



IOWATM

**DEPARTMENT OF
GOVERNMENT EFFICIENCY**

**DOGE
TASK FORCE**



FINAL REPORT
OCTOBER 2025





LETTER FROM THE CHAIRPERSON

Governor Reynolds,

Please accept this final report from the Iowa Department of Government Efficiency Task Force. Your commission of this group embodies the long-held Iowa values of common sense and progress, which you will see reflected in our recommendations. Iowa has been seeking out and implementing government efficiency before the term became headline-worthy. This report is the natural next step in the state's journey toward delivering the best public services to Iowans in the most effective way.

You asked us to apply our professional acumen and innovative thinking to help the State of Iowa operate more like a business than a bureaucracy. You challenged us not to be satisfied with the status quo and to make bold recommendations. I'm proud to say the group of independent experts you assembled delivered on your request.

I've seen firsthand how powerful this process can be. I served on the Governor's Economic Recovery Advisory Board, which was structured similarly and identified the need for a special focus on supporting working families. The resulting Governor's Child Care Task Force led to programs that are reducing the administrative burden for providers and helping parents find care, as well as providing success stories that inspire us to keep the good work going.

The recommendations contained within this report cover some of the topics most vital to our state's success, such as ensuring taxpayer value for their investment, leveraging technology to improve operations and addressing critical gaps in workforce training, skills and numbers. These factors not only contribute to effective government, but also overall economic development, community vibrancy and business growth.

This group approached its work with the belief that every dollar saved or used more efficiently allows other government resources to better serve Iowans. By focusing on process, impact and effectiveness, we can drive efficiency throughout the full lifecycle of public service delivery.

I am honored to have served as chair of this Task Force. This role brought out my passion for the state and experience finding efficiencies within our own Iowa-based business. I'm grateful you asked me to take on this work and lead this amazing group. More than ever, I see the opportunity for us to be even better as a state – to steward tax dollars in the most impactful way and keep charging forward. Is there anything more Iowa than that?

Respectfully,

A handwritten signature in black ink, appearing to read "Emily Schmitt", with a long horizontal line extending to the right from the end of the signature.

Emily Schmitt

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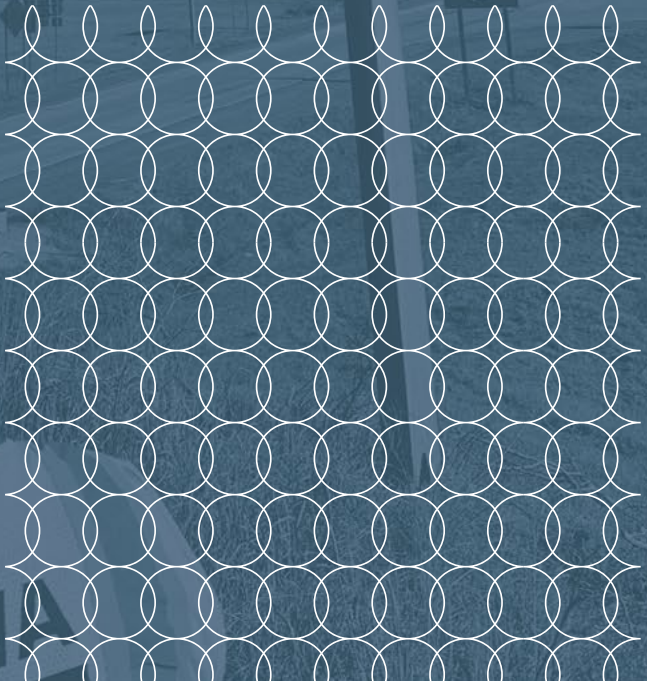
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SECTION I: INTRODUCTION



EXECUTIVE SUMMARY

The State of Iowa has been on a steady journey toward better government. The Governor’s Economic Recovery Advisory Board in 2020 contributed to Iowa’s recognition nationally for recovery from the COVID-19 pandemic. The state’s approach to limited government, including the realignment of government agencies in 2023, has been acknowledged as well.

Iowa is keeping pace with the changing and challenging operational environment unlike any other state, as evidenced by success stories from the realignment of agencies. For example, the state combined two regulatory purposes – alcohol regulation and tax compliance – into one visit to a business. This streamlined approach has both maintained effective oversight while also reducing the number of visits for the government and disruption for the business. In another example, the state became eligible for increased federal grant funding as a result of realignment efforts that actually boosted the public safety staff available to implement associated programming. See more examples in Section II, along with the summary of recommendations by working group.

Iowa’s success isn’t just a matter of efficiency, though. One of the many other characteristics that sets the state apart is the reciprocal relationship between business and government. The state’s public officials, starting at the top with Governor Kim Reynolds, regularly seek out external feedback. Governor Reynolds and her executive branch agencies are noted for being responsive to business and community leader needs, resulting in Iowa being named No. 2 for “Opportunity” and No. 4 for “Fiscal Stability” in the U.S. News & World Report Best States Rankings.

The work of this Task Force: Recommend ways to deliver the best possible public services while getting the most out of taxpayer dollars.

The final critical component is action, and Iowans don’t just talk about what needs to be done. They make it happen. Take the state’s farmers, for example – they do more with less every year by being practical, decisive and uncompromising, which summarizes the work of this Task Force: Recommend ways to deliver the best possible public services while getting the most out of taxpayer dollars.

You’ll note each full working group report, found in Section III, includes implementation ideas – a set of suggested next steps – and measures of success. Because the old adage, “you can’t manage what you don’t measure” applies to government as well as business.

ABOUT THE TASK FORCE

The Iowa Department of Government Efficiency (DOGE) Task Force was established by executive order on Feb. 10, 2025. Governor Reynolds challenged the Task Force with finding new ways to improve public service delivery, maximizing the return on taxpayer investment and creating a more modern, citizen-focused government.

The 15 members of the Task Force come from both the public and private sectors and include business leaders, elected officials and representatives from the state's educational institutions. This variety of perspectives was intentionally designed to bring out innovative, entrepreneurial thinking and result in breakthrough recommendations.

Chaired by Emily Schmitt, Chief Administrative Officer & General Counsel of Sukup Manufacturing Co., the Task Force convened its first meeting in Spring 2025. Working groups were established and immediately began gathering input and feedback from all aspects of government operations.

The executive order commissioning the Task Force called for its work to be completed within 180 days of its first meeting, ensuring a focused, time-bound effort. The Task Force's work culminated this report, which outlines recommendations that will shape a multi-year strategy for increasing efficiency and improving services for Iowa's citizens.

TASK FORCE MEMBERSHIP

Emily Schmitt (Task Force Chair)
Sukup Manufacturing Co.

Nick Bowdish
Elite Octane

Brianne Schulte
Vermeer Corp.

Adam Keune
University of Iowa John Pappajohn
Entrepreneurial Center

Craig Dozark
Crawford County Board of Supervisors

Mark Campbell
Formerly Webster County Board
of Supervisors

Terry Lutz
McClure Engineering

Beth Tinsman
Twin State Technical Services

Kathy Kay
Principal Financial Group

Ryan Schaap
Wells Enterprises

David Spalding
Iowa State University Ivy College of
Business

Reynolds Cramer
Fareway Stores

Joe Murphy
Iowa Business Council

Hans Wilz (ex-Officio Member)
Iowa House of Representatives

Dan Dawson (ex-Officio Member)
Iowa Senate



TASK FORCE PROCESS

The approach of the Task Force was collaborative, data-driven and modeled after the widely recognized success of the Governor’s Economic Recovery Advisory Board. The work of the Task Force was organized into three working groups focused on distinct themes.

- The Workforce Improvement Working Group focused on enhancing government practices and job training programs for the benefit of Iowa’s people and employers.
- The Leveraging Technology Working Group identified ways to use tools like AI and automation to modernize systems, streamline operations and make services more user-friendly – approaches that are standard practice across today’s business landscape.
- The Return on Taxpayer Investment Working Group examined fiscal efficiency and budgeting to explore how to get more value from each taxpayer dollar.

The working groups gathered input and evidence through cross-agency data analysis, stakeholder focus groups and dedicated working sessions. In total, the Task Force engaged more than 14 state agencies across education, workforce development, health, and administrative services, and convened more than 10 focus groups with employers, educators, healthcare leaders and community organizations.

The Task Force also opened a public portal online to solicit ideas from Iowans. The portal received 5,427 responses and suggestions, representing all 99 counties. This broad outreach ensured that insights from front-line employees and citizens alike informed the Task Force’s deliberations. A sampling of citizen comments is included in Section III.

In total, the Task Force engaged more than 14 state agencies across education, workforce development, health, and administrative services, and convened more than 10 focus groups with employers, educators, healthcare leaders and community organizations.



TIMELINE OF MILESTONES

June 2020

Governor Reynolds announces formation of Governor's Economic Recovery Advisory Board (GERAB)

February 2021

Final GERAB report and recommendations released

March 2021

Governor signs executive order forming the Governor's Child Care Task Force

November 2021

Governor's Child Care Task Force report and recommendations released

January 2023

Governor announces in her Condition of the State address plans to realign state government

Governor signs Executive Order 10 calling for a comprehensive "red tape" review and a moratorium on any new administrative rules

July 2023

Governor announces successful implementation of the state's realignment legislation, projected to save \$214 million over four years

A new, unified brand is introduced for the State of Iowa, including a new logo adopted by executive branch agencies

September 2023

Boards and Commissions Review Committee, authorized by Governor Reynolds, submits final recommendations

May 2024

Governor Reynolds signs bill to eliminate 83 unnecessary state boards and commissions

February 2025

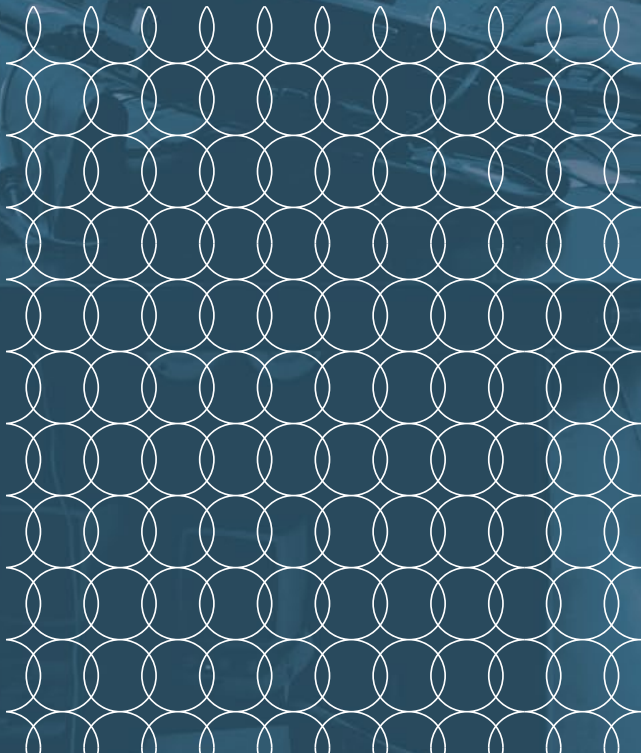
Governor signs executive order launching Iowa's DOGE Task Force

October 2025

Final report and recommendations from Iowa's DOGE Task Force released



**SECTION II:
SUMMARY AND
SUCCESS STORIES**



WORKFORCE IMPROVEMENT WORKING GROUP

The Workforce Improvement Working Group focused on finding ways to strengthen Iowa's workforce programming, expand talent pipelines and improve alignment among education, employers and the state's economic needs. To inform their work, members used employer surveys, focus groups, best-practice research from other states and an analysis of Iowa's existing workforce programs.

The working group zeroed in on three converging challenges with Iowa's labor market:

1. Ongoing workforce shortages in high-demand fields such as health care, advanced manufacturing, skilled trades, transportation, information technology (IT) and education.
2. Operational inefficiencies within workforce programs, including outdated funding requirements, inconsistent administration and limited employer input.
3. Training capacity constraints due to instructor shortages, availability of relevant education and appropriate facilities, as well as a lack of flexible program formats, to meet the needs of working adults and rural Iowans.

The working group recommendations, therefore, are centered around streamlining the funding mechanisms, process and administration of the state's current workforce efforts, which stretch across 100 different programs administered by multiple different agencies.

This work aligns with the federal approach, where oversight of workforce programs has been centralized within the U.S. Department of Labor and a single block grant created to fund worker skills training. The working group recommendations, therefore, not only follow the federal government's lead in modernizing how the state approaches workforce challenges, but also sets Iowa up to better participate in federal funding opportunities.

In addition, the Workforce Improvement report (see Section III) suggests better alignment between programming and modern business needs. The working group's assessment found the careers and industries emphasized when workforce program legislation was drafted in the 1980s are different from the high-demand jobs of today.

Also, expansion of apprenticeships, internships and pre-internship programs to include students earlier in their K-12 education journey was identified as a priority, as well as providing more opportunities for upskilling existing workers across the state. The working group considers investing in working Iowans – the state's most important resource – as critically important and believes more applicable training will not only improve the earning and advancement potential of current employees but also better meet the most immediate needs of employers.

To address this environment, the working group identified several recommendations, including the following:

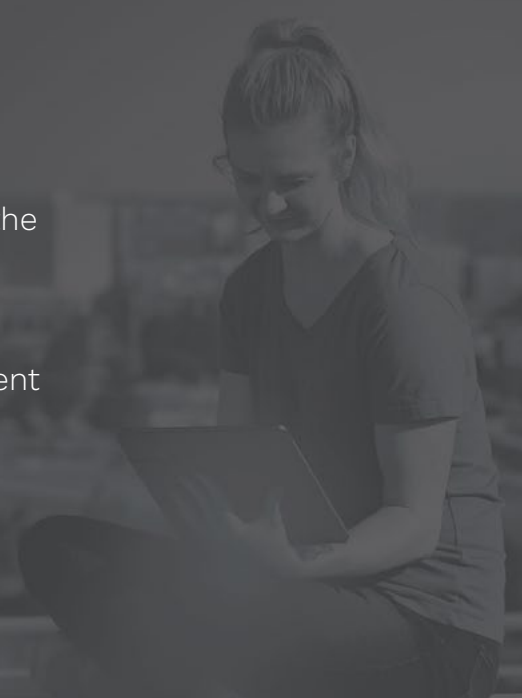
- Reimagine the state’s role from workforce program provider to strategist, co-investor and enabler of employer-led workforce innovation to better deliver on workforce priorities, such as work-based learning and worker upskilling.
- Support partnerships at the community level that make work-based learning more accessible, earlier in a student’s journey, and more responsive to regional and rural workforce needs.
- Create flexibility in program delivery that takes advantage of virtual, mobile, hybrid, short-form and other nontraditional training modes to better meet the needs of employees and employers.
- Streamline and consolidate programs, creating consistent requirements and processes that make it easier for employers, training providers and current/future talent to access and navigate.
- Create business-led review panels to evaluate programming effectiveness on a rolling basis, assessing key outcomes, such as job placement rates, credential attainment and employer satisfaction.
- Incentivize and credential more instructors for high-demand training programs in critical occupations, such as healthcare, skilled trades and advanced manufacturing.

The working group envisions a future where, if these recommendations are implemented, Iowa’s workforce programming is more responsive, adaptable, cost-efficient and competitive. The ultimate goal is filling high-demand jobs, supporting business growth and ensuring access to quality careers and advancement for Iowans.

Success Story: **Re-employing the Unemployed**

Iowa’s effort to revamp its unemployment process has returned Iowans to the workforce at a faster rate. By emphasizing one-on-one career assistance earlier in the unemployment process, the state has drastically reduced the length of claims, helping claimants find new careers more quickly.

In its first three years, the Re-Employment Case Management program resulted in a decrease in average unemployment duration from 13 weeks to a record-low nine weeks. The program also received [national recognition](#) for its unique approach to tackling unemployment.



Success Story: Apprentices Boost Iowa's Workforce

Iowa has earned national recognition for registered apprenticeships, which pair on-the-job experience with classroom training. Registered apprenticeships set the stage for Iowans to land rewarding careers and for employers to fill workforce gaps.

In recent years, unprecedented state investments have significantly expanded access to registered apprenticeships in high-demand fields, including:

- A first-of-its-kind registered apprenticeship program launched in 2022 to help build Iowa's teacher and paraeducator workforce pipeline. The program provides grants for high school students and adults to earn a paraeducator certificate and associates degree, and for paraeducators to earn their bachelor's degree in education, all while learning and working in classrooms. Since its inception, the program has supported about 1,000 apprentices across the state, including Shannon Dreeszen of Johnston: <https://www.youtube.com/watch?v=tch2u2H0ds0>
- The Iowa Health Careers Registered Apprenticeship Program launched in 2022 to help steer high school students into nursing. The grant program, which initially was expected to support 1,913 apprentices, expanded a year later to include emergency medical technicians, behavioral health and substance abuse specialists and other critical health care roles.

In 2024, Iowa was recognized by the U.S. Department of Labor (DOL) as a State Apprenticeship Agency, which means the state is authorized to act on behalf of the DOL Office of Apprenticeships to register and oversee programs within the state. The office, run by Iowa Workforce Development, administers all registered apprenticeship programs in the state and aims to further expand access.

LEVERAGING TECHNOLOGY WORKING GROUP

The Leveraging Technology Working Group was tasked with identifying ways that tools, like artificial intelligence (AI), should be applied to modernize government operations, enable seamless agency collaboration and deliver user-friendly services at the pace of business.

Priorities identified by the working group included improving resident experience with government services. Each year, Iowa's 74 state websites receive more than 25 million visits. The redesign of state agency websites in 2024 created a consistent look and feel as well as aligned navigation and content layout across sites. However, feedback from users found frustration remains around requirements for duplicate logins or multiple form fills of the same information (e.g., voter registrations and driver's license applications).

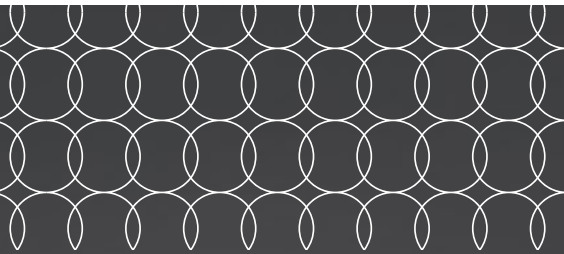
Another area of focus for the working group was making state operations more efficient, such as reforming how agencies share data and statewide IT procurement. Analysis of industry research, other state and federal experiences, as well as Iowa's current processes, found implementing AI alone could improve data sharing and reporting, reduce fraud losses and automate repetitive tasks. For example, using AI for procurement can reduce the total procurement timeline by 20%.

The same efficiencies could be realized at the county and community level, according to the working group. For example, the State of Iowa and counties in other states are experimenting with AI-driven chatbots to handle common citizen inquiries and are using machine learning to flag anomalies in financial data or detect infrastructure issues. In addition, shared services could afford local officials more time to focus on citizen service instead of worrying about the underlying technology.

The working group identified recommendations for addressing each of these challenges including those listed below:

- Improve user experience with government services online by enabling single sign-in capabilities, streamlined forms and multilingual support across websites.
- Establish a cross-agency data sharing and analytics framework to standardize metrics, streamline analysis and support informed decision making.
- Reform data retention policies to align with digital transformation goals and reduce unnecessary storage costs and cybersecurity risks.
- Reduce fraud risk, as well as the time it takes to identify fraudulent activity, by implementing enhanced user identity verification and authentication.
- Support efficient and effective service delivery from local governments across the state by:
 - Helping them use tools, like AI, to improve service delivery and operational efficiencies;

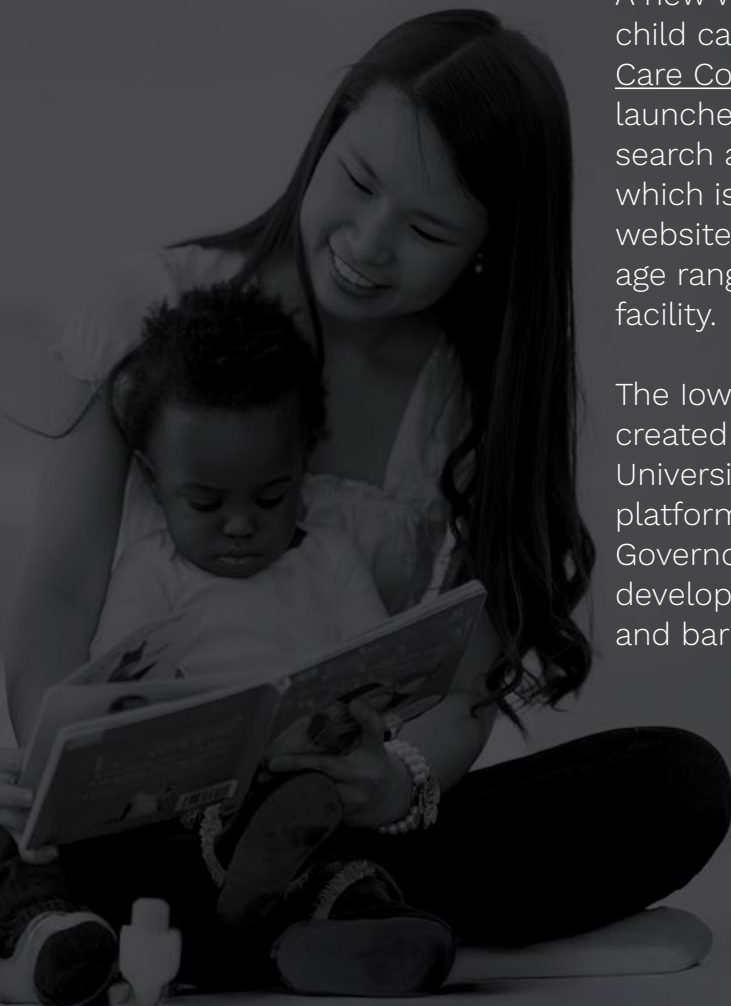
- Providing shared state technology platforms, like those used for payment and digital forms; and
- Establishing consolidated accounting systems.
- Free up time for higher-value tasks and improve service quality by evolving state-level processes, such as:
 - Using AI and robotics to improve efficiency;
 - Consolidating technology platforms; and
 - Implementing shared services licenses to reduce costs.
- Remove outdated legal requirements, such as certified mail and ink signatures, to enable full digitization of government services and forms.
- Advance statewide procurement procedures by aligning contract timelines, approved providers and employing AI to improve responsiveness.



Success Story: **Website Makes Child Care Search Easier**

A new website is making it easier for Iowa parents to find child care when and where they need it most. [Iowa Child Care Connect](#), which is the first of its kind in the nation, launched in 2024. A mapping function helps families search and filter for child care by location, including that which is available near their homes and workplaces. The website also provides data about child care openings by age ranges served, as well as location and quality of the facility.

The Iowa Department of Health and Human Services created the website in partnership with Iowa State University and Resultant, a data and technology firm. The platform grew out of a 2021 recommendation from the Governor’s Child Care Task Force, whose charge was to develop a strategy to address Iowa’s child care shortage and barriers to work in Iowa.



Success Story: **IT Integration Fuels Efficiencies**

Governor Reynolds' alignment of state government in 2023 included a strategic realignment of 20 IT departments across agencies into one division within the Iowa Department of Management (DOM). The transition resulted in a new operating model and several benefits, such as a unified approach to cybersecurity, efficiencies and cost savings through shared systems and volume pricing, and integrated IT management tools and oversight for IT projects. Today, the Division of Information Technology (DOM DoIT) has:

- Identified \$23 million in annual cost savings
- Combined nine IT ticketing systems into one system
- Began combining state data centers
- Standardized vendor management
- Implemented network improvements
- Improved cybersecurity vulnerability scores
- Standardized IT modernization process

Success Story: **State Historic Records - From Paper to Portal**

When the State Historic Preservation Office (SHPO) moved from the former Iowa Department of Cultural Affairs to the Iowa Economic Development Authority as part of Governor Reynolds' alignment of state government, leaders saw an opportunity to convert SHPO's nearly 9 million paper documents into digital records.

The papers, housed at the State Historical Building in Des Moines, represent decades of statewide architectural and historical resources, including information on historic properties, architectural plans, historic tax credit files and large-scale maps. The benefits of digitizing these records include easier public access through an online portal and better custodial management. The significant transition of all these paper documents into digital files is expected to wrap up by the end of 2026.

RETURN ON TAXPAYER INVESTMENT WORKING GROUP

The Return on Taxpayer Investment Working Group focused its efforts on increasing the impact of each tax dollar, as well as aligning public practices with the private sector to increase competitiveness and efficiencies.

Teacher compensation, student outcomes and shared service models were among the opportunities for educational improvement identified by the working group. While K-12 education has accounted for roughly 42% of the state's general fund spending, Iowa hasn't seen significant growth in student proficiency in most core subjects.

The working group looked to other states and standout school districts within Iowa for examples where practices like merit-based pay, intentional teacher development and training, workforce-aligned curriculum and regionalized functions – including human resources, IT and food service – are making a difference in talent retention, student outcomes and operational efficiency.

Working group members also considered how integrating county and city services, creating shared service districts and combining roles within local government could help reduce taxes while improving service delivery. For example, when mental health and substance disorder services were reorganized into a regional system overseen by the Iowa Department of Health and Human Services, \$5 million in administrative costs were reallocated from covering administrative costs to providing core services, like mobile crisis intervention and school-based behavioral health.

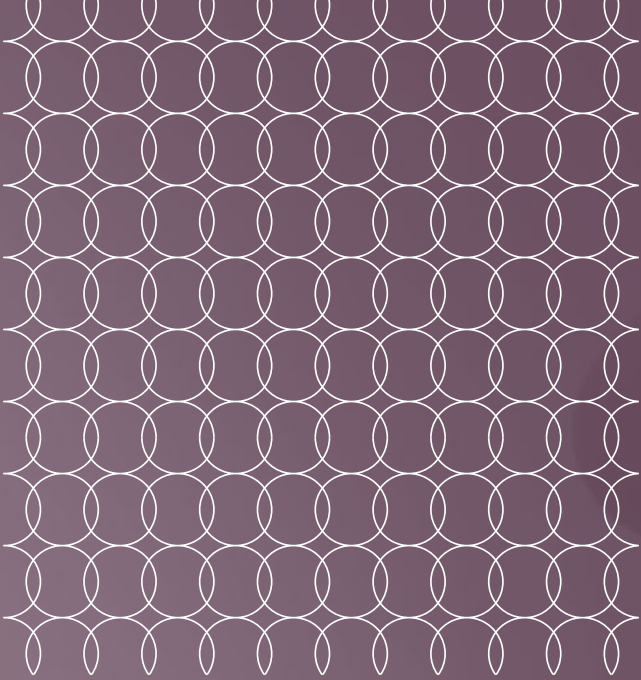
Another area of focus for the working group was aligning public sector job compensation and benefits with the private sector. According to the U.S. Bureau of Labor Statistics, the average private sector employer pays 68% of the health insurance premium for participating employees, compared to the State of Iowa, which pays 90%. However, the working group notes these higher-level benefits often make up for less competitive pay for public positions. Thus, it suggests a comprehensive review is needed to manage the state's financial liability and citizen tax rates while still incentivizing quality talent to consider and stay in public sector jobs. The working group emphasized that, regardless of the review, promises regarding benefits, including retirement plans, to current employees must be honored.

The working group also looked at whether the state is providing professional development at a level that encourages employee growth and career advancement, as well as whether more needs to be done to attract early career talent to state jobs. Both areas seek to address the fact that just 44% of existing state employees say they have access to professional learning and growth opportunities, Iowa's public workforce is aging, and early career professionals are the most likely to leave state employment.

A number of operational efficiency topics, such as water/wastewater project review, collaboration, oversight and timelines, and managing the long-term disposition of state-owned properties also were addressed.

