

FISCAL UPDATE

July 28, 2005

Legislative Services Agency

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AUDIT REPORT – DEPARTMENT OF HUMAN RIGHTS

Audit Report

The Legislative Services Agency (LSA) received a copy of the FY 2004 audit report for the Department of Human Rights that included three findings regarding cash management and three findings regarding statutory requirements. The Department provided responses and corrective action plans for all findings that were accepted by the Auditor.

Cash Management



The Report recommended the Department develop and implement procedures to ensure proper drawdown and disbursement of federal funds. The Department's accounts for the Low-Income Home Energy Assistance Program (LIHEAP) reflected excessive daily balances that are counter to the requirements of the federal Cash Management Improvement Act (CMIA).

The Report also recommended the Department closely monitor cash balances of subrecipient Community Action Agencies (CAAs) to ensure compliance with the proper request and disbursement of federal funds in accordance with CMIA guidelines. The CAAs had month-end cash balances for the LIHEAP funds.

In addition, subrecipients spending \$500,000 or more in federal awards must submit audit reports within nine months of the year end. The Report recommended the Department follow established policy to ensure that subrecipient reports are reviewed within six months of receipt and letters of findings are sent out in a timely manner.

Statutory Requirements

The Report also recommended the Department continue efforts to encourage Commission and Council member attendance at meetings and work with the Governor's Office to fill vacancies. Instances were noted regarding a lack of attendance at meetings as required by Section 69.15, Code of Iowa, and vacancies on some Commissions.

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The Report recommended the Department implement procedures to ensure the Commission of Latino Affairs meet in compliance with Section 216A.13, Code of Iowa. During FY 2004, the Commission met four times instead of the required six.

The Report also recommended the Department implement procedures to ensure that the Commission on the Status of African-Americans is in compliance with Section 126A.149, Code of Iowa. The statute requires the Commission to file a report of activities for the previous fiscal year and programmatic priorities for the current year with the Governor and the General Assembly by August 1 of each year.

More Information

A copy of the Audit Report is available from the LSA upon request.

STAFF CONTACT: Sam Leto (Ext. 16764)

AUDIT REPORT – SECRETARY OF STATE

Audit Report

The LSA received a copy of the State Auditor's FY 2004 report on the Secretary of State. The Report cites one finding related to internal control.

Internal Control



The Report noted that one employee received payments on accounts receivable, prepared the deposit, and posted the payments to the accounts receivable system. The Report recommended that adequate segregation of duties be established so the same individual does not process all the steps of accounts receivable. This will assist in preventing potential losses from employee error or dishonesty and maximize the accuracy of financial statements.

The Office has changed procedures to include reconciliation of checks received from the Great Plains system by an independent individual who also stamps the checks. The checks are then returned to an employee for deposit.

More Information

A copy of the Audit Report is available from the LSA upon request.

STAFF CONTACT: Douglas Wulf (Ext. 13250)

AUDIT REPORT – DEPARTMENT OF EDUCATION

Audit Report

The LSA received a copy of the State Auditor's FY 2004 report on the Department of Education. The Report cites several findings related to federal funds, internal control, and statutory requirements.

Federal Funds



The Audit recommendations in regard to the National School Lunch Program, the Summer Food Service Program for Children, and Title I Grants to Local Educational Agencies cite the need to meet federal requirements regarding timely submission of reports and documentation of departmental reviews.

In regard to the Improving Teacher Quality State Grants, the Audit Report recommends that the Department meet responsibilities for monitoring the use of the Grants by performing on-site visits and establishing written procedures regarding documentation of findings and follow-up. The Department's

responses to all of the findings regarding federal funds were accepted by the Auditor.

Contractual Agreements

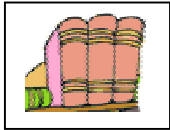


The Audit Report includes one finding related to internal control regarding procedures for service contracts. The Audit found that, of the 53 contracts tested:

- 28 were not approved prior to the date of execution.
- Five that indicated sole source did not appear to qualify under the stated criteria.
- Pre-contract questionnaires were not completed for the three contracts that required it.
- The Request for Proposals (RFP) process was not initiated for six contracts that appeared to require it.

The Report recommends that the Department develop procedures and ensure that contracts are properly approved and comply with the policies and procedures established by the Department of Administrative Services. The Department's response to the finding was accepted by the Auditor.

Code Compliance



The Auditor also recommended that the Department implement procedures to ensure compliance with Section 256.23, Code of Iowa, which requires the establishment of a recruitment and advancement program for school administrators to provide for the allocation of grants to local school districts. The Department's response notes that the General Assembly has not appropriated funding for this purpose. The response was acknowledged by the Auditor, stating that the Department should obtain funding or seek to have the requirement removed from statute.

