

See Journal entry 2/23/88 p. 21 (p. 57)

FEB 17 1988

HOUSE FILE 2263

Place On Calendar

BY COMMITTEE ON HUMAN RESOURCES

(Formerly House Study Bill 595)

Passed House, Date 2/23/88 (p. 432) Passed Senate, Date 3/29/88 (p. 1102)

Vote: Ayes 45 Nays 1 Vote: Ayes 46 Nays 1

Approved April 11, 1988 (p. 1704)

A BILL FOR

1 An Act relating to the use of the Iowa state industries revolving
2 fund.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

HT 2263

1 Section 1. Section 246.813, subsection 2, Code 1987, is
2 amended to read as follows:

3 2. The Iowa state industries revolving fund shall be used
4 only for the following purposes:

5 a. Establishment, maintenance, transfer or closure of
6 industrial operations, or vocational, technical, and related
7 training facilities and services for inmates as authorized by
8 the state director in consultation with the industries board.

9 b. Payment of all costs incurred by the industries board,
10 including but not limited to per diem and expenses of its
11 members, and of salaries, allowances, support, and maintenance
12 of Iowa state industries. ~~Payments from the revolving fund~~
13 ~~authorized by this subsection shall be made in the same manner~~
14 ~~as payments from appropriations for salaries, allowances,~~
15 ~~support and maintenance of the institutions under the~~
16 ~~jurisdiction of the state director.~~

17 c. Direct purchases from vendors of raw materials and
18 capital items used for the manufacturing processes of Iowa
19 state industries, in accordance with rules which meet state
20 bidding requirements. The rules shall be adopted by the state
21 director in consultation with the industries board.

22 Payments from the revolving fund, other than salary
23 payments, shall be made directly to the vendors.

24 EXPLANATION

25 This bill explicitly includes direct purchases of capital
26 items and raw materials used in manufacturing processes as
27 proper uses by Iowa state industries of the Iowa state
28 industries revolving fund. It also provides that such
29 payments shall be made directly to vendors.

30 SUCCESSOR TO HSB 595 (LSB 7441DH)

31 COMPANION TO LSB 7442DS

32
33
34
35

LSB 7441HV 72

m2/cf/24

HOUSE FILE 2263
FISCAL NOTE

REQUESTED BY REPRESENTATIVE FEY

In compliance with a written request received February 22, 1988, a fiscal note for HOUSE FILE 2263 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2263 would allow Iowa State Industries to purchase capital items and raw materials directly from vendors, rather than through the Department of General Services - Centralized Purchasing.

Assumptions

1. Iowa State Industries would no longer be required to pay 1% of the cost of each invoice to General Services.
2. Iowa State Industries would be able to capture 100% of all purchase discounts.

Fiscal Effect

Currently, Iowa State Industries pays 1% of the cost of each invoice to General Services. This 1% surcharge has averaged \$47,816 annually over the last five years. This proposed legislation would eliminate this expense, which should increase the profit level of Iowa State Industries revolving account. The Department of General Services would no longer be responsible for Iowa State Industries' purchases, which would reduce the workload of the Department's staff.

House File 2263 should result in more prompt payment of vendor vouchers, which would allow more purchase discounts to be taken. Lost purchase discounts were approximately \$14,914 in FY 1985, \$7,126 in FY 1986 and \$18,213 in FY 1987. The ability to more promptly pay vendor vouchers, thereby capturing more purchase discounts, would increase the profit level for Iowa State Industries' revolving account. The direct purchase of raw materials may allow costs to be estimated more quickly than at present. Bids would then be submitted in a more timely fashion, which may result in more successful bids. Also, raw materials may be delivered more expeditiously than at present.

Source: Department of Corrections

(LSB 7441H. BAL)

FILED FEBRUARY 23, 1988

BY DENNIS PROUTY, FISCAL DIRECTOR

HSB 595

HUMAN RESOURCES

Hand

E 2263

House Study Bill 595

Human Resources: Spear, Chair: Bisignano, Buhr, Corey and Miller.

*Buhr
Miller
Corey*

BY (PROPOSED DEPARTMENT OF
CORRECTIONS BILL)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the use of the Iowa state industries revolving
2 fund.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

1 Section 1. Section 246.813, subsection 2, Code 1987, is
2 amended to read as follows:

3 2. The Iowa state industries revolving fund shall be used
4 only for the following purposes:

5 a. Establishment, maintenance, transfer or closure of
6 industrial operations, or vocational, technical, and related
7 training facilities and services for inmates as authorized by
8 the state director in consultation with the industries board.

9 b. Payment of all costs incurred by the industries board,
10 including but not limited to per diem and expenses of its
11 members, and of salaries, allowances, support, and maintenance
12 of Iowa state industries. ~~Payments from the revolving fund~~
13 ~~authorized by this subsection shall be made in the same manner~~
14 ~~as payments from appropriations for salaries, allowances,~~
15 ~~support and maintenance of the institutions under the~~
16 ~~jurisdiction of the state director.~~

17 c. Direct purchases from vendors of raw materials and
18 capital items used for the manufacturing processes of Iowa
19 state industries, in accordance with rules which meet state
20 bidding requirements. The rules shall be adopted by the state
21 director in consultation with the industries board.

22 Payments from the revolving fund, other than salary
23 payments, shall be made directly to the vendors.

24 EXPLANATION

25 This bill explicitly includes direct purchases of capital
26 items and raw materials used in manufacturing processes as
27 proper uses by Iowa state industries of the Iowa state
28 industries revolving fund. It also provides that such
29 payments shall be made directly to vendors.

30 BACKGROUND STATEMENT

31 SUBMITTED BY THE AGENCY

32 Purpose: This legislation will improve the cost
33 effectiveness and efficiency of prison industries by providing
34 for the more timely purchase of raw materials, more timely
35 delivery of raw materials, and reduced cost of raw materials.

COMPANION TO LSB 7442DS

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35

Payments from the revolving fund, other than salary payments, shall be made directly to the vendors.

HOUSE FILE 2263

AN ACT

RELATING TO THE USE OF THE IOWA STATE INDUSTRIES REVOLVING FUND.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 246.813, subsection 2, Code 1987, is amended to read as follows:

2. The Iowa state industries revolving fund shall be used only for the following purposes:

a. Establishment, maintenance, transfer or closure of industrial operations, or vocational, technical, and related training facilities and services for inmates as authorized by the state director in consultation with the industries board.

b. Payment of all costs incurred by the industries board, including but not limited to per diem and expenses of its members, and of salaries, allowances, support, and maintenance of Iowa state industries. ~~Payments from the revolving fund authorized by this subsection shall be made in the same manner as payments from appropriations for salaries, allowances, support and maintenance of the institutions under the jurisdiction of the state director.~~

c. Direct purchases from vendors of raw materials and capital items used for the manufacturing processes of Iowa state industries, in accordance with rules which meet state bidding requirements. The rules shall be adopted by the state director in consultation with the industries board.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2263, Seventy-second General Assembly.

JOSEPH O'HERR
Chief Clerk of the House
Approved April 11, 1988

TERRY E. BRANSTAD
Governor

HF 2263