

MANAGEMENT DEPARTMENT[541]

[Created by 1986 Iowa Acts, chapter 1245, section 103]
Divisions under this "umbrella" include: Appeal Board, State[543], City Finance Committee[545],
and County Finance Committee[547].

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CHAPTER 1
ORGANIZATION AND OPERATION

541—1.1(8) Purpose. This chapter describes the organization and operation of the department of management (hereafter referred to as the “department”), including the coordination of the policy planning, management of interagency programs, economic reports and program development.

541—1.2(8) Scope of the rules. The rules for the department are promulgated under Iowa Code chapter 8 and 1986 Iowa Acts, chapter 1245, sections 101 to 121, and shall apply to all matters before the department. No rule shall, in any way, relieve a person affected by or subject to these rules, or any person affected by or subject to the rules promulgated by the various divisions of the department from any duty under the law of this state.

541—1.3(8) Waiver. The purpose of these rules is to facilitate the business before the department and to promote a just resolution of controversies. Consistent with this purpose, the application of any of these rules, unless otherwise provided for by law, may be waived by the department to prevent undue hardship to a party, to a departmental proceeding, or to a person transacting business with the department. The reasons for granting a waiver of an administrative rule shall be stated in writing and shall be made a part of the record of the proceeding or a part of the departmental file in other matters.

541—1.4(8) Duties of the department. The department of management plans, develops, and recommends policy decisions for management of state government; administers local budget laws (cities, counties, and schools); oversees and ensures compliance with affirmative action; implements policies through coordination and budget processes; and monitors and evaluates the consistent, efficient, and effective operation of state government. The department consists of budgeting, planning and early childhood operations and the following agencies or boards: state appeal board, city finance committee, county finance committee, and early childhood Iowa state board.

[ARC 1371C, IAB 3/19/14, effective 4/23/14]

541—1.5(8) Definitions.

“*City budget*” means the budget adopted by city officials which incorporates specified requirements as stated in Iowa Code section 384.16.

“*Contract compliance director*” means the individual designated to oversee and impose sanctions in connection with state programs emphasizing equal opportunity through affirmative action, contract compliance policies and procurement set-aside requirements.

“*County budget*” means the budget adopted by the board of supervisors pursuant to Iowa Code chapter 331.

“*Department*” means the department of management.

“*Director*” means the director of the department of management as appointed by the governor and subject to senate confirmation.

1.5(1) State appeal board—fees. The state appeal board considers the protests of local government budgets, as well as all general and tort claims against the state, as interpreted by the three members: treasurer of state, auditor of state and director of the department of management which implements proper procedures as assigned by Iowa Code chapter 24.

The processing fee for filing a general claim with the state appeal board is \$5 which shall be billed and paid quarterly by the state agency which incurred the liability of the claim. This fee shall not be reimbursable from the vendor to the state agency.

1.5(2) Criminal and juvenile justice planning agency. Rescinded IAB 9/1/93, effective 8/9/93.

1.5(3) City finance committee. The city finance committee promulgates rules relating to city budget amendments, establishes guidelines for the capital improvement program, reviews and comments on city budgets and conducts studies of municipal revenues and expenditures as specified in Iowa Code section 384.15.

1.5(4) *County finance committee.* The county finance committee establishes guidelines for program budgeting and accounting, reviews and comments on county budgets, and conducts studies of county revenues and expenditures. In addition, the committee performs other duties as assigned by law pursuant to Iowa Code section 333A.4.

1.5(5) *Iowa advisory commission on intergovernmental relations.* Rescinded IAB 9/1/93, effective 8/9/93.

This rule is intended to implement Iowa Code sections 8.6 and 25.1.
[ARC 1371C, IAB 3/19/14, effective 4/23/14]

541—1.6(8) Central office and communications. Correspondence and communications with the department of management shall be addressed or directed to the department's office located at Department of Management, 1007 East Grand Avenue, State Capitol, Room 13, Des Moines, Iowa 50319-0015; telephone (515)281-3322.

1.6(1) Correspondence and communication with the state board of appeals shall be addressed to its central office at Department of Management, 1007 East Grand Avenue, State Capitol, Room 13, Des Moines, Iowa 50319-0015; telephone (515)281-3322.

1.6(2) Correspondence and communications with the county finance committee shall be addressed to Department of Management, 1007 East Grand Avenue, State Capitol, Room 13, Des Moines, Iowa 50319-0015; telephone (515)281-3322.

1.6(3) Correspondence and communications with the city finance committee shall be addressed to Department of Management, 1007 East Grand Avenue, State Capitol, Room 13, Des Moines, Iowa 50319-0015; telephone (515)281-3322.

[ARC 1371C, IAB 3/19/14, effective 4/23/14]

541—1.7(8) Access to official records and information. Rescinded IAB 2/2/05, effective 3/9/05.

541—1.8(8) Access to data in the personnel management information system. Rescinded IAB 2/2/05, effective 3/9/05.

These rules are intended to implement Iowa Code sections 8.6 and 25.1.

