
FISCAL UPDATE Article

Fiscal Services Division

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DEPARTMENT OF CORRECTIONS — LEASE-PURCHASE

The Legislative Services Agency (LSA) received a lease-purchase notification from the Department of Corrections (DOC) on June 24, 2019, for the purchase of Sophos firewall hardware and software licensing that controls all Internet traffic for the Department. The agreement includes antivirus software licensing on all DOC workstations and servers. The DOC has used Sophos for the past three years, and over that time period, the Department indicates that the number of compromised systems has been cut in half. All Sophos licenses currently in place expire on June 30, 2019.

The estimated cost of the lease-purchase is \$336,900, including \$328,700 in principal and \$8,200 in interest. The agreement will be for a period of three years at an estimated interest rate of 2.53%. The annual debt service payments are estimated to total \$112,300. The Department will use State General Fund dollars to fund the lease-purchase.

Iowa Code section [8.46](#) requires State agencies proposing to enter into a lease-purchase agreement of at least \$50,000 to notify the LSA at least 30 days prior to entering into a contract. The Iowa Code section also requires the LSA to submit all notifications to the Legislative Fiscal Committee.

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