



MINUTES

State Government Efficiency Review Committee

October 9, 2013

MEMBERS PRESENT:

Senator Jeff Danielson, Co-chairperson
Senator Robert E. Dvorsky
Senator Janet Petersen
Senator Roby Smith
Senator Jack Whitver

Representative Guy Vander Linden,
Co-chairperson
Representative Vicki S. Lensing
Representative Dawn E. Pettengill
Representative Mary Mascher
Representative Ralph C. Watts

MEETING IN BRIEF

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- I. Procedural Business
- II. Fiscal Overview – State Expenditures for Organizational Dues
- III. Information Technology Consolidation
- IV. Human Resources Consolidation and Other Efficiency Measures
- V. Department of Administrative Services Efficiency Efforts
- VI. Executive Branch Boards/Commissions
- VII. Local Government Efficiency Opportunities
- VIII. Public Comment
- IX. Committee Discussion
- X. Committee Recommendations
- XI. Materials Distributed



I. Procedural Business

Convening and Adjournment. Co-chairperson Jeff Danielson called the October 9, 2013, meeting of the State Government Efficiency Review Committee to order at 9:36 a.m. in Room 103, Supreme Court Chamber, State Capitol, Des Moines. Roll call was taken and a quorum was determined to be present. Co-chairperson Danielson and Co-chairperson Guy Vander Linden were elected permanent co-chairpersons by a voice vote. The proposed rules for the committee were approved by a voice vote. The meeting was adjourned at 2:58 p.m.

II. Fiscal Overview – State Expenditures for Organizational Dues

Mr. Dave Reynolds, Senior Legislative Analyst, Fiscal Services Division, Legislative Services Agency (LSA). Mr. Reynolds spoke regarding the state's expenditures for membership organization dues, noting that the materials provided to the committee included membership dues paid by state government organizations. Mr. Reynolds noted total dues expenditures over the past three fiscal years of \$2.14 million in FY2011, \$2.06 million in FY 2012, and \$2.24 million in FY 2013. Mr. Reynolds noted that the materials provided also include information related to vendors and customers.

Mr. Reynolds noted that approval of membership organization dues has transitioned from a duty of the Executive Council to a duty of the Department of Management (DOM). He stated that the applications for approval are now submitted electronically and include the justifications for the memberships. The information submitted by departments has been compiled into a single document and can be provided to the committee through the Department of Administrative Services (DAS).

Discussion. Representative Dawn E. Pettengill noted several duplicate membership payments across different branches and agencies of government and inquired if any efficiencies could be achieved in combining those memberships. Mr. Reynolds provided the committee with a compilation on State Boards and Commissions and suggested that the document should be useful during the later scheduled DOM presentation and further noted that the Roster of State Officials would provide additional background on these bodies.

Senator Jack Whitver inquired as to why there were certain memberships where individuals were named as vendor customers. Mr. Dave Heuton, Senior Legislative Analyst, Fiscal Services Division, LSA, stated that he will look into the issue more closely, but noted that they likely represent the names of the individual employees receiving membership benefits.

III. Information Technology (IT) Consolidation

Mr. Robert von Wolfradt, Chief Information Officer (CIO). Mr. von Wolfradt discussed legislation that established the Office of the CIO, and noted that agencies came together to discuss IT procurement and standards before the legislation passed in order to innovate in providing services to citizens, find efficiencies, reduce costs, and reduce duplications in state efforts.

Mr. von Wolfradt discussed current efforts to study industry operations and evaluate government commodity services internal to state government to pursue savings, noting that his office conducts



a weekly meeting with IT managers. Mr. von Wolffradt then discussed data center consolidation issues and infrastructure consolidation across multiple agencies with the idea of finding additional efficiencies. He then went on to discuss web portal services from a state government perspective and the provision of mobile and electronic services with an emphasis on mobile applications that could be delivered to consumers.

