

Substitutes for HF 761
11-8-01

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SENATE FILE

551

BY COMMITTEE ON APPROPRIATIONS

Passed Senate, Date 11-8-01 Passed House, Date 11-8-01
Vote: Ayes 48 Nays 0 Vote: Ayes 94 Nays 3
Approved November 19, 2001

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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SF 551

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 an 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. The legislative council shall provide a years of
18 service incentive program for employees of the legislative
19 branch consistent with the program provided in this section
20 for executive branch employees. The benefit provided for
21 employees under this subsection shall be no greater than that
22 provided for executive branch employees.

23 8. This section is repealed June 30, 2003.

24 Sec. 2. 2001 Iowa Acts, First Extraordinary Session,
25 chapter 5, section 2, is repealed.

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

27 1. As used in this section, unless the context provides
28 otherwise:

29 a. "Credited service" means service under the Iowa public
30 employees' retirement system, as service is defined in section
31 97B.1A, and membership service under the public safety peace
32 officers' retirement, accident, and disability system, as
33 defined in section 97A.1.

34 b. "Eligible employee" means an employee for which, but
35 for participation in the program, the sum of the number of

1 years of credited service and the employee's age in years as
2 of December 31, 2002, equals or exceeds seventy-five.

3 c. "Employee" means an employee of the executive branch of
4 the state who is not covered by a collective bargaining
5 agreement, including an employee of a judicial district
6 department of correctional services if the district elects to
7 participate in the program, an employee of the state board of
8 regents if employees of the board covered by a collective
9 bargaining agreement agree to participate in a similar early
10 termination program, and an employee of the department of
11 justice. However, "employee" does not mean an elected
12 official.

13 d. "Participant" means a person who timely submits an
14 election to participate, and does participate, in the sick
15 leave and vacation incentive program established under this
16 section.

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

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

22 g. "Sick leave and vacation incentive benefit" means an
23 amount equal to the entire value of an eligible employee's
24 accumulated but unused vacation plus the lesser of the entire
25 value of the eligible employee's accumulated and unused sick
26 leave or the employee's regular annual salary.

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

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

32 b. Agree to waive any and all rights to receive payments
33 of sick leave balances under section 70A.23 and accrued
34 vacation balances in a form other than as provided in this
35 section.

1 c. Agree to waive all rights to file suit against the
2 state of Iowa, including all of its departments, agencies, and
3 other subdivisions, based on state or federal claims arising
4 out of the employment relationship.

5 d. Acknowledge, in writing, that participation in the
6 program waives any right to accept permanent part-time or
7 permanent full-time employment with the state other than as an
8 elected official on or after February 1, 2002.

9 e. Agree to separate from employment with the state by
10 February 1, 2002.

11 3. Upon acceptance to participate in the program and
12 separation from employment with the state by February 1, 2002,
13 a participant shall receive a sick leave and vacation
14 incentive benefit. The state shall pay to the participant a
15 portion of the sick leave and vacation incentive benefit each
16 fiscal year for a period of five years commencing with the
17 fiscal year ending June 30, 2002.

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

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

1 branch employees.

2 Sec. 4. EARLY TERMINATION PROGRAMS -- MISCELLANEOUS
3 PROVISIONS.

4 1. DEFINITIONS. For purposes of this section, unless the
5 context otherwise requires:

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

8 b. "Early termination program" means a sick leave and
9 vacation incentive program as established or required in this
10 Act and the similar early termination program established for
11 state employees as established pursuant to a collective
12 bargaining agreement entered into pursuant to chapter 20.

13 2. GROUP INSURANCE ELIGIBILITY. An early termination
14 participant shall be eligible to continue participation in the
15 group plan or under the group contract at the early
16 termination participant's own expense in the same manner as a
17 retired employee pursuant to section 509A.13. In addition, an
18 early termination participant shall be deemed an eligible
19 retired state employee for purposes of eligibility for
20 continuation of group insurance covering spouses as provided
21 in section 509A.13A.

22 3. RELEASE OF RECORDS. Notwithstanding any provision of
23 chapter 22 or section 97B.17 to the contrary, records of the
24 department of personnel maintained for the operation of the
25 Iowa public employees' retirement system may be released to
26 the directors, agents, and employees of the legislative fiscal
27 bureau, the department of revenue and finance, the department
28 of management, and the department of personnel, for the
29 purposes of administering and monitoring an early termination
30 program. A person receiving a record pursuant to this
31 subsection shall maintain the confidentiality of any
32 information otherwise required to be kept confidential and
33 shall be subject to the same penalties as the custodian of the
34 records for the public dissemination of such information. The
35 authority to request a record as provided pursuant to this

1 subsection shall cease June 30, 2002.