[Filed 10/1/87, Notice 5/20/87—published 10/21/87, effective 11/25/87]

[Filed 9/27/88, Notice 5/4/88—published 10/19/88, effective 11/23/88]

[Filed emergency 8/9/93—published 9/1/93, effective 8/9/93]

[Filed emergency 10/8/93—published 10/27/93, effective 10/8/93]

[Filed 1/3/05, Notice 11/24/04—published 2/2/05, effective 3/9/05]

[Filed ARC 1371C (Notice ARC 1124C, IAB 10/16/13), IAB 3/19/14, effective 4/23/14]

CHAPTERS 2 and 3
Reserved

CHAPTER 4
CONTRACT COMPLIANCE
Rescinded **ARC 2500C**, IAB 4/27/16, effective 6/1/16

CHAPTER 5
PETITIONS FOR RULE MAKING

PREAMBLE

The department of management hereby adopts, with the following exceptions and amendments, the Uniform Rules on Agency Procedure relating to petitions for rule making which are published on the Iowa general assembly's Web site at <https://www.legis.iowa.gov/DOCS/Rules/Current/UniformRules.pdf>.
[ARC 1371C, IAB 3/19/14, effective 4/23/14]

541—5.1(17A) Petition for rule making. In lieu of the words “designate office,” insert “1007 East Grand Avenue, State Capitol, Room 13, Des Moines, Iowa 50319-0015.” In lieu of the words “AGENCY NAME,” the heading on the petition form should read:

BEFORE THE DEPARTMENT OF MANAGEMENT

[ARC 1371C, IAB 3/19/14, effective 4/23/14]

541—5.3(17A) Inquiries. In lieu of the words “designate official by full title and address,” insert “Director, Department of Management, 1007 East Grand Avenue, State Capitol, Room 13, Des Moines, Iowa 50319-0015.”

[ARC 1371C, IAB 3/19/14, effective 4/23/14]

These rules are intended to implement Iowa Code section 8.6 and chapter 17A.

[Filed 10/1/87, Notice 5/20/87—published 10/21/87, effective 11/25/87]

[Filed ARC 1371C (Notice ARC 1124C, IAB 10/16/13), IAB 3/19/14, effective 4/23/14]

CHAPTER 6
DECLARATORY ORDERS

PREAMBLE

The department of management hereby adopts, with the following exceptions and amendments, the Uniform Rules on Agency Procedure relating to declaratory orders which are published on the Iowa general assembly's Web site at <https://www.legis.iowa.gov/DOCS/Rules/Current/UniformRules.pdf>.
[ARC 1371C, IAB 3/19/14, effective 4/23/14]

541—6.1(17A) Petition for declaratory order. In lieu of the words “(designate agency)”, insert “department”. In lieu of the words “(designate office)”, insert “the Director’s Office, Department of Management, 1007 East Grand Avenue, State Capitol, Room 13, Des Moines, Iowa 50319-0015”. In lieu of the words “(AGENCY NAME)”, the heading on the petition form should read:

BEFORE THE DEPARTMENT OF MANAGEMENT

[ARC 1371C, IAB 3/19/14, effective 4/23/14]

541—6.2(17A) Notice of petition. In lieu of the words “ ___ days (15 or less)”, insert “15 days”. In lieu of the words “(designate agency)”, insert “the department”.

541—6.3(17A) Intervention.

6.3(1) In lieu of the words “within ___ days”, insert “within 15 days”. Strike the words “(after time for notice under X.2(17A))”. In lieu of the number “X.8(17A)”, insert “6.8(17A)”.

6.3(2) In lieu of the words “(designate agency)”, insert “the department”.

6.3(3) In lieu of the words “(designate office)”, insert “the Director’s Office, Department of Management, 1007 East Grand Avenue, State Capitol, Room 13, Des Moines, Iowa 50319-0015”. In lieu of the words “(designate agency)”, insert “department”. In lieu of the words “(AGENCY NAME)”, the heading on the petition form should read:

BEFORE THE DEPARTMENT OF MANAGEMENT

[ARC 1371C, IAB 3/19/14, effective 4/23/14]

541—6.4(17A) Briefs. In lieu of the words “(designate agency)”, insert “department”.

541—6.5(17A) Inquiries. In lieu of the words “(designate official by full title and address)”, insert “the Director, Department of Management, 1007 East Grand Avenue, State Capitol, Room 13, Des Moines, Iowa 50319-0015”.

[ARC 1371C, IAB 3/19/14, effective 4/23/14]

541—6.6(17A) Service and filing of petitions and other papers.

6.6(2) In lieu of the words “(specify office and address)”, insert “the Director’s Office, Department of Management, 1007 East Grand Avenue, State Capitol, Room 13, Des Moines, Iowa 50319-0015”. In lieu of the words “(agency name)”, insert “department”.

6.6(3) In lieu of the words “(uniform rule on contested cases X.12(17A))”, insert “rule 481—10.12(17A)”.

[ARC 1371C, IAB 3/19/14, effective 4/23/14]

541—6.7(17A) Consideration. In lieu of the words “(designate agency)”, insert “department”.

541—6.8(17A) Action on petition.

6.8(1) In lieu of the words “(designate agency head)”, insert “director”.

6.8(2) In lieu of the words “(contested case uniform rule X.2(17A))”, insert “rule 481—10.1(10A)”.

541—6.9(17A) Refusal to issue order.

6.9(1) In lieu of the words “(designate agency)”, insert “department”.

541—6.12(17A) Effect of a declaratory order. In lieu of the words “(designate agency)”, insert “department”.

These rules are intended to implement Iowa Code section 17A.9.

[Filed 10/1/87, Notice 5/20/87—published 10/21/87, effective 11/25/87]

[Filed 4/30/99, Notice 3/24/99—published 5/19/99, effective 7/1/99]

[Filed ARC 1371C (Notice ARC 1124C, IAB 10/16/13), IAB 3/19/14, effective 4/23/14]

CHAPTER 7
AGENCY PROCEDURE FOR RULE MAKING

PREAMBLE

The department of management hereby adopts, with the following exceptions and amendments, the Uniform Rules on Agency Procedure relating to agency procedure for rule making which are published on the Iowa general assembly's Web site at <https://www.legis.iowa.gov/DOCS/Rules/Current/UniformRules.pdf>.