Mr. von Wolffradt stated that the Office of the CIO has received requests from vendors related to streamlining Request for Proposal (RFP) procedures in such a way as to allow smaller Iowa vendors to be more competitive while allowing agencies to procure goods and services more quickly. He then went on to discuss cost avoidance issues within the office while focusing on contract alignment in regard to contract end dates, and on providing services to state agencies through staff sharing conducted pursuant to Iowa Code chapter 28D agreements. Mr. von Wolffradt further noted the state's experience in disaster recovery cooperation with the State of Michigan.

Discussion. Senator Janet Petersen asked who attended the weekly meetings on IT consolidation and whether the meetings were open to the public. Mr. von Wolffradt responded that his office established an Internet site to allow all state employees to offer suggestions for IT efficiencies and noted that eight agency chief information officers meet each Thursday. He further stated that the minutes of these meetings are posted on the Internet site available to state employees, but the Internet site is not currently accessible to members of the public.

Senator Petersen asked which technology-related requests receive primary consideration from the office. Mr. von Wolffradt noted that most requests are approved while others are delayed where there are complex requests for RFPs. He noted that some requests are not moved forward where there are multiple requests for the same product or services, especially where requests are related to contracting for new case management services because there are already existing systems that can be leveraged and put to new use. He noted the favorable experience with the judicial branch in finding efficiencies through existing systems.

Senator Petersen asked whether laypersons would be able to understand the minutes of the CIO's committee and whether small developers are able to participate in procurement. Mr. von Wolffradt noted that the minutes should be easily understood and that the new RFP process streamlines the process for both agencies and developers, which makes it more accessible to smaller local developers. Senator Petersen then asked whether the CIO's office has worked with the Department of Human Services (DHS) and the juvenile homes to address issues of individuals falling through the cracks in terms of case management. Mr. von Wolffradt noted working with the DHS on a weekly basis to provide services related to case management, but he has not yet had any meetings relating directly to issues with juvenile homes.

Senator Robert E. Dvorsky discussed the history of establishing a CIO position for the state and asked whether Mr. von Wolffradt was aware of that history. Mr. von Wolffradt further discussed the past experience of the state and noted the need for effective and continued leadership from governors and legislators in order to establish and maintain an effective Office of the CIO.

Senator Dvorsky asked how the CIO has worked with the Iowa Communications Network (ICN). Mr. von Wolffradt stated that his conversations with ICN have increased in frequency, noting that



State Government Efficiency Review Committee

he meets with the ICN Director every two weeks focusing on issues related to infrastructure and rural broadband initiative. He then noted issues with expanding rural broadband dating back to 1987. Mr. von Wolfradt discussed how the CIO provides leverage in bids for services and opening up collaboration even more for local governments to access state contracts to reduce costs for local governments and the state.

Co-chairperson Danielson asked for details on the relationship between the CIO and Iowa Medicaid Enterprise (IME). Mr. von Wolfradt noted meeting weekly with IME, discussed current litigation, and the establishment of a new RFP and RFP evaluation process. He further noted that 6 to 10 bids have been received so far. Co-chairperson Danielson noted the importance of IME-related services.

Representative Mary Mascher discussed the provisions in Iowa Code chapter 28E, related to intergovernmental agreements, and Iowa Code chapter 28D, related to staff sharing, and asked which state agencies have avoided adopting these agreements for consolidating IT services. Mr. von Wolfradt spoke of the role of the Iowa Department of Revenue (IDR) as an example of a successful consolidation effort where revenue and technical staff have both seen efficiencies. He also noted productive agreements with Iowa Workforce Development. Mr. von Wolfradt noted that the office is utilizing a selective consolidation approach with agencies requesting assistance. He noted that the office is required to report to the General Assembly this year on level of service and other issues, and that there will be a listing of consolidation efforts in the report.

Representative Ralph C. Watts inquired about success in software consolidation across agencies. Mr. von Wolfradt pointed to successes with the IDR moving software and device services to central IT in order to avoid additional staffing needs by both agencies. He also discussed cooperation related to data systems in DHS tracking systems. Representative Watts then asked about the CIO's experience working with the Board of Regents. Mr. von Wolfradt discussed efficiencies achieved by working with both the judicial branch and the Board of Regents to leverage state contracts.

