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# DEPARTMENT OF JUSTICE

PRESENTATION TO

JUSTICE SYSTEMS  
APPROPRIATIONS SUBCOMMITTEE

JANUARY 27, 2004

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MEMORANDUM

TO: Dennis Prouty, Director, Legislative Services Agency  
Michael E. Marshall, Secretary of the Senate  
Margaret A. Thomson, Clerk of the House of Representatives

FROM: Stuart Vos, Collection Program Manager, Iowa Department of Revenue *SM*  
Eric Tabor, Chief of Staff, Iowa Department of Justice *E.T.*

RE: Collection of Delinquent Fines, Fees, Surcharges, and Court Costs

DATE: December 8, 2003

Senate File 439, section 1(8), requires the Iowa Department of Revenue (IDR) and the Iowa Department of Justice to issue a request for information (RFI) concerning the use of outside private collection agencies (OCAs) for the collection of fines, fees, surcharges and court costs delinquent more than one year.

Collection of delinquent fines, penalties, fees, court costs, surcharges, and restitution is generally governed by Iowa Code section 602.8107. County attorneys are authorized to collect most of these outstanding accounts pursuant to a process described in that section. Additionally, county attorneys are authorized to procure professional collection services to assist with collection efforts. Iowa Code section 331.756(5).

If a county attorney does not pursue collection of these outstanding accounts, then the Judicial Branch is authorized to assign cases to the centralized collection unit of the IDR. Iowa Code section 602.8107(5). The IDR has created the Collection Partnership which is a joint effort of the IDR and a private collection agency. The Collection Partnership provides some of the services contemplated by the proposed RFI. The Judicial Branch currently refers unpaid liabilities to the Collection Partnership after they become 45 days delinquent. The Collection Partnership attempts collection using private sector collection practices such as automated skiptracing, call campaigns and dunning by letter. In addition, the Judicial Branch and the Collection Partnership cooperate to suspend the obligor's ability to renew a motor vehicle registration, suspend driver's licenses, and administratively levy assets in financial institutions.

The IDR typically keeps court accounts for a minimum of one year and will retain them longer if collection efforts look promising or the obligor is in an approved pay plan. In Fiscal Year 2003 the Judicial Branch placed \$50.1 million of liabilities with the IDR, which collected \$12.1 million, and ended the year with outstanding accounts totaling \$53.9 million.

Tax accounts collected by the IDR also go through the same process with the Collection Partnership. However, those accounts that are unable to be collected by the Collection Partnership are subsequently sent to OCAs. While private collection agencies are often very successful, their effectiveness in almost all instances is predicated upon the amount of effort spent on collections prior to placement with the OCA. In the case of tax accounts, the effectiveness of OCAs is substantially reduced because of the efforts expended on accounts while they are placed with the Collection Partnership. By way of comparison, the Collection Partnership collected \$19.5 million in tax receivables last year on placements of \$71.8 million. The private agencies collected \$0.5 million on placements of \$14.9 million.

When the Collection Partnership is unable to collect, the Judicial Branch continues its own collection efforts that include judicial action and other sanctions available to the Courts. Given the combined efforts of the Collection Partnership, the Courts, and county attorneys it is unlikely that significant additional revenues would be generated by outside collection agencies.

That is not to say, however, that outside collection agencies would be entirely unsuccessful. The IDR is charged in Iowa Code section 421.17(34) with a leadership role in establishing debt collection policy for state agencies. As part of that charge, the IDR has master contracts with two OCAs. These contracts are designed for use by any other agency in state government, including the Judicial Branch. Both contracts are based on contingency fees that range from 8 percent to 17.5 percent. The fee varies based on the size of the debt. Based on the existing portfolio of fees and fines, the Judicial Branch could expect to pay approximately 16 percent on most collections if they utilize the existing contracts.

For purposes of comparison, two of the largest OCAs that specialize in court collections were contacted by the IDR. One of them quoted prices ranging from 25 to 35 percent and the other quoted a price range from 18 to 25 percent, with an average of 23 percent. Most OCAs prefer to stay away from felony and restitution cases and specialize in the more collectible traffic, parking, misdemeanor and civil ordinance violations. In most cases, costs are recouped by adding the cost of collection to the liability.

