**IOWA** | **Department of Management**

IBA Bank Management & Policy Conf.

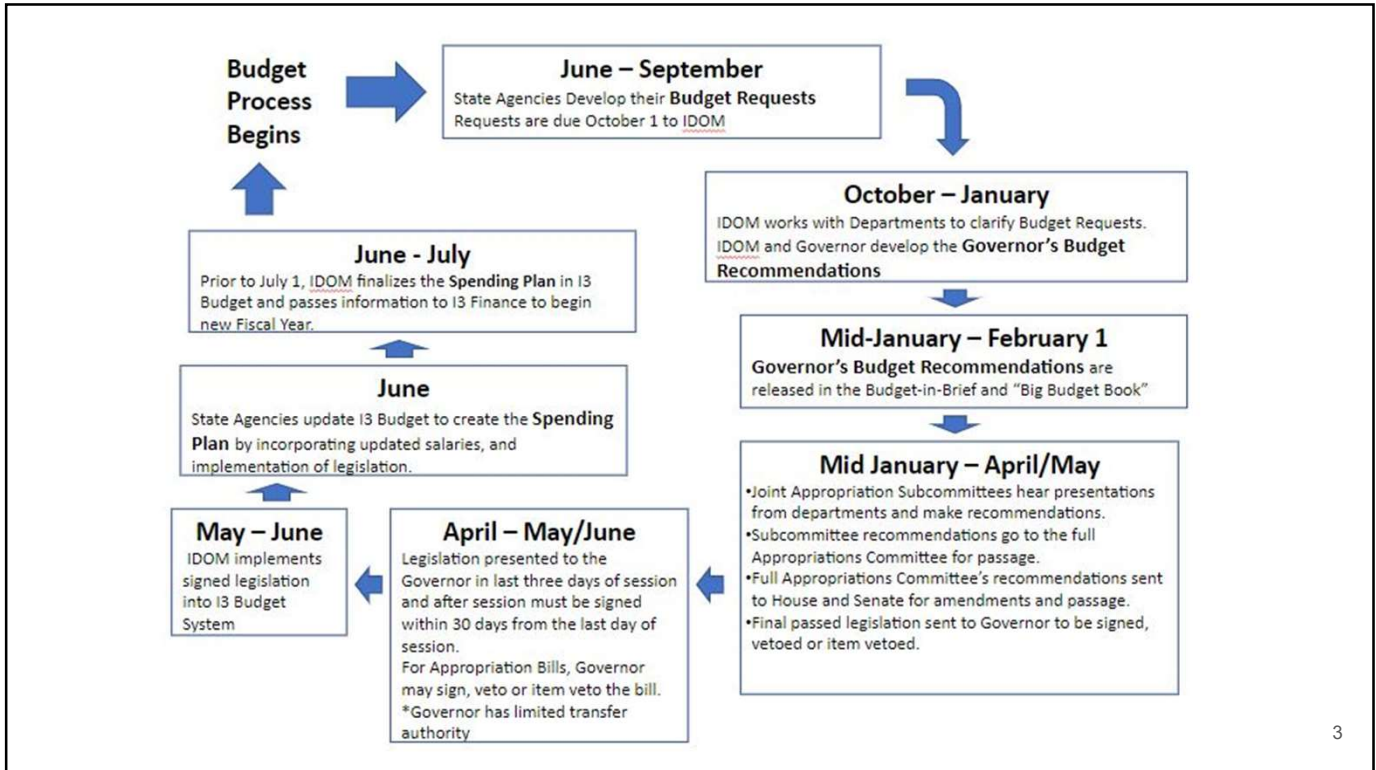Director Kraig Paulsen

