

**DAS Customer Council Meeting  
June 18, 2009**

**Members Present**

Teresa McMahon, Chair, DOM; Ray Walton, Vice-Chair, DAS; Greg Anliker, Elder Affairs; Mark Brandsgard, Legislative-House; Nicole Watson, Commerce-ABD; Keith Greiner, ISSAC; Michael Marshall, Legislative-Senate; Joan Moll, DHR; Mary Jane Olney, Cultural Affairs; Roger Stirlor, Revenue; Margaret Thomson, IDALS; Lee Wilkinson, DOT;

**Members Absent**

Bill Gardam, DHS; Dave Heuton, DPS; Brad Hier, DOC; Peggy Sullivan, Judicial.

**Others Present**

Deb Bassett, DOM; Nancy Williams, DAS/GSE; Laura Riordan, DAS/Marketing; Patricia Lantz, DAS/GSE; Lana Morrissey, DAS/Finance; Tim Ryburn, DAS/GSE; Nancy Berggren, DAS/HRE; Mark Uhrin, DAS; Calvin McKelvogue, DAS; John Gillespie, DAS/IT; Dale Schroeder, DAS/Fleet & Mail; Mark Blazek, DAS/Fleet & Mail; Paul Carlson, DAS; Jeff Franklin, DAS; Cindy Axne, DOM; Lorri Tritch, DAS; Mark Johnson, DAS; Debbie O'Leary, DAS.

**Call to Order**

Meeting was called to order by Chair Teresa McMahon at 12:30PM.

**Welcome and Roll Call**

Member roll call taken by Nancy Williams.

**Approve Minutes of June 2, 2009**

**MOTION: Keith Greiner moved to approve the minutes as submitted.  
Mary Jane Olney seconded the motion. Motion passed.**

**FY11 Rate Calculation**

Chair McMahon complimented DAS and all the individual enterprises noting the budget document is really an excellent piece, very comprehensive, well laid out, it has good information, it reflects well on DAS. Each of the COO's from the enterprises will make a presentation on the utility and methodology and will take questions. Ray Walton advised the document under discussion, the COO's and their staff put a lot of time in on this, Laura Riordan did the assembly work here and took notes and turned it into something I found easy to work with and I hope the Council members find it helpful in the relatively short time you have had to review it.

**GSE – Patricia Lantz**

*Association/Ankeny Labs* - The labs are set up a little differently than the Capitol Complex, we charge the flat association rate everybody on Complex pays plus a surcharge. The flat fee increased four cents which is attributable to Space Management activities. We made an error and did not convert that four cents over to the

Ankeny Labs rate so they will be charged in FY10 the \$3.25 instead of the \$3.29 everybody on Complex will be charged. The Ankeny Labs has a surcharge of \$2.01 since the facility is more high tech, demands more personnel, more hours are spent at the Labs since it is virtually a 24-7 operation. It has a BSL3 Lab which looks at pretty serious types of viruses, etc. so the filters need to be changed more often and they are very expensive. There are all kinds of costs associated with that facility that aren't necessarily associated with Capitol Complex buildings. In FY11 we are asking to bring it up to the same Association fee everybody on Complex is charged. For FY10, we really cut back on expenses so we could absorb the four cent decrease. Director Walton stated this is a difficult building to maintain. What happens inside that building is not every day state government business and it is much more expensive for us to run that building than it is any other building on Campus. I have been really pleased with Ken Thornton and his group that they have been able to control the expense out there.

Ms. Lantz advised the most challenging part of the Association is the winter months since we never know how much snow there will be which mandates overtime for us; we are taking over the Jessie Parker Building which will require more people power. GSE took very seriously the Council's advice to us that they would like to see flat rates and that has not been without some pain as I know it is for others. We have taken away desk phones, we really looked at a contract we have with the Woodward Resource Center where they supply some personnel just to help us out on a couple of buildings, it provides us with help and provides them with job training opportunities – it's a great partnership but if we get a lot of snow, the price of sand and salt goes up, that would be a program that we would have to take a look at to reconsider. We will need to carefully monitor spending for very basic things like office supplies, paper products (paper towels, toilet paper, etc.), and cleaning supplies. Some of the other unknowns might be emergencies that come up that do not meet the threshold of the 29C20 claim; we have to pay for those. We try to plan for what we can, but there are things such as a lot of rain where a roof leaks, etc. If we don't have routine maintenance money to cover that, we pay for it from the Association fee. It is a challenge for us.

*Risk Management* has an increase. Ms. Lantz advised this is a self-insurance fund for the vehicles we manage. Mark Blazek is really the “adjuster of claims”, when there is an accident Mr. Blazek works with the driver, insurance companies, etc. He also works with the AG's office for claims at an Appeal Board level. We are to pay from the fund claims \$250,000 and under, anything over that goes to the Appeal Board. From historical experience, we try to allow for four major claims for any given year or \$1 million dollars. We also have working capital needs of about \$250,000 for that particular area. As an example, last November we had eight accidents involving deer (all in one afternoon). This is a fund that may widely vary but we always want to make sure we are covered for somewhat near the top of the scale in terms of catastrophes. We also expect in early FY10 a payment of \$250,000 – someone was involved in an accident with a garbage truck and the garbage truck lost, it sustained lots of damage that we have to pay. We believe it will be more than \$250,000 but we will be responsible for that first \$250,000. The fund is “under funded” right now which is why we are asking for the increase.

