Authority (IEDA) has terminated a \$2.5 million Power Fund award to Syngest due to the company's failure to disclose that one of the company's officers was being accused of civil racketeering and conspiracy to commit fraud while an application was pending before the Power Fund Board. Such an omission constitutes a material misrepresentation under their contract. While the funds segregated for this project have not been disbursed, they would nonetheless be considered a recapture since they had been obligated by both award and by contract.

Reprogram Funds. 2011 Iowa Acts Chapter 118 (Iowa Partnership for Economic Progress Act) allows the IEDA Board to reprogram Power Fund moneys recaptured. The IEDA does not intend to reprogram the funds at this time.

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SPECIAL AUDIT INVESTIGATION UNIVERSITY OF NORTHERN IOWA (UNI) CENTRALIZED TICKETING

Special Report Issued. The State Auditor released a report on a special investigation of UNItix, the University of Northern Iowa's centralized ticketing office, for the period August 1, 2008, through August 31, 2010. The investigation was requested by UNI officials as a result of concerns regarding improper transactions processed by John Gogola, a former Assistant UNItix Director who resigned in August 2010. UNItix sells tickets for intercollegiate athletic events and performances held in the UNI-Dome, the McLeod Center, the Gallagher-Bluedorn Performing Arts Center, and the Strayer-Wood Theatre, as well as for selected other events.

Funds Diverted. The investigation identified \$19,000 that was diverted from the UNItix system, \$16,000 of which was diverted to Mr. Gogola's personal debit and credit cards. A total of 284 improper transactions were related to the diversion were recorded in 112 patron accounts and resulted in 12 patrons incurring losses totaling more than \$1,000. Additional improper transactions may have been recorded in other patron accounts, but sufficient details were not available to identify them. Included in the \$19,000 diversion were tickets ordered by Mr. Gogola and used but not paid for totaling \$531.

Personal Accounts Used. The investigation identified three instances when Mr. Gogola charged amounts totaling \$5,000 to his personal debit and credit cards to make transactions balance; these amounts offset the amounts improperly diverted. After his resignation, Mr. Gogola issued a \$996 personal check to UNI in response to questions raised in November 2010 about tickets that were not properly issued to a patron.

Recommendations. The report includes recommendations to strengthen internal controls and overall operations. Copies of the report have been filed with the University, the Division of Criminal Investigation, the Black Hawk County Attorney's Office, and the Attorney General's Office. A copy of the report is available at <http://auditor.iowa.gov/specials/1161-8030-BE00.pdf>.

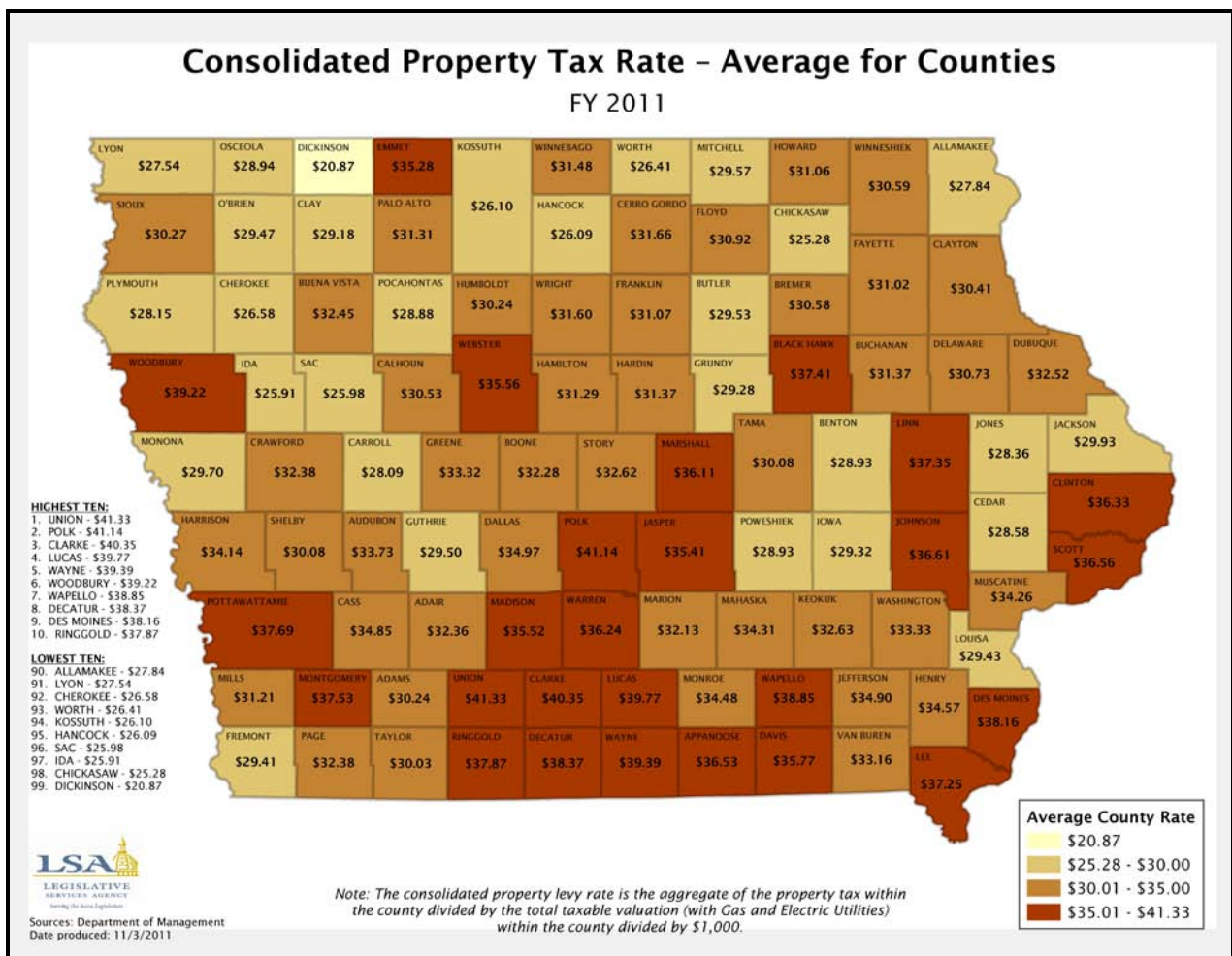
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LOCAL GOVERNMENT MAPPING
CONSOLIDATED PROPERTY TAX RATES