More Information

A copy of the Audit Report is available from the LSA upon request.

STAFF CONTACT: Robin Madison (Ext. 15270)

AUDIT REPORT – DEPARTMENT OF PUBLIC HEALTH

Audit Report

The LSA received a copy of the State Auditor's FY 2004 report on the Department of Public Health. The Report cites findings related to internal controls over payroll, cash receipts, and capital asset reconciliation.

Payroll Duties

The Audit recommendations cite the need for payroll duties to be segregated so the same individual does not initiate and approve payroll transactions. The Department responded that timesheet approvers will be reminded that they are not to approve timesheets at both the employee and approver levels without adding a remark regarding the reason. If the procedure is not followed, approver status will be revoked. The response was accepted by the Auditor.

Receipts Listings



In addition, the Audit cites the need for the Department to ensure an initial receipt listing is prepared and reconciliation is completed between initial listings and the actual deposits to assist in ensuring that funds are properly receipted. In three of four locations tested, including Radiological Health, Professional Licensure, and Vital Records, this was either not done or done improperly.

Radiological Health and Vital records responded that staff has corrected these issues and these responses were accepted by the Auditor. Professional Licensure responded that there are not currently sufficient FTE positions or an adequate computer system to address the recommendation. The Auditor acknowledged the response, but noted the current receipt system should be reviewed and additional controls with existing staff should be implemented.

Capital Assets



The Department records capital assets on Asset Manager, but did not reconcile additions per Asset Manager to current year equipment purchase expenditures. The Audit recommends that the Department should ensure a reconciliation between additions per Asset Manager and current year equipment and purchase expenditures are completed by an individual not responsible for the purchasing, recording, and custody of capital assets. The Department responded that this was not performed last year due to an employee being on leave and that an appropriate individual will complete a formal reconciliation this year. The response was accepted by the Auditor.

More Information

A copy of the Audit Report is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

AUDIT REPORT – DEPARTMENT OF PUBLIC DEFENSE

Audit Report

The LSA received a copy of the State Auditor’s FY 2004 report on the Department of Public Defense. The Report cites several findings related to the State’s single audit report and internal control.

National Guard – Military Division

Request for Reimbursement

According to the Master Cooperative Agreement for the National Guard Military Operations and Maintenance Projects, states are required to expend funds prior to requesting reimbursement from the federal government. In four instances, the State did not expend funds prior to the request for reimbursement from the federal government. The Auditor accepted the Department’s response to work with the United States Property and Fiscal Office on an advance method for payment.

Construction Contracts

Section 8A.311, Code of Iowa, requires the Department to solicit bids in a newspaper for any construction, alteration, demolition, or repair of a public improvement that exceeds \$25,000. In two of seven instances, the Department did not publish an advertisement to solicit bids. The Auditor accepted the Department’s response to adhere to statutory requirements.

Homeland Security and Emergency Management Division

Financial Status Reports



Quarterly financial reports are due to the federal government within 45 days after the end of each quarter. For the quarter ended December 31, 2003, the Department reported revenues received from the federal government in December 2003, January 2004, and February 2004, rather than October through December 2003. The Auditor accepted the Department’s response that accurate and timely financial reports will be submitted.

Cash Management

Effective cash management procedures minimize the amount of state funds required to operate a program until federal funds are received. Federal

draws are not to be deposited more than three days prior to the date of disbursement. There were eight instances where the Division drew federal funds but the corresponding disbursements were not made until five to thirteen working days later. The draw amounts ranged from \$2,700 to \$404,000. The new financial management system will allow automated draw ability. The Auditor accepted the Division's response that proper cash management will be ensured.

Grant Award Allocation

The State Domestic Preparedness Equipment Support Program awards funds to counties based on a formula. An employee is required to review the allocation calculation. No evidence of a review could be obtained at the time of the audit. The Auditor accepted the Division's response that an original copy of the supervisor's review will be kept in the permanent grant file.

GAAP Package



The Military Division portion of the Generally Accepted Accounting Principles (GAAP) package was not reviewed by Department management before it was submitted to the Department of Administrative Services. In addition, the Homeland Security portion of the GAAP package was not completed in a timely manner. The Auditor accepted the response that the Deputy Director of Administration will review the GAAP package prior to submission and it will also be submitted in a timely manner.

More Information

A copy of the Auditor's report is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

AUDIT REPORT – DEPARTMENT OF PUBLIC SAFETY

Audit Report

The LSA received a copy of the State Auditor's FY 2004 report on the Department of Public Safety. The Report cites several findings related to internal control and statutory requirements.

Internal Control

The Auditor recommended that the Department endorse checks upon receipt and prepare an initial listing of all collections. The Auditor accepted the response that checks will be endorsed immediately when received and deposited in a timely manner. In addition, each Division will maintain an initial listing of receipts.