The working group developed recommendations to address these challenges and opportunities, including the following:

- Establish a merit-based compensation framework – including a bonus structure, teacher professional development and incentives for those in high-need schools– in order to improve student outcomes and financially reward high-performing teachers.
- Ensure STEM (science, technology, engineering and mathematics) proficiency and workforce readiness by preparing students for postsecondary education, apprenticeships or high-demand career pathways prioritized by the state.
- Expand regional shared service models across school districts to reduce administrative overhead, enable joint staffing and increase operational efficiency.
- Create a local governing option called “Independent Cities” for municipalities with 50,000 residents or more to increase efficiency and reduce property tax rates by eliminating overlapping or duplicative services between the city and county.
- Identify functions currently administered by counties – like issuing driver's licenses, motor vehicle registrations, property assessment and outdoor sporting licenses and registrations – that could be more effectively and efficiently managed by “service delivery region” at the state-level.
- Evaluate and improve the way the State of Iowa recruits, develops and retains talent for public positions by:
 - Making total compensation, including pay, benefits and paid leave, for public employees more similar to, and competitive with, the private sector;
 - Revising the state's approach to hiring by streamlining application processes, for example, to promote careers in public service to early career professionals; and
 - Ensuring all public employees have access to growth opportunities, including technical training, leadership development and career advancement.
- Review all state-owned or leased assets and address those that are no longer beneficial or aligned with taxpayer needs in order to reduce operational costs and risk exposure.
- Streamline review of water and wastewater projects and encourage project collaboration across communities where it makes sense.



Success Story:
Davenport's Data-Driven Crime Strategy is a National Model

The Davenport Police Department found a new ally in the battle against crime – data analytics – and in the process, created a model for smart government.

A crime wave in 2019 prompted city and police leaders to look beyond traditional police tactics, such as bolstering patrols in specific areas. Through community and law enforcement partnerships, the police department launched a crime analysis unit and leveraged federal resources to fund it.

Police leaders received training to interpret data and identify trends, including a key finding: 0.18% of Davenport residents were responsible for more than half the city's gun crimes. That insight provided focus for overwhelmed officers, reassurance to residents and shifted the department's approach from reactive to proactive – leading to a series of strategic initiatives.

Data reports drive decisions on targeted interventions, directing resources and community outreach. For example, officers can predict the individuals most likely to be involved in gun violence and can trace recovered firearms to other gun incidents across the region. Police now work with community members and advocates to coordinate and deliver social services, such as housing, to residents at risk – shifting from a law enforcement-led response to community-driven prevention.

Police reported a 40% decline in gun violence within one year of their efforts and, over a five-year period, a 46% decrease in shots fired and 15% reduction in stolen vehicles. Davenport's success has earned national recognition and inspired similar efforts in other cities.



Success Story: **Aligning Government to Better Serve Iowans**

In 2022, Governor Reynolds directed the first comprehensive review of state government in nearly 40 years. Leaders across executive branch agencies identified opportunities to right-size government by streamlining operations, reducing costs and improving services to Iowans. In her Condition of the State address in January 2023, Governor Reynolds proposed a realignment of state government to make it more efficient and effective. The following April, she signed into law Senate File 514, which had passed the Iowa legislature.

More than 100 executive branch employees led the implementation process, ensuring that everything from personnel changes to IT system updates occurred without disrupting services. Among the milestones of alignment:

- \$250 million in savings realized since implementation, exceeding the four-year projection
- 37 cabinet-level agencies reduced to 16
- 600 unfilled positions closed

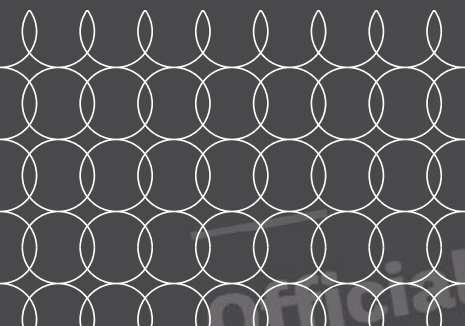
Success Story: **Iowa's Digital Transformation Earns National Award**

The State of Iowa has earned top honors for its public-sector digital experience, specifically its transformation to a modern, user-first platform for state government websites.

In 2023, the state began to move away from fragmented, customized agency websites to a unified platform. In partnership with Lullabot and the Office of the Governor, the Iowa Department of Management worked to consolidate 74 legacy websites into a streamlined, accessible platform while also providing a consistent look and feel, content strategy and governance. Efforts to improve user experience included reducing broken links and unnecessary page counts.

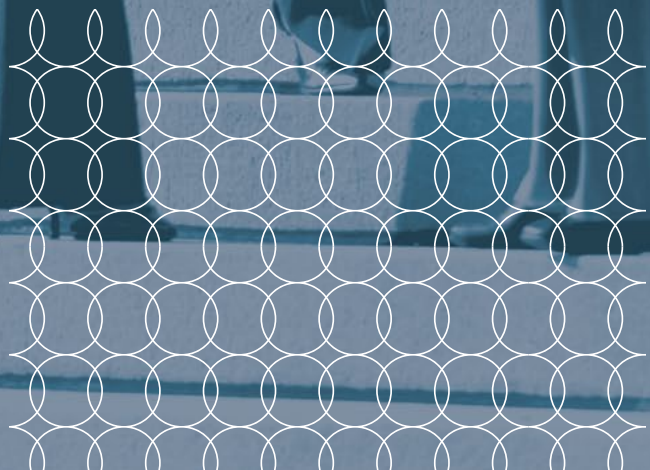
The effort paid off with an increase in user traffic – the Iowa Department of Health and Human Services' Medicaid site relaunch, for example, prompted a 544% increase in page traffic and a 23% jump in site engagement time – as well as national attention.

Iowa's website platform earned a second-place award for Overall State Government Experience from the Center for Digital Government in 2024.



CAPITOL
BUILDING
EMPLOYEES
ONLY

SECTION III: COMPLETE RECOMMENDATIONS





WORKFORCE IMPROVEMENT WORKING GROUP

The Workforce Improvement Working Group focused on enhancing government practices and job training for the benefit of Iowa's people and employers. Members identified ways to strengthen Iowa's workforce programming, expand talent pipelines and improve alignment among education, employers and the state's economic needs.

Working Group Leadership and Members

The following DOGE Task Force appointees dedicated their time and talents to analyzing and identifying recommendations related to improving the state's workforce.

Reynolds Cramer – Chair
Fareway Stores

Joe Murphy
Iowa Business Council

Brianne Schulte
Vermeer Corp.

David Spalding
Iowa State University Ivy College of
Business

Georgia VanGundy – State Agency Liaison
Iowa Workforce Development

OPPORTUNITIES ADDRESSED

The working group started by identifying the following four opportunity areas to address the challenge at hand, which members concluded is the result of multiple converging factors, such as ongoing workforce shortages in high-demand fields, structural inefficiencies in existing workforce programming and training capacity constraints.

1. Employer-Driven Modernization and Alignment of Iowa Workforce Funding
2. Work-Based Learning and Upskilling Pathways
3. System Coordination and Employer Engagement
4. Training and Program Capacity Expansion

RECOMMENDATIONS

Using these opportunity areas as a guide, the working group then developed the following recommendations (further detailed in the remainder of the report).

- Sunset the Iowa Industrial New Jobs Training (260E) program and establish a \$30 million new employer-directed workforce training fund within Iowa Workforce Development (IWD).
- Create a \$15 million workforce infrastructure fund at IWD.
- Combine selected tuition assistance programs into a single \$20 million scholarship fund for high-demand careers.
- Repurpose apprenticeship grant funding to spur new programs.
- Implement a biennial program review and sunset process.
- Expand apprenticeships, internships and pre-apprenticeships.
- Support employer-led internal upskilling programs.
- Establish standardized policies for employer-led program design.
- Launch a “red tape hotline” to identify workforce system inefficiencies.
- Create business-led review panels for program evaluation.
- Incentivize and credential more instructors for high-demand programs.
- Support hybrid and short-form credential models at scale.
- Invest in facilities and innovative delivery models to meet labor demand.

OPPORTUNITY AREA #1 EMPLOYER-DRIVEN MODERNIZATION AND ALIGNMENT OF IOWA WORKFORCE FUNDING

Recommendation 1A: Sunset the Iowa Industrial New Jobs Training (260E) program and establish a \$30 million new employer-directed workforce training fund at Iowa Workforce Development (IWD).

This state-level fund would provide employers with flexible, accessible training dollars to build their future workforce. Feedback from employers consistently shows they do not know how to access existing training funds, the process is too involved and/or funds are too restrictive to meet their needs.

Even though, according to IWD, Iowa dedicates more than \$400 million each year to “workforce programs,” the state lacks a nimble workforce training fund competitive with those in other states. Iowa should eliminate outdated programs, like 260E, and create a modern fund that businesses can easily tap to upskill workers as needed based on ever-evolving industry trends. IWD shows an average of \$38 million in bonds has been issued each year for the last 10 years and, after accounting for administrative and financing fees, only approximately \$22.5 million remains annually for business training needs.

Recommendation 1B: Create a \$15 million workforce infrastructure fund at IWD.

This fund would support larger-scale investments to expand training capacity in high-demand fields. It would be open to local school districts, community colleges and other eligible training providers (or consortiums of stakeholders and employers) to develop new facilities, equipment or program expansions.

Currently, employers have almost no input into how training or infrastructure dollars are utilized. Combining disparate funding streams into one program – and involving employers in funding decisions – will help grow local workforce capacity while supporting educational institutions in better meeting industry needs.

The available funding would be consistent with historical levels; however, more funds would be available for project implementation, thanks to reduced administrative costs and the removal of population-based allocations.

Recommendation 1C: Combine selected tuition assistance programs into a single \$20 million scholarship fund for high-demand careers.

Iowa should replace multiple tuition assistance programs with one unified fund (similar to the Future Ready Iowa Last-Dollar Scholarship, but without means-testing for students and with updated industry eligibility criteria) to support Iowans entering high-demand occupations.

The working group identified \$32 million in tuition assistance programs that could be consolidated into a new, streamlined program that would ensure state tuition dollars are focused on the fields most beneficial to Iowa's employers. The overall amount dedicated to these scholarships would be set at \$20 million, freeing up additional resources to be redirected toward employer-driven workforce training.

Recommendation 1D: Repurpose apprenticeship grant funding to spur new programs.

The original apprenticeship grant programs within Iowa Code chapters 84E and 84F have fulfilled their initial purpose. Rather than continue funding well-established apprenticeships, Iowa should redirect those funds to support the development and implementation of new apprenticeship programs to keep up with evolving technology and business needs. This shift will foster innovation and growth in apprenticeship offerings, targeting emerging occupations and underserved industries.

Recommendation 1E: Implement a biennial program review and sunset process.

Iowa should leverage existing boards or form a new employer-led review panel to evaluate all workforce programs every two years. Programs that are duplicative, underperforming or no longer aligned with state workforce priorities would be reformed or phased out based on these reviews. This process will ensure accountability and continuous improvement by regularly assessing outcomes and value for Iowans across the state's workforce development efforts.

BACKGROUND AND RATIONALE

Iowa's current workforce programs are fragmented, outdated and not employer driven. A comprehensive review of existing programs in Iowa shows that most fall into a few categories:

- Tuition assistance or scholarships for students;
- Workforce training funds for employers in specific industries and that must be accessed through community colleges; or,
- Programs that help Iowans find or keep employment.

This front-loaded approach – focusing most workforce funding on educational institutions and student aid – does not necessarily result in training aligned with employers' immediate needs.

Along with 260E, Iowa Jobs Training (260F) and Accelerated Career Education (ACE or 260G) programs, for example, were created decades ago and rely on 10-year bonding to finance training grants delivered through community colleges. Nearly three-quarters of 260E-funded training is now delivered by the businesses themselves or third-party providers and yet, according to IWD, community colleges still receive about 20% in administrative fees from bond proceeds, and about 10% of those funds go to debt service costs.

Bonding as a funding mechanism is antiquated, costly and inefficient. No other state uses a model like Iowa's 260E program anymore. Furthermore, Iowa's recent tax cuts have reduced the stream of diverted tax revenue used to repay these bonds, jeopardizing the 10-year repayment schedule. The working group recommends eliminating bonding as a funding method and estimates roughly \$40 million per year will return to the state General Fund as existing 260E bonds are paid off.

According to feedback received from Iowa employers, they need and want to have the flexibility to work directly with a variety of training providers – including private vendors and equipment manufacturers. Some employers say that though they could arrange training through community colleges and 260E, they do not understand why the process for partnering with the necessary trainers can't be more direct and efficient (e.g., require less paperwork and tracking for project administration). Others voice concern about college programs keeping up with industry innovation.

The working group feels strongly that making programming more employer-centric does not diminish the role of educational institutions as key partners in workforce development. Instead, it mirrors how economic development incentives are handled: local partners work on local projects and then partner with the Iowa Economic Development Authority (IEDA) to access state incentives. Similarly, a state-level workforce fund can centralize resources, establish expectations and serve as a one-stop point of contact – reducing red tape and making programs more responsive to business needs.

Employers and local stakeholders also highlight the need for more flexible funds to expand training infrastructure and create innovative career academies. Currently,

capital investments for workforce training are split across smaller programs (e.g., ACE, Career Academy Incentive Fund grants, etc.), which distribute funds by formula to all 15 community colleges, limiting the scale of any single project. Employers have little-to-no input into how these dollars are spent. The working group suggests that pooling these funds into one competitive program could make larger-scale projects more feasible. For example, employers, school districts and colleges could jointly develop state-of-the-art training labs or mobile units to meet regional workforce needs. This approach would eliminate the inefficiency and administrative cost associated with running many more, smaller grant programs.

Various state-funded tuition assistance programs at private colleges, community colleges and public universities aim to steer students into legislature-designated, high-demand fields, but those fields may not reflect current or future industry demand. Data from the Last-Dollar Scholarship program suggest it has been effective in attracting students into high-demand occupations, and the “last dollar” funding model helps fill the tuition gap for those students. The working group recommends consolidating disparate tuition assistance programs into the Last-Dollar Scholarship framework, focusing on the high-demand occupations of today and tomorrow. This consolidation would not only sharpen the labor market relevance of these programs but also free up resources for direct, employer-focused training.

The working group reviewed state workforce expenditures and identified approximately \$100 million in various state-funded programs that could be integrated and redirected for greater impact. According to IWD, the total public investment in Iowa’s workforce system exceeds \$400 million, but this \$100 million represents the most easily redirected portion. Reallocating those funds into a streamlined, employer-driven structure will improve results and better align with statewide workforce priorities, such as expanding work-based learning, supporting incumbent worker upskilling and enabling more coordinated employer-led program design.

The working group estimates roughly \$92 million could be redirected into the new funds outlined in its recommendations and, by doing so, Iowa can significantly reduce administrative costs and duplication while ensuring more dollars reach the intended customers (employers and trainees).

Best Practices

The working group reviewed workforce funding models in Alabama, Georgia, North Carolina and South Carolina. These states often concentrate specialized training in single, cutting-edge centers of excellence – rather than duplicating programs across sites – to maximize return on investment. For example, Alabama has dedicated academies for shipbuilding, automotive and aerospace manufacturing. By contrast, Iowa disperses training dollars across many locations offering similar programs, like welding or HVAC, with inconsistent standards and diluted impact.

Iowa also faces critical shortages in nursing and health care. Instead of marginal expansion at every college, the state could scale programs at one or two institutions. A more focused “center of excellence” strategy, coupled with state-level funding pools, would more effectively address workforce shortages.

IMPLEMENTATION

The working group determined addressing this opportunity will require the following legislative and administrative actions.

- Pass legislation to combine or eliminate existing workforce training programs (including 260E) and establish a new employer-directed “workforce training fund” administered by IWD.
- Transfer administrative responsibility for the workforce training fund to IWD, including rulemaking authority to implement and manage the new funding processes.
- Reallocate apprenticeship grant funds currently used under Iowa Code chapters 84E and 84F to higher-impact uses. Prioritize emerging apprenticeship programs and other innovative training efforts when redirecting these funds.
- Conduct a fiscal analysis to estimate administrative costs associated with program consolidation and use it to design the biennial program review and sunset process for all workforce initiatives.
- Develop a performance-based funding framework for the new “workforce training fund,” including employer match requirements and clear eligibility and outcome criteria. This framework should emphasize value for Iowa employers and employees and help objectively identify underperforming programs.

MEASURES OF SUCCESS

The working group identified the following success indicators to help gauge progress toward implementing the recommendations aligned with this opportunity.

- Number of employers and training providers directly accessing the new “workforce training fund.”
- Volume of employees trained across sectors and occupations using fund resources.
- Percentage of training participants who complete programs and earn credentials.
- Amount of employer co-investment leveraged (match dollars) through the fund.
- Improvements in worker productivity or skills reported by participating employers.
- Successful implementation of the biennial review process and sunseting of underperforming programs.
- Employer feedback indicating improved access to streamlined, flexible funding that meets their workforce needs.

OPPORTUNITY AREA #2 WORK-BASED LEARNING AND UPSKILLING PATHWAYS

Recommendation 2A: Expand apprenticeships, internships and pre-apprenticeships.

Launch initiatives to strengthen Iowa’s talent pipeline through earlier and more accessible work-based learning (WBL). This includes starting career exploration and on-the-job learning by ninth or 10th grade, scaling up employer-led youth internships and pre-apprenticeship programs (including summer opportunities) and empowering regional partnerships to coordinate WBL efforts locally.

Recommendation 2B: Support employer-led internal upskilling programs.

Implement an incumbent worker upskilling initiative to help businesses retrain their existing workforce. This would combine the current related worker training programs (e.g., 260F, ACE) into a flexible “workforce advancement fund,” provide innovation grants for employer-led training projects, offer technical assistance and toolkits for program design and create tax incentives for employers whose workers earn high-demand credentials or advance within the company.

BACKGROUND AND RATIONALE

Iowa faces two primary challenges with its workforce talent pool: developing a pipeline of future workers and upskilling existing workers. The state’s labor market continues to experience persistent worker shortages across key industries, such as advanced manufacturing, health care, logistics, construction and information technology. As of mid-2025, Iowa had more than 50,000 open jobs, and the number is expected to increase given that more than 39% of the state’s workforce is over the age of 55. Iowa is facing a looming “retirement cliff” without an adequate pipeline of younger workers. Employers report difficulty finding candidates with both technical skills and basic workplace readiness – attributes often developed through real-world experience.

WBL programs, including apprenticeships, internships and pre-apprenticeships, offer a practical solution to build a homegrown talent pipeline. These programs help students explore careers, gain job-relevant skills and connect with Iowa employers. Meanwhile, employers benefit by developing local talent, who are more likely to remain in the area. However, Iowa’s current WBL ecosystem is fragmented and underdeveloped. Many programs are available only to older high school students or in well-resourced districts, and administrative complexity deters small employers from participating. Most formal WBL experiences in Iowa don’t start until 11th or 12th grade, leaving ninth and 10th graders, especially in rural schools, without structured career exploration or hands-on learning opportunities. Rural schools often lack the capacity to coordinate internships or pre-apprenticeships, and small businesses struggle with program requirements or mentoring younger students. These gaps mean fewer young Iowans entering our talent pipeline, and employers missing out on potential local hires.

Employers and educators alike have emphasized WBL must start earlier and be more accessible to all students. Exposure to real workplaces by freshman or sophomore year can help students select relevant coursework, stay engaged in school and pursue in-demand career paths. Participants in focus groups recommended expanding short-term internships, job shadows and pre-apprenticeship “sampler” programs that align with postsecondary credentials or direct employment. There are several promising local examples:

- In the Cedar Rapids area, 10th graders have the opportunity to rotate through job shadows at regional employers before junior-year internships;
- Mobile training units and simulators in northwest Iowa are delivering pre-apprenticeship programs to rural high schools in partnership with manufacturers and health care providers; and,
- In southwest Iowa, a high school IT career track pairs dual-credit courses with a paid internship at a local technology firm, which then feeds graduates into apprenticeships or college programs.

These initiatives show what is possible when local employers, educators and workforce leaders collaborate. Despite such examples, Iowa lacks a unified strategy to ensure every region and school has access to WBL. Other states provide helpful models, such as South Carolina’s Apprenticeship Carolina™ and North Carolina’s NCWorks NextGen programs, which integrate WBL opportunities earlier in high school thanks to strong regional coordination and employer incentives.

Iowa has some foundational pieces (e.g., Career and Technical Education, or CTE programs, dual-credit courses, internship grants, etc.), but they operate in silos. To succeed, Iowa must reduce red tape, align program expectations and support community partnerships that can expand WBL earlier in a student’s education journey and tailor it to regional workforce needs.

At the same time, Iowa must also help incumbent workers adapt to rapidly changing skill demands. The economy increasingly is shaped by automation, data analytics and innovative technologies, meaning many workers in mid-career require reskilling or upskilling to be successful. Employers across industries – from manufacturing and logistics to health care and IT – report difficulty filling more advanced roles internally because their current employees haven’t had access to the necessary retraining opportunities.

Public workforce funding streams (e.g., Workforce Innovation and Opportunity Act programs, apprenticeship grants, community college training support, etc.) are mostly geared toward the unemployed or new hires, with strict eligibility rules that limit flexibility. The result is a paradox for Iowa companies – they have willing workers and pressing skill gaps, but few easy-to-use public tools to support the rapid retraining of their own staff.

Many Iowa businesses, especially manufacturers, logistics firms and hospitals, have developed internal “academies,” which serve as informal apprenticeship ladders or on-the-job training programs to upskill and retain workers. These employers know their skill needs best and prefer tailored, fast, job-embedded training solutions. Feedback gathered in working group sessions and employer focus groups found current state workforce programs are not designed with incumbent workers in mind. Flexibility, not just funding, is what employers say they need most. Many shared stories of letting training grants expire, unused due to bureaucratic hurdles or timing mismatches. Community college leaders echoed this, noting that short-term, noncredit programs (often ideal for upskilling) receive less support, despite their proven value. Both employers and educators advocate for streamlining programs like 260F and ACE, broadening their eligibility and co-designing training approaches with employers.

The working group also explored several situations illustrating gaps in Iowa’s current training system, which confirmed for working group members that Iowa’s workforce programs were built for generating a hiring pipeline rather than for internal talent development. By refocusing some resources on upskilling employees who are already on the job, Iowa can meet employer needs faster while giving workers opportunities to earn new credentials, earn promotions and increase wages without leaving their current job or starting over in a new field.

National best practices reinforce the case for both earlier WBL and incumbent upskilling. For youth talent pipelines, states like Arkansas and Tennessee have introduced feedback tools and regional coordination that Iowa can emulate to reduce administrative friction for employers and students. For incumbent workers, programs like EARN Maryland (EARN stands for Employment Advancement Right Now) give training funds directly to employer-led partnerships, letting them define training needs and delivery formats (on-site, online, etc.) in exchange for clear outcome metrics, like completion and placement rates. This has led to high employer buy-in and tangible results. Major corporations such as Amazon, Walmart and JPMorgan Chase invest heavily in internal upskilling academies for their employees. While Iowa’s small and mid-sized firms cannot invest at that scale alone, they could benefit from shared state-supported models if they are provided the necessary flexibility, coordination and co-investment needed.

In addition, shifting focus to upskilling incumbent workers aligns with the Governor’s Economic Recovery Advisory Board (GERAB) recommendations. The GERAB, convened in 2020, specifically urged workforce resources be applied to retraining incumbent workers so they can adopt new technologies. The report noted that short-term, employer-designed training (especially with credentials) can yield higher returns than traditional degrees for many industries. Incumbent worker upskilling often benefits individuals in frontline roles, including those without college degrees or who face barriers to further education, enabling them to advance in their careers.

To seize this opportunity, Iowa must reimagine the state’s role in workforce training – not as the sole provider, but as a strategist, co-investor and enabler of employer-led innovation.

Research underscores the business case for upskilling. Studies show that companies with strong employee training programs can see up to 218% higher income per employee and 50% lower turnover compared to those that do not invest in workforce development. In other words, investing in a worker’s skills translates into greater productivity, lower hiring costs and faster innovation for the employer. Upskilled employees are more productive, more loyal and ready to step into advanced roles. In a tight labor market where recruiting new talent is expensive and

uncertain, empowering Iowa’s existing workers through continuous learning is one of the most efficient and impactful strategies to adopt.

To seize this opportunity, Iowa must reimagine the state’s role in workforce training – not as the sole provider, but as a strategist, co-investor and enabler of employer-led innovation. That means loosening restrictive program rules, funding collaborative pilot projects and embedding outcome tracking to ensure public dollars yield measurable gains for Iowans. With the right framework, the state can lead in building a workforce system that prioritizes lifelong learning, leverages employer expertise and gives every worker a path to grow in their current job rather than having to leave for advancement. An incumbent worker upskilling initiative can also serve as a flagship example of the broader program modernization recommended in Opportunity Area #1 – consolidating disparate programs into a single “workforce advancement fund” that employers can access through one streamlined platform.

IMPLEMENTATION

The working group determined that addressing this opportunity will require the following legislative and administrative actions.

- Develop a framework that introduces age-appropriate WBL pathways starting by ninth or 10th grade, aligned with existing CTE and postsecondary programs.
- Scale up employer-led youth internships and pre-apprenticeships. Provide funding for student transportation, liability coverage and stipends to encourage participation.
- Empower regional partnerships to coordinate local WBL efforts. Offer seed funding, planning grants and logistical support to help partnerships succeed.
- Incentivize high schools to grant elective credit for internships or work experience and implement a system to “tag” career-aligned coursework so that employers can easily gauge student skill readiness.
- Streamline employer participation by simplifying registration and compliance. Develop tool kits, one-page guides and onboarding support, especially for small businesses or those new to engaging students under age 18.

- Conduct cost modeling to determine funding needs for expanding WBL programs, including transportation, student stipends and regional coordinator roles.
- Create a grant program (within the “workforce advancement fund”) that employers or consortia can be awarded to design and implement tailored training plans. Prioritize projects in high-demand fields and those that include significant employer co-investment.
- Coordinate with regional economic development groups and workforce organizations to co-design “future-ready” training strategies. Launch a public-facing portal to share resources, case studies and proven training models (potentially in partnership with industry associations, such as the Technology Association of Iowa) to help employers replicate successful upskilling programs.
- Provide a state tax credit for each incumbent worker who earns an in-demand industry credential or completes a significant upskilling milestone to reward measurable results while minimizing red tape for employers.
- Work with IWD, business associations and economic development partners to evaluate and periodically adjust the funding level for the upskilling initiative based on demand and outcomes.

MEASURES OF SUCCESS

The working group identified the following success indicators to help gauge progress toward implementing the recommendations aligned with this opportunity.

- Percentage of Iowa high school students completing a meaningful WBL experience before graduation.
- Number of registered youth apprentices (under the age of 18) enrolled.
- Number of employers hosting student interns or pre-apprentices.
- Number of students earning certifications through WBL programs.
- Percentage of WBL participants who are either employed in Iowa or enrolled in Iowa postsecondary education within one year of high school graduation.
- Number of regional WBL partnerships established (and active) across Iowa’s counties.
- Percent increase in the number of companies accessing incumbent worker training support within two years (target: 50%).
- Number of incumbent workers upskilled in priority sectors over the next three years (target: 5,000).
- Percentage of upskilled employees earning a promotion or wage increase within 12 months after training.
- Employer-reported improvements in productivity and employee retention attributable to training programs.
- Ratio of employer investment to public funding across the portfolio of upskilling projects (target: 2-to-1, i.e., for every \$1 of public funding, employers invest \$2).

OPPORTUNITY AREA #3 SYSTEM COORDINATION AND EMPLOYER ENGAGEMENT

Recommendation 3A: Establish standardized policies for employer-led program design.

Create processes that enable employers to more easily design and lead workforce training programs with public funding, while ensuring accountability. This includes a single application portal, uniform eligibility and match requirements, and common performance metrics. Empowering employers in this way will expand access to responsive, high-impact workforce initiatives, especially for small and mid-sized businesses.

Citizen Comment:

“I struggle with attempting to get support on any other human resources support or programs. I appreciate that the unemployment rates keep getting lowered, but I could really use some knowledgeable and strategic thinkers to help me recruit, train and retain a skilled workforce.”

Recommendation 3B: Launch a “red tape hotline” to identify workforce system inefficiencies.

Implement an online portal and toll-free hotline for employers, training providers and job seekers to report bureaucratic obstacles in workforce programs (e.g., slow approvals, duplicate paperwork, unclear rules, etc.). A cross-agency response team will triage submissions, fix or waive unnecessary requirements and publicly track improvements, creating a feedback loop to continually streamline the system.