[ARC 1371C, IAB 3/19/14, effective 4/23/14]

541—7.5(17A) Public participation.

7.5(1) *Written comments.* In lieu of the words “identify office and address,” insert “Department of Management, 1007 East Grand Avenue, Room 13, State Capitol, Des Moines, Iowa 50319-0015.”

7.5(5) *Accessibility.* In lieu of the words “(designate office and telephone number)”, insert “the department of management at (515)281-3322”.

[ARC 1371C, IAB 3/19/14, effective 4/23/14]

541—7.6(17A) Regulatory analysis.

7.6(2) *Mailing list.* In lieu of the words “designate office,” insert “Department of Management, 1007 East Grand Avenue, Room 13, State Capitol, Des Moines, Iowa 50319-0015.”

[ARC 1371C, IAB 3/19/14, effective 4/23/14]

541—7.10(17A) Exemptions from public rule-making procedures.

7.10(2) *Categories exempt.* In lieu of the words “(List here narrowly drawn classes of rules where such an exemption is justified and a brief statement of the reasons for exempting each of them)”, insert the following:

“a. Rules which are mandated by federal law or regulation in any situation where the department has no option but to adopt specified rules or where federal funding is contingent upon the adoption of the rules;

“b. Rules which implement recent legislation when a statute provides for an effective date which does not allow for the usual notice and public participation requirements;

“c. Rules which confer a benefit or remove a restriction on the public or some segment of the public;

“d. Rules which are necessary because of imminent peril to the public health, safety or welfare; and

“e. Nonsubstantive rules intended to correct typographical errors, incorrect citations, or other errors in existing rules.”

541—7.11(17A) Concise statement of reasons.

7.11(1) *General.* In lieu of the words “specify office and address,” insert “Department of Management, 1007 East Grand Avenue, Room 13, State Capitol, Des Moines, Iowa 50319-0015.”

[ARC 1371C, IAB 3/19/14, effective 4/23/14]

These rules are intended to implement Iowa Code chapter 17A and Iowa Code section 25B.6.

[Filed 10/1/87, Notice 5/20/87—published 10/21/87, effective 11/25/87]

[Filed 4/30/99, Notice 3/24/99—published 5/19/99, effective 7/1/99]

[Filed ARC 1371C (Notice ARC 1124C, IAB 10/16/13), IAB 3/19/14, effective 4/23/14]

CHAPTER 8
PUBLIC RECORDS AND FAIR INFORMATION PRACTICES

PREAMBLE

The department of management hereby adopts, with the following exceptions and amendments, the Uniform Rules on Agency Procedure relating to public records and fair information practices which are published on the Iowa general assembly's Web site at <https://www.legis.iowa.gov/DOCS/Rules/Current/UniformRules.pdf>.
[ARC 1371C, IAB 3/19/14, effective 4/23/14]

541—8.1(17A,22) Definitions. As used in this chapter:

“*Agency*.” In lieu of the words “(official or body issuing these rules)” insert “department of management”.

“*Confidential record*” means a record that is not available as a matter of right for examination and copying by members of the public under applicable provisions of law. Confidential records include records or information contained in records that the agency is prohibited by law from making available for examination by members of the public and records or information contained in records that are specified as confidential by Iowa Code section 22.7, Iowa Code chapter 8, or another provision of law.

“*Nonincidental retrieval or supervisory service*” means services provided by the department's staff (or staff from the department of administrative services) to persons requesting access to public documents, which exceed 20 hours in duration.

“*Nonproprietary records*” means those records which are in the possession of the department but which are generated for the purposes of other units of government.

“*Open record*” means a record other than a confidential record.

“*Public record*” means a record as defined in Iowa Code section 22.1. A public record includes both “confidential” and “open” records.

541—8.2(17A,22) Public record retention and access.

8.2(1) Record policy. The department of management is committed to ensuring that the workings of the department are open to public inspection. To that end, a public record in the custody of the department will be maintained and archived through a standard record retention policy, with public access to be given in full compliance with applicable provisions of law.

The record retention program will provide economy and efficiency in the creation, organization, administrative use, maintenance, security, availability, and disposition of public records to ensure that a needless record will not be created or retained, and a valuable record will be preserved, as provided under Iowa law. The department will preserve the integrity of public records, and reply to all open records requests in a timely, responsive, and efficient manner in full compliance with applicable provisions of law.

8.2(2) Record retention requirements. Every record made or received under the authority of, or coming into the custody, control, or possession of, department of management personnel, in connection with the transaction of official business of state government, and that has sufficient legal, fiscal, administrative, or historical value shall be retained in accordance with Iowa law. The director of the department of management shall designate a records retention officer to oversee the department's record retention program and to serve as the primary point of contact with the state archives.

The department will follow the records retention protocol that is established by the Iowa records retention commission. The department of management records officer shall select retention mechanisms that are designed to implement the commission protocol and arrange for training for the department's personnel on each selected mechanism.

8.2(3) Confidential records. Confidential records may be withheld, and confidential information within an otherwise open record may be redacted prior to a record's release for public examination and copying. If a confidential record is withheld from examination and copying, or confidential information within an otherwise open record is redacted, the department of management will identify

the document(s) and cite the applicable provision of law that supports the decision to withhold the confidential information from public examination.

541—8.3(17A,22) Requests for access to records.