2 4. REPORTING REQUIREMENTS. The department of personnel,
3 in collaboration with the department of management, shall
4 present an interim report to the general assembly, including
5 copies to the legislative fiscal bureau and the fiscal
6 committee of the legislative council, by March 15, 2002, and a
7 final report by October 1, 2002, concerning the operation of
8 early termination programs. The department shall also submit
9 an annual update concerning the early termination programs by
10 October 1 of each year for four years, commencing October 1,
11 2003. The reports shall include information concerning the
12 number of early termination program participants, the cost of
13 the early termination program including any payments made to
14 participants, the number of state employment positions
15 eliminated pursuant to an early termination program, the
16 number of positions vacated by an early termination program
17 participant that have been refilled, and the savings to the
18 state based upon the early termination program.

19 Sec. 5. WORKFORCE ATTRITION FUND TRANSFER. Moneys in or
20 due the workforce attrition fund established pursuant to 2001
21 Iowa Acts, First Extraordinary Session, chapter 5, as of the
22 effective date of this Act shall be transferred to the general
23 fund of the state no later than January 1, 2002, and the fund
24 shall be abolished.

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

31 1. SPAN OF CONTROL. The department of personnel, in
32 consultation with the department of management and after
33 discussion and collaboration with executive branch agencies,
34 shall pursue a goal of increasing the ratio of the number of
35 employees per supervisor for executive branch agencies in the

1 aggregate to twelve employees for one supervisor by December
2 31, 2002.

3 2. JOB CLASSIFICATION SYSTEM. The department of
4 personnel, in consultation and collaboration with executive
5 branch agencies and employee organizations representing
6 employees of executive branch agencies, shall evaluate the
7 state's system of job classification for state employees in
8 order to ensure the existence of technical skill-based career
9 paths in state government which do not depend on an employee
10 gaining supervisory responsibility to gain advancement, and
11 which provide incentives for state employees to broaden their
12 knowledge and skill base. The department shall include in its
13 review the elimination of obsolete, duplicative, or
14 unnecessary job classifications.

15 The department shall present an interim report to the
16 governor and the general assembly by September 1, 2002, and a
17 final report by February 1, 2003, concerning the progress made
18 by the department in completing both initiatives and any
19 recommendations and ongoing efforts by the department to meet
20 each initiative.

21 Sec. 7. NONCONTRACT EMPLOYEE ACROSS-THE-BOARD WAGE
22 INCREASE DELAY. Any across-the-board wage increases for
23 employees not covered by a collective bargaining agreement,
24 which would otherwise take effect at the beginning of the pay
25 period in which July 1, 2002, falls, shall be delayed until
26 the pay period in which November 1, 2002, falls.

27 Sec. 8. EFFECTIVE DATES.

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

30 2. Section 1 of this Act, establishing Code section
31 70A.38, takes effect July 1, 2002.

32 EXPLANATION

33 This bill establishes two early termination programs for
34 eligible state employees, a years of service incentive program
35 and a sick leave and vacation incentive program. The bill

1 also repeals the workforce attrition program and fund and
2 transfers moneys in the fund to the general fund of the state.

3 The bill establishes a years of service incentive program
4 which permits an executive branch department, agency, board,
5 or commission to offer a termination incentive to eligible
6 employees who agree to separate from state employment. To be
7 eligible, an employee shall have 10 or more years of covered
8 service under PORS and IPERS as of the date the employee
9 leaves state employment. Prior to offering the program to an
10 eligible employee or employees, the executive branch employer
11 must obtain approval from the department of personnel. As
12 part of this approval process, the employer shall submit a
13 business plan to the departments of management and personnel
14 indicating the savings to the state if the employee or
15 employees participate. Once approval is obtained, the
16 employer may offer an employee a termination incentive equal
17 to the lesser of the employee's annual salary or \$250 for each
18 quarter year of covered service under PORS and IPERS if the
19 employee voluntarily agrees to terminate employment and agrees
20 not to return to permanent full-time or permanent part-time
21 employment with the state. The bill requires the legislative
22 council to offer a similar program to legislative branch
23 employees. This provision in the bill takes effect July 1,
24 2002, and is repealed June 30, 2003.

