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Place On Calendar

WITHDRAWN

HOUSE FILE

761

BY COMMITTEE ON STATE GOVERNMENT

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to state government employment by providing
2 termination incentive programs for eligible state employees,
3 abolishing the workforce attrition program and fund, creating
4 initiatives to increase the ratio of state employees per
5 supervisor and to evaluate the state's job classification
6 system, and providing effective dates.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 761

1 Section 1. NEW SECTION. 70A.38 YEARS OF SERVICE
2 INCENTIVE PROGRAM.

3 1. As used in this section, unless the context provides
4 otherwise:

5 a. "Credited service" means service under the Iowa public
6 employees' retirement system, as service is defined in section
7 97B.1A, and membership service under the public safety peace
8 officers' retirement, accident, and disability system, as
9 defined in section 97A.1.

10 b. "Eligible employee" means an employee with ten or more
11 years of credited service as of the date of termination from
12 employment.

13 c. "Employee" means an employee of the executive branch of
14 the state, including an employee of a judicial district
15 department of correctional services or the department of
16 justice. However, "employee" does not mean an employee of the
17 state board of regents, or a statewide elected official.

18 d. "Employer" means a department, agency, board, or
19 commission within the executive branch of the state that
20 employs employees.

21 e. "Participant" means an eligible employee who has been
22 selected for participation in the years of service incentive
23 program, who agrees to such participation, who is approved for
24 participation, and who receives a termination incentive as
25 provided by this section.

26 f. "Program" means the years of service incentive program
27 established pursuant to this section.

28 g. "Regular annual salary" means an amount equal to the
29 eligible employee's regular biweekly rate of pay as of the
30 date of separation from employment multiplied by twenty-six.

31 h. "Termination incentive" means an amount equal to the
32 lesser of two hundred fifty dollars for every quarter year of
33 credited service of the eligible employee or the regular
34 annual salary of the eligible employee.

35 2. An employer may offer a termination incentive to an

1 eligible employee or eligible employees if the employer
2 demonstrates that such an offer will assist the employer in
3 effectively managing its resources. Prior to making the
4 offer, the employer shall obtain approval to offer the program
5 from the department of personnel. As part of the approval
6 process, the employer shall submit a business plan to the
7 department of personnel which shall be reviewed and approved
8 by the department of management. The business plan shall show
9 the savings that will accrue to the state as a result of the
10 employee's or employees' participation in the program.

11 3. Upon obtaining approval from the department of
12 personnel to offer the program, the employer shall inform each
13 eligible employee in writing of the employee's opportunity to
14 participate in the program. The written notice to the
15 eligible employee shall provide a time deadline for acceptance
16 of an offer, a proposed date by which the eligible employee
17 who wishes to accept an offer would have to agree to terminate
18 employment with the state, and other relevant information
19 concerning the employee's rights relating to an offer,
20 including the voluntary nature of an offer to the eligible
21 employee as well as the consequences to the employee of
22 accepting an offer.

23 4. To become a participant in the program, an eligible
24 employee who receives an offer to participate in the program
25 shall do all of the following:

26 a. Acknowledge in writing the employee's agreement to
27 voluntarily terminate employment in exchange for payment of a
28 termination incentive as provided in this section.

29 b. Agree to waive all rights to file suit against the
30 state of Iowa, including all of its departments, agencies, and
31 other subdivisions, based on state or federal claims arising
32 out of the employment relationship.

33 c. Acknowledge, in writing, that participation in the
34 program waives any right to accept permanent part-time or
35 permanent full-time employment with the state other than as an

1 elected official or as an employee of the state board of
2 regents.

3 d. Agree to separate from employment with the state by the
4 date agreed upon by the eligible employee and the employer
5 which date is consistent with the business plan submitted by
6 the employer.

7 5. Upon acceptance to participate in the program and
8 separation from employment with the state by the date agreed
9 upon, the participant shall be paid a termination incentive.
10 The state shall pay to the participant, in a lump sum, the
11 termination incentive and any other payments due the
12 participant, if any, for accrued sick leave and vacation leave
13 balances.

14 6. The department of personnel shall administer the
15 program and shall adopt administrative rules to administer the
16 program.

17 7. This section is repealed June 30, 2003.

18 Sec. 2. 2001 Iowa Acts, First Extraordinary Session,
19 chapter 5, section 2, is repealed.

20 Sec. 3. SICK LEAVE AND VACATION INCENTIVE PROGRAM.

21 1. As used in this section, unless the context provides
22 otherwise:

23 a. "Credited service" means service under the Iowa public
24 employees' retirement system, as service is defined in section
25 97B.1A, and membership service under the public safety peace
26 officers' retirement, accident, and disability system, as
27 defined in section 97A.1.