8.3(1) *Open records.* Open records will be available to the public during customary office hours, which are 8 a.m. to 4:30 p.m., Monday through Friday (except holidays). Immediate access to records may be affected by a good-faith effort to verify the scope of the records requested and to determine whether any of the records or information contained therein is confidential in nature.

In the event circumstances prolong a timely response, the department will notify the requester at once and attempt an alternate arrangement to provide the response in a manner satisfactory to the requester. For nonproprietary records, the department is only a repository and is not the “lawful custodian” of the records under the meaning of Iowa Code chapter 22. Nonproprietary records shall be provided only to the unit of state government which is the lawful custodian of such records under Iowa Code chapter 22.

8.3(2) *Requesting records.* Requests for access to a public record may be made by mail, electronically, by telephone or in person. A request for access to a public record should be made to the director, who shall be responsible for implementing the requirements of public records laws inside the department.

a. A person who submits a request for public records shall provide the person’s name, address, and telephone number in order to facilitate effective communication with the department regarding the request.

b. Mail requests shall be addressed to: Director, Department of Management, 1007 East Grand Avenue, State Capitol, Room 13, Des Moines, Iowa 50319-0015.

c. Electronic requests shall include the term “Public Records Request” in the subject field, and should be sent to the director’s E-mail address as found on the department’s Web site at www.dom.state.ia.us.

d. Telephone requests should be made to (515)281-3322.

e. A person who submits a request orally will receive a verification letter or electronic communication, whichever is preferred by the requester, from the department verifying the specific scope of the search requested. The verification letter or electronic communication will be transmitted before the request for documents is processed.

In the event that a request cannot be fulfilled within a reasonable time, the requester will be so notified and an estimated completion date will be provided.

8.3(3) *Record identification.* Requests for access to a public record shall identify the particular public record to which access is requested by name or description in order to identify efficiently the desired record.

a. The requester’s description should specify:

(1) The particular type of record sought.

(2) The particular time period to be searched by start and end date.

(3) The author or recipient, or both, of the record requested, to the extent possible.

(4) To the extent possible, the particular records medium to be searched (i.e., letters, memoranda, reports, recordings).

(5) Any other pertinent information that will assist the department in locating the record requested.

b. The requester shall specify if the request applies to a record stored in an electronic form and shall list the search terms to be used.

8.3(4) *Record search.* Department of management personnel should direct public records requests to the director for docketing and processing. Before a search is conducted, the director may contact the requester if there are questions concerning the scope of the record request. The department of management shall employ a staff member who is proficient in conducting electronic records searches within the department. This individual will be responsible for conducting all searches for electronic records that are accessible inside the department of management.

a. Upon receipt of a request for access to a public record, the department will promptly take all reasonable steps to preserve a public record while the request is pending.

b. Every public record that is gathered pursuant to a records request will be examined to determine whether the record is confidential and for completeness in response to the request.

c. Every record that is presented to the public for review shall be attached to a transmittal letter that specifies the manner in which the records search was performed.

d. Questions by the public regarding the scope of a records search or requests for an expanded search should be submitted to the director in writing.

8.3(5) Fees. A fee for time spent retrieving an open record or supervising the public examination of an open record, or both, may be charged to the requester of the record in an amount equal to the actual cost of time spent providing nonincidental retrieval or supervisory services, or both, as provided under applicable law. Whenever possible, an estimate of fees will be provided to the requester before a search is initiated.

a. The actual cost for nonincidental retrieval or supervisory services, or both, may vary according to the nature of the search that is specified by the requester. However, the fees for nonincidental retrieval or supervisory services, or both, performed by department of management staff pursuant to a request for records that are accessible inside the department of management will ordinarily be set at \$15 per hour. The fees for department of management records that are accessible only with the assistance of department of administrative services or state archives personnel will be based on the fee structure that is established by those agencies. Requesters are generally billed for fees after their request has been processed. However, if total fees are expected to exceed \$250, the department of management may require payment in advance of processing.

b. Photocopies of open records located in the department office will be provided at no charge for the first 25 pages, and \$0.20 cents per page for each additional page.

[ARC 1371C, IAB 3/19/14, effective 4/23/14]

541—8.9(17A,22) Disclosures without the consent of the subject.

8.9(1) Open records are routinely disclosed without the consent of the subject.

8.9(2) To the extent allowed by law, disclosure of confidential records may occur without the consent of the subject. Following are instances where disclosure, if lawful, will generally occur without notice to the subject:

a. For a routine use as defined in rule 541—8.10(17A,22) or in any notice for a particular record system.

b. To a recipient who has provided the agency with advance written assurance that the record will be used solely as a statistical research or reporting record, provided that the record is transferred in a form that does not identify the subject.

c. To another government agency or to an instrumentality of any governmental jurisdiction within or under the control of the United States for a civil or criminal law enforcement activity if the activity is authorized by law, and if an authorized representative of such government agency or instrumentality has submitted a written request to the agency specifying the record desired and the law enforcement activity for which the record is sought.

d. To an individual pursuant to a showing of compelling circumstances affecting the health or safety of any individual if a notice of the disclosure is transmitted to the last-known address of the subject.

e. To the legislative services agency under Iowa Code section 2A.3.

f. Disclosures in the course of employee disciplinary proceedings.

g. In response to a court order or subpoena.

541—8.10(17A,22) Routine use.

8.10(1) Defined. “Routine use” means the disclosure of a record without the consent of the subject or subjects, for a purpose which is compatible with the purpose for which the record was collected. It includes disclosures required to be made by statute other than the public records law, Iowa Code chapter 22.