Co-chairperson Danielson asked that future reports from the Office of the CIO to the General Assembly include quantifiable information. He noted that local software developers in his Senate district had spoken with the CIO regarding state procurement requirements and that all parties found those discussions fruitful.

IV. Human Resources Consolidation and Other Efficiency Measures

Ms. Michelle Minnehan, Chief Operating Officer, Department of Administrative Services-Human Resources Enterprise (DAS-HRE). Ms. Minnehan discussed the provisions of Iowa Code section 8A.402 and the broad authority it provides to DAS for human resources management related to employment, compensation, benefits, labor relations, and other issues. She discussed 2013 legislation in helping to achieve cost reductions and improve consistency and compliance in technical and generalist human resources (HR) positions. Ms. Minnehan stated that human resource personnel ratios are the most important indicator in establishing and quantifying efficiencies in human resource management across the private sector; \$3.4 million in cost savings have been realized from the proposed 2013 legislation.



Ms. Minnehan went on to discuss voluntary consolidation language enacted during the 2013 Legislative Session. She noted that DAS-HRE currently provides services for 11 agencies with 3,700 employees. She further stated that DAS-HRE provided these services with 10 employees in the past but noted that they now provide these services with only six employees. Ms. Minnehan noted receiving strong positive response related to these consolidated services. Ms. Minnehan noted that human resources services in 15 other agencies could be consolidated to find new efficiencies.

Discussion. Senator Petersen inquired as to which HR services DAS-HRE provides to participating agencies. Ms. Minnehan noted that DAS-HRE provides all HR services to participating agencies, including benefits, employment services in hiring and merit job postings, pay processing, consulting, labor relations, and compliance. Senator Petersen asked whether DAS-HRE kept data on exit interviews, early retirement, and other information. Ms. Minnehan responded that DAS-HRE does collect such information.

Representative Mascher asked what has been done to encourage nonparticipating agencies to pursue HR consolidation. Ms. Minnehan noted that DAS-HRE has engaged with all state agencies and that awareness of consolidation issues and efficiencies was raised during the 2013 Legislative Session. Representative Mascher asked for HR ratios for nonparticipating agencies. Ms. Minnehan responded that DAS-HRE will provide such information across enterprises and agencies, but stated that some numbers would likely be based upon best estimates. Representative Watts commented that HR ratios would be an appropriate topic for budget subcommittees to consider.

Co-chairperson Danielson noted that consolidation of these functions across state agencies makes sense in the long run and asked about DAS-HRE's participation in IT consolidation and DAS-HRE's efforts in upgrading and making the application system more accessible. Ms. Minnehan noted the additional cost in acquiring new IT systems and that DAS-HRE was currently in a "holding pattern" related to any upgrade efforts based upon funding concerns with \$3-4 million in expected upfront costs and ongoing annual subscription costs of between \$2 million and \$4 million. Senator Dvorsky noted that those estimates are a dramatic reduction from previous estimated costs of \$30-40 million. Mr. von Wolffradt discussed establishing an inventory audit that has resulted in establishing investment strategies for the provision of new equipment and services for each agency.

Senator Petersen then asked for information related to recent and ongoing employee lawsuits. Ms. Minnehan noted that she did not have that information, but that she would follow up with the Attorney General's Office and the committee. Co-chairperson Danielson asked that DAS-HRE provide the committee with a risk management assessment related to pending employee lawsuits against the state, especially suits where implementation of central HR policy could have been impactful. Co-chairperson Danielson asked that any such relevant information be provided to the committee so long as it does not impact legal strategies of the state. Ms. Minnehan agreed to provide this information after speaking with the department's general counsel and the Attorney General's Office.



V. Department of Administrative Services Efficiency Efforts

Mr. Mike Carroll, Director, DAS. Mr. Carroll discussed how DAS works to make the government more efficient in IT and HR. He then noted work on establishing a telework initiative to allow for teleworking by employees. He noted that such efforts require a culture change in agencies, but that the change would provide additional opportunities to individual employees and could reduce the physical footprint of state offices by one-third to create efficiencies and cost savings. He noted that private industry has been able to accomplish similar reductions from such telework efforts.