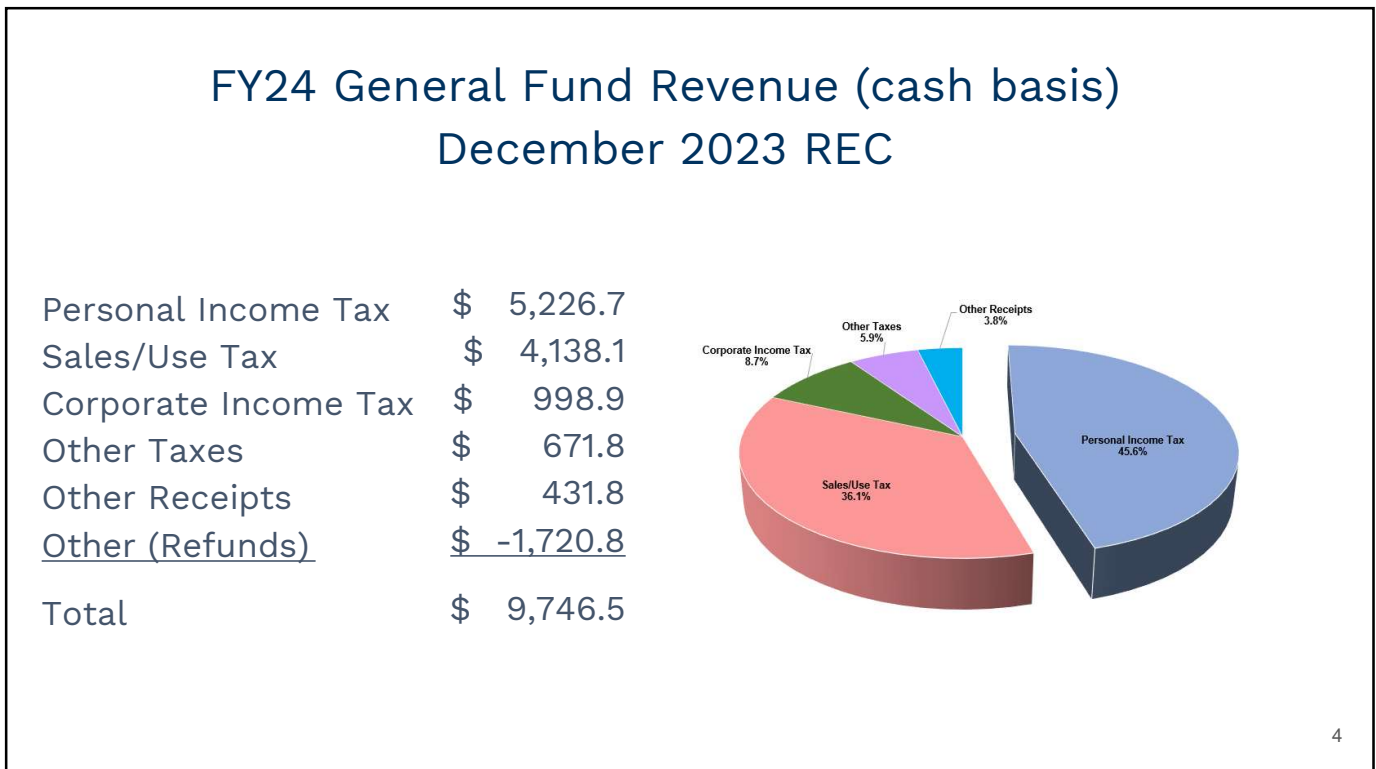February 6, 2024

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# Department of Management

- Budgeting
- Performance and accountability systems
