



# MINUTES

## Iowa Legislative Council

June 9, 2010 Fourth Meeting of the 2009-2010 Biennium

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### MEMBERS PRESENT:

President John P. "Jack" Kibbie, Chairperson	Speaker Pat J. Murphy, Vice Chairperson
Senator Jerry Behn	Representative Mary Mascher
Senator Thomas G. Courtney	Representative Kevin M. McCarthy
Senator Jeff Danielson	Representative Dolores M. Mertz
Senator Robert E. Dvorsky	Representative Jo Oldson
Senator Michael E. Gronstal	Representative Kraig Paulsen
Senator Steve Kettering	Representative J. Scott Raecker
Senator Paul McKinley	Representative Jodi S. Tymeson
Senator Brian Schoenjahn	Representative Linda L. Upmeyer

## MEETING IN BRIEF

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- I. Procedural Business
- II. Consideration of the Report of the International Relations Committee
- III. Consideration of the Report of the Studies Committee
- IV. Consideration of the Report of the Service Committee
- V. Consideration of the Report of the Supreme Court
- VI. Additional Business
- VII. Attachments



### **I. Procedural Business**

**Call to Order.** The fourth meeting of the 2009-2010 Legislative Council was called to order by Chairperson Kibbie at 12:05 p.m., Wednesday, June 9, 2010, in Room 22, State Capitol, Des Moines, Iowa. Three of the members attended the meeting via a telecommunications connection.

**Minutes of Prior Meetings.** Representative Murphy moved that the minutes of the meeting of March 26, 2010, be approved without additions or corrections. The motion was approved by a voice vote.

**Introduction of Visitor.** Chairperson Kibbie recognized Citizens' Aide/Ombudsman William Angrick for introduction of Mr. Hee Eun Kang. Mr. Kang was awarded a two-year fellowship by the government of the Republic of Korea, which he has been serving in the Iowa Citizens' Aide/Ombudsman office, beginning October 2009. Mr. Kang is Director of the Institutional Improvement Division within the Anti-corruption and Civil Rights Commission for the Republic of Korea.

**Consideration of Reports and Additional Business.** Council actions are summarized in these minutes.

**Adjournment.** The meeting was adjourned at 12:25 p.m.

### **II. Consideration of the Report of the International Relations Committee**

Chairperson Kibbie recognized Mr. Joe Royce, Senior Legal Counsel, Legislative Services Agency, and staff person to the International Relations Committee. Mr. Royce summarized the Report of the International Relations Committee, noting that the report contained a description of "Canada Day at the Iowa Statehouse," which was held on February 17, 2010. There being no objection, the report was received and filed. A copy of the report is attached to these minutes as Attachment A.

### **III. Consideration of the Report of the Studies Committee**

Chairperson Kibbie recognized Vice Chairperson Murphy for the Report of the Studies Committee. Vice Chairperson Murphy explained that the report recommends that the Legislative Council approve five items for legislative action, including studies mandated by law, permanent committees, and the establishment of other committees and their charges. Vice Chairperson Murphy moved that the report be adopted. The motion was adopted by voice vote. A copy of the report is attached to these minutes as Attachment B.

### **IV. Consideration of the Report of the Service Committee**

Chairperson Kibbie recognized Vice Chairperson Murphy for the Report of the Service Committee. Vice Chairperson Murphy explained that the report contains annual personnel reports from the Legislative Services Agency and the Office of Citizens' Aide/Ombudsman. The report includes a recommendation for appointment of Ruth Cooperrider as Acting Citizens' Aide/Ombudsman to take effect upon the retirement of William Angrick and pending appointment and confirmation of a



permanent Citizens' Aide/Ombudsman and a recommendation for appointment by the Acting Citizens' Aide/Ombudsman of an assistant to act as the office's legal counsel upon the retirement of Ron Rowland. The Legislative Council thanked Mr. Angrick and Mr. Rowland for their years of dedicated service to the legislative branch and the State of Iowa.

The report also recommends that the Legislative Council approve the proposed budgets for FY 2010-2011 for the Legislative Services Agency and the Office of Citizens' Aide/Ombudsman, subject to adjustment to reflect carryforwards from the previous fiscal year to all legislative branch agencies. The personnel reports reflect the decision to continue to delay all promotional and merit increases for eligible legislative employees for FY 2010-2011, with future promotions and merit increases contingent on budgetary conditions and Legislative Council approval.

Vice Chairperson Murphy stated that the report also recommends that the Legislative Council endorse the actions of the Legislative Services Agency, on behalf of the legislative branch, to issue a Request for Proposals for the establishment, by contract, of an off-premise-based Software as a Service (SaaS) model for e-mail and other related services. The Legislative Services Agency will consult and receive approval from legislative leaders prior to entering into a contract for these services.