28 b. "Eligible employee" means an employee for which, but
29 for participation in the program, the sum of the number of
30 years of credited service and the employee's age in years as
31 of December 31, 2002, equals or exceeds seventy-five.

32 c. "Employee" means an employee of the executive branch of
33 the state who is not covered by a collective bargaining
34 agreement, including an employee of a judicial district
35 department of correctional services if the district elects to

1 participate in the program, an employee of the state board of
2 regents if employees of the board covered by a collective
3 bargaining agreement agree to participate in a similar early
4 termination program, and an employee of the department of
5 justice. However, "employee" does not mean a statewide
6 elected official.

7 d. "Participant" means a person who timely submits an
8 election to participate, and does participate, in the sick
9 leave and vacation incentive program established under this
10 section.

11 e. "Program" means the sick leave and vacation incentive
12 program established under this section.

13 f. "Regular annual salary" means an amount equal to the
14 eligible employee's regular biweekly rate of pay as of the
15 date of separation from employment multiplied by twenty-six.

16 g. "Sick leave and vacation incentive benefit" means an
17 amount equal to the entire value of an eligible employee's
18 accumulated but unused vacation plus the lesser of the entire
19 value of the eligible employee's accumulated and unused sick
20 leave or the employee's regular annual salary.

21 2. To become a participant in the program, an eligible
22 employee shall do all of the following:

23 a. Submit by January 31, 2002, a written application, on
24 forms prescribed by the department of personnel, seeking
25 participation in the program.

26 b. Agree to waive any and all rights to receive payments
27 of sick leave balances under section 70A.23 and accrued
28 vacation balances in a form other than as provided in this
29 section.

30 c. Agree to waive all rights to file suit against the
31 state of Iowa, including all of its departments, agencies, and
32 other subdivisions, based on state or federal claims arising
33 out of the employment relationship.

34 d. Acknowledge, in writing, that participation in the
35 program waives any right to accept permanent part-time or

1 permanent full-time employment with the state other than as an
2 elected official on or after February 1, 2002.

3 e. Agree to separate from employment with the state by
4 February 1, 2002.

5 3. Upon acceptance to participate in the program and
6 separation from employment with the state by February 1, 2002,
7 a participant shall receive a sick leave and vacation
8 incentive benefit. The state shall pay to the participant a
9 portion of the sick leave and vacation incentive benefit each
10 fiscal year for a period of five years commencing with the
11 fiscal year ending June 30, 2002.

12 4. The department of personnel shall administer the
13 program, including the determination of eligibility for
14 participation in the program, and shall adopt administrative
15 rules to administer the program. The department may adopt
16 rules on an emergency basis under section 17A.4, subsection 2,
17 and section 17A.5, subsection 2, paragraph "b", to implement
18 this section and the rules shall be effective immediately upon
19 filing unless a later date is specified in the rules.

20 5. The legislative council may provide an incentive
21 program for employees of the legislative branch consistent
22 with the program provided in this section for executive branch
23 employees.

24 Sec. 4. EARLY TERMINATION PROGRAMS -- MISCELLANEOUS
25 PROVISIONS.

26 1. DEFINITIONS. For purposes of this section, unless the
27 context otherwise requires:

28 a. "Early termination participant" means an eligible state
29 employee who participates in an early termination program.

30 b. "Early termination program" means a sick leave and
31 vacation incentive program as established or authorized in
32 this Act and the similar early termination program established
33 for state employees as established pursuant to a collective
34 bargaining agreement entered into pursuant to chapter 20.

35 2. GROUP INSURANCE ELIGIBILITY. An early termination

1 participant shall be eligible to continue participation in the
2 group plan or under the group contract at the early
3 termination participant's own expense in the same manner as a
4 retired employee pursuant to section 509A.13. In addition, an
5 early termination participant shall be deemed an eligible
6 retired state employee for purposes of eligibility for
7 continuation of group insurance covering spouses as provided
8 in section 509A.13A.

9 3. RELEASE OF RECORDS. Notwithstanding any provision of
10 chapter 22 or section 97B.17 to the contrary, records of the
11 department of personnel maintained for the operation of the
12 Iowa public employees' retirement system may be released to
13 the directors, agents, and employees of the legislative fiscal
14 bureau, the department of revenue and finance, the department
15 of management, and the department of personnel, for the
16 purposes of administering and monitoring an early termination
17 program. A person receiving a record pursuant to this
18 subsection shall maintain the confidentiality of any
19 information otherwise required to be kept confidential and
20 shall be subject to the same penalties as the custodian of the
21 records for the public dissemination of such information. The
22 authority to request a record as provided pursuant to this
23 subsection shall cease June 30, 2002.