Citizen Comment:

“Please allow employers to complete wage audit forms via SIDES website [State Information Data Exchange System]. It would save paper and postage for the state if it were done electronically versus mail. It would also shorten response time by employers to the state agency.”

Recommendation 3C: Create business-led review panels for program evaluation.

Set up or use existing employer-led panels (organized by sector or program type) to review the effectiveness of Iowa’s workforce programs on a rolling, three-year cycle. These panels will examine outcomes (e.g., job placements, credential attainment, employer satisfaction, results for the investment, etc.) and recommend which programs to refine, expand or sunset. Their recommendations will guide continuous improvement and ensure workforce investments align with evolving employer needs.

BACKGROUND AND RATIONALE

Iowa's workforce development efforts are complex, encompassing about 100 programs spread across multiple agencies, according to IWD. Many programs were created in isolation decades ago and are not subject to consistent strategic review. Employers often find the system uncoordinated and difficult to navigate. Small and mid-sized employers, which collectively employ nearly half of Iowa's workforce (approximately 639,000 workers), are especially constrained by the system's administrative burdens and complexity. Inconsistent match requirements, duplicative offerings and confusing regional variations deter many businesses from using public workforce programs. Even within Iowa's flagship 260E program, how it's executed can vary significantly by community college district. For example, some colleges approach it as flexible partners, while others limit access or channel the funds into existing institutional uses.

Employers across the state also have expressed interest in taking a more active role in shaping training programs (e.g., using their own in-house expertise or private training providers), but current rules make this difficult. Without clear, consistent guidelines and application processes, many companies, especially those without dedicated grant staff, simply don't pursue available funding. Bright spots, however, include programs like the Electric Utility Technology training at Des Moines Area Community College (DMACC), which was developed with industry input, and Iowa's "Retain and Retrain" grants issued during the COVID-19 pandemic. These examples show how employer-led design can work. Formalizing a standard pathway for employer-led training proposals would allow Iowa to replicate such successes at scale and bring consistency to programming statewide. This recommendation, which focuses on how employer-led efforts should be structured, complements the funding consolidation recommendation within Opportunity Area #1, which focuses on how public dollars for workforce training flow.

Without clear, consistent guidelines and application processes, many companies, especially those without dedicated grant staff, simply don't pursue available funding.

Fragmentation and bureaucracy also are problems in the day-to-day operation of Iowa's workforce programs. Because so many of them are administered by different entities (e.g., IWD, IEDA, the Iowa Department of Education or DOE, community colleges, etc.), businesses and job seekers often encounter slow approvals, redundant paperwork or conflicting information. Employers and community partners frequently cite pain points, like lengthy grant approval times, unclear eligibility criteria, inconsistent rule interpretations among agencies and limited flexibility to meet local needs. These inefficiencies hit small and mid-sized firms the hardest, since they lack staff to devote to navigating these government processes. Currently, there is no easy way for users of the system to provide feedback or alert the state to such issues in real time.

The “red tape hotline” would create a single channel for stakeholders to flag operational problems. This approach is modeled on practices in other states and industries where continuous improvement is driven by customer feedback. According to the National Governors Association (NGA) 2025 report on workforce systems, more than half of states have recently reorganized workforce governance to reduce friction and improve performance. The NGA report emphasizes “dual-customer” models treating employers and job seekers as equally important clients, and it recommends building feedback loops that drive system change. Iowa employers have expressed that they struggle to find entry points or resolve issues within the current system. Therefore, the working group recommends creating a clear feedback infrastructure to improve responsiveness.

States like Arkansas and Tennessee have implemented similar tools to surface system-wide barriers, enabling leadership to identify recurring issues (e.g., outdated rules, burdensome reporting, etc.) and support continuous improvement. Establishing this hotline and response team aligns with Iowa’s broader goals of improving accountability, performance and cross-agency coordination. It also complements the employer-led design efforts by ensuring that, once new policies are in place, the state continues to solicit feedback and refine based on user input.

Finally, despite substantial investment in workforce programs, the state lacks a rigorous mechanism for ongoing evaluation. State and local workforce boards include employer representatives, but they often focus on compliance rather than system performance and innovation. During focus groups hosted by the working group, participants, which included employers, educators and economic developers, voiced strong support for a structured, regular review process driven by industry experts. Many suggested establishing a business advisory council or sector panels to review programs every few years and advise on improvements or realignments. This was echoed by community college leaders, who experience overlapping grants and reporting burdens that could be streamlined with better oversight.

The NGA 2025 workforce report finds states are increasingly using employer-led councils or panels to assess programs and redirect funds toward what works best. Similarly, states are encouraged to create structured “feedback-to-redesign loops,” so training programs keep pace with fast-changing business needs. By convening business-led panels to systematically review outcomes (by sector or program category), Iowa can increase transparency and build employer trust in the system. The goal is a lean, high-impact mechanism that scales up what works and fixes or phases out what doesn’t.

In summary, these recommendations aim to lay the groundwork for a cohesive, performance-driven workforce strategy. The employer-led program design framework will make it easier for businesses to engage and innovate. The “red tape hotline” will ensure continuous operational improvements long after new policies launch, while business-led review panels will provide ongoing accountability and strategic direction, to ensure the state’s workforce investments deliver meaningful results for Iowans and adapt over time.



IMPLEMENTATION

The working group determined addressing this opportunity will require the following legislative and administrative actions.

- Create a centralized online application portal at IWD for businesses to submit proposals for employer-led training programs, replacing the multiple entry points currently in use.
 - Publish statewide eligibility and accountability guidelines for employer-led training grants. Standardize match requirements, allowable expenses and performance metrics.
 - Establish a standard contract/memorandum of understanding template for publicly funded and employer-led projects to ensure consistency across regional, agency and community college partnerships.
 - Provide technical assistance to businesses (especially small and rural ones) for developing compliant proposals, potentially including outreach staff or liaisons who could walk employers through the process.
 - Form a multi-agency advisory board, including employer representatives, to review and recommend employer-led training proposals for approval, monitor project performance and share best practices.
 - Conduct research to estimate the ongoing cost of maintaining the employer application portal and providing technical assistance, to inform budget requests and ensure sustainability.
- Charter at least one (or leverage an existing) employer-led review panel focused on major categories of workforce programs.
 - Estimate operational and staffing costs for managing these panels and performing in-depth program evaluations. Work with IWD, the Governor’s office and sector partners to secure necessary resources.
 - Recruit a diverse set of employers to serve on the panels – including leaders from priority industries, small and mid-sized business representatives and regional voices from across Iowa.
- Define a three-year rolling review cycle so all major workforce programs are evaluated at least once every three years, but reviews are staggered for manageability.
 - Collect and provide key performance data for the programs under review, including placement rates, completion rates, cost per outcome, participant demographics, etc.
 - Provide a report to the Governor’s office and relevant agencies with program review results and recommendations. Agencies should be expected to respond publicly with their intended actions or justification if they choose not to act.
 - Coordinate recommendations and outcomes with state workforce board strategic plans, agency budget requests and legislative updates to ensure findings translate into action.

MEASURES OF SUCCESS

The working group identified the following success indicators to help gauge progress toward implementing the recommendations aligned with this opportunity.

- Increased number of employer-led workforce training programs launched statewide (emphasizing participation by small and midsized firms).
 - Reduction in the average approval time for employer proposals and in the number of administrative barriers employers report.
 - Establishment and use of common ROI benchmarks, such as cost-per-hire or cost-per-credential, earned for program evaluation.
 - Improvement in training outcomes for employer-led projects (e.g., higher job placement rates for trainees, increased employee retention or wage gains at participating companies, etc.).
 - Increased utilization of workforce funding by employers, with measurable improvements in program performance and access over time.
- 100% of submissions through the “red tape hotline” acknowledged within 24 hours, with an initial resolution plan or response initiated within 30 days of receipt.
 - Elimination or simplification of the specific regulatory or procedural barriers identified through the hotline (track number of rules changed or processes improved as a direct result of submissions).
- Reduction in the average time to approve workforce grants and programs (especially those categories frequently flagged on the hotline).
 - Year-over-year increase in employer and user satisfaction with navigating Iowa’s workforce system, measured via surveys or a Net Promoter Score.
- Establishment of the employer-led review panel(s) with legislative or executive support, and completion of at least one full cycle of program reviews within the first 24 months, transitioning to the rolling, three-year review cycle thereafter.
 - Percentage of panel recommendations implemented by agencies or the legislature.
 - Improvement in key performance review metrics within 12 to 24 months after panel recommendations are received.
 - Annual publication of a “report card” summarizing panel findings, actions taken and the overall impact on the workforce system.

OPPORTUNITY AREA #4 TRAINING AND PROGRAM CAPACITY EXPANSION

Recommendation 4A: Incentivize and credential more instructors for high-demand programs.

Expand the pipeline of qualified instructors in critical fields, such as health care, skilled trades and advanced manufacturing, by broadening recruitment and streamlining credentialing. Iowa should provide incentives, including scholarships, tuition assistance and hiring bonuses, to attract industry professionals into teaching roles. The state also needs to simplify and fast-track the certification process for experienced workers to become instructors and support innovative models, like part-time adjunct instructors who come from within the industry.

Citizen Comment:

“The licensing process needs to be faster and less complicated. We have a shortage of professionals in this state, yet the licensing process for some of our fields remains slow and inefficient.”

Recommendation 4B: Support hybrid and short-form credential models at scale.

Scale up access to short-term, accelerated and modular training programs that allow Iowans to earn valuable credentials more efficiently. This includes promoting stackable certificates, micro-credentials and flexible online or hybrid training delivery options that cater to working adults, career switchers and rural learners. These models can help rapidly fill high-demand jobs that do not require a four-year degree.

Recommendation 4C: Invest in facilities and innovative delivery models to meet labor demand.

Invest in modern training infrastructure and innovative delivery methods to expand capacity in high-need occupations. Key tactics include deploying mobile learning labs and simulation equipment, developing shared training spaces (co-located at employer sites or regional hubs) and supporting virtual and hybrid training platforms. These investments will improve access, especially in rural areas, reduce travel barriers and enable quick scaling of programs without duplicating brick-and-mortar facilities.

BACKGROUND AND RATIONALE

Iowa’s ability to meet labor market demand depends on expanding training capacity, which in turn requires having enough instructors, offering flexible training formats and ensuring the necessary facilities and equipment are in place. Currently, training providers across the state struggle with instructor shortages, rigid program formats and infrastructure limitations.

Across high-need programs like nursing, welding, commercial driving, HVAC and advanced manufacturing, colleges report persistent difficulty recruiting and retaining instructors. Many schools have had to turn away qualified students or put them on waiting lists because they cannot staff enough class sections. The challenge is particularly acute in the health care industry. Nationally, one-third of nursing faculty are expected to retire by 2025, and in Iowa, roughly 35% of nursing faculty are already age 50 or older. In trades like welding, lower pay and required credentials deter experienced tradespeople from transitioning into teaching. These shortages create a bottleneck because even with student demand and funding, programs cannot expand without instructors. Focus group participants and state leaders repeatedly noted that growing the instructor pool is one of the most immediate, cost-effective ways to boost workforce training capacity.

Traditional, semester-based and in-person programs are not always feasible for working adults, mid-career professionals or rural residents who need upskilling. Nationwide, about one-third of projected job growth through 2031 is expected to be in occupations requiring education beyond high school but not a four-year degree. In Iowa, more than 60% of current job postings require some form of credential or associate-level training, according to IWD. At the same time, college enrollment (especially among adult learners and in rural areas) has been declining, with cost, time and scheduling cited as major barriers. Short-form and hybrid credential programs are emerging as a solution. Examples include welding certificates that take a few months, IT support certificates from companies like Google, commercial driver's licenses (CDLs) or bridge programs – like licensed practical nurse (LPN) to registered nurse – that combine work and learning. These programs typically last less than six months, align directly with in-demand jobs and can utilize online or modular instruction for flexibility.

Employers told the working group they value candidates with proven, occupation-specific skills – especially when validated by a recognized credential. Employers also validated the gaps in Iowa's current training ecosystem – many of the best programs are in metro areas only or held during traditional hours that don't suit working adults. Increasing the use of online learning, evening/weekend schedules and distributed learning sites can help reach more learners. Promising examples of these more flexible models already in place across Iowa include:

- A part-time CDL training at a community college in northwest Iowa uses mobile simulators and offers evening/weekend sessions so working adults can participate;
- Across Iowa, a modular health care credential program is allowing medical assistants to steadily advance toward an LPN, mostly online with one hands-on weekend per month; and,
- A manufacturing micro-credential (four-week robotics course) co-developed a community college and industry partners in southwestern Iowa, being taught right on the factory floor with current equipment.

These examples show how innovation in format and scheduling can open doors for many more Iowans to gain skills.

The 2025 NGA report also encourages states to accelerate modular and virtual training options as a high-ROI approach to closing skills gaps. It specifically highlights micro-credentials, competency-based learning and online/hybrid models as effective ways to serve rural communities and working learners. Importantly, expanding short-form credentials is meant to complement, not replace, traditional degree pathways. For many lowans, a short-term credential is a first step toward a career or further education. For the state, these models can increase the number of people with industry-recognized skills, often at a lower cost per student and in a shorter timeframe than degree programs.

Even if the state had more instructors and flexible program formats, physical capacity also limits program growth. The greatest workforce shortages are in micropolitan and rural areas, but many community colleges and technical high schools report they lack sufficient lab space, up-to-date equipment or infrastructure to expand enrollment or start new short-term programs in those high-need areas. The recommendations for workforce Opportunity Area #1 include a proposed \$15 million capital fund for training infrastructure, which couples with the Opportunity Area #4 recommendation to design and deploy effective training infrastructure. The goal is to create flexible, employer-responsive training delivery models that reach underserved areas and populations.

The NGA 2025 workforce report recommends states co-invest in regional training hubs and virtual infrastructure to improve access, lower costs per student and respond faster to employer needs. That could look like mobile training units, co-located instructional facilities with industry or shared training spaces among public and private entities. This approach, exemplified by the State of Tennessee's partnership with Nissan on training Centers of Excellence in rural high schools, identifies ways to scale up credential production without duplicating fixed costs. Likewise, the working group explored scalable delivery models such as:

- A mobile simulation lab rotating among multiple high schools, delivering certified nursing assistant and welding training to students across a region;
- A fabrication lab located at an employer's facility but used in off-hours by community college students in an accelerated welding certification program; and,
- A shared CDL training program between two community colleges using virtual driving simulators to reduce waiting lists and accommodate employer shift schedules.

These models reduce geographic and logistical barriers and leverage existing assets, like employer space or equipment.

In summary, Iowa needs to address instructor shortages, embrace flexible credentialing models and invest in innovative training delivery to significantly expand the state's workforce development capacity. Doing so will enable the quick upskilling of more lowans for the jobs that are in demand, wherever they are in the state.

IMPLEMENTATION

The working group determined addressing this opportunity will require the following legislative and administrative actions.

- Offer tuition assistance, scholarships or student loan forgiveness for industry professionals who pursue teaching credentials in high-demand fields. Also provide hiring stipends or bonuses to education/training institutions that bring on qualified instructors in these critical programs.
- Fund programs that enable experienced industry workers to teach part-time while keeping their primary jobs. For example, an “adjunct trades instructor” initiative where tradespeople teach one course per semester.
 - Work with licensing boards and accrediting bodies to streamline the pathway for seasoned professionals to become instructors. This could involve developing competency-based certification alternatives or fast-track programs that credit a person’s industry experience toward teaching requirements.
 - Encourage employers to allow or sponsor their employees to serve as part-time instructors or mentors. Consider a small tax credit or public recognition for employers who contribute staff time to instruction.
- Promote co-location or regional sharing of instructors and subject matter experts among multiple community colleges, K-12 CTE programs and employer training sites. This could include forming “instructional pools” or traveling teaching teams that cover a circuit of campuses.
- Collaborate with community colleges, licensing boards and industry groups to model the costs of these instructor initiatives and secure dedicated funding (perhaps through a workforce instructor incentive fund).
 - Provide grants or startup funding to community colleges, regional consortia and other eligible training providers to create or expand short-term credential programs in high-need sectors. Make industry-recognized credentials a priority.
- Build out infrastructure for online learning; virtual reality/augmented reality and simulator training; and asynchronous course delivery. Ensure content and platforms can be shared across institutions.
 - Invest in learning management systems, high-quality video instruction tools and advanced simulators to support hybrid training models in areas where in-person facilities are limited.
 - Provide competitive matching grants to support the purchase and operation of mobile labs, simulation equipment and other off-site instructional infrastructure.
 - Incentivize those with existing training space (e.g., labs, workshops, factory floors, etc.) to open it for public training use via cost-sharing agreements.
 - When funding facility or equipment projects, give preference to proposals demonstrating collaboration across multiple colleges, school districts or employer consortia and those expanding reach without duplicating infrastructure, like a shared regional skills center.
 - Work with regional training partners and IEDA to estimate the funding required to implement these mobile, virtual and co-located training models at scale. Use these estimates to advocate for additional funds or to target federal grants (e.g., U.S. Department of Agriculture rural development grants for mobile training units).

- Officially define and endorse micro-credentials (e.g., the Occupational Safety and Health Administration’s 10-hour training, forklift operation, coding badges, etc.) and communicate how they can combine to satisfy longer certificate or degree programs.
 - Through the new “workforce advancement fund” ([see Opportunity Area #1, Page 23](#)), allocate resources to short-term programs based on employment or wage outcomes achieved, rather than traditional contact hours.
 - Mandate employer involvement in curriculum design and validation.
 - Estimate the costs of scaling up short-form credential offerings statewide, and use this to inform future budget asks or public-private partnerships.

MEASURES OF SUCCESS

The working group identified the following success indicators to help gauge progress toward implementing the recommendations aligned with this opportunity.

- Increase in the number of credentialed instructors hired or deployed in high-demand training programs statewide (year-over-year growth in faculty numbers in targeted fields).
 - Reduction in unfilled instructor positions and in program waiting lists or unoffered classes due to instructor shortages.
 - Number of new instructors supported by state incentives (e.g., scholarships or stipends to become instructors).
 - Percentage of instructors in high-demand programs from industry partnerships or rotational teaching models (measuring uptake of the adjunct industry instructor approach).
 - Retention rates of new instructors after one to two years in the role, ensuring recruitment and retention of new teaching talent.
- Number of new short-form credential programs launched statewide.
 - Increase in the number of industry-recognized credentials awarded in priority sectors within two years.
 - Share of credentials delivered via hybrid or flexible formats as a proportion of all credentials.
 - Percentage of students completing short-form programs within six months of enrollment.
 - Percentage of program graduates employed or promoted in their field within 12 months of completion.
 - Reduction in the average cost per credential awarded.
- Number of regional partnerships or initiatives launched to expand training delivery capacity.
- Percentage of new credentials or training enrollments delivered via mobile, hybrid or shared-infrastructure models.
 - Reduction in training waiting lists in targeted programs after deploying mobile labs or other capacity solutions.
 - Number of employer facilities used for public training through state-supported partnerships.
 - Increase in rural student access to credentialed training programs, measured by enrollment or completion data in rural ZIP codes.



LEVERAGING TECHNOLOGY WORKING GROUP

The Leveraging Technology Working Group was charged with evaluating Iowa's government systems and identifying strategies to modernize and secure infrastructure, improve digital services and drive efficiency. This included examining core IT challenges and developing practical recommendations to enhance operational effectiveness, service delivery and cost savings.

WORKING GROUP LEADERSHIP AND MEMBERS

The following DOGE Task Force appointees dedicated their time and talents to analyzing and identifying recommendations related to leveraging technology to improve state government.

Kathy Kay – Chair
Principal Financial Group

Beth Tinsman
Twin State Technical Services

Adam Keune
University of Iowa John Pappajohn
Entrepreneurial Center

Matt Behrens – State Agency Liaison
Iowa Department of Management

Ryan Schaap
Wells Enterprises

OPPORTUNITIES ADDRESSED

The working group started by identifying the following six opportunity areas to address the challenge at hand, which the working group concluded is the result of a combination of factors, such as fragmented and outdated IT infrastructure, legacy laws and processes, and outdated practices and silos.

1. Operational and Process Efficiency
2. Fraud Prevention
3. Citizen Experience Improvements
4. IT Procurement Reform
5. Local Government Enablement
6. Data Governance and Reporting

RECOMMENDATIONS

Using these opportunity areas as a guide, the working group then developed the following recommendations (further detailed in the remainder of this report).

- Implement vendor-managed or shared services.
- Initiate platform consolidation.
- Leverage AI for improved efficiency.
- Deploy robotic process automation.
- Suggest legislative updates to remove outdated legal requirements.
- Introduce technology and AI-driven fraud detection through centralized standards and tools.
- Streamline systems, simplify forms and processes and enable citizen feedback.
- Accelerate user interface and user experience modernization.
- Advance streamlining and consolidation of statewide IT procurement.
- Formalize a cloud strategy.
- Enable use of shared state technology platforms (at county and local level).
- Enable AI incorporation (at county and local level).
- Establish consolidated accounting systems (at county and local level).
- Establish legislative mandates for standard-setting (at county and local level).
- Reform retention policies.
- Establish a cross-agency reporting and analytics framework with AI integration.
- Establish a statewide data architecture and governance.

OPPORTUNITY AREA #1 OPERATIONAL AND PROCESS EFFICIENCY

Recommendation 1A: Implement vendor-managed or shared services.

Implement vendor-managed or shared services across agencies, such as network infrastructure, software licenses and data centers, by evaluating opportunities for consolidation and vendor-managed service provision. This will reduce costs and improve standardization.

Citizen Comment:

“A lot of [government agencies] are wasting money on licensing databases when free and open-source databases work just as well.”

Recommendation 1B: Initiate platform consolidation.

Initiate platform consolidation by standardizing and consolidating duplicative technology platforms across state government, such as payment systems, onboarding tools and IT infrastructure, to improve interoperability and reduce complexity. These could also be used by local government entities to save costs and improve service level agreements.

Citizen Comment:

“I’ve noticed throughout multiple government departments that we continue to deploy individual small printers across virtually every office; it’s completely unnecessary. Ideally, I would like to see the number of printers deployed appropriately sized for the volume printed. I’d also like to see individual departments consolidating mail services so that we’re as efficient as possible. I’m not sure how many departments out there are continuing to send out mail when we have a central service that provides this.”

Recommendation 1C: Leverage AI for improved efficiency.

Leverage AI for improved efficiency through the adoption of tools that streamline repetitive tasks such as digital records requests, form processing and workflow tracking. This will reduce manual workloads and enhance service delivery.

Citizen Comment:

“Practical uses of AI to improve customer service connections – reducing time on the phone, deflecting some need for live calls and assisting employees on the phone for a better response.”

Recommendation 1D: Deploy robotic process automation.

Deploy robotic process automation to digitize and automate repetitive, manually intensive operations across agencies. This approach will streamline workflows, reduce processing times and improve accessibility of government services.

Citizen Comment:

“Use technology to create a data portal that houses a single license, and all stateside inquiries use that side of the portal – but there is a single request outgoing. Save by eliminating duplications. This technology of a data portal has been deployed in multiple other states.”

Recommendation 1E: Suggest legislative updates to remove outdated legal requirements.

Update state laws to eliminate outdated requirements such as certified mail and ink signatures, enabling full digitization of government services and forms.



BACKGROUND AND RATIONALE

Iowa's government operates a wide array of systems and processes that can be overly complex, fragmented and reliant on outdated methods. By implementing shared and vendor-managed services, modernizing statutory requirements, consolidating duplicative platforms and deploying AI and automation, the state can streamline and elevate operations to the standard of private sector technology. These efforts will not only cut costs and improve service delivery, but also position Iowa to scale effectively, reduce administrative burdens and respond more rapidly to the needs of both residents and employees.

Vendor-Managed/Shared Services - With 170-plus locations containing more than 640 total servers, per DOM DoIT, Iowa's current IT footprint is highly fragmented. The historic decentralized nature of various IT services across agencies has led to duplicate services, excess software licensing and operational inefficiencies, which the state has started to address through IT consolidation.

In addition, according to DOM DoIT, approximately 62% of Iowa's IT hardware assets are five years old or older. The age of Iowa's technology platforms contributed to nearly 200 system outages across disparate sites last year, many requiring physical, on-site intervention. This highlights the operational risks of maintaining so many independent systems and the need for a more robust, centrally managed infrastructure.

Outsourcing IT infrastructure and services also can decrease the state's administrative costs by reducing the need for internal management of redundant systems and labor-intensive processes. The current statewide asset inventory reveals more than \$161 million in depreciating capital investments, in some cases for redundant equipment. Accelerating the consolidation currently underway will drastically streamline Iowa's technology footprint and cut costs.

Implementing vendor-managed and shared services aligns with national trends, as highlighted by the National Association of State Chief Information Officers (NASCIO), which finds states are increasingly delivering services through the consolidation of infrastructure, services and centralized IT project management. The working group notes that simplification should precede standardization in these efforts, so processes are lean and efficient before imposing statewide standards.

Platform Consolidation - Agencies often utilize multiple, separate technology platforms for similar or identical purposes. For instance, responses from a survey of agency directors highlighted the following examples of duplication and inefficiencies, including the use of paper-based systems in some cases.

- Using multiple timekeeping systems (i.e., Workday and Kronos) for the same function.
- Relying on several disconnected systems for case management and appeals (e.g., Iowa Workforce Development unemployment insurance system and vocational rehabilitation).
- Dealing with multiple systems for financial reporting – for example, across Iowa Department of Revenue and Department of Administrative Services – in addition to managing entries into the state accounting system.

Iowa's new enterprise-wide IT asset documentation allows the state to see where there is duplication of software and systems across state agencies. For example, multiple agencies use different business intelligence and analytics tools rather than standardizing on a unified platform. Similarly, communication and productivity suites (e.g., Google, Microsoft, etc.) are used independently by different departments, fragmenting workflows and creating inefficiencies.

Implementing platform consolidation in Iowa aligns with best practices recognized by NASCIO and federal initiatives aimed at promoting shared services and digital transformation across government entities. Consolidating into a single system not only enhances operational efficiency but also reduces administrative costs and cyber risks by minimizing the number of platforms that must be supported and secured.

This strategy has already proven successful in IT service management, with DOM DoIT reporting that Iowa transitioned from multiple costly help desk ticketing contracts totaling approximately \$1.8 million annually to a single platform costing \$400,000 annually. Consolidation also streamlines maintenance and upgrades, focusing staff on one platform instead of spreading efforts across many.

Consolidation drives quality improvement as well, eliminating inconsistent data and processes and leading to more reliable, consistent service delivery. The working group identified the following opportunities for platform consolidation:

- Implementing a single digital payment platform that all state agencies and counties can use for processing fees and payments;
- Standardizing a single timekeeping system for all state agencies in place;
- Deploying a single grants management platform across the enterprise; and
- Standardizing and unifying learning management systems and related training platforms across multiple agencies.

AI for Improved Efficiency - Many processes across agencies are still tracked manually, limiting scalability and leading to errors. AI solutions can significantly reduce these burdens by automating form recognition, document classification and workflow routing. The best candidates for AI automation are high-volume, rule-based tasks that workers find tedious or low-value. Automating such processes not only saves time but also frees employees to focus on higher-priority work.

Approximately 42% of public service work hours involve tasks suitable for AI automation, and implementing these solutions could save about 16% of time. Studies suggest AI-supported document handling, for example, can increase task completion rates by up to 34% and output quality by 17%. This could mean approximately 6.3 million “found” hours for Iowa's about 19,000 state employees (excluding educators) to focus on higher-value tasks.

Importantly, agencies must be mindful of “business process sprawl” – if workflows are fragmented across many siloed systems or inconsistent processes, integrating AI solutions becomes difficult. Streamlining and standardizing processes is a prerequisite for successful AI projects.

An Iowa Department of Transportation (DOT) example highlights how AI could improve operational efficiency. Currently, document classification at DOT is mostly manual and reliant on institutional knowledge transfer, which creates compliance risks, hinders legal discovery and leads to improper records retention and slow retrieval times. An AI-powered document classification system could automate digital document classification, indexing and routing.