Fire Marshal Inspections

One of 10 explosive storage facilities was not inspected within the 2004 calendar year. The Fire Marshal's Office is understaffed; however, this should be alleviated with the recent May 2005 Public Safety Academy graduates. The Auditor accepted this response.

Capital Assets



The Department did not reconcile capital asset expenditures in the Integrated Information System (I/3) to the capital asset listing. The current year's depreciation records did not include the total accumulated depreciation to support the amounts in the Generally Accepted Accounting Principles (GAAP) reporting package. The Auditor accepted the response that the Department will continue making progress on capital asset and I/3 reconciliations.

Contracts

Fourteen personnel service contracts were identified as having the following problems:

- One pre-contract questionnaire was signed after the contract start date.



- Three contracts were signed after the contract start date.
- Six did not include the contractor selection process documentation.
- Three did not include the termination clause.
- One did not include the start or end dates.

The Auditor accepted the Department's response that all rules associated with personnel services contracts will be followed.

More Information

A copy of the Audit Report is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

AUDIT REPORT – DEPARTMENT OF CORRECTIONS

Audit Report

The LSA received a copy of the State Auditor's FY 2004 report on the Department of Corrections Central Office. The Report cites several findings related to internal control and statutory requirements.

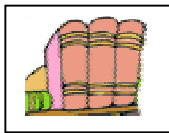
Internal Control

The Auditor recommended the Department modify segregation of duties in the Office so that an independent person periodically compares the initial receipt listing to the amounts recorded in the I/3 system. The Auditor accepted the response that cash receipts will be reconciled on a quarterly basis.

GAAP Package

The Generally Accepted Accounting Principles (GAAP) package was not reviewed by Department management before it was submitted to the Department of Administrative Services. The Auditor accepted the response that the Deputy Director of Administration will review the GAAP package before submission.

Statutory Compliance



Sections 7A.30 and 110.4(7A), Code of Iowa, require State agencies to maintain an accurate inventory of assets and to reconcile the asset listing with property records at least once every two years. Two assets were disposed of and were not deleted from the asset list. Assets purchased in FY 2004 were not included in depreciation calculations. The Auditor accepted the response that corrections have been made to the asset list, and the Department will comply with the reconciliation requirement.

More Information

A copy of the Audit Report is available from the LSA upon request.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

AUDIT REPORT – DEPARTMENT OF JUSTICE

Audit Report

The LSA received a copy of the State Auditor's FY 2004 report on the Department of Justice. The Report cites several findings related to internal control and statutory requirements.

Internal Control

The Auditor recommended that the Department modify segregation of duties in the Attorney General's Office so that an independent person periodically compares the initial receipt listing to the amounts recorded in the I/3 system. Also, the Prosecuting Attorneys Office and the Office of the Consumer

Advocate need to review operating procedures to maximize internal control with a limited number of employees. The Auditor accepted the response that policy will be developed for independent review of the receipt process. Most of the internal control procedures in the Office of the Consumer Advocate were established in FY 2005.

Subrecipient Monitoring



The Crime Victim Assistance Division provides grants to subrecipients and has an internal policy that requires staff to perform an on-site visit of all subrecipients for monitoring purposes. Pursuant to Department policy, all sites should be visited at least once every three years. For one of the five subrecipients reviewed, the most recent on-site visit had not occurred within the last three years. The Auditor accepted the response that new monitoring policies have been established, and all staff performs on-site monitoring so visits will be done in a timely manner.

Statutory Compliance

Section 537.6104(5), Code of Iowa, requires the Administrator of the Iowa Consumer Credit Code to file a report annually with the General Assembly on the operation of the Consumer Credit Protection Bureau. The report has not been filed for the last several years. The Auditor accepted the response that it is the intent of the Attorney General's Office to amend the law to eliminate the required report.

More Information

A copy of the Audit Report is available from the LSA upon request.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

AUDIT REPORT – CIVIL RIGHTS COMMISSION

Audit Report

The LSA received a copy of the State Auditor's FY 2004 report on the Civil Rights Commission. The Report cites several findings related to internal control and statutory requirements.

Internal Control

The Report recommends that the Commission develop written policy for password privacy and confidentiality for its information technology system. The Auditor accepted the response that the policy has been drafted and is being reviewed by management and legal counsel.

Statutory Compliance



Section 69.15, Code of Iowa, states that any board member has submitted a resignation if the member does not attend three consecutive regular meetings or attends less than one-half of the regular meetings during the year. One Commission member did not comply with the attendance requirements. The Auditor accepted the response that members will be reminded of the attendance requirement, and the minutes will reflect who is attending via telephone or ICN conference.