- Allocation of federal funds
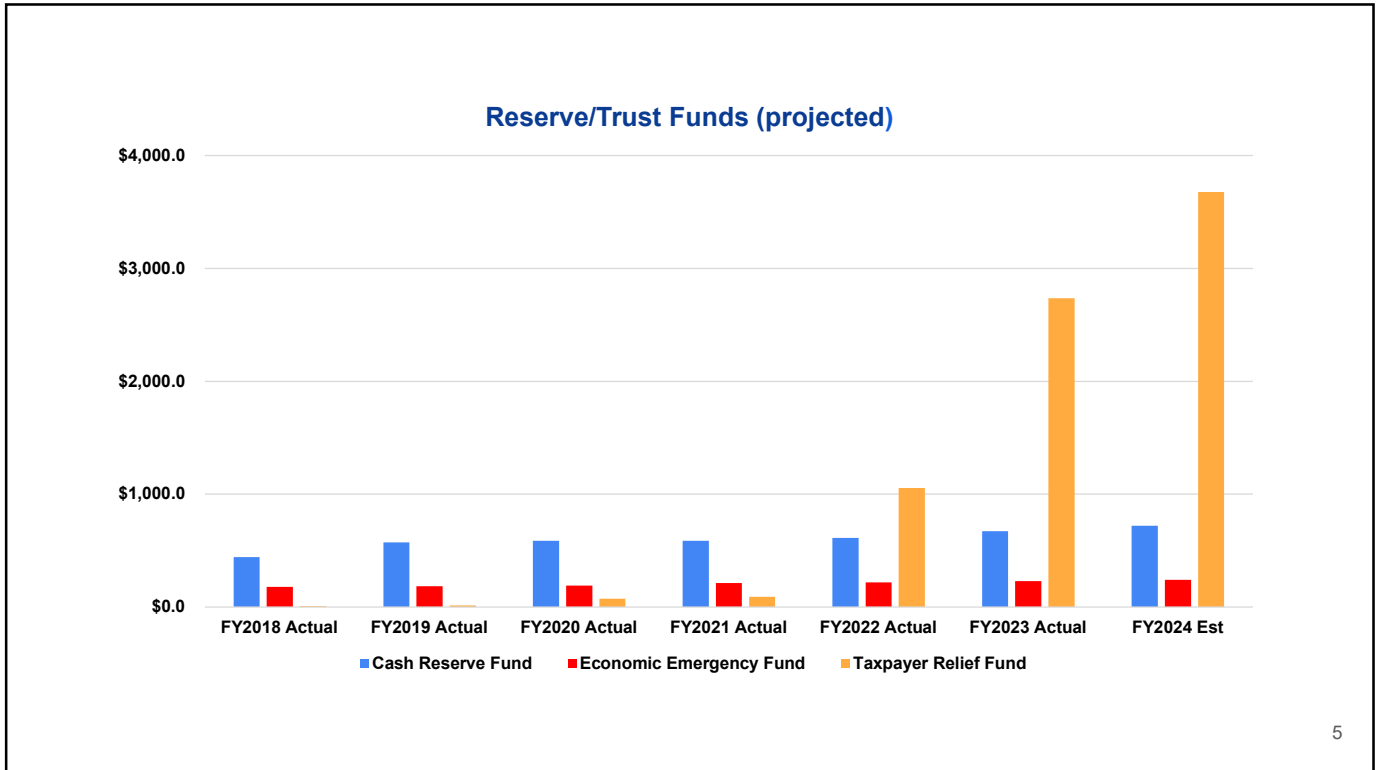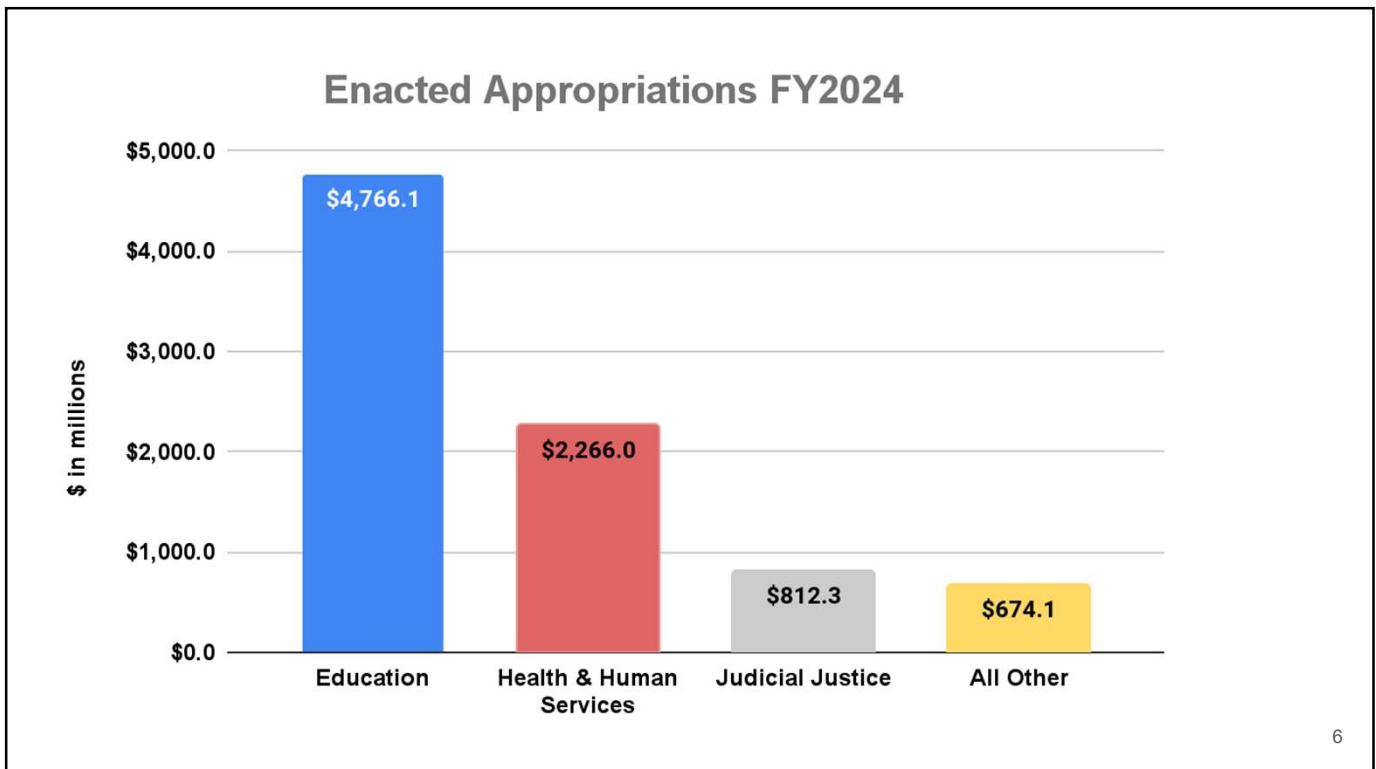- Information Technology
- Other duties as assigned