Map Project. The Fiscal Services Division is developing an extensive database of fiscal information from local governmental entities and combining it with census and other data to provide maps and charts of interest to legislators, legislative staff, and others.

Web Maps. Watch the General Assembly's website for a new map or chart each week, highlighting some feature of local government – <https://www.legis.iowa.gov/LSARports/fiscalMapWeek.aspx>.

Fiscal Update Maps. Each edition of the Fiscal Update will feature a new map or chart. This edition's map shows the average consolidated property tax rate for each county in FY 2011. The average consolidated rate ranges from \$20.87 in Dickinson County to \$41.33 in Union County (tax rates expressed in \$1,000 per taxable valuations).



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HONEY CREEK RESORT CELEBRATES RENEWABLE ENERGY PROJECT

Renewable Energy Project. The DNR held an event on June 8, 2012, to recognize the contribution from the Chris Desjardins Memorial Fund, that provided funding for the Department's renewable energy project at the Honey Creek Resort, located near Moravia, Iowa. Several speakers described their contribution to the project and Lt. Governor Reynolds thanked the various project partners.

Background. The project includes the installation of a 10kW wind turbine, solar thermal heating panels, solar electricity panels for five of the cottages, two solar-powered outdoor lights, and an educational kiosk that is located in the lodge. The kiosk provides real-time information on how much energy the lodge is currently using. Project funding of \$1.1 million included funds from the Office of Energy Independence, federal funds, the DNR, and the Chris Desjardins Memorial Fund.

Decedent Gift. Chris Desjardins worked as an engineer for the Pella Corporation and died suddenly in 2009. His life insurance policy included a generous gift to the DNR for the creation of a renewable energy project. This money created the Chris Desjardins Memorial Fund and provided the seed money for DNR's largest renewable energy project at Honey Creek Resort.

Other Projects. Renewable technology projects have begun in other State Parks that include: Lake Darling in Washington County, Pleasant Creek in Linn County, E.B. Lyons Nature Center in Dubuque County, Big Creek in Polk County, Brushy Creek in Webster County, Lewis and Clark in Monona County, and Nine Eagles in Decatur County.

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OUTSOURCING FLEET OPERATIONS

Outsourcing Study. The Department of Administrative Services (DAS) contracted with Mercury Associates to conduct a cost analysis for outsourcing provision of light-duty vehicles compared to DAS continuing to operate this segment of the State vehicle fleet. The analysis was completed in February 2012.

