



# STATE OF IOWA

THOMAS J. VILSACK, GOVERNOR  
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF MANAGEMENT  
CYNTHIA P. EISENHAUER, DIRECTOR

## MEMORANDUM

Date: July 19, 2004  
To: Sue Lerdal  
Legislative Services Agency  
From: Cynthia P. Eisenhauer  
Department of Management  
Re: PSG

Here is the info I think you are looking for:

1. The Smart Spending addendum to the PSG master agreement ends June 30. Smart Spending payments will not be final until we measure outcomes over the next 60 days for Charter Agencies and Local Government Reinvention, and in 2005 for Child Welfare (the baseline is 2004).
2. The PSG master agreement ends August 31, 2005. They will continue to provide reinvention services which cost the state nothing. There are no other existing addendums.
3. PSG is talking to departments about potential future addendum, but none are final. IDOM always lets LSA know when any addendum are signed, and when any payments are made to PSG. We will continue to so notify you. IDOM is negotiating two potential future addendum with PSG: one is related to helping us adopt the budget approach Senator Angelo suggested at Fiscal Committee, and the other is related to improving the Appeal Board process. The Legislature adopted language allowing the Appeal Board to pay for any process improvement project it may undertake.

Let me know if you would like additional information.