24 4. REPORTING REQUIREMENTS. The department of personnel,
25 in collaboration with the department of management, shall
26 present an interim report to the general assembly, including
27 copies to the legislative fiscal bureau and the fiscal
28 committee of the legislative council, by March 15, 2002, and a
29 final report by October 1, 2002, concerning the operation of
30 early termination programs. The department shall also submit
31 an annual update concerning the early termination programs by
32 October 1 of each year for four years, commencing October 1,
33 2003. The reports shall include information concerning the
34 number of early termination program participants, the cost of
35 the early termination program including any payments made to

1 participants, the number of state employment positions
2 eliminated pursuant to an early termination program, the
3 number of positions vacated by an early termination program
4 participant that have been refilled, and the savings to the
5 state based upon the early termination program.

6 Sec. 5. WORKFORCE ATTRITION FUND TRANSFER. Moneys in or
7 due the workforce attrition fund established pursuant to 2001
8 Iowa Acts, First Extraordinary Session, chapter 5, as of the
9 effective date of this Act shall be transferred to the general
10 fund of the state no later than January 1, 2002, and the fund
11 shall be abolished.

12 Sec. 6. INITIATIVES FOR STATE GOVERNMENT PRODUCTIVITY --
13 SPAN OF CONTROL AND JOB CLASSIFICATION SYSTEM. It is the
14 intent of the general assembly to maximize the productivity of
15 the state's workforce and increase Iowans' confidence in the
16 value of their investment in state government. To accomplish
17 these goals, the following initiatives shall be completed:

18 1. SPAN OF CONTROL. The department of personnel, in
19 consultation with the department of management and after
20 discussion and collaboration with executive branch agencies,
21 shall pursue a goal of increasing the ratio of the number of
22 employees per supervisor for executive branch agencies in the
23 aggregate to twelve employees for one supervisor by December
24 31, 2002.

25 2. JOB CLASSIFICATION SYSTEM. The department of
26 personnel, in consultation and collaboration with executive
27 branch agencies and employee organizations representing
28 employees of executive branch agencies, shall evaluate the
29 state's system of job classification for state employees in
30 order to ensure the existence of technical skill-based career
31 paths in state government which do not depend on an employee
32 gaining supervisory responsibility to gain advancement, and
33 which provide incentives for state employees to broaden their
34 knowledge and skill base. The department shall include in its
35 review the elimination of obsolete, duplicative, or

1 unnecessary job classifications.

2 The department shall present an interim report to the
3 governor and the general assembly by September 1, 2002, and a
4 final report by February 1, 2003, concerning the progress made
5 by the department in completing both initiatives and any
6 recommendations and ongoing efforts by the department to meet
7 each initiative.

8 Sec. 7. COST-OF-LIVING PAY INCREASE DELAY. It is the
9 intent of the general assembly that cost-of-living pay
10 increases for employees of employers participating in the sick
11 leave and vacation incentive program established in this Act
12 be delayed from July 1, 2002, until November 1, 2002.

13 Sec. 8. EFFECTIVE DATES.

14 1. Sections 2, 3, 4, 5, 6, and 7 of this Act, being deemed
15 of immediate importance, take effect upon enactment.

16 2. Section 1 of this Act, establishing Code section
17 70A.38, takes effect July 1, 2002.

18 EXPLANATION

19 This bill establishes two early termination programs for
20 eligible state employees, a years of service incentive program
21 and a sick leave and vacation incentive program. The bill
22 also repeals the workforce attrition program and fund and
23 transfers moneys in the fund to the general fund of the state.

24 The bill establishes a years of service incentive program
25 which permits an executive branch department, agency, board,
26 or commission to offer a termination incentive to eligible
27 employees who agree to separate from state employment. To be
28 eligible, an employee shall have 10 or more years of covered
29 service under PORS and IPERS as of the date the employee
30 leaves state employment. Prior to offering the program to an
31 eligible employee or employees, the executive branch employer
32 must obtain approval from the department of personnel. As
33 part of this approval process, the employer shall submit a
34 business plan to the departments of management and personnel
35 indicating the savings to the state if the employee or

1 employees participate. Once approval is obtained, the
2 employer may offer an employee a termination incentive equal
3 to the lesser of the employee's annual salary or \$250 for each
4 quarter year of covered service under PORS and IPERS if the
5 employee voluntarily agrees to terminate employment and agrees
6 not to return to permanent full-time or permanent part-time
7 employment with the state. This provision in the bill takes
8 effect July 1, 2002, and is repealed June 30, 2003.