Background. The study compared the avoidable costs for DAS to the cost of renting vehicles from a preferred vehicle rental services supplier. Enterprise Fleet Management was selected as the preferred supplier for the comparison. The study determined that 1,207 of the State's 3,332 vehicles could potentially be outsourced. The study group of vehicles included compact, intermediate, and full-size sedans, minivans, SUVs, and cargo vans. Actual usage data was used to determine the costing scenarios, and estimates were made when data was not available.

Potential Cost Avoidance. The analysis determined the annual avoidable costs for DAS totaled \$2.7 million for the study group of 1,207 vehicles. Renting these vehicles for the prescribed days from Enterprise would cost \$9.3 million annually or \$6.6 million more than owning the fleet. If DAS were to sell the vehicles, the proceeds would generate an estimated \$4.2 million in one-time revenues which would reduce the first year cost difference to \$2.4 million more than owning the fleet. Outsourcing the entire study group of vehicles is more costly than owning the fleet.

Options. Mercury Associates examined other outsourcing possibilities noting, "It is an industry best practice to minimize the number of vehicles in a trip pool, sizing it so as to maximize their use without having to turn away an excessive number of would-be customers on any given day. Many organizations with such pools accomplish this by utilizing a third-party vehicle rental company such as Enterprise to supplement its in-house inventory of vehicles so as to effectively meet peak demands." Turning specifically to trip pool vehicles, the study identified the break-even point for renting versus owning a small compact sedan in terms of the number of days of use in a year. For a compact sedan used 80 or fewer days *and* never more than six consecutive days, it would be cheaper to rent from Enterprise. Conversely, if that same compact sedan were used more than 80 days it would be cheaper for DAS to own the vehicle. For compact sedans in continuous use, 128 days was the break-even point. If used

continuously for less than 128 days it would be cheaper to rent from Enterprise, and if continuously used more than 128 days it would be cheaper to own the vehicle.

Conclusion. The study concluded that wholesale outsourcing State vehicle services would be considerably more costly than the current approach. Savings could be found in managing the size of the trip pool of vehicles to maximize usage and renting from a third-party when peak demand exceeded the available pool.

Full Report. View the full report on the Administration and Regulation Appropriations Subcommittee website at: https://www.legis.iowa.gov/DOCS/LSA/SC_MaterialsDist/2012/SDMDF025.PDF .

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UPDATE – ELECTRONIC DOCUMENT MANAGEMENT SYSTEM (EDMS)

EDMS Update. The Judicial Branch has completed Judicial Election District 3B (Plymouth, Sioux, Woodbury, Crawford, Ida, and Monona). All filers, both lawyers and pro se, will be able to file electronically for all case types. The Judicial Branch is moving on to complete Judicial Election District 2B which includes Boone, Hamilton, and Hardin Counties.

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UPDATE – CORRECTIONS CENTRAL PHARMACY

Central Pharmacy Background. The Department of Corrections (DOC) began implementing a central pharmacy model in FY 2008 and hired a pharmacy director in FY 2009. There are two central pharmacies – Oakdale and Des Moines – and because of the Iowa Corrections Offender Network (ICON) pharmacy software program, each can fill medication orders for any facility, providing redundancy in case of emergencies. The DOC costs for drugs and biologicals include both prescription and over-the-counter medications. The DOC costs have increased 67.1% from FY 2005 to FY 2010. However, costs for drugs and biologicals have decreased in FY 2009 (\$113,000), FY 2010 (\$1.2 million), and FY 2011 (\$632,000) primarily due to creating and adhering to a formulary (list of medication choices available to physicians) and implementing a centralized pharmacy.

Pharmacy Processing. The Des Moines Central Pharmacy is currently processing prescriptions for Newton, Mitchellville, Fort Dodge, Rockwell City, and Clarinda's DOC patients. Oakdale is processing themselves, Anamosa, and Fort Madison. Mount Pleasant still maintains a pharmacy on-site that processes both the DOC and DHS patients. The General Assembly realigned pharmacy staff by transferring \$123,000 and 1.0 FTE position from Clarinda to Oakdale in HF 2335 (Justice System Appropriations Act). This will result in a net savings of \$38,000 to the DHS budget in FY 2013.

Service Provision. The five facilities served by the Des Moines Central Pharmacy all use the 30-day punch cards. Oakdale is changing their unit dose system from the old individually packaged medicines in carts with patient drawers to the 30-day punch cards. That process is about 50.0% complete through December 2011. The DOC is also moving forward with a plan to transition Mount Pleasant's DOC services to one of the two DOC locations; specifics on that are not available as of the date of this report. The private provider contract for pharmacy (Diamond Services) ended May 31, 2011.