Mr. Carroll then discussed employee policies related to cellular and desk phones, and possible cost reductions that could be achieved by reducing the total number of lines while allowing agencies and employees a choice between state-provided cellular phones or desk phones based upon individual needs. Mr. Carroll then discussed the elimination of required reports to the General Assembly, noting that many reports are required for useful purposes initially but are rarely eliminated when they are no longer useful.

Mr. Carroll noted issues related to fleet restructuring and risk management, including contracting with Enterprise Rent-A-Car, a subsidiary of Enterprise Holdings, LLC, for trips that are less than one day and less than 500 miles. Mr. Carroll then discussed the expansion of the state's P-Card program. He noted that bank rebates for purchases using these cards are approaching the levels necessary to pay for the operational expenses of the P-Card program enterprise.

Mr. Carroll discussed the establishment of a separate centralized procurement enterprise within the department. He noted the state's experience with school bus cooperative purchasing with the Department of Education operating state contract that has allowed local school districts to realize savings of \$5,000 to \$15,000 per vehicle.

Discussion. Co-chairperson Danielson stated that DAS should continue to work with school districts and special districts where the state can be a partner to find efficiencies and cost savings, especially in transportation where salt and maintenance consolidation can be effective. Mr. Carroll noted a joint fleet facility discussion with the City of Des Moines and that DAS is constantly looking for new opportunities. He then discussed FY 2012 efficiencies at DAS, including a 10 percent reduction in employees in the department. He stated that DAS seeks to take an approach that is both collaborative but purposeful.

Senator Petersen asked about how DAS is continuing to study office space use by state employees in comparison to private sector standards, especially in relation to utility bill savings and smart grid technology. She also asked how procurement checks and balances protect taxpayer dollars. Mr. Carroll noted that a report on office-related information would be provided to the committee and that internal auditors and centralization helps to stem possible corruption with the appropriate signoffs and checks and balances. Senator Petersen asked how DAS would address employee health in renovating the Capitol Complex, such as the provision of showering facilities or wellness centers. Mr. Carroll responded that employee health will be considered in the renovation and noted that wellness centers have been considered in the past. He further noted that options may also be available to work with the private sector in this regard.



Representative Mascher asked that DAS do more to provide the committee with more data related to dollar savings across time relating to phone costs, printing costs resulting from digitalization, conversion to flex fuel vehicles, savings from fleet reductions through the new relationship with Enterprise Rent-A-Car, and through procurement system coordination with the Board of Regents and political subdivisions of the state.

Representative Mascher asked whether DAS would be addressing span-of-control issues. Mr. Carroll noted that as efficiencies grow, the span-of-control ratios go down, not up, in many circumstances, stating that the ratios can be counterintuitive in many ways. Co-chairperson Danielson noted that the DOM is tasked with implementing span of control.

Co-chairperson Vander Linden noted his approval of DAS efforts to reduce reports that are no longer useful and asked whether P-Cards were issued to individual state employees with the employee's name on the card and whether billing statements went to the state or to the individual employee. Mr. Carroll responded that individual employee names do appear on the cards, but that billing statements were sent to the state and not to the individual employee. He further noted that rebates received through the program are likely to fully cover the administrative costs of the program in the near future and that the centralized system, with its safeguards and required training, work to reduce fraud, corruption, and abuse.

Co-chairperson Danielson inquired about the bidding process related to communication systems. Mr. Carroll responded that this project will be going out to bid on November 1, 2013. He noted that the process has taken some time due to the decision to combine radio and infrastructure as part of the same RFP process and the need to work with a consultant to evaluate existing power sites. Responding to an inquiry from Senator Dvorsky, Mr. Carroll stated that the Wallace Building features in the department's five-year plan that will be finalized in the coming months.

Representative Watts inquired about monitoring, controls, and penalties for abuse related to the department's P-Card program and noted past purchasing abuses with state credit cards, specifically a travel abuse connected with the Iowa Association of School Boards. Mr. Carroll responded that he will provide the committee with copies of the P-Card policy manual and information related to training and recertification for participating employees.

