

2003 ISAC Executive Board

PRESIDENT

Richard Heidloff
Lyon County Treasurer

1ST VICE PRESIDENT

J. Patrick White
Johnson County Attorney

2ND VICE PRESIDENT

Angela Connolly
Polk County Supervisor

3RD VICE PRESIDENT

Marvin Van Haften
Marion County Sheriff

2003 ISAC Board of Directors

ASSESSOR

Gary Bilyeu
Story County

AUDITOR

Denise Dolan
Dubuque County

COMMUNITY SERVICES

Lois Rude
Linn County

CONSERVATION

Al Griffiths
Clinton County

EMERGENCY MANAGEMENT

Deanna Neldeberg-Bachman
Marshall County

ENGINEER

Robert Haylock
Hardin/Butler County

ENVIRONMENTAL HEALTH

Mark Linda
Black Hawk County

INFORMATION TECHNOLOGY

Robert Canney
Black Hawk County

PUBLIC HEALTH NURSE

Kathy Nicholls
Wright County

RECORDER

Kim Painter
Johnson County

SUPERVISORS

Jill Davisson
Clinton County

Lannie Miller

Palo Alto County

ZONING

Larry Sundell
Emmet County

PAST PRESIDENT

Grant Veeber
Black Hawk County Auditor

ISAC REPRESENTATIVES

Robert Paulson
Winnebago County Auditor

Judy Miller

Pottawattamie County Treasurer

EXECUTIVE DIRECTOR

William R. Peterson

**October 21, 2003 STATEMENT to LEGISLATIVE FISCAL
COMMITTEE**

by the IOWA STATE ASSOCIATION OF COUNTIES

Regarding the Public Strategies Group Process in Iowa

Mr. Chairman, members of the Committee, my name is John Easter, Director of Intergovernmental Affairs for the Iowa State Association of Counties. Thank you for inviting ISAC to address this Committee about the Public Strategies Group and their work involving the counties of Iowa.

Our view is that the work of PSG has been produced in three distinct stages. The first was the pre-legislative phase involving creation of state budget cuts and local mandate relief and flexibility plans. The second phase we call the "interim phase", or the period between the final approval of the legislation in May through mid August when a formal long range work plan was adopted. The third phase, involves application of the long range flexibility work plan and it is in progress.

I. Pre-legislative Phase – PSG was hired by Governor Vilsack in September 2002, to provide ongoing state government reinvention and project services, including working with the state to identify opportunities for reform in state government, to reinvent particular aspects of state government, and to initiate new methods of doing the state's business to improve government efficiency and performance. Under the agreement, PSG would identify budgetary savings, and, in the areas where savings would be achieved, deliver specific benefits to Iowans.

The first time PSG representatives met with ISAC officials was on March 21, 2003. At that time, PSG staff revealed that their proposal would include \$57 million in cuts of state aid to local governments. Generally, this included the elimination or reduction of the personal property tax replacement fund, the bank franchise allocation to counties and cities and the machinery and equipment payments. Theoretically these cuts were to be offset by a package of local government flexibility measures and cuts in state mandates.

By the time LSB 3461 YC (The Reinvention Bill) passed the House Appropriations Committee on April 22, the state aid cuts climbed to \$70 million and the "flexibilities and mandate relief" for local governments had been significantly reduced. Later that day, HF 691 was finally available to the public in that day's bill packet. Three days later (April 25), the legislation had passed both the Senate and House. Considering the magnitude of this legislation, local officials had very little opportunity for a thoughtful role in crafting the plan. During this phase, there should have been greater communication between the state and its local governments.

While local governments may have been willing to share in the revenue constraints facing the state, deep cuts in aid to local governments *after* local budgets had been set had a severe impact on the level of trust between local and state levels of government.

II. *Interim Phase* – We view the interim phase as the period from late May when the legislation was signed, through August. During this time, PSG was busy designing and approving a formal work plan. This entailed meetings with local officials to identify various best practices of local governments, methods for sharing of services, and strategies to improve state and local relations.

III. *Implementing the Work Plan* – PSG is now in the process of implementing the long range work plan. Best practices have been identified for local governments to consider. Meetings with state and local officials are underway to help build trust and improved policy for more efficient service delivery. As we speak, PSG is hosting a day long conference with the Governor, legislative leaders, and key state department directors to design plans toward implementation of best practices of service, and to build trust between levels of government. Follow-up meetings between local officials and their legislators will continue.

CONCLUSION – The first phase was a failure for county government. Little time was provided for input so the result, (SF 453) contained much larger cuts than expected and it was after local budgets were set. In addition, the flexibility and mandate relief was far short of the level necessary to offset the state aid to local government. This has had a severe impact on state and local relations. If local officials had been consulted by PSG in 2002 or even in January 2003, they would have been prepared to make appropriate decisions when crafting their local budgets.

At the present, the long term plan is in progress so it is too early to evaluate the final results.

The bottom line is that local officials believe the whole process has been backwards. We experienced:

- 1) Cuts,
- 2) Identify and compile best practices and efficiencies, then
- 3) Design and implement a plan to improve state and local partnerships and build trust.

The process should have been exactly the reverse:

- 1) Design and implement a plan to improve state and local partnerships and build trust,
- 2) Identify and compile best practices and efficiencies, then
- 3) Make planned cuts.