

MINUTES
LEGISLATIVE GOVERNMENT OVERSIGHT COMMITTEE
July 21, 2008

The Legislative Government Oversight Committee met July 21, 2008, in the Supreme Court Chamber at the Capitol.

Senator Tom Courtney, Chair, called the meeting to order at 10:09 a.m. on Monday, July 21. Other members present were:

Senator Pat Ward, RM
Senator Becky Schmitz

Representative Vicki Lensing, Chair
Representative Wayne Ford, VC
Representative Ralph Watts, RM
Representative Clel Baudler
Representative Deborah Berry
Representative Steven Olson
Representative Kurt Swaim
Representative Jodi Tymeson
Representative Wes Whitead

The following members were excused: Senator Michael Connolly, Senator Mary Lundby.

MINUTES

Senator Courtney made a motion to approve the minutes from the previous interim meeting. No changes were noted. The Committee approved the minutes from the June 2008 meeting.

OVERVIEW

The primary focus of the meeting concerned a discussion of unsewered communities and funding and financing options available to them, a semi-annual update and operations report review presented by the Iowa Lottery, and an examination of the child support collection process with a particular emphasis on modification of support obligations in the event of incarceration or when other custody circumstances change.

UNSEWERED COMMUNITIES

Panel discussion on unsewered communities with:

Mr. Dennis Ostwinkle, Supervisor, Field Office 6, Department of Natural Resources (DNR),
Ms. Jessica Montana, Water Quality Advocate, Iowa Department of Economic Development
Mr. Dan Miller, Executive Director, Xenia Rural Water District

The panel discussed the existence of unsewered communities across the State and efforts being made to identify them, initiate, and implement a process for sewer development.

Mr. Ostwinkle distributed a chart detailing the location and project status of unsewered or improperly sewerred communities, indicating that approximately six hundred such communities exist. He outlined an investigation process conducted by DNR, discussed efforts by the

department to initiate sewer installation projects in two communities per field office each year, and presented several alternative financing scenarios for representative facilities.

Ms. Montana summarized her role in conducting water quality-related education and outreach activities emphasizing the importance of achieving sewered status, and the coordination of grant and financial information.

Mr. Miller detailed project costs and funding sources for projects associated with the Xenia Rural Water District, and stressed the importance of communities being proactive in seeking solutions to their unsewered status.

Committee discussion included the financial challenges of financing sewer projects in rural areas, the impact of sewer construction on existing system customers, methods of sewer rate calculation and the impact of sewer projects on water bills, challenges faced by metropolitan areas with outdated sewer systems, and the possibility of developing a streamlined financing application applicable to multiple funding sources.

IOWA LOTTERY

Ms. Mary Neubauer, Vice President, External Relations, Iowa Lottery, presented a semiannual update regarding lottery operations and a review of the lottery's annual report. Ms Neubauer indicated that the lottery experienced strong sales throughout much of FY 2008, but noted that recent flooding and high fuel prices have impacted sales levels and that Hot Lotto sales for the year decreased by 17 percent. Additionally, Ms. Neubauer provided a break-down of lottery proceed distributions to State programs since the lottery's inception in 1985, stated that a percentage of lottery retail locations and equipment were damaged due to flooding prompting an examination of appropriate loss adjustments, and supplied a revised operations budget for 2009 reflecting decisions made during the 2008 legislative session and an increase in fuel cost estimates. A five-year overview of lottery revenues and expenses was also supplied, a favorable result of the latest audit of the lottery by the State Auditor's Office was noted, Iowa Million Dollar Raffle game results were reviewed, implementation of new lottery games benefiting the Iowa Veterans Trust were described, and enhanced security measures involving signature of tickets prior to validation and generation of customer and retailer receipts were summarized.

Ms. Neubauer also distributed copies of a revised brochure relating to problem gambling developed in coordination with Iowa Gambling Treatment Program administrators, stated that the Midwest Millions instant-scratch game jointly involving Iowa and Kansas was successful and that a second such game will be offered beginning in September, and described new promotion campaigns. She indicated that while the lottery continues to monitor developments regarding a possible international lottery game, it is not taking a leadership role in the organization of such a game and will keep the Committee apprised of developments as they arise. She also noted that the lottery has participated in the State's income-offset program regarding prize winnings for several years, provided a status report regarding TouchPlay lawsuits, mentioned that a successor Iowa Lottery CEO has not yet been named, and stated that lottery officials are monitoring the impact of new and expanding casinos in the State and the status of challenges to federal legislation aimed at curbing internet gambling.

Committee discussion included continued concern regarding the prospect of participation in an international lottery game, with support expressed by Representative Watts and Representative Baudler for legislation requiring Committee approval prior to such participation, and questions regarding relocation of PowerBall prize-drawing ceremonies from Iowa to Florida.

