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CHARTER AGENCY AGREEMENT
BETWEEN
THE GOVERNOR OF THE STATE OF IOWA
AND THE
IOWA VETERAN'S HOME

The Iowa Veteran's Home (IVH) requests that the Governor designate the Home as a Charter Agency, pursuant to Section 7J.1 of the Code of Iowa.

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

DEPARTMENTAL PERFORMANCE TARGETS

- Enhance resident and permanent employee participation in at least 80% of IVH operational planning functions (Process Action Teams, Planning Retreats, Committees and other work groups) as determined by the Quality Council.
- Realize a 5% increase in applications to IVH as a result of increased marketing initiatives.
- IVH will increase the average daily census by 1% (7.5 beds) as a result of increased marketing initiatives.
- 20% of the permanent employee work force will receive Process Action Team Training necessary to participate in operational planning functions.
- 20% of new employees will participate in a formal mentoring program.
- IVH will initiate two research projects relating to health care in Pharmacy Services and Nursing Services.

DEPARTMENTAL SPECIAL PROJECTS

- By November 1, 2003, IVH will develop a statewide marketing plan to maximize opportunities for increasing applications, by enhanced partnering with veteran service

organizations, County Commissioners of Veterans Affairs and the Iowa Commission of Veterans Affairs.

- By November 1, 2003, IVH will complete a feasibility study for implementation of a medical clinic based on a community outpatient clinic model.
- By November 1, 2003, IVH will implement an organization redesign that aligns with Iowa Excellence principles (customer focus, results orientation, long range thinking, employee participation, collaborative leadership, data based decisions, and continuous improvement) and enables us to meet our strategic objectives.
- By January 1, 2004, IVH will complete Phase One (Planning) of a three-phase plan to implement an electronic documentation system.
- IVH, contingent upon receiving the benefits and flexibilities identified below, commits to generating \$1.3 million in FY04 by reducing operating costs. The \$1.3 million amount remains fixed for each of the four years subsequent to FY04.

Charter Agency Benefits and Flexibilities

The Governor and Lt. Governor pledge their support to the Charter Agencies success, and recognize the Iowa Veteran's Home and Commandant Byron Coghlan are stepping above and beyond expectations in their willingness to become a Charter Agency. The Home 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 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 Director will have the ability to use operational funds for training and travel within the existing budget to promote achievement of goals and projects.
- 2. The Director will not be restricted by current state guidelines regarding employee recognition. The Director will be able to recognize/reward individuals and/or teams for their significant contributions toward the achievement of goals and projects.
- 3. The Director will have the ability to pursue collaborative partnering opportunities with outside agencies (i.e., Department of Veterans Affairs) that benefit the operation of the Iowa Veterans Home and the State of Iowa.
- 4. IVH will receive \$100,000 from the Grant Fund in FY04 for the development and implementation of a Computerized Patient Record System.
- 5. When Performance Target 1 and Special Project 1 are achieved, the Governor/Lt. Governor will attend a recognition ceremony at IVH honoring staff and residents for their accomplishment.

6. This Charter Agency Agreement may be amended by mutual agreement of the parties at any time.
7. The Department of Management will support the Iowa Veteran's Home in its efforts to modify current "carry forward" provisions related to its annual budget.

Dated this 12TH ^{PR} of September, 2003.



Thomas J. Vilsack
Governor



Byron Coghlan
Commandant, Iowa Veteran's Home