This approach not only frees staff from repetitive tasks but also reduces the potential for human error in document handling. In addition, AI-driven document handling ensures adherence to mandated record disposition and audit standards, while also providing enhanced security and better oversight of digital records.

State and local governments are increasingly embracing AI as a strategic asset to enhance public services and operational efficiencies. This shift is reflected in the 2024 NASCIO State CIO Survey, which found more than 60% of states, including Iowa, have implemented at least one generative AI initiative. These include the formation of advisory committees or task forces (78%), the rollout of enterprise-wide policies and procedures (72%) and the development of responsible use guidelines (67%). Although Iowa already has taken these steps, there is still opportunity for future growth in this area.

To fully capitalize on the promise of AI, Iowa should invest in strong data architecture, governance and standards. This means ensuring any AI deployment is built on a secure, scalable platform with strong oversight. Adopting solid architectural frameworks and governance models will help the state deploy AI in a controlled, reliable manner that protects data and aligns with state IT policies.

Opportunities for smart integration of AI by the state include the following.

- Deploying more AI-driven chatbots on public-facing websites and portals to handle routine questions and service requests.
- Using AI-based document recognition to scan and automatically extract data from forms and applications.
- Implementing AI “legal support” tools to help state attorneys and legal teams by researching case information or drafting initial documents.
- Leveraging AI analytics to detect fraudulent activities in areas like social benefits, procurement or vendor payments.
- Introducing AI-powered copilot assistants to guide users through complex online transactions (e.g., vehicle registrations or permit applications).
- Using AI to aggregate and analyze data from multiple departments and facilitate cross-agency reporting.
- Deploying AI tools to aid state employees with routine tasks like drafting emails, summarizing documents or scheduling.

Robotic Process Automation (RPA) - Bots that mimic human actions within digital systems can be used to perform routine tasks. These bots can recognize on-screen information, input data, click buttons, transfer files and bridge gaps between disparate systems. In state governments, RPA is already being used in areas like unemployment

insurance processing. For example, the Georgia Department of Labor deployed bots to sift through appeals documents, compile case packets and filter out duplicates, speeding up response times for staff. RPA bots also have been used to automatically schedule hearings and send notifications (e.g., in Colorado) and to handle data entry across multiple systems quickly and accurately.

Currently, RPA efforts within Iowa's state agencies are fragmented, lacking a unified platform or cohesive implementation strategy. This has led to the continued use of resource-intensive and error-prone manual processes. For example, agencies noted that converting legacy records, such as microfiche and paper files, into digital formats remains largely manual. Others highlighted key performance indicator and program reporting requirements, while necessary, are time-consuming and would benefit from automation where it could harmonize data across sources and visualize it in a way that makes it easier for tracking across government agencies and initiatives.

Agencies face considerable challenges managing an increasing volume of unstructured content, including text documents, scanned imagery, completed forms and emails. A coordinated statewide approach to RPA would address these inefficiencies by centralizing resources, providing common tools and fostering collaboration among agencies. Implementing RPA provides scalability to handle growing information volumes without proportional increases in effort or cost, reducing administrative burdens and improving service responsiveness.

According to NASCIO, states are increasingly adopting automation tools and services to streamline business processes and enhance digital citizen experience. Aligning Iowa's approach with these national best practices will ensure robust, efficient and scalable RPA deployment statewide. Before deploying RPA, however, agencies should formalize and optimize their business processes to avoid automating inefficiencies.

In 2021, federal government RPA programs reduced more than 1.4 million hours of low-value work across several agencies, and in a survey of federal and state government IT officials, one in three respondents estimated RPA tools saved 5,000 to 50,000 staff hours annually at their agency. These statistics demonstrate how Iowa can similarly save a significant number of hours per year by deploying RPA.

Other opportunities for leveraging RPA across government operations in the future include budgeting and contracts, staff scheduling, invoice processing and cross-agency data reporting and analysis.

Iowa Code Modernization - Certain provisions in the Iowa Code hinder digitization by requiring outdated methods of communication. Hundreds of processes across various state agencies still rely on certified mail, postal mail, paper forms, duplicate signed copies, newspaper notices or in-person interactions. Examples include:

- Highway land sale notices requiring hand delivery or verified mail;
- Environmental permit reapplications necessitating written requests;
- Electrical inspection requests submitted only through mail or fax; and,
- School administrator contract termination notices sent by certified mail.

These outdated requirements slow down service delivery, increase administrative costs and create added burdens for government staff and constituents. Modernizing these provisions to include secure electronic alternatives, such as electronic notifications, e-signatures and digital document storage, could significantly streamline state operations, reduce paper waste and result in tangible cost savings. For example, the state spent more than \$10 million on postage last year. If postage spending could be cut 10% by eliminating outdated legal requirements, it would save more than \$1 million.

By updating the legal framework to permit these technologies, Iowa can improve the integrity and transparency of government transactions.

Modern digital processes also can be more secure and reliable than their paper counterparts. A secure electronic notification can provide instant confirmation of receipt and digital audit trails. In addition, electronic signatures and digital records, protected by encryption and authentication measures, offer greater protection against fraud and unauthorized access compared to paper documents in file cabinets. By updating the legal framework to permit these technologies, Iowa can improve the integrity and transparency of government transactions.

However, as Iowa modernizes its services, it should ensure electronic interfaces are accessible for all citizens, especially the aging population. Roughly 18% of Iowans are aged 65 or older, and these users face unique challenges with digital services. While digital literacy among seniors is growing, government websites and applications need to accommodate older users by using legible font sizes, high-contrast visuals, intuitive navigation and compatibility with assistive technologies. In this way, the state can ensure older residents are not left behind in the shift to online services.

IMPLEMENTATION

The working group determined addressing this opportunity will require the following legislative and administrative actions.

- Execute a detailed inventory of IT infrastructure, software licenses and services across all state agencies.
 - Assess inventory findings, identify immediate consolidation opportunities and define long-term vendor-managed service strategies.
 - Consider outsourcing major infrastructure and data center operations under a single vendor-managed contract, with clear annual reduction targets.
- Design and implement standardized contracts for shared technology platforms.
- Develop centralized policies for asset lifecycle management, procurement standards and IT service provisioning to support a shared-services model.
 - Create onboarding guides that outline how to transition to vendor-managed services.
 - Establish a governance structure to provide ongoing oversight and ensure compliance with shared-services standards.

- Conduct routine reviews and audits of shared services, making iterative adjustments to enhance quality and efficiency.
- Expand and enhance DOM’s ongoing efforts to identify redundancies and prioritize platforms for consolidation.
 - Build upon existing inventory and evaluation efforts by further prioritizing consolidation opportunities.
 - Establish and implement integration standards (e.g., data formats, application programming interfaces or APIs, security protocols, etc.) to guide how systems are merged or retired while maintaining data integrity and use.
- Launch pilot projects in targeted high-impact areas (e.g., timekeeping, financial reporting, case management, etc.) to demonstrate feasibility and resolve any challenges on a smaller scale before broader rollout.
 - Leverage lessons learned from pilot implementations to guide broader statewide application.
- Offer management support to ensure smooth transitions and high adoption rates of consolidated platforms.
- Include rigorous testing and validation to ensure merged systems meet or exceed current performance benchmarks. Focus on quality improvements such as increased system reliability, data accuracy and user satisfaction.
- Develop clear criteria, policies and governance frameworks for using AI. This includes promoting transparency (e.g., explainable AI outputs) and ethical usage (e.g., bias mitigation, privacy compliance).
 - Create a comprehensive playbook covering integration best practices, data management and security standards.
 - Provide training and skill enhancement programs for state agency staff.
- Ensure the state’s technical infrastructure can support AI workloads and use enterprise-grade AI that offers the necessary computational power and integrated governance features to deploy AI at scale.
 - Plan and implement integration between new AI tools and existing IT systems (such as content management, databases or workflow systems).
- Establish metrics and dashboards to continuously monitor the performance of AI systems (accuracy, processing speed, error rates, etc.).
 - Regularly review these metrics to identify areas for model improvement or retraining.
 - Maintain governance oversight to address any ethical or compliance issues that arise as usage grows.
- Conduct a comprehensive assessment across all agencies to identify and prioritize processes most suitable for automation.
 - Develop a statewide RPA roadmap based on identified use cases, potential return on investment and the anticipated impact on agency productivity.
- Establish a centralized RPA platform accessible to all state agencies, incorporating user-friendly RPA solutions.
 - Provide training programs to build in-house RPA expertise and foster a culture of innovation and continuous improvement.
- Oversee implementation, ensuring alignment with strategic objectives and maintaining compliance with state and federal standards.

- Regularly update governance policies to reflect emerging best practices, technological advancements and lessons learned during implementation.
- Implement performance tracking dashboards to monitor RPA effectiveness, document cost savings and demonstrate efficiency gains across agencies.
- Create mechanisms to continuously evaluate and scale successful RPA applications to additional processes and departments.
- Identify sections of Iowa Code requiring physical documentation or other outdated processes and propose legislative amendments to allow for secure electronic notifications and submissions, digital signatures and electronic storage alternatives that comply with legal standards.
 - Work with agency legal teams and other stakeholders to ensure comprehensive compliance. Plan the transition so that when old requirements are lifted, agencies are prepared to implement the new digital processes.
 - Provide clear guidelines and training for state agencies on newly adopted digital practices and platforms.
 - Conduct public awareness campaigns so that constituents know how to engage with these new digital options.
- Not all agencies or communities will transition at the same pace, so state IT should be ready to assist with technical issues and adjustments. Phasing the changes (e.g., updating a batch of high-impact processes first and then rolling out others over time) will allow for learning and tweaking of the approach.
 - Where possible, leverage shared solutions (e.g., if multiple agencies need secure e-signature capability, provide a centralized tool or enterprise license).

MEASURES OF SUCCESS

The working group identified the following success indicators to help gauge progress toward implementing the recommendations aligned with this opportunity.

- Reduction in statewide IT cost per capita.
- Percentage of IT services managed centrally.
- Savings from centralized software license management and enterprise purchasing agreements.
- Improvement in adherence to Service Level Agreements.
- Decrease in labor hours spent on duplicative data entry and manual reporting.
- Enhanced asset utilization rates.
- Total number of platforms consolidated.
- Reduction in operational and maintenance costs (e.g., licensing, infrastructure, support, etc.) post-consolidation.
- System integration success rate and reduction in manual data-entry errors.
- Service quality metrics (e.g., user satisfaction and system reliability).
- Number of AI solutions successfully deployed across state agencies.
- Reduced processing times and 10% - 20% fewer errors for AI-augmented tasks in alignment with industry benchmarks.
- Percentage of total agency working hours saved due to AI implementation.
- Number of processes transitioned from manual to automated workflows.

- Average reduction in time required to complete tasks that previously were done manually (e.g., 20% - 30% faster processing).
- Number of staff hours freed up by automation.
- Percent decrease in error rates associated with manual data management (15% or greater).
- Percentage of state agencies actively participating in the centralized RPA initiative.
- Total count and percentage of Iowa Code provisions updated to permit digital processes.
- Reduction in turnaround times for formerly paper-based procedures.
- Quality improvements, such as reduction in error rates or compliance issues.
- Adoption rate of digital alternatives.
- Savings from reduced paper, postage and printing (e.g., paper, printing, postage, storage, etc.).

OPPORTUNITY AREA #2 FRAUD PREVENTION

Recommendation 2A: Introduce technology and AI-driven fraud detection through centralized standards and tools.

These standards, analytics tools and data models can proactively identify and mitigate fraud across agencies.

Citizen Comment:

“Fraud, waste and abuse detection – AI can be used to detect anomalies in financial transactions. Predictive models can identify high-risk areas or individuals more likely to engage in fraudulent activities. ... AI can be deployed to develop fraud risk scores, flag suspicious activities and provide real-time alerts.”

BACKGROUND AND RATIONALE

Government agencies face increasing pressure to safeguard public resources and uphold trust amid evolving fraud threats. Traditional fraud detection methods – often siloed and reactive – struggle to keep pace with the scale, complexity and speed of modern fraudulent activity. Introducing technology and AI-driven fraud detection through centralized standards and tools offers a solution.

Currently, individual agencies in Iowa use disparate systems, resulting in varied levels of effectiveness. Coordinated use of advanced technology and data analytics presents an opportunity to proactively prevent fraud, improve detection rates and reduce financial risks. Centralizing these capabilities also improves data sharing, supports compliance with regulatory mandates and enhances transparency and auditability, which are important to public accountability.

DOM already has implemented a centralized Security Information and Event Management system for statewide cybersecurity monitoring. Building on this foundation, the state can use a similar centralized approach for fraud, feeding transactional and log data from various programs into a unified analytics system that correlates activities and flags high-risk patterns in real time.

Centralized fraud tools can link diverse datasets to uncover complex fraud schemes single agencies might miss, while providing real-time alerts for rapid response. A centralized system can also use machine learning on a broader dataset to reduce false positives by distinguishing abnormal patterns from normal behavior with greater accuracy. Overall, this yields stronger fraud detection capabilities and empowers government entities to move from fragmented, manual processes to a unified, proactive fraud defense strategy.

Centralized fraud tools yield stronger fraud detection capabilities and empowers government entities to move from fragmented, manual processes to a unified, proactive fraud defense strategy.

Strong authentication measures are a first line of defense. Requiring users to verify their identities (e.g., multifactor authentication or identity proofing) makes it far harder for bad actors to impersonate beneficiaries or employees, helping to prevent fraud before it starts. Robust login security stops imposter fraud and creates reliable audit trails and real-time alerts to aid fraud detection. In practice, such measures have proven effective at reducing fraud losses. Recent adoption of a third-party digital identity verification system for unemployment insurance fraud prevention at Iowa Workforce Development provides compelling evidence. Instances of identity theft and the associated financial losses both decreased by greater than 99% after implementation.

According to the Association of Certified Fraud Examiners 2024 report, state governments experience a median loss of \$92,000 per fraud case, with many fraud schemes remaining undetected for up to 19 months. AI-driven fraud protection can dramatically reduce these losses by catching anomalies before they escalate, minimizing direct and indirect costs and safeguarding public resources.

IMPLEMENTATION

The working group determined addressing this opportunity will require the following legislative and administrative actions.

- Establish clear, standardized fraud detection methodologies, protocols and analytic frameworks applicable across all state agencies.
 - Develop uniform definitions of suspicious activities, create standard risk-scoring models and leverage successes from existing initiatives, implementing them across agencies.

- Roll out strong authentication mechanisms statewide for both external users (e.g., citizens, vendors, etc.) and internal users.
 - Implement multifactor authentication on all government portals and potentially use identity proofing services for high-risk benefit programs.
 - Make identity verification a standard part of enrolling in benefit programs (e.g., unemployment, Medicaid, etc.), requiring a one-time ID check via a trusted service for new claimants.
- Implement advanced analytics tools capable of identifying patterns indicative of fraud across multiple data sources (e.g., multiple benefit applications with an address or phone number linked to past fraudulent claims).
- Implement robust data-sharing protocols that allow cross-matching data among agencies under strict privacy safeguards (e.g., unemployment claims data cross-checked against wage databases and public assistance enrollment).
- Consider outsourcing the handling of certain sensitive data changes to specialized managed services. For instance, changes to beneficiary bank account information (a common fraud vector) could be funneled through a secure service that validates ownership of accounts and monitors for frequent changes.

MEASURES OF SUCCESS

The working group identified the following success indicators to help gauge progress toward implementing the recommendations aligned with this opportunity.

- Percentage of fraudulent or improper transactions in targeted programs; reductions observed post implementation.
- Total dollar amount of fraudulent payouts prevented or recovered due to new systems.
- Average time to detect, and respond to, fraudulent activity.
- Monitor metrics related to identity verification and authentication (e.g., number of fraudulent access attempts or identity theft attempts blocked).
- Reduction in hours spent by investigators on routine, manual tasks such as data collection, sorting through false leads or cross-checking data between systems due to automation and advanced analytics.

OPPORTUNITY AREA #3 CITIZEN EXPERIENCE IMPROVEMENTS

Recommendation 3A: Streamline systems, simplify forms and processes and enable citizen feedback.

Provide a one-stop, user-friendly experience for citizens interacting with State of Iowa government entities.

Recommendation 3B: Accelerate user interface and user experience modernization.

Improve user interface and user experience by modernizing government websites and applications with user-centered design principles, incorporating more AI tools, such as chatbots, to assist in navigating large volumes of information.

BACKGROUND AND RATIONALE

Iowa's digital properties serve as critical touchpoints between the state and its citizens. By streamlining systems, simplifying forms, enabling citizen feedback and accelerating user interface (UI) and user experience (UX) modernization, the state can transform its digital front door. These improvements will reduce operational costs, increase citizen satisfaction and ensure that Iowans can access services quickly, securely and intuitively.

Citizens often face challenges when interacting with state governments due to inconsistent systems and redundant processes. National data show only 36% of people find government processes and interactions intuitive, and fewer than half are satisfied with online government services in general.

Feedback from state agency directors in Iowa highlights challenges faced by citizens when interacting with multiple state systems – for example, various online platforms each requiring a separate login. Individuals also may be required to repeatedly submit the same information across multiple state programs and agencies, particularly when paper-based processes persist alongside digital ones. Iowans want more streamlined, efficient digital services. One resident called the Iowa Judicial Branch filing system “very antiquated,” while others criticized the vehicle renewal process at the DOT Motor Vehicles Division (DMV) as inefficient.

The U.S. Department of Veterans Affairs found by combining and redesigning forms, the average application time for benefits or services dropped from two hours to just 45 minutes. Similarly, a national survey showed 51% of respondents would increase their use of digital government services if offered an integrated one-stop digital portal. Implementing single sign-on and centralized digital service portals across Iowa's agencies

Citizen Comment:
 “Once I managed to get a [DMV] ticket, I settled in for what I assumed would be a reasonable wait. Instead, I watched as individuals who arrived after me were called ahead. ... An elderly gentleman seated next to me shared that he had been waiting for nearly three hours simply to ask a question about his vehicle registration... Beyond the personal frustration, these inefficiencies have larger implications for the community. Many residents of Sioux City rely on public services like the DMV to remain mobile, maintain employment, and fulfill civic responsibilities. If a simple renewal process can take the better part of a day, what does that say about the efficiency of other public services?”

would allow citizens to seamlessly access multiple services (e.g., license applications, benefit enrollments, voter registration, tax payments, etc.) without redundant logins or re-entering the same data.

Ohio's InnovateOhio Platform provides a potential model. Through its OHID single sign-on, users can access approximately 100 state systems and services with just one login, simplifying access while ensuring security. Another example is Access Indiana, a single sign-on platform giving users access to 34 government services, ranging from vaccination records to hunting and fishing licenses to job portals. Users of Access Indiana doubled to 400,000 within just three months of launch.

Adopting a unified “no wrong door” strategy, as strongly advocated by NASCIO, ensures citizens receive consistent and efficient service, regardless of the entry point. A “no wrong door” approach, complemented by centralized portals, simplified forms, streamlined processes and feedback mechanisms, can significantly reduce citizen frustration, increase operational efficiencies and enhance overall trust in government services.

Websites and applications that are not easy and intuitive to use, that is, with poor UI/UX, frustrate users, increase call center volume and take additional resources. Redesigning digital interfaces, however, can enhance usability and reduce reliance on manual support. Each year, the 74 different State of Iowa websites receive more than 25 million visits – illustrating the critical importance of its digital presence.

Today's government services must be available on demand and accessible from any device. A 2023 NASCIO report noted “digital government/digital services” consistently ranks as a top strategic priority for state chief information officers (CIOs). In addition, 85% of U.S. residents say they expect government digital services to match or exceed the quality of commercial offerings, but more than half (53%) find accessing public services frustrating.

As a result, state CIOs across the country are actively investing in user-centered design practices that focus on citizen needs and usability over legacy technical requirements. Government agencies also are investing in internal UI/UX expertise. According to the U.S. Department of Homeland Security, having in-house UX researchers and designers helps agencies design more effective services and leads to greater satisfaction for both the public users and the employees delivering those services.

Accelerating UI/UX modernization offers the opportunity to elevate content accessibility. A redesign not only enhances the UX but also improves operational efficiency. Poorly designed websites contribute to increased support requests, as residents seek clarification or assistance for information that could be more readily accessible online. According to DOM DoIT, the current call center volume for the state is 2.8 million annually, so reducing support requests could translate to cost savings. They project that consolidating call centers in conjunction with reduced volume could yield up to \$7.6 million in savings over five years.

Integrating AI-enabled search tools and digital assistants, such as chatbots, could help further streamline navigation and empower citizens to self-serve. For example, the Maryland Benefits One Application leverages automation and AI to simplify citizens' access to government benefits. Iowa already has examples as well. Travel Iowa's "Goldie" is an AI-powered travel planning assistant, and The Kernel, from the Department of Revenue, helps users find answers to tax and licensing questions.

Ultimately, modernizing Iowa's digital front door is both a customer service imperative and an operational efficiency strategy. By delivering intuitive, accessible online services, Iowa can boost citizen satisfaction while lowering operational costs.

IMPLEMENTATION

The working group determined addressing this opportunity will require the following legislative and administrative actions.

- Implement a unified online portal (single sign-on) where citizens can log in once to access services across multiple agencies (e.g., licensing, benefits, voter registration, etc.). The portal should be mobile-friendly and support common tasks across departments.
 - Implement a secure statewide identity verification for the single sign-on portal to protect data while allowing interagency access.
 - Review and redesign application and registration forms across agencies to remove unnecessary fields, use consistent formats and consolidate duplicate forms where possible.
 - Implement a common profile so that citizen information (e.g., name, address, etc.) entered once can prefill across forms for various programs.
- After key transactions, prompt users with a brief survey to rate their experience and suggest improvements. Ensure feedback is routed to the appropriate agency and tracked for response/resolution.
 - Incorporate human-centered design principles and practices to institutionalize UX best practices.
- Evaluate the top-trafficked state websites for characteristics such as readability, accessibility and responsiveness. Prioritize modernization for those with the highest citizen interaction or support call volumes.
 - Gather feedback from citizens, as well as state employees. Use insights to redesign around demonstrated user needs.
 - Deploy chatbots to help citizens find information, check eligibility and complete transactions. Begin with high-volume inquiry areas, such as driver's licensing, benefits access or fraud reporting.
 - Implement readability and accessibility guidelines for all modernized websites.
 - Standardize elements such as site search behavior, multilingual support and navigation.
- Develop UX design capabilities to help maintain a user-centered focus over time, enabling continuous improvement of Iowa's websites.

MEASURES OF SUCCESS

The working group identified the following success indicators to help gauge progress toward implementing the recommendations aligned with this opportunity.

- Improved user satisfaction measured through automated feedback mechanisms.
- Reduction in distinct digital logins citizens need to access government services.
- Turnaround time for common applications before and after simplification.
- Percentage of users providing feedback.
- Administrative cost savings from streamlining efforts.
- Reduction in call center volume, especially for high-traffic agencies.
- Self-service success rates (i.e., issues resolved without escalation).
- User satisfaction with AI assistants.
- Reduction in staff time spent answering routine questions.

OPPORTUNITY AREA #4 IT PROCUREMENT REFORM

Recommendation 4A: Advance streamlining and consolidation of statewide IT procurement.

Leverage preapproved product catalogs, aligned contract timelines and incorporation of AI into processes to improve clarity and responsiveness for agencies navigating procurement.

Recommendation 4B: Formalize a cloud strategy.

Define cloud use cases, security standards and migration priorities to promote agility, scalability and cost-efficiency across state agencies.

BACKGROUND AND RATIONALE

Current IT procurement processes may be duplicative, unclear and difficult to navigate, leading to delays, suboptimal purchasing and inconsistent outcomes across state agencies. As a result, agencies report challenges in identifying whether similar systems or technologies have already been deployed elsewhere in the state, and they lack consistent guidance or access to clear, standardized procurement procedures.

Streamlining procurement leverages economies of scale, reduces redundant purchases and enhances vendor negotiation power, resulting in cost savings and better contract terms. For example, in the IT space, for each percentage point of savings achieved through improved procurement processes, Iowa could realize cost savings of approximately \$3.23 million annually (per DOM DoIT). A streamlined, dynamic e-procurement system with predefined catalogs of approved products and services will make purchasing easier and more transparent for agencies.



Such a system should also encourage participation from local governments, amplifying its benefits statewide. A modern IT procurement platform can be opened to counties, cities and school districts so they can take advantage of state-negotiated contracts and pricing. Arkansas, for example, implemented an e-procurement system called ARBuy to serve all state departments and support local government purchasing. Iowa can pursue a similar cooperative purchasing approach. This broad adoption of a single system also could simplify compliance for vendors and make it easier for Iowa's smaller jurisdictions to obtain IT goods and services on favorable terms they might not be able to secure on their own.

Streamlining procurement leverages economies of scale, reduces redundant purchases and enhances vendor negotiation power, resulting in cost savings and better contract terms.

The value of consolidated procurement is well-documented. For example, according to DOM DoIT, the recent consolidation of several agency contracts into a single master contract is expected to save Iowa \$2.9 million over seven years. Other states offer compelling examples, as well. Virginia's central procurement office generated approximately \$40 million in annual savings by consolidating state contracts and leveraging collective buying power. Streamlined IT procurement also helps enforce cybersecurity protocols, data protection standards and regulatory compliance. Traditional IT procurement processes are time-consuming and labor-intensive, involving multiple steps, including vendor selection, contract negotiation and compliance checks. Hundreds of staff hours across multiple teams may be involved in large procurement efforts. AI tools may help by automating tasks, such as accelerated vendor scanning and performance-based vendor ranking; drafting requests for proposals (RFPs) using templates informed by prior successful procurements; and reviewing vendor submissions for compliance. Collectively, DOM DoIT estimates that these tools could reduce the procurement timeline by 20% (or five to eight weeks) and save roughly \$1.4 million in labor.

By leveraging AI, procurement staff can focus on high-value activities – like negotiating better terms – while routine tasks are handled swiftly by technology. Faster procurement turnaround also means agencies get the tools and services they need more quickly, supporting timely project delivery. In summary, a streamlined and AI-enhanced statewide procurement approach will accelerate procurement cycles, reduce costs and improve outcomes, laying the groundwork for sustained digital transformation in Iowa's government operations.

Another opportunity for IT reform is developing a consistent cloud strategy. This would address challenges caused by state agencies making independent decisions that create inefficiencies and potential risks, and instead guide them in making smart, secure cloud choices that align with enterprise goals.

According to NASCIO, cloud services remain a focus area for state chief information officers (CIOs), consistently ranking among the top priorities. The emphasis includes not just migration, but also the development of scalable, secure and well-governed cloud environments. However, many states still lack a defined cloud policy framework, leading to inconsistent adoption practices and missed opportunities to leverage economies of scale.

The U.S. Cybersecurity and Infrastructure Security Agency (CISA) emphasizes the importance of secure cloud architecture and zero-trust principles in state and local government modernization efforts. In its Cloud Security Technical Reference Architecture, CISA provides agencies with guidance on adopting cloud services securely, highlighting considerations for shared services, cloud migration and cloud security management. By following these guidelines, agencies can better protect systems and data while realizing cost savings through improved cybersecurity and resiliency.

Further, formalizing a cloud strategy aligns with broader federal modernization goals. The U.S. Government Accountability Office (GAO) has identified challenges federal agencies face in transitioning to cloud computing, including ensuring cybersecurity, procuring cloud services, maintaining appropriately skilled workforce and tracking costs and savings. GAO recommends agencies develop comprehensive cloud strategies to address these challenges and improve service delivery.

A critical element of Iowa's cloud strategy should be establishing a cloud financial operations (FinOps) practice to manage and optimize cloud costs. State CIOs have identified financial management and budgeting as major barriers to moving to cloud services, and unchecked cloud spending can lead to waste. Industry surveys find roughly 27% of cloud spend is wasted due to inefficiencies. A formal FinOps program will ensure continuous optimization of cloud costs through cross-functional accountability and transparency.

By adopting FinOps principles, Iowa can maximize cost efficiency and prevent budget overruns, treating cloud expenditures as strategic investments rather than open-ended expenses. Implementing FinOps also will help Iowa measure the value of cloud usage in business terms and instill a culture of cost awareness in every agency's cloud consumption.