Vice Chairperson Murphy moved the adoption of the report. The report was adopted by voice vote. A copy of the report is attached to these minutes as Attachment C.

## **V. Consideration of the Report of the Supreme Court**

Chairperson Kibbie recognized Mr. Richard Johnson, Legal Services Division Director, Legislative Services Agency, who stated that the Report of the Supreme Court, previously distributed, makes an amendment to the Iowa Rules of Civil Procedure relating to certain small claims filing fees. There being no objection, the Report of the Supreme Court was received and filed.

## **VI. Additional Business**

Chairperson Kibbie recognized Senator Gronstal who moved that the Legislative Council receive and file two letters written to the Fiscal Committee by the Fiscal Division and Legal Services Division Directors of the Legislative Services Agency regarding corrective actions contemplated for the 2011 Regular Session of the General Assembly. The first letter relates to the appropriation of Quality Assurance Trust Fund moneys to provide nursing facility medical assistance reimbursement rate adjustment increases. The second letter relates to the appropriation of moneys to the Department of Administrative Services for operational costs of Terrace Hill. There being no objection, the letters were received and filed. The letters are attached to these minutes as Attachment D and Attachment E, respectively.

## **VII. Attachments**

- A. Report of the International Relations Committee.
- B. Report of the Studies Committee.
- C. Report of the Service Committee.



## **Iowa Legislative Council**

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- D. Quality Assurance Trust Fund Letter.
- E. Terrace Hill Operational Costs letter.

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**REPORT OF THE INTERNATIONAL RELATIONS COMMITTEE TO THE  
LEGISLATIVE COUNCIL  
June 2010**

**Meetings:** Members of the International Relations Committee of the Legislative Council met on February 10, 2010.

- The Committee finalized preparations for Canada Day at the Iowa Statehouse.
- The Committee met with the state Citizens' Aide/Ombudsman, who introduced Mr. Hee Eun Kang, a government official from the Republic of Korea.
- The Committee reviewed its budget.

**Canada Day 2010**

The International Relations Committee sponsored "Canada Day at the Iowa Statehouse" on Wednesday, February 17, 2010. The events included an introduction of the Consul General of Canada in the Senate and in the House of Representatives. The Consul General gave remarks in both chambers. The Committee introduced a resolution which was read in both chambers and presented the Canadian guests with gifts. The Canadian Embassy that evening hosted an invitation only reception for government officials, legislators and their spouses, and special guests at the Embassy Suites. The Committee hosted a breakfast for the Canadian visitors in the Governor's office on Thursday morning.

Respectfully submitted,

Representative Helen Miller, Chairperson

Senator Daryl Beall, Vice Chairperson

**REPORT OF THE STUDIES COMMITTEE  
TO THE LEGISLATIVE COUNCIL  
June 9, 2010**

The Studies Committee of the Legislative Council met on June 9, 2010, and makes the following report for approval by the Legislative Council:

**2010 Studies.** That the attached proposal for studies for the 2010 Interim be adopted by the Legislative Council.

Respectfully submitted,

Speaker Pat J. Murphy  
Chairperson

# Proposal for 2010 Legislative Interim Studies

## By Studies Committee to the Legislative Council

### A. Statutory Committees

#### 1. **Legislative Health Care Coverage Commission** (2009 Iowa Acts, S.F. 389, §1)

**Charge:** The Commission is required by statute to develop an Iowa health care reform strategic plan, addressing various aspects listed in the legislation. The Commission is created under the authority of the Legislative Council, with administrative support to be provided by the Legislative Services Agency (LSA). The Legislative Council is required to appoint a chairperson and vice chairperson from the voting membership.

For the 2010 Interim, the Commission shall complete its deliberations no later than December 31, 2010, and file a final report with the General Assembly no later than January 31, 2011.

**Members:** 11 members of the public as voting members  
 2 Senate/2 House as ex officio, nonvoting members  
 3 agency directors or their designees as ex officio, nonvoting members  
 (directors of DHS and DPH and Commissioner of Insurance)

**Meeting Days:** 3 for 2010

#### 2. **Legislative Tax Expenditure Committee** (2010 Iowa Acts, S.F. 2380, Division II)

**Charge:** The Committee is created as a permanent body under the Legislative Council. Duties include approving annual estimates of the cost of tax expenditures by December 15 each year, and performing a scheduled review of specified tax credits so that each credit is reviewed at least every five years. The first scheduled review is in 2011. The Committee is authorized to hold an initial organizational meeting following the November 2010 election to plan for the first scheduled review and other activities.