More Information

A copy of the Audit Report is available from the LSA upon request.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

DEPARTMENT OF PUBLIC HEALTH – REQUIRED REPORT

Required Report

The Department of Public Health has completed a report on Stillbirth Evaluation that was due on July 15. The Report was required by HF 2362 (Stillbirth Reporting Act) passed during the 2004 Legislative Session.

HF 2362

The Act renamed the Birth Defects Institute to the Center for Congenital and Inherited Disorders and expanded the Center's duties to include the study of the causes and prevention of all congenital and inherited disorders, including stillbirths. The Act also required the Department of Public Health to establish a work group to develop protocol and implementation guidelines for the evaluation of the causes and prevention of stillbirths.

Report Content



The Report outlines the activities and results accomplished by the work group, which include the development and implementation of the protocol. The Report describes collaboration with the federal Centers for Disease Control and Prevention, which is anticipated to generate \$400,000 in federal funds to enhance stillbirth evaluation and surveillance.

More Information

Copies of the Report may be accessed on the Department of Public Health web site at:
http://idph.state.ia.us/common/pdf/annual_reports/stillbirth_evaluation.pdf.

STAFF CONTACT: Lisa Burk (Ext. 17942)

**GOVERNOR'S OFFICE OF DRUG CONTROL POLICY –
METHAMPHETAMINE STATISTICS**

Meth Lab Statistics

The Governor's Office of Drug Control Policy released updated statistics on the number of meth lab incidents in Iowa as of July 11, 2005.

Senate File 169



Senate File 169 (Methamphetamine Act), which was enacted during the 2005 Legislative Session, regulated substances that are precursors to amphetamine and methamphetamine by placing pseudoephedrine products behind pharmacy counters and requiring a logbook signature at the time of purchase.

The Act also restricted bail for persons charged with the manufacture, delivery, possession with intent to deliver, or distribution of methamphetamine by requiring offenders to be supervised and to undergo random drug tests as a condition of release on bail. The bail restrictions took effect upon enactment, and the pseudoephedrine restrictions took effect on May 22, 60 days after enactment.

Meth Lab Statistics

From May through June 2004, there were 194 meth lab incidents in Iowa. During the same time period in 2005, there were 56 meth lab incidents, a decrease of 138 (71.1%) when compared to 2004.

There has also been a decrease in the number of daily meth lab incidents. During May through June 2004, the average number of daily meth lab incidents was 3.2 per day. During the same time period in 2005, there were 0.9 incidents per day, a decrease of 2.3 (71.9%) incidents.

Six-Month Statistics



During January through June 2004, there were 900 meth lab incidents in Iowa. During the same time period in 2005, there were 612 incidents in Iowa, a decrease of 288 (32.0%) when compared to 2004.

There has also been a decrease in the number of daily meth lab incidents. During January through June 2004, the average number of daily meth lab

incidents was 4.9 per day. During the same time period in 2005, there were 3.4 incidents per day, a decrease of 1.5 (30.6%).

Treatment Statistics

The treatment portion of SF 169 took effect upon enactment. Statistics should be available in October 2005.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

GOVERNMENT OVERSIGHT COMMITTEE MEETING

Oversight Meeting

The Government Oversight Committee met on July 18 and 19.

Dept. of Natural Resources

Representatives from the Department of Natural Resources (DNR) discussed the following issues:

- Randy Edwards outlined SSB 1317 (Conservation and Recreation Activities Bill) that makes the following changes:
 - Changes the dollar amount of damage for submitting boat accident reports from \$500 to \$2,000.
 - Requires boaters that are under the age of 13 to wear a life jacket.
 - Changes the point system for determining damages for the unlawful taking of deer antlers, using the Boone and Crockett Points System, from 150 net points to 150 gross points.
 - Requires hunters that owe the DNR money for civil fines to surrender all hunting and fishing privileges until the assessed damages and interest are paid in full. The interest rate will be 10.0% per year.
 - Changes the birth date related to youth completing a hunter safety course from July 1, 1967, to July 1, 1972.
- Ken Herring provided an update on the Lake Odessa Wildlife Reserve.
- Dale Garner provided an update on the proposed changes to deer hunting rules that include:
 - Establishment of a new antlerless-deer-only season in November.
 - Extends the January antlerless-deer-only season and allows high-powered rifles in the southern two tiers of counties in Iowa.
 - Increases the antlerless deer quotas by 19,000.
 - Closes the roadways from deer hunting north of Highway 30.
 - Clarifies penalties for providing false information when obtaining a deer license.
 - Makes adjustments to the Landowner/Tenant Free Tag Program.