Nancy Berggren – HRE

In HRE all of the rates are staying the same except Workers Compensation. At the end of the fiscal year, when all of our year end data is in, we send that information to Deloitte & Touché, they are the actuary who works with all of our claims information and establishes the premium for the next year. They do that during the month of July and departments will have their impact sometime in August for budgeting. In the budget presented, we estimate that workers compensation costs are going to go up about 10%. We know they are going to go up because last year, due to the snow, actually the last couple of winters, we have had an increase in claims (slips, trips & falls). Some of the severity of our claims has increased; it doesn't take many of these cases to increase the cost. The medical costs continually increase, we anticipate medical costs will increase about 10%; however, that doesn't mean 10% for everyone. Just to remind you, in Workers Compensation, we cover Regents. The University of Iowa had a significant number of Workers Comp claims which impacts our rates. Also, all of the inmates and institutions are covered, so there are quite a few people in the program.

Ms. Berggren advised the union is paying for the printing of their own contracts this year; the printing of the contracts was in the \$30,000 - \$40,000 range so printing fewer copies is going to help us in the labor relations budget. When we get a voluntary agreement on the contract, the costs are a lot lower than when you don't get a voluntary agreement. If circumstances are right, we think we will be okay.

Chair McMahon asked on Personnel Officers budget, the FY11 budget shows an increase in personal services and a decrease of \$10,000 in the travel and vehicle expenses. Ms. Berggren stated this is what we anticipate it is going to cost us to operate with the personnel we have. In terms of travel, we are trying to decrease the cost of our travel, we have fewer field personnel officers and we are also encouraging more use of the internet and more phone calls, etc., to decrease travel. Sometimes if we can "group" the labor relations travel with the personnel officers travel, we think we can control that a little better.

John Gillespie – ITE

A & A - Mr. Gillespie advised A & A has to do with the number of authorizations. You also have on your agenda later to talk about whether you change that from a fixed plus usage or to just a fixed rate. We are projecting a lower number of authorizations; the results will vary based on how much people use it. Currently the average has been 243,000 authorizations a month. In the presentation you will be receiving shows you the trend line which is headed down. There are a number of reasons the usage is decreasing, 1) The system was originally used by the UI folks when they set up their new application and continued to do so, but in the early days, they had a lot of set ups and that drove a higher transaction volume, 2) Two-thirds of the people in A & A are not state employees, they are outside citizens who have signed up for one sort of service or another. Currently there is no standard that requires people to use A & A in order to create a single user ID and that is something we are at least discussing at the Technology Governance Board. What is driving it is the change in the number of authorizations. Chair McMahon stated

in A & A, you are looking at both a rate change and a methodology change? Mr. Gillespie stated we encourage you to seriously consider changing the methodology to encourage departments to use this. Chair McMahan noted the Technology Governance Board is in favor of seeing a more standardized approach the enterprise.

SAE – Calvin McKelvogue

I/3 - Mr. McKelvogue stated the I/3 rate includes the rate for the Enterprise Resource Planning System which is what users think of as I/3; this is the budget, finance and data warehouse. The I/3 rate that you approve also includes the portion for HRIS payroll and then also the payroll, a lot of people don't understand, there is an HRIS system out there and also a payroll system that we currently use and then its also for all the warrant writing that is done for the State. Over the years there has been a methodology developed to allocate those costs to the departments and to the users. Payroll was determined to be allocated 100% based on the number of FTE's, financial was done on a break-down of 50% on FTE, 25% on expenses and 25% on the total revenues that you run through the system. Budget was done on a 50-50 basis based on expenses and revenue.

We have a budget of \$6.8 million dollars for I/3 which is allocated out based on costs. Each department is determined a charge and that charge you supposedly would have to pay under the \$6.8 million dollars but what has happened, because we never were able to get enough general fund money to give to the departments to cover all of the expenses we have went back and received an appropriation through the Legislative process. The appropriation has been \$2 million dollars, FY10 the appropriation is \$3.7 million and the assumption in this is that in FY11 DAS will again ask for \$3.7 million dollars. When we receive the \$3.7 million dollars we will use that amount to reduce what departments pay back to what departments have normally always paid. Departments will not see an increase in what you actually have to pay out of your budget for I/3. Again, we will ask for that appropriation again, we have been very lucky, the Legislature understands they have not been fair to the departments but they don't have the general fund money right now to give you an allocation to make you whole once so you can build it into your budgets. They have been using RIIF fund money to do that. DOT and IPERS currently do not get part of that \$3.7 million allocation, they pay their full share for the cost but they are also allowed to go to the Legislature and ask for any increases in their appropriation requests.

