



MINUTES

Iowa Legislative Council

DRAFT

June 29, 2004

Second Meeting of the 2003-2004 Biennium

MEMBERS PRESENT:

Speaker Christopher Rants, Chairperson
Senator Stewart Iverson, Jr., Vice Chairperson

Senator Jeff Angelo
Senator Joe Bolkcom
Senator Mike Connolly
Senator Michael Gronstal
Senator Jeff Lamberti
Senator John Putney
Senator Amanda Ragan
Senator Neal Schuerer
Senator Doug Shull
Senator Mark Zieman

Representative John Connors
Representative Bill Dix
Representative Chuck Gipp
Representative Sandra Greiner
Representative Willard Jenkins
Representative Mark Kuhn
Representative Dolores Mertz
Representative Janet Petersen
Representative Ralph Watts

MEETING IN BRIEF

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Dennis Prouty, Secretary to the
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- I. Procedural Business.
 - II. Rules for Prefiling Bills – 2005 Session.
 - III. Report of the Fiscal Committee.
 - IV. Report of the Government Oversight Committee.
 - V. Report of the International Relations Committee.
 - VI. Report of the Studies Committee.
 - VII. Report of the Service Committee.
 - VIII. Court Rules.
 - IX. Report on Educational Leave.
 - X. Attachments.
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I. Procedural Business.

Call to Order. The second meeting of the 2003-2004 Legislative Council was called to order by Chairperson Rants at 2:00 p.m., Tuesday, June 29, 2004, in Room 116, State Capitol, Des Moines, Iowa.

Minutes of June 30, 2003, Meeting. Senator Gronstal moved that the minutes of the meeting of June 30, 2003, be approved. There being no additions or corrections, the motion was seconded and adopted by voice vote.

Adjournment. The meeting was adjourned at 2:33 p.m.

II. Rules for Prefiling Bills – 2005 Session.

Chairperson Rants recognized Mr. Richard Johnson, Legal Services Division Director, Legislative Services Agency (LSA), regarding the Rules for Prefiling Legislative Bills for the 2005 Session. Mr. Johnson referred the members to a letter submitted by Mr. Marvin Van Haaften, Director, Office of Drug Control Policy, requesting that the Legislative Council authorize the Office of Drug Control Policy to prefile legislative bills with the General Assembly. Senator Gronstal moved to amend the prefiling rules to authorize the Office of Drug Control Policy to pre-file legislative bills. The motion to amend the rules was seconded and adopted by voice vote. A copy of the permanent Rules for Prefiling Legislative Bills, as amended, and a copy of the 2005 Bill Drafting Request Deadlines are attached to these minutes.

III. Report of the Fiscal Committee.

Chairperson Rants recognized Representative Dix for the Report of the Fiscal Committee. Representative Dix briefly reviewed the Committee's Report which, he noted, pertained to the FY 2003 general fund ending balance, the FY 2003 and estimated FY 2004 ending balances of various funds, and certain other matters. Representative Dix moved that the Report of the Fiscal Committee be received. The motion was seconded and adopted by voice vote. A copy of the Report of the Fiscal Committee is attached to these minutes.

IV. Report of the Government Oversight Committee.

Chairperson Rants recognized Mr. Doug Wulf, Fiscal Services Division, Legislative Services Agency, to review the January 12, 2004, and June 29, 2004, reports of the Government Oversight Committee. The reports relate to the Committee's activities during calendar year 2003 and areas selected for review by the Committee during 2004. The Committee considered a motion made by Senator Mary Lundby, Co-chairperson of the Government Oversight Committee, and adopted by the Committee. The motion requests the Legislative Council to require that any reports not otherwise specified to be received by a designated agency or entity be submitted to the Government Oversight Committee. Vice Chairperson Iverson moved to accept the report and adopt the above-noted recommendation of the Government Oversight Committee. The motion was seconded



and adopted by a voice vote. A copy of the Reports of the Government Oversight Committee is attached to these minutes.

V. Report of the International Relations Committee.

The Report of the International Relations Committee was received and filed by the Legislative Council. A copy of the Report of the International Relations Committee is attached to these minutes.

VI. Report of the Studies Committee.

Chairperson Rants recognized Vice Chairperson Iverson for the Report of the Studies Committee. The Report recommends that Legislative Council approve eight interim study committees. Vice Chairperson Iverson noted that the Report of the Studies Committee includes a "Scope of Study" to be used in developing a request for proposals for the interim study on the Socioeconomic Effects of Gambling on Iowans. The request for proposals is necessary to retain a consultant to conduct the study, he said. Senator Gronstal moved to accept the Report of the Studies Committee. The motion was seconded and adopted by voice vote. A copy of the Report of the Studies Committee is attached to these minutes.

VII. Report of the Service Committee.

Chairperson Rants recognized Senator Lamberti for the Report of the Service Committee. Senator Lamberti stated that the Committee received the annual personnel report from the Legislative Services Agency and also received the annual and June personnel reports from the Office of Citizens' Aide/Ombudsman. Senator Lamberti noted that the Report of the Service Committee also included recommendations to the Legislative Council pertaining to Central Staff Agency FY2005 budgets and legislative branch employee benefits. Senator Lamberti moved to adopt the Report of the Service Committee. The motion was seconded and adopted by voice vote. A copy of the Report of the Service Committee is attached to these minutes.

VIII. Court Rules.

Chairperson Rants recognized Mr. Richard Johnson (LSA) regarding a change to the Iowa Court Rules of Appellate Procedure submitted to the Legislative Council. Mr. Johnson noted that the proposed rule, relating to execution of a supersedeas bond by appellants, is based upon law that was voided by the recent Iowa Supreme Court ruling in Rants et al. v. Vilsack. The Supreme Court had approved the rule change prior to issuance of the ruling and plans to revisit the rule at its July meeting. After discussion, the Legislative Council received and filed the rule change and did not act to delay the rule.



IX. Report on Educational Leave.

Chairperson Rants recognized Mr. Dennis Prouty, Director, Legislative Services Agency, to review the report on educational leave. The report was received and filed by the Legislative Council.

X. Additional Business.

Chairperson Rants recognized Representative John Connors who reminded all the members to attend the annual meeting of the Midwestern Legislative Conference of the Council of State Governments to be held in Des Moines July 11-14, 2004.

XI. Attachments.

- A. Rules for Prefiling Legislative Bills
- B. 2005 Bill Drafting Request Deadlines
- C. Report of the Fiscal Committee.
- D. Report of the Government Oversight Committee.
- E. Report of the International Relations Committee.
- F. Report of the Studies Committee.
- G. Report of the Service Committee.

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RULES FOR PREFILING LEGISLATIVE BILLS

IOWA GENERAL ASSEMBLY

Adopted: June 30, 2003

Amended: June 29, 2004

A. Legislative Bills

Iowa Code Section 2.16 authorizes the prefiling of legislative bills and reads as follows:

2.16 PREFILING LEGISLATIVE BILLS.

Any member of the general assembly or any person elected to serve in the general assembly, or any standing committee, may sponsor and submit legislative bills and joint resolutions for consideration by the general assembly, before the convening of any session of the general assembly. Each house may approve rules for placing prefiled standing committee bills or joint resolutions on its calendar. Such bills and resolutions shall be numbered, printed, and distributed in a manner to be determined by joint rule of the general assembly or, in the absence of such rule, by the legislative council. All such bills and resolutions, except those sponsored by standing committees, shall be assigned to regular standing committees by the presiding officers of the houses when the general assembly convenes.

Departments and agencies of state government shall, at least forty-five days prior to the convening of each session of the general assembly, submit copies to the legislative services agency of proposed legislative bills and joint resolutions which such departments desire to be considered by the general assembly. The proposed legislative bills and joint resolutions of the governor must be submitted by the Friday prior to the convening of the session of the general assembly, except in the year of the governor's initial inauguration. The legislative services agency shall review such proposals and submit them in proper form to the presiding officer in each house of the general assembly for referral to the proper standing committee. Before submitting any proposal prepared under this section to the presiding officers, the legislative services agency shall return it for review to, as appropriate, the relevant department or agency or the governor's office and such department or agency or governor's office shall review and return it within seven days of such delivery.

The costs of carrying out the provisions of this section shall be paid pursuant to section 2.12.

In accordance with section 2.16 the following rules for the prefiling of legislative bills and resolutions shall be in effect for

each regular session of the General Assembly. For the purpose of the following rules, a reference to bills shall be interpreted to include both bills and resolutions.

1. Drafting of Legislative Bills

Any person who is presently a member of the General Assembly or is elected to serve in the General Assembly may request the Legislative Services Agency (LSA) to draft a bill at any time prior to the convening of the legislative session and a member may request such a draft at any time during the legislative session, subject to any time limitations established by the Senate or House of Representatives. A request to have a bill drafted for a legislative session, which is received prior to or during the legislative session, is only considered a valid request for that session. In order for a member to have a bill drafted for a subsequent session of a General Assembly, the member must submit a new request prior to or during that session. If a bill is requested prior to the convening of the legislative session, unless the bill is specified to be prefiled, the bill will be held by the LSA until the session is convened; however, a copy will be sent to the legislator if the bill draft is completed prior to the convening of the session. If the bill is not prefiled, the text of the bill will only be released if the legislator specifically consents to the release.