**Members:** 5 Senate/5 House

**Meeting Days:** 1

### B. Other Interim Studies

#### 1. **Standing Committees on Government Oversight**

**Charge:** Continue holding joint meetings during the 2010 Interim to conduct targeted oversight.

**Members:** 5 Senate/9 House

**Meeting Days:** 1 for remainder of 2010 Interim

#### 2. **Fiscal Committee of the Legislative Council – State Budget Laws and Procedures**

**Charge:** In addition to performing other duties, review Iowa laws and procedures that relate to the development and control of the state budget.

#### 3. **Levee and Drainage District Law Study Committee**

**Charge:** Review Iowa law on levee and drainage districts and make recommendations for addressing recent court rulings interpreting the law.

**Members:** 5 Senate/5 House

**Meeting Days:** 1

**REPORT OF THE SERVICE COMMITTEE  
TO THE LEGISLATIVE COUNCIL  
June 9, 2010**

The Service Committee of the Legislative Council met on June 9, 2010, and makes the following report and recommendations to the Legislative Council for approval:

**I. PERSONNEL REPORTS**

The Service Committee received and filed the annual personnel report from the Legislative Services Agency and the Office of Citizens' Aide/Ombudsman. Pursuant to these reports, all promotional and merit increases for eligible legislative employees continue to be delayed and all future promotions and merit increases are contingent on budgetary conditions and Legislative Council approval, and are subject to performance review with approval of, and an effective date set by, the applicable director.

**II. CENTRAL STAFF AGENCY FY 2011 BUDGETS**

The Service Committee recommends that the Legislative Council approve the proposed budgets, subject to adjustment to reflect carry forwards from the previous fiscal year to all Legislative Branch agencies, for the fiscal year beginning July 1, 2010, pursuant to Iowa Code Section 2.12, as submitted by the following agencies:

- Legislative Services Agency
- Office of the Citizens' Aide/Ombudsman

**III. CITIZENS' AIDE/OMBUDSMAN**

A. The Service Committee recommends that the Legislative Council appoint Ruth Cooperrider as Acting Citizens' Aide/Ombudsman, to take effect upon the retirement of Bill Angrick, the current Citizens' Aide/Ombudsman, and pending Legislative Council appointment and Senate and House approval and confirmation of a permanent Citizens' Aide/Ombudsman.

B. The Service Committee recommends that the Legislative Council authorize the Acting Citizens' Aide/Ombudsman to designate a qualified Assistant to act as the Office's Legal Counsel without a change in compensation and with the necessary oversight of the Acting Citizens' Aide/Ombudsman.

**IV. REQUEST FOR PROPOSALS - CLOUD COMPUTING**

The Service Committee recommends that the Legislative Council endorse the actions of the Legislative Services Agency, on behalf of the Senate and House of Representatives and the entire legislative branch, to issue a Request for Proposals for the establishment, by contract, of an off-premise-based collaboration, office productivity, and e-mail system solution offered in a Software as a Service (SaaS) model, sometimes referred to as cloud computing for e-mail and other related services. The Legislative Services Agency will consult and receive approval from legislative leaders prior to entering into a contract for these services.

Respectfully submitted,

Speaker Pat J. Murphy  
Chairperson





Holly M. Lyons and Richard L. Johnson

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June 8, 2010

To: Senator Robert Dvorsky and Representative Jo Oldson, Co-chairpersons, Fiscal Committee;  
Senator Steve Kettering, Ranking Member, Senate Appropriations Committee;  
Representative Scott Raecker, Ranking Member, House Appropriations Committee; and  
Senator Jack Hatch and Representative Lisa Heddens, Co-chairpersons, and Senator David  
Johnson and Representative Dave Heaton, Ranking Members, Joint Health and Human Services  
Appropriations Subcommittee

From: Holly Lyons, <sup>HL</sup>Division Director, Fiscal Services Division, and Richard Johnson, <sup>RT</sup>Division Director,  
Legal Services Division

RE: Quality Assurance Trust Fund Appropriation—Corrective Action

**ASSESSMENT COLLECTION AND DEPOSIT IN TRUST FUND**

The Nursing Facility Quality Assurance Program, enacted in 2009 Iowa Acts, Chapter 160, and codified in Iowa Code Chapter 249L, provides for the collection of a quality assurance assessment from specified nursing facilities in the state. The moneys collected are to be deposited into the Quality Assurance Trust Fund to be used, subject to their appropriation, to provide nursing facility medical assistance reimbursement rate adjustment increases including a pass-through amount, a rate add-on amount, and payments for rebasing. Moneys in the fund may only be used for reimbursement of services for which federal financial participation under the medical assistance program is available to match state funds. The Program was subject to approval by the federal Centers for Medicare and Medicaid Services, and approval was received on March 16, 2010. Contingency provisions in the legislation provided that the assessment would begin to accrue beginning on the first day of the calendar quarter following the date of approval, but that the assessment could not be collected until federal approval was received and the General Assembly provided an appropriation to implement the specified reimbursements.