25 The bill also establishes a sick leave and vacation
26 incentive program for eligible employees of the executive
27 branch of the state who are not covered by a collective
28 bargaining agreement which program shall be administered by
29 the department of personnel. The bill also requires the
30 legislative council to offer a similar program to legislative
31 branch employees. The bill permits eligible executive branch
32 employees for which the sum of the number of years of credited
33 service under IPERS or PORS and the employee's age as of
34 December 31, 2002, equals or exceeds 75 to separate from
35 service with the state and receive a sick leave and vacation

1 incentive benefit payable in five fiscal years beginning with
2 the fiscal year that ends on June 30, 2002. The incentive
3 benefit is equal to the employee's unused vacation plus the
4 lesser of the employee's regular annual salary or the value of
5 the employee's sick leave. To receive the incentive benefit,
6 an eligible employee must submit an application to participate
7 in the program by January 31, 2002, separate from state
8 employment by February 1, 2002, acknowledge the employee's
9 ineligibility to return to permanent part-time or permanent
10 full-time employment with the state, and waive any claims to
11 unused sick leave or vacation balances otherwise payable upon
12 termination of employment. Employees who participate in the
13 program, as well as the corresponding program established
14 pursuant to a collective bargaining agreement, are eligible to
15 continue to participate in group insurance coverage from the
16 state in the same manner as employees who retire from state
17 employment. The bill also permits release of IPERS records to
18 the legislative fiscal bureau and the departments of
19 management, revenue and finance, and personnel for the purpose
20 of monitoring and administering the sick leave and vacation
21 incentive program and the corresponding program available to
22 employees covered by a collective bargaining agreement that
23 authorizes a similar program. The release of records
24 authority ceases as of June 30, 2002.

25 The bill requires the department of personnel to submit
26 reports to the general assembly concerning the operation of
27 the early termination programs with an interim report due by
28 March 15, 2002, and a final report by October 1, 2002.
29 Updated reports for an additional four years are also
30 required.

31 The bill also creates two initiatives for the department of
32 personnel to complete in order to enhance state government
33 efficiency. The department of personnel, in consultation with
34 the department of management, is required to pursue a goal of
35 increasing the ratio of employees per supervisor within

1 executive branch agencies to 12 to 1 by December 31, 2002.
2 The department of personnel is also required to evaluate the
3 state's system of job classification for state employees to
4 create technical skill-based career paths which do not require
5 supervisory responsibility for advancement. The department of
6 personnel is required to issue an interim report and final
7 report to the governor and general assembly concerning the
8 progress made on these tasks by September 1, 2002, and
9 February 1, 2003, respectively.

10 The bill also provides that any across-the-board increases
11 for July 1, 2002, be delayed to November 1, 2002, for
12 employees not covered by a collective bargaining agreement.

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

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SENATE FILE 551

Approved for Introduction
SENATE LEGAL COUNSEL

1 Amend Senate File 551 as follows:
2 1. Page 4, by striking lines 8 through 10 and
3 inserting the following: "regents if the board elects
4 to participate in the program, and an employee of the
5 department of".

M. Kramer

MARY E. KRAMER

*Adopted
11-8-01*

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SENATE FILE 551
BY COMMITTEE ON APPROPRIATIONS

(AS AMENDED AND PASSED BY THE SENATE NOVEMBER 8, 2001)

- New Language by the Senate

Passed Senate, Date _____ Passed House, Date 11-08-01
Vote: Ayes _____ Nays _____ Vote: Ayes 94 Nays 3
Approved 11-19-2001

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

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SF. 551

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:

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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 an 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
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3 effectively managing its resources. Prior to making the
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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.

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18 employment with the state, and other relevant information
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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
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18 service incentive program for employees of the legislative
19 branch consistent with the program provided in this section
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21 employees under this subsection shall be no greater than that
22 provided for executive branch employees.

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32 officers' retirement, accident, and disability system, as
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34 b. "Eligible employee" means an employee for which, but
35 for participation in the program, the sum of the number of

1 years of credited service and the employee's age in years as
2 of December 31, 2002, equals or exceeds seventy-five.

3 c. "Employee" means an employee of the executive branch of
4 the state who is not covered by a collective bargaining
5 agreement, including an employee of a judicial district
6 department of correctional services if the district elects to
7 participate in the program, an employee of the state board of
8 regents if the board elects to participate in the program, and
9 an employee of the department of justice. However, "employee"
10 does not mean an elected official.

11 d. "Participant" means a person who timely submits an
12 election to participate, and does participate, in the sick
13 leave and vacation incentive program established under this
14 section.

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

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

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

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26 employee shall do all of the following:

27 a. Submit by January 31, 2002, a written application, on
28 forms prescribed by the department of personnel, seeking
29 participation in the program.

30 b. Agree to waive any and all rights to receive payments
31 of sick leave balances under section 70A.23 and accrued
32 vacation balances in a form other than as provided in this
33 section.

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1 other subdivisions, based on state or federal claims arising
2 out of the employment relationship.

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4 program waives any right to accept permanent part-time or
5 permanent full-time employment with the state other than as an
6 elected official on or after February 1, 2002.

7 e. Agree to separate from employment with the state by
8 February 1, 2002.