2. Request for Prefiling

Any person who is presently a member of the General Assembly or is elected to serve in the General Assembly may prefile a legislative bill by making a request to the LSA by **the first Monday in December**. The request may be in writing and signed by the legislator, may be transmitted electronically through the legislative computer system, or may be made orally and reduced to writing by a member of the LSA staff. The prefiling request may be made at the time of requesting a bill draft or may be made after the legislator has had the opportunity to review the bill draft. If possible, the names of all sponsors of the prefiled bill shall be given to the LSA at the time of making the prefiling request.

- a. Drafting of Prefiled Bill. When a prefiling request for a bill is received, if time allows, the bill draft will be completed prior to the convening of the legislative session. A copy of the bill will be mailed to the legislator who requested

the bill prior to the actual filing of the bill and the procedures noted in these rules will be followed.

- b. Introduction of Prefiled Bill. When the legislator receives a copy of a bill which the legislator has requested to be prefiled, the legislator should review the bill to determine if it has been drafted as requested. The legislator should then notify the LSA requesting any changes in the bill or informing the LSA that the bill has been drafted as requested. The names of all sponsors should be given to the LSA.

If the legislator agrees that the bill meets the specifications required and confirms that the bill should be prefiled, the bill will be packaged and forwarded to the legal counsel of the house of introduction for review. **Please note that at this point the bill is considered a public record and the text is available for review by the public. If the legislator does not want the text to be available for review by the public at this time, the legislator should inform the LSA and the LSA will not prefile the bill but will hold it for the legislator so that the legislator can personally introduce the bill. A prefiled bill will be introduced, numbered, and printed prior to the convening of the legislative session, and its title will be read at the earliest possible time following the convening of the legislative session.** No further action will be required by the legislator. The LSA will provide appropriate forms in order that the legislator will be able to make final confirmation of the desire to prefile the bill.

3. Special Session Requests

Requests for the drafting of legislative bills for extraordinary sessions are subject to any restrictions established by the Senate or House of Representatives. Senate Rule 27 provides that extraordinary session bills and resolutions must be sponsored by a standing committee, the majority and minority floor leaders, or the committee of the whole. First priority is generally given to the drafting of bills prepared for committee consideration.

B. Bill Drafting Request Forms

The LSA has bill drafting request forms available for legislators. If possible the request form should be completed by the legislator

but a request form will be completed by LSA personnel if the legislator does not have an opportunity to do so. Bill drafting request forms can be obtained from the LSA upon request and requests can be submitted electronically through the legislative computer system. The LSA will normally confirm the electronic receipt of a request by electronic message.

C. Confidential Records

It should be noted that the bill drafting request form contains a space for indicating if a drafting request is to be confidential. If a legislator desires that no information be released in regard to a request, including the subject matter of the request, the legislator should indicate on the request form that the bill request is confidential. A designation that a bill request is to be confidential means that the request will not be listed in the index of bill requests and that LSA personnel will not release any information in regard to the request. The confidential designation also means that the bill draft will not be analyzed for a fiscal note review unless the legislator specifically requests such a review.

It is the policy of the Legislative Council that either a confidential or a nonconfidential request from a legislator creates a personal relationship between the LSA and the legislator, and only such information as the legislator desires will be released to the press or other interested persons. In this regard, cognizance must be given to the public records law. Many records of the LSA are public records and frequent inquiries are made by the press and other interested persons concerning bill drafting requests which have been received by the LSA. It is the policy of the Legislative Council that a bill draft is not a public record until released by the legislator. A copy of a bill draft will not be released to a person other than the legislator without the legislator's implied or express consent or unless the bill draft has been introduced or otherwise placed in the public domain by the legislator. Final confirmation of the prefiling of a completed bill draft by a legislator, according to these rules, places the bill draft in the public domain and makes the text of the bill draft available to the public for review.

D. Departmental Requests

Submission of Requests for Prefiled Proposed Bills. Drafting requests for prefiled proposed bills of state departments and agencies shall be submitted to the LSA beginning **the first Monday in August** but no later than **the date in November that is the 45th**

day prior to the convening of the regular session in January. However, if that date in November is a state holiday, which is often the case since the date in most years falls on the Friday after Thanksgiving, requests will be accepted until 4:30 p.m. on the following Monday. Code Section 2.16 requires state departments and agencies to submit their recommendations that they wish to be considered by the General Assembly in bill draft format. The Legislative Council requires that bill drafts submitted by departments and agencies be specific enough to complete the final draft for the department or agency. If the submission by the department or agency is not specific enough to complete the final draft, the LSA will contact the department or agency and provide the department or agency with a three-business-day period to provide the needed information. If the needed information is not provided by the department or agency within the three-business-day period, the request is rejected and the department or agency will be required to seek a legislative sponsor for the proposal.

Departments and agencies shall submit the fewest number of requests as possible for prefiled proposed bills. One request may contain the department's technical or corrective Code changes. The other requests shall contain the department's legislative policy proposals. The bills may be drafted in divisions with each division containing a related, but distinct subject matter. The LSA will confer with the department's representative regarding combination or separation of its technical proposal and its policy proposals into individual legislative bill drafts which can most efficiently be considered by the General Assembly given the General Assembly's customary assignment of subject matters to the standing committees and subcommittees.

Departments and agencies are requested to include a separate memorandum addressed to the members of the General Assembly which describes the need for, purpose of, and intent of the requested bill, including a description of the problem or problems the bill is intended to address. The LSA will use the memorandum in its completion of the final draft of the department or agency and will forward the memorandum to the legislative leaders at the same time that the bill draft approved by the department or agency is transmitted to the legislative leaders. The separate memorandum will be copied and attached to the back of the bill draft when it is filed as a study bill.

The LSA will review the proposal submitted by the department or agency, make suggestions as to nonsubstantive changes or corrections, confer with the department or agency representative in regard to the proposal, draft an objective explanation for the bill, and prepare the bill in final form.

Additional drafting instructions requested from the department or agency by the LSA must be received within seven calendar days of being requested by the LSA or the drafting request will be considered withdrawn. Approval of the initial draft sent to the department or agency must be received by the LSA within seven calendar days after its receipt by the department or agency or the drafting request will be considered withdrawn. The LSA will redraft the bill per the department's or agency's instructions only once following the initial delivery to the department or agency. The department or agency cannot modify the drafting request after the LSA delivers the redrafted bill to the department or agency for the second time. Once the bill is in final form, the LSA, not the department or agency, will submit the bill in proper form to the presiding officer of each house for referral to the proper standing committee. All approvals of final bill drafts are to be received no later than **the first day of the legislative session**. Bill drafting requests from legislators will receive priority consideration by the LSA over departmental and agency bills.

Proposed bill draft requests submitted by departments and agencies after **the statutory filing deadline in late November or early December** will not be assigned to a staff member unless a legislative sponsor is obtained. In order for the LSA to have adequate time to provide assistance in drafting, departments and agencies are strongly urged to submit their proposals as soon as possible after **the first Monday in August**. Lengthy or complex proposals should be submitted far in advance of the deadline date. This will allow the LSA to provide assistance before a large quantity of legislative requests is received.

If departments and agencies know they will be submitting lengthy or complex legislation, it is suggested they submit or at least discuss the proposals in the **early fall** even if they will not make final decisions in regard to all provisions until late fall.

For the purposes of these rules, in addition to the Governor, the following executive and judicial branch departments and agencies are authorized to prefile bills:

E. Authorized Prefiling Agencies

1. Executive Branch

a. Elected Officials

- Attorney General (Department of Justice)
- Auditor of State
- Department of Agriculture and Land Stewardship
- Secretary of State
- Treasurer of State

b. Nonelected Heads

- Board of Parole
- Civil Rights Commission
- Department of Administrative Services
- Department for the Blind
- Department of Commerce
- Department of Commerce/Alcoholic Beverages Division
- Department of Commerce/Banking Division
- Department of Commerce/Credit Union Division
- Department of Commerce/Insurance Division
- Department of Commerce/Professional Licensing and Regulation Division
- Department of Commerce/Savings and Loan Division
- Department of Commerce/Utilities Division
- Department of Corrections
- Department of Cultural Affairs
- Department of Economic Development
- Department of Education
- Department of Education/Board of Educational Examiners
- Department of Education/College Student Aid Commission
- Department of Education/Public Broadcasting Division
- Department of Elder Affairs
- Emergency Response Commission
- Ethics and Campaign Disclosure Board
- Governor's Office of Drug Control Policy
- Grow Iowa Values Fund Board
- Department of Human Rights
- Department of Human Rights/Community Action Agencies Division

- Department of Human Rights/Criminal and Juvenile Justice Planning Division
- Department of Human Rights/Deaf Services Division
- Department of Human Rights/Latino Affairs Division
- Department of Human Rights/Persons with Disabilities Division
- Department of Human Rights/Status of African-Americans Division
- Department of Human Rights/Status of Women Division
- Department of Human Services
- Department of Inspections and Appeals
- Department of Inspections and Appeals/Racing and Gaming Commission
- Iowa Finance Authority
- Iowa Lottery Authority
- Iowa Public Employees' Retirement System
- Iowa Telecommunications and Technology Commission
- Law Enforcement Academy
- Department of Management
- Department of Natural Resources
- Department of Public Defense
- Public Employment Relations Board
- Department of Public Health
- Department of Public Health/Board of Dental Examiners
- Department of Public Health/Board of Medical Examiners
- Department of Public Health/Board of Nursing Examiners
- Department of Public Health/Board of Pharmacy Examiners
- Department of Public Safety
- Board of Regents
- Department of Revenue
- Department of Transportation
- Underground Storage Tank Fund Board
- Commission of Veterans Affairs
- Department of Workforce Development