Having had extensive experience with collection agencies and with the Court's debt, the IDR believes it is important to note that any solution involving an outside collection agency will involve considerable front-end programming to the Iowa Court Information System (ICIS) and ongoing support by the Courts. While the IDR is not in a position to ultimately judge the degree of difficulty or costs associated with overcoming these issues, IDR is aware that ICIS is not currently configured to handle the multiple costing scenarios, accounting issues or data transactions needed to effectively interface with OCAs. Additionally, a limited number of

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support personnel would be needed to handle placement, recall, accounting and customer service issues.

We hope this provides the information you need in your decisionmaking process. Please feel free to contact Stuart Vos at (515) 725-0229 about this or any collection related issue or Eric Tabor at (515)281-5191.

IOWA ATTORNEY GENERAL'S OFFICE  
 ACTUAL COSTS AND ESTIMATES OF TIME INCURRED  
 CONSUMER EDUCATION AND LITIGATION FUND  
 ANTITRUST AND ENFORCEMENT FUND

ATTORNEY GENERAL FUNDS FY 2004		
AS OF 1/15/04		
	Consumer Ed	Antitrust
<i>Beginning Balance</i>	923,763.41	269,625.73
<b>Deposits</b>	502,722.31	5,672.02
<b>AG Reimb/Expenses</b>	(427,440.98)	(65,476.43)
<b>Passthrough/Refunds</b>	(387,875.74)	-
<b>Balance</b>	611,169.00	209,821.32
<b>Total AG Expenses Reimbursed</b>	427,440.98	65,476.43
<b>Total AG Salaries/Benefits Reimbursed</b>	383,918.77	55,205.75
<b>Total AG Other Expense Reimbursed</b>	43,522.21	10,270.68
<b>FTE Usage</b>	12.8	1.1
<b>Hours Incurred</b>	12667	1144

APPROPRIATION LANGUAGE

2. In addition to the funds appropriated in subsection 1, there is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 2003, and ending June 30, 2004, an amount not exceeding \$200,000 to be used for the enforcement of the Iowa competition law. The funds appropriated in this subsection are contingent upon receipt by the general fund of the state of an amount at least equal to the expenditure amount from either damages awarded to the state or a political subdivision of the state by a civil judgment under chapter 553, if the judgment authorizes the use of the award for enforcement purposes or costs or attorneys fees awarded the state in state or federal antitrust actions. However, if the amounts received as a result of these judgments are in excess of \$200,000, the excess amounts shall not be appropriated to the department of justice pursuant to this subsection. The department of justice shall report the department's actual costs and an estimate of the time incurred enforcing the competition law, to the cochairpersons and ranking members of the joint appropriations subcommittee on the justice system, and to the legislative fiscal bureau by November 15, 2003.

3. In addition to the funds appropriated in subsection 1, there is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 2003, and ending June 30, 2004, an amount not exceeding \$1,125,000 to be used for public education relating to consumer fraud and for enforcement of section 714.16, and an amount not exceeding \$75,000 for investigation, prosecution, and consumer education relating to consumer and criminal fraud against older Iowans. The funds appropriated in this subsection are contingent upon receipt by the general fund of the state of an amount at least equal to the expenditure amount from damages awarded to the state or a political subdivision of the state by a civil consumer fraud judgment or settlement, if the judgment or settlement authorizes the use of the award for public education on consumer fraud. However, if the funds received as a result of these judgments and settlements are in excess of \$1,200,000, the excess funds shall not be appropriated to the department of justice pursuant to this subsection. The department of justice shall report to the cochairpersons and ranking members of the joint appropriations subcommittee on the justice system, and to the legislative fiscal bureau by November 15, 2003, the department's actual costs and an estimate of the time incurred in providing education pursuant to and enforcing this subsection.

