

# SF 453 Reinvention of Government Act - Legislative Services Agency Summary

Attachment W

Study/Action Item	Description	Specific Due Dates	Current Status/Information
<b>Divisions I; VIII; IX; XII; and XV reports include information from the Public Strategies Group.</b>			
Division I; Property and Machinery & Equipment Taxes	Senate File 453 (Reinvention of Government Act) made reductions equal to \$70.0 million, with funds added in SF 458 (FY 2004 Standings and Salary Act) for a net of \$60.0 million reduction.		The Public Strategies Group (PSG) has continued to work with representatives of the Iowa State Association of Counties, the League of Cities, local officials, legislators, and Executive Branch officials. They developed and held a conference on state and local government relationships on October 21 which was attended by the Governor, legislators, State department heads, and local officials. PSG has continued to provide workshops and facilitation with local officials. For information on particular topics, see PSG's web site at <a href="http://iowa.regov.org/">http://iowa.regov.org/</a> .
Division VIII: Local Government Leases	Permits local government leases with government-related authorities.		Various meetings with local governments have occurred.
Division IX: Local Government Innovation Fund	The Department of Management (DOM) establishes seven member Committee; \$1.0 million appropriated. The appropriation was reduced to \$975,000 by the 2.5% ATB.		Membership includes: Richard Johnson, Karen Strawn, Linda Langston, John Mardis, Carol Ann Diekema, Senator Bolkcom, and Representative Tjepkes. First meeting may occur December 8 depending upon administrative rule approval.
Division XII: Charter Agencies	Departments to be designated by the DOM.	7/1/03	By Executive Order on July 1, 2003, Governor Vilsack designated the following Charter Agencies: Department of Revenue, Department of Human Services (DHS), Veterans Home, Alcoholic Beverages Division, Department of Corrections, and the Department of Natural Resources.

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Division XII: Charter Agencies (continued)			On September 12, 2003, Governor Vilsack and the Directors of the Charter Agencies signed the formal Charter agreements specifying the amounts of expenditure reductions, planned revenue increases, and initial grants that would be awarded from the Reinvention Grant Fund for each agency.
	Appropriation decrease or revenue increase from each department.		<p><b>General Fund Expenditure Reductions:</b> DHS \$1,000,000; DOC \$500,000; and DNR \$50,000.</p> <p><b>General Fund Revenue Planned Increases:</b> DNR (\$150,000); Dept. of Revenue (\$1,000,000); Vets Home: (\$1,300,000); Alcoholic Beverages (\$1,250,000);</p> <p><b>Use of the Reinvention Grant Fund:</b> \$1,550,000.</p>
	Section 139 of SF 458 amends the requirement for an appropriation decrease to include a contribution from the Lottery Authority of \$8.0 million to General Fund as part of the \$15.0 million.		Given the FY 2003 Lottery Revenues, the amount specified in SF 458 results in only \$7.1 million of additional revenue from lottery proceeds, in lieu of the \$8.0 million planned as part of the \$15.0 million savings/revenue generation efforts.
	Waiver of various administrative rules action.		No actions yet taken on waiving rules. Charter Agencies are now identifying desired flexibilities for inclusion in their charters. Review will follow by the DOM.
Division XV: Child Welfare Redesign	DHS Stakeholder Panel		1. The third and final draft of the proposed redesign was distributed on October 17, with written comments due on October 23. Director Concannon is scheduled to make recommendations regarding the redesign the week of December 8.

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Division XV: Child Welfare Redesign (Continued)	DHS Stakeholder Panel (Continued)		<p>2. Stakeholder Panel meetings were held on May 28, June 26, July 31, September 3, September 25, and October 23. Three provider interface panels have also been held to receive feedback from providers. The next meeting is scheduled for December 17.</p> <p>3. Director Concannon also appointed a Steering Committee to advise him on all aspects of the redesign and meetings were held on July 14, July 30, September 5, September 18, and October 27. The most recent meeting was December 4 to receive final input regarding the redesign.</p> <p>4. A design lab was held on August 18 and 19. A team of 16 individuals met to brainstorm regarding design ideas. The proposals developed by the design team were reviewed by the Stakeholder Panel and were also subject to public forums held via the ICN and in Des Moines on September 9.</p> <p>5. In June, a "listening phase" included eight public town meetings and eight DHS staff meetings in each service area, 25 focus group interviews, and 40 individual interviews. The information was provided to the Stakeholder Panel for use in the redesign.</p>
	Legislative Committee		<p>House Members - Heaton, Boal, Upmeyer, Foege, Heddens Senate Members - Tinsman, Seymour, Veenstra, Hatch, Ragan</p> <p>The Legislative Council approved four meeting days. Meetings were held August 18, September 24, and October 22. The next meeting is scheduled for December 15.</p>