2. Judicial Branch
 - Judicial Branch
3. Legislative Branch
 - Citizens' Aide/Ombudsman

F. Governor's Proposals

Bill drafting requests from the Office of the Governor are governed by Iowa Code Section 2.16 which requires that proposed legislative bills and joint resolutions be submitted by the Friday immediately prior to the convening of the regular session, except in the year of the Governor's initial inauguration. As part of the LSA's review and preparation in proper form of the Governor's bill requests, the LSA will make suggestions regarding the combination or division of proposals into separate legislative bill drafts which can most efficiently be considered by the General Assembly given the General Assembly's customary division of subject matter jurisdiction among the standing committees and subcommittees. If specific drafting instructions for proposed legislative bills of the Governor are not received by the LSA by the first day of the regular session, work on completion of those legislative bills must compete with other legislative priorities. Approval of the final draft must be received by the LSA within seven calendar days of its receipt by the Governor's Office. Once the bill is in final form, the LSA will submit the bill in proper form to the presiding officer of each house for referral to the proper standing committee.

Requests by the Governor for the drafting of legislative bills for extraordinary sessions are subject to any restrictions established by the Senate or House of Representatives. However, first priority is generally given to the drafting of legislative bills proposed by legislative committees or legislative leaders.

2005 BILL DRAFTING REQUEST DEADLINES

LEGISLATIVE SERVICES AGENCY

November 29, 2004	Final date for departments to request bills
December 6, 2004	Final date for legislators to request bills for prefiling prior to convening of the 2005 Session
January 7, 2005	Final date for Governor to request bills
January 10, 2005	2005 Session convenes
February 18, 2005*	Final date for Senators to request individually-sponsored bills for the 2005 Session (see Senate Rule 27 in Senate Resolution 1 (2003))
February 18, 2005*	Final date for Representatives to request individually-sponsored bills for the 2005 Session (see House Rule 29 in House Resolution 4 (2003))
March 11, 2005*	Final date for bills to be voted out of committee of the house of origin (budget, tax, and certain other bills are exempt) (see Joint Rule 20 in House Concurrent Resolution 4 (2003))

*If rules remain the same for the 2005 session.

REPORT OF THE FISCAL COMMITTEE TO THE LEGISLATIVE COUNCIL

June 29, 2004 – State Capitol Building, Des Moines

The Fiscal Committee held five meetings during FY 2004:

- July 29, 2003
- September 23, 2003
- October 21, 2003
- December 17, 2003
- June 17, 2004

Holly Lyons, Director, Fiscal Services Division, Legislative Services Agency, provided regular revenue updates, and the Committee received notices of appropriation transfers and lease purchases. The following FY 2003 and FY 2004 General Fund appropriation transfers were received and discussed.

FY 2003 General Fund appropriations transfers [Section 8.39, Code of Iowa]

Dollars Transferred	Department/Division Transferred To	Dollars Transferred	Department/Division Transferred From
	Dept. of Public Health		Dept. of Public Health
\$ 98,873	Addictive Disorders	\$ 23,201	Child & Adolescent Wellness
39,733	Adult Wellness	62,170	Chronic Conditions
76,716	Community Capacity	211,309	Elderly Wellness
16,677	Environ. Hazards	270	Infectious Disease
277,154	Public Protection	178,845	Injuries
\$ 509,153	Total	33,358	Resource Management
		\$ 509,153	Total
	Dept. of Rev. and Finance		Dept. of Rev. and Finance
\$ 6,000	Cigarette Stamp Printing	\$ 6,000	Compliance
	Dept. of Ag. and Land Stew.		Dept. of Ag. and Land Stew.
\$ 402,000	Soil Conservation	\$ 49,000	Dairy Inspections
		97,000	Fertilizer Program
		195,000	Commercial Feed Prog.
		61,000	Pesticide Program
		\$ 402,000	Total
	Dept. of Natural Resources		Dept. of Natural Resources
\$ 100,000	Environmental Protection	\$ 80,000	Parks Division
		20,000	Energy and Geological Division
		\$ 100,000	Total
	Dept. of General Services		Dept. of General Services
\$ 120,000	Capitol Interior Restoration	\$ 62,796	Appraisal/Assessment
		57,204	Land Acquisition/Improvement
		\$ 120,000	Total
	Governor's Office		Governor's Office
\$ 52,000	Terrace Hill	\$ 52,000	General Office
	Dept. of Human Services		Dept. of Human Services
\$ 490,000	State Suppl. Assistance	\$ 400,000	State Cases
200,000	Independence MHI	35,000	Volunteers
37,500	Personal Assistance	25,000	Medical Contracts
\$ 727,500	Total	30,000	Health Ins. Prem. Pay. Program
		200,000	Sexual Predator Program
		37,500	Family Support Subsidy
		\$ 727,500	Total

FY 2003 General Fund appropriations transfers (Continued)

Dollars Transferred	Department/Division Transferred To	Dollars Transferred	Department/Division Transferred From
\$ 300,000	Dept. of General Services Utilities Account	\$ 300,000	Dept. of General Services Information Technology
\$ 499,000	Dept. of Inspect. & Appeals Indigent Defense	\$ 3,800	Dept. of Inspect. & Appeals Employment Appeal Board
		79,000	Administrative Division
		41,000	Admin. Hearings Division
		76,000	Investigations Division
		254,000	Health Facilities Division
		6,200	Inspections Division
		39,000	Pari-mutuel Division
		\$ 499,000	Total
\$ 90,000	Governor's Office	\$ 90,000	Department of Rev/Finance

FY 2004 General Fund appropriations transfers [Section 8.39, Code of Iowa]

Dollars Transferred	Department/Division Transferred To	Dollars Transferred	Department/Division Transferred From
\$13,534,741	Department of Management Salary Adjustment Fund	\$15,200,000	Department of Human Services Medical Assistance (Medicaid)
1,665,259	Judicial Branch-Gen. Oper.		
\$15,200,000	Total		
\$ 50,000	Department of Public Health Adult Wellness	\$ 174,177	Department of Public Health Chronic Conditions
100,000	Child and Adoles. Well.	41,389	Community Capacity
2,452	Infectious Disease	89,000	Environmental Hazards
88,755	Public Protection	\$ 304,566	Total
63,359	Resource Management		
\$ 304,566	Total		
\$ 12,882	Department of Human Rights Status of African Americans	\$ 12,882	Department of Human Rights Central Administration
\$ 185,000	College Student Aid Commission Tuition Grant Program	\$ 254,000	College Student Aid Commission Scholarship/Grant Res. Fund
60,000	Voc. Tech. Tuition Grant		
\$ 245,000	Total		
\$ 1,522,019	Department of Public Safety	\$ 3,225	Various Departments Commerce/Alcoholic Beverages
		688,361	Corrections
		590,914	Human Services
		37,933	Natural Resources
		52,061	Revenue
		149,525	Iowa Veterans Home
		\$ 1,522,019	Total
\$ 402,820	Dept. of Transportation (Road Funds) Workers' Compensation	\$ 236,113	Department of Transportation Indirect Cost Recovery
		166,707	Personnel Reimbursement
		\$ 402,820	

Lease Purchase Notifications Reviewed [Section 8.46, Code of Iowa]

Lease-Purchase Amount	Department	Explanation
\$200,000	Dept. of Corrections, Sixth Judicial District	Vehicle Purchase
\$112,200	Dept. of Corrections, First Judicial District	Vehicle Purchase
\$301,000	Department of Human Services, Cherokee Mental Health Institute	Patient Tracking and Detection System, with the transfer of the Sexual Predator Commitment Program
\$773,000	Board of Regents, University of Iowa	Property Purchase for the Hydraulics Research Project
\$353,000	Board of Regents, Iowa State University	Improvements to stairs at Jack Trice Stadium
\$736,303	Department of Human Services, Glenwood Resource Center	Facility Improvements
\$115,800	Department of Revenue	Replace Desktop Computers

The Committee was also presented periodic updates on the following topics:

- Healthy and Well Kids in Iowa (*hawk-i*) Program
- Medical Assistance Program
- Charter Agency and Reinvention of Government
- Pending court cases against the State of Iowa
- Child and Family Services and Adoption Subsidy Expenditures within the Department of Human Services

Other Major Agenda Items

- FY 2003 General Fund Ending Balance – Reviewed the FY 2003 ending balance shortfall and the use of reserve funds.
- FY 2003 and estimated FY 2004 balances of various funds – Discussion included the Endowment for Iowa's Health Account, the Restricted Capital Fund, the Healthy Iowans Tobacco Trust (HITT) Fund, the Rebuild Iowa Infrastructure Fund (RIIF), the Environment First Fund, and the Senior Living Trust Fund.
- The Governor's item vetoes of and subsequent lawsuit by the General Assembly related to:
 - HF 692 (Taxation Changes, Grow Iowa Values, and Regulatory Reform Act)
 - HF 683 (Grow Iowa Values Fund Appropriations Act)
 - HF 614 (Voter Registration Act)
- Availability of the property and building located north of the Capitol, owned by Central Lutheran Church.
- Fair Labor Standards Act (FLSA) court cases involving State troopers within the Department of Public Safety, and employees of the Departments of Corrections, Transportation, and Natural Resources – Reviewed the financial implications of the lawsuit including impact to the General Fund.