Chair McMahan advised the Council needs to take action on the proposed FY11 rate today so it can be sent out for agency's comments. Chair McMahan recommended that it is going to be incumbent upon this Council to include a caveat with today's action that these recommended rates are going to have to be a ceiling. What the Council would be saying today is that the FY11 rates would be no higher than this with a caveat that similar to FY10 rates, we may have to come back after the next Legislative session and look at whether that is really feasible for FY11. We don't have final budget direction yet, it would be my recommendation to the Council that the motion include some language that this would be a "ceiling" and they are going to have to be ultimately revisited again before the actual beginning of FY11.

Chair McMahon asked if Council wanted to take the issue of methodology changes for A & A separately and look at that prior to the proposed rates. Nicole Watson stated she thinks A & A is a valuable service however, given John's comments today, I don't understand why it is even classified as a Utility given that it is not mandatory. To me it sounds like a Marketplace service that we are trying to adopt and not having been on the I/3 Customer Council I am not sure why that distinction was made, but philosophically I would be opposed to assessing agencies for services that really should be a Marketplace service. Mr. Gillespie advised a decision was made by the Governor's office to make A & A a Utility two years ago. Obviously you have the opportunity to indicate to them how you feel about it. The only way we are going to have any progress on getting single sign-on is by moving this direction.

Mark Uhrin advised there are 85 separate applications using A & A, there are 18 to 20 agencies (Judicial, DNR, IWD, DAS, and Board of Educational Examiners as an example). The proposal would take the usage component of the charge and redistribute that back to all agencies that would be about one-third of the total cost of running A & A. It is currently not a Utility; it becomes a Utility in FY10, in FY10 it will be distributed based on usage plus a base fee. The base fee was set in FY10 at \$4.67 per FTE and two cents per authorization for any agency that uses it. The effect of that is that agencies are willing to accept the base fee but they don't want to use it because it costs more. In FY09 it is a Marketplace service and is charged strictly on usage and we have had a lot of resistance to agencies adopting it because they don't know what their bill will be – the more successful the application is the more their bill goes up. An example, if you use your Web Warrant, every time you access your Web Warrant, which is your on-line pay stub, it costs DAS four cents. If you access it six times because you want to see what your vacation total is, that is twenty-four cents of what DAS charges for Web Warrants that has to go to cover the A & A cost. We have a service called e-Leave which basically allows a department to handle leave requests and leave approvals electronically. If someone requests two hours of vacation every day for a month, that's thirty requests, that's thirty hits on A & A and we charge \$1.00 a month, we just lost money. It makes it very difficult to plan if you are offering a services to citizens where you are not collecting a fee (Example – the Iowa School Alert Service which is currently offered to 227 school districts, where they can send e-mails out to anyone who subscribes to receive notifications of school closings, delayed openings, etc.), there is no revenue stream and yet every time someone goes in to register for that there is a cost to the A & A. I would much prefer to see a fixed rate as opposed to a varying monthly rate.

Lee Wilkinson stated this was one of those things where it is the right thing to do but the wrong time to do it. Nicole Watson asked if ITE was supporting or allowing applications hosted outside of the State hosting environment to participate in A & A. John Gillespie advised applications outside of the State firewall are not allowed since there is too much exposure to the State. Mr. Gillespie advised IWD is a large user and their systems are hosted at the IWD facility.

**MOTION:** Keith Greiner moved to accept the proposed methodology change. Joan Moll seconded the motion.

**Mike Marshall stated he would be concerned about changing the methodology without really knowing what the affect would be on the users based on what their current usage has been. We would be remiss to take that action before we really know who is going to be affected and how.**

**Motion withdrawn by Mr. Greiner and Ms. Moll.**

This item to be on the agenda for next meeting with DAS providing specific data on cost by agency to Council members prior to the meeting.

**MOTION:** Greg Anliker moved for approval of the proposed FY11 rate with the lid as previously discussed and subject to being revised. Mary Jane Olney seconded the motion.

**Director Walton stated he felt it important to advise that these rates could change; DAS may have to come back to the Council with proposed changes. There may be things beyond our control. DAS is committed to controlling the costs of providing the services. Patricia Lantz advised the Administrative Rules allow you to reconsider the rates at any time. Chair McMahon stated that this is a recognition that for FY11 the unknowns are so significant, the odds that the Council is going to have to come back are high. Director Walton stated he can't believe that any of us think this is the last time we will be looking at the FY11 budget.**

**Voice Vote – all members present voted Aye, except Margaret Thomson/DNR who voted No. Motion passed.**

#### **Training as a Possible Utility**

Tabled until the next meeting

#### **Future Agenda Items**

- A & A discussion
- Council Membership Terms
- Training as a Possible Utility

#### **Next Meeting Date(s)**

July 28, 2009 1:00pm – 3:00pm Hoover Building, Level A Room 7

#### **Comments by Council Members**

None

#### **Close and Adjourn**

Meeting adjourned at 1:45 pm

Respectfully submitted,  
Nancy Williams