

COMMITTEE MINUTES for GOVERNMENT OVERSIGHT

Date: March 22, 2010

Place: Rm 103, Supreme Court Chamber

Convened: 3/22/2010
12:15 PM

Recessed:

Reconvened:

Adjourned: 3/22/2010
1:35 PM

Present: Senators Olive-CH, Courtney-VC, Ward-RM, Soddors
Representatives Lensing-CH, Ford-VC, Watts-RM, Baudler, Berry, Olson, S., Sorenson,
Swaim, Whitead

Absent: None

Excused: Senator Wieck

Representative Lensing brought meeting to order at 12:15 pm. Minutes of the previous meeting were approved. Correction was made to no response from Mr. Harry Heiligenthal. He and Mr. Russ Wiesley will come on Wednesday, March 24, 2010. Agenda for Wednesday will be the IASB Board of Directors.

Mr. Jonathan Muller, former IASB Chief Financial Officer, 2000-2009, was introduced. Mr. Muller provided background about the IASB and its relationship to LGS (Local Government Services), a wholly owned subsidiary of IASB that takes its direction from the Board to establish policies. Mr. Muller stated that LGS operates under four policies: 1) to engage in business practices that have a direct impact on student learning; 2) activities resulting in maximizing revenues; 3) minimizing costs to school districts; and 4) to "take something off the plate" of administrators and board members so they are free to better serve their districts. Additionally, LGS is directed to work with other non-profits, other layers of government, business communities and other state school board associations. All activities are designed to improve student achievement for the students of Iowa and help maintain IASB's non-profit status by increasing revenue and saving the schools money.

Mr. Muller took questions from the Oversight Committee members relating to how his salary was paid, the structure of his job contract and the nature of his separation agreement with IASB. Mr. Muller stated that when he disagreed with IASB regarding the search for a new Director, he and IASB came to a mutual separation agreement with severance pay that was based on the nine years he had been employed by IASB.

Mr. Muller was also asked whether he believed IASB was well informed about financial reports while he was employed by them. He responded that IASB was given information in routine presentations and he believed they understood the reports they were given.

Other questions included how LGS provided services and engaged in various activities that generated revenue, such as rental agreements, health insurance trust, natural gas pool, other assets, whether or not LGS was involved in audits and how loans were made.

Representative Watts moved to arise and the meeting was adjourned at 1:35 p.m.

Representative Vicki S. Lensing

Patricia Van Cleave, Committee Secretary