
From: Rob Sand
Subject: FW: *Update* on AOS Funding System
Date: June 5, 2020 at 11:35:39 AM CDT
To: Breitbach, Michael [LEGIS] <Michael.Breitbach@legis.iowa.gov>
Attachments: 2-17 Funding Reform.pdf (394.0 KB)

From: Rob Sand
Sent: Tuesday, May 19, 2020 11:45 AM
To: michael.breitbach@legis.iowa.gov; tim.kraayenbrink@legis.iowa.gov; joe.bolkcom@legis.iowa.gov; mark.costello@legis.iowa.gov; bill.dotzler@legis.iowa.gov; julian.garrett@legis.iowa.gov; tom.greene@legis.iowa.gov; craig.johnson@legis.iowa.gov; carrie.koelker@legis.iowa.gov; mark.lofgren@legis.iowa.gov; jim.lykam@legis.iowa.gov; liz.mathis@legis.iowa.gov; mariannette.miller-meeks@legis.iowa.gov; amanda.ragan@legis.iowa.gov; ken.rozenboom@legis.iowa.gov; tom.shiple@legis.iowa.gov; amy.sinclair@legis.iowa.gov; todd.taylor@legis.iowa.gov; zach.wahls@legis.iowa.gov; Gary.Mohr@legis.iowa.gov; chris.hall@legis.iowa.gov; bruce.bearinger@legis.iowa.gov; Liz.Bennett@legis.iowa.gov; Brian.Best@legis.iowa.gov; Jacob.Bossman@legis.iowa.gov; dave.deyoe@legis.iowa.gov; cecil.dolecheck@legis.iowa.gov; john.forbes@legis.iowa.gov; joel.fry@legis.iowa.gov; David.Kerr@legis.iowa.gov; mary.mascher@legis.iowa.gov; Andy.McKean@legis.iowa.gov; Norlin.Mommsen@legis.iowa.gov; jo.oldson@legis.iowa.gov; kirsten.running-marquardt@legis.iowa.gov; Mike.Sexton@legis.iowa.gov; Ray.Sorensen@legis.iowa.gov; phyllis.thede@legis.iowa.gov; Dave.Williams@legis.iowa.gov; John.Wills@legis.iowa.gov; cindy.winckler@legis.iowa.gov; gary.worthan@legis.iowa.gov
Subject: FW: *Update* on AOS Funding System

To the Appropriations Committee,

I'm writing to make sure that you are all aware of this issue. Short story is that federal auditors believe the statutory funding system for AOS results in overbilling the feds, but if the statute is fixed this year they will not require the state to pay any refunds.

2 more emails to follow. Contact me with any questions.

Thanks,
Rob

From: Rob Sand

Sent: Wednesday, May 13, 2020 5:45 PM

To: dennis.guth@legis.iowa.gov <dennis.guth@legis.iowa.gov>;
dan.zumbach@legis.iowa.gov <dan.zumbach@legis.iowa.gov>;
claire.celsi@legis.iowa.gov <claire.celsi@legis.iowa.gov>; rich.taylor@legis.iowa.gov
<rich.taylor@legis.iowa.gov>; zach.whiting@legis.iowa.gov
<zach.whiting@legis.iowa.gov>; john.landon@legis.iowa.gov
<john.landon@legis.iowa.gov>; Louie.zumbach@legis.iowa.gov
<Louie.zumbach@legis.iowa.gov>; Karin.Derry@legis.iowa.gov
<Karin.Derry@legis.iowa.gov>; ako.abdul-samad@legis.iowa.gov <ako.abdul-
samad@legis.iowa.gov>; Jane.Bloomingtondale@legis.iowa.gov
<Jane.Bloomingtondale@legis.iowa.gov>; Holly.Brink@legis.iowa.gov
<Holly.Brink@legis.iowa.gov>; stan.gustafson@legis.iowa.gov
<stan.gustafson@legis.iowa.gov>; bruce.hunter@legis.iowa.gov
<bruce.hunter@legis.iowa.gov>; Timothy.Kacena@legis.iowa.gov
<Timothy.Kacena@legis.iowa.gov>

Subject: *Update* on AOS Funding System

Members of Admin & Reg Committee,

I proposed reforming the funding system for the State Auditor's Office at in my in-person presentation to you on February 5, and in a written summary accompanying it. I updated that with specific numbers in the email below.

At that time I noted numerous benefits of the funding reform proposal, including that it would "reduce risk to taxpayers of adverse federal dollar audit findings."