Representative Vicki S. Lensing inquired about full-time employee reductions and how much of the reductions presented were due to retirement, reassignment, layoffs, and terminations. Mr. Carroll noted that some departments and other state agencies take the stance that the department wants to become more efficient, but does not want to lose any control, does not want to lay off any people, and does not want to disrupt existing structures that already work.

Representative Watts noted that there needs to be a way to identify who is on a centralized system so that the General Assembly can provide pressure to encourage departments to centralize. He stated that the General Assembly needs more information from departments in summaries provided through the budget process, or elsewhere in the legislative process, and noted that the General Assembly should use leverage from the budget process to more actively encourage efficient centralization. Co-chairperson Danielson then noted the \$250 to \$300 million in savings that have been realized through government efficiency efforts since 2008. He stated that the members of this committee are uniquely positioned to help make the case for finding and achieving



State Government Efficiency Review Committee

efficiencies across the legislative process, noting that 15 departments made it into the efficiency bill last session and further noting the role individual members of the committee could play in the budget bill process, especially when acting as resources to other legislators. Mr. Carroll stated that DAS has been making efforts to halt penalizing early adopters of efficiency programs specifically noting the DAS experience with electronic mail services. Mr. Carroll stated that DAS had been charging \$12 for services related to each electronic mailbox under the department, but noted that these costs could be reduced to \$6 from efficiencies realized if additional accounts were centralized. Mr. Carroll stated that DAS has shifted to a model of charging the \$6 consolidated rate for each electronic mailbox in order to avoid penalizing, and rather to incentivize, early adoption by departments. Mr. Carroll went on to state that the model may create cash flow management issues, but that he viewed this as the better model.

VI. Executive Branch Boards/Commissions

Mr. Dave Roederer, Director, DOM. Mr. Roederer discussed the role that boards and commissions fulfill in state government. He noted that a function of boards and commissions is to encourage involvement and investment in the government and its institutions based upon the philosophy of participatory government. Mr. Roederer noted that the most sought after boards and commissions included the Board of Regents and those related to transportation, education, utilities, and gaming. He then noted the roles of boards and commissions in serving different policy functions, such as licensure, advocacy, advisory, judicial, and departmental functions.

Mr. Roederer then went on to discuss selection criteria issues for service on committees based upon gender, political party affiliation, geography, diversity, and age. He stated that the administration encounters challenges based upon experience, background, time requirements, and association-driven requirements, which narrow the field of candidates. Mr. Roederer stated that the time requirements raise particular issues for department heads who are required to serve on many boards and commissions or assign designees for such service. Mr. Roederer then discussed issues that arise from having boards and commissions with an overly narrow focus. Mr. Roederer discussed overlapping areas of interest between boards and commissions that focus upon disability-related issues, as an example. Mr. Roederer also discussed harder-to-fill boards and commissions related to selection requirements related to gender, race, and other factors. Mr. Roederer then discussed issues related to the Senate confirmation process.

Mr. Roederer suggested that boards and commissions should become a part of the regular budgeting process. He stated that the General Assembly should consider sunseting boards and commissions to force the executive and legislative branches to make decisions about retaining them or combining functions where appropriate. Mr. Roederer seeks to have the General Assembly regularly ask how the public interest is served in the establishment of new boards and commissions, and have the General Assembly begin to ask whether existing boards and commissions are still needed.

Discussion. Senator Petersen asked whether DAS, DAS-HRE, and DOM would be proposing status quo budgets for coming fiscal years and whether additional expenditures can create new efficiencies. Mr. Roederer noted that the FY 2015 budget has already been submitted with the Governor's two-year budget proposal during the first session of the General Assembly (2013). Mr.



Roederer noted that there may be adjustments, but that no such adjustments have yet been determined.