**FAILURE TO APPROPRIATE PASS-THROUGH AND ADD-ON MONEYS**

*Rate restoration funding appropriated.* During the 2010 Session of the General Assembly, much of the discussion involving nursing facilities focused on restoring rates affected by Executive Order Number 19 issued October 8, 2009. In order to cover the costs of restoring these rates, moneys were appropriated from the Quality Assurance Trust Fund, subject to federal approval of the Program, for nursing facility rate restoration for SFY 2010 (\$2.3 million) and for SFY 2011 (\$7.5 million), and to supplement the medical assistance appropriation for nursing facility reimbursement for SFY 2011 (\$6.4 million).

*Pass-through and add-on funding not appropriated.* Even though rate restoration funding was appropriated from the Quality Assurance Trust Fund, no appropriation was specifically made from the Trust Fund for either the pass-through or add-on amounts, which total approximately \$4.4 million in SFY 2010 and approximately \$19.0 million in SFY 2011. Even in the absence of such appropriation, however, sufficient funds will accrue in the Trust Fund from assessments collected during the respective time periods to cover the intended SFY 2010 and SFY 2011 appropriations.

*PROPOSED CORRECTIVE ACTION*

In order to rectify this failure to specifically appropriate the assessments to be collected and deposited into the Trust Fund, it is proposed that the Department of Human Services utilize existing SFY 2010 and SFY 2011 medical assistance appropriation funding to cover the expenditures for the pass-through and add-on payments for SFY 2010 and SFY 2011, until such time as the General Assembly is able to take corrective action during the 2011 Session. The suggested corrective action would appropriate moneys from the Quality Assurance Trust Fund to the medical assistance appropriation in an amount sufficient to both restore the medical assistance appropriation in the amount expended for the pass-through and the add-on payments for the period through the effective date of the corrective action, and to cover expenditures for such payments going forward for the remainder of SFY 2011.

*INTERIM MEASURES*

During the 2010 Interim of the General Assembly, the Iowa Medicaid Enterprise will notify affected nursing facilities about the issue and the proposed corrective actions. If you have questions, please contact Patty Funaro (ext. 13040) or Jess Benson (ext.14611).

cc: Senate and House Leadership and staff



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June 8, 2010

TO: Senator Robert Dvorsky and Representative Jo Oldson, Co-chairpersons, Fiscal Committee;  
Senator Steve Kettering, Ranking Member, Senate Appropriations Committee;  
Representative Scott Raecker, Ranking Member, House Appropriations Committee; and  
Senator Jeff Danielson and Representative Bruce Hunter, Co-chairpersons, and Senator Merlin  
Bartz and Representative Dwayne Alons, Ranking Members, Joint Administration and  
Regulation Appropriations Subcommittee

FROM: Holly Lyons, Fiscal Services Division Director, and Richard Johnson, Legal Services Division  
Director

RE: Terrace Hill Operations Appropriation in 2010 Iowa Acts, House File 2531 §199

Section 199, which relates to Terrace Hill operations appropriations, is part of Division XVIII of House File 2531. The division also addresses Terrace Hill for FY 2010-2011 by appropriating moneys from the Cash Reserve Fund (§198) and by reducing the amount appropriated from the General Fund for FY 2010-2011 to the Office of the Governor and Lieutenant Governor for the Terrace Hill quarters by \$263,329 and the number of authorized full-time equivalent (FTE) positions (§200).

The provision in question appropriates the reduction amount to the Department of Administrative Services (DAS) to be used for Terrace Hill operations and increases the FTEs authorized for DAS by 6.38 FTEs. However, the provision incorrectly makes the appropriation for FY 2009-2010 instead of FY 2010-2011.

The lack of an immediate effective date for the provision and the Fiscal Services Division's accounting of the appropriation in FY 2010-2011 rather than in FY 2009-2010 provide strong support for the assumption that the General Assembly intended to make the appropriation for FY 2010-2011. Unfortunately, the error was not noticed soon enough for the General Assembly to amend the provision or for the Governor to item veto §§199 and 200 in order to preserve the funding and FTE authorization for FY 2010-2011.

Consequently, until the General Assembly convenes and can pass legislation to address the issue, the executive branch may be able to use existing appropriations or to exercise its transfer authority to provide the necessary funding until the General Assembly can act.

cc: Senate and House Leadership and staff