Significant Antitrust Enforcement Activities - 2003  
Iowa Attorney General's Office

1. **Cardizem CD.** Cardizem CD is a prescription drug used to treat patients with hypertension and angina. Iowa was part of a multi-state lawsuit brought against Aventis Pharmaceuticals and Andrx Corp. alleging that they illegally delayed the introduction of the generic version of this drug, resulting in higher prices for consumers, medical insurance companies and government agencies. The settlement provided \$80 million to compensate consumers, state agencies, and insurance companies that overpaid for the drug. Iowans filed 1808 claims which was 2.3% of the claims filed nationally. (This is significant because Iowa's population is only about 1% of the national population.)
2. **BuSpar.** Buspar is an anti-anxiety prescription drug. Iowa was part of a multistate lawsuit brought against Bristol-Myers Squibb alleging that it took illegal action to prevent the entry of generic competitors to this drug. The settlement provided \$41.7 million to reimburse consumers. Consumer claims were in the range of \$200 to \$300. Iowans filed 1004 claims.
3. **Taxol.** Taxol is a chemotherapy drug used in the treatment of ovarian, breast, and other cancers. Iowa was part of a multi-state lawsuit brought against Bristol Myers-Squibb alleging that it used fraudulent means to delay the entry of lower priced generic versions of the drug, thereby illegally inflating the costs of chemotherapy for thousands of patients. The settlement provides approximately \$12.5 million to reimburse an estimated 400,000 cancer patients affected by the case. Consumer claims would be in the range of \$400 to \$2,600. Iowans have filed 126 claims, to date (the refund period is still open).
4. **Compact Discs (CDs).** Iowa was part of a multi-state lawsuit that alleged that the nation's top distributors of recorded music and three large retailers entered into illegal conspiracies to maintain minimum prices for CDs and other recorded music. The settlement allowed consumers to file for refunds on-line. Iowans filed at the fastest pace in the nation. Iowans filed 114,676 claims for refunds which are likely to be \$12.50/claim for a total of approximately \$1,433,450.

Significant Consumer Protection Enforcement Activities - 2003  
Iowa Attorney General's Office

February:

1. **"Nigerian" scam Public Warning issued** - AG Miller joined with victims and US Secret Service officials in a press conference to warn the public against a new form of the "Nigerian" advance fee scam, this time involving contact by scam artists with individuals advertising their cars in newspaper classified sections.

March:

1. **Pet Medicine Chest** - court order, including permanent injunction and \$1.2 million civil penalty, obtained by Farm Division in action against company in action alleging the business used false and misleading claims about the health benefits of its pet medicines and food supplements sold over the Internet, and used unapproved ingredients in its products.

April:

1. **Internet Auction Fraud Sweep Announced** - AG joined with FTC and 27 other state AG's to bring actions against individuals or businesses that sold via Internet auctions, took money, and failed to deliver the goods. Iowa action was a settlement with a Casey, Iowa man, who sold clothing and other items over the Internet, took the money, but allegedly didn't deliver.

2. **H & R Block Settlement** - settlement with tax preparation firm regarding its 2001 practices in selling its "Peace of Mind" program to consumers for \$22 each without adequate notice the charge was optional. The "Peace of Mind" program involved a promise the company would pay up to \$5,000 of any additional income tax owed due to a tax-preparer's error.

May:

1. **Lead Paint Warning Labels Agreement** - agreement entered with home paint manufacturers to put labels on paint cans warning consumers about the risk of lead-paint exposure during repainting and other home renovation work.

2. **Warnings to Small Businesses Regarding Collect Call Phone Charges** - AG's office joined with Utilities Board to warn small businesses to look out for bogus charges for a three-minute collect telemarketing call from a New Mexico firm through billing by a Florida firm called "00" Operator Services.

June:

1. **Central State Supply** - refunds of \$50,000 obtained by Farm Division to reimburse Iowans who were misled by representations made in telemarketing sales of farm chemical herbicides by a Long Island, NY telemarketing company.



2. **Do Not Call Registry** - AG's office announced beginning of national do not call registry and provided information to Iowans regarding how to sign up to stop unwanted telemarketing calls.