Representative Mascher asked whether DOM would provide the committee with a list of boards and commissions required pursuant to federal law and asked that DOM provide the committee with more information on the respective costs of individual boards and commissions. Mr. Roederer said that DOM will pursue the issue related to federal requirements and responded that the process has already begun to identify costs for individual boards and commissions. He then noted that the Governor's budget will seek to reflect actual cost for each service provided by government and emphasized that this becomes critically important where license fees are intended to pay for the costs of such operations. He stated that the purpose of this process is to understand how additional investments may provide certain outcomes. Mr. Roederer stressed that lean processes are critically important and discussed how state grant management programming is capturing additional information to make information usable. Representative Mascher noted that staff time is also a part of the calculation for fees and state costs. Representative Mascher then asked whether there would be forthcoming recommendations for the consolidation or elimination of boards and commissions. Mr. Roederer responded that those discussions are ongoing and that while each board provides value, there are changes and efficiencies that can still be achieved. Representative Mascher then inquired about the issue of individuals changing political affiliation in order to serve a needed spot on a board or commission. Mr. Roederer responded that this has long been a concern and noted that the administration strives to fulfill the spirit of the law's requirements in this regard.

Senator Roby Smith asked about variable costs, such as frequency of meetings and teleconferencing as a means to achieve cost savings. Mr. Roederer responded that he is willing to look into that and see what information the data sets can provide.

Representative Watts noted that many boards' duties relate to licensing within industries and inquired as to whether there are licenses that can be removed to lessen the restrictions on certain industries and professions. Mr. Roederer responded that DOM is starting to review those now, but he noted that it is easier for the General Assembly to focus on not creating any new license boards.

Representative Mascher inquired about successes in lowering the ratio of supervisors to employees under span-of-control requirements and asked that DOM provide documentation on year-over-year accomplishments in this regard. Mr. Roederer noted that DOM is working on establishing a clear working definition of supervisor positions, stating that over-identification of supervisory roles occurs in state government. He noted that there may be value in making differentiations between supervisor and lead roles and stated that documentation will be provided to the committee. Mr. Roederer noted that there should be accompanying analysis to provide information on best practices.

VII. Local Government Efficiency Opportunities

Mr. Alan Kemp, Executive Director, Iowa League of Cities. Mr. Kemp thanked the committee for the opportunity to present ideas and recommendations. Mr. Kemp noted that with the passing



State Government Efficiency Review Committee

of property tax reform during the 2013 Legislative Session, cities will be under certain financial pressures in the coming years. Mr. Kemp then noted that infrastructure funding related to roads, bridges, and water resources is another leading priority of the league and said that these issues amounted to a serious economic development concern for the state. Mr. Kemp noted critical needs shortfalls of \$215 million for roads and bridges with construction costs continuing to escalate. He also emphasized the diminishing buying power for such dollars over time. Mr. Kemp then discussed \$1.3 billion in needed investments to meet existing clean water regulations. Mr. Kemp then proposed the possibility of a state point-nonpoint trading system to address regulatory requirements. Mr. Kemp went on to discuss the league's desire to see uniform regulations in terms of open records and other regulatory issues across rural water associations and rural water districts. He further noted that there should be clear and fair means established to allow cities and districts to purchase service territory.

Mr. Kemp then discussed issues related to abandoned and derelict properties and the results of a survey relating to such properties. He then noted information on abandoned school buildings in local communities, stating that 80 abandoned school buildings were identified from 296 survey responses. Mr. Kemp noted that these buildings create issues for communities and that there are often high costs associated with acquiring, demolishing, and mitigating environmental hazards created by such properties. He further noted the Department of Natural Resources provides a successful grants program for communities to address the issues caused by such properties but stated that the funding has been inadequate historically to meet the needs and demands of cities. Mr. Kemp noted that the program reduces landfill deposits and serves as a catalyst for economic development.

Mr. Kemp then discussed the impact of pension and health care costs on city budgets. He noted that there is no cap on the city contribution to the pension system and commented on the declining and eventual elimination of state pension contributions. Mr. Kemp asked that the partnership be restored and maintained. Mr. Kemp noted that the General Assembly could pass legislation allowing township trustees to raise township levy rates in order to assist in covering health care costs that are currently paid by the cities that contract to provide townships with fire and emergency medical services. Mr. Kemp also noted the desire of some cities to participate in the state's health care options through health care pooling.