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Division XV: Child Welfare Redesign (continued)	Implementation to begin in January 2004	1/1/04	Director Concannon indicated at a Mental Health Commission meeting in June that there are no plans to reduce the number of contracts, or the monetary amounts of contracts, and that there may be a delay past January 1, 2004, for implementation. MAXIMUS consulting group has been retained to match additional federal funding with \$10.0 million identified to offset the reduction in State funds. The DHS has indicated that the funding reduction will take place within the Child and Family Services line-item.
	Federal Waiver/Plan Amendments necessary for implementation of changes.		No waivers have been requested for this purpose.
	Appropriation Reduction Allocations necessary for \$10.0 million reduction.		On November 3, the DHS announced that the \$10.0 million reduction would be applied to Child and Family Services, reporting that the decrease would be managed by using one-time increases in federal funds to offset the reduction in FY 2004. The additional federal revenue is to be allocated to the services that earn the additional funds within the CFS budget, thereby reducing the amount of State funds needed in FY 2004. The additional federal revenue will be provided from two sources, including Temporary Assistance to Needy Families (TANF) (\$4.0 million) and Title XIX (Medicaid) (\$5.9 million).
	Training Appropriation of \$1.2 million		The DHS has not provided information regarding application and criteria process.
	Provider Loan Fund of \$1.0 million		The DHS has not provided information regarding application and criteria process.

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<b>Legislative Services Agency only</b>			
Division II; Parking Tickets	Cities are permitted to increase parking ticket fine from previous limit of \$5.00.		Individual city action taking place. The League of Cities is compiling a survey. As information is received, it will be reported by the LSA. Detail from a Des Moines Register survey is on the last page of this document.
Division III; Iowa Law Enforcement Academy (ILEA)	Permits the Academy to accept individuals not employed at the time as a law enforcement officer.		The current plan is not to hire any additional staff at this time due to the tight budget. Funds are not available for additional staff at this time. All the fall slots for classes are currently taken by already hired officers. The ILEA does not expect a vacancy until Spring 2004 for an individual who is sponsored but not yet hired.
Division IV; Budget Protest	Increases the number of people required for a petition for a city budget protest to 100.		It may not be possible to determine the impact of this requirement.
Division V; TIF Reporting/New Form/every other year	Changing Tax Increment Financing reporting mechanism.		The DOM and the LSA Fiscal Division have completed the changes. Instructions to local governments were distributed in early October. The Deadline for submitting information to the DOM is December 1.
Division VI: Municipal and County Infractions	Changes various penalties for various city and county infraction ordinances.		The Iowa League of Cities does not currently track city infractions.

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Division VII: Electronic Transaction Fee; county recorders	Recorder transaction fee for electronic transaction development and maintenance.	Report due December 1, 2003.	Senate File 458 (FY 2004 Standings Appropriations Act) required the State Treasurer to submit a report to the Governor and General Assembly by December 1, 2003, detailing the amount of recording and filing fees collected at County Recorder's offices statewide for fiscal years 2001 and 2002, and the amount collected in electronic transaction fees from July 1, 2003 to September 30, 2003. The report was submitted to the Governor and General Assembly on November 13, 2003. For fiscal years 2001 and 2002, approximately \$47,900,000 was collected from the \$5.00 per transaction fee for general recording and filing at County Recorder offices statewide. This money was credited to the General Fund of each county. From July 1, 2003 to September 30, 2003, approximately \$1,500,000 was collected from the additional \$5.00 fee for electronic transactions. Of this amount, approximately \$1,200,000 was credited to the General Fund of each county, and the remaining \$300,000 will be expended on development and contract costs for the new web site. The project manager and task force, along with representatives from the Iowa County Recorders Association and State Treasurer's office, have been meeting monthly since July 2003 to discuss the web site. The next meeting will be December 9. The Iowa County Recorders Association sent an RFP (Request for Proposal) to vendors in November. The final RFP will be completed at the December 9 meeting. Testing of the new web site is tentatively set for July 1, 2004.

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Division X: DNR Study	Legislative Council Study Committee		Meeting was held on November 12 and heard testimony from employees at Ames, Sioux City, and the Des Moines County Landfill. The Department of Natural Resources provided information and responded to questions. The second meeting will be held in January.
Division XI: Charge for Capital Assets/Regents Appropriation Reduction	<p>Requires charges of \$1,720,000...will identify amounts assessed to departments.</p> <p>Amended in Section 138 of SF 458, reduced to \$900,000 of Department of Administrative Services (DAS) Rent Fund to the General Fund.</p> <p>Regents reductions distribution</p>		<p>The DOM and Department of Administrative Services have met and discussed ways to apply the space lease charge to the appropriate agencies. The feasibility of this project is being re-evaluated due to the 2.5% budget reductions to State agency budgets.</p> <p>Regents approved allocation reductions at June Board meeting with \$14.8 million (82.7%) of the \$17.9 million reduction coming from the three general university budget units.</p>
Division XIII: Insurance Incentives	<p>Permits the Department of Administrative Services to establish, with the approval of the Executive Council, an incentive program for State employees to encourage the reduction of health insurance costs for the fiscal year beginning July 1, 2003.</p> <p>Report to Oversight Committee Required.</p>	12/31/03	The Department of Administrative Services does not plan to establish the Program since an Incentive Program would not be cost effective.

