

**CHARTER AGENCY AGREEMENT**  
**BETWEEN**  
**THE GOVERNOR OF THE STATE OF IOWA**  
**AND THE**  
**IOWA DEPARTMENT OF CORRECTIONS**

The Department of Corrections requests that the Governor designate the Agency as a Charter Agency, pursuant to Section &J.1 of the Code of Iowa.

The Department commits to producing the following results in terms of performance measures and special projects:

**DEPARTMENTAL PERFORMANCE TARGETS**

- By December 31, 2003, increase non-general funds supporting the department's operating budget by 2%.
- Reduce the probation technical revocation rate to prison by 5%.
- Hold the rate of growth of offenders being released from prison by sentence expiration to no more than 5% per month.
- Reduce revocation rate by 5% for offenders participating in the federal re-entry "Going Home" grant.
- Increase by 5% the number of staff initiated recommendations for release to the Parole Board.
- 10% of all Corrections Officers will have training in Cohen Training for Mental Offenders.

**DEPARTMENTAL SPECIAL PROJECTS**

- Develop ICON nursing and medical modules.
- Share ICON data with other criminal justice programs.
- Develop community based incarceration alternatives for inclusion in FY05 budget request.

- Develop a structured decision-making process and policy for consistent management of probation violations.
- The Department, contingent upon receiving the benefits and flexibilities identified below, commits to generating \$500,000 in FY04 by reducing operating costs. The \$500,000 amount remains fixed for each of the four years subsequent to FY04.
- The Director of Corrections further commits to achieving the results as outlined in the Director's Performance Plan, excluding those results now affiliated with the department of Administrative Services, which is hereby incorporated by reference.

### **Charter Agency Benefits and Flexibilities**

The Governor and Lt. Governor pledge their support to the Charter Agencies success, and recognize the Department of Corrections and Director Gary Maynard are stepping above and beyond expectations in their willingness to become a Charter Agency. The agency will have the following benefits and flexibilities. These benefits and flexibilities do not supersede the requirements of the Accountable Government Act.

**The Department of Management (DOM) will assure that Charter Agencies:**

1. May apply to receive grant funds from the \$3 million General Fund appropriation for Charter Agency innovation projects.
2. Retain 50 percent of unspent year-end General Fund appropriation (from agency operations) balance for five (5) years, beginning with fiscal year 2004.
3. Are exempt from across-the-board General Fund appropriation cuts for fiscal years 2004 and 2005.
4. Retain 80 percent of all new revenues generated, subject to statutory compliance.
5. Benefit from DOM support of fiscal year 2005 full salary adjustment funding.
6. May opt out of the Iowa Excellence Program.
7. May work with the Department of Administrative Services (DAS) and Public Strategies Group (PSG) to develop and implement pilot projects.

8. May receive support at no cost from PSG to achieve desired charter outcomes, as needs arise and resources permit.
9. Benefit from DOM support of legislative changes to further enhance Charter Agency ability to simplify administrative processes and generate revenue.
10. May actively market program-related goods and services to lowans and seek alternate and innovative revenue sources.
11. May charge other governmental agencies for services, following DOM consultation with DAS that indicates the DAS lacks the capacity to provide the service.
12. Retain all existing information technology staff, hardware and software through fiscal year 2004.
13. May propose increases in fees that are commensurate with and directly related to improving services to citizens.
14. May reduce copying and paperwork expenses via use of electronic signatures, record keeping, and transactions.
15. Are exempted from appropriated full-time equivalent (FTE) limitations for a period of five (5) years, beginning with fiscal year 2004.
16. May evaluate existing "outsourced" state work activities for cost-effectiveness and service delivery quality.

**[DAS Human Resources Enterprise-related]**

17. May convert PEO (Merit Resources) positions to state FTEs, consistent with collective bargaining agreements and Human Resource Enterprise (HRE) rules.
18. May change the status of "direct report" managerial positions to "at will" positions. Affected employees must agree to the change voluntarily in writing for the change to occur.
19. May increase overlap employment days.
20. May add interns to their workforces.
21. May award "exceptional job performance (performance bonus)" pay to non-contract covered employees or to contract covered employees with

the approval of the labor union. This applies to individual employees as well as to employee "teams."

22. May award "special-duty" pay or "extraordinary duty" pay. Special duty pay applies when an employee is temporarily assigned to a vacant position in a higher class. Extraordinary duty pay applies when an employee is temporarily assigned work duties in a higher class.
23. May create any position in any classification provided that duties are consistent with established classification and filled in compliance with collective bargaining agreements and HRE rules.
24. May award increased pay for increased credentials to non-contract covered employees or to contract covered employees with the approval of the labor union.
25. May utilize the employee performance evaluation system and process in force as of fiscal year 2003 until July 1, 2004. This issue will be revisited prior to July 1, 2004.

**[DAS General Services Enterprise/Information Technology Enterprise--related]**

26. May purchase goods and services outside General Services Enterprise (GSE) contracts provided the charter agency can document the cost benefit. Charter agencies purchasing Information Technology Enterprise (ITE) services independently must document that the purchase complies with ITE enterprise technical standards. Charter agencies will periodically report on the nature and value of these goods and services to DAS. Charter agencies will pay the Iowa Code-required one (1) percent purchase fee.
27. May sell or lease capital assets and retain proceeds and may utilize the GSE as an agent in the sale of capital assets.
28. May make their travel arrangements directly with vendors, with appropriate audit-worthy documentation.
29. May pay a fiscal year 2005 vehicle administrative fee (overhead) that is at least 30 percent lower than the current fee.
30. May, with appropriate audit-worthy documentation, use sole source contracts.
31. May, through addendum, extend contracts beyond the current allowable renewal term.

32. Implement and enforce contract "liquidated damages" clauses.
33. Utilize streamlined contracting requirements for capital projects.
34. May work closely with GSE to implement design and construction work on capital projects.

**[DAS State Accounting Enterprise-related]**

35. Are required to initial the "batch sheet" (only) as part of the pre-audit process.
36. Utilize a simplified procurement card "coding" system that does not require coding of purchases at the detailed expenditure (objective) level when the bill is paid.
37. Are no longer required to file travel claims when expenses are paid by an outside entity.
38. Are exempted from the requirement to submit pre-contract questionnaires for contracts valued at less than \$1,000.
39. Are exempted from the requirement to submit pre-contract questionnaires for corporate or governmental vendors, provided that information on the questionnaire is still obtained to meet audit requirements.

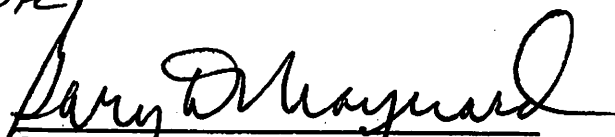
**Additional Terms and Conditions**

1. The Department of Management recognizes its responsibility to ensure that the \$15 million Charter Agency goal is achieved through a combination of cost reduction and revenue maximization efforts on an annual basis for a period of five (5) years. The identified financial commitment in the four years subsequent to FY04 are contingent upon maintaining at least the FY04 baseline budget amount plus annual adjustments. If these funding amounts are not maintained, this agreement shall be renegotiated and the amounts and expectations may be changed.

2. This Charter Agency Agreement may be amended by mutual agreement of the parties at any time.

Dated this 12<sup>TH</sup> <sup>SEPTUAGINTH</sup> of July, 2003.

  
Thomas J. Vilsack  
Governor

  
Gary Maynard  
Director, Department of Corrections