8.10(2) To the extent allowed by law, the following uses are considered routine uses of all agency records:

a. Disclosure to those officers, employees, and agents of the agency who have a need for the record in the performance of their duties. The custodian of the record may upon request of any officer or employee, or on the custodian's own initiative, determine what constitutes legitimate need to use confidential records.

b. Disclosure of information indicating an apparent violation of the law to appropriate law enforcement authorities for investigation and possible criminal prosecution, civil court action, or regulatory order.

c. Disclosure to the department of inspections and appeals for matters in which it is performing services or functions on behalf of the agency.

d. Transfers of information within the agency, to other state agencies, or to local units of government as appropriate to administer the program for which the information is collected.

e. Information released to staff of federal and state entities for audit purposes or for purposes of determining whether the agency is operating a program lawfully.

f. Any disclosure specifically authorized by the statute under which the record was collected or maintained.

541—8.11(17A,22) Consensual disclosure of confidential records.

8.11(1) *Consent to disclosure by a subject individual.* To the extent permitted by law, the subject may consent in writing to agency disclosure of confidential records as provided in rule 541—8.7(17A,22).

8.11(2) *Complaints to public officials.* A letter from a subject of a confidential record to a public official which seeks the official's intervention on behalf of the subject in a matter that involves the agency may, to the extent permitted by law, be treated as an authorization to release sufficient information about the subject to the official to resolve the matter.

541—8.12(17A,22) Release to subject.

8.12(1) The agency need not release the following records to the subject:

a. The identity of a person providing information to the agency need not be disclosed directly or indirectly to the subject of the information when the information is authorized to be held confidential pursuant to Iowa Code section 22.7(18) or other provision of law.

b. Records need not be disclosed to the subject when they are the work product of an attorney or are otherwise privileged.

c. Peace officers' investigative reports may be withheld from the subject, except as required by the Iowa Code. (See Iowa Code section 22.7(5))

d. As otherwise authorized by law.

8.12(2) Where a record has multiple subjects with interest in the confidentiality of the record, the agency may take reasonable steps to protect confidential information relating to another subject.

541—8.13(17A,22) Availability of records.

8.13(1) *General.* Agency records are open for public inspection and copying unless otherwise provided by rule or law.

8.13(2) *Confidential records.* The department of management may withhold information reflecting departmental budget recommendations for the following fiscal year until it is made public by the governor.

8.13(3) *Authority to release confidential records.* The agency may have discretion to disclose some confidential records which are exempt from disclosure under Iowa Code section 22.7 or other law.

541—8.14(17A,22) Personally identifiable information. Rescinded IAB 2/2/05, effective 3/9/05.

541—8.15(17A,22) Other records. The agency maintains a variety of records which do not generally contain information pertaining to named individuals. The agency maintains the following records, not heretofore listed, which do not generally contain personally identifiable or confidential information: Annual reports, press releases, budget information (following presentation by the governor), receipt statements, revenue information, newsletters, public meeting agendas and minutes, budget information

relating to cities, counties or school districts, state revenue forecasts, policy information as recommended to the governor, progress review materials and targeted small business compliance reports.

541—8.16(17A,22) Applicability. This chapter does not:

1. Require the agency to index or retrieve records which contain information about individuals by that person's name or other personal identifier.
2. Make available to the general public records which would otherwise not be available under the public records law, Iowa Code chapter 22.
3. Govern the maintenance or disclosure of, notification of or access to, records in the possession of the agency which are governed by the rules of another agency.
4. Apply to grantees, including local governments or subdivisions thereof, administering state-funded programs, unless otherwise provided by law or agreement.
5. Make available records compiled by the agency in reasonable anticipation of court litigation or formal administrative proceedings. The availability of such records to the general public or to any subject individual or party to such litigation or proceedings shall be governed by applicable legal and constitutional principles, statutes, rules of discovery, evidentiary privileges, and applicable rules of the agency.

These rules are intended to implement Iowa Code section 22.11.

[Filed emergency 8/19/88 after Notice 6/15/88—published 9/7/88, effective 8/19/88]

[Filed 1/3/05, Notice 11/24/04—published 2/2/05, effective 3/9/05]

[Filed ARC 1371C (Notice ARC 1124C, IAB 10/16/13), IAB 3/19/14, effective 4/23/14]

CHAPTER 9
FISCAL OVERSIGHT OF THE EARLY CHILDHOOD IOWA INITIATIVE

541—9.1(256I) Definitions. For the purpose of these rules, the following definitions apply:

“Agreement” means a contract between the area boards, state board, department of management, and state agencies to which funding is allocated.

“Audit” means a financial review by area boards of early childhood Iowa funds. Area boards that receive over \$500,000 in federal funds from all funding sources shall complete a full audit of the funds. Area boards that do not receive over \$500,000 in federal funds from all funding sources may complete a full audit or coordinate with the fiscal agent’s financial review to conduct the state board approved agreed-upon procedures. The requirements included in the state board approved agreed-upon procedures shall be found in the online toolkit available on the official Web site of early childhood Iowa at www.earlychildhoodiowa.org.

“Department” means the Iowa department of management.

“Early childhood Iowa area board” or *“area board”* means the board for an early childhood Iowa area created in accordance with Iowa Code section 256I.7.

“Early childhood Iowa state board” or *“state board”* means the early childhood Iowa state board created in accordance with Iowa Code section 256I.3.

[ARC 9334B, IAB 1/12/11, effective 2/16/11; ARC 0178C, IAB 6/27/12, effective 8/1/12]

541—9.2(256I) Purpose. This chapter sets forth the fiscal oversight measures of the department in relation to the early childhood Iowa area boards.