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## Slide 3

Budget Process Begins →

**June – September**
State Agencies Develop their **Budget Requests**
Requests are due October 1 to IDOM

**October – January**
IDOM works with Departments to clarify Budget Requests.
IDOM and Governor develop the **Governor's Budget Recommendations**

**Mid-January – February 1**
**Governor's Budget Recommendations** are released in the Budget-in-Brief and "Big Budget Book"

**Mid January – April/May**
- Joint Appropriation Subcommittees hear presentations from departments and make recommendations.
- Subcommittee recommendations go to the full Appropriations Committee for passage.
- Full Appropriations Committee's recommendations sent to House and Senate for amendments and passage.
- Final passed legislation sent to Governor to be signed, vetoed or item vetoed.

**April – May/June**
Legislation presented to the Governor in last three days of session and after session must be signed within 30 days from the last day of session.
For Appropriation Bills, Governor may sign, veto or item veto the bill.
*Governor has limited transfer authority

**May – June**
IDOM implements signed legislation into I3 Budget System

**June**
State Agencies update I3 Budget to create the **Spending Plan** by incorporating updated salaries, and implementation of legislation.

**June - July**
Prior to July 1, IDOM finalizes the **Spending Plan** in I3 Budget and passes information to I3 Finance to begin new Fiscal Year.

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## Slide 4

# FY24 General Fund Revenue (cash basis)
# December 2023 REC

| | | |
|---|---|---|
| Personal Income Tax | $ | 5,226.7 |
| Sales/Use Tax | $ | 4,138.1 |
| Corporate Income Tax | $ | 998.9 |
| Other Taxes | $ | 671.8 |
| Other Receipts | $ | 431.8 |
| Other (Refunds) | $ | -1,720.8 |
| Total | $ | 9,746.5 |

Pie chart:
- Personal Income Tax 45.6%
- Sales/Use Tax 36.1%
- Corporate Income Tax 8.7%
- Other Taxes 5.9%
- Other Receipts 3.8%

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**Reserve/Trust Funds (projected)**



Legend: Cash Reserve Fund, Economic Emergency Fund, Taxpayer Relief Fund

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Enacted Appropriations FY2024

| Category | $ in millions |
| --- | --- |
| Education | $4,766.1 |
| Health & Human Services | $2,266.0 |
| Judicial Justice | $812.3 |
| All Other | $674.1 |

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# PK-12 Public School Detail for FY24 (projected)

| Funding Source | Amount (millions) | Percent | Per Student |
|---|---|---|---|
| State Aid | $3,785.0 | 45 | $7,780 |
| Local | $2,964.7 | 35 | $6,094 |
| SAVE | $618.5 | 7 | $1,271 |
| Federal | $634.6 | 7 | $1,305 |
| Other | $481.9 | 6 | $991 |
| Total | $8,484.8 | 100 | $17,441 |