July:

1. **Guardian Group/Philip Head, and others** - consumer fraud judgment obtained against a telemarketing operation that made calls from a Des Moines phone room targeting consumers who were trying to sell their timeshares. Company required consumers to pay \$400 each for appraisals, but never did them. Permanent injunction obtained to stop the scam.

2. **Shazzam Roofing and Seamless Gutters** - settlement agreement regarding deceptive home improvement practices. Refund ordered for consumers, plus permanent injunction issued.

3. **Jumpstart Coalition Financial Literacy Teacher Training** - AG Miller and AG office staff participated in planning and speaking at a state-wide training for teachers in financial literacy for young people.

August:

1. **Wolford Group** - consumer fraud lawsuit filed alleging deceptive and unfair practices by company and individuals involved in buying and selling homes. Order obtained freezing company assets. (In September, order obtained placing company in Receivership.)

2. **DotNow.com** - Sued Des Moines-based Internet service provider for failing to respond to Attorney General's investigative demand for information.

September:

1. **Time, Inc.** - settlement obtained relating to deceptive sweepstakes mailings resulting in \$52,000 in refunds for Iowa consumers.

2. **Smokers Warehouse** - lawsuit filed alleging ads claiming cigarettes sold by the company by mail order were "tax free" were false and that company failed to adequately ensure that its product was not being delivered to minors.

3. **Walmart** - agreement obtained from company to institute a battery of new policies and procedures aimed at cutting sales of tobacco to minors

October:

1. **Lauren Ashly Agency, Inc.** - lawsuit filed and court order obtained against a modeling agency that sold photo packages to prospective models but failed to obtain promised modeling jobs for them.

2. **Dr. Knoll Products, Inc.** - seller of so-called health remedies found to be violating previous ban from selling in Iowa ordered to pay \$35,000 in refunds to Iowa consumers.

November:

1. **Farmers Pride Meat Company** - lawsuit filed and settlement obtained against a Minnesota door to door meat seller regarding failure to give consumers notice of three-day right to cancel, misrepresenting that meat was left over from local deliveries and available at a low price, and failure to represent meat products as price-per-pound. Company was ordered to make refunds. About \$5,000 has been paid thus far to Iowa consumers.

2. **Xentel, Inc.** - lawsuit filed against Florida-based telemarketer for Iowa Professional Firefighters Association alleging deceptive telemarketing claims, such as that the caller is a firefighter, that local firefighters directly benefit, and that most of the money will go to the charitable purpose.

3. **Tobacco Companies Cease Some Advertising** - major tobacco companies agreed with AG Miller's request that they remove advertising for their cigarette and smokeless tobacco brands from copies of *Time*, *Newsweek*, and *U.S. News and World Report* magazines that are sent to schools as part of the magazines' school programs.

4. **Zylon-Based Bullet-Proof Vests** - AG Miller announced investigation of a company which sold body armor that has failed to protect some law enforcement officers from bullet penetration.