Mr. Kemp noted that cities would like to work with the General Assembly to reduce city publication costs and move towards online publication of notices. He noted that there are often publication timing issues, especially with smaller communities where papers offer only weekly publications.

Mr. Kemp discussed the league's desire that vacancies in city offices be filled at the next city election rather than the next general or city election, whichever comes first. He stated that some counties have interpreted election statutes to require that such elections take place at the next city or general election, and noted that this interpretation raises costs for cities.

Mr. Kemp finally noted the league's appreciation of 2013 legislation making modifications to the state's administrative rulemaking processes by allowing greater interaction between cities and state agencies. He noted a desire to allow cities to find new funding options for providing services to townships through negotiation, and further noted opportunities that could be beneficial to cities if they were allowed to self-fund debt to realize both greater returns and lowered borrowing costs.



Ms. Linda Hinton, Government Relations Manager, Iowa State Association of Counties. Ms. Hinton thanked the committee and asked that the General Assembly work with local officials to gauge and address impacts of recent legislation on counties. Ms. Hinton discussed the impacts of SF 295, relating to property taxes, enacted in the 2013 Legislative Session and its implementation costs for counties, noting that a delay of even one year would have provided the opportunity to contain costs. Ms. Hinton then noted that counties were experiencing similar cost issues due to mental health reforms at the county level over the past three years, stating that short time frames do not allow for the counties to engage in conversations with the General Assembly. Ms. Hinton then went on to discuss how certain transfers of jurisdiction over roads and requirements that counties provide services or offices to the state has created issues of long-term reliance in county decision-making only to have the state fall short of its commitments.

Ms. Hinton discussed excessive requirements placed upon counties related to manure management plans. She discussed various suggestions for lowering county costs in document storage, digitalization, and paperwork reduction. She then discussed high costs related to publication of notices relating to tax sales and drainage district issues, especially those requirements relating to mail notice requirements. She requested that such publication requirements be limited to providing information on where more complete records and information can be found in Internet site-based formats.

Ms. Hinton raised the desire of many counties to use and access the ICN for the transfer of confidential information and use by counties where logistical efficiencies can be realized.

Ms. Hinton next discussed the desire of counties to increase fees to cover the full costs of services, discussed possible reductions to election administration costs related to Saturday voting hours, and discussed the desire on the part of counties to reestablish the Iowa Advisory Committee on Intergovernmental Relations.

Discussion. Representative Pettengill asked Mr. Kemp why cities are not engaging in pooling resources and services through Iowa Code chapter 28E agreements related to health care costs. Mr. Kemp responded that the league had made prior attempts in health care pooling but that those attempts were unsuccessful despite past successes in establishing a workers compensation pooling system. Representative Pettengill then asked that the league compile a list of the reporting requirements that cities may find burdensome and make recommendations to the committee for their alteration or elimination. Mr. Kemp noted the frustration many cities experience with the collection of information that then becomes no longer accessible or valuable once given to the state. Representative Pettengill then inquired about sewer projects and asked whether the league would quantify costs and debt on municipal sewer systems and costs associated with regulatory compliance. Mr. Kemp noted that the league took the lead on a lawsuit against the federal Environmental Protection Agency related to the agency's failure to comply with rulemaking processes in the adoption of rules related to storm water runoff regulation. He committed to getting numbers from the cities and reporting back to the committee. Representative Pettengill then thanked Ms. Hinton and the counties for the work they have done on mental health redesign throughout the rules processes.



State Government Efficiency Review Committee

Senator Petersen inquired about the effect of tax-exempt properties on cities. Mr. Kemp noted the disparity between different cities, noting that cities with large governmental and university presences are disparately impacted in this regard. He noted that in Des Moines, nearly 40 percent of the property is currently exempt and further noted that growing communities like West Des Moines are also beginning to face these issues. He stated that the current negotiations that occur between cities and nonprofits are the only method for resolving these issues and addressing the concerns of cities which continue to provide services to such properties.