[ARC 9334B, IAB 1/12/11, effective 2/16/11]

541—9.3(256I) Scope of the rules. The rules for the department are promulgated under Iowa Code chapter 256I. No rule shall, in any way, relieve a person affected by or subject to these rules, or any person affected by or subject to the rules promulgated by the various divisions of the department, from any duty under the laws of this state.

[ARC 9334B, IAB 1/12/11, effective 2/16/11]

541—9.4(256I) Fiscal oversight.

9.4(1) In consultation with the state board, the department has adopted policies to oversee the fiscal responsibilities of area boards.

9.4(2) The department shall:

- a. Review the internal controls of all disbursements of early childhood Iowa funding;
- b. Approve the process for issuing agreements with area boards;
- c. Approve and sign all agreements between the area boards and the state for the purposes of Iowa Code chapter 256I;
- d. Work with state agencies to which the early childhood Iowa funding is allocated to ensure that payments are made to the area boards. The department shall, in cooperation with the agencies to which the funding is allocated, develop a policy for the disbursement of funds;
- e. Require an audit, conducted by an independent agency, of the early childhood Iowa funds managed by area boards. The minimum requirements and frequency of audits for the area boards shall be determined and approved by the state board;
- f. Ensure that all area boards secure liability insurance;
- g. Require that area boards submit a contract-monitoring schedule for their funded programs.

[ARC 9334B, IAB 1/12/11, effective 2/16/11]

These rules are intended to implement Iowa Code sections 256I.1 to 256I.12.

[Filed ARC 9334B (Notice ARC 9222B, IAB 11/17/10), IAB 1/12/11, effective 2/16/11]

[Filed ARC 0178C (Notice ARC 0067C, IAB 4/4/12), IAB 6/27/12, effective 8/1/12]

CHAPTER 10
IOWA TARGETED SMALL BUSINESS INTERIM GUIDELINES
Rescinded **ARC 1371C**, IAB 3/19/14, effective 4/23/14

CHAPTER 11
GRANTS ENTERPRISE MANAGEMENT SYSTEM

541—11.1(80GA,SF438) Purpose. These rules are intended to implement 2003 Iowa Acts, Senate File 438, and are designed to establish a grants enterprise management system. The primary goals of the grants enterprise management system (GEMS) include:

1. Securing additional nonstate funding;
2. Fostering cooperation and coordination between state agencies;
3. Discouraging duplication of competitive grant application efforts;
4. Providing a mechanism for the timely exchange of information among state agencies on proposals potentially affecting the agencies; and
5. Providing policy makers, legislators and the citizens of Iowa with information on grant funds received and state agencies' competitive grant applications.

541—11.2(80GA,SF438) Definitions. As used in this chapter:

"Applicant agency" means the agency intending to apply, or applying for, a competitive grant.

"Competitive grant application" means a grant application that is in competition with other applications for limited funds.

"Federal Executive Order 12372" means the federal executive order that provides for the establishment of a process for the coordination and review of proposed federal financial assistance. In the Order, states are encouraged to develop their own processes, and federal agencies shall, to the extent permitted by law, utilize the state process.

"GEMS coordinator" means the person appointed by the director of the department of management to coordinate the grants enterprise management system.

"I/3 grant tracking module" means Integrated Information for Iowa (I/3) and the portion of the I/3 cost accounting module designed to collect data on all nonstate funds received by state government agencies.

"Single point of contact" means the GEMS coordinator.

"State agency" means any department or agency of state government except the board of regents.

541—11.3(80GA,SF438) GEMS coordinator. The GEMS coordinator shall coordinate all aspects of the grants enterprise management system. The GEMS coordinator shall:

1. Identify and execute strategies to secure nonstate funds;
2. Ensure that all agencies utilize the Iowa grants database to track all competitive grant applications;
3. Ensure that all agencies utilize the I/3 grant tracking module for all grants received;
4. Operate as the state's single point of contact, pursuant to Federal Executive Order 12372;
5. Establish a grants network, representing all state agencies, to operate in an advisory capacity;
6. Assign a state application identifier (SAI) number at each stage of the application process: notification of intent, application submitted, and final status;
7. Review competitive grant applications of special significance, at the coordinator's discretion;
8. Serve as liaison with the state single point of contact in contiguous states;
9. In cooperation with other state agencies, monitor and refine the GEMS competitive grants review procedures;
10. Maintain a list of state agency grants coordinators;
11. Ensure, to the greatest degree practicable, that all GEMS competitive grants reviews are conducted in accordance with these rules;
12. Provide training and policy guidance; and
13. Provide status and results reports to appropriate contacts on an as-needed basis.

541—11.4(80GA,SF438) Grants network. The grants network shall include representation from all state agencies. Agency representatives shall serve as agency grants coordinators. All agency grants coordinators shall work with the GEMS coordinator to:

1. Serve the grants enterprise management office in an advisory capacity;
2. Communicate relevant information to the GEMS coordinator;
3. Utilize the Iowa grants database to track all competitive grant applications;
4. Utilize the I/3 grant tracking module for all grants received;
5. Inform the Iowa office for state-federal relations of initiatives for which the agency is seeking federal funds; and
6. Participate in issue-specific, federal legislation work groups.

541—11.5(80GA,SF438) GEMS competitive grants review system. The purpose of the GEMS competitive grants review system is to allow state government coordination and review of all competitive grant applications in order to avoid duplication and conflicts.

11.5(1) Agency competitive grants review coordinator. Agency grants coordinators shall:

- a. Serve as the agency's competitive grants review coordinator and as liaison between the agency and the GEMS coordinator for the GEMS competitive grants review process.
- b. Assist in the evaluation of the GEMS competitive grants review process.