Efforts to improve procurement at the federal level make state progress and the flexibility to implement changes at the state level even more important. Similar to the recommendation for Iowa, breaking down silos around IT procurements across federal agencies (e.g., U.S. Department of Health and Human Services and USDA) will allow better ability to answer questions related to outcomes across their programs. Procurement reform at all levels will increase efficiency and effectiveness.

IMPLEMENTATION

The working group determined that addressing this opportunity will require the following legislative and administrative actions.

- Expand and accelerate the consolidation of all significant IT contracts under DOM.
 - Create and maintain a centralized IT purchasing catalog of vetted and compliant solutions.
 - Develop a consistent request and approval workflow for any IT procurements initiated by agencies. This could involve a standardized procurement request form or system, routing and approval.
- Encourage local governments (e.g., cities, counties, school districts, etc.) to utilize the state’s IT procurement platform and contracts to improve rates and share administrative costs.
- Utilize specialized AI solutions for key procurement stages, like planning, request for proposal (RFP) drafting, vendor interaction and evaluation. These tools should be configured to adhere to Iowa’s procurement laws and ethical standards.
 - Train procurement staff on the new e-procurement system, streamlined processes and AI tools.
- Establish an enterprise-wide cloud governance board with representatives from key agencies to draft the strategy. Include use-case prioritization (e.g., web services, legacy systems, citizen-facing platforms, etc.) and define multi-cloud/hybrid approaches when appropriate.
- Use a cloud readiness and value assessment framework (e.g., from NASCIO or the National Institute of Standards and Technology) to score existing systems based on cost, risk and mission value. Prioritize high-impact systems with low complexity for early wins. Ensure systems handling sensitive data meet state and federal standards.
- Develop standardized templates for cloud security architecture, Service Level Agreements, procurement language and incident response plans to streamline onboarding of cloud services.
- Institute a FinOps program to continuously monitor and optimize cloud spending across all agencies. Deploy tools and processes to track cloud usage costs in real time, allocating expenses to the appropriate departments and optimizing resource usage. Assign a dedicated FinOps team or liaison to implement cost dashboards, usage alerts and optimization initiatives.
- Train IT staff through state-sponsored certifications in cloud platforms and cybersecurity. Provide guidance and templates to agencies navigating cloud adoption.
- Adopt a phased implementation roadmap, beginning with strategy and policy development, followed by execution of pilot migrations, tool deployment and feedback loops.

MEASURES OF SUCCESS

The working group identified the following success indicators to help gauge progress toward implementing the recommendations aligned with this opportunity.

- Reduction in average procurement cycle time, from solicitation to contract award (e.g., target a 20% decrease in cycle time).
- Number of local government entities participating in state-led IT purchasing programs.
- Annual IT procurement cost savings realized through consolidated and streamlined purchasing, aiming for at least 10% reduction in major categories.
- Reduction in staff hours required per procurement.
- Increase in average number of bids per solicitation.
- Percentage of targeted applications successfully migrated to the cloud, with a focus on high-priority systems.
- Number of legacy systems decommissioned as a result of cloud migration, reducing reliance on outdated infrastructure.
- Annual cloud cost savings or avoidance achieved through FinOps optimizations, tracked in dollars and as a percentage of total cloud spend.
- Number of agencies using enterprise cloud agreements or tools.
- Number of state IT employees with recognized cloud certifications.

OPPORTUNITY AREA #5 LOCAL GOVERNMENT ENABLEMENT

Recommendation 5A: Enable use of shared state technology platforms.

Allow local governments to adopt vetted state technology platforms, such as those for payments and digital forms, to streamline procurement and service delivery while reducing risk.

Citizen Comment:

“Improvement request from using many systems for property transactions in 99 different counties into one centralized system used and accessed by our county recorders and county auditors to improve speed of the transaction, consolidate transfer and record keeping from multiple systems, and reduce the potential for fraud that many systems represent.”

Recommendation 5B: Enable AI incorporation (including creating an AI catalog).

Provide counties and local governments with guidance, best practices and pre-vetted tools to incorporate AI into local operations.

Recommendation 5C: Establish consolidated accounting systems.

Move away from manual tracking in spreadsheets and improve contract management, budgeting and financial transparency for counties and cities through consolidated accounting systems.

Citizen Comment:

The cost of necessary accounting software for clerks/finance officers across the State of Iowa has increased tremendously over this past year, making it less and less affordable for small towns and increasing the amount of property taxes needed to pay for the software. I've looked into the State of Minnesota and their state auditor collaborated with representatives of small cities and townships to develop and distribute the Small City and Town Accounting System (CTAS). The program is designed to maintain accounting records and assist in bookkeeping tasks. CTAS also facilitates the submission of financial records to the Office of the State Auditor. The cost of this program is minimal, especially compared to the commercial software companies that are used across the state. I feel that a software project such as this would be a huge benefit to not only smaller cities, but help to relieve some of the property tax burden necessitated by the increasing costs of commercial software available to cities."

Recommendation 5D: Establish legislative mandates for standard-setting.

Drive consistency in processes and platforms across counties and cities by establishing uniform standards and supporting shared services.

BACKGROUND AND RATIONALE

Iowa's counties and cities carry out many of the same essential functions, yet the absence of common standards and shared infrastructure has led to inefficiencies. By enabling local adoption of vetted state platforms, guiding responsible AI use, consolidating financial systems and establishing legislative mandates for key standards, Iowa can modernize local government operations and reduce duplication, returning the resulting cost savings to taxpayers. These recommendations respect local autonomy while targeting the most costly and redundant areas for statewide alignment, unlocking economies of scale, improving transparency and ensuring all Iowans receive consistent, secure and high-quality government services.

Iowa's counties and cities perform many of the same core functions, often procuring and maintaining their own software and IT systems to support them. Citizen comments reflect an understanding of the burden caused by a lack of consistency across numerous platforms. For example, some businesses recognize their work is impeded by potentially having to use as many different systems as counties in which they operate. This siloed approach leads to duplication of effort, inconsistent capabilities and, ultimately, a frustrated public.

Critical county duties, like public records management, tax collection and elections, all require specialized IT systems. Procuring and supporting each of these systems independently across 99 counties (and even more cities) is resource-intensive, but allowing local governments to leverage shared state platforms addresses this disparity. If the state already has invested in a vetted, robust technology – a secure online payment system or a cloud-based document management solution, for example – extending it to local jurisdictions can save money and avoid each locality “reinventing the wheel.”

When local governments use state-validated platforms, they benefit from state-level bargaining power and expertise. This approach yields cost savings, simplifies procurement and improves service consistency statewide. A small county, for example, could avoid a lengthy RFP process and get a volume-discounted rate while delivering consistent, high-quality digital services to its residents by opting into an existing state contract.

By using a centralized platform, local entities automatically benefit from state-level security measures, such as encryption, monitoring and regular backups – measures they might not be able to implement alone. This is increasingly important as cyber threats target government services of all sizes. Additionally, certain regulatory requirements, like accessibility standards, data privacy laws and payment card security, are complex to manage. A shared service can embed compliance by design, so each locality need not develop that expertise in-house. Several Iowa examples demonstrate the promise of a shared-systems approach.

Using a centralized platform, local entities automatically benefit from state-level security measures, such as encryption, monitoring and regular backups – measures they might not be able to implement alone.

In Scott County, interviews with agency executives highlighted efforts to integrate emergency services across cities and county lines. This includes coordination with Rock Island County, Illinois, and shows how shared platforms and systems thinking can reduce fragmentation and cost. Radio and computer-aided systems were unified, supported by 11 new towers and a centralized dispatch facility. The city of Bettendorf alone saved nearly \$750,000 annually as a result, which is significant given its population of just 40,000 and a funding rate set at a modest 50-cent landline levy for 911 services. Other cities and counties – especially those with larger populations – could see equal or even greater annual savings by adopting similar integration strategies.

Similarly, the Waste Commission of Scott County offers another example. Through public-private partnerships and joint procurement, cities like Davenport and Bettendorf adopted the same routing tools enabled by a geographic information system (GIS), along with the same garbage containers and trucks, reducing the number of staff needed for operations. Interviews with agency executives confirmed this approach led to streamlined operations with improved route tracking and standardized customer experience across multiple cities. The Waste Commission handles disposition of refuse under a unified agreement with no direct cost to Scott County or its communities. Without this collaboration, individual cities would incur refuse costs totaling approximately \$16 million annually.

Iowa already possesses several state-level tools that could be extended to local jurisdictions to generate similar efficiencies. DOM DoIT provides services like email and office productivity tools under state contracts. Many local governments could reduce costs by joining these contracts for services like email hosting or cloud storage. Additionally, the state has an e-discovery platform for handling public records requests and legal disclosures, which counties could use instead of purchasing their own. A review of core local IT needs found numerous opportunities for reliance on state systems, from GIS mapping for land records to permitting software for business licenses. By charting these local needs to existing state solutions, Iowa can unlock immediate efficiencies and avoid duplicative spending across its counties and municipalities.

Like state agencies, Iowa's counties and local governments also often handle large volumes of data and paperwork, conducting labor-intensive tasks, like manually reviewing handwritten records and processing forms, with limited resources. By leveraging AI solutions, local governments can significantly reduce routine workloads and free up staff for higher-value work. However, many local agencies do not have the ability to source technical expertise, nor do they have the policies needed for responsible AI adoption. This uncertainty, combined with concerns about data privacy and security, can make local officials hesitant to adopt emerging technologies without guidance.

A centralized, statewide approach can address these challenges by setting standards for ethical AI use and providing vetted technologies counties can trust. Establishing an AI catalog – a curated inventory of approved AI tools and vendors – would give local governments a “one-stop” resource for proven solutions in areas like document processing (e.g., optical character recognition to digitize paper records); virtual customer service (e.g., chatbots to answer common questions); and data analysis (e.g., algorithms to detect anomalies or trends). Such a catalog, paired with state-issued guidelines, would eliminate the need for each county or municipality to individually vet AI products for legal compliance and security.

This approach also would ensure consistency. Catalog tools would meet common criteria for transparency, privacy and effectiveness, aligning with public-sector AI best practices. The National Association of Counties (NACo) says the rise of technologies such as generative AI, presents both an “unprecedented challenge and a significant opportunity” for local governance. By providing a statewide knowledge base (e.g., sample policies, use-case playbooks and training resources), Iowa can empower its counties to deploy AI rather than leaving each jurisdiction to navigate the complexities alone.

Importantly, the productivity and efficiency improvements from AI adoption could be substantial for Iowa's local government employees. Economists estimate automating 25% of work tasks can increase overall labor productivity by about 15%. In short, empowering public employees with AI tools can significantly increase output and service capacity with the same staffing levels by using AI to handle repetitive work.

Furthermore, ethical use policies and training can address concerns about bias or improper use of AI in government. NACo's 2023 AI County Compass report highlights the need for ethical frameworks and workforce preparation so AI tools augment public services without eroding public trust. By establishing baseline standards for AI usage (e.g., requiring transparency when AI is used in decision-making, mandating privacy safeguards for sensitive data and ensuring human engagement for critical judgments), the state can help local agencies avoid pitfalls and public pushback. State-level executive support also would signal responsible AI adoption is a priority, encouraging county leaders to view AI as an opportunity.

Many local governments in Iowa also still rely on fragmented or outdated financial systems, with some smaller jurisdictions even managing budgets and ledgers in Excel or on paper. This approach to public finance is inefficient and risky. Manually updating multiple spreadsheets, for instance, is time-consuming and error-prone. Additionally, getting a real-time view of finances is nearly impossible with manual systems, since the data may be out of date, and compiling information for audits or public inquiries is labor-intensive. Legacy accounting setups also hinder transparency. When financial data is siloed or inconsistently categorized, it's challenging for state or local oversight bodies to compare expenditures, detect irregularities or ensure funds are being used as intended.

Manual systems increase opportunities for mistakes and fraud because it's harder to enforce internal controls or spot red flags without integrated tools. The lack of standardization also means each local jurisdiction might use different account codes and formats, making any statewide analysis complicated. Providing counties and cities with access to a shared, consolidated accounting platform can help ensure every locality has robust tools for budgeting, accounting, payroll and procurement without each bearing the full cost of ownership. In this case, built-in best practices around standardized charts of accounts, automated reconciliation features and audit trails would improve accuracy and accountability.

A centralized, statewide approach can address these challenges by setting standards for ethical AI use and providing vetted technologies counties can trust.

This combination of services also would result in efficiency gains. For instance, rather than a clerk entering the same vendor information into multiple county systems, the shared system could have a single vendor database. Updates and patches (e.g., for security or regulatory changes) would be applied once, centrally, rather than county by county or city by city. Training efforts could be centralized, and new finance staff anywhere in Iowa could be trained in the same software. A Moody's analysis in New Jersey found that shared services like this helped local governments curb expense growth and limit the need to raise taxes.

With all local jurisdictions on the same system, the state auditor or DOM could more easily aggregate data to see the “big picture” of local government finance. During audits, having uniform systems means less time trying to reconcile different formats and more time focusing on the substance within the data. A consolidated system could even enable real-time dashboards for stakeholders, such as county supervisors, state legislators and the public.

Other states have pioneered shared financial systems for local governments. Minnesota’s Office of the State Auditor provides a “Small City and Town Accounting System” software for use by more than 1,700 small municipalities, allowing them to maintain their books electronically and submit standardized reports to the state. Likewise, Ohio’s Auditor of State offers the Uniform Accounting Network, a centrally supported financial software package used by more than 2,000 townships, villages, cities and special districts in Ohio for accounting, payroll and financial management. These programs demonstrate how a state-driven approach can greatly improve consistency and reduce the technology burden on local governments.

Iowa’s counties (and hundreds of municipalities) operate with a high degree of autonomy, which allows community-level tailoring but can also hamper efficiency and statewide coordination. The variety of approaches across local government in everything from financial accounting to IT systems and data reporting formats means best practices are not uniformly applied. Maintaining so many separate ways of doing the same work results in duplicate effort and expense.

Mandating statewide standards would create clarity and predictability. It also could level the playing field by ensuring that slower-to-adopt counties are not left behind and that all Iowans receive the same quality service, regardless of where they live. Accountability and economies of scale are other benefits of statewide standards. Rather than multiple entities procuring their own software or developing separate technology policies, a standard enables joint, cost-saving solutions.

Other states provide useful models for standardization. Georgia law, for example, requires all local governments to adhere to a “uniform chart of accounts” for financial reporting. This legislative mandate ensures every county and city in Georgia classifies revenues and expenditures the same way, greatly improving comparability and transparency of local financial data across the state. Indiana’s legislature has an internal controls mandate. This statewide rule requires local entities to implement proper financial controls, reporting and training, resulting in more consistent safeguards against fraud and error across all counties.

By targeting areas where fragmentation drives up costs or risks, Iowa can respect local autonomy while still supporting places where coordination is crucial. Engaging counties and stakeholders early in the process is key to co-designing and refining the language associated with this recommendation. A collaborative process can identify potential obstacles and ensure local priorities are met.



IMPLEMENTATION

The working group determined addressing this opportunity will require the following legislative and administrative actions.

- Conduct an inventory of common local government technology needs (e.g., finance, human resources, geographic information system mapping, public safety, permitting, etc.) and identify existing state systems or contracts that align with each need.
 - Engage stakeholders from counties and cities to validate that these state platforms meet local requirements. For example, if many counties need a modern permitting system, determine if a state-run permitting or licensing platform could serve that function.
 - Develop a catalog that maps each need to a “shared solution” offering.
 - Create uniform cooperating agreements allowing local governments to adopt designated state platforms. These agreements should outline service expectations, cost-sharing arrangements and data governance (e.g., clarifying ownership and access to local data on the shared system).
- Provide onboarding assistance to local entities migrating to a state platform, including technical migration support, user training for staff and change management resources to communicate benefits.
- Maintain some flexibility to accommodate local variations.
 - Implementation steps should include working with platform vendors or developers to enable configurable options so each locality can fulfill any unique statutory requirements or preferences (e.g., a county needing a custom form specific to a local ordinance).
- Assemble a catalog of pre-approved AI tools tailored to high-priority government use cases, such as a visual character recognition solution for digitizing records, natural language processing/chatbot services for answering citizen questions, AI-assisted document classification for clerical work or fraud detection algorithms for finance.
 - Each tool in the catalog should be vetted for security and compliance (e.g., ensuring vendors meet Iowa’s data privacy requirements).
 - The catalog can be published on a state portal and updated regularly.
 - Alongside it, publish an “AI playbook” with how-to guidance for implementing these tools, including case studies.
- At the state level, support responsible AI use across local governments by issuing clear recommendations on ethical practices (e.g., addressing bias, ensuring transparency and protecting data) and updating local governments as technology and laws evolve.
 - Review and approve new tools for the AI catalog on an ongoing basis, ensuring they meet the established criteria for fairness and security.
- Initiate pilot projects with a diverse set of counties (urban and rural) to implement AI solutions in areas with heavy manual workloads. For example, pilot an AI-powered document classification system in a county with a large backlog of records.
 - Provide state-level technical support for these pilots.
 - Use successful pilots as demonstration projects, producing testimonials and quantifiable benefits (e.g., faster processing times, error reduction) to be shared statewide to build buy-in.

- Offer training sessions, workshops and peer-learning opportunities for local officials and IT staff on AI topics. Topics should include how to interpret AI recommendations, how to maintain AI systems and how to address common concerns from the public or employees. In addition, set up an AI help desk at the state to assist counties with troubleshooting, integration of AI tools with their existing systems and data management practices. This ensures that once tools are deployed, local staff have the necessary support to use them effectively.
- Whenever possible, utilize or extend existing state IT infrastructure for AI deployments to local governments. For example, if the state has a cloud analytics platform or a license for certain AI software, allow local entities to onboard; this can speed adoption and ensure compliance.
- Implement a feedback loop where any issues arising from AI use (e.g., a biased outcome detected, or citizen complaint about an automated decision) are reported to the state governance committee. Update the catalog and guidelines accordingly.
- Define the requirements for a consolidated financial system in cooperation with a representative group of local finance directors, county auditors, city clerks, IT staff and state officials.
 - Core modules should include general ledger, budgeting, accounts payable/receivable, payroll, grant/project accounting and robust (e.g., automated) reporting capabilities.
- Evaluate whether to extend the state’s existing system to local entities or procure a new cloud-based government finance system.
 - The state could explore a multi-tenant setup where counties and cities join the state’s platform as separate units, leveraging the existing built-for-government solution.
- Identify a group of local governments representing a cross-section (small, medium and large) to be the first adopters.
 - Once the pilot counties successfully complete a fiscal period (e.g., one quarter) on the new system and any issues are resolved, proceed to the next wave of local governments.
- Migrate existing financial data from each local jurisdiction’s legacy system into the new consolidated platform.
 - Develop migration tools or scripts for common legacy systems.
 - Identify any potential integrations with other systems, for taxes and assessments, for example, that will need to feed into the accounting system.
- Create a training and support program for local staff.
 - Training could include online webinars and/or user manuals specific to Iowa’s configuration.
 - Ensure a support team is available for troubleshooting and questions, as other states do by maintaining help desks for users.
- Collaborate with counties and key stakeholders to determine which processes or systems would benefit most from a legislated statewide standard (e.g., accounting, cybersecurity, emergency communications, data reporting, etc.).
 - Prioritize a short list of functions based on clear criteria, such as potential cost savings, risk reduction or improved service delivery, to focus efforts on the changes with the greatest potential impact.

- Convene a working group to draft the legislative language. This group could include legislative staff or bill drafters, state agency experts and relevant county officials (e.g., county auditors for financial standards, IT directors for tech standards, etc.).
 - Requirements should be clear, achievable and include necessary support mechanisms.
- Establish a mechanism to monitor compliance and offer support to any counties lagging behind, emphasizing collective improvement.
- Review standards periodically (e.g., every two to three years) by a joint state-local committee to incorporate technological changes or lessons learned.
 - Ensure the standards keep pace with innovation and evolving needs, so today's solution doesn't become tomorrow's outdated mandate.
 - Make standard-setting an ongoing collaboration, so Iowa can adapt over time and maintain relevance/local partnership.
 - Build in flexibility to update standards using administrative rules, so standards remain current without requiring new legislation.

MEASURES OF SUCCESS

The working group identified the following success indicators to help gauge progress toward implementing the recommendations aligned with this opportunity.

- Number of local governments using each shared state platform.
- Financial impact for local governments utilizing shared state platforms (e.g., comparing costs before and after or estimating avoided costs).
- Service quality and usage metrics.
- Reduction in time it takes for a local government to implement a new technology solution.
- Percentage of local governments deploying at least one AI tool from the state-supported catalog.
- Reductions in processing times or workloads for tasks where AI is applied (e.g., average time to fulfill a public records request or to classify a document before and after AI implementation).
- Total staff hours saved or repurposed due to AI.
- Impact of AI implementation on accuracy and error reduction.
- Number of vetted AI tools and cataloged use cases.
- Staff satisfaction and capacity gains.
- Number of local governments adopting a consolidated, state-level financial system.
- Efficiency and time savings (e.g., reduction in the average time to close monthly books or to prepare the annual budget using the new system versus old methods).
- Financial impact in terms of cost savings or cost avoidance (e.g., reduction in duplicate software/license fees).
- Personnel cost avoidance (e.g., reduced need to hire extra accounting staff due to simplified workloads, cities sharing a single support team instead of separately paying consultants, etc.).
- Percentage of local governments meeting the required standards within the specified timeframe.

- Improvements in consistency of relevant outputs (e.g., for financial reporting, measure the uniformity and accuracy of submitted reports post-implementation).
- State-local integration and data sharing (e.g., number of datasets or reports more easily aggregated at the state level).
- Instances of cross-county data sharing or joint initiatives made possible by common standards (e.g., a multicounty public health dashboard).
- Standards-related consolidation and associated cost savings.

OPPORTUNITY AREA #6 DATA GOVERNANCE AND REPORTING

Recommendation 6A: Reform retention policies.

Align retention policies with digital transformation goals and reduce unnecessary storage costs and cybersecurity risks, while supporting agency-led digitization efforts.

Recommendation 6B: Establish a cross-agency reporting and analytics framework with AI integration.

Standardize metrics and leverage business intelligence tools for reporting, data analytics and more to improve data analysis and decision-making at the state level. Specifically utilize these tools to compile a comprehensive dashboard annually that compares outcomes to plan.

Recommendation 6C: Establish a statewide data architecture and governance.

Establish a statewide data architecture and governance model, including standards and policies for master data management, data sharing and the use of AI, to ensure responsible, consistent use of data and emerging tools across agencies. The existing data.iowa.gov can be leveraged as its information hub.

BACKGROUND AND RATIONALE

Iowa's government manages vast volumes of data, but outdated retention policies, fragmented reporting systems and siloed governance structures limit its ability to operate efficiently. By reforming retention policies, building a unified reporting and analytics framework and adopting a consistent statewide governance model, the state can reduce costs, strengthen cybersecurity and enable more timely, data-driven decisions.

Outdated record retention schedules across State of Iowa agencies drive excess data storage, creating unnecessary costs, cybersecurity risks and slower information processing. Agency feedback shows the situation is creating barriers to effective digitization initiatives, with changing guidance and burdensome storage needs mentioned as specific and ongoing pain points.

Governments often retain far more data than necessary for operations. By clearly defining the lifespan and required formats of records, agencies can prioritize electronic systems and phase out legacy infrastructure. However, many current retention schedules in Iowa reflect outdated record keeping frameworks that are not aligned with modern digital practices, as evidenced by the following examples:

- Lists of credit card holders retained three years after deactivation.
- Vehicle inventory records, including purchase prices and driver assignments, retained three years past vehicle lifecycle.
- General agency records, such as executive correspondence, commission minutes and departmental policies retained long-term or indefinitely.
- Agency email records stored indefinitely.
- Agency-created reports retained five years past relevance, often involving multiple preservation steps.
- Promotional and informational records retained beyond operational use, often indefinitely.

Long retention periods not only result in excess costs but also pose security risks. Over-retention of data makes the state a more attractive target for breaches and, the more data stored in archives, the greater potential damage if hackers gain access. According to DOM DoIT, Iowa held approximately 1.69 petabytes of data in email and document files as of July 2025 – a volume that would fill several football fields if printed. Modernizing retention policies will enable Iowa to dispose of information that has outlived its purpose. By retaining only what is necessary, Iowa can optimize operational efficiency and strengthen its overall risk posture.

By retaining only what is necessary, Iowa can optimize operational efficiency and strengthen its overall risk posture.

A modernized retention policy framework should align with digital-first governance and treat electronic records as the default. Clear rules for how long different types of data are kept and when they should be deleted or archived can be set up for automatic implementation. Iowa also should have an ongoing mechanism to periodically review retention schedules, adjust them as laws change (or as storage technology changes) and ensure agencies comply. This might involve a central records management program or coordination with agency-level data stewards to continually modernize practices. Ultimately, the goal is to have retention policies that right-size data preservation, keeping what is truly needed for legal compliance, public records or historical archives and confidently discarding the rest.

Iowa has made strides toward enterprise data sharing. For instance, the state's Enterprise Data Platform allows agencies to publish and share data assets internally and publicly via data.iowa.gov. However, opportunities remain to better harness this data for decision-making, which currently can consume considerable staff time and lead to inconsistent metrics, duplicate effort and slow turnaround times. As a result, there is confusion about where to find annual results reporting, for example, from across government agencies.

This environment limits agencies' ability to effectively leverage advanced analytics tools and AI-driven insights.

Another area that could improve efficiencies at the state level is reduced reporting requirements for federal programs. For instance, the 2021 changes to the U.S. Department of Housing and Urban Development Section 3 program imposed excessive documentation and paperwork requirements that increased project costs without delivering meaningful benefits to communities or residents. This is just one example of many where reporting could be more consistent, efficient and focused on the essentials to gauge outcomes without unnecessarily increasing the administrative resources involved in running federal programs.

The following agency feedback highlights challenges related to fragmented systems and processes stemming from complicated workflows, lack of system unification and the absence of a strategy to separate data from applications for integrated business analytics and reporting:

- There are three different systems managing entries in the Department of Revenue Financial Services Division, as well as additional required entries for the state accounting system.
- Annual reporting often requires combining information from multiple state agencies alongside internal spreadsheets.
- Unification of data streams for analytics reporting is possible, but used infrequently, and there is limited ability to share analytics tools among agencies.

AI tools, such as dashboards with automated alerts and graphic visualizations, remain underutilized because of limited access and a lack of coordinated infrastructure. Leveraging AI-driven analytics and automated reporting can streamline operations, enhance data-driven insights and promote transparency through public-facing dashboards.

Agencies can save significant time by integrating these tools. For example, the U.S. Centers for Disease Control and Prevention cut its report preparation time by 96% after adopting automated analytics dashboards. Even if state employees spend only 5% of their time on reporting, cutting that effort by 96% could save millions of hours annually.

To fully leverage data as a strategic asset, Iowa needs a robust statewide data architecture and governance framework. Currently, data practices vary by agency, leading to independent approaches and lack of sharing across departments. These challenges impede advanced analytics and the effective use of AI in government, since successful AI and analytics require high-quality, well-governed data. Issues are often compounded by aging physical infrastructure, which can further hinder seamless data integration and modernization efforts.

To fully leverage data as a strategic asset, Iowa needs a robust statewide data architecture and governance framework.

Executive-level commitment to data architecture, master data management and governance is essential to overcoming barriers and driving efficiency. National benchmarks and federal guidelines, including the Federal Data Strategy Data Governance Playbook and the U.S. Office of Personnel Management Data Strategy, serve as guides for how robust data governance can enhance operational effectiveness. For example, the Federal Data Strategy emphasizes principles such as treating data as a strategic asset, implementing enterprise data inventories and establishing clear data stewardship roles. It encourages regular data maturity assessments and incremental improvements – steps Iowa could mirror.

Looking to other states provides helpful guidance. Oregon, for example, mandates structured procedures for data classification and lifecycle management, defining four levels of data sensitivity, with increasing security and access controls. Agencies are required to maintain an inventory of information assets, assign classification levels based on sensitivity and value, implement access controls and adhere to retention schedules. Compliance is supported through a statewide toolkit, training modules and periodic audits by the Chief Data Office.