Subcommittee Meeting

The Subcommittee on HSB 302 (Starvation and Dehydration of Persons with Disabilities Bill) met after adjournment on July 18.

Bidding Requirements

The Committee discussed HF 829 (Bidding Requirements for State Executive Branch Purchases Bill), which included review of the 2000 Model Procurement Code Update sponsored by the American Bar Association.

Verbal testimony was provided by several interested parties regarding the viability of HF 829 and the factors in the Code of Iowa that would enhance or penalize State government, political subdivisions, vendors, or citizens.



The Committee adopted a motion requesting position papers from interested parties, reviewing aspects of the Code and advising the Committee regarding potential adoption or modification of the articles in the Code or additional legislation related to procurement for the 2006 Legislative Session. The position papers are to be submitted to the LSA by October 26 for distribution to the Committee prior to the October 31 meeting.

More Information

The next meeting is scheduled for September 19 and 20. Materials from the meeting will be available on the web site at: <http://www.legis.state.ia.us/>.

STAFF CONTACT: Doug Wulf (Ext. 13250) Sam Leto (Ext. 16764)

COLLEGE STUDENT AID COMMISSION MEETING

College Student Aid

The College Student Aid Commission met on July 19. Significant agenda items included:

Election of Officers



Election of officers was postponed because of two recent vacancies on the Commission. Commissioner James Crawford resigned to become a member of the Des Moines Area Community College Board of Directors. Commissioner Travis Koop, the student member, recently graduated and is no longer eligible to serve on the Commission. The election of officers was postponed until the first regular meeting after the vacancies are filled.

Director's Report

Director Misjak reported on a variety of topics related to her first six months on the job. Topics included reauthorization of federal legislation, visits to college campuses, upcoming Iowa State Fair activities, staff activities, and the return of Kirkwood Community College to the Direct Loan Program.

Special Meeting

The Commission voted to schedule a future special meeting with an opportunity to go into closed session to provide job performance feedback to the Director.

Legislative Study



Staff presented the Commission with several options for the study required in HF 816 (FY 2006 Education Appropriations Act) regarding the Tuition Grant Program. The Commission is charged with studying and making recommendations regarding the definition of "accredited institution" as it relates to eligibility for the Program. Chairperson Adams appointed a subcommittee to do the groundwork for the study.

Strategic Planning

Staff requested authorization to enter into a contract for organization assessment and strategic planning services. The cost of the contract is expected to be \$40,000 or less. The Commission decided to examine less costly options and voted to delay the process until the two vacancies on the Commission are filled.

Next Meeting The next meeting is scheduled for September 20. Additional information is available from the LSA upon request.

STAFF CONTACT: Mary Shipman (Ext. 14617)

JULY COUNCIL ON HUMAN SERVICES MEETING

Council Meeting The Council on Human Services met on July 13. Significant agenda items included:

Budget Hearing Various organizations provided testimony regarding the FY 2007 budget. Written materials received at the meeting will be available on the LSA web site at a later date.

Administrative Rules The Council approved the following Administrative Rules for adoption:

- Implements procedures for resolution of legal settlement disputes related to county obligations for institutional care and certain Medicaid expenses. It is anticipated that there will not be a significant change in the number for which the State is responsible, resulting in a minimal fiscal impact.
- Changes Medicaid eligibility requirements to allow an exception to furnishing a social security number, and clarifies ineligibility of inmates in public institutions. The information provided by the Department of Human Services (DHS) indicates a minimal fiscal impact; however, the fiscal information is being reviewed and may change.
- Limits dispensing of Medicaid-covered drugs to a 30-day supply to eliminate the State being charged three times for the same cost resulting from dual-eligibles impacted by the federal Medicare Part D prescription drug benefit. The DHS estimates this will save \$44,000 in State Medicaid funds and \$76,000 in federal match per year.
- Makes adjustments for IowaCare Medicaid expansion. Although these changes to the previously adopted rules are expected to increase the number of individuals eligible, the changes will not have a fiscal impact due to the enacted expenditure cap.
- Expands Child Care Assistance eligibility and increases provider reimbursement rates. The estimated \$10.0 million cost was provided by an increase in the appropriation for the Child Care Assistance Program in HF 825 (FY 2006 Health and Human Services Appropriations Act).
- Adds being at risk of developing a qualifying condition to the definition of a "child with special needs" in relation to eligibility for future adoption subsidy, and applies the \$500 limit to "nonrecurring expenses" instead of to attorney fees. The DHS was unable to estimate a fiscal impact for these changes.



Noticed Rules The Council approved the following Administrative Rule for adoption at a future meeting:

- Makes various changes to the PROMISE JOBS Program, including streamlining policies on children who have left school and needy relatives who choose the limited benefit plan. Also, removes policies on service referrals, vendor payments, and protective payees.