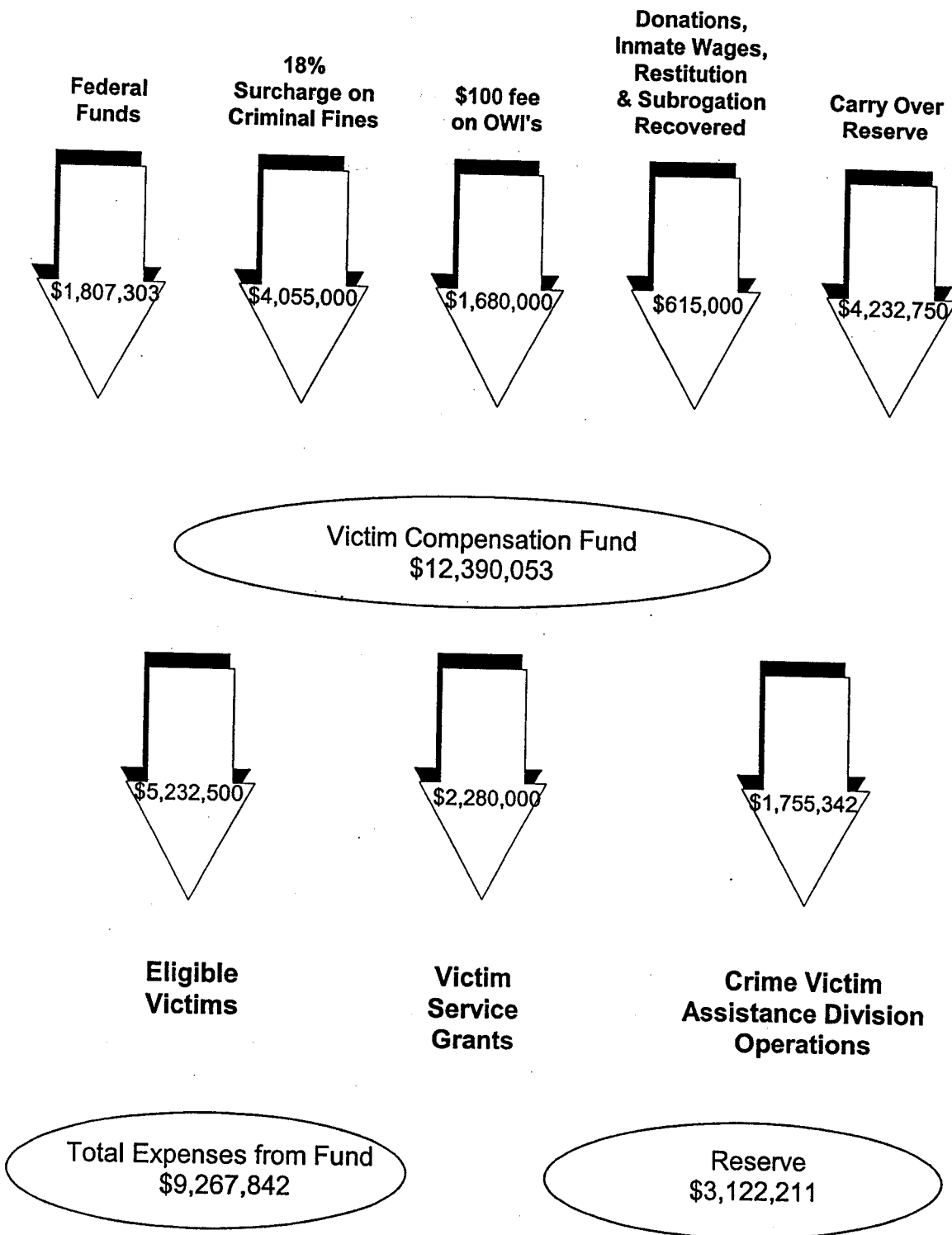
December:

1. **Richard James Panas** - court order obtained permitting AG's office to seize 7000 pieces of mail at a commercial mail-drop in Clive -- thwarting an alleged nationwide scheme by a South Carolina man to identify elderly consumers who are vulnerable to large-scale telemarketing fraud through allegedly deceptive prize mailings.

2. **Household Finance** - Announcement that checks totaling over \$1.5 million were going out to over 2,800 Iowa consumers regarding 2002 settlement with Household Finance concerning its lending practices. Highest amount of consumer refunds in one case in history of Iowa AG's office.