- Court case relating to the wagering tax and the Racing Association of Central Iowa – Reviewed of the impact on the State General Fund of the court rulings and the impact on the Rebuild Iowa Infrastructure Fund (RIIF) balance.
- Progress by the Public Strategies Group (PSG), contracted by the Governor, for the Reinvention of Government and Charter Agencies efforts. This included:
 - Details of the contract
 - Cost of termination of the Project for Entrepreneurial Management at the Department of Administrative Services
 - Relationship with city and county governments
 - Outcome measures and progress
 - Legislative proposals
- Revenue Estimating and Impact of Accruals – Reviewed the method for estimating accruals and plans to improve the accuracy of the estimates.
- Funding from the K-12 School Aid appropriation for the four institutions of the Department of Human Services that serve children – Reviewed estimates, special education weighting of the students, and educational costs.
- Federal Department of Justice Report for the State Resource Centers at Woodward and Glenwood – Discussed the pending settlement, estimated cost, and additional FTE positions required.
- Medical Assistance Program – In addition to monthly updates, discussion of pending Congressional action of prescription drug coverage within the Medicare Program and progress on action required in HF 619 (Medicaid Cost Containment Act).
- Prison Population Estimates between FY 2003 and FY 2013 and Department of Corrections expansion projects update – Discussion included budget issues and sentencing requirements.
- Wind Energy – Discussed issues related to generation capacity and potential expansion of wind energy.
- Projected FY 2004 Fuel Costs – Discussion included FY 2003 expenditures and impact upon State agencies of the estimated increases for FY 2004.
- Iowa Communications Network (ICN) – Reviewed alternatives associated with privatization by the ICN Ad Hoc Discussion Group.
- Impact of the Governor's FY 2004 Across-the-Board Appropriation Reduction on Education.
- National Highway Traffic Safety Administration Incentives (0.08%) – Discussed the federal requirement in relation to the original estimate of federal funds to be received by the Department of Public Safety.
- Capitol Complex Security, **Issue Review** – Discussed Capitol Complex Security, personnel, and funding sources.
- Iowa Communications Network (ICN), **Issue Review** – Discussed the ICN budget, debt service, lease maintenance, and Part III tail circuit lease expirations.
- On-Line Benefit Enrollment for State Employees.

- Property Valuations:
 - Discussed the FY 2005 General Fund impact from decrease in valuations compared to estimates.
 - Discussed the impact of equalization upon property tax revenues.
 - Property Tax Committee – Discussed the status and timeframes.
- Estimated Built-in Expenditure Increases and Decreases for FY 2005 and FY 2006.
- Actuarial Soundness of the Iowa Public Employees Retirement System (IPERS) and the Judicial Retirement Fund.
- School District Insurance Pool Study Update.
- Grow Iowa Values Fund – The Committee was presented information on economic development projects being funded through the Grow Iowa Values Fund.
- Report on the State of the Economy.
- Review of the FY 2003 State Indebtedness Report.
- Update on the Tobacco Settlement Authority.
- State of Iowa TRANS notes issuance.
- Travel costs relating to the Governor and accompanying staff.
- Governor's Item Vetoes of legislation enacted by the 2004 General Assembly.
- The Governor's proposed State employee layoff proposal for FY 2005.
- Reviewed the status of the Integrated Information for Iowa (I/3) System.

Materials distributed to the Committee related to these topics are maintained at the LSA office and are available upon request. The agenda, minutes, and handouts for each meeting can be found on the LSA web site at:

<http://staffweb.legis.state.ia.us/lfb/committee/fiscalcomm/fiscalco.htm>

Respectfully Submitted,

Senator Jeff Angelo
Co-chairperson

Representative Bill Dix
Co-chairperson

Co-Chair Senator Mary Lundby
Co-Chair Representative Dwayne Alons
Senator Bob Brunkhorst, VC
Senator Tom Courtney, RM
Representative Scott Raecker, VC
Representative Vicki Lensing, RM
Senator Robert Dvorsky
Senator Ron Wieck
Representative Clel Baudler
Representative Willard Jenkins
Representative Kent Kramer



Representative Jo Oldson
Representative Roger Thomas
Representative Roger Wendt

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MEMORANDUM

To: Members of the Legislative Council
From: Co-Chair Sen. Mary Lundby and Co-Chair Rep. Dwayne Alons
Date: January 12, 2004
Re: Departments and programs reviewed during calendar year 2003 and selected for review in calendar year 2004

As required in 2002 Iowa Acts, Chapter 1162 (SF 2325 - FY 02 Oversight Government Reform Act), the Government Oversight Committee is reporting to the Legislative Council regarding the activities during calendar year 2003 and areas selected for review during 2004 by the Government Oversight Committee

At its final meeting of the 2003 Interim on December 15, 2003 meeting, the Members of the Government Oversight Committee adopted the following recommendations for Legislative Council Consideration.

Rep. Raecker moved that the Government Oversight Committee, in consultation with the Appropriations Committees Chairpersons of both Chambers pursue legislation specifying the legislative committee which will review the Iowa Lottery budget; that the Iowa Lottery will provide and present a semi-annual report on its operations, and revenues to the Government Oversight Committee; and, that Iowa Lottery Officials and representatives of the Department of Public Safety appear before the Committee during the 2004 Legislative Session to discuss the operation, distribution, and regulation of mechanical and electrical amusement devices and the proposal to develop a new electronic scratch ticket permitting up to 80 plays per purchase. Motion was unanimously approved.

Senator Wieck moved that the Government Oversight Committee pursue legislation related to improving the responsiveness of the Iowa Department of Natural Resources to Iowa businesses, including the time it takes to review and issue business permits and the amount of time businesses must spend preparing reports related to incidents involving Hazardous Air Pollutants (HAPs). Motion was unanimously approved.

Rep. Raecker moved that the Government Oversight Committee continue to review the Department of Administrative Services operation of the State vehicle fleet, best practices that can be identified, and incorporate a review of the fleet management operations of the Regent Institutions and Department of Public Safety. Motion was unanimously approved.

1. **Attachment 1** is a listing of topics discussed during the 2003 Interim meetings. The Government Oversight Committee met six times beginning in May 2003. Specific

information regarding the agendas, minutes, and handouts from those meetings can be found at: <http://staffweb.legis.state.ia.us/lfb/committee/oversight/oversight.htm>

2. **Attachment 2** is a listing of topics for review in calendar year 2004. The Government Oversight Committee at the December 2003 meeting approved the list. The list includes continued items to study in 2004, updates on topics from the 2003 interim as well as new topics for review in calendar year 2004. The continued items to study in 2004 include the Department of Administrative Services, the Lottery Authority, Government Reinvention activities, and Human Resource areas that advocate for specific population sectors. Updates will include monthly, quarterly, and semi-annual reports to the Government Oversight Committee by State agencies, project teams, and elected officials. The new topics include presentations to the Government Oversight Committee regarding Education Programs and Initiatives.
3. **Attachment 3** is a summary of the required reports assigned to the Government Oversight Committee as a result of the 2003 Legislative Session. Included in the summary is a current status of the reports as of January 2, 2004.

If you have any questions, please contact Douglas Wulf (515-281-3250), Sam Leto (515-281-6764), or Richard Nelson (515-242-5822).

**Government Oversight Committee
Topics Discussed During Interim 2003**

May 20,21

- Discussion of Subcommittee work regarding Organizational Plan for Restructuring Advocacy Agencies.
- **Restructuring Advocacy Agencies** – Agency Presentations.
 - Iowa Braille and Sight Saving School.
 - Iowa School For the Deaf
 - Iowa Department for the Blind
 - Iowa Civil Rights Commission
 - The Governor's Office of Drug Control Policy
 - Department of Human Rights - Divisions
 - Community Action Agencies
 - Status of African-Americans
 - Persons with Disabilities
 - Latino Affairs
 - Status of Women
 - Deaf Services
 - Criminal & Juvenile Justice Planning
 - Department of Elder Affairs

June 16,17

- Reports Mandated by 80th General Assembly to be submitted to the Government Oversight Committee.
- Discussion on Quarterly Reports required to be submitted to the Government Oversight Committee.
- **Help America Vote Act (HAVA)*** legislation includes:
 - Presentation by Secretary of State.
 - Role of Government Oversight Committee.
- Legislative Changes to the Iowa Lottery.
- Subcommittee discussions and assignments for:
 - Fleet Management
 - Lottery
 - Fly Ash
 - Advocacy
 - Regulatory Reform Priorities
- Update on Senior Living Trust Fund Status.
- Report on Usage of the Senior Living Trust Fund for the Disabled, including Head Injured.
- Update on Integrated Information for Iowa (I/3) System Project
- Fees assessed for electronic access to certified drivers records.