Director's Report



Director Concannon, DHS, provided the following information:

- Explained the approval of the 1115 Medicaid Waiver, which allowed for the establishment of the IowaCare Program and other Medicaid changes. As of July 12, 1,800 applications had been received.
- Noted concerns regarding access to dental care and nationwide decreases in the number of dentists graduating each year.
- Discussed the effort to determine the amount of uncompensated care provided.
- Noted that Iowa and Illinois will soon jointly share Child Support Recovery efforts in a Quad Cities location. This is in addition to the Iowa and Nebraska joint location.
- Indicated that efforts were underway with the Judicial System to potentially create judicial officers that will handle requests to revise child support court orders, when agreed-upon custody changes have taken place, without requiring parents to pay attorney costs.

Council Concerns



Council members discussed the following:

- Concerns regarding public testimony relating to the need for services to children aging out of the foster care system. Director Concannon indicated funding for these transitional services will be his highest priority for the FY 2007 budget.
- Clarification of the legislative intent regarding the number of shelter care beds as follow-up to the public testimony received.
- The potential lack of Medicaid reimbursement for special food needed for those with Phenylketonuria (PKU) relating to the public testimony received. The General Assembly appropriated \$160,000 in HF 882 (FY 2006 Standings Appropriations Act) to the Department of Public Health for grants to patients with this condition.
- Concerns relating to public testimony regarding the Children at Home Program. The General Assembly appropriated \$333,000 in HF 825 (FY 2006 Health and Human Services Appropriations Act) for the Program.
- Written information from a county Central Point Coordinator regarding information that indicated counties are required to provide brain injury services. House File 882 appropriated funds for these county services for FY 2007, contingent on enactment of related legislation in either the 2005 or 2006 Legislative Sessions. The 2005 General Assembly did not enact the necessary legislation.

Next Meeting

The next meeting is scheduled for August 10 and may be held via telephone conference, depending on the length of the agenda. Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942) Sue Lerdal (Ext. 17794)

STATE BOARD OF HEALTH MEETING

Board of Health Meeting

The State Board of Health met on July 13. Significant agenda items included:

Chair Election

Dr. Ted George was re-elected to serve as Chairperson, and Mary Conway was re-elected as Vice Chairperson.

Director's Report

Julie McMahon, Department of Public Health (DPH), provided reports on the following information on behalf of Director Hansen:

- **Healthy Communities** – The Department has been awarded a \$3.0 million federal earmark that will be used by local communities. The Department issued a Request for Proposal (RFP), and letters of intent are due by August 1. As of mid-July, 153 letters had been received. Final proposals are due by August 14. The Department is also working to integrate the healthy communities approach into all DPH programs.
- **Nutrition and Physical Activity** – The Department has received a \$397,000 grant from the federal Centers for Disease Control and Prevention (CDC) for the prevention of obesity. A symposium was held on May 1, and six work groups were developed to create a plan for obesity prevention that will be completed in October and submitted to the CDC by November 1.
- **Chronic Care Management** – The Department continues to work with insurance companies, health care providers, and public health officials on studying different models for better chronic care management.

**West Nile Virus**

Dr. Patricia Quinlisk, Department of Public Health, reported that a less severe West Nile season is anticipated this year. To date, there have been no confirmed human or animal cases; however, three birds have tested positive in Clarke, Linn, and Scott counties.

Flu Vaccine

Dr. Quinlisk also reported that Kiron is again manufacturing flu vaccine, but production has been scaled back as the company continues to work on the quality control issues that arose last winter. At this time, it is unknown how much vaccine will be received in the state for the next flu season.

Legislative Update

Lynh Patterson, Department of Public Health, provided information regarding legislation passed during the 2005 Legislative Session that impacted the Department.

DPH Admin. Rules

The Board approved the adoption of the following Administrative Rules for the Department of Public Health:



- **Center for Congenital and Inherited Disorders** – Updates the newborn metabolic screening fee from \$56 to \$77 for FY 2006. The increase will generate funding for additional staff to handle the increase in workload experienced with the hiring of the new Medical Geneticist in 2004. The increase in fees will result in an additional \$798,000 in revenues, assuming the fee is paid for an estimated 38,000 newborns. Of this, \$38,000 (\$1 of every screening fee) will be transferred to the Department of Public Health to support the State Coordinator for Genetic Service's salary. The remaining \$760,000 will be used to pay for the additional staff and services at the Center.
- **Renovation, Remodeling, and Repainting – Lead Hazard Notification Process** – Implements a program to require individuals who perform renovation, remodeling, and repainting of target housing for compensation to provide an approved lead hazard information pamphlet to the owner and occupant of the housing prior to commencing the work. No fiscal impact.
- **Emergency Medical Services – Provider Education/Training/Certification and Emergency Medical Service** – Updates reference to the most current Scope of



Practice, and allows Emergency Medical Services (EMS) students to perform clinical without clearance by the Bureau of EMS. No fiscal impact.