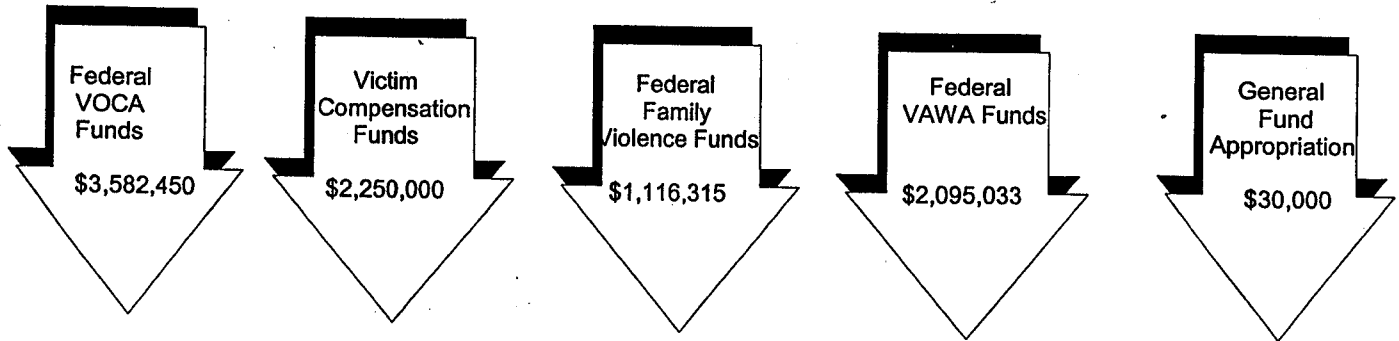
# VICTIM COMPENSATION

Attorney General's Office  
Projected FY 2004

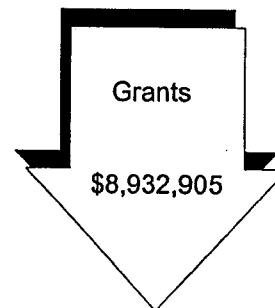
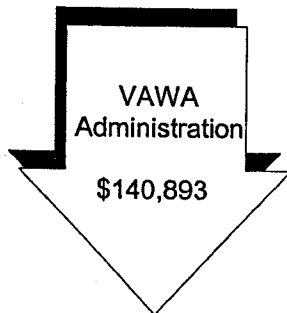


# VICTIM GRANTS

Attorney General's Office  
Projected FY 2004



Victim Grants  
\$9,073,798



Domestic Abuse Shelters  
Sexual Abuse Programs  
Iowa Domestic Abuse and Sexual Abuse  
Hotline  
and  
Other Violent Crime Programs

**Crime Victim Assistance Division**

<b>Resources</b>	<b>Victim Compensation Fund</b>					
	Actual FY 1999	Actual FY 2000	Actual FY 2001	Actual FY 2002	Actual FY 2003	Est. FY 2004
OVI Fines	\$ 1,536,480	\$ 1,577,599	\$ 1,517,008	\$ 1,686,888	\$ 1,666,902	\$ 1,680,000
Criminal Surcharge	1,794,049	2,695,324	3,396,771	3,975,801	4,230,361	4,055,000
Restitution	388,946	477,015	454,847	483,733	438,857	435,000
Inmate Wages	107,964	137,927	112,294	80,040	58,229	55,000
Donation	1,368	741	1,770	0	0	0
Subrogation	121,794	182,382	137,986	109,258	78,833	125,000
VOCA Compensation	834,000	950,000	931,000	1,035,000	1,560,000	1,560,000
Transfer Comp. Admin.	0	41,700	0	145,800	0	0
VOCA Admin./Training	129,704	156,550	135,749	233,900	429,767	188,550
Federal FVPSA Admin.	25,175	30,403	31,206	35,454	114,292	58,753
Carryover	2,475,142	2,343,065	3,200,127	3,871,254	4,366,235	4,232,750
<b>Total</b>	<b>\$ 7,414,622</b>	<b>\$ 8,592,706</b>	<b>\$ 9,918,758</b>	<b>\$ 11,657,128</b>	<b>\$ 12,943,476</b>	<b>\$12,390,053</b>
<b>Expenditures</b>						
Operations	\$ 1,018,303	\$ 947,090	\$ 1,214,080	\$ 1,387,827	\$ 1,738,737	\$ 1,705,342
Victim Services Grants	250,000	250,000	650,000	712,319	2,185,065	2,250,000
Victim Advocate Training	0	0	0	100,000	30,000	30,000
Collection Expenses	60,069	115,533	75,140	61,139	43,050	50,000
Compensation Paid	3,312,267	3,610,633	3,627,664	3,546,023	4,213,242	4,732,500
Sexual Abuse Exams	430,918	469,323	480,620	483,585	500,632	500,000
Transfer to Unemp. Comp.	0	0	0	1,000,000	0	0
<b>Total</b>	<b>\$ 5,071,557</b>	<b>\$ 5,392,579</b>	<b>\$ 6,047,504</b>	<b>\$ 7,290,893</b>	<b>\$ 8,710,726</b>	<b>\$ 9,267,842</b>
Ending Balance	\$ 2,343,065	\$ 3,200,127	\$ 3,871,254	\$ 4,366,235	\$ 4,232,750	\$ 3,122,211