Rhode Island has established a unified governance structure combining multiple data ecosystems under one governance model. It includes AI and ethics integration for responsible AI use and data protection, clarifies data product ownership with defined quality standards and compliance responsibilities and is centrally overseen by the Division of Enterprise Technology Strategy and Services.

Iowa already operates an open data portal (data.iowa.gov), which can be a key cornerstone – serving as an information hub for standardized datasets and transparency. Implementing a robust statewide data governance framework should leverage this portal and align with best practices and federal standards to ensure consistent, secure and ethical data management across all levels of government. Core principles for effective data governance include data as a strategic asset; privacy and security by design; interoperability (i.e., compatibility) and standardization; and transparency and accountability.

Key Steps for Effective Data Governance

- Standardize data classification, access control and lifecycle management aligned with State of Iowa and federal standards.
- Implement practices for managing core data to ensure consistency and accuracy across agency systems, reducing duplication and errors.
- Promote shared platforms and cloud-based solutions; encourage open data initiatives.
- Establish and enforce data quality metrics and metadata standards for data discoverability and reuse.
- Ensure adherence to state and federal privacy laws and establish ethical review boards for data projects.
- Implement a statewide data literacy program promoting continuous improvement and a data sharing culture.
- Introduce agency-level data stewards and assign designated functions to lead data strategy and governance.



By implementing a governance framework, Iowa will establish a solid foundation for advanced analytics and AI use. Agencies will be able to share and use high-quality data more easily, which in turn enables responsible AI adoption at scale – from machine learning insights to AI-assisted decision tools. In practice, this means faster deployment of AI solutions (since data is readily accessible and well-governed) and greater innovation in services, while ensuring strong data ethics and security.

IMPLEMENTATION

The working group determined addressing this opportunity will require the following legislative and administrative actions.

- Conduct a comprehensive statewide review of existing retention schedules and data inventories.
 - Inventory what types of records and datasets each agency is retaining, for how long and why.
 - Estimate current costs associated with retention practices.
- Engage stakeholders (e.g., records management officers, IT leaders, data stewards, legal counsel, cybersecurity experts, etc.) to identify specific pain points, unnecessary retention periods and redundant or obsolete data requirements.
 - Update retention policies to reflect digital best practices, including adjusting or shortening retention periods where feasible.
- Integrate cybersecurity and privacy considerations into retention decisions and ensure sensitive personal data is not kept longer than necessary.
 - Dispose of data that is no longer needed.
 - Incorporate “privacy by design” principles, for example, automatically deleting or anonymizing personal data after its retention period expires.
- Implement tools and processes for automated retention enforcement.
 - Use technology to apply new retention schedules. For example, configure email systems, document management systems and databases to automatically delete or archive records once they hit their expiration date.
- Coordinate with the State Archives of Iowa and public records stakeholders. Ensure historically or legally significant records are identified for permanent preservation as needed.
- Leverage the existing Iowa data platform as the foundation for a statewide analytics hub.
 - Expand the platform to ensure each agency can contribute data to a common repository and access shared datasets.
 - Use the hub to host verified “single sources of truth” for key data (e.g., population stats, finance data) and serve as a one-stop portal for reporting.
 - All public-facing open data (on data.iowa.gov) and internal datasets should be linked here for easy discovery.
- Expand and refine cross-agency measurement and reporting templates, and define a core set of metrics – covering finance, human resources, program outcomes and other areas – that all departments will track.
 - Produce consolidated dashboards (e.g., an enterprise performance dashboard) using standardized definitions and calculation methods.

- Deploy a single modern business intelligence tool across departments, managed by the central analytics hub.
 - Provide every agency with access to this tool and the training to use it effectively.
 - Build automated data pipelines from agency systems into the BI platform to eliminate manual data entry.
- Integrate AI and automation into the reporting workflow. For instance, use AI to automatically generate first drafts of routine reports or to answer natural-language questions from users.
- Conduct a statewide data maturity assessment to identify gaps and prioritize improvement areas, drawing on established models such as those in the Federal Data Strategy Data Governance Playbook.
- Empower the DOM Division of Data, Planning and Improvement to lead data strategy and governance, coordinate across agencies and collaborate with agency leadership.
 - Introduce agency-level data stewards within major departments who will be responsible for implementing data policies in their respective organizations.
- Develop and adopt uniform data governance policies and standards.
 - Incorporate key components including data classification standards, data access and sharing protocols, metadata standards and AI ethics guidelines.
 - Align policies and standards with existing federal and state laws and follow best practices (e.g., requiring transparency for any AI system used in decision-making).
- Use, and continuously improve, data.iowa.gov as the central hub for data transparency and sharing.
 - Set targets for adding new datasets and improving data quality on the portal (e.g., ensuring datasets are updated, have rich metadata and are in user-friendly formats).
- Launch a training program for state employees to build a culture of data-driven decision-making.
 - Provide education on new data tools (e.g., business intelligence and AI tools), interpreting data analytics, best practices and understanding data governance policies.
 - Conduct routine workshops or data literacy programs to raise the overall analytical capability of the public workforce.
- Develop AI standards and a governance process for AI usage.
 - Submit AI projects for vetting to ensure they meet state standards for transparency, security and effectiveness.
 - Reference the federal AI Risk Management Framework to help integrate safety, fairness and accountability considerations into the design, development, deployment and evaluation of AI systems.

MEASURES OF SUCCESS

The working group identified the following success indicators to help gauge progress toward implementing the recommendations aligned with this opportunity.

- Reduction in data storage volume and cost.
- Decrease in administrative effort spent on managing legacy records.
- Reduction in cybersecurity risk incidents related to data retention.
- Successful execution of digitization initiatives that were previously blocked by outdated retention rules.
- Reduction in manual reporting effort (i.e., track aggregate hours spent on report preparation across agencies).
- Number of cross-agency dashboards and reports created and actively used.
- Improvements in data quality and consistency, measured by a decrease in discrepancies between departmental reports.
- Agency participation rate (i.e., number of state agencies contributing data to the central platform and using the standard reporting tools).
- Number of standardized data assets and data sharing agreements in place (e.g., the common data elements with a standard definition used across agencies).
- Number of interagency data sharing agreements executed under the new model, facilitating cross-agency data flows.
- Periodic audits or assessments measuring data quality improvements.
- Increase in data sharing and usage (e.g., number of datasets accessed through the enterprise data platform).
- Policy compliance (aim for a measurable reduction in redundant data systems).
- Number of AI projects reviewed and approved through the governance process.



RETURN ON TAXPAYER INVESTMENT WORKING GROUP

The Return on Taxpayer Investment (ROI) Working Group focused on maximizing the impact of every tax dollar by improving efficiency, modernizing government practices and aligning public services more closely with private-sector standards. The group identified opportunities to increase competitiveness, streamline the delivery of local and state services and ensure that compensation, benefits and operations provide both fiscal sustainability and strong outcomes for Iowans.

WORKING GROUP LEADERSHIP AND MEMBERS

The following Department of Government Efficiency Task Force appointees contributed their expertise to develop recommendations aimed at delivering greater value for taxpayers.

Terry Lutz – Chair
McClure Engineering

Craig Dozark
Crawford County Board of Supervisors

Nick Bowdish
Elite Octane

Kraig Paulsen – State Agency Liaison
Iowa Department of Management

Mark Campbell
Formerly Webster County Board of Supervisors

OPPORTUNITIES ADDRESSED

The working group started by identifying the following four opportunity areas to address the challenge at hand, which the working group concluded is the result of multiple converging factors, such as stagnant student outcomes despite high per-pupil spending, duplicative local government structures, increasing workforce liabilities and outdated operational practices across state and local entities.

1. Improved Education Results
2. Shared Government Service Delivery at the Local Level
3. Modernized Public Workforce Attraction, Retention and Development
4. Maximize Operational Efficiencies

RECOMMENDATIONS

The working group developed the following recommendations (further detailed in the remainder of this report) to address these four opportunity areas.

- Establish a merit-based compensation framework – including a bonus structure, teacher professional development and incentives for those in high-need schools in order to improve student outcomes and financially reward high-performing teachers.
- Develop an outcome-based funding and accountability framework for K-12 education, aligning public investments with measurable improvements in student achievement, STEM (science, technology, engineering and math) proficiency and workforce readiness.
- Expand and incentivize regional shared-service models across school districts to reduce administrative overhead, enable joint staffing and increase operational efficiency.
- Authorize Iowa municipalities with more than 50,000 residents to become “independent cities,” combining city and county services under one local government.
- Establish a “local government efficiency” grant program to spur cost-saving partnerships among local governments.
- Shift certain state services from county-based delivery to a state-managed regional model to enhance consistency and access.
- Merge each county’s treasurer and recorder offices into one combined office to improve efficiency and customer service.
- Modernize Iowa’s magistrate apportionment system by adopting a weighted caseload formula and eliminating the statutory one-magistrate-per-county requirement.
- Commission a regular compensation and benefits study, like is common in the private sector, to benchmark and optimize the total rewards package for public sector employees.
- Streamline state hiring pathways and expand early-career talent pipelines by modernizing recruitment processes, integrating intern-to-employee transitions and launching a unified employer branding campaign.
- Establish a statewide professional development program to ensure every public employee has access to consistent growth and career advancement opportunities.
- Streamline Department of Natural Resources (DNR) review of water and wastewater projects and require local governments and their consultants to evaluate regional solutions before project initiation.
- Conduct a comprehensive needs assessment of all state-owned properties and leases to reduce costs and risks, improve efficiency, address assets misaligned with taxpayer interests and ensure the state is not operating in areas better served by the private sector.
- Establish an online portal for Iowa public entities to post statutorily required notices, allowing citizens to search by government type, location and notice category and subscribe for updates according to their preferences.
- Create a user-friendly, searchable portal for the State of Iowa Cooperative Purchasing Program, enabling local governments to access and purchase from state-level master contracts via a standardized payment system.

OPPORTUNITY AREA #1 IMPROVED EDUCATION RESULTS

Recommendation 1A: Establish a merit-based compensation framework – including a bonus structure, teacher professional development and incentives for those in high-need schools in order to improve student outcomes and financially reward high-performing teachers.

Additionally, the framework would include incentives to attract and retain outstanding teachers in high-need schools (e.g., higher starting pay or bonuses for those working in rural or low-income districts), ensuring the hardest-to-staff classrooms and targeted programs benefit from Iowa’s best teaching talent.

Recommendation 1B: Develop an outcome-based funding and accountability framework for K-12 education, aligning public investments with measurable improvements in student achievement, STEM (science, technology, engineering and math) proficiency and workforce readiness.

This recommendation refocuses K-12 funding on results that matter for Iowa’s economy and students’ futures. It calls for setting clear statewide goals – for example, higher reading and math proficiency targets, growth in STEM credentials earned by students and increased participation in work-based learning – and tying investment and oversight to those outcomes.

The recommendation also involves creating a public dashboard to transparently track how dollars are spent, distinguishing administrative versus classroom expenditures alongside key student outcome metrics. By monitoring spending in relation to outcomes, stakeholders can make data-informed decisions to continually improve return on investment in education.

Recommendation 1C: Expand and incentivize regional shared-service models across school districts to reduce administrative overhead, enable joint staffing and increase operational efficiency so that more resources can be directed toward classroom instruction and student learning.

This recommendation aims to pool and streamline K-12 administrative functions in Iowa, especially for small and rural districts. It would encourage districts to share services, such as human resources, IT, food service, curriculum planning and procurement through regional collaboratives. Districts below a certain size (e.g., fewer than 500 students) not meeting efficiency or performance benchmarks after a grace period could be required to participate in shared-service arrangements or make other arrangements. The plan also calls for modernizing school transportation statewide – for instance, using AI-based route optimization and shared bus fleets to cut costs and improve service.

Overall, the goal is to significantly increase the share of education spending that goes into instruction. Cutting back-office costs frees up dollars to be reinvested in teachers, students and learning programs without compromising local school identity or input.

BACKGROUND AND RATIONALE

Iowa's K-12 education system serves approximately 480,000 public school students across 325 school districts. As part of the school foundation formula, K-12 education has accounted for roughly 42% of the state's general fund spending over the past two fiscal years. And yet student performance on national assessments has declined over the past decade, mirroring the national pattern and indicating a need for better returns on investment (ROI). Teacher compensation is the single largest line item in the state's education budget, but the current pay structure is based almost entirely on seniority and credentials, not classroom effectiveness. This presents both an ROI challenge and a talent retention risk.

On the National Assessment of Educational Progress (NAEP) – the only state-by-state comparison of student progress – Iowa's statewide averages dropped nine scale score points in fourth-grade math, nine points in fourth-grade reading, 10 points in eighth-grade math and eight points in eighth-grade reading from 2013 to 2024 (the latest available data). NAEP results for 2024 also show large gaps in achievement for students with disabilities, English language learners, students who qualify for free or reduced-price lunch and Black and Hispanic students.

However, state test scores from 2025 show notable growth across most grade levels in English language arts and science from the year before. Following investments in early literacy, including training for teachers in the science of reading, students who were in third grade during the 2023-2024 school year showed outstanding gains on the Iowa Statewide Assessment of Student Progress (ISASP) as fourth graders in 2024-2025, with English language arts proficiency increasing by 11 percentage points.

The trends underscore the urgency for innovation in how Iowa allocates its educational resources. One crucial strategy is to better align teacher incentives with instructional impact. Iowa's current model does not financially distinguish between high-impact teachers and ineffective ones, potentially failing to reward excellence and risking the loss of top talent. Adopting a robust, performance-based teacher compensation system would address this by identifying, rewarding and retaining high-performing teachers to drive instructional excellence.

This approach would tie incentives to outcomes, such as student growth, completion of advanced coursework or credentials and closing achievement gaps among underperforming student groups. High-performing teachers could earn meaningful bonuses – on the order of 3% - 10% of their base salary – based on sustained student improvement (using rolling multiyear averages to smooth out volatility).



Iowa already has its Teacher Leadership and Compensation (TLC) program, established a decade ago to create mentor and lead teacher roles in every district. However, TLC stipends are tied to additional duties rather than student outcomes, and the pay differentials have been modest. By expanding this framework to include performance-based advancement, with more significant salary differentials for demonstrated classroom effectiveness, Iowa can maximize the impact of its existing investment in teacher leadership. This approach also directly supports the Task Force’s mission by tying compensation to results.

Evidence from other regions shows how strategic merit-pay initiatives can boost both teacher performance and student outcomes. For instance, in Texas, the Dallas Independent School District started a multiple-measure evaluation system and subsequently saw improved reading and math achievement, along with better retention of top teachers, especially in high-poverty schools. The Teacher Incentive Allotment program, also in Texas, created tiers of teachers eligible for state-funded bonuses of \$10,000 - \$30,000, helping to attract and retain talent in rural and high-need schools. In Washington, D.C., the IMPACT evaluation and pay system offers bonuses up to \$25,000 and sizable base salary increases for teachers rated highly effective. Research found this system led to measurable gains in overall teaching quality by encouraging low-performing teachers to leave the district and improving the performance of remaining teachers. Similarly, Arkansas enacted a merit pay law that rewards teachers with bonuses based on student growth, license advancements and service in high-need areas – reorienting educator incentives around results rather than just seniority.

Rewarding results can help distribute teaching talent more evenly across the state, especially in rural areas, so all students benefit from excellent instruction.

These programs demonstrate merit pay is most effective when coupled with strong evaluation, professional development and career-path support. Simply offering bonuses in isolation yields limited results, as seen in prior one-off bonus experiments, but integrating performance pay into a comprehensive system with clear standards and coaching can produce meaningful gains. In fact, a 2021 meta-analysis of 37 studies found that well-designed merit pay systems produced a modest, but positive, effect on student achievement equating to roughly three additional weeks of learning per year.

Performance-based pay also can help address equity issues. Today, Iowa’s best teachers are often concentrated in wealthier districts, while high-need schools (rural and urban alike) struggle to attract and retain top educators. A compensation system differentiating pay based on effectiveness, and offering extra incentives for teaching in underserved areas, could change this dynamic. Both D.C. and Texas, for example, have used merit pay to successfully encourage high-performing teachers to work in harder-to-staff schools, with early evidence of improved retention and student achievement in those settings. Rewarding results can help distribute teaching talent more evenly across the state, especially in rural areas, so all students benefit from excellent instruction.

The timing for education reform is critical. The COVID-19 pandemic caused significant learning losses nationwide – roughly one-half of a year in math and one-quarter of a year in reading were lost on average, with only 20% - 30% of the losses recovered the following year. Although the learning losses for Iowa students were much less dramatic, a well-designed merit pay initiative (phased in gradually and on a voluntary basis) can serve as a catalyst to accelerate learning recovery by incentivizing and spreading effective teaching practices.

Such a system would aim to reward impact, scale excellence and improve instruction while maintaining local flexibility in implementation. By raising student achievement, keeping more of the state’s best educators in the classroom, improving equity and maximizing ROI on education spending, a modern performance-aligned pay system would advance several central goals of the Task Force simultaneously.

A complementary strategy is to align K-12 funding and curricula with workforce readiness outcomes. As technology evolves and Iowa’s key industries grow, the state faces intense competition for skilled talent. Ensuring students graduate high school ready for postsecondary education or direct entry into high-demand careers is paramount. Analysis by the working group found that districts with only average-size budgets – but higher student performance and ACT scores – delivered the strongest ROI, whereas simply spending more money did not necessarily mean better results. In other words, Iowa must target investments toward strategies that yield measurable gains in student learning and workforce alignment.

In practice, the approach recommended by the working group would expand proven early literacy and math initiatives, scale up career-connected learning (e.g., work-based learning opportunities and student industry certifications) and pilot the use of AI-driven personalized learning tools to accelerate student growth. Educators would receive professional development in new technologies (e.g., training in AI-assisted instruction and coding, using tools like CodeCombat or Microsoft MakeCode), with support from Iowa’s technology industry, universities and the state’s existing EdTech grants to keep curriculum aligned with real-world skills.

There have been recent steps in the right direction. In 2024, Iowa passed early literacy legislation requiring evidence-based reading instruction aligned with the science of reading; universal screening and interventions for K-3 students; and intensive teacher training in literacy. Similarly, the 2025 Math Counts Act now mandates universal math assessments for K-6, individualized support plans for struggling students and stronger math coursework requirements for teacher preparation programs. These policies raise the bar for essential skills and tie funding to proven practices, such as early intervention and teacher upskilling, that are expected to improve long-term outcomes.

Early indicators are encouraging. For example, Iowa’s deployment of an AI reading tutor (the Amira Learning platform) in elementary schools has coincided with a significant jump in state reading scores, demonstrating the promise of AI-driven personalized

learning tools in boosting achievement. Iowa has also been a leader in career-connected education through its network of regional centers and dual-enrollment programs. In the Council Bluffs area, more than 200 high school students earned a career credential or associate degree through the nearby community college before graduation, many in fields tied directly to local workforce demand. By expanding such models statewide, Iowa can better align K-12 outcomes with the needs of industries like advanced manufacturing, agriculture, health care and information technology.

The increasing prominence of AI and other technologies further highlights the need to modernize Iowa's education approach. Adaptive learning platforms and AI tutoring systems offer individualized support at scale. In early pilots, students using AI-powered tutors for just 30 minutes per week saw approximately 20% greater learning gains in math and reading compared to expected growth. Iowa has begun leveraging such tools, and the next step is to evaluate and scale them across the state. Unlike adding more staff or class time, integrating AI is a cost-effective way to accelerate student learning, potentially improving ROI by raising achievement without proportional increases in spending.

Iowa's demographic outlook also factors into this strategy. K-12 enrollment is projected to stay steady or decline through 2030, driven by lower birth rates and the growth of alternative schooling options, especially in rural areas. If student counts drop while the number of school districts and fixed costs remain the same, spending per student will inevitably rise – putting pressure on budgets. The only sustainable path is to boost efficiency and outcomes simultaneously.

Iowa must target investments toward strategies that yield measurable gains in student learning and workforce alignment.

By embedding outcome expectations into funding decisions now (e.g., making new funding contingent on improvements in third-grade literacy, or on expanding career academies and STEM programs), Iowa can ensure that, even with fewer students, each dollar is working harder to produce skilled graduates. This approach echoes the Task Force's core mission: improving the return on every taxpayer dollar by funding what works and expecting results in return. Just as Iowa has done in other domains – from workforce development to public health – the state can lead on education by measuring success not by inputs expended, but by outcomes achieved.

The third piece of the puzzle is structural efficiency in the K-12 system. Iowa's tradition of local control has led to 325 school districts, more than half of which serve fewer than 1,500 students (and many, fewer than 500). By comparison, the average district size nationally is about 3,650 students, and neighboring states like Minnesota and Illinois average about 2,200 - 2,500 students per district. Maintaining hundreds of separate administrative structures – each with its own superintendent, back-office staff, bus fleet and facilities – creates significant cost inefficiencies, especially as enrollment declines. Small, rural districts, in particular, face rising per-pupil administrative costs that draw funds away from instruction. Indeed, as overall K-12 enrollment shrinks and inflation

drives costs up, many districts are spending an ever-greater share of their budgets on overhead rather than the classroom. This must be addressed now to avoid additional strain on rural schools.

Districts that share services – such as jointly hiring administrators or combining operations – tend to direct a much larger share of their budgets to instruction. Iowa school districts with shared-service arrangements often exceed a \$10-to-\$1 ratio of instructional to administrative spending, while average spending – especially in smaller stand-alone districts – often falls well below this ratio. Likewise, the cost per graduate varies widely and is typically higher in the smallest districts that do not have the opportunity to benefit from economies of scale. These findings mirror what Iowa educators and administrators have voiced: that reducing duplicative administration is both possible and necessary to sustain quality instruction in a challenging fiscal environment.

Fortunately, there are successful examples to build upon. In some Iowa communities, neighboring districts share a superintendent or business manager, dramatically lowering administrative expenses and freeing up money for teacher salaries, extracurriculars and student support. One consortium of rural districts jointly hired a curriculum director and created a shared pool of substitute teachers, enabling them to offer more STEM and advanced courses than any single small district could manage alone. Iowa's Area Education Agencies (AEAs) also have begun to merge administrative functions. For example, two AEAs (Central Rivers in Cedar Falls and Keystone in Elkader) partnered with Mississippi Bend AEA in Bettendorf to share top executives, such as a chief administrator and chief financial officer, cutting overhead and meeting a legislative mandate to reduce AEA administrative costs by 30%.

This kind of regional collaboration shows how significant savings and service improvements are achievable. Voluntary shared services allow districts to preserve their local identities, school boards and community engagement while still unlocking the efficiencies of scale. It's a flexible, scalable strategy. Districts can opt into shared arrangements as it makes sense for them, supported by state-provided templates and incentives, rather than a one-size mandate.

Sharing services also can expand opportunities for students, giving those in remote areas access to courses and resources their home district alone could not offer. For example, one partnership operates a mobile STEM lab with an AI-focused curriculum that rotates among five Iowa high schools, exposing students to coding, robotics and digital problem-solving – classes they otherwise would not have access to. By scaling up these types of efforts, Iowa can ensure a student's educational opportunities are not limited by the size or wealth of their district.

Taken together, these three recommendations tackle educational improvement from multiple angles – teaching quality, funding effectiveness and structural efficiency. By rewarding excellent teaching, directing funds to evidence-based programs and workforce-aligned outcomes and streamlining operations, Iowa can significantly improve student achievement and preparedness. Most importantly, these changes anticipate and proactively address future challenges, and ultimately, will help Iowa achieve more value for every education dollar with the primary beneficiaries being Iowa’s students.

IMPLEMENTATION

The working group determined that addressing this opportunity will require the following legislative and administrative actions.

- Develop a merit-based teacher compensation system, establishing clear performance indicators for educators with corresponding incentives.
 - Pilot the new system for two to three years in a voluntary cohort of urban, rural and high-need districts, funding merit bonuses and stipends to demonstrate impact before scaling.
 - Leverage and enhance existing Teacher Leadership and Compensation (TLC) framework, integrating TLC roles with new performance tiers and providing additional coaching, career development and training aligned to performance evaluations.
- Offer targeted incentives, such as supplemental pay, relocation bonuses or other benefits, for top educators who commit to teaching in high-need areas, like rural or low-income districts.
- Establish a sustainable funding mechanism for performance-based pay. This could include creating a dedicated state performance fund or adjusting the school aid formula, so the program can continue after the pilot phase.
- Set clear statewide outcome targets and accountability measures for K-12 education via legislation or administrative action. Define specific goals along with timelines and a reporting process to track progress at the district and school level.
 - Redirect funding to proven early literacy and math programs. Increase investment in evidence-based initiatives, such as the science-of-reading training for teachers, more intensive tutoring for struggling students and mastery-based learning interventions.
 - Prioritize resources for districts not meeting proficiency benchmarks, ensuring support is directed where achievement gaps are greatest.
- Launch competitive innovation grants for STEM and AI-driven learning, with an emphasis on rural and underperforming schools, to pilot new technologies and curricula (e.g., AI-powered tutoring platforms, enhanced STEM coursework or personalized learning tools).
- Create performance-based incentives such as flexible bonus funding for districts showing significant gains in key outcomes like reading proficiency, math scores or an expanded number of students earning industry-recognized credentials.

- Build a statewide dashboard that tracks education spending (e.g., administration vs. instruction) and results (e.g., student achievement data for each district).
 - Use dashboard to highlight which districts are achieving better outcomes per dollar, identify best practices and flag areas needing additional support or accountability.
- Establish voluntary, regional shared-service centers facilitated by the Iowa Department of Education. These centers would allow districts to opt in for regional services such as human resources and payroll, IT support, procurement, etc.
- Provide standard legal and operational frameworks for sharing agreements, including interdistrict agreements, templates and guidance documents, to streamline the setup of shared service arrangements.
- Encourage and support innovative models where, for example, regional teaching positions in specialized subject areas are shared and collaborate to serve students from neighboring districts.
 - Expand the use of joint transportation services between districts, implementing route optimization software (using AI) to design more efficient bus routes across district lines, share bus fleets where feasible and explore fleet electrification or other cost-saving innovations in student transport.
 - Aim for a 70%/30% spending ratio between instruction and administration, refocusing resources on students and teachers over potential duplication of back-office functions.

MEASURES OF SUCCESS

The working group identified the following success indicators to help gauge progress toward implementing the recommendations aligned with this opportunity.

- Improved annual retention and distribution of top-rated teachers, targeting 90% or better retention and year-over-year increases in those working in rural and low-income schools.
- Improved student outcomes in pilot districts, increasing proficiency (over baseline) in core subjects by 5% or more within three years of implementation and reducing the proficiency gap between high- and low-income districts.
- One-quarter of districts opting into performance-pay pilot within three years and at least 50% of eligible teachers at those pilot locations pursuing advanced designations or participating in evaluation-based leadership roles.
 - Improved cost-effectiveness metrics, as measured by the state Department of Education and Department of Management, in areas such as cost per additional proficient student and cost per retained high-performing teacher, with participating districts demonstrating a higher “return on instruction.”
- At least 80% of teachers agreeing by the third year that evaluations are rigorous and merit bonuses are awarded fairly.
- Decreased number of teachers rated “ineffective” (as struggling teachers improve or pursue other roles), reflecting improvement in teaching quality.

- Increased share of Iowa students proficient in third-grade reading (+15%) and in eighth-grade math (+10%) by 2030, relative to baseline.
 - Regained position in the top 15 states on the National Assessment of Educational Progress for both reading and math.
- All Iowa high school students completing at least one work-based learning experience by 2030, with an interim target of 50% by 2027.
 - Double the number of high school students earning industry-recognized credentials, (e.g., technical certificates or college credits in high-demand fields) before graduation by 2030.
- All of Iowa's 325 public school districts piloting an AI-powered or personalized learning platform by 2027, achieving at least 15% proficiency gains.
- Increased number of districts achieving an instructional spending ratio above the state median, along with year-over-year gains in proficiency and college readiness per dollar spent.
- Full reporting compliance by districts in statewide ROI dashboard for education by 2027.
- One-third or more of Iowa school districts participating in shared service agreements by 2027, targeting an average instruction-to-administration expenditure ratio of 10-to-1 or better.
 - At least \$10 million in cumulative statewide savings achieved by 2028.
 - Reduced average cost per graduate within smaller and rural districts by 10%.
- Increased number of advanced academic offerings achieved through shared instructors or regional programs with a goal of offering students in every Iowa district, regardless of size, access to a rich curriculum including college-preparatory and career-technical courses.
- Majority of shared-services agreements drafted using the state-developed templates, with participating districts reporting 85% or greater satisfaction with the ease, quality and cost-effectiveness.
- Improvement in ROI measures among districts taking part in shared-services agreements compared to baseline.