11.5(2) GEMS competitive grants review process. The following is a generalized summary of the GEMS competitive grants review process that shall be followed by state agencies with respect to review of applications for competitive grants.

a. *Step 1—Intent to apply.*

(1) The applicant agency shall complete the intent to apply section of the Iowa grants database when the applicant agency identifies a competitive grant opportunity.

(2) Upon submission of the intent to apply, a notification will be sent to all state agencies.

(3) Any state agency, or the GEMS coordinator, may request a GEMS competitive grants review meeting to explore the project in greater detail, identify opportunities for collaboration and resolve possible conflicts.

(4) The applicant agency and the GEMS office must receive the agency request for a GEMS competitive grants review meeting within two working days of submission of the intent to apply notification.

(5) The GEMS review meeting shall be held within 12 working days of submission of the intent to apply notification. The applicant agency shall work with the GEMS office to schedule the meeting.

b. *Step 2—Application submitted.*

(1) Upon completion of the GEMS competitive grants review process, but prior to submission of the grant application, the applicant agency shall enter the grant application information in the application section of the Iowa grants database.

(2) When all required fields are completed, the Iowa grants database will automatically generate written confirmation of completion of the GEMS competitive grants review to the applicant agency.

(3) The applicant agency shall keep a file copy of the confirmation. The applicant agency shall include the written confirmation with all federal competitive grant applications pursuant to Federal Executive Order 12372.

c. *Step 3—Status.*

(1) The applicant agency shall enter the grant's status in the Iowa competitive grants database upon withdrawal of the application or notification of the receipt or denial of the grant.

(2) The GEMS office and the legislative services agency shall be notified of the final grant status.

These rules are intended to implement 2003 Iowa Acts, Senate File 438.

[Filed emergency 6/18/03—published 7/9/03, effective 7/1/03]

CHAPTER 12
DAS CUSTOMER COUNCIL

541—12.1(82GA,SF2400) Definitions.

“DAS” means the department of administrative services created by Iowa Code chapter 8A.

“DAS customer council” means a group responsible for overseeing operations with regard to a service funded by fees paid by a governmental entity or subdivision receiving the service when the department and DAS have determined that DAS shall be the sole provider of that service.

“Department” or “DOM” means the department of management created by Iowa Code chapter 8.

“Economies of scale” means mass purchasing of goods or services, which results in lower average costs.

“Large agency” means a state agency with more than 700 permanent employees.

“Leadership function” means a service provided by the department and funded by a general appropriation. Leadership functions typically relate to development of policy and standards and are appropriate when standardization is required and the ultimate customer is the taxpayer.

“Marketplace service” means a service that the department is authorized to provide, but which governmental entities may provide on their own or obtain from another provider of the service.

“Medium-sized agency” means a state agency with 70 to 700 permanent employees.

“Quorum” means the presence of no less than a simple majority (50 percent plus 1) of the members eligible to vote.

“Small agency” means a state agency with fewer than 70 permanent employees.

“Utility service” means a service funded by fees paid by the governmental entity receiving the service and for which DAS is the sole provider of the service.

541—12.2(82GA,SF2400) Purpose. The purpose of this chapter is to establish a customer council to oversee operations with regard to services provided when the department has determined that DAS shall be the sole provider of a service and to ensure that DAS meets the needs of affected governmental entities and subdivisions and those citizens served.

541—12.3(82GA,SF2400) Utility determination. Services for which the department has determined that DAS shall be the sole provider are designated “utilities” in Iowa state government. Customers may choose the amount of service they purchase, but must buy from the single source. Utilities are those services for which a monopoly structure makes sense due to economies of scale. The process for determining whether DAS shall be the sole provider of a service shall include consideration of economic factors, input from the customer council and input from upper levels of the executive branch.

541—12.4(82GA,SF2400) Customer council established. In order to ensure that DAS utilities provide effective, efficient, and high-quality services that benefit governmental entities and the citizens they serve, this chapter establishes a customer council for services identified as utilities.

541—12.5(82GA,SF2400) Customer council membership. Customer council membership shall consist of the chairperson and vice chairperson, 11 state agency representatives, a judicial branch representative overseeing DAS services provided to the judicial branch, two legislative branch representatives overseeing DAS services provided to the legislative branch, and nonvoting ex-officio members.

12.5(1) Method of appointment of members.

a. Executive branch agency representation. The customer council will include four members from large agencies, four members from medium-sized agencies and three members from small agencies.

(1) Selection. The individual nominated by an agency to become a customer council member shall be the individual the agency determines is most appropriate to provide guidance. Each agency may nominate one representative for the customer council. The department shall select customer council members from the representatives nominated by the agencies in that group.

(2) *Review.* The department shall review representation on the customer council prior to August 1 of each year for the terms ending August 31 of that year and select customer council members as in subparagraph (1) to fill vacancies caused by expired terms. The department will periodically review the definition of large, medium-sized and small agencies based on the number of permanent employees of the agencies in Iowa state government and make adjustments accordingly.

(3) *Vacancies.* If a vacancy occurs, the department shall fill the vacancy.

b. Legislative and judicial branch representation. If the service to be provided may also be provided to the judicial branch and legislative branch, then the chief justice of the supreme court may appoint one member to the customer council and the legislative council may appoint two members to the customer council, one representing the house of representatives and one representing the senate.

c. Ex-officio member(s). Ex-officio members shall not vote on the proceedings of the customer council, but shall provide input to the council based on their area of expertise. Each ex-officio member shall be approved by a majority of the voting members of the customer council. An ex-officio member may be recommended to the customer council by:

(1) A group representing agencies using a service overseen by the customer council, and

(2) Any other group approved by the customer council.