**Notes:**

1. The Victim Compensation Fund was established to compensate crime victims for certain losses, as provided in Chapter 915, Code of Iowa. The year-end balance is the next fiscal year's carryover funding. The carryover is required to cash flow payments to victims and providers. It also permits the Fund to be considered actuarially sound.
2. VOCA is the Victim of Crime Act.
3. The Federal FVPSA is the Family Violence Prevention and Services Act.
4. The 5.0% administrative cost allowed from VOCA, and FVPSA are included in the Victim Compensation Fund. Victim Assistance federal grants to local providers are included in the Victim Assistance Grants Account.
5. HF 2625 (FY 2002 Adjustments and Transfers Act) transferred \$1.0 million from the Victim Compensation Fund to the State Unemployment Compensation Fund in FY 2002.
6. For FY 2003, VOCA Admin./Training and Federal FVPSA Admin. include an additional year of receipts. This is a one-time occurrence so that receipts are recorded in the correct fiscal year.

**Crime Victim Assistance Division**

**Victim Assistance Grants Account**

<b>Resources</b>	<b>Actual FY 1999</b>	<b>Actual FY 2000</b>	<b>Actual FY 2001</b>	<b>Actual FY 2002</b>	<b>Actual FY 2003</b>	<b>Est. FY 2004</b>
General Fund	\$ 1,759,806	\$ 1,935,806	\$ 1,935,806	\$ 1,817,534	\$ 30,000	\$ 30,000
Income Tax Check-off	67,202	75,783	76,010	0	0	0
VOCA Assistance Grant	4,341,189	3,153,852	3,985,333	3,980,004	4,028,445	3,582,450
FVPSA	559,257	720,530	704,824	1,093,538	1,152,835	1,116,315
VAWA	0	0	0	0	1,883,784	2,095,033
Victim Comp. Fund	250,000	250,000	650,000	712,319	2,185,065	2,250,000
Carryover	121,440	113,833	84,307	64,809	4,751	0
<b>Total</b>	<b>\$ 7,098,894</b>	<b>\$ 6,249,804</b>	<b>\$ 7,436,280</b>	<b>\$ 7,668,204</b>	<b>\$ 9,284,880</b>	<b>\$ 9,073,798</b>
<b>Expenditures</b>						
Operations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 127,491	\$ 140,893
Transfer to Comp. Fund	154,879	186,953	166,955	269,354	253,728	0
Grants	6,830,182	5,978,544	7,204,516	7,394,099	8,903,661	8,932,905
<b>Total</b>	<b>\$ 6,985,061</b>	<b>\$ 6,165,497</b>	<b>\$ 7,371,471</b>	<b>\$ 7,663,453</b>	<b>\$ 9,284,880</b>	<b>\$ 9,073,798</b>
<b>Ending Balance</b>	<b>\$ 113,833</b>	<b>\$ 84,307</b>	<b>\$ 64,809</b>	<b>\$ 4,751</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Victims served:</b>	<b>21,763</b>	<b>21,604</b>	<b>21,667</b>	<b>27,497</b>	<b>27,497</b>	<b>27,102</b>