OPPORTUNITY AREA #2 SHARED GOVERNMENT SERVICE DELIVERY AT THE LOCAL LEVEL

Recommendation 2A: Authorize Iowa municipalities with more than 50,000 residents to become “independent cities,” combining city and county services under one local government.

This proposal would create an optional form of local government for large municipalities, which could, if approved by local majority vote, assume all responsibilities and funding the county currently provides within its boundaries (aside from judicial functions and elections). The independent city would remain within its home county geographically but operate outside the county’s jurisdiction, effectively functioning as both the city and county government for its residents. This model eliminates overlapping city and county services and layers of administration, streamlining operations and improving accountability under a single elected authority. Neighboring jurisdictions sharing a border with an independent city could opt into its governance and service delivery area if they desire, providing flexibility for regional collaboration.

Citizen Comment:

“Less populous counties and towns can consolidate services such as law enforcement, city/county attorneys, etc. These savings would open the door for discretionary spending for our deteriorating infrastructure and new and/or improved trail systems.”

Recommendation 2B: Establish a “local government efficiency” grant program to spur cost-saving partnerships among local governments.

This program would provide state-supported funding for projects in which two or more local governments jointly reorganize, share services, regionalize operations, etc. to improve efficiency. The grant program would finance planning and implementation of these collaborative efforts, helping communities cover upfront costs associated with feasibility studies, technology and/or transition.

In addition to grants, the program would offer technical assistance and a forum for participating localities to share best practices and lessons learned. This statewide knowledge exchange would empower local leaders to overcome common barriers – such as legal complexities or uncertainty about savings – and, ultimately, deliver more cost-effective, high-quality services through cooperation.

Recommendation 2C: Shift certain state services from county-based delivery to a state-managed regional model to enhance consistency and access.

This recommendation calls for developing a small number of standard service regions (no more than 10) and gradually transferring state functions currently administered by

counties into direct state administration within those regions. Under this model, state-level departments would take over programs that today rely on county-by-county implementation, ensuring uniform availability and quality of services across Iowa. For example, public safety dispatch, health and human services programs or agricultural extension could be managed regionally by the state to reduce duplication and relieve local property taxpayers from subsidizing services provided at the state level (see Appendix for full opportunity assessment).

By centralizing administrative oversight at the state level, while still delivering services locally, Iowa can leverage economies of scale, professionalize service delivery and provide extended hours and improved online services statewide.

Citizen Comments:

“Can the state reduce the number of courthouse facilities needed? It’s 2025 and with modern modes of transportation and technological resources, can some facilities be consolidated?”

“Too much cost in maintaining aging county seat buildings.”

Recommendation 2D: Merge each county’s treasurer and recorder offices into one combined office to improve efficiency and customer service.

Every Iowa county would combine its county treasurer and county recorder functions into a single department, recognizing the similarity in their duties related to property records and finances. For example, the recorder handles documents like property deeds, mortgages and liens, while the treasurer collects property taxes and manages public funds – responsibilities that involve parallel workflows and shared data. Combining these roles into one “county record and revenue” office would reduce redundant staff duties and administrative overhead, as well as unify leadership and operations.

Residents also would benefit in the form of a one-stop shop for property transactions and payments, with faster processing times and fewer hand-offs. In addition, ensuring the office fully transitions to electronic recording of real estate documents will allow for more efficient property transactions. The working group also recommends making it easier for Iowans to pay their property taxes by allowing payments to be made at any bank in the state, not just at their county treasurer’s office.

Before merging, counties would conduct a software and systems audit to ensure the recorder and treasurer technologies are compatible. Aligning these systems would further streamline and improve data accuracy, reporting and long-term maintenance costs.

Citizen Comment:

“Iowa should eliminate the county recorder’s office. Their work could easily be absorbed into the county treasurer’s and county auditor’s offices. This department operates at a huge loss each year, costing taxpayers money.”

Recommendation 2E: Modernize Iowa’s magistrate apportionment system by adopting a weighted caseload formula and eliminating the statutory one-magistrate-per-county requirement.

By lowering the financial risk and providing expert support, the state can empower local governments to pilot shared services or mergers that they might not attempt on their own.

This proposal would allow magistrate positions to be distributed based on actual workloads rather than geography alone. Iowa currently maintains more than 30 magistrates above and beyond what are needed to meet case demand, costing taxpayers more than \$2 million annually. Under the new framework, counties with very small caseloads could share a magistrate, while busier areas would receive more resources. The Iowa Supreme Court would be tasked with developing and maintaining the weighted caseload formula, ensuring magistrates are allocated fairly and efficiently. Residency eligibility would expand to allow magistrates to serve across counties within their judicial election district, preserving access to justice while reducing unnecessary overhead.

BACKGROUND AND RATIONALE

Iowa’s local government structure has remained largely unchanged since the 19th century. Few jurisdictions have taken advantage of the alternative forms of government long authorized in Iowa Code, such as different county board structures, multicounty consolidations and unified city-county governments. Historical attempts at broad mergers, such as the Des Moines-Polk County consolidation votes in the 1990s and early 2000s, failed to gain approval. Those efforts faltered in part because their all-encompassing approach introduced new layers of complexity without clearly streamlining services. In addition, proposals that tried to merge a central city with surrounding suburbs and rural areas faced difficulty securing consensus among communities with distinct needs and identities. This history underscores a general tendency toward the status quo, misaligned incentives and perhaps a misunderstanding of the benefits of reorganization.

At the same time, many inefficiencies of fragmented local governance have become more apparent. Iowa’s cities and counties often duplicate services and administrative roles, which can unnecessarily consume resources and obscure accountability. Larger cities increasingly resemble urban counties in the range of services they provide, yet they still operate alongside a county government. In 2025, 88 of Iowa’s 99 counties have populations at or below 50,000, a threshold at which a well-resourced city can feasibly deliver the full slate of local services. If Iowa enables its biggest cities to assume county-equivalent powers, those cities can tailor services directly to their residents and eliminate an entire layer of government for about one-third of the state’s population.

Elsewhere in the U.S., 41 independent cities operate successfully – including St. Louis in the Midwest – showing this model can work under the right circumstances. An “independent city” option, approved by local voters, would only be implemented where the residents see clear value in consolidating city and county functions, focusing reform where local interest is strongest.

Even when full consolidation is not on the table, Iowa can encourage incremental steps to improve local government efficiency. One barrier to exploring new governance models is the complexities and costs associated with planning such changes. Local officials may be unsure of the potential benefits, concerned about financial disparities or union issues or simply overwhelmed by the legal procedure to merge or share services. That is why the working group recommends establishing a grant program to fund and guide collaborative projects like these. By lowering the financial risk and providing expert support, the state can empower local governments to pilot shared services or mergers that they might not attempt on their own. Early successes and documented savings from these projects would create case studies and best practices to inspire other communities, gradually building momentum for modernization from the ground up.

Another consideration is determining the appropriate level of government to deliver certain services in today’s environment. Counties historically served as administrative arms of the state when travel and communication were difficult, but now, modern technology and transportation allow for more centralized administration without sacrificing local access. Working group recommendations embrace this principle by suggesting a shift of selected state-led services that are currently run separately in each county into a regional framework under state oversight. This approach echoes a key finding of former Governor Terry Branstad’s 1990 Fisher Committee on government spending reform, which recommended restructuring county services to save costs. By pooling resources and administration across counties, Iowa can reduce duplication and achieve economies of scale, especially for specialized areas of expertise or equipment that no single county can afford alone.

A recent example is the regionalization of mental health and substance abuse services, where Iowa combined 32 county-based systems into seven multicounty districts under the Department of Health and Human Services. The change not only saved an estimated \$5 million in administrative costs, redirecting those funds to core services like mobile crisis response and school-based programs, but also improved access to care across rural and urban areas. By thoughtfully centralizing certain functions, Iowa can ensure every region of the state enjoys consistent, high-quality services without creating additional bureaucracy.

The working group also recommends practical consolidation within county government itself. County recorder and treasurer offices have inherently linked responsibilities around property and finances, yet they operate separately out of tradition. Merging these offices is a commonsense step multiple states and localities have taken to cut costs and improve service. Iowa has precedent for this at the state level. For instance, the Iowa Finance Authority and IEDA jointly administer certain financial and recordkeeping functions for housing programs, showing how combining similar tasks

under one roof yields efficiency gains. By unifying its recorder and treasurer functions, each county can reduce staff redundancies and overhead costs, such as maintaining two offices and IT systems. More importantly, citizens will experience more streamlined service. The same office recording a deed, for example, can immediately process the property tax or vehicle title associated with it in a single visit or online session. Consolidation also forces an audit of current technology, providing an opportunity to modernize and integrate systems for records and revenue management across the county.

By unifying its recorder and treasurer functions, each county can reduce staff redundancies and overhead costs.

Another example of outdated statutory structure is Iowa's magistrate system. State law currently requires at least one magistrate in each county, regardless of workload. This has led to major inefficiencies considering 85 of Iowa's 99 counties operate below a full workload, which for a magistrate, as a part-time position, is about 33% of a full-time equivalent. The responsibilities in 33 counties require 15% or less of a magistrate's time, and in some cases, the needs are as limited as 4% of a full-time equivalent. Collectively, Iowa has about 33 more magistrates than necessary to meet demand, creating more than \$2 million in avoidable annual costs.

These challenges are not the fault of magistrates, who work diligently on assigned cases, but stem from outdated statutory requirements that no longer reflect caseloads or population patterns. Technology now enables magistrates to serve multiple counties through electronic warrants and remote proceedings, ensuring access without requiring a separate magistrate in every county. Eliminating the current mandate and requiring the Iowa Supreme Court to adopt a workload-based formula would balance workloads to fill the full one-third of a full-time equivalent that magistrate roles should entail, improving efficiency and preserving equitable access to justice across all counties.

In summary, these recommendations are aimed at simplifying Iowa's local government landscape, removing the potential for duplication and preserving public resources while still maintaining or improving local autonomy and service delivery for Iowans.

IMPLEMENTATION

The working group determined addressing this opportunity will require the following legislative and administrative actions.

- Draft and pass enabling legislation amending Iowa Code chapter 331 to authorize the creation of "independent cities."
 - The new provisions should outline the process for a city to transition to independent status (e.g., petition and referendum requirements) and address the realignment of city and county duties.
 - Key legal and administrative matters, such as how to transfer departmental responsibilities, consolidate budgets, set a single property tax levy, adjust road

funding formulas, handle court services and guarantee state funding commitments during the change, must be detailed to ensure smooth implementation.

- An implementation committee would oversee the transition in any city that opts to become independent.
- Establish a “local government efficiency” grant program through legislation, including an appropriation of funds and clear program guidelines.
 - The program should be administered by a state agency to solicit and evaluate proposals from local governments.
 - Implementation steps include defining eligible projects (such as service-sharing agreements, mergers of governments or departments, regional service delivery pilots), setting the state-local matching rate (anticipated at 60% state and 40% local) and creating an application and reporting process.
 - Once funded, the program can also provide coordination and technical support for participating local entities.
- Direct the relevant state agencies to develop a comprehensive plan for transitioning county-administered state services to a regional service delivery model.
 - Each Iowa department currently relying on counties in areas such as public health, human services, revenue collection, emergency management or natural resources should identify functions that could be managed on a multicounty regional basis.
 - These agencies must collaborate to draw common boundaries for up to 10 regions statewide, and devise the necessary organizational, staffing and IT integration strategies.
 - Enact legislation to authorize the new regional structures and shift administration of specified services to the state level.
 - During implementation, agencies should ensure continued service access throughout the transition (e.g., through state staff working remotely or providing improved online services) so citizens experience equal or better service coverage.
- Introduce and pass legislation to merge the county treasurer and recorder offices into a single department in every county.
 - This would involve amending Iowa Code sections 331.222 regarding treasurer duties and 331.602 related to recorder duties, as well as any related provisions and updates to Iowa Administrative Code rules necessary to combine the roles and responsibilities into a new “county record and revenue” office.
 - The implementation should be timed to coincide with the next county election cycle so that one set of officials can be elected to the combined office.
 - Counties will need to undertake transitional planning, such as aligning or integrating recordkeeping and financial systems, cross-training staff and communicating with the public about the new, one-stop office for property records, taxes and related services.
- Revisit House Study Bill 260 (2025) to authorize a new magistrate apportionment framework, effective Jan. 1, 2029, in alignment with the next reappointment cycle.
 - Direct the Iowa Supreme Court to develop and prescribe a weighted caseload formula, incorporating data on case filings, administrative duties, travel and on-call time, to determine magistrate allocations by judicial election district.
 - Use interim measures (2025-2028) to gradually reduce positions through attrition and temporary reassignments.

MEASURES OF SUCCESS

The working group identified the following success indicators to help gauge progress toward implementing the recommendations aligned with this opportunity.

- Number of eligible municipalities passing a referendum to become “independent cities.”
 - Reduction in duplicative city-county service costs for cities that attain independent status.
 - Establishment of a simplified single property tax levy rate in each “independent city,” and resulting tax efficiency gains for residents.
 - Count of multi-jurisdictional projects funded and successfully implemented through a “local government efficiency” grant program.
 - Documented cost savings or service improvements achieved by initiatives supported within “local government efficiency” grants.
 - Breadth and diversity of participants, indicated by the diversity of local governments (size, region) engaging in funded projects across the state.
 - Creation and dissemination of knowledge-sharing outputs (e.g., case studies, best practice guides, etc.) emerging from grant-funded collaborations.
 - Number of county-administered state services transitioned to the new regional or state-level delivery system.
 - Amount of administrative cost savings realized and reallocated to core public services due to the transition.
 - Improvements in service access and consistency across regions (e.g., extended service hours, uniform online availability and reduced disparities between counties).
 - Successful integration of IT and data systems across counties and state agencies, measured by compatible platforms supporting the regional services.
 - Number of counties completing the merger of their treasurer and recorder offices into a single unit.
 - Reduction in duplicative positions and administrative overhead (e.g., office space) as a result of the mergers.
 - Decrease in transaction processing times and error rates for services previously split between two offices (e.g., property recordings and tax payments).
 - Public utilization of the integrated “one-stop shop” office, including online services usage, indicating improved convenience and user satisfaction.
- Reduction of approximately 33 underutilized magistrate positions, saving taxpayers more than \$2 million annually.
 - Balanced workloads, with magistrates allocated in a way that fully utilizes the time that should be spent on their duties (ideally one-third of a full-time equivalent).
 - Fewer counties with magistrates operating at less than 15% of a full-time equivalent workload.
 - Sustained or improved case clearance rates and time-to-disposition in magistrate-level cases, ensuring access to justice is preserved.
 - Smooth statewide transition to the workload-based formula by 2029, with magistrates serving multiple counties as needed.

OPPORTUNITY AREA #3 MODERNIZED PUBLIC WORKFORCE ATTRACTION, RETENTION AND DEVELOPMENT

Recommendation 3A: Commission a regular compensation and benefits study, like is common in the private sector, to benchmark and optimize the total rewards package for public sector employees.

This regular analysis would compare public-sector wages, pensions, health care, paid time off and other benefits against those offered by private employers and peer governments. It will identify where public compensation is most competitive, where gaps exist and how to adjust offerings to attract and retain top talent.

The review will include a focus on Iowa's defined-benefit pension system – a cornerstone of public employment – with a guarantee that no current employee's promised benefits would be reduced. The study may also explore offering future hires an optional defined-contribution retirement plan. By grounding compensation decisions in data, Iowa can invest taxpayer dollars wisely, balancing fiscal responsibility with the need to secure the skilled professionals who deliver essential public services. Existing employees could choose to remain on their current plans or opt into new ones, ensuring no one is forced into a different benefit structure.

Recommendation 3B: Streamline state hiring pathways and expand early career talent pipelines by modernizing recruitment processes, integrating intern-to-employee transitions and launching a unified employer branding campaign.

Iowa should revise its hiring policies to better support early career applicants. For example, the state could simplify and speed up the application process and create clear pathways to convert interns and apprentices into full-time roles. At the same time, the state should develop a cross-agency "employee value proposition" and marketing campaign to promote the benefits of a public service career. Together, these efforts will broaden the talent pipeline, improve the candidate experience, reduce attrition among younger employees and strengthen the long-term sustainability of Iowa's public service workforce.

Citizen Comment:

"It's frustrating that the hiring process for state positions takes so long. I applied for a role and didn't hear anything for three months. By the time they reached out, I had already taken another job."

Recommendation 3C: Establish a statewide professional development program to ensure every public employee has access to consistent growth and career advancement opportunities.

The working group recommends implementing a comprehensive strategy for continuous learning that is made available to all state employees. This includes leveraging the capabilities of the Workday platform to deliver centralized training content and personalized learning plans at scale. By standardizing core offerings (e.g., technical training, leadership development, etc.) and encouraging all agencies to participate, Iowa can improve employee retention, strengthen internal talent pipelines and promotions and maximize the return on investment in its workforce.

BACKGROUND AND RATIONALE

Iowa's public-sector workforce faces a convergence of challenges impacting recruitment, retention and overall effectiveness. A significant portion of the state's employees are nearing retirement – more than 39% of the workforce is 50 years old or older. Meanwhile, younger Iowans in public-service roles are exiting at high rates – employees aged 30 or younger account for just 15% of the workforce but nearly 27% of annual departures. This may be due in part to the state's compensation structure, which has long balanced lower starting salaries with more generous benefits – a model that has created substantial future liabilities and may be less attractive to the next generation of workers. Furthermore, investment in employee development has been uneven, leaving many workers without clear growth pathways and prompting some to seek opportunities elsewhere. These factors underscore the need for a comprehensive review and revitalization of how Iowa attracts, compensates and develops its government employees.

Compensation and Benefits - Historically, public employment has involved a trade-off: lower base pay in exchange for more robust health and retirement benefits. Over time, those benefits have grown to become a substantial (and increasing) share of total compensation for public employees. For example, as of FY 2022-2023 the state covers about 95% of single-person and 85% of family health insurance premiums – far more than typical private-sector contributions. In addition, public pensions constitute a notable portion of compensation. In FY 2023, the state's employer contribution to the Iowa Public Employees' Retirement System (IPERS) was roughly 7.4% of payroll, reflecting an employer retirement funding level uncommon in private-sector benefit designs, which are usually on the level of 3% - 8%. While Iowa offers several public pension programs, the working group's recommendations focus on IPERS, the state's largest. IPERS currently carries an unfunded actuarial liability of approximately \$4.7 billion, but it's important to note, no public pension is 100% funded (meaning it could pay out all benefits at one time), and IPERS is recognized as one of the best funded pensions in the country. However, this level of deferred compensation does create significant future financial obligations for the state.

It is essential to evaluate compensation holistically, as focusing solely on salary or benefits can be misleading. A comprehensive view reveals the true value of the total rewards package. One major consideration is the structure of retirement benefits. Nationwide, private employers have largely shifted from traditional pensions to defined-contribution plans for their workforce. Only about 15% of private-sector workers today have access to a defined-benefit pension, whereas roughly 67% have access to a defined-contribution plan, making the latter far more common. From an employer perspective, contributions to defined-contribution plans are more predictable and typically less than the costs of maintaining a pension, since pensions may require extra contributions to cover investment shortfalls. For employees, defined-contribution plans offer greater portability than traditional pensions because balances can move with the worker from job to job whereas, defined-benefit plans reward long tenure with a single employer. In fact, employees who leave a defined-benefit plan before retirement, as is common with earlier-in-career professionals, usually forfeit the bulk of the potential pension value they would have earned by staying until retirement.

These trends explain why many younger or private-sector workers prefer the flexibility of direct-contribution plans, and why many employers find them more sustainable. Iowa has already established a precedent for offering a choice of retirement plans. For decades, employees of Iowa's Board of Regents institutions have been allowed to choose between IPERS and an alternative defined-contribution annuity (TIAA-CREF). Under that model, the employer contributes 10% of salary and the employee 5%, and participants retain full ownership of their retirement funds (including employer contributions and investment earnings) if they leave their position. Between FY 2020 and FY 2024, approximately 72% of Board of Regents employees elected to participate in the TIAA-CREF defined-contribution plan over IPERS, indicating considerable appetite for portable retirement options.

While IPERS provides a stable, defined benefit with less market risk, the popularity of the Regents' direct-contribution option suggests public employees – when given the choice – may value the potential for higher returns, flexibility to transfer or withdraw funds and the ability to inherit unused balances. Looking more broadly, Iowa's public retirement systems are currently governed in a fragmented way (with five separate pension systems managed by different boards), leading to inconsistencies and inefficiencies in benefits. A common governance board could help ensure equitable and financially sound policies across all systems, improving fairness for employees and accountability to taxpayers. Overall, aligning Iowa's retirement benefits with more sustainable models (while honoring all promises made to Iowa's public-sector employees to date) would help curb the growth of future liabilities and appeal to a more mobile workforce.

Another key component of total compensation is health care. As of FY 2025, Iowa's state employee health plan covers approximately 53,600 individuals (employees plus dependents). A recent survey of state governments found Iowa's employer-paid premium for family coverage is the third highest among neighboring states – the state pays about 90% of the total premium, with employees covering 10%. By contrast, in the private sector, employers pay an average of about 68% of family coverage premiums, with employees paying the rest. This gap illustrates how generous Iowa's health benefits

are relative to typical market norms. As health care expenses continue to rise, having the government bear such a disproportionately large share not only strains budgets (potentially crowding out other public services) but also can distort the true costs of health care for employees.

Iowa's pay-for-performance (i.e., merit pay) system is another area for potential improvement. Currently, state employees may receive salary increases or bonuses based on their job performance, as determined by periodic evaluations. However, these merit raises are subject to fixed schedules and rules. For most staff, merit increases can only occur after a set interval (often 52 weeks), with shorter intervals (e.g., 26 weeks) for new hires, promotions or reclassifications. The system is defined in Iowa Administrative Code and further constrained by collective bargaining agreements for union-covered employees, with parallel rules for non-organized (supervisory or confidential) positions. In practice, there has been a close linkage between union-negotiated raises and what non-union employees receive, meaning that across-the-board increases often happen regardless of individual performance distinctions. While Iowa's merit pay framework is intended to reward employees fairly and consistently, it lacks the agility and strong incentives seen in private-sector compensation models.

Iowa's current system may not adequately reward excellence or retain top talent, especially in high-demand fields, like IT or engineering, where private-sector salaries can far outpace government pay.

A private-sector approach, which allows more flexibility to differentiate pay based on performance and to decouple pay adjustments for different employee groups, could improve the speed, responsiveness and competitiveness of financial rewards. Private employers are generally able to adjust salaries, bonuses and incentives in real time based on performance, market demand or to retain highly sought-after talent, rather than being bound by rigid annual timelines or uniform across-the-board increases. The private sector also tends to tie rewards more directly to measurable outcomes and offers a wider array of incentive types (e.g., spot bonuses, profit-sharing, stock options, etc.), whereas Iowa's public system focuses mainly on base pay increases within budget

and union constraints. Managers in the private sector also have greater discretion to recognize high performers or address underperformance, while public-sector employer pay decisions are often constrained by standardized rules and seniority, which can challenge accountability and motivation. All of this means Iowa's current system may not adequately reward excellence or retain top talent, especially in high-demand fields, like IT or engineering, where private-sector salaries can far outpace government pay.

One notable exception is health care benefits. Iowa's state employees currently enjoy very generous insurance coverage (roughly 95% of the premium is employer-paid for single plans, 85% - 90% for family plans), which far exceeds typical private contributions. Business groups in Iowa have suggested strategies to bring public-sector health care more in line with private employer norms while remaining competitive. For instance, the state could introduce more cost-sharing with employees, implement wellness incentives to reduce long-term costs and optimize provider networks. Implementing such reforms, along with a more flexible merit-based pay system, would create stronger incentives and could make the state a more attractive employer to high-performing individuals who expect their compensation to reflect their contributions.

Finally, the current vacation and sick leave structure within Iowa's state government model lends to individual employees carrying large balances of accrued vacation and sick leave, creating a significant, unfunded liability for the State of Iowa and posing long-term fiscal and operational risks. As employees accrue leave over time, these balances represent future financial obligations that the state must eventually pay out, often at higher salary rates than when the leave was originally earned. Because these obligations are not pre-funded, they can place sudden and significant strain on agency budgets when employees retire, resign or otherwise separate from service.

As of this year, Iowa faces an estimated \$95 million-plus liability in accrued vacation time alone, all of which will have to be paid out to employees upon separation. The accumulated, unused sick leave represents an even larger contingent liability at more than \$300 million, although, in practice, only a portion of sick leave (via the retirement insurance credit) will ever be monetized. Still, together these figures represent substantial financial obligations that are not pre-funded, which can strain agency budgets when large payouts come due. Without structural changes, these liabilities will continue to grow. Moving to a paid time off (PTO) system is a potential solution many organizations have adopted. PTO combines vacation, sick and personal days into one flexible leave bank. Employees receive a certain number of PTO days per year to use for any purpose, without having to categorize the time off or justify the reason for their absence. This modern approach simplifies administration and reduces "false" sick day usage (i.e., employees taking a sick day when they are not actually ill because they do not want to lose a vacation day). It also gives employees more autonomy to manage their own time while allowing supervisors to request advance notice for planned absences, which aids in scheduling and maintaining services.

Adopting a PTO model also can support employee well-being and work-life balance, which is increasingly important for today's workforce. Notably, flexible PTO policies are seen as a competitive offering in the job market, especially by early career professionals who value the ability to use their time off as needed without strict category limits. From a cost perspective, Iowa law does not require employers to pay out unused PTO when someone leaves. The state could implement a "use-it-or-lose-it" policy whereby unused PTO is forfeited upon a certain deadline or upon separation from employment. Such a policy would not only significantly reduce the financial liability of banked leave, but also encourage employees to take time off, which can help reduce burnout and improve productivity and morale.



In summary, restructuring leave into PTO with prudent use-it-or-lose-it rules (similar to how it is handled in the private sector) would modernize Iowa's paid leave, eliminate mounting payouts and promote a healthier workplace culture.

Recruitment and Early Career Talent -

In addition to rethinking compensation, Iowa must address how it attracts new employees into public service. The state's workforce demographics show a pressing need to replenish and rejuvenate talent. More than one-third of state employees are at or near retirement age, and the outflow of younger employees is disproportionate. This trend threatens continuity of service and the transfer of institutional knowledge.

A coordinated outreach and branding campaign, meeting young Iowans where they are, can elevate the profile of government careers.

One barrier to bringing in fresh talent is Iowa's cumbersome hiring process. Prospective employees (especially those early in their careers) often find the state's hiring and onboarding procedures slow, complex and not user-friendly. For example, a person new to Iowa's system may have to click through eight to 15 website pages to apply for a single job, not counting the extensive form entries required. Such friction can discourage qualified candidates. In fact, many will drop out or accept other offers if too much time passes or the process feels overly bureaucratic.

Internal pipelines are underutilized as well. Interns and apprentices who gain experience in state government often have no straightforward path into a full-time position, like they might in a private sector company, because their internship classification doesn't easily convert into a permanent role, or agencies lack budget authority to hire them when they finish. These factors make it difficult for Iowa to recruit and retain early career professionals, who might find the private sector (or other states' public sectors) offering a more streamlined, engaging recruitment experience.

To compete for the next generation of mission-driven Iowans, the state needs to modernize both its approach and its image as an employer. The Department of Administrative Services (DAS) and other hiring authorities should simplify and expedite the application and onboarding process. This could include reducing the number of steps and forms, making all application materials mobile-friendly and even exploring one-click application options (allowing candidates to auto-fill their information by connecting a LinkedIn profile or uploading a resume). Reducing time-to-hire is crucial. Every additional week or bureaucratic hurdle increases the risk of losing a talented applicant to another opportunity.