Senator Petersen asked that Mr. Kemp provide specific suggestions addressing issues related to abandoned properties. Mr. Kemp noted that the existing program works well but does not meet the existing needs across the state. He stated that in 2011 there were 39 applications totaling \$1.2 million in expressed need. Of those applications, 13 were funded with moneys totaling \$700,000. He stated that in 2012 there were 37 applications totaling \$1.5 million in expressed need with only \$495,000 in funding.

VIII. Public Comment

Former State Representative Jeff Kaufmann, Cedar County Board of Supervisors. Mr. Kaufmann spoke to the committee regarding how mental health reform issues have caused angst among counties following delays in the rules process and based upon state demands that counties make decisions before the rules were put into place. Mr. Kaufmann noted how increases in required meetings have raised costs for counties and discussed a lack of transparency in certain aspects of mental health reform where certain county supervisors have refused to share status reports and best practices in the early stages of adoption. He stated that these decisions were being made with the best interest of consumers at heart, but noted that such issues added to county expenses. Mr. Kaufmann asked that the state do more to help counties address storage issues in terms of recordkeeping requirements and provide for digitalization efforts. He also emphasized the need to provide counties with flexibility in public notice and reporting requirements to reduce the burden these requirements place on Iowa counties.

Mr. Kaufmann then discussed cost reductions associated with school elections. He then noted the positive experience that other states, like Kansas, have had in allowing the state to receive federal moneys on behalf of local governments before distributing such moneys in order to reduce costly reporting requirements for counties and cities. He further discussed the role of special funds in county budgets and the associated reporting requirements. Mr. Kaufmann discussed how disparate rules in reporting across different funding sources raise costs for counties.

Mr. Kaufmann then noted how the federal Affordable Care Act would increase costs in his county by an estimated \$4,000 per month with those costs expected to increase to \$25,000 to \$30,000 by July. Mr. Kaufmann asked that the General Assembly continue to discuss cost savings that can be achieved in these matters.

IX. Committee Discussion

Co-chairperson Danielson asked that the information on cost savings provided by presenters be given to the committee and then noted the committee process in providing and creating a report of



work product. Representative Mascher then discussed the productive role that state employees can play in proposing cost savings and asked that department heads make an effort to request employee input on continuing to pursue efficiency initiatives.

Representative Watts noted that the General Assembly should consider eliminating or paring back licensure requirements in certain fields as a means to lower costs and barriers to entry into certain professions in the private sector. Representative Watts then asked that the committee consider the state's interest in enforcing requirements imposed by the federal government. Representative Watts stated his desire to seek common sense approaches to federal requirements at the local level.

Representative Pettengill noted that efficiencies can also be found in providing reliable and knowledgeable communication to local governments and to the private sector. She noted that difficulties in communication and shifting standards and expectations raise costs for industries, noting in particular the experiences of hospitals and assisted living facilities in her district. She suggested that training on complex issues of industry regulations could be conducted jointly with agency staff and private employers.

X. Committee Recommendations

Representative Mascher moved that the committee request department heads to seek input from state employees relating to current and new government efficiency efforts, and further moved that the directors encourage input through the departments themselves, but also direct state employees to the committee's public comment Internet site located at: <https://www.legis.iowa.gov/APPS/Feedback/ResponseForm.aspx?qid=2>

The motion carried by voice vote.

Representative Mascher moved that the committee request that department heads offer recommendations for the consolidation or elimination of boards and commissions, and that the department heads provide such recommendations to the committee and to each department's respective budget subcommittee.

The motion carried by voice vote.

XI. Materials Distributed

1. LSA – Fiscal Overview – State Expenditures for Organizational Dues
2. Iowa State Association of Counties Presentation
3. Iowa League of Cities Presentation
4. LSA – Fiscal Overview – Boards and Commissions
5. Chief Information Officer Presentation
6. DAS – HR Consolidation Update
7. DAS Efficiency Efforts
8. DAS – Budget Highlights
9. CIO – IT Strategy



State Government Efficiency Review Committee

- 10. CIO – ITE Initiatives
- 11. DOM – Boards and Commissions Presentation

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