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Division XIV: AEA Service Delivery Task Force	Department of Education (DE) Task Force		Governor vetoed this language indicating the DE will establish a task force for special education funding. The Department has initiated the Special Education Finance Committee and meetings are being held to examine the financing of AEA services. The Department expects to have recommendations by spring or early summer 2004.
Division XVI: DHS Overall Appropriation Reduction	Appropriation Reduction of \$300,000 allocations before January 2004.	1/1/04	The DHS has indicated that the Medical Assistance appropriation budget units will be the source for this reduction.
DHS Electronic Billing and Payment System	Study due by January 2004 for child care providers.	1/1/04	The DHS indicates an internal workgroup is reviewing options. A Request for Information (RFI) has been distributed to 26 potential vendors and a review of the information will take place in September and October for information technology determinations.
	Plan done by June 30, 2005, for Medical Assistance providers.	6/30/05	DHS has had discussions with vendors about implementing an electronic card system for eligibility that would replace the current process of mailing eligibility cards each month. Possible implementation by the end of the year.
DHS Duplicative Mailings Efficiencies	Study due by January 2004.	1/1/04	The DHS has not provided study information.
DHS Medicaid Program Redesign	Work group of insurance industry. Report due by January 15, 2004. Amended by Section 141 of SF 458 to add representation from the Medical Assistance Advisory Council to the work group.	1/15/04	The DHS has not reported any action.
Division XVI DHS Reductions (Continued): Medicaid Appropriation Reduction	Legislative Action, reducing the appropriation by \$7.5 million.		Action already occurred.



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Hospital Trust Fund Appropriation Increase	Will track the total amount received for FY 2003 and the amount carried forward to FY 2004.		FY 2003 revenues were \$27.1 million. The FY 2003 ending balance is \$8.1 million.
Institutions K-12 Funds	Provides K-12 funds to the four DHS institutions which provide education to children.		The Department of Education and the DHS met regarding budget submittal and timeframes. Funding appears to be less than the original expectations due to the special education weightings assigned by the local Area Education Agency to the students served at the four DHS institutions. Total gained from the four institutions is \$334,371 in FY 2004 compared to the FY 2003 education budgets.
Pharmaceutical Settlement Account	Will track settlement and amounts. Funds to be used for DHS technology.		Two settlements in process of \$182,000 and \$500,000. One additional settlement underway, possible settlement in December.
Division XVII: Reinvention Payments	\$5.0 million appropriated in Department of Administrative Services Appropriations Act; \$1.3 million in this Act. The total appropriation has been reduced to \$6.2 million by the FY 2004 2.5% ATB reduction.		<p>On July 16, 2003, the DOM approved a payment of \$2.9 million to the PSG based upon a certified savings of \$5.7 million from reduced aid to local governments. In July PSG received \$800,000, with five additional payments of \$400,000 every two weeks and a final payment of \$50,000 the 11th week.</p> <p>On November 3, 2003, the DOM approved a payment of \$77,500 to PSG based on the Director of DOM certifying that the savings from the Departments of Human Services, Corrections, and Natural Resources totaling \$1,550,000 had been realized.</p>
Division XVIII: Iowa Lottery Authority	Formerly a Division of Department of Revenue and Finance created as separate Authority.		Revenue receipt action being followed. Revised estimates indicate that \$7.1 million would be available for the \$15.0 million savings specified due to the FY 2003 amounts that the statutory language was based upon, in lieu of the \$8.0 million projected.

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Additional Detail for Division II, Fines for Parking Violations (as of October 1, 2003):			
Fine Stayed \$5.00 or Less	Fine Doubled to \$10.00		
Ankeny	Ames		
Bettendorf	Boone		
Burlington	Cedar Falls		
Carroll	Fairfield		
Cedar Rapids	Iowa City		
Charles City	Marion		
Clinton	Marshalltown		
Coralville	Waterloo		
Council Bluffs			
Dubuque	Fine Tripled to \$15.00		
Fort Dodge	Clive		
Fort Madison	Davenport as of November 1, 2003		
Mason City	Des Moines		
Muscatine	Indianola		
Newton	Ottumwa		
Oskaloosa	Sioux City		
Urbandale	West Des Moines		

Sources include Public Strategies Group, executive branch agencies, Des Moines Register and LSA staff.