July 14,15

- Iowa Values Fund – Discuss implementation plans and review language in HF 683 relating to legislative oversight.
- Managed Competition Provisions in the new Department of Administrative Services (DAS) and required reports.
- Assisted Living and Adult Day Care – Discuss implementation of HF 675 and HF 672 and the roles of these agencies.
- U.S. Fire Code Standards – Impact on Iowa Schools and Communities.
- Review Updated List of Reports Mandated by 80th General Assembly for submission to the Government Oversight Committee.
- College Savings Loan Program in Treasurer of State – Discussion of Iowa Cubs Night Promotion.
- Public Strategies Group Update - Includes discussion of contract addendums.
- Insurance Premium Increases Update.
- Pay Telephone Lease Investments – Impact of bankruptcy on the investors.
- HF 606 and SSB 1134 – Professional Licensing Update.

September 16

- **Performance-Based Contracting for Energy Improvements in School Districts*.**
- Harassment Charge in the State Attorney General's Office – Discuss the process used to investigate and making the information public.
- Discussion of merging programs in Department of Public Health and Department of Human Services.
- Government Reinvention Update.
- Subcommittee Meetings:
 - Regulatory Reform – Subcommittee Members; Senators Wieck (Chair) and Courtney; Representatives Baudler and Thomas. Discussion includes:
 - Checking with Governor's Office on DNR permitting.
 - Other problems or issues.
 - Lottery – Subcommittee Members; Representatives Raecker (Chair), Wendt & Kramer; Senators Brunkhorst & Courtney. Discussion includes questions, issues, and follow-ups for the Lottery to respond to.
 - Fly Ash – Subcommittee Members; Representatives Jenkins (Chair), Alons and Thomas. Continues discussion on HSB 300 and includes State government and industry representatives.
 - Fleet Management – Subcommittee Members; Representatives Raecker (Chair) & Lensing; Senator Brunkhorst. Discussion with

State Fleet Management Director of DAS and the Representatives
from the Regents Institutions.

October 13,14

- Department of Economic Development / Iowa Values Board – Status of Life Science/TRANS OVA and other projects.
- Department of Management – Grants Enterprise Management System Update.
- Iowa Technology Enterprise and Department of Transportation – Driving Record Fees Update – Present findings on joint review of the \$8.50 fee being assessed to the public.
- Ethics Board – Electronic Reporting –Status of IT system conversion and issues.
- Ethics Board – Contracting by Executive Branch. Potential conflicts with Ethics Rules.
- Committee discussion of preparation of Oversight Report to the Legislature Council.
- **Department of Administrative Services (DAS)* – Review bidding process.** Discuss Requests For Proposals (RFP) coming to the State. How are bidders prioritized? Discussion of alternatives for giving Iowa companies priority in the purchase of information technology products.
- DAS – Update on mock billing process including which market services have been identified as core.
- DAS/ Information Technology Enterprise – Process for billings to and payments from State agencies. Discussion of problems with process.
- Department of Transportation – Update of I/3 Project, specifically the budget component.
- Governor's Office - Funding of various Governor's Office staff by Executive Branch Agencies. Who is paid for, how much are they paid, and what funding sources?

December 15

- Subcommittee Meeting with the Iowa Lottery.
- Workforce Development – Payment of unemployment benefits to Meskwaki Casino Employees.
- State Fair Booths – Discuss operation of information booths by elected officials.
- Governor's Office – Appointments to Commissions and Boards.
- Committee Updates:
 - Reinvention of State Government Update.
 - Review requested information on bonuses provided by the Department of Administrative Services.
 - **Review Required Reports Status Update.**
 - **Program Elimination Committee** – Review LSA Handout

- **Subcommittee Reports*** on Fly Ash, Fleet Management, The Iowa Lottery, and Regulatory Reform. **Further review is recommended regarding the Iowa Lottery and Regulatory Reform***. Subcommittee work on Fly Ash and Fleet Management will not continue as work being done by interested parties outside the Legislature are collaborating to resolve identified problems.
 - Report to the Legislative Council from the Government Oversight Committee to include:
 - List of topics covered during the 2003 interim.
 - Recommendations to Council.
 - Topics and departments planned for review during 2004 session and interim.
- * Committee will continue review of these topics during 2004.**

**LIST OF POTENTIAL TOPICS FOR GOVERNMENT OVERSIGHT
FOR 2004 SESSION AND INTERIM**

Topics for Future Meetings of The Government Oversight Committee

- Iowa Lottery. Review Semi-Annual Report to the Government Oversight Committee; discuss gaming options and issues relating to use of new video machines; and new electronic play card. Invitees to include Lottery, DIA, and DCI staff related to electrical and mechanical amusement devices..
- Uncollected fines from nursing homes. (An Attorney General issue).
- Collection of drug stamp assessments on convicted drug peddlers who have out of state assets. (An Attorney General issue)
- Condition and future of IPERS. How is the investment policy is constructed and administered, are there planned changes for the future, and how did IPERS get to the point of being so significantly under funded. (The IPERS Interim and the Permanent Committee will be reviewing.) Perhaps meet with IPERS Permanent Committee and share their information.
- Veterans Trust Fund. Follow-up and make recommendations for possible source of funding for the Fund.
- Review of the Board of Educational Examiners. What is their role and whom do they report to?
- Iowa Prison Industries were not selected to provide any furniture in the new Judicial Building or for restoration of the Chamber furniture. What are the requirements for State agencies regarding utilization of Prison Industries and does the legislature need to strengthen the requirement in order to provide additional work for treatment, vocational education, and rehabilitation of inmates.
- HR 32 - Nursing Staffing Shortage study requested by Rep. Winckler. Review Governor's Task Force recommendations. Presenters to include Health Care Association, Dean of Nursing at UNI and nursing groups
- Oversight of Continuing Care Retirement Communities, Chapter 523D, Iowa Code.
- List of Non-Profit Organizations – Discussion

- A report on software capacity available to the Ethics and Campaign Disclosure Board and the private organization, Money & Politics Iowa.
- Update on Iowa Agricultural Finance Corporation. Should it be continued? If so, what actions might be necessary so the Corporation could obtain a second set of funding?
- Common Boundaries – Update on the establishment of new judicial district boundaries. Follow up on Courts Boundary Committee.
- Performance-Based Contracting for Energy Improvements in School Districts. Continued from FY 2003
- Department of Administrative Services (DAS) – Review bidding process including issuance and use of master contracts and implications on local governments. Continued from FY 2003.
- Further review is recommended regarding the Iowa Lottery and Regulatory Reform. Continued from FY 2003.
- Review Required Reports Status Update. Continued from FY 2003.
- Program Elimination Committee. Continued from FY 2003.

Other – Regular Updates at Government Oversight Committee Meetings

- Government Reinvention – LSA to provide materials and Q&A time
- Public Strategies Group (PSG) – DOM and PGS to provide materials and Q&A time
- Grants Enterprise Management System (GEMS) – DOM to provide materials and Q&A time
- Department of Administrative Services (DAS) – DAS to provide materials and Q&A time
- Integrated Information for Iowa (I/3) Project – ITE and DOM to provide materials and Q&A time.
- Help America Vote Act (HAVA) – Secretary of State updates implementation progress.

Departments to be reviewed during 2004 Government Oversight Committee Meetings

Based on previously agreed to decisions, the focus of the reviews would include:

- Education areas.

