

DAS CUSTOMER COUNCIL MEETING MINUTES: July 31, 2018

A regular meeting of the DAS Customer Council was held on Wednesday, July 31, 2018, in the State Board Room at the Iowa Workforce Development Building on 1000 East Grand Avenue in Des Moines, Iowa. The meeting was called to order by Chair David Roederer at 2:02 p.m.

MEMBERS PRESENT

Carmine Boal, Legislative Branch (House)
Judy Bradshaw, Iowa Law Enforcement Academy
Gerd Clabaugh, Department of Public Health
Courtney Decker, Department of Revenue
Mark Lowe, Department of Transportation
Janet Phipps, Department of Administrative Services (DAS), Vice-Chair
Rod Roberts, Department of Inspections and Appeals
David Roederer, Department of Management (DOM), Chair
Roxann Ryan, Department of Public Safety
Peggy Sullivan, Judicial Branch
Bruce Trautman, Department of Natural Resources

MEMBER PARTICIPATING VIA PHONE

Beth Townsend, Iowa Workforce Development

MEMBERS ABSENT

Jerry Foxhoven, Department of Human Services
Steve Lukan, Iowa Department of Veterans Affairs
Linda Miller, Iowa Department on Aging
Charlie Smithson, Legislative Branch (Senate)

OTHER ATTENDEES

Brent Arntzen, DAS
Angel Banks-Adams, Legislative Services Agency (LSA)
Paul Carlson, DAS
Susan Churchill, DAS, responsible for taking meeting minutes
Jay Cleveland, DAS
Mike Cornelison, DAS
Charlee Cross, DAS
Jeff Edgar, DAS
Dave Heuton, DAS
Ryan Ihrke, DAS
Stephanie Jackson, DAS
Mirela Jusic, DAS
Ermin Kremic, DAS
Randy Lagerblade, DAS
Jessica Lingo, DAS
Kris May, DAS
Christin Mechler, LSA
Christy Niehaus, DAS

DAS CUSTOMER COUNCIL MEETING MINUTES: July 31, 2018

Deb Scrowther, DOM

Tami Wiencek, DAS

Others were present who did not sign in.

AGENDA ITEMS

- I. The meeting was called to order at 2:02 p.m. by Chair David Roederer.

- II. Introductions
 - A. Chair Roederer asked Council Members to introduce themselves and the agencies they represent.
 - B. Chair Roederer then asked the guests to introduce themselves and state where they work.

- III. Minutes from Meeting on July 19, 2017.
 - A. The minutes of the last meeting were approved via electronic vote last summer.
 - B. The minutes of today's meeting will be distributed within two weeks for review and electronic voting.¹

- IV. Council Membership: Terms Expiring August 31, 2018 – Chair Roederer stated that members whose terms will expire on August 31, 2018, will be notified.²

- V. Biennial Review – DAS Sole Provider of Services
 - A. 541 IAC 12.7(4) mandates that every two years the Customer Council shall review the decision made by the Department of Management that the Department of Administrative Services (DAS) “be the sole provider of a service and make recommendations regarding that decision.”
 - B. Vice-Chair Phipps recommended that DAS continue providing services.

- VI. DAS Business Plan
 - A. FY 2019 Rate Adjustments – **Action Item**
 1. The Council was presented with one rate reduction for a previously approved rate: reduce FY 2019 Unemployment rate from \$0.95 per headcount to \$0.51 per headcount, based on annual review of third-party contract, which moved from Employers Edge to Corporate Cost Control (CCC).
 2. The Council was presented with two rate increases for previously approved rates:
 - a. Increase FY 2019 Flexible Spending from \$36.00 per participant to \$38.00 per participant, based on annual review of third-party provider contracts.
 - b. Increase FY 2019 Risk Management (Vehicle Self Insurance) from \$284.76 per vehicle to \$346.91 per vehicle, based on annual review of fleet size and claims experience.