Pilot Project. The DOC is working on a pilot project from the Attorney General's office related to provision of medications for offenders after release through the Iowa Prescription Drug Corporation's voucher program for indigent/low-income patients. The goal of this program is to reduce recidivism, especially among offenders with mental health needs, by providing expanded medication coverage during the 30 to 90 days immediately after their release, until they can form a relationship with a provider in the community.

Formulary. The DOC formulary is updated quarterly through its Formulary Review Committee. The process for reviewing non-formulary requests is still in place and is up-to-date. Currently, the DOC is not directly providing medicines for Community-Based Corrections (CBCs) or jails, although there has been discussion at various times about this possibility in the future.

Request for Information (RFI). Senate File 510 (FY 2012 Justice System Appropriations Act) required the DOC to issue an RFI to determine how to improve efficiencies at the centralized pharmacy. The DOC and the DAS issued the RFI on April 2, 2012, with bids due April 16. The RFI was issued to 65 consulting companies and six opened the RFI for review. The DAS procurement issuing officer did not receive any questions for clarification, interest to respond or a formal response to the request.

More Information. Refer to the *Issue Review* [Department of Corrections Centralized Pharmacy](#) for additional information.

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PUBLIC EMPLOYMENT RELATIONS BOARD (PERB) DECISION

Employment Dispute Ruling. The DOC and the American Federation of State, County, and Municipal Employees (AFSCME) were sued by 27 former supervisors and one former staff of the Board of Parole regarding the loss of bumping rights in a layoff that occurred in 2010. The PERB ruled against the State. The DOC worked with the 18 claimants (17 from the DOC and one from the Board of Parole) to discuss their options. In December 2011, financial settlements were made with 12 people and total costs were approximately \$469,000. There are six cases pending.

Fiscal Impact. The DOC and Board of Parole have used the current FY 2012 operating budgets to fund the financial settlements. The DOC filed a claim with the State Appeals Board for any costs related to previous fiscal years. If successful, the FY 2012 budgets would be reimbursed for costs related to FY 2010 and FY 2011.

Parole Board Impact. One claimant opted to return to employment with the Board of Parole as an Administrative Law Judge (ALJ). The Board is budgeted for one ALJ but now has two. One employee is currently deployed with the military and the other returned due to the PERB decision. The Board of Parole's budget for FY 2013 is projected to result in a deficit given current funding and staffing.

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BOARD OF CORRECTIONS MEETINGS

March Meeting. The Board of Corrections met March 2, 2012, by conference call. The following items were presented and discussed:

- **Director's Report.** Director John Baldwin updated the Board on recent meetings held with Leadership Iowa and a tour of the current Iowa State Penitentiary at Fort Madison. He also indicated that the Board of Parole was receiving training from a national expert. The DOC continues to work with the DHS, court services, and advocates regarding mental health issues of offenders. Director Baldwin indicated that the DHS and Iowa Workforce Development have been excellent partners in offender reentry matters. He briefly reviewed the DOC's strategic plan for 2012 through 2016. He described the ongoing challenges of mental health, aging offender population, and offender re-entry.
- **APEX Update.** Staff updated the Board regarding Achieving Performance Excellence (APEX). APEX is a model for managing organizational change developed by the National Institute of Corrections. Iowa is serving as a pilot for APEX.
- **Legislative Update.** Staff updated the Board regarding the \$7.5 million FY 2012 supplemental appropriations in SF 2071. The Bill was sent to the Governor for his review. It is \$1.0 million more than he recommended. Staff also reviewed legislative policy bills with the Board.

April Meeting. The Board of Corrections met April 6, 2012, at the North Central Correctional Facility in Rockwell City. The following items were presented and discussed:

- **Director's Report.** Director Baldwin recognized the Security Director at Rockwell City who is retiring the following week. He also updated the Board on recent national activities regarding mental health issues. The Council of State Governments is sponsoring a framework for professionals to use as a reference in coping with the number of mentally ill offenders in the corrections system. He also provided information regarding the jail diversion legislation currently under consideration by the Iowa General Assembly. He indicated he is meeting in two weeks with the VERA Institute on prison diversion options for mentally ill offenders.
- **Parole Board Reorganization.** Director Baldwin informed the Board that Governor Branstad had reorganized the Parole Board so the Vice Chair is now the Chair, and the former Chair is now the Vice Chair. There is a goal to reduce the prison population by about 500 offenders over the next six months. The DOC is working with the Parole Board to develop information screens in the ICON so the Board has access to more information in an electronic format.
- **DOC Activities.** Assistant Deputy Director Weitzell is coordinating the Keep Iowa Beautiful campaign with the prisons, the DOT, and the DNR. The Batterer's Education Program is being restructured in cooperation with the University of Iowa to improve its effectiveness. May 9 is the next Public Safety Advisory Board meeting; DOC Research Director Lettie Prell will present Iowa's cost/benefit analysis (Iowa First Model) to that Board at the meeting. The DOC and the IWD recently held a joint job fair for offenders; 32 offenders received job offers within a week of the fair.
- **PREA Update.** The DOC plans to update the Board in June regarding federal regulation of the Prison Rape Elimination Act (PREA). Currently these rules are pending at the federal level, with a proposed noncompliance penalty of a reduction on all federal funds the State receives, not limited to the corrections arena.
- **Strategic Plan.** Director Baldwin presented the strategic plan to the Board, and stated the DOC uses it to keep staff focused on the mission, and the Governor, General Assembly, and public updated on the DOC's activities.
- **Debitek Update.** Staff presented information on the Debitek card. Offenders receive a Debitek (gift card) rather than a check for their bank balance upon release from prison. Offenders receive education on the use of the card, and fees associated with the card, as part of their release programming. The Board indicated more training for offenders needs to be provided.
- **Model Curriculum.** Second CBC District Director Faust presented a model curriculum for judges to use for evidence-based sentencing. The curriculum was developed by the National Judicial College, the National Center for State Courts, and the Crime and Justice Institute. District Director Faust indicated the curriculum should be adapted for each sentencing jurisdiction. She plans to provide similar training to county attorneys in her District, and perhaps the Parole Board. The Fifth CBC District Department is also planning on providing this training to its judges.
- **Security Staff Update.** Staff presented information to the Board regarding security staff use of Personal Digital Assistants (PDAs). The scanning technology increases accountability of offenders, increases efficiencies by reducing data entry, and provides documentation that security standards are being met. The PDAs will also be used by building maintenance staff. The DOC plans to implement the PDAs as funding permits.
- **Medication Voucher Program Update.** Pharmacy staff presented information on the medication voucher program. The goal of this program is to reduce recidivism, especially among offenders with mental health needs, by providing expanded medication coverage for them during the 30 to 90 days immediately after their release, until they can form a relationship with a provider in the community. The program should be available before the end of FY 2012.

June Meeting. The Board met June 1, 2012, at the Fourth CBC District Department's residential facility. The following items were presented and discussed:

- **Fourth CBC District Update.** The District is reconfiguring its residential facilities. The current 30-bed Women's Facility will become an intake center for sex offenders. The women offenders will be housed in the current 90-bed residential center for men. The Women's Facility has historically operated at about 50.0% of capacity. Women offenders were housed in a separate wing in the Men's Facility, before the Women's Facility was built. This change should increase efficiencies and local income.
- **Ft. Madison Prison Update.** Director John Baldwin informed the Board that Michigan has turned its old prison into a tourist attraction. The DOC has not yet determined the future of the current maximum-security prison in Fort Madison, once the new maximum-security prison is built. Director

Baldwin indicated the DOC is implementing new physical assessments as part of its hiring standards. The assessments are being reviewed by the Office of the Attorney General and the Department of Administrative Services.