- Immunization of Persons Attending Elementary or Secondary Schools or Licensed Child Care Centers – Changes the definition of licensed child care and deletes the definition of public health nurse. Deletes the use of medical waiver and specifies how the medical exemption may be used. Updates the immunization requirements to more accurately reflect the recommendations of the Advisory Committee on Immunization Practices. Provides guidelines to higher education institutions on informing post-secondary students regarding the risk of Meningococcal Disease and on reporting data to the Department. Allows for a faxed copy and/or photocopy of the immunization certificate. Deletes the source of immunizations as a requirement on the certificate. Increases from 30 to 60 days the amount of time a local board of health has to report audit data. Deletes the language on a transfer student. Updates the provisional and registry usage language. It is estimated that \$20,000 will be needed to cover the costs to develop and print new materials for school audits, new certificates of immunization, new provisional certificates, and costs associated with training and educating health care providers and school personnel about the rule changes.
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) – Clarifies policies for the new federal definition of WIC only store; the date for initial visit determination; and issuance of the vendor notice of violation points. Changes “suspension” to “disqualification.” Adds violation points for providing incentive items to WIC participants who are not prior authorized by the Department. No fiscal impact.

DIA Admin. Rules



The Board approved the adoption of the following Administrative Rules for the Department of Inspections and Appeals:

- Hospitals – Updates rules to reflect the current edition of the federal Food and Drug Administration’s Model Food Code, the American Institute of Architects Guidelines for Construction and Equipment of Hospital and Medical Facilities, and the Code of Federal Regulations. Also, makes technical changes to the designation of critical access hospitals by stipulating Iowa counties that are not considered rural. No fiscal impact.
- Residential Care Facilities – Makes technical corrections by changing the name of the Care Review Committee to the Resident Advocate Committee. Clarifies the acceptable temperature for dishwashing machines used in some residential care facilities. Rewrites the service plan requirements for admission of residents into a residential care facility. Modifies the medication rules to allow certified medication managers to administer medications in certain facilities. No fiscal impact.
- Nursing Facilities – Corrects a typographical error in the frequency with which resident progress notes are to be recorded by a nursing facility’s activity coordinator. Changes the name of the Care Review Committee to the Resident Advocate Committee pursuant to Section 135C.25, Code of Iowa. No fiscal impact.

Early Childhood Plan

Kelly Schulte, Department of Public Health, provided an update on the organizations that have endorsed the Early Childhood Strategic Plan.

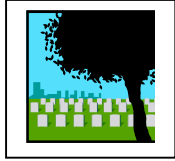
Next Meeting

The next meeting is scheduled for September 14. Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

IOWA VETERANS CEMETERY MEETING

Federal Information



The Commission of Veterans Affairs and the Iowa Veterans Cemetery Committee met on July 13. After receiving information from the federal Department of Veterans Affairs, National Cemetery Administration, regarding the expected denial of certain proposed sites or challenges with other sites, the Committee delayed a recommendation on the location for the cemetery.

The Commission will continue with plans for a groundbreaking ceremony in September 2006, with the expectation that drafting plans for the estimated 40 acres will take no less than one year after site selection. The Committee agreed to pursue other locations with various central Iowa municipalities, since the federal Administration is requiring a central Iowa location near an interstate highway. Topography, surroundings, time required for any required ownership transfer to the State, and responsibility for maintenance costs are also criteria that will be considered for federal approval.

Cemetery Cost



The federal Administration estimates a cost of \$8.0 million for the cemetery, which will be paid entirely from a federal grant, with the exception of the land acquisition cost. An estimated 600 burials per year are expected.

The General Assembly allocated \$500,000 from the \$1.0 million appropriation to the Veterans Trust Fund in SF 2298 (FY 2005 Omnibus Appropriations Act) for establishment and operation of a Veterans Cemetery. The funds continue to be carried forward, in lieu of reversion to the Rebuild Iowa Infrastructure Fund (RIIF), until completion of the project.

More Information

The next meeting is scheduled for August 5. It is anticipated that a recommendation regarding the cemetery location will be made to the National Cemetery Administration at the September meeting. Additional information regarding the federal process for establishment of a Veterans Cemetery can be accessed on the web site at:

<http://www.cem.va.gov/scgpinfo.htm>

STAFF CONTACT: Sue Lerdal (Ext. 17794)

JULY BOARD OF CORRECTIONS MEETING

Corrections Board Meeting

The Board of Corrections met on July 15 at the Iowa Corrections Institution for Women at Mitchellville. Deputy Warden Sheryl Baney welcomed the Board and guests and offered tours after the meeting.