¹ On August 13, 2018, these minutes were emailed to Customer Council Members to review. As no changes were requested, Council Members were asked on August 17, 2018, to vote via email. Beth Townsend made a motion to approve the minutes. Courtney Decker seconded the motion. Voting members present during the meeting on August 13, 2018, voted unanimously to approve the minutes.

² A listing of Council Members with corresponding term expiration dates can also be found on the [Customer Council](#) website.

**DAS CUSTOMER COUNCIL MEETING MINUTES:
July 31, 2018**

3. **MOTION:** Courtney Decker made a motion to approve the FY 2019 rate adjustments.
 - a. Mark Lowe seconded the motion.
 - b. Motion passed unanimously by the voting members present.³
- B. FY 2020 Rate Adjustment – **Action Item**
 1. The Council was presented with one rate increase for a previously approved rate: increase FY 2020 Design and Construction Services fee from \$85.00 per hour to \$90.00 per hour.
 2. **MOTION:** Courtney Decker made a motion to approve the FY 2020 rate adjustment.
 - a. Roxann Ryan seconded the motion.
 - b. Motion passed unanimously.
- C. FY 2020 Methodology Adjustment/Workers' Compensation – **Action Item**
 1. Dave Heuton, DAS Deputy Director, distributed documents outlining the current program cost allocation, the proposed program cost allocation, and the impact to agencies with the proposed cost allocation.
 2. Elements of the current methodology include:
 - a. An agency's exposure per individual claim is capped at \$200,000.
 - b. A "credibility factor" is applied when calculating agency cost. (The credibility factor is an actuarial tool used to calculate if the loss experience is a reasonable basis to predict future claims.)
 - c. The premium cost is based upon an agency's five-year average of claims experience.
 - d. The administrative costs for DAS and the third-party administrator (Sedgwick), as well as costs for representation/consultation from the Iowa Attorney General's Office, are included the five-year average.
 3. DAS's proposed methodology:
 - a. Eliminate the cap.
 - b. Eliminate the credibility factor.
 - c. Allocate DAS administrative costs and third-party administrator (Sedgwick) costs to agencies based on a five-quarter FTE average.
 - d. Allocate costs for representation/consultation from the Iowa Attorney General's Office based upon a five-year claim experience.
 4. The Council discussed the proposal and the implications to agencies.
 5. **MOTION:** Courtney Decker made a motion to approve the proposed methodology for FY 2020.
 - a. Gerd Clabaugh seconded the motion.
 - b. Motion passed unanimously.
- D. FY 2021 Rates/Methodology – **Action Item**
 1. Vice-Chair Janet Phipps discussed the proposed FY 2021 Rates/Methodology.
 - a. DAS proposed an increase in the rate for Design and Construction from \$90.00 per hour in FY 2020 to \$95.00 per hour in FY 2021.
 - b. DAS proposed that rates in the following areas remain the same from FY 2020 to FY 2021:

³ Even though Council Member Judy Bradshaw was not present for this vote, the Council had a quorum with nine voting members. Council Member Bradshaw voted on the remaining three issues.

**DAS CUSTOMER COUNCIL MEETING MINUTES:
July 31, 2018**

- 1). Human Resources Enterprise
 - 2). Labor and Legal Services
 - 3). Central Procurement and Fleet Services Enterprise
 - c. Vice-Chair Phipps noted:
 - 1). Agency costs for State Accounting Enterprise are based on an allocation, not a rate.
 - 2). The Motor Pool rate methodology is based on the cost to operate and maintain each vehicle class (compact, mid-size, or full-size) on a per mile basis.
 2. **MOTION:** Courtney Decker made a motion to approve FY 2021 Rates/Methodology.
 - a. Judy Bradshaw seconded the motion.
 - b. Motion passed unanimously.
 - E. Methodology Discussion: Risk Management – *The Council covered this topic during its discussion on the methodology for the Workers’ Compensation rate.*
- VII. Agency Impact Statements/Notification to Agencies – Vice-Chair Phipps will send out agency impact statements and have them posted on the [Customer Council](#) website.
- VIII. Next Meeting – will be scheduled in the summer of 2019.
- IX. Adjourn – meeting adjourned at 2:56 p.m.