Now, federal auditors are finalizing the federal dollar audit for fiscal year 2017 state agency reimbursement requests. **They assert state agencies overbilled the federal government \$624,000 in 2017.** As one option for correcting the situation, are proposing the State refund part of that amount. Under their form of calculations, they will find a similar amount overbilled for every year going backward or forward. This would be expensive for taxpayers.

But we also have great news. They agreed to include as another option for correcting the situation, equalizing our billing rates rather than paying a refund. **That means if you pass this funding reform proposal, you will stop any taxpayer dollars from being wasted on a refund. But also means if you do not pass it, taxpayers will take the hit, and may again year after year until you do pass it.**

Let me again emphasize this proposal has additional benefits. It incentivizes all state agencies to run cleaner and leaner to reduce their audit costs. And, as I informed you in mid-February, if the reform proposal affects the number of state dollars devoted to audits at all, it would reduce them. That would free dollars for other uses.

Attached again are the summary of the reform proposal, the statutory language necessary, and the exact budget adjustments necessary for each

agency. Please contact me with any questions, comments, or concerns.

Thank you,
Rob

Thank you,
Rob

From: Rob Sand

Sent: Friday, February 21, 2020 10:16 AM

To: dennis.guth@legis.iowa.gov; dan.zumbach@legis.iowa.gov; claire.celsi@legis.iowa.gov; rich.taylor@legis.iowa.gov; zach.whiting@legis.iowa.gov; john.landon@legis.iowa.gov; Louie.zumbach@legis.iowa.gov; Karin.Derry@legis.iowa.gov; ako.abdul-samad@legis.iowa.gov; Jane.Bloomingtondale@legis.iowa.gov; Holly.Brink@legis.iowa.gov; stan.gustafson@legis.iowa.gov; bruce.hunter@legis.iowa.gov; Timothy.Kacena@legis.iowa.gov

Subject: Budget Figures for AOS Funding Reform Proposal

Members of the Admin & Reg Appropriations Committee:

Please see the attached updated memo on our funding reform proposal, as well as the effect on state agency budgets. Our estimates show that the state overall may reduce the amount of funds circulated for audit purposes with this proposal, though I will caution that I think it will be generally even.

The bill to which the funding reform would be attached passed state government this week. We expect the funding reform to be taken up in ways and means.

Please let me know if you have questions. I'm happy to discuss.

Thank you,
Rob

From: Rob Sand

Sent: Wednesday, February 5, 2020 9:58 AM

To: dennis.guth@legis.iowa.gov; dan.zumbach@legis.iowa.gov; claire.celsi@legis.iowa.gov; rich.taylor@legis.iowa.gov; zach.whiting@legis.iowa.gov; john.landon@legis.iowa.gov; Louie.zumbach@legis.iowa.gov; Karin.Derry@legis.iowa.gov; ako.abdul-samad@legis.iowa.gov; Jane.Bloomingtondale@legis.iowa.gov; Holly.Brink@legis.iowa.gov; stan.gustafson@legis.iowa.gov; bruce.hunter@legis.iowa.gov;

Timothy.Kacena@legis.iowa.gov

Subject: RE: TOMORROW: Funding Reform Proposal

All,

See the amended attachment. I add 2 new control mechanisms the Governor's Office suggested this morning, and removed points of contact to ensure it stayed 1 page in length.

Rob

From: Rob Sand

Sent: Tuesday, February 4, 2020 5:46 PM

To: dennis.guth@legis.iowa.gov; dan.zumbach@legis.iowa.gov; claire.celsi@legis.iowa.gov; rich.taylor@legis.iowa.gov; zach.whiting@legis.iowa.gov; john.landon@legis.iowa.gov; Louie.zumbach@legis.iowa.gov; Karin.Derry@legis.iowa.gov; ako.abdul-samad@legis.iowa.gov; Jane.Bloomingtondale@legis.iowa.gov; Holly.Brink@legis.iowa.gov; stan.gustafson@legis.iowa.gov; bruce.hunter@legis.iowa.gov; Timothy.Kacena@legis.iowa.gov

Subject: TOMORROW: Funding Reform Proposal

Members of the Admin & Reg Appropriations Committee:

Please find attached an AOS funding reform proposal I'll be presenting at your meeting tomorrow that would end your need to give our office an appropriation. We have worked on this with Dave Roederer, and have discussed it as well with Speaker Grassley, Leader Whitver, and the Governor's General Counsel Sam Langholz. I look forward to our discussion.

Thank you,
Rob