Director's Report



Director Gary Maynard, Department of Corrections (DOC), reviewed the Department's contract with Reference Point, a subcontractor with the Public Strategies Group (PSG), to realign expenditures to maximize results. Director Maynard also updated the Board on the following:

- Hiring a Mental Health Director for the Department. This is a new position authorized by the General Assembly for system-wide (Institutions and Community-Based Corrections) improvements in the mental health system. The person will be supervised by the Medical Director and included on the Executive Team. The Department plans to fill the position in September.
- Hiring a Deputy Warden for the Clinical Care Unit at Iowa State Penitentiary at Fort Madison. The Department plans to fill this position by October.

- Recognizing employees. The Department's first annual employee recognition day will be held in September at the State Fairgrounds.
- Meeting American Correctional Association (ACA) accreditation standards. John Mathes, a former warden who retired, has been hired on contract to assist the Department in meeting ACA standards. The first entities seeking accreditation are the Iowa Medical Classification Center at Oakdale (both ACA and hospital accreditation), the Corrections Training Center, and the Fifth Community-Based Corrections District Department.

Iowa Prison Industries

Deputy Director Roger Baysden, DOC, provided information regarding the work performed by inmates on behalf of the National Governor's Association (NGA) meeting, such as breaking down and setting up meeting rooms and creating chairs and mementoes such as pens, wine glasses, and picture frames. Inmates at the Anamosa State Penitentiary, Newton Correctional Facility, Iowa State Penitentiary at Fort Madison, and the Iowa Correctional Institution for Women were involved in the meeting preparations.

Sex Offenders

Inspector General Michael Savala presented proposed sex offender administrative rules. The rules are being updated to comply with HF 619 (Sex Offender Act). The proposed rules provide policies regarding the risk assessment of offenders, the appeal process available to offenders, and cooperation with the Department of Public Safety. After discussion, the Board approved the rules.

FY 2007 Budget Request



Deputy Director John Baldwin provided an overview of the FY 2007 budget process. The State will use the Purchasing Results process again. The process has changed compared to the previous legislative session, as seven Results Areas have been created to follow the legislative budget subcommittee areas. Also, all appropriated funds will be required to have offers attached. Buying Team membership varies from last year.

Hospice Program

The Board received a presentation from Hospice of Central Iowa. A hospice has been created at the Iowa Correctional Institution for Women at Mitchellville for inmates. Staff and offenders have received training through Hospice of Central Iowa. No deaths have occurred at the hospice, but there have been some recoveries from severe illnesses.

More Information

The next meeting is scheduled for August 5 at the Newton Correctional Facility. Additional information is available from the LSA upon request.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

CAPITOL PLANNING COMMISSION MEETING

Capitol Planning Meeting

The Capitol Planning Commission met on July 20 to review and make recommendations on various improvements and proposed projects on the Capitol Complex. The Commission is an advisory group that makes recommendations to the Governor.

Mercy Medical Center

The Commission adopted a recommendation to support construction of a street that would provide a north loop on the Capitol Complex, thus mirroring a similar street located to the south of the Complex. The recommendation also included a proposal to purchase from the Mercy Medical Center the property located to the west of the Medical Center and to lease to the Mercy

Medical Center the state property located to the east of the Ola Babcock Miller Building.

Property Purchase Financing The Commission recommended establishing a program to provide an ongoing financing mechanism for the purchase of properties located adjacent to the Capitol Complex through the Iowa Finance Authority.

Carriage House



The Commission reviewed plans to convert the Carriage House Building to a facility that would be used as a Welcome/Visitation Center for the Complex. The cost of the improvements is estimated between \$2.4 and \$3.0 million. The Department of Administrative Services (DAS) is preparing a grant request to the Department of Transportation (DOT) to fund approximately two-thirds of the project cost. The Commission recommended pursuing the plan concept and to proceed with the DOT grant proposal. The Carriage House is located to the north of the Capitol Building.

Wallace Building

The Commission deferred a recommendation concerning a decision to either demolish the Wallace Building and build a new facility or proceed with renovation of the existing building. The Commission requested additional information about the building before making a recommendation.

Workers Monument

The Commission recommended locating the proposed Workers Monument near the southwest corner of the Workforce Development Building. The Monument is funded by a private non-profit organization.

Grimes Building Addition

The Commission approved a motion to endorse construction of an addition to the south side of the Grimes Building, which will be included in the FY 2007 DAS budget request.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: David Reynolds (Ext. 16934)

This document can be found on the LSA web site:
<http://staffweb.legis.state.ia.us/lfb/fupdate/fupdate.htm>