



TERRY E. BRANSTAD, GOVERNOR

DEPARTMENT OF GENERAL SERVICES
JACK B. WALTERS, DIRECTOR

April 20, 1990

The Honorable Bill Hutchins
Senate Majority Leader
The Senate
Capitol Building
LOCAL

The Honorable Donald Avenson
Speaker of the House
House of Representatives
Capitol Building
LOCAL

Dear Senator Hutchins and Speaker Avenson:

Subject: Lease/Purchase Request

I have received the attached request from the Department of Human Services to lease-purchase telecommunications equipment to replace their aging teleconferencing system, at a cost of \$374,386.

The lease/purchase is for three years (36 months) at an API interest rate of 7.98% and a cost per month of \$11,728.

I am submitting this request to you for your approval prior to initiating the third party financing process.

Sincerely,

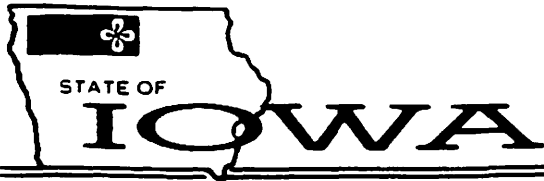
Jack B. Walters, Director
Department of General Services

JBW:jmh

enclosure

cc: J. Robert Soldat, DGS Purchasing
Ken Paulsen, DGS Purchasing
Chuck Palmer, Human Services
George Price, Management
Ann Marie Brick, A.G.
Diane Bolender, Legislative Service Bureau ✓
Kathy Williams, DGS Legislative Liaison

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TERRY E. BRANSTAD, GOVERNOR

DEPARTMENT OF HUMAN SERVICES

CHARLES M. PALMER, DIRECTOR

April 19, 1990

Mr. Jack Walters, Director
Department of General Services
Hoover State Office Building
LOCAL

Dear Mr. Walters:

Re: Financing of Teleconferencing System

Well over a year ago the Iowa Legislature appropriated \$50,000 for the Department of Human Services to purchase teleconferencing equipment to replace the CIDS Teleconferencing System in FY90. At the time that the appropriation was made it was understood that the new equipment would be purchased over a period of at least three years.

Attached is a cost comparison that projects costs for the current CIDS system over the next four fiscal years and compares it to the projected costs for the new teleconferencing system. You will note that a savings of over \$79,000 is projected for FY91; that number grows to over \$633,000 in FY94.

This new equipment has been identified by staff from State Communications and State Purchasing and approved by the current CIDS Administrator, Michelle Clark. Because of the tremendous cost savings projected, we would like to move ahead quickly with the purchase of this equipment. Therefore, I am requesting that you seek approval to finance this equipment over 36 months and move ahead with this purchase so that it is installed prior to June 30 of this year.

Sincerely,

Charles M. Palmer
Director

CMP:MLC

att.

COST COMPARISON OF CIDS/New Teleconference Equipment (in State Dollars)

New Equipment Lease/Purchased for 36 Months

| CIDS Costs | FY '90 | FY '91 | FY '92 | FY '93 | FY '94 |
|---|------------|-------------|-------------|-------------|-----------|
| General Administration 16.53% of total ITN costs and customer premise equipment. | \$107,624 | \$121,581 | \$137,337 | \$155,247 | \$175,429 |
| Field Services 83.42% of total ITN costs and customer premise equipment. | 479,804 | 542,210 | 612,697 | 692,347 | 782,352 |
| Total CIDS Costs * | \$587,428 | \$663,791 | \$750,034 | \$847,594 | \$957,781 |
| New Equipment Costs *(2) | (\$23,457) | (\$140,741) | (\$140,741) | (\$117,284) | 0 |
| Installation | (4,400) | 0 | 0 | 0 | 0 |
| Usage Costs (Lines) *(3) | 0 | (155,848) | (179,225) | (206,109) | (237,025) |
| Long Distance Costs *(4) | 0 | (65,520) | (68,796) | (72,235) | (75,847) |
| ITN Costs (12 Mos.) | | | | | |
| General Administration | (57,743) | 0 | 0 | 0 | 0 |
| Division of Field Services | (297,305) | 0 | 0 | 0 | 0 |
| ITN Shared Costs | | | | | |
| General Administration | (39,849) | (39,849) | (39,849) | (761) | 0 |
| Division of Field Services | (182,524) | (182,524) | (182,524) | (3,487) | 0 |
| Maintenance | 0 | 0 | 0 | (11,578) | (11,578) |
| Estimated Total Savings | (\$27,550) | \$79,309 | \$138,949 | \$436,140 | \$633,331 |

Assumptions:

*Costs projected to increase: 5% for customer premise equipment, 5% for ITN shared network costs, 20% for tail-end circuit costs for a total overall increase of 13% each year. Since July '87, tail-end circuit costs have actually increased 62%, ITN shared network costs 73%, and equipment less than 3%.

