

HOUSE RESOLUTION NO. 176

BY COMMITTEE ON GOVERNMENT OVERSIGHT

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3 A Resolution conferring authority upon the standing  
4 Committee on Government Oversight to conduct an  
5 investigation into the compensation levels, use of  
6 public moneys, personnel, operations, funding, and  
7 oversight of the Central Iowa Employment and Training  
8 Consortium, the Iowa Department of Workforce  
9 Development, and all matters reasonably related  
10 thereto.

11 WHEREAS, the Auditor of State conducted a special  
12 investigation of programs administered by the Central  
13 Iowa Employment and Training Consortium and the Iowa  
14 Department of Workforce Development and in a report  
15 issued March 31, 2006, identified unallowable uses of  
16 federal funds, including excessive compensation for  
17 Central Iowa Employment and Training Consortium  
18 executive employees, improper allocation of salaries  
19 and supplemental payments to federal grants, and an  
20 indication of less-than-arm's-length transactions  
21 between the Central Iowa Employment and Training  
22 Consortium and the Iowa Department of Workforce  
23 Development; and

24 WHEREAS, the Auditor of State further reported  
25 concerns with operations at the Iowa Department of  
26 Workforce Development, relating to and including use  
27 of excess federal funds, monitoring of providers, the  
28 provision of additional funds to the Central Iowa  
29 Employment and Training Consortium through the  
30 amendment process, and reporting requirements

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1 established for providers; and

2 WHEREAS, the serious concerns raised by the Auditor  
3 of State regarding the misuse of public funds,  
4 improper relationships linked to questionable  
5 transactions, and failure to provide necessary  
6 monitoring and oversight violate the public trust and  
7 demand further investigation by the General Assembly,  
8 as well as by other state and federal agencies; and

9 WHEREAS, the standing Committee on Government  
10 Oversight is empowered, pursuant to Iowa Code sections  
11 2.15 and 2.23, to require information of state  
12 agencies with full cooperation of their personnel, to  
13 review the operations of state agencies and  
14 departments, and to conduct investigations, with  
15 authority to call witnesses, administer oaths, issue  
16 subpoenas, and cite for contempt; NOW THEREFORE,

17 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES,  
18 That the standing Committee on Government Oversight is  
19 authorized to conduct an investigation into  
20 compensation levels, use of public moneys, personnel,  
21 operations, funding, and oversight of the Central Iowa  
22 Employment and Training Consortium, its Board of  
23 Directors, affiliated boards, agencies, and  
24 organizations, and all matters reasonably related  
25 thereto, including but not limited to oversight of the  
26 Central Iowa Employment and Training Consortium by the  
27 Iowa Department of Workforce Development and its  
28 affiliated agencies and boards; and

29 BE IT FURTHER RESOLVED, That the investigation  
30 shall be conducted in accordance with the full

1 authority granted the standing Committee on Government  
2 Oversight by law including but not limited to the  
3 authority to conduct the investigation, call  
4 witnesses, administer oaths, issue subpoenas, cite and  
5 impose punishment for contempt, and otherwise enforce  
6 these investigative powers as authorized by and in  
7 accordance with law, subject to the following:

8 1. A subpoena may be issued by the Chairperson of  
9 the standing Committee on Government Oversight.

10 2. Subpoena authority conferred by this Resolution  
11 shall exist for a ninety-day period following the date  
12 of passage of this Resolution.

13 3. A citation and punishment for contempt may be  
14 issued and imposed according to the following  
15 schedule:

16 a. An initial citation may be issued by the  
17 standing Committee on Government Oversight by a  
18 majority vote of the members of the Committee and is  
19 punishable by a fine of \$500.

20 b. A second or subsequent citation may be issued  
21 by the standing Committee on Government Oversight by a  
22 majority vote of the members of the Committee and is  
23 punishable by a fine of \$1,000.

24 c. In addition to the fines authorized pursuant to  
25 paragraphs "a" and "b", the House of Representatives  
26 may by resolution impose a punishment of imprisonment  
27 for a period of up to six months.

28 4. Subpoenas and citations for contempt shall be  
29 signed by the Chairperson of the standing Committee on  
30 Government Oversight, the Speaker of the House of

1 Representatives, and the Chief Clerk of the House of  
2 Representatives. Warrants for contempt shall be  
3 signed by the Speaker of the House of Representatives  
4 and the Chief Clerk of the House of Representatives;  
5 and

6 BE IT FURTHER RESOLVED, That the standing Committee  
7 on Government Oversight is authorized to retain  
8 outside special legal counsel to coordinate, direct,  
9 and conduct the investigation, and in furtherance of  
10 this authority to retain two outside special legal  
11 counsel, one to be selected by Republican members, and  
12 one to be selected by Democratic members,  
13 respectively, to serve jointly regarding the  
14 coordination, direction, and conduct of the  
15 investigation, and including authorization to  
16 compensate such outside special legal counsel at a  
17 reasonable rate of compensation for all work  
18 undertaken, including compensation or reimbursement of  
19 such reasonable expenses as may be necessary to carry  
20 out the investigation authorized hereunder; and