Bill and Section numbers	Requirement	Required of Whom	Submitted to Whom	Due date(s)	Status
SF 453 (FY 2004 Reinvention Act)					
SF 453 - Section 37	Approval by the Executive Council of a Health Insurance Cost Incentive Program	Department of Administrative Services	Executive Council and Legislative Oversight Committee	None	Program not established. Report expected by January 23, 2004. Updated after submission of the report to Legislative Council on January 12.
SF 453 - Section 69.1(g)	Report on operations	Lottery	Oversight	Semiannually	
The first semi-annual presentation to the Oversight Committee was made on June 16, 2003. Submitted report to the LSA to be provided to Oversight Committee in December 2003.					
SF 458 (FY 2004 Standing Appropriations, Salary Provisions, and Statutory Changes Act)					
SF 458 - Section 144	Report on federal election law implementation.	State Committee, if formed, in conjunction with State Commissioner of Elections	Senate and House Oversight Committees	Quarterly	The Oversight Committee received information at the June 2003, meeting. The Committee plans to receive additional information in the 2004 Legislative Session.
HR 32 (Study Nurse Staffing Levels and Overtime) (Laid over March 17)	Requests the Government Oversight Committee of the House study nurse staffing levels and overtime and make recommendations for legislative action.	Government Oversight Committee	General Assembly	Prior to the 2004 Legislative Session	Due to the volume of issues coming before the Committee during the 2003 Legislative Session, the Committee has placed this issue on its agenda for the 2004 Legislative Session.
HF 534 (FY 2004 Department of Administrative Services Policy Act)					
HF 534 - Section 289	Report on the activities of DAS	DAS	Oversight	July 31 and January 31	Legislative Oversight Committee received information at October 2003, meeting. Report expected by January 31, 2004.
HF 534 - Section 290.2(a)(1)	Report on managed competition	DAS	Oversight and LFB	01-Jul-05	Legislative Oversight Committee received information at July 2003, meeting.
HF 534 - Section 290.2C	Report the findings of a study to transfer all IT positions to DAS	DAS	Oversight and LFB	01-Nov-04	The Department is planning to complete it on schedule. Report expected by September 1, 2004.
HF 594 (Electrical and Mechanical Gambling Device Licensing Act)					
HF 594 - Section 6	Requires the Department of Inspections and Appeals in consultation with the Department of Public Safety to submit a written report providing details on the implementation of this Act.	Department of Inspections and Appeals.	General Assembly, with copies to Government Oversight and State Government Committees	December 31, 2004.	Report is expected to be submitted by due date of December 31, 2004.
SF 453 (FY 2004 Reinvention Act)					
SF 453 - Section 29	Interim Committee to study on DNR enforcement fines and how it relates to cities and counties. Includes fine amounts and how the fine receipts are utilized.	Legislative Council	Does not specify	Does not specify	Meeting was held on November 12, 2003, and heard testimony regarding county landfills. The second meeting will be held in January.
SF 453 - Section 69.2	Study ways to improve the Lottery	Lottery	Does not specify	Does not specify	Information contained in November report provided to the LSA
HF 534 (FY 2004 Department of Administrative Services Policy Act)					
HF 534 - Section 84.8	Comprehensive Annual Financial Report (CAFR)	DAS	Does not specify	Annually	The report for the period ended June 30, 2003 was completed as required and sent electronically to LSA on January 5, 2004. The report is located on the DAS web site at: http://www.das.sae.iowa.gov/financial_reports/index Updated after submission of the report to Legislative Council on January 12.
HF 647 (FY 2004 Insurance Omnibus Act)					
HF 647 - Section 32	Report on the number of external reviews requested, certified by the commissioner, and the number of coverage decisions which were upheld by an independent review entity	Department of Commerce Insurance Commission	Does not specify	31-Jan	Report is anticipated January 31, 2004.

Bill and Section numbers	Requirement	Required of Whom	Submitted to Whom	Due date(s)	Status
HF 662 (FY 2004 Education Appropriations Act)					
HF 662 - Section 9.1	Agree on the FY 2005 tuition replacement appropriation by November 15, 2003.	Board of Regents, DOM, LFB	Does not specify	November 15, 2003	Was completed as required.

Co-Chair Senator Mary Lundby
Co-Chair Representative Dwayne Alons
Senator Bob Brunkhorst, VC
Senator Tom Courtney, RM
Representative Scott Raecker, VC
Representative Vicki Lensing, RM
Senator Robert Dvorsky
Senator Ron Wieck
Representative Clel Baudler
Representative Willard Jenkins
Representative Kent Kramer



Representative Jo Oldson
Representative Roger Thomas
Representative Roger Wendt

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MEMORANDUM

To: Members of the Legislative Council
From: Co-Chair Sen. Mary Lundby and Co-Chair Rep. Dwayne Alons
Date: June 29, 2004
Re: Departments and programs reviewed during 2004 session and selected for review during the 2004 interim

As required in 2002 Iowa Acts, Chapter 1162 (SF 2325 - FY 02 Oversight Government Reform Act), the Government Oversight Committee is reporting to the Legislative Council regarding the activities during the 2004 Legislative Session and the areas selected for review during the 2004 interim by the Government Oversight Committee.

On May 17, 2004, at the May interim meeting, the Government Oversight Committee adopted the following recommendation for Legislative Council Consideration.

Senator Lundby moved that the Government Oversight Committee request the Legislative Council to require that any reports not otherwise specified to be received by a designated agency or entity be submitted to the Government Oversight Committee. The motion passed unanimously.

Also at the May meeting, the Government Oversight Committee established subcommittees to work on the following items:

- Privatization of State Liquor Stores.
- Transfer administrative responsibilities for pesticides and fertilizers from Department of Agriculture to Department of Natural Resources.
- Competitive bidding and procurement.
- Fleet Management oversight.
- Educational Examiners Board.
- Regulatory Reform policies and procedures.

It is the intent to have subcommittees report to the Committee by end of calendar year 2004.

The following information is also included with this report:

1. **Attachment 1** is a listing of topics discussed during the 2004 Legislative Session meetings and the May interim meeting. The Government Oversight Committee met eight times beginning on January 21, 2004. Specific information regarding the agendas, minutes, and handouts from those meetings can be found at:
<http://staffweb.legis.state.ia.us/lfb/committee/oversight/oversight.htm>
2. **Attachment 2** is a listing of topics for review during the 2004 interim. The Government Oversight Committee approved the list at the May 2004 meeting. The list includes continued items to study in 2004, updates on topics from the 2003 interim and 2004 session as well as new topics for review during the 2004 interim. The new topics include presentations regarding Education Programs and Initiatives. The Regular Updates section includes status reports from the Department of Administrative Services, the Lottery Authority, Government Reinvention activities, Help America Vote Act, and Homeland Security. Updates will include monthly, quarterly, and semi-annual reports to the Government Oversight Committee by State agencies, project teams, and elected officials.
3. **Attachment 3** is a summary of the required reports assigned to the Government Oversight Committee as a result of the 2004 Legislative Session. Included in the summary is a current status of the reports as of June 2004.

If you have any questions, please contact Douglas Wulf (515-281-3250), Sam Leto (515-281-6764), or Richard Nelson (515-242-5822).

**Report to the Legislative Council
From the Government Oversight Committee
June 2004**

Topics Discussed

January 21

- Electrical and mechanical amusement devices with representatives from the Lottery, Inspections and Appeals, and Public Safety.

January 27

- Contracting for information technology utilizing State master contracts, sole source contracts, and how local governments use these State contracts.
Presenters included:
 - Department of Administrative Services Representatives, Mollie Anderson and Patrick Deluhery
 - Local Government Representatives
 - Susan Judkins, Iowa League of Cities
 - Iowa State Association of Counties
 - Iowa Information Technology Industry Representatives, Miriam Ubben and Leann Brunnette, Software Information and Technology of Iowa
 - Public Comment

January 28

- Committee Action on HSB 533/SSB 3005 (Submit Lottery Budget to Legislature)

February 3

- The affects of changes in property tax valuation on agricultural productivity formulas, property tax credits, and available funding for various entities. Presenters included:
 - Property Tax Limitation Committee – Representative Kurtenbach
 - Department of Revenue – Dick Stradley
 - Taxpayers Associations – Stacey Johnson, Iowa Taxpayers Association
 - Farm Bureau – Joe Johnson
 - Agricultural Interests
 - Iowa Soybean Association
 - Iowa Corn Growers Association
 - Iowa Pork Producer's Association and Concerned Citizens –
 - Public Comment

February 4

- Continued discussion of the affects of changes in property tax valuation on agricultural productivity formulas, property tax credits, and available funding for various entities. Presenters included:
 - Taxpayers Associations – Stacey Johnson, Iowa Taxpayers Association
 - County Government
 - John Easter and Jay Syverson, Iowa State Association of Counties
 - Mike Wentzien, Iowa Association of County Supervisors
 - City Government – Susan Judkins, Iowa League of Cities
 - Community Colleges – Steve Oval and Gene Gardner
 - K-12 School Districts
 - Margaret Buckton and Larry Sigel, Iowa Association of School Boards
 - Jim Wise, Urban Network and Dr. Eric Witherspoon, Superintendent, Des Moines School District

February 10

- Changes for providing administrative services for the Iowa Medicaid Program beginning July 1, 2005. Provide reasons for nine separate contracts. Presenters include:
 - Representative Dave Heaton, Co-Chairperson, Appropriations Subcommittee for Health and Human Services
 - Department of Human Services, Eugene Gessow, State Medicaid Director
 - ACS State Healthcare Systems, Steve Conway, State Project Manager

February 11

- Lottery – Discussion of semi-annual report from December 2003 and an explanation of an incentive program, which pays lottery staff for meeting certain revenue targets. What are the targets established and the rationale for the incentive program? Presenters include:
 - Ed Stanek, Director, Iowa Lottery
 - Mike McCoy, Chairperson, Iowa Lottery Board

May 17-18

- Grants Enterprise Management (GEMS) Update by Kathy Mabie from DOM.
- Uncollected Fines from Nursing Homes with Julie Pottorff from the Attorney General's Office
- Collection of Drug Stamp Assessments with:
 - Lucille Hardy, Attorney General's Office
 - Stu Vos and Mike Flaherty Department of Revenue

- Integrated Information For Iowa (I/3) Project Update by Members of the I/3 Team, including Sharon Sperry and John Gillespie from Department of Administrative Services
- Reinvention of Government Project Update by:
 - Jim Chrisinger, Department of Management
 - Gary Maynard, Department of Corrections
 - Kim Reynolds, Clark County Treasurer
 - Wendie Rickman, Department of Human Services.
- Fleet Management with Dale Schroeder and Mark Johnson from the Department of Administrative Services.