$17,441 X 20 students classroom= $348,820

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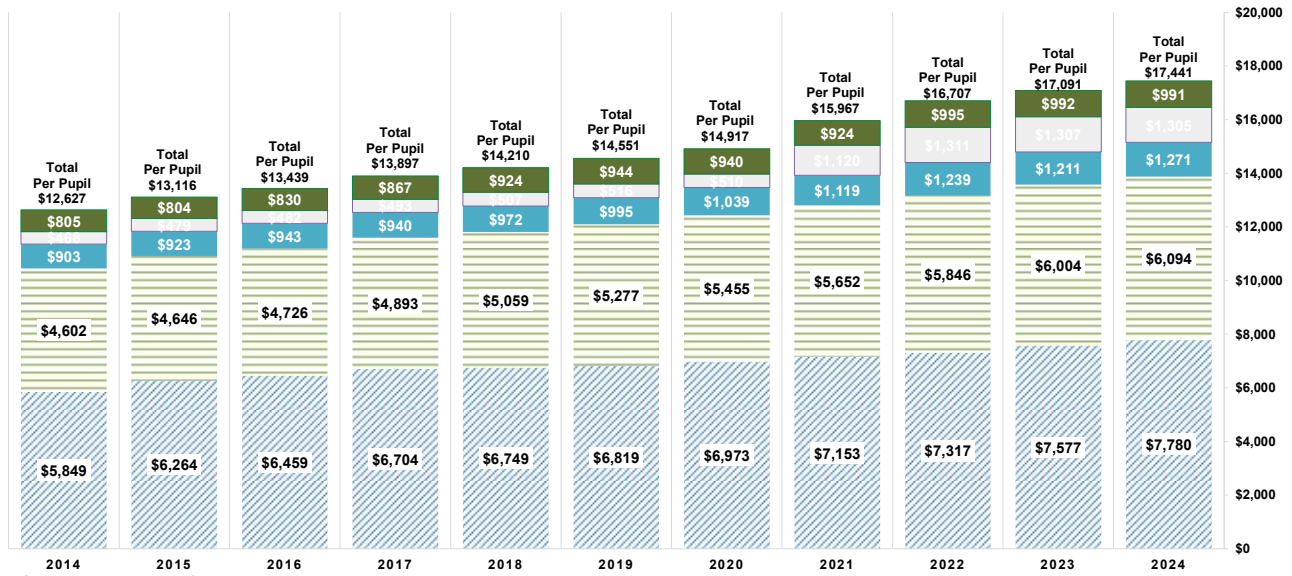


Source: Iowa Department of Management

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## Iowa Specific
## Pandemic Related Federal Expenditures

- CRF = $1.25 billion – must be obligated by Dec 31, 2021
- ARP = $1.63 billion – must be obligated by Dec 31, 2024
- Infrastructure = $4.28 billion over 5 years
- Other Pandemic Funds = $7.38 billion

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$14.54 billion*

*Other includes direct stimulus payments, PPP, or other federal funds sent directly to agencies (e.g., DHHS, DE)

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Post- Alignment Organization

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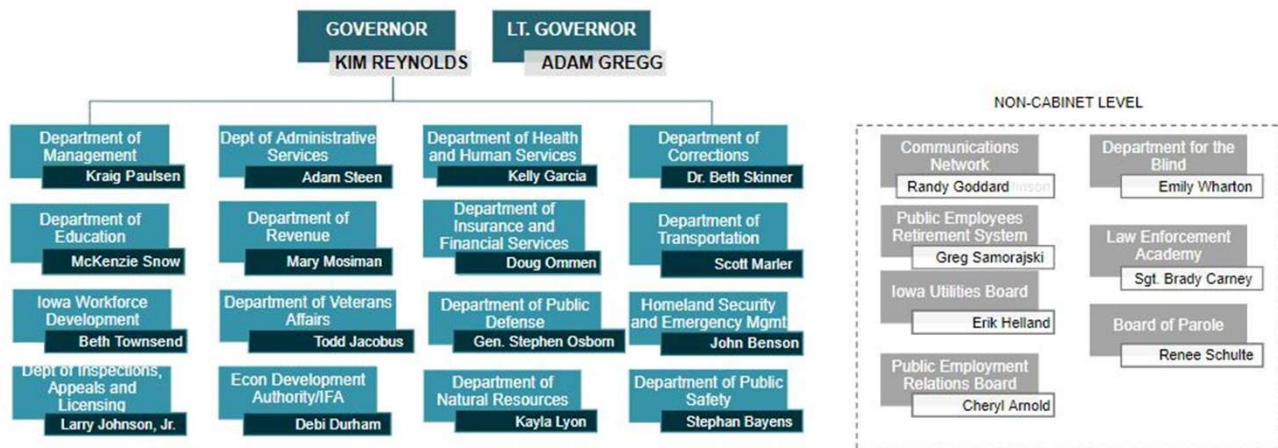
# Strategic IT Consolidation