CHILD SUPPORT RECOVERY PROCESS

Department of Human Services:

Ms. Jeanne Nesbit, Division Administrator, Child Support Recovery Unit, Department of Human Services, provided a preliminary overview of the child support recovery unit, identifying methods of becoming a unit customer, primary functions of the unit, the existence of pilot projects and grants, and historical and current statistics regarding the number of child support recovery cases and amounts collected in FY 2008.

Ms. Diane Dentlinger, Management Analyst 3, Department of Human Services, explained the current process for obtaining and enforcing child support orders and modifications, indicating that all Iowa child support orders are court orders, that only a court can modify a court order, and that the unit receives federal funding to help establish, modify, and enforce child support, but does not have authority regarding custody or visitation issues. Ms. Dentlinger summarized judicial and judicial-administrative procedures for originating a new court order for child support, for modification of an existing order, for modification or termination of orders in circumstances where the child is currently living with the parent ordered to pay the child support, and highlighted the advantages and disadvantages of alternative approaches.

Committee discussion included the extent to which delays in modification or termination of orders routinely occur and whether such changes when ultimately made can be applied retroactively, procedures for modification in the event of the death of a parent receiving child support, and the support ramifications of a person other than a custodial or non-custodial parent raising a child.

Department of Corrections:

Ms. Barbara Lacina, Des Moines Regional Administrator, Child Support Recovery Unit, Department of Human Services, accompanied by Ms. Dru Saathoff, Business Manager, Fort Dodge Correctional Facility, and Mr. Fred Scaletta, Legislative Liaison, Department of Corrections, provided information regarding the protocol followed by the Department of Corrections and the unit with regard to payments made by or owed to incarcerated parents.

Ms. Lacina indicated that in most cases an incarcerated custodial parent is the mother, that generally support received after incarceration becomes automatically redirected upon an application for services by a non-custodial caregiver, that incarcerated individuals who owe child support to a non-incarcerated custodial parent may seek a modification of the original support order to a lower level, that there are delays inherent in these processes, and that redirection or modification does not apply retroactively. Ms. Lacina stated that efforts are underway develop a process to educate incarcerated individuals regarding the possibility of order review and modification.

Committee discussion included recidivism rates attributable to failure to pay child support, the provision of free legal assistance to incarcerated individuals, percentage amounts of child support which remain uncollected, incorporation of an order modifying child support obligations into the presentence investigation process, and the merits of suspending an individual's license for failure to pay child support.

Judicial Branch:

Ms. Rebecca Coulton, Counsel to Chief Justice Ternus, discussed efforts undertaken based on the recommendation of a joint task force formed between the Iowa Bar Association and the Iowa

Judges Association to develop pro se legal forms which will conform to State requirements, be easy to use, self-explanatory, and standardized to the fullest extent possible. Ms. Coulton indicated that forms relating to family law matters, such as child support, were targeted for development first given the relatively large potential demand for such forms.

Committee discussion included some commentary that the form provided for Committee review appeared lengthy and thereby potentially intimidating to its intended audience.

Iowa Legal Aid:

Ms. Evelyn Ocheltree, Senior Attorney, Iowa Legal Aid, provided an overview of the operation of Iowa Legal Aid, and indicated that family law cases constitute one of its major focuses. She stated that many clients view the child support system as unfairly biased in favor of the obligor spouse, indicating that currently there is not a quick or easy process to terminate child support obligations unless both the payor and payee agree even when clear that the order as presently being enforced is inappropriate, that it is difficult to stop or quash an income withholding order even when custody of the child has changed to the payor, that there is no clear mechanism to recoup overpaid child support or support that accrued in error, and that the review and adjustment process for support modifications can take a prolonged period of time. Improvements suggested by Ms. Ocheltree included authorizing and requiring the child support recovery unit to terminate existing orders when warranted, statutory changes regarding suspension under specified circumstances upon the request of either parent individually, expanding the grounds for quashing income withholding orders, providing a mechanism to inform payors of the amount owed, requiring the unit to stop an order if they have begun one against the other parent for the same child or children, modifying existing statutory waiting periods for modification, and creation of a family court or child support referee system to expedite the disposition of cases.

OTHER COMMITTEE BUSINESS AND DISCUSSION

Committee members approved the signature and mailing of a letter from the co-chairs to Iowa's congressional delegation requesting inquiry into previously presented testimony regarding allegations of potential misconduct on the part of Metromedia International Group, Inc. by a small number of Iowa investors.

Committee members raised the possibility of including a review of recent legislative changes impacting career planning resource provider availability to school districts at future meeting. The Chairpersons said they would take it under consideration.

NEXT MEETINGS

Next meetings are scheduled for September 19, October 27-28 and December 15-16, in room 103, Supreme Court Chamber.

ACTION ITEMS – FOLLOW UP

Some questions were asked of the presenters. LSA Staff will follow up with all the specific questions for the agencies. In addition, LSA staff will mail the approved letter to Iowa's congressional delegation.

ADJOURNED

Senator Courtney adjourned the meeting at 4:06 p.m.