**Report to the Legislative Council
From the Government Oversight Committee
June 2004**

LIST OF TOPICS FOR 2004 INTERIM

- Condition and future of IPERS. How is the investment policy constructed and administered, are there planned changes for the future, and how did IPERS get to the point of being so significantly under funded. (The IPERS Interim and the Permanent Committee will be reviewing.) Perhaps meet with IPERS Permanent Committee and share their information.
- Veterans Trust Fund. Follow-up and make recommendations for possible source of funding for the Fund.
- Iowa Prison Industries were not selected to provide any furniture in the new Judicial Building or for restoration of the Chamber furniture. What are the requirements for State agencies regarding utilization of Prison Industries and does the Legislature need to strengthen the requirement in order to provide additional work for treatment, vocational education, and rehabilitation of inmates.
- Nurse Staffing Shortage update and report on recommendations from Governor's Task Force. (Carryover from 2003)
- Oversight of Continuing Care Retirement Communities, Chapter 523D, Iowa Code.
- Further Discussion of Non-Profit Organizations affiliated with State Agencies and Departments.
- A report on software capacity available to the Ethics and Campaign Disclosure Board and the private organization, Money & Politics Iowa.
- Update on Iowa Agricultural Finance Corporation. Should it be continued? If so, what actions might be necessary so the Corporation could obtain a second set of funding?
- Common Boundaries – Update on the establishment of new judicial district boundaries. Follow up on Courts Boundary Committee.
- ICN Operations and potential sale of assets. – (Continued from 2004 Session)
- Review of the Board of Educational Examiners. What is their role and to whom do they report? (Continued from 2003)

- Having county treasurers issue all licenses at the county. Currently the recorders issue boat licenses but the treasurer does car, truck and trailer licenses. There may be others that are in different offices. **(NEW)**
- Mandatory Reports required from agricultural entities and from business and industry companies with a comparison to other States around Iowa. **(NEW)**
- Long range planning for budget and fiscal planning. Include Auditor's Office and Treasurer's Office. **(NEW)**
- Return on Investment on all tax credits. **(NEW)**
- Review of DECAT/Empowerment and DHS programs. **(NEW)**
- Ombudsman's Office – Are there issues they encounter that can be brought to the Oversight Committee's attention for study or action. **(NEW)**
- Child Support Recovery Unit Update – Update on the process, the rapidity of response to citizens on concerns, the collection of funds and problematic areas with collections, other problems, and anything that may need legislative assistance. **(NEW)**
- Sentencing Reform possibilities (excluding mandatory minimums). **(NEW)**
- Review the State's responsibility in certifying local government and school districts yearly budgets. **(NEW)** This includes:
 - What is the purpose of the State certification of local government budgets?
 - Which State departments/ agencies are involved in the certification process?
 - Are the certification dates workable in today's environment?
 - How is the budget information submitted and processed?
 - How long does the certification process take?

LSA Fiscal Staff proposed topics for 2004 Government Oversight Committee Meetings

- Based on previously agreed to decisions, the focus of the reviews would include education areas:
 - Higher Education Tuitions (percent increases, revenue generated, national comparisons)
 - Regents' Principal Demutualization (proceeds remaining and planned use of funds)
 - Allocation of State General Aid Among the Community Colleges
 - An Overview of K-12 Laptop Programs in Other States

- No Child Left Behind (overview and/or performance measurement issues)
- School District Funding vs. Increasing Costs (impact on class size, programs, special education)
- School District Reorganizations (incentives, obstacles, impact on program quality)

Other – Regular Updates at Government Oversight Committee Meetings

- Government Reinvention – LSA to provide materials and Q&A time
- Public Strategies Group (PSG) – DOM and PSG to provide materials
- Grants Enterprise Management System (GEMS) – DOM to provide materials
- Department of Administrative Services (DAS) – DAS to provide materials
- Integrated Information for Iowa (I/3) Project – ITE and DOM to provide materials
- Lottery Authority Semi-Annual Report – Lottery Staff to provide materials
- Lottery Authority Annual Budget – Lottery Staff to provide budget recommendations prior to each legislative session
- Help America Vote Act (HAVA) – Secretary of State updates implementation progress
- Homeland Security – Updates on funding and costs associated with E/911 System **(New)**

**Report to the Legislative Council
From the Government Oversight Committee
June 2004**

Attachment 3

Bill and Section Numbers	Requirement	Required of Whom	Submitted to Whom	Due date(s)	Vetoed X	Status
HF 2133 (Lottery Authority, Budget Notification)	Operating Budget.	Lottery Authority	DOM, Legislative Government Oversight Committees, and the LSA.	October 1, annually.		Signed by Governor March 18, 2004.
HF 2302 (Gambling)						
HF 2302 - Section 55.4	Report on operation of the gambling assistance fund and program.	DIA	Government Oversight Committee	Semiannually		Signed by Governor May 6, 2004.
HF 2562 (Electrical and Mechanical Amusement Devices)						
Section 9	Requires an Interim and Final Report on implementation of the Act.	Departments of Inspection and Appeals and Public Safety	General Assembly, Oversight and State Government Committees	Interim - 12/31/04 and Final - 9/0//05		Signed by Governor April 28, 2004.
SF 2298 (2005 Omnibus Appropriation Act)						
Section 86.1	Agree on the FY 2006 tuition replacement appropriation by November 15, 2004.	Board of Regents, DOM, LFB	None specified.	November 15, 2004	X	Item Veto by Governor May 17, 2004.
Section 276	The State Board of Regents shall report on the policies of the institutions under the authority of the State Board addressing the budget ramifications associated with unfilled vacant positions. If a policy does not exist, the State Board shall provide for its implementation and report concerning the policy.	State Board of Regents	Oversight Committee	December 15, 2004	X	Item Veto by Governor May 17, 2004.
Section 341	Study to transfer all IT employees to DAS.	DAS	Oversight Committee and LSA	December 15, 2004		Governor approved this language May 17, 2004.
Section 454,2A	Requires an annual report to be submitted to the Legislative Oversight Committee on the status of the E911 program.	E911 Program Manager	Oversight Committee	January 15 of each year		Governor approved this language May 17, 2004.
Section 454,2A	Requires a quarterly report be to be submitted by the E911 Program Manager to the Fiscal Services Division of the Legislative Services Agency.	E911 Program Manager	Fiscal Services of LSA	Quarterly		Governor approved this language May 17, 2004.
Section 454,2A	Requires the Oversight Committee to review the priorities of distribution of funds at least every two years.	Oversight Comm.	No report required	At least every two years.		Governor approved this language May 17, 2004.

REPORT OF THE INTERNATIONAL RELATIONS COMMITTEE TO THE LEGISLATIVE COUNCIL

January 21, 2004

January 28, 2004

- The International Relations Committee met during the legislative session on January 21 and January 28, 2004.
 - During the meeting on January 21, 2004, the members discussed the upcoming visit of a delegation from Saskatchewan, Canada during the period February 8-11, 2004. Saskatchewan will be hosting the Council of State Governments Midwestern Legislative Conference in 2005. A Saskatchewan delegation visited Iowa in 2001 and a group of Midwestern legislators took part in an exchange to Saskatchewan following that visit. The members approved using \$500 from the International Relations account for the visit. The members also discussed travels to Cuba and Taiwan. The members discussed SCR 11 relating to removing trade, financial and travel restrictions relating to Cuba.
 - During the meeting on January 28, 2004, the Greater Des Moines Partnership provided information relating to international efforts.
- The International Relations Committee hosted a delegation of members of the legislative assembly of Saskatchewan, Canada during the period February 8-10. Mr. Mike McCabe and Ms. Ilene Grossman, Council of State Governments, also participated in the visit. Members of the delegation included:
 - Ms. Brenda Bakken, Saskatchewan Party, MLA-Weyburn-Big Muddy
 - Ms. Doreen Eagles, Saskatchewan Party, MLA-Estevan
 - Mr. D. Wayne Elhard, MLA-Cypress Hills
 - Hon. John Nilson, Minister of Health, NDP Caucus, MLA-Regina Lakeview
 - Ms. Debbie Saum, Director of Policy and Planning for the Office of Protocol and Honours

Respectfully submitted,

Senator Nancy Boettger
Chairperson

REPORT OF THE STUDIES COMMITTEE TO THE LEGISLATIVE COUNCIL

June 29, 2004

The Studies Committee of the Legislative Council met on June 29, 2004, and makes the following report for approval by the Legislative Council:

Completion Deadline. Extend the previously approved guideline for completion of 2004 studies from December 17, 2004, to January 7, 2005.

Proposed Studies:

1. Judicial District and Judicial Resources Study Committee.

Provide approval for this 2003 interim study committee to meet for one additional day in the 2004 interim to complete its work.

2 Senate

2 House

27 public members

1 meeting day

2. School Finance Formula Review Committee.

Charge: Prepare a school finance formula status report and provide recommendations in accordance with the requirements of Iowa Code section 257.1 (4), including receiving assistance from the departments of education, management, and revenue; providing recommendations for school finance formula changes or revisions based upon demographic changes, enrollment trends, and property tax valuation fluctuations observed during the preceding five-year interval; providing an analysis of the operation of the school finance formula during the preceding five-year interval; and incorporating a summary of issues that have arisen since the previous review and potential approaches for their resolution.

