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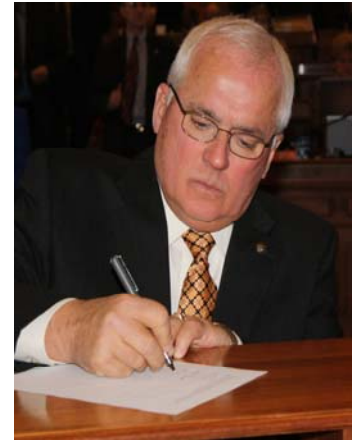
House of Representatives

State of Iowa

Eighty-Third General Assembly

STATEHOUSE

Des Moines, Iowa 50319



OLSON'S OBSERVATIONS

The Iowa House is in the process of reviewing the State Government Reorganization bill, [HSB 565](#). This bill is the result of a bipartisan joint interim committee that hopes to streamline state government and result in substantial savings. Some of the changes and actual services upon review are being questioned. Originally Governor Culver spoke about a \$300 million savings, but that number has been reduced dramatically, some forecasting under \$100 million. This uncertainty will create more budget challenges. I support the concept of the reorganization, but want to be sure of several things:

- That the legislature does not eliminate necessary programs and services,
- That programs that are eliminated or merged result in a cost savings, and
- That the legislature is sure of the cost reduction numbers before passing the final draft.

It appears that the House will consider this bill the week of February 7th. I will try to keep you updated as this bill evolves.

Another issue that is being reviewed by the legislature is the cost for the Industrial New Jobs Training Program. This program is used to train new workers, but it has been revealed that it is the most costly program in the nation. The average cost nationally in 2006 to retrain a worker was \$525, but Iowa paid an average of \$13,000. In 2006 Iowa spent \$10 million more to retrain workers than California. One of the reasons for the high cost was Iowa financed the program by issuing a bond that we had to pay interest on.

On Tuesday, the Iowa House passed the Early Retirement bill, [SF 2062](#), which I mentioned last week. The vote was 98-1. This bill will give incentives to approximately 2,250 executive branch employees to take early retirement in hopes of saving the state \$57.4 million.

I have had many emails and visitors in Des Moines regarding the Governor's recommendation of moving the Empowerment Program to the Department of Education. My constituents have great concern about losing local control over Empowerment. I have been working to address the concerns of my constituents regarding this program.

If you have not paid your traffic ticket or court fines, beware. Public Works LLC, a consulting firm hired by Governor Culver to advise the executive branch on government reorganization, has suggested that the state centralize court debt and hire an agency to collect these debts. There is \$518 million in overdue court debt that could be used to help with our state's budgetary problems. In the last two years, the debt has increased substantially, partly due to the increase in fines and the state of the economy. This proposal has not arrived on the House floor yet, but the legislature must use caution when anticipating revenue, especially non-renewal funds.

A growing concern of mine is the severe cut the Department of Agriculture budget has taken. This department, like many others, has not been protected from the severe budgetary cuts. The department has 10% fewer employees compared to last year. The Governor has proposed a general fund allotment for the department of \$16.8 million; this is less than 1% of the general fund budget. This puts the department at the same funding level as 1994. This is a concern for all Iowans, because with fewer employees there will be fewer inspections. One cannot help but believe that politics has not played a part in this reduction.

I have had constituents contact me over a new requirement by the Department of Transportation for the registration and licensing of farm trucks. It appears the issue isn't too complex, but may require a state permit, but no CDL drug testing requirement. I anticipate the DOT will do a better job of communicating and explaining these changes in the future.

Always feel free to contact me on any issue before the Iowa Legislature. I can be reached at 515/281-6055 during the week or by e-mail at steven.olson@legis.state.ia.us.