- **Sentencing Reform.** The DOC continues to work on justice reinvestment with the Governor's Office, Board of Parole, legislators and staff, Public Safety Advisory Board, and the PEW Center for the States. They are reviewing criminal sentencing structure and recidivism rates.
- **Telephone Contract.** The DOC is in the process of rebidding its offender telephone contract for the Institutions. The current firm was purchased by a different company.
- **Activity Update.** The DOC staff are involved in Special Olympics, Peace Officer's Memorial, and Polk County's one stop services initiative (offenders will receive information and services at one location rather than across the metropolitan area).
- **October Meeting Plans.** The DOC Board meeting in October will be held on the Iowa State University Campus to show appreciation for University assistance over the years.
- **Chairman's Update.** Chair David Erickson indicated the prison population is dropping and the Board of Parole is making great strides. About 80.0% of the Parole Board's releases are to parole supervision and 20.0% are to work release facilities. Offenders can reject a parole or work release grant and choose to serve their full sentence in prison. Some parole plans fail to be verified (the person who agreed to house the offender either changed their mind, moved, died, or other circumstances may have occurred). It takes approximately three weeks between a parole being granted and an offender being released from the prison system. Sometimes offenders receive a disciplinary action after the parole grant, and the parole grant is rescinded. The Board is working with ATG, the program developer for the ICON, to move the Board's database to one platform. Also, Iowa Prison Industries is scanning the old records of the Board of Parole into the database.
- **Budget Update.** Director Baldwin reviewed the FY 2013 budget with the Board. Between the FY 2012 supplemental appropriation and increases for FY 2013, the total increase is \$14.9 million. The DOC should be able to replace existing staff when they leave employment. This will permit the DOC to maintain current staffing levels. The DOC is working on the FY 2014 budget request that will include funding for the CBC facilities and prisons that have been or are currently under construction.
- **CBC Residential Facilities Update.** Residential staff presented information regarding ideas on improving efficiencies within the CBC residential facilities. They plan to identify the characteristics of the unsuccessful and successful populations, recognize who needs a residential bed, and develop placement recommendations.
- **Family Support.** Assistant Deputy Director Carter provided information on the importance of family and providing a pro-social support system for offender reentry. The support system may be broader than family to include friends and mentors that provide positive support.
- **Pending Legal Matters.** Assistant Attorney General William Hill updated the Board on pending court cases and legal matters within the corrections system. There are no major lawsuits regarding constitutional issues. Most litigation is related to sex offenders, visitation, and calculation of earned time.
- **Legislative Update.** Staff updated the Board on the Department's proposed legislation. Bills relating to county confinement reimbursement and confidentiality of arrest warrants were enacted. Bills relating to Pre-Sentence Investigations (PSIs) and sexual misconduct of employees did not become law. The Board of Corrections approved a resolution honoring Fred Scalletta (DOC liaison) for his years of service to the Board and the DOC. He is planning to retire.

Next Meeting. The Board is scheduled to meet July 13, 2012, at the Iowa State Penitentiary at Fort Madison.

STAFF CONTACT: Beth Lenstra (515-281-6301) beth.lenstra@legis.state.ia.us

MEETINGS MONITORED

The following meetings were monitored by Fiscal Services staff.

Meeting	Date	Staff Contact
Capitol Planning Commission	1/4/2012	Marcia Tannian (281-7942)
Iowa Statewide Interoperable Communications System Board	1/25/2012	Jennifer Acton (281-7846)
Iowa Workforce Development Board Meetings	2/17/2012 5/16/2012	Kent Ohms (725-2200)
Iowa Economic Development Authority Board Meetings	2/17/2012 4/20/2012 5/18/2012	Kent Ohms (725-2200)
Board of Corrections	3/02/2012 4/06/2012 6/01/2012	Beth Lenstra (281-6301)
School Budget Review Committee (SBRC)	4/30/2012	Shawn Snyder (281-7799)
Public Safety Advisory Board	5/9/2012	Beth Lenstra (281-6301)
Iowa Criminal Justice Information System (CJIS) Advisory Committee	5/17/2012	Jennifer Acton (281-7846)
Iowa Telecommunications and Technology Commission	5/17/2012	Marcia Tannian (281-7942)
E911 Strategic Planning Task Force	5/18/2012	Jennifer Acton (281-7846)
Iowa Innovation Council Forum	5/20/2012	Kent Ohms (725-2200)
School Finance Roundtable	5/23/2012	Shawn Snyder (281-7799)
Iowa Statewide Interoperable Communications Board (ISICSB)	5/30/2012	Jennifer Acton (281-7846)
Department of Human Services Central Point of Coordination	5/30/2012	Aaron Todd (281-6764)
Ag Adjustment Committee	5/31/2012	Shawn Snyder (281-7799)
Iowa Commission on Veterans Affairs	6/6/2012	Jennifer Acton (281-7846)
Iowa Law Enforcement Academy Council Meeting	6/7/2012	Jennifer Acton (281-7846)
Juvenile Justice Advisory Council	6/7/2012	Aaron Todd (281-6764)
State Soil Conservation Committee	6/12/2012	Deb Kozel (281-6767)
Council on Human Services	6/13/2012	Aaron Todd (281-6764)
Council on Human Services	6/13/2012	Jess Benson (281-4611)
Natural Resource Commission	6/14/2012	Deb Kozel (281-6767) Adam Broich (281-8223)
Direct Care Advisory Council	6/14/2012	Aaron Todd (281-6764)
Environmental Protection Commission	6/19/2012	Deb Kozel (281-6767)
Water Resources Coordinating Council	6/20/2012	Adam Broich (281-8223)