**Notes:**

1. The Victim Assistance Grants Program provides grants to service providers of victims of domestic abuse and sexual abuse crimes and the telephone hot lines.
2. Federal regulations for VOCA Assistance Grants permit funds to be used for service providers of victims of violent crime. It also funds four homicide victim survivor programs and 12 victim and witness coordinators in county prosecutor offices.
3. Family Violence Prevention and Services Act funds may only be used for domestic abuse programs.
4. Violence Against Women Act funds were transferred from the Office of Drug Control Policy in FY 2003. While it is a new funding stream for the Crime Victim Assistance Division, it is not a new funding stream for local programs.
5. For VAWA, a state match of \$30,000 is required in order to receive the federal award. The appropriation to the Office of the Attorney General includes this \$30,000 match. The \$30,000 is included under Expenditures in the Operations line item.
6. The amount for VAWA includes federal receipts of \$97,491 in FY 2003 and \$110,893 in FY 2004. Federal rules permit administrative costs to be 10.0% of the grant award. The Division uses 5.0% of the grant award for administrative purposes. The administrative costs funded through federal receipts are included under Expenditures in the Operations line item.
7. VAWA funds may be used for domestic abuse, sexual assault, and stalking programs. It currently funds the STOP Violence Against Women Program and the Rural Domestic Violence and Child Victimization Discretionary Grant. Federal regulations require the funds to be distributed as follows: up to 10.0% may be used for administration. The Division uses 5.0% off the top for administration. The remaining 95.0% of the award is distributed as follows: 30.0% to victim service providers, 25.0% to prosecutors, 25.0% to law enforcement, 5.0% to the court system, and 15.0% discretionary (victim service providers).
8. The number of victims served increased in FY 2002 due to reporting the impact of the VAWA grant. In previous years, those victims were served by VAWA, which was administered by the Office of Drug Control Policy.
9. From FY 1999 through FY 2003, the 5.0% administrative costs for the VOCA and FVPSA grants were deposited in the Victim Assistance Grants Account and transferred to the Victim Compensation Fund. The Fund paid for all administrative costs associated with these grants.

Iowa Department of Justice  
Office of Consumer Advocate  
Explanation of Recent Appropriations  
January 2004

Questions have been posed about adjustments to the appropriations of the Office of Consumer Advocate (OCA). By way of background, OCA represents consumers and the public in proceedings concerning utilities conducted by the Iowa Utilities Board. OCA's budget is completely reimbursed by the utilities and, thus, modifications of OCA's budget have no impact on the state's General Fund. In recent years, OCA's budget has been modified as follows:

1. **One-time Appropriation of \$400,000 for Temporary Staff.** HF 698, approved July 5, 2001 (2001 Iowa Act, Extraordinary Session, chapter 5, section 1) provided an appropriation beginning July 1, 2001, for sums necessary for the OCA to hire additional staff and contract for services in connection with the review of emissions and budget plans of utilities. OCA requested, and received, \$400,000 to fund contracts for professional services to review the multiyear emission plans and budgets of MidAmerican Energy Company and Alliant Energy Company. The work for which this appropriation was made has been completed and this appropriation cannot be utilized in the future.

2. **Additional Allocation to Offset Budget Costs.** The FY02 budget of OCA, prior to budget cuts in FY02, was \$2,754,760. For FY03, the Legislature appropriated only \$2,443,903 to OCA, a reduction of \$310,857.

Based on this reduction, OCA determined that it would need to lay off three technical staff member in order to balance its budget. This was at a time when OCA faced a higher than usual number of rate case filings by utilities. At the suggestion of the Governor's office and legislators, OCA contacted the Department of Management (DOM) and requested the authority, pursuant to Iowa Code section 475A.6, to expend funds in excess of the amount appropriated. DOM granted OCA the authority to expend an additional \$310,857, noting that OCA should bill and receive all appropriate charges to the utilities so that the general fund would not be impacted. The use of section 475A.6 was a corrective measure to give back the appropriation which those involved agreed was a mistake to cut, until the money could be restored by regular appropriation the next budget year. It was not viewed as a temporary replacement of the appropriation.

For FY04, the \$310,857 was included in OCA's base budget.

For FY05, the \$310,857 remains in the OCA's base budget, as submitted by the Governor. OCA needs funding at current levels in order to efficiently and adequately meet the challenges of the varying proceedings in which OCA is required by statute to participate.