Improved service
Enhanced systems
Increased security

- **Business Functionality** – Agency / business owner determined
- **Governance** - IT oversight and governance provided by DOM
    *"don't outsource our brain"*
- **Operations** - Day-to-day IT operations (more SaaS, less mainframe, fewer data centers)

Draft Vision:

We deliver strategic and innovative solutions that enable State of Iowa agencies to fulfill their mission

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# Background

- Agencies have operated independent IT functions for over 30 years

- During that time, a number of studies were conducted to identify IT efficiencies and cost savings. Recurring themes included:
    - Recommendations for consolidation of core IT functions (like data centers and e-mail)
    - The establishment of common processes

- IT has expanded significantly over the years, but agencies continued to operate IT independently (a "federated" model)

- Over the years, the general assembly created stronger oversight. However, this was largely a regulatory function.
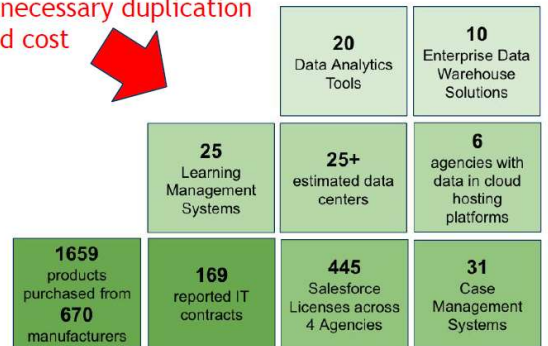
**IOWA** ™
FREEDOM TO FLOURISH

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## The results of a federated model

**Independent operation of IT systems by each agency resulted in:**

- Significant **duplication of IT efforts and cost** when each agency runs IT
- **Higher cyber security risks** with multiple different systems across the state
- **No single source of truth** on IT costs and risks
- **Loss of volume purchasing discounts** on IT hardware / software with multiple contracts for each agency
- **IT Staff cannot be easily shared** across the executive branch

The old "federated" IT environment results in unnecessary duplication and cost

*2023 IT Inventory Results*

| | |
|---|---|
| **20** Data Analytics Tools | **10** Enterprise Data Warehouse Solutions |

| **25** Learning Management Systems | **25+** estimated data centers | **6** agencies with data in cloud hosting platforms |
|---|---|---|

| **1659** products purchased from **670** manufacturers | **169** reported IT contracts | **445** Salesforce Licenses across 4 Agencies | **31** Case Management Systems |
|---|---|---|---|

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## Outcomes and Considerations

- Legislation – repeal Chap 8B and move into chap 8
  - No significant substantive changes
- Rename OCIO - Department of Management Division of IT (DoIT)
- Greater enterprise visibility
- Procurement controls
- Increased Cyber Security
- Allows for staff surging
- Working Groups
  - e.g. IT Infrastructure, IT Service Management, Learning Management Systems
- Guidehouse savings est = $15+ million / year

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## Boards and Commission Review Committee

- Review of Boards and Commissions required as part of SF 514, Governor's Alignment bill
- Four meetings held from June 26 to September 25 - all open to the public
- Nearly 70 Iowans spoke at the public hearing on a wide range of topics
- Final recommendations filed on September 26th and sent to the Governor and Iowa General Assembly

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# BCRC Final Recommendations

- 111 fewer boards and commissions, a reduction of approximately 43%
- At least 450 fewer Governor-appointed members
- Increased engagement on boards and commissions and an expansion of the number of Iowans eligible to serve on boards
- Implementation of clear, consistent, and effective licensing standards that will reduce barriers to entry into the workforce while continuing to protect the health and safety of Iowans

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Thank you

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