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## FISCAL UPDATE Article

Fiscal Services Division

August 9, 2019



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### CUSTOMER COUNCIL MEETING — JULY 31, 2019

**Meeting.** The Customer Council meeting was held on Wednesday, July 31, 2019. The Council provides a link between the Department of Administrative Services (DAS) and the customers it serves. Employees from customer agencies serve on the Council and represent small-, medium-, and large-sized agencies. The Customer Council oversees utility services and associated rates as provided by the four DAS enterprises: General Services (GSE), Human Resources (HRE), Central Procurement and Fleet Services (CPFSE), and State Accounting. The following actions were proposed and adopted by the Council:

#### Action Taken on the Previously Approved FY 2020 and FY 2021 Rates:

- Increased the FY 2021 Benefits rate under the HRE from the previously approved \$37.72 per filled position to \$43.80 per filled position. These rates fund the administration of the State employee benefits programs.
- Increased the FY 2020 Flexible Spending rate under the HRE from \$38.00 per participant to \$40.56 per participant. These rates are reviewed annually and based on a third-party contract. The winning bid for FY 2020 and FY 2021 required adjustment in the early months of the contract, and that increase was delayed until the July 2019 Customer Council meeting.
- Increased the FY 2020 and FY 2021 Employee Assistance Program rate under the HRE from \$6.00 per filled position to \$6.48 per filled position. This is a pass-through rate of the State's third-party vendor costs to provide counseling services at no cost to employees who experience personal issues that impact work.
- Increased the Family Medical Leave Act (FMLA) rate for FY 2020 from \$19.20 per filled position to \$24.00 per filled position and to \$27.60 per filled position for FY 2021. This is a pass-through rate of the State's third-party vendor costs to provide FMLA claims administration.
- Increased the Risk Management (Vehicle Self Insurance) rate under the CPFSE for FY 2020, FY 2021, and FY 2022 from \$346.91 per vehicle to \$432.00 per vehicle. These rates are reviewed annually and based on fleet size and claims experience.
- Increased the Blanket Bond rate from \$0.80 per filled position to \$0.81 per filled position. The Blanket Bond provides funding for protection against State employee embezzlement.
- Increased the FY 2021 Architectural and Engineering Services rate under the GSE from \$90 per hour to \$95 per hour. These rates are compared to current market rates in the private sector and billed directly against the associated project.

#### Action Taken on the Proposed Rate Changes for FY 2022:

With the exception of the rates listed below, all rates under the various DAS enterprises remain status quo when compared to FY 2021:

- Increased the FY 2022 Association Rates for the Capitol Complex and Ankeny Labs from \$6.25 per square foot to \$6.50 per square foot. The Association Rate covers facility maintenance, custodial, and other services.
- Increased the FY 2022 Architectural and Engineering Services under the GSE from \$95 per hour to \$100 per hour. These rates are compared to current market rates in the private sector and billed directly against the associated project.

The Customer Council started discussions regarding the Vehicle Self-Insurance Program. The Council will create a committee to investigate and discuss possible alternative self-insurance methodologies to better distribute the costs of self-insurance or reduce overall costs to the State. The current rate is based

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on claims experience for the annual budget. The annual budget is divided by the number of vehicles in service on April 30. Agencies pay the annual per vehicle charge, which is billed over 12 months.

The Council also discussed a \$250,000 increase in the I/3 allocation due to the third-party vendor changing support platforms. The current platform is no longer supported by the developer, requiring the transfer to the new Oracle platform.

The purchasing allocation is being reduced by \$125,000 as State agencies are taking advantage of master agreement contracts more frequently, resulting in a reduction of occurrences in which the State purchasing program is needed.

**Additional Information.** The [2019 Iowa DAS Business Plan and Report to the Customer Council](#) provides brief descriptions of all DAS utility services and methodologies that were reviewed and approved by the Customer Council. Additional information is also available on the DAS website: [das.iowa.gov/das-core/das-customer-council](http://das.iowa.gov/das-core/das-customer-council).

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