*(2) 7.98% Interest; E annual payments projected for FY90.

*(3) Projected to increase total of 15% annually; 5% costs increase, 10% increased usage.

*(4) Projected to increase 5% annually.

REPORT OF THE SERVICE COMMITTEE
TO THE LEGISLATIVE COUNCIL

April 24, 1990

The Service Committee of the Legislative Council met on April 24, 1990. The meeting was called to order by Representative John Connors, Chairman, at 10:35 a.m. in Room 22 of the State House, Des Moines, Iowa.

The Service Committee respectfully submits to the Legislative Council the following report and recommendations:

1. The Service Committee received and filed a personnel report from the Legislative Service Bureau and recommends that the Legislative Council approve the employment of Ms. Bonnie King at grade 21, step 6, to fill the vacant position of Publications Coordinator in the Administrative Code Division. Ms. King is presently employed in the Administrative Code Division as an Administrative Assistant at grade 20, step 6.
2. The Service Committee received and filed a personnel report from the Legislative Fiscal Bureau.
3. The Service Committee received and filed a personnel report from the Legislative Computer Support Bureau and recommends that the Computer Support Bureau be granted the authority to advertise and fill the position of Microcomputer (PC) Analyst. The position is funded in the Computer Support Bureau's fiscal year 1991 budget and funds are available to cover the position under the current fiscal year budget.
4. The Service Committee received and filed an Administrative Report relating to office air quality and proposed action by the Citizens' Aide/Ombudsman to cure office air circulation problems. The Service Committee recommends that the Legislative Council instruct the Department of General Services to make the necessary repairs at the Department of General Services' cost.
5. The Service Committee received and filed a Legal Report from the Office of Citizens' Aide and recommends that the Legislative Council approve the retention of attorney Mark Bennett, at the rate of \$70 per hour, to represent the interests of the Office of Citizens' Aide in any judicial review proceedings which may arise from the Job Service administrative hearings relating to Mr. James Peterson's claims for unemployment compensation benefits.
6. The Service Committee received and filed a personnel report from the Office of Citizens' Aid.

Respectfully submitted,

REPRESENTATIVE JOHN H. CONNORS
Chairman

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**Study of Adult Literacy
(Prospectus)**

Statement of the Problem

In 1986 the National Assessment of Educational Progress (NAEP) published the results of a study characterizing literacy skills of young adults in the United States. Sampling procedures of the national study did not provide sufficient representation to determine the literacy level of young adults in Iowa relative to the nation. In recognition of the important implications such information has to education, as well as business and industry, in this state, the Department of Education supports an assessment of the literacy levels of young adults in Iowa and submits the following recommendations for consideration.

Proposed Specifications

Estimates based on previous studies suggest that conducting a literacy study of young adults in Iowa will require at least \$200,000. To provide the most useful information, the study should replicate, where possible, the 1986 NAEP study. This would allow a basis for comparison. The population of young adults targeted in the 1986 NAEP study included young adults between the ages of 21 and 25. The sample selected for the Iowa study should be representative of the population of 21 to 25 year olds in Iowa. To ensure representation, sampling procedures should account for rural/urban status, sex, and other distinguishing characteristics, as available funding will allow.

The NAEP study focused on three specific types of literacy:

1. Prose literacy. The knowledge and skills needed to understand and use information from text that include editorials, news stories, and poems.
2. Document literacy. The knowledge and skills required to locate and use information contained in job applications or payroll forms, bus schedules, maps, tables, and indexes.
3. Quantitative literacy. The knowledge and skills needed to apply arithmetic operations, either alone or sequentially, that are embedded in printed materials, such as in balancing a checkbook, figuring out a trip, completing an order form, or in determining the amount of interest from a loan advertisement.

It is recommended that these types of literacy be assessed in the Iowa study.

Procedures and Timeline

The Department of Education will prepare a request for proposals which specifies the nature and scope of the assessment, and methodological and reporting requirements as soon as funding is secured. A grant will be awarded on or before May 1, 1990, contingent upon available funding. The Department of Education will facilitate implementation and monitor progress of the study through its completion. The final report of the study will be submitted to the General Assembly on or about December 31, 1990.