21 BE IT FURTHER RESOLVED, That outside special legal  
22 counsel conducting the investigation hereunder shall  
23 advise and report to the standing Committee on  
24 Government Oversight in such manner and at such times  
25 as shall be directed by the Committee; and

26 BE IT FURTHER RESOLVED, That the standing Committee  
27 on Government Oversight may meet at such times and at  
28 such places as the Chairperson of the Committee deems  
29 necessary and may coordinate its investigation with a  
30 standing committee of the Senate conducting a similar

1 investigation; and  
2 BE IT FURTHER RESOLVED, That the investigation and  
3 retention of outside special legal counsel shall  
4 continue until the investigation is completed, or  
5 until such time as the investigation is terminated by  
6 the standing Committee on Government Oversight by  
7 majority vote of the members of the Committee.  
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**HOUSE RESOLUTION 176**

**H-8642**

1 Amend House Resolution 176 as follows:  
2 1. Page 3, by striking lines 11 and 12 and  
3 inserting the following: "shall exist from the date  
4 of passage of this Resolution until the day preceding  
5 the commencement of the 2007 regular legislative  
6 session."

**By** ALONS of Sioux

**H-8642** FILED MAY 3, 2006  
WITHDRAWN

**HOUSE RESOLUTION 176**

**H-8651**

1 Amend House Resolution 176 as follows:  
2 1. Page 4, by striking lines 6 through 25.  
3 2. Page 5, lines 2 and 3, by striking the words  
4 "and retention of outside special legal counsel".

**By** D. OLSON of Boone

**H-8651** FILED MAY 3, 2006  
WITHDRAWN

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**Fiscal Services Division**  
**Legislative Services Agency**  
**Fiscal Note**

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HR 176 - Oversight Investigation Authority Resolution (LSB 6732 HV)  
Analyst: Douglas Wulf (Phone: (515) 281-3250) (douglas.wulf@legis.state.ia.us)  
Fiscal Note Version - Type New

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**Description**

House Resolution 176 confers authority on the standing Committee on Government Oversight to conduct an investigation into compensation levels, use of public moneys, personnel, operations, funding, and oversight of the Central Iowa Employment and Training Consortium, the Iowa Department of Workforce Development, and all matters reasonably related thereto.

**Background**

The Auditor of State conducted a special investigation of programs administered by the Central Iowa Employment and Training Consortium and the Iowa Department of Workforce Development. A report issued March 31, 2006, identified unallowable uses of federal funds, including excessive compensation for Central Iowa Employment and Training Consortium executive employees, improper allocation of salaries and supplemental payments to federal grants, and an indication of less-than-arm's-length transactions between the Central Iowa Employment and Training Consortium and the Iowa Department of Workforce Development.

The Government Oversight Committee held hearings related to the issues raised by the Auditor's report during the Legislative Session and plans to continue hearings into the interim until the Committee has completed the investigation or the investigation is terminated by a majority vote of the Members of the Committee.

The Government Oversight Committee normally meets two days per month during the interim, but is authorized by the Resolution to have subpoena authority for ninety days from the date of enactment of the resolution. Both House Republican and House Democratic Members are authorized to hire separate outside legal counsel to assist the Committee in coordinating, directing, and investigating issues identified by the Committee.

**Assumptions**

1. The Members of the House Government Oversight Committee will hire two outside attorneys.
2. Based upon recent Legislative Council hiring of outside attorney's to assist in legal proceedings, the Principal Attorney received compensation at the rate of \$210 per hour, an Associate Attorney working for the Principal was paid \$145 per hour, and a Paralegal Assistant was paid \$85 per hour. This results in an average billable hour for the Principal of \$150.
3. The Resolution also allows reasonable expense to be claimed by the attorneys, however there is not sufficient information to determine these expenditures.
4. Each day the Committee meets, the 13 Members receive a total per diem of \$1,118 plus travel and lodging for the meeting.

**Fiscal Impact**

The fiscal impact of attorney fees for two attorneys and their assistants for 10 billable hours per meeting would be \$3,000 per meeting.

If the attorneys were hired immediately, and the House Government Oversight Committee met two days each week for a three month period, a total of 18 additional meeting days would occur above the normal two per month, resulting in a cost of \$72,000 in attorney fees for the 24

meetings and an additional \$20,124 in House Committee Member per diem costs plus additional travel and lodging expenses for each two day meeting. If the Senate adopted an identical resolution, the attorney costs could potentially double.

### **Sources**

Legislative Council Billing Records

/s/ Holly M. Lyons

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May 3, 2006

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

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