5 Senate

5 House

3 meeting days

3. Iowa Learning Technology Committee.

Charge: Develop a learning technology plan, including proposed policies and budgets for plan components; address professional development, implementation strategies and other phase-in issues, strategies for coordinating with existing technology initiatives and resources, and procedures for data tracking and assessment; and incorporate guiding principles outlined in 2004 Iowa Acts, SF 2298, section 244.

5 Senate

5 House

3 meeting days

4. Long-Term Care System Task Force.

Charge: Develop a list of priorities to realize the goal of the long-term care system in Iowa, recommend strategies to implement the list of measurable priorities, recommend immediate and long-range steps to be taken in realizing the system goal, recommend any legislation needed to implement the task force report and system goal, and recommend strategies regarding the use of a universal assessment and counseling tool to assist individuals in making appropriate use of long-term care options.

5 Senate

5 House

3 meeting days

5. Socioeconomic Effects of Gambling on Iowans.

Create a monitoring committee to implement a request for proposals, on behalf of the Legislative Council, for the study of the socioeconomic impact of gambling on Iowans by an independent entity in accordance with 2004 Iowa Acts, House File 2302, section 61. The request for proposals shall be developed by and is subject to approval of the Studies Committee. The cost of the study shall not exceed \$100,000 and the study costs shall be paid as a joint expense under section 2.12. [draft charge and timetable attached]

5 Senate

5 House

Meeting days and completion deadline to be determined by the Studies Committee as part of the RFP approval process

6. Property Taxation Review Committee.

Charge: The Property Taxation Review Committee shall review and analyze the following: a. Revenue sources available to local governments, including taxes, payments in lieu of property taxes, fees, state appropriations, and federal moneys; b. The portion of state revenues annually appropriated, or otherwise disbursed, to local governments; c. Exemptions, credits, deductions, exclusions, and other reductions in local taxes, authorized by state statute or local ordinance, to local taxpayers and state reimbursement of any property tax credits and exemptions; d. Services provided by local governments, including those provided at the discretion of a local government and those mandated by federal or state statutes and regulations; e. The role of property taxes in funding local government services and the types of services currently funded by property taxes; f. Alternative systems of property taxation, alternative procedures for protesting property assessments, and various methods of controlling property tax revenues and expenditures. In conducting its review and analysis, the committee shall study local taxes from the standpoint of neutrality; competitiveness; simplicity; stability; and equity, including maintenance of equity among classes of taxpayers and among taxpayers within the same class. The committee may hold public hearings to allow persons and organizations to be heard.

3 Senate

3 House

12 public members (voting members except as indicated) representing the following interests:

- Department of Revenue (nonvoting)
- Department of Management (nonvoting)
- Counties
- Cities
- School districts
- Local assessors
- County auditors
- Commercial property taxpayers
- Industrial property taxpayers
- Residential property taxpayers
- Agricultural property taxpayers
- Electricity and natural gas providers subject to taxation under Iowa Code Chapter 437A

5 meeting days

7. Professional Employer Organization Review Committee.

Charge: Define and describe functions of a Professional Employer Organization (PEO), and address issues involving PEOs, such as co-employment relationships, differentiating PEOs from temporary staffing agencies and employee leasing companies, consider other states' activities concerning PEO regulation and fees, consider client perspectives, consider operation of PEOs with collective bargaining, consider PEO employee benefit questions including worker and unemployment compensation, and identify the perspective of Iowa Workforce Development concerning PEOs.

3 Senate

3 House

1 meeting day

8. Adoption Subsidy Program Study Committee

Review the adoption subsidy program administered by the Department of Human Services.

3 Senate

3 House

1 meeting day

Respectfully submitted,
Senator Stewart Iverson
Chairperson

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3 House

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3 Senate

3 House

1 meeting day

Respectfully submitted,
Senator Stewart Iverson
Chairperson

REPORT OF THE SERVICE COMMITTEE TO THE LEGISLATIVE COUNCIL

June 29, 2004

The Service Committee of the Legislative Council met on June 29, 2004, and makes the following report and recommendations to the Legislative Council:

I. PERSONNEL REPORTS.

A. The Service Committee received and filed the annual personnel report from the Legislative Services Agency and recommends that the following employees be promoted, subject to performance review with approval of and effective date set by the director of the agency:

- Ms. Ann Ver Heul, from Legal Counsel, grade 30, step 4, to Legal Counsel 1, grade 32, step 3, effective March 2005.
- Ms. Cathie Young, from Assistant Editor 2, grade 27, step 6, to Assistant Editor 3, grade 30, step 4, effective June 2004.
- Mr. Matt Hanify, from Legislative Document Technician 1, grade 19, step 4, reclassified to Publications Assistant, grade 21, step 2, effective March 2004.
- Mr. David Craft, from Legislative Document Technician 1, grade 19, step 4, reclassified to Legislative Document Technician 2, grade 22, step 1, effective May 2004.
- Ms. Jessica Clark, from Assistant Editor 1, grade 24, step 3, to Assistant Editor 2, grade 27, step 1, effective December 2004.
- Ms. Gina Garret, from Legislative Document Technician 2, grade 22, step 4, to Supervising Legislative Document Technician, grade 25, step 2, effective December 2004.
- Ms. Leslie Morford, from Legislative Document Technician 2, grade 22, step 4, to Supervising Legislative Document Technician, grade 25, step 2, effective December 2004.
- Ms. Stephanie Cox, from Legislative Document Technician 2, grade 22, step 3, to Supervising Legislative Document Technician, grade 25, step 1, effective June 2004.
- Ms. Kelley Hilterbrand, from Legislative Document Technician 1, grade 19, step 4, to Legislative Document Technician 2, grade 22, step 2, effective July 2004.
- Mr. Craig Cronbaugh, from Legislative Information Officer 2, grade 27, step 5, to Legislative Information Officer 3, grade 30, step 3, effective June 2004.
- Mr. Myles Kappelman, from Legislative Information Officer 2, grade 27, step 4, to Legislative Information Officer 3, grade 30, step 2, effective June 2004.
- Mr. Bob Lamberti, from Legislative Document Technician 1, grade 19, step 4, to Legislative Document Technician 2, grade 22, step 2, effective January 2005.
- Mr. John Bellizzi, from Computer Systems Analyst I, grade 27, step 3, to Computer Systems Analyst II, grade 29, step 2, effective May 2005.

- Ms. Nicole Chesmore, from Computer Systems Analyst I, grade 27, step 3, to Computer Systems Analyst II, grade 29, step 2, effective May 2005.
- Mr. Russ Trimble, from Legislative Analyst I, grade 29, step 4, to Legislative Analyst II, grade 32, step 2, effective January 2005.
- Ms. Robin Madison, from Legislative Analyst I, grade 29, step 4, to Legislative Analyst II, grade 32, step 2, effective January 2005.
- Ms. Jennifer Acton, from Legislative Analyst I, grade 29, step 4, to Legislative Analyst II, grade 32, step 2, effective January 2005.
- Ms. Mary Beth Mellick, from Legislative Analyst, grade 27, step 4, to Legislative Analyst I, grade 29, step 3, effective October 2004.

B. The Service Committee received and filed the June 2004 and the annual personnel report from the Office of Citizens' Aide/Ombudsman and recommends that the following employees be promoted, subject to successful performance evaluation and available fiscal resources:

- Mr. Jeffrey Burnham, from Assistant 3, grade 35, step 6, to Senior Assistant, grade 38, step 4, effective November 2004.
- Mr. Rory Calloway, from Assistant 1, grade 29, step 5, to Assistant 2, grade 32, step 3, effective September 2004.
- Mr. Don Grove, from Assistant 1, grade 29, step 5, to Assistant 2, grade 32, step 3, effective November 2004.
- Ms. Elizabeth Hart, from Assistant, grade 27, step 3, to Assistant 1, grade 29, step 2, effective June 2004.
- Mr. Kyle White, from Assistant 1, grade 29, step 5, to Assistant 2, grade 32, step 3, effective July 2004.

II. CENTRAL STAFF AGENCY FY 2005 BUDGETS.

The Service Committee recommends that the Legislative Council approve the proposed budget and budget allocations for the fiscal year beginning July 1, 2004, pursuant to section 2.12, as submitted by the following agencies:

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

III. LEGISLATIVE BRANCH EMPLOYEE BENEFITS.

Iowa Code section 2.11 provides that the compensation of the employees of the General Assembly shall be fixed by joint action of the senate and house. Pursuant to this authority, and the provisions of 2004 Iowa Acts, House File 2497, authorizing the legislative council to offer an early out incentive program for legislative branch employees, the Service Committee recommends that the Legislative Council approve the following two benefit programs for employees of the General Assembly.

- **Sick leave conversion program.** Legislative employees would accrue sick leave based upon the employee's individual sick leave balance with a reduced accrual for those with higher sick leave balances. In return, eligible legislative employees who retire from state service would have the option of receiving the current cash payout of the sick leave balance, up to a maximum of \$2,000, or an option of having the

employee's sick leave balance, subject to certain requirements, converted and used for the purposes of paying the employer's share of monthly health insurance premiums.

- **Full-time to part-time incentive program.** Legislative employees grade 19 or higher would be permitted to work part-time and to convert their accrued sick leave and vacation leave to be used for paying the employer's share of life insurance, health and dental insurance, and disability insurance costs.

Respectfully submitted,

Senator Jeff Lamberti
Chairperson