9 The bill also establishes a sick leave and vacation
10 incentive program for eligible employees of the executive
11 branch of the state who are not covered by a collective
12 bargaining agreement which program shall be administered by
13 the department of personnel. The bill also authorizes the
14 legislative council to offer a similar program to legislative
15 employees. The bill permits eligible executive branch
16 employees for which the sum of the number of years of credited
17 service under IPERS or PORS and the employee's age as of
18 December 31, 2002, equals or exceeds 75 to separate from
19 service with the state and receive a sick leave and vacation
20 incentive benefit payable in five fiscal years beginning with
21 the fiscal year that ends on June 30, 2002. The incentive
22 benefit is equal to the employee's unused vacation plus the
23 lesser of the employee's regular annual salary or the value of
24 the employee's sick leave. To receive the incentive benefit,
25 an eligible employee must submit an application to participate
26 in the program by January 31, 2002, separate from state
27 employment by February 1, 2002, acknowledge the employee's
28 ineligibility to return to permanent part-time or permanent
29 full-time employment with the state, and waive any claims to
30 unused sick leave or vacation balances otherwise payable upon
31 termination of employment. Employees who participate in the
32 program, as well as the corresponding program established
33 pursuant to a collective bargaining agreement, are eligible to
34 continue to participate in group insurance coverage from the
35 state in the same manner as employees who retire from state

1 employment. The bill also permits release of IPERS records to
2 the legislative fiscal bureau and the departments of
3 management, revenue and finance, and personnel for the purpose
4 of monitoring and administering the sick leave and vacation
5 incentive program and the corresponding program available to
6 employees covered by a collective bargaining agreement that
7 authorizes a similar program. The release of records
8 authority ceases as of June 30, 2002.

9 The bill requires the department of personnel to submit
10 reports to the general assembly concerning the operation of
11 the early termination programs with an interim report due by
12 March 15, 2002, and a final report by October 1, 2002.
13 Updated reports for an additional four years are also
14 required.

15 The bill also creates two initiatives for the department of
16 personnel to complete in order to enhance state government
17 efficiency. The department of personnel, in consultation with
18 the department of management, is required to pursue a goal of
19 increasing the ratio of employees per supervisor within
20 executive branch agencies to 12 to 1 by December 31, 2002.
21 The department of personnel is also required to evaluate the
22 state's system of job classification for state employees to
23 create technical skill-based career paths which do not require
24 supervisory responsibility for advancement. The department of
25 personnel is required to issue an interim report and final
26 report to the governor and general assembly concerning the
27 progress made on these tasks by September 1, 2002, and
28 February 1, 2003, respectively.

29 The bill also provides that it is the intent of the general
30 assembly that the cost-of-living increases for July 1, 2002,
31 be delayed to November 1, 2002, for employees of employers
32 participating in the sick leave and vacation incentive
33 program.

34 The bill, except for the years of service incentive
35 program, takes effect upon enactment.

1 Amend House File 761 as follows:

2 1. Page 1, line 17, by striking the words "a
3 statewide", and inserting the following: "an".

4 2. Page 3, by inserting after line 16 the
5 following:

6 "_____. The legislative council shall provide a
7 years of service incentive program for employees of
8 the legislative branch consistent with the program
9 provided in this section for executive branch
10 employees. The benefit provided for employees under
11 this subsection shall be no greater than that provided
12 for executive branch employees."

13 3. Page 4, by striking lines 2 through 4 and
14 inserting the following: "regents if the board elects
15 to participate in the program, and an employee of the
16 department of".

17 4. Page 4, line 5, by striking the words "a
18 statewide", and inserting the following: "an".

19 5. Page 5, by striking lines 20 through 23 and
20 inserting the following:

21 "5. The legislative council shall provide an
22 incentive program for employees of the legislative
23 branch consistent with the program provided in this
24 section for executive branch employees. The
25 legislative council shall collaborate with the
26 department of personnel to establish the program as
27 required under this subsection as nearly as identical
28 as possible to the program provided executive branch
29 employees under this section. The program provided
30 pursuant to this subsection shall establish the same
31 time guidelines and benefit calculations as provided
32 under the program for executive branch employees."

33 6. Page 5, line 31, by striking the word
34 "authorized", and inserting the following:
35 "required".

36 7. Page 8, by striking lines 8 through 12 and
37 inserting the following:

38 "Sec. _____. NONCONTRACT EMPLOYEE ACROSS-THE-BOARD
39 WAGE INCREASE DELAY. Any across-the-board wage
40 increases for employees not covered by a collective
41 bargaining agreement, which would otherwise take
42 effect at the beginning of the pay period in which
43 July 1, 2002, falls, shall be delayed until the pay
44 period in which November 1, 2002, falls."

45 8. By renumbering as necessary.

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GIPP of Winneshiek

*Adopted
11-8-01*