Efficiency Efforts Save Taxpayers $300 Million

A newly released report says actions taken by the Legislature to make state government more efficient will save Iowa taxpayers $300 million over the next two years. The savings, which are $30 million more than originally anticipated, come from a package of government reorganization bills approved during the 2010 legislative session.

State Employee Early Retirement Incentive Program

Under Senate File 2062, the State Employee Retirement Incentive Program (SERIP), state employees 55 years of age or older were eligible for early retirement. The program had projected savings of $57 million.

The program proved to be more popular than anticipated, and more employees took early retirement than were projected. Because of this, savings amounted to $88.6 million, significantly more than was originally projected.

Government Reorganization

Senate File 2088, the state government reorganization bill, will save taxpayers $126 million. This bill was a result of work from a Legislative interim committee charged with finding efficiencies in state government that would deliver services to Iowans in a more efficient and cost-effective manner.

The bill contained over 50 different ideas, both large and small. It eliminated 14 different boards and commissions, reduced energy costs, combined state purchasing, cut down on middle management to keep front line workers in their jobs, and consolidated information technology. The bill also requires that a committee be appointed every two years to review state government operations and programs, and bring recommendations to the General Assembly.

Executive Order 20

Governor Culver's Executive Order 20 directed the Departments of Management and Administrative Services to begin implementing cost saving measures including consolidation of information technology and operations, and the consolidation of administration functions. This order is expected to save Iowa taxpayers an additional $84 million.