12.5(2) *Membership changes.* As utility services and customer groups change, the department may add members to provide for equitable representation.

12.5(3) *Term of membership.* Each member will serve a two-year term.

a. Initial appointments shall be for staggered terms of one or two years as set by the department.

b. Initial membership terms shall begin by August 1, 2008.

541—12.6(82GA,SF2400) Organization of customer council. The operations of the customer council shall be governed by a set of bylaws as adopted by the customer council. Bylaws shall address the following issues.

12.6(1) *Member participation.* Each member is expected to attend and actively participate in meetings. Participation will include requesting input and support from the group each member represents.

a. Substitutes for members and alternates absent from meetings will not be allowed; however, members may attend by telephone or other electronic means approved by the customer council.

b. Upon the approval of the customer council, an alternate member may be selected by an agency or group that provides a representative to the customer council to participate in customer council meetings and vote in place of the representative when the representative is unable to participate.

12.6(2) *Voting.* A quorum is required for a customer council vote.

a. Eligible members may vote on all issues brought before the group for a vote. Members may be present to vote during a meeting in person, by telephone or other electronic means approved by the customer council.

b. Each member, other than the chairperson, vice chairperson and ex-officio members, has one vote. Designated alternates may only vote in the absence of the representative from their organization. A simple majority of the members voting shall determine the outcome of the issue being voted upon.

c. Customer council bylaws may be amended by a simple majority vote of all members.

12.6(3) *Officers.* The officers of the customer council shall be the chairperson and vice chairperson. The director of the department of management will serve as chairperson and the director of the department of administrative services will serve as vice chairperson. The chairperson and vice chairperson shall not be voting members.

12.6(4) *Duties of officers.*

a. The chairperson shall preside at all meetings of the customer council.

b. The vice chairperson shall assist the chairperson in the discharge of the chairperson's duties as requested and, in the absence or inability of the chairperson to act, shall perform the chairperson's duties.

12.6(5) *Committees.*

a. The chairperson may authorize or dissolve committees as necessary to meet the needs of the customer council.

b. Members of the customer council and individuals who are not members of the customer council may be appointed by the chairperson to serve on committees.

c. Committees shall provide feedback to the chairperson and the customer council at the council's request.

d. Committees shall meet, discuss, study and resolve assigned issues as needed.

12.6(6) Administration. DAS will assist the department by providing staff support to assist the chairperson with the following administrative functions:

a. Keeping the official current and complete books and records of the decisions, members, actions and obligations of the customer council;

b. Coordinating meeting notices and locations and keeping a record of names and addresses, including E-mail addresses, of the members of the customer council; and

c. Taking notes at the meetings and producing minutes that will be distributed to all members.

12.6(7) Open records. Customer council books and records are subject to the open records law as specified in Iowa Code chapter 22.

12.6(8) Meetings. Customer council meetings are subject to the open meetings law as specified in Iowa Code chapter 21. The customer council is responsible for the following:

a. Determining the frequency and time of council meetings.

b. Soliciting agenda items from the members in advance of an upcoming meeting.

c. Sending electronic notice of meetings, including date, time and location of the meeting, at least one week prior to the meeting date.

d. Providing an agenda, including those items requiring action, at least two days prior to the meeting. The agenda should also include any information necessary for discussion at the upcoming meeting.

e. Conducting meetings using the most recent version of Robert's Rules of Order, Revised.

541—12.7(82GA,SF2400) Powers and duties of customer council.

12.7(1) Approval of business plans. The customer council shall, on an annual basis, review and recommend action on business plans submitted by DAS for performance of the services the customer council oversees. Business plans shall include levels of service, service options, investment plans, and other information.

12.7(2) Complaint resolution. The customer council shall approve the internal procedure for resolution of complaints concerning the utility services provided by DAS. The procedure shall include, at a minimum, the following provisions:

a. A definition of "complaint," which shall convey that this resolution process does not take the place of any other formal complaint, grievance or appeal process required by statute or rule.

b. Receipt of complaints.

c. Standards for prompt complaint resolution.

d. Provisions to aggregate, analyze and communicate issues and outcomes in a manner that contributes to overall organizational improvement.

e. Identification of the chairperson and vice chairperson's decision as the final step in the process.

12.7(3) Rate setting. A majority of all voting council members shall approve the rate methodology and the resulting rates for the services that the customer council oversees. Rates shall be established no later than September 1 of the year preceding the rate change. Established rates may be amended after September 1 upon recommendation by the department in consultation with DAS and upon affirmative vote by the customer council.

12.7(4) Biennial review. Every two years the customer council shall review the decision made by the department that DAS be the sole provider of a service and make recommendations regarding that decision.

541—12.8(82GA,SF2400) Customer input. The department shall establish procedures to provide for the acceptance of input from affected governmental entities. Input may take various forms, such as unsolicited comments, response to structured surveys, or an annual report on service requirements.

541—12.9(82GA,SF2400) Annual service listing. DAS shall annually prepare a listing separately identifying services determined by the department and DAS to be leadership functions, marketplace services, and utilities. The listing shall be completed no later than September 1 of the fiscal year preceding the proposed effective date of the change.

These rules are intended to implement Iowa Code Supplement section 8.6 as amended by 2008 Iowa Acts, Senate File 2400, section 29.

[Filed 10/16/08, Notice 7/30/08—published 11/5/08, effective 12/10/08]

CHAPTER 13
Reserved