Iowa also needs to improve its employment brand to appeal to young talent. Currently, many potential applicants, especially students or recent graduates, are unaware of the career opportunities in state government or have misperceptions about public-sector work. Crafting a compelling, statewide employee value proposition can help change this situation. An employee value proposition encapsulates the total value an employee

gains from working at an organization, including tangible rewards and intangible factors, such as culture, purpose and growth potential. Iowa's employee value proposition should emphasize competitive benefits and stable employment but also highlight the mission-driven impact of public service, opportunities for career growth and continuous learning, a culture of innovation and the chance to make a difference in communities. A coordinated outreach and branding campaign, meeting young Iowans where they are (on campuses, online and on social media), can elevate the profile of government careers. At the same time, internal policy changes, like fast-track hiring for successful interns, would reinforce Iowa's brand as an employer by showing the state is serious about bringing in and advancing new talent.

Iowa has made investments in modern human resources technology (such as the Workday system for human capital management), but many of the most useful modules for nurturing early career employees and facilitating internal mobility have not yet been implemented or fully utilized. Important features like its Performance Enablement, Career and Development Planning, Talent Pipeline and Skills Cloud modules remain undeployed or underused in the current system. This means Iowa is not taking full advantage of tools it already owns to personalize the employee experience, map out development plans and identify high-potential staff for advancement.

In summary, the state's hiring and recruitment practices need to be updated for the 21st century in order to attract bright, young professionals. By reducing red tape, providing clear on-ramps from internships to careers and actively marketing the benefits of public service, Iowa can begin to reverse the early career talent drain and build a pipeline of future leaders for government.

Employee Development - Attracting new employees is only one step in the process; retaining and upskilling the workforce is equally vital for long-term success. Currently, professional development opportunities within Iowa's public workforce are inconsistent and often insufficient. Some departments invest heavily in training and career development, while others offer very little, resulting in unequal access to growth for employees depending on where they work. Iowa has an enterprise learning management system (Workday) with robust capabilities, but adoption of these tools has been uneven. Many features the state already pays for, such as individualized development plans, mentorship modules and skills tracking, have not been rolled out broadly, meaning employees and managers lack a centralized way to plan and monitor professional growth.

According to a recent state employee survey, only 44% of respondents agreed they have adequate opportunities for learning and development in their job. "Career development" consistently ranks as one of the lowest-scoring areas in employee engagement surveys, which is a red flag. Employees who do not feel supported in their growth are significantly more likely to leave, especially younger workers and those in high-demand technical or professional fields. In an environment where about 39% of state employees are 50 years old or older and retirement rates are accelerating, the loss of early- and mid-career staff due to lack of development is putting further strain on succession planning. When seasoned employees retire, agencies often struggle to fill those roles. Hiring externally is expensive and slow, and valuable knowledge walks out the door. Studies indicate it can

cost up to 45% more to recruit, hire and train a new employee than to upskill an existing one. Moreover, hiring lags can lead to service gaps, increased overtime for remaining staff and reduced organizational continuity. On the flip side, organizations that invest strongly in employee development see dramatic benefits, experiencing as much as 50% lower turnover rates and 218% higher revenue per employee.

We find a similar challenge in Iowa’s legislative branch, where there is no formal onboarding program for incoming lawmakers, let alone investment in development. Right now, new legislators learn important skills, like bill drafting, committee engagement, ethics and constituent relations largely through trial and error. Meanwhile, other states, such as North Carolina and South Carolina, have implemented structured legislative onboarding programs with notable success. They report improved early term effectiveness and a stronger bipartisan culture among freshman lawmakers.

Treating workforce development as a strategic investment rather than an afterthought is a clear imperative for Iowa. This means establishing a statewide system that ensures every employee, regardless of department or location, has access to high-quality training and career advancement resources. Key foundational programs (e.g., a new supervisor “bootcamp,” project management certification tracks, leadership rotational programs, etc.) should be standardized and offered centrally so smaller agencies can benefit from them just as much as larger ones. At the same time, development should be personalized and built into each employee’s routine. For instance, employees should create and update individual development plans with their managers, aligning their growth goals with the state’s future skill needs. By fully activating the capabilities of Workday and related tools, Iowa can track skills across the workforce, identify gaps and recommend training courses or mentorship matches at scale.

By reducing red tape, providing clear on-ramps from internships to careers and actively marketing the benefits of public service, Iowa can begin to reverse the early-career talent drain and build a pipeline of future leaders for government.

A comprehensive onboarding curriculum is recommended to provide similar upskilling and development support for lawmakers. For example, a multiday orientation before legislative session, paired with a yearlong mentorship program and ongoing “learning circle” workshops, would equip new members with the knowledge, tools and relationships necessary to feel more comfortable with their responsibilities from Day 1.

Ultimately, a more consistent, accessible and outcomes-driven approach to professional development will help Iowa cultivate talent from within, reduce its reliance on external hiring, prepare the next generation of leaders (mitigating the “brain drain” from retirements) and improve the overall agility and quality of government services. Employees who see a clear path to advance and grow are far more likely to stay and contribute their best, creating a virtuous cycle of better retention and higher productivity that benefits all Iowans.

IMPLEMENTATION

The working group determined that addressing this opportunity will require the following legislative and administrative actions.

- Regularly conduct a comprehensive compensation/benefits study and use it to benchmark Iowa’s public-sector total compensation (i.e., salary plus all benefits) against private-sector and peer government standards.
 - Consider using the existing Public Retirement Systems Joint Legislative Committee to oversee study.
 - Communicate study findings and proposed changes transparently with all stakeholders, underscoring how adjustments will improve competitiveness while maintaining fiscal responsibility.
 - Preserve all pension and benefit commitments made to existing employees. Any new defined-contribution retirement option should be strictly voluntary for current staff and structured to protect the solvency of the traditional pension system.
 - Where feasible, offer employees a choice among benefit plans. For instance, the option to choose a defined-contribution retirement plan instead of a pension for new hires.
 - Create an expedited pathway to hire high-performing interns and apprentices into full-time roles. This could include granting departments provisional hiring authority or dedicated budget and ensuring job title structures align so internships can seamlessly transition into permanent positions.
- Launch a statewide recruitment and branding campaign targeting students, recent graduates and young professionals.
 - Develop a modern “employee value proposition” that highlights public service impact, career development and benefits of state employment, and promote it across campuses, social media and job fairs.
 - The campaign should be a collaborative effort across agencies to present a unified message about the Iowa government being an employer of choice for the next generation.
- Overhaul and integrate the state’s hiring platforms to simplify the applicant experience.
 - Replace or streamline the current NEOGOV application system and better align it with the Workday Human Capital Management system.
 - Features like single sign-on, one-click application submission, mobile-friendly interfaces and application tracking updates should be implemented.
 - Activate and utilize the full suite of Workday modules across all departments at the state level.
 - Include enabling tools for creating individual development plans, mentorship matching, skills tracking and career exploration.
 - Provide training for human resources staff and managers on using these tools effectively.
- Create a centralized, statewide course catalog and a set of shared learning pathways accessible to every employee, regardless of agency or location.
 - Courses on common topics like leadership skills, project management, customer service or software proficiencies should be offered on a platform any worker can join.

- Eliminate siloed training programs and open up opportunities for government employees.
- Develop and fund key training initiatives that can scale enterprise-wide.
 - This might include a standardized new supervisor “bootcamp” program, technical certification programs in high-need areas (e.g., IT, cybersecurity, etc.) and leadership development rotations or fellowships that span multiple agencies.
 - Pool resources to offer these programs centrally, likely through the Iowa Department of Administrative Services or a similar coordinating body, so the state can ensure quality and consistency while achieving economies of scale.
- Conduct an internal communications campaign to promote the new development opportunities and tools.
 - Share success stories of employees who advanced their careers through training, publicize available resources (e.g., tuition reimbursement or online course libraries) and encourage a culture where taking time to learn new skills is supported.
 - Change management efforts should be implemented to get buy-in from leadership in every department, so employees are encouraged (and given time) to participate in learning programs.
- Launch a formal onboarding program for incoming lawmakers.
 - Develop a pre-session orientation program covering topics, such as legislative process, ethics, budget basics and constituent engagement.
 - House onboarding materials (e.g., handbook, procedural guides, key contacts, calendars and FAQs, etc.) on a centralized online hub.
 - Establish a mentorship program pairing each new legislator with an experienced veteran legislator for the first year, facilitating on-the-job guidance and knowledge transfer.
 - Host monthly “learning circle” sessions to facilitate ongoing professional development.
 - Integrate standardized curriculum content (e.g., subcommittee protocol, floor debate rules, use of legislative IT systems, etc. should be taught uniformly) across all training elements to ensure consistency.

MEASURES OF SUCCESS

The working group identified the following success indicators to help gauge progress toward implementing the recommendations aligned with this opportunity.

- Track the ratio of public-sector total compensation (salary plus benefits) to comparable private-sector compensation over time.
 - Aim to close any gaps in key professions, ensuring Iowa public employee reward packages are at least 90% of market median for similar roles, for example, to track competitiveness.
- Increased awareness of public employee compensation packages, measured via surveys gauging, for example, what portion can accurately cite their total pay plus benefits.
- Monitor recruiting outcomes for hard-to-fill and high-demand positions before and after changes, including the number of applicants per opening, the qualifications/assessment scores of those applicants and offer acceptance rates.

- Measure annual turnover rates in mission-critical or high-skill roles (e.g., IT, engineers, health professionals, etc.) relative to the baseline.
 - Aim for a reduction in voluntary exits, especially among those with strong performance, as an indicator whether compensation and benefit adjustments are improving retention.
- Assess changes in the state’s long-term obligations, such as pension funding status or accrued leave balances.
 - Slow the growth of, or reduce, unfunded liabilities as an indicator of successful implementation.
 - Achieve a healthier pension-funded ratio or a reduction in leave liability over a period of years as a key measure of fiscal success.
- Track the proportion of new hires (and eligible current employees) opting into a new defined-contribution retirement option, if offered, versus the traditional pension.
 - Aim for significant uptake of the direct contribution plan (e.g., 25% or more of new employees) as a demonstration of demand for portability and to stabilize pension costs.
- Gauge changes in overall job satisfaction, perceptions of pay fairness and satisfaction with benefits through periodic employee surveys.
 - Target improvement in the number of employees agreeing “my compensation is fair for the work I do” and/or “I am satisfied with my benefits package” to show how the workforce feels about any changes.
- Reduce the average time it takes from job posting to accepted offer for early career positions.
 - Work toward a target of a 25% decrease within the first year of reforms (e.g., going from an average of 60 days to 45 days), using faster hiring as an indicator of process efficiency and candidate engagement.
- Increase the percentage of job offers accepted by candidates under the age of 30.
- Track the percentage of interns, co-op students and apprentices who transition into permanent employment with the state, seeking to double the conversion rate within two years.
- Reduce turnover among employees under 30 by a meaningful amount from the approximately 27% annual baseline.
- Evaluate the new employer branding campaign using metrics such as the number of attendees at events, social media engagement rates and website traffic/click-through rates.
- Collect feedback from applicants and/or new hires using surveys to track how many applicants mention Iowa’s public service mission or the employee value proposition messaging as a reason why they applied or accepted an offer.
- Use human resources staff adoption rates of integrated Workday recruitment tools, reductions in duplicate data entry or errors and/or applicant feedback as an indicator of the smooth integration of technology upgrades.
- Increase the usage of Workday across the workforce, targeting at least 75% of employees logging into the learning platform at least once each quarter within 18 months of rollout.
 - Track the number of course enrollments, aiming for a 20% annual increase in employee participation in professional development courses or programs.

- Improve State of Iowa employee perception of their development opportunities, increasing the percentage who agree they have good opportunities for professional growth from 44% to at least 60% within two years, as measured by the annual public employee engagement survey.
- Boost the internal promotion rate by 15% or more within two years.
 - Increase the internal fill rate for open positions, targeting an increase, for example, from 30% - 50%.
 - Compare retention rates between employees who engage in the new development programs and those who do not, looking for measurably lower turnover rates among those who have individual development plans and are taking advantage of training.
- Grow the number of employees completing high-priority learning tracks (e.g., a supervisory skills course series or digital tool certifications) and the number of professional certifications or credentials earned by employees through state-supported programs each year.
- Measure the percentage of executive branch departments participating in at least one of the shared development programs, with the goal being 100% participation within 24 months.
 - Monitor participation rates by department, region and job role to identify any gaps in engagement and ensure employees at all levels and in all areas are accessing new training opportunities.
- 100% of newly elected legislators completing the new orientation program and participating in mentorship within their first year.
 - Demonstrated improvements in comfort with legislative proceedings, committees, ethics and constituent outreach as measured by post-orientation assessment.
 - At least 75% average attendance at ongoing “learning circle” sessions and strong satisfaction with programming content as expressed by attendees.

OPPORTUNITY AREA #4 MAXIMIZE OPERATIONAL EFFICIENCIES

Recommendation 4A: Streamline Department of Natural Resources (DNR) review of water and wastewater projects and require local governments and their consultants to evaluate regional solutions before project initiation.

The DNR should assign its review staff and a representative from IFA for projects seeking state funding at the very beginning of water or wastewater project planning. Having regulators involved from concept through design will surface issues early and significantly shorten final review times. A structured process and calendar modeled on the Iowa Department of Transportation's approach would set clear submittal deadlines and expected approval dates, holding all parties accountable and moving projects to bid and construction more quickly.

DNR should also have flexibility to expand its capacity, hiring additional in-house experts or contracting qualified consultants, as needed to ensure timely, high-quality reviews. Additionally, local governments (and their engineering consultants) must first assess opportunities for regional collaboration, such as shared facilities or shared operations, before pursuing independent projects. To support this, the state can offer financial incentives (e.g., lower interest rates, grants or higher cost-share ratios) for communities partnering on regional solutions where they are technically and financially feasible. For projects using state funds, an early stage financial capacity check by IFA would evaluate the utility's long-term ability to support the project debt, protecting local ratepayers from unsustainable costs.

Recommendation 4B: Conduct a comprehensive needs assessment of all state-owned properties and leases to reduce costs and risks, improve efficiency, address assets misaligned with taxpayer interests and ensure the state is not operating in areas better served by the private sector.

DAS should lead a statewide inventory and needs analysis of all state-owned real estate, leased space and other outside ventures (e.g., Honey Creek Resort in Moravia, Iowa Communications Network, Iowa Public Broadcasting Service, etc.) to be completed by late 2026 with a final report to the Governor's Office. This assessment will identify properties that are underutilized, obsolete or outside the state's core mission. Agencies should take action on any state-owned properties that are no longer beneficial or duplicate services readily provided by the private sector. This could take the form of sales, transfers to local governments or public-private management agreements, depending on the asset. In this way, the state can eliminate ongoing maintenance liabilities, reduce risk exposure and redirect resources toward higher-priority needs.



Recommendation 4C: Establish an online portal for Iowa public entities to post statutorily required notices, allowing citizens to search by government type, location and notice category and subscribe for updates according to their preferences.

A centralized digital notices platform, hosted by the Secretary of State's Office, would serve as a one-stop hub for all public notices required by Iowa law. Rather than searching various sources, citizens could easily find notices relevant to their city, county or school district by filtering the portal (e.g., by location, government body or notice type) and sign up for email or text notifications.

The portal will ensure each notice includes essential information, such as a description of the notice, contact details and instructions for public comment. Public entities would pay a flat fee per posting to cover maintenance costs – a more cost-effective model than the current per-line printing charges. This will save taxpayer dollars while sustaining the service. Public bodies would also be required to post physical copies of notices at a prominent location in their offices, ensuring those without internet access can continue to stay informed.

Citizen Comment:

“Government bodies should be able to satisfy ... required public notices via their tax-supported official internet sites. Each year, government bodies in Iowa pay millions of taxpayer dollars to newspapers to publish statutorily required public notices. ... There is no justifiable reason to continue this government function in this manner. It is antiquated, expensive and inefficient. ... From a government body's perspective, trying to effectuate a public notice becomes quite difficult when the local newspaper that used to publish every day now only publishes three days a week. Also, if a newspaper shifts to online only, why continue to pay the newspaper to publish the information on the internet when you already have a beautiful, tax-supported website that can accomplish the same goal at no additional cost to the taxpayer?”

Recommendation 4D: Create a user-friendly, searchable portal for the Iowa Cooperative Purchasing Program so local governments can access, and purchase from, state-level master contracts via a standardized payment system.

DOM and DAS should develop a web-based portal that expands on Iowa's existing cooperative purchasing program, enabling cities, counties, school districts and other local authorities to participate in state-negotiated contracts. Through this portal, local governments could easily browse or search for goods, services and subscriptions available on state master agreements and purchase directly through a standardized, secure payment system. This streamlines procurement by eliminating duplicate bidding processes across hundreds of jurisdictions and leveraging the state's bulk pricing power to achieve cost savings at the local level. Local entities also benefit from having access to vetted vendors and terms, and the associated reductions in administrative overhead. The portal's design should prioritize ease of use, so even smaller jurisdictions with limited procurement staff can navigate it and be accompanied by outreach and training to ensure high adoption rates among local governments.

BACKGROUND AND RATIONALE

In the water and wastewater sector, slow or inconsistent project reviews can delay critical infrastructure upgrades, leading to higher costs and risks to public health. The working group proposes to expedite these projects by embedding state reviewers in the planning process and prioritizing regional collaboration. This approach not only accelerates project timelines – preventing problems like aging water systems or insufficient treatment capacity from persisting too long – but also encourages localities to work together on shared facilities where it makes sense, capturing economies of scale and better long-term outcomes for ratepayers.

Additionally, requirements for federal funding can slow down construction timelines for water and wastewater projects. Examples of rules and processes that could be improved include those for the National Environmental Policy Act, permitting time frames, “Buy America” provisions, Davis-Bacon wage rates among others. As the federal government evaluates ways to improve efficiencies on the national programming level, a focus on minimizing review time, reducing costs, reducing regulatory hurdles and timely approvals would also benefit state-level projects utilizing federal funding.

Moving official notices to a state-run, online portal will both cut costs for local governments and improve public access.

Likewise, Iowa’s extensive portfolio of state-owned real estate includes many facilities and parcels that may be aging, off strategy or no longer serve a vital public purpose. By conducting a comprehensive review, the state can identify which properties need to be addressed, helping manage ongoing maintenance and utility costs, mitigate liability risks and free up funds that can be redirected to higher priorities. A deliberate, data-informed approach to state properties ensures taxpayers aren’t footing the bill for assets that would be better managed by local communities or private owners.

When it comes to modernizing how government communicates and conducts its business, public notice requirements traditionally relied on print newspapers to reach citizens, but this system has grown increasingly ineffective and expensive. Moving official notices to a state-run, online portal will both cut costs for local governments (e.g., the \$100,000-plus some cities spend on print notices) and improve public access. In addition, anyone with an internet connection could review or search all Iowa notices in one place, increasing transparency.

Iowa’s local governments also may be unnecessarily duplicating effort and dollars by separately sourcing common goods and services. The working group recommends addressing this inefficiency by providing a centralized master contracts portal. This not only will save staff time and money locally but also means smaller towns can take advantage of the bulk pricing and vetted contract terms larger state agencies enjoy. These recommendations target practical improvements that together would enhance efficiency, reduce costs or risks and better serve the public.

IMPLEMENTATION

The working group determined addressing this opportunity will require the following legislative and administrative actions.

- Implement the necessary regulatory and administrative changes for DNR and IFA.
 - Amend Iowa Administrative Code (e.g., 567-40.4) to embed DNR review staff and an IFA representative into the early planning stages of every water/wastewater project.
- Develop a publicly posted project review calendar, similar to DOT's, that stipulates submission deadlines and turnaround times. Hold agencies as well as project owners to established timelines.
- Establish requirements, with possible legislative support or as a condition for state funding, that local project sponsors conduct a regional alternatives analysis before proceeding independently, and authorize IFA to perform upfront financial capacity assessments on applications for state water infrastructure funds.
- Issue an executive directive or enact legislation for DAS to inventory all state-owned properties and leases and conduct a needs assessment.
 - Set a clear deadline (e.g., final inventory and assessment by September 2026, with a report due to the Governor by October 2026) and assign points of contact to be responsible for each department's assets to coordinate with DAS.
 - Based on the findings, develop a plan for each surplus or non-essential property, potentially involving legislation (as needed) to authorize transitions associated with certain parcels, outreach to local governments or other entities that may assume ownership and structured contracts managed by DAS.
 - Ensure inter-agency collaboration so all departments identify properties under their control that could be better managed and ensure stakeholder communications.
- Draft and advance legislation to establish the official statewide electronic notices portal and simultaneously phase out the mandate for newspaper publication of public notices.
 - The Iowa Secretary of State's Office should lead the portal's development, in partnership with DOM for implementation support.
 - Upon legislative approval, build the portal's technical infrastructure with user-friendly search and subscription features, and integrate a secure payment system for posting fees.
 - Develop a rollout plan that includes training for local government staff on how to post notices within the new system and a public awareness campaign and other stakeholders, to inform citizens about the new online source for notices.
 - Agencies and local entities also will need to adopt policies to post physical notice copies at their offices, as required, so implementation guidance should cover this step to ensure continued access for offline audiences.
 - Outline requirements (e.g., a searchable database of all state contracts, a shopping-cart style interface for local orders, user account management, integration with payment processing, etc.), develop and implement a cooperative purchasing portal.
 - Target completion by end of 2026. Once developed, populate the portal with current available master agreements and keep it updated as state contracts are renewed, added or removed.

- Create a governance structure or user agreement to allow local governments to participate (e.g., a simple sign-up process to join the Iowa Cooperative Purchasing Program if not already members).
- DOM should inform all eligible local governments about the portal’s launch and provide training webinars or materials so that purchasing agents around the state know how to utilize the system.
- Provide technical support and collect periodic feedback surveys to help drive adoption and address any user issues post-launch.

MEASURES OF SUCCESS

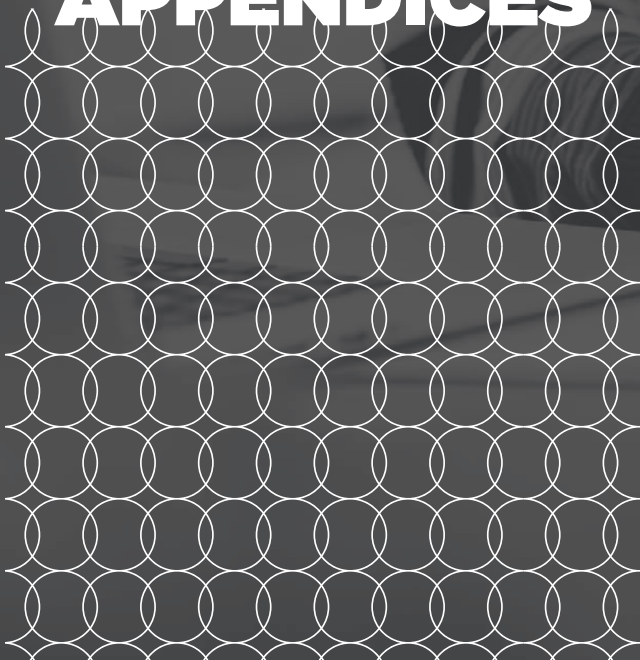
The working group identified the following success indicators to help gauge progress toward implementing the recommendations aligned with this opportunity.

- 100% of new water/wastewater projects have DNR (and IFA, as applicable) personnel assigned at the project planning stage, following a published review schedule.
 - A 20% reduction in the average time from project plan submission to DNR approval within the first year of implementation.
 - Annual publication of a comprehensive DNR project review calendar to increase transparency.
 - Increase the number of regional projects or partnerships by roughly 10% per year in the first three years.
- Completion of a full asset inventory and needs assessment covering 100% of state-owned properties and leases by the established deadline (e.g., March 31, 2026, for inventory and Sept. 30, 2026, for the assessment).
 - Delivery of the final report with findings and recommendations to the Governor by Oct. 31, 2026.
 - Concrete action taken on identified surplus properties measured by the number of properties successfully addressed within a year of the report.
 - Cost savings or avoidance achieved through a reduction in annual maintenance expenditures and in the state’s overall real estate footprint.
- 100% of eligible state and local agencies posting notices to the new online portal within six months of its launch, prior to any mandated cutoff for print publishing.
 - 100% of state and local agencies consistently display physical copies of notices at their offices, ensuring compliance with the offline access requirement.
 - Provide portal services in at least two additional languages in the first year and show minimal accessibility issues for people with disabilities through user feedback (e.g., near-zero complaints or requests for accommodation per quarter).
 - Steady increase in portal analytics and engagement metrics, such as site traffic and notice subscriptions in the first year, and significant social media or community outreach achieving awareness of the portal’s existence within one year, as measured by user surveys or web analytics.

- Successful development and deployment of a master contracts portal by the end of 2026, with 100% of planned features operational (e.g., searchable contract listings, standardized electronic payment, user account system, etc.) and high reliability (e.g., greater than 99% operational time).
 - At least 65% of all eligible cities, counties and school districts make purchases through the portal.
 - Sustain 150-plus monthly active local government users on the platform by 2028.
 - 75% or greater approval ratings among local government purchasers, as measured by satisfaction surveys.
 - All registered users complete any required onboarding training within nine months of the portal’s launch.
 - Track cost efficiency gains over the longer term with data showing savings achieved by local entities using state contracts versus conducting independent procurements.



APPENDICES



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ADDITIONAL RESOURCES

Executive order creating the Task Force: <https://governor.iowa.gov/media/433/download?inline>

Return on Taxpayer Investment Working Group supporting documentation: <https://governor.iowa.gov/media/480/download?inline>

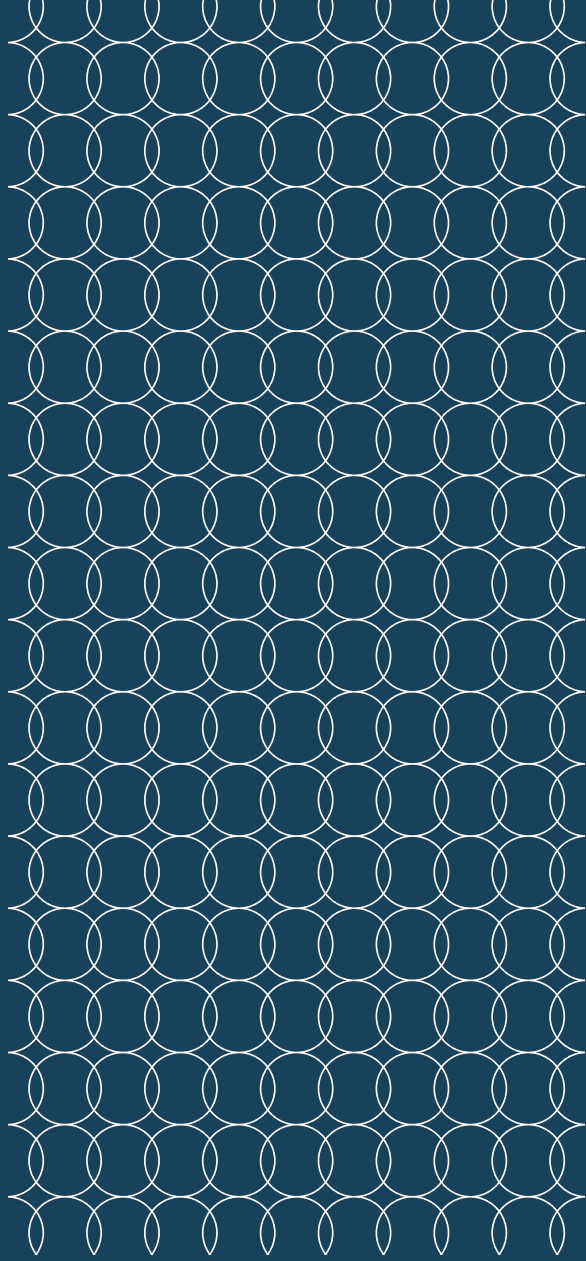


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