9 3. Upon acceptance to participate in the program and
10 separation from employment with the state by February 1, 2002,
11 a participant shall receive a sick leave and vacation
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13 portion of the sick leave and vacation incentive benefit each
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15 fiscal year ending June 30, 2002.

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19 rules to administer the program. The department may adopt
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21 and section 17A.5, subsection 2, paragraph "b", to implement
22 this section and the rules shall be effective immediately upon
23 filing unless a later date is specified in the rules.

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25 program for employees of the legislative branch consistent
26 with the program provided in this section for executive branch
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29 under this subsection as nearly as identical as possible to
30 the program provided executive branch employees under this
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34 branch employees.

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1 PROVISIONS.

2 1. DEFINITIONS. For purposes of this section, unless the
3 context otherwise requires:

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

6 b. "Early termination program" means a sick leave and
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9 state employees as established pursuant to a collective
10 bargaining agreement entered into pursuant to chapter 20.

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15 retired employee pursuant to section 509A.13. In addition, an
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17 retired state employee for purposes of eligibility for
18 continuation of group insurance covering spouses as provided
19 in section 509A.13A.

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

35 4. REPORTING REQUIREMENTS. The department of personnel,

1 in collaboration with the department of management, shall
2 present an interim report to the general assembly, including
3 copies to the legislative fiscal bureau and the fiscal
4 committee of the legislative council, by March 15, 2002, and a
5 final report by October 1, 2002, concerning the operation of
6 early termination programs. The department shall also submit
7 an annual update concerning the early termination programs by
8 October 1 of each year for four years, commencing October 1,
9 2003. The reports shall include information concerning the
10 number of early termination program participants, the cost of
11 the early termination program including any payments made to
12 participants, the number of state employment positions
13 eliminated pursuant to an early termination program, the
14 number of positions vacated by an early termination program
15 participant that have been refilled, and the savings to the
16 state based upon the early termination program.

17 Sec. 5. WORKFORCE ATTRITION FUND TRANSFER. Moneys in or
18 due the workforce attrition fund established pursuant to 2001
19 Iowa Acts, First Extraordinary Session, chapter 5, as of the
20 effective date of this Act shall be transferred to the general
21 fund of the state no later than January 1, 2002, and the fund
22 shall be abolished.

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

29 1. SPAN OF CONTROL. The department of personnel, in
30 consultation with the department of management and after
31 discussion and collaboration with executive branch agencies,
32 shall pursue a goal of increasing the ratio of the number of
33 employees per supervisor for executive branch agencies in the
34 aggregate to twelve employees for one supervisor by December
35 31, 2002.

1 2. JOB CLASSIFICATION SYSTEM. The department of
2 personnel, in consultation and collaboration with executive
3 branch agencies and employee organizations representing
4 employees of executive branch agencies, shall evaluate the
5 state's system of job classification for state employees in
6 order to ensure the existence of technical skill-based career
7 paths in state government which do not depend on an employee
8 gaining supervisory responsibility to gain advancement, and
9 which provide incentives for state employees to broaden their
10 knowledge and skill base. The department shall include in its
11 review the elimination of obsolete, duplicative, or
12 unnecessary job classifications.

13 The department shall present an interim report to the
14 governor and the general assembly by September 1, 2002, and a
15 final report by February 1, 2003, concerning the progress made
16 by the department in completing both initiatives and any
17 recommendations and ongoing efforts by the department to meet
18 each initiative.

19 Sec. 7. NONCONTRACT EMPLOYEE ACROSS-THE-BOARD WAGE
20 INCREASE DELAY. Any across-the-board wage increases for
21 employees not covered by a collective bargaining agreement,
22 which would otherwise take effect at the beginning of the pay
23 period in which July 1, 2002, falls, shall be delayed until
24 the pay period in which November 1, 2002, falls.

25 Sec. 8. EFFECTIVE DATES.

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

28 2. Section 1 of this Act, establishing Code section
29 70A.38, takes effect July 1, 2002.

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SENATE FILE 551

AN ACT

RELATING TO STATE GOVERNMENT EMPLOYMENT BY PROVIDING TERMINATION INCENTIVE PROGRAMS FOR ELIGIBLE STATE EMPLOYEES, ABOLISHING THE WORKFORCE ATTRITION PROGRAM AND FUND, CREATING INITIATIVES TO INCREASE THE RATIO OF STATE EMPLOYEES PER SUPERVISOR AND TO EVALUATE THE STATE'S JOB CLASSIFICATION SYSTEM, AND PROVIDING EFFECTIVE DATES.

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

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

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

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

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

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

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

e. "Participant" means an eligible employee who has been selected for participation in the years of service incentive program, who agrees to such participation, who is approved for

participation, and who receives a termination incentive as provided by this section.

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

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

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

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

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

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

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

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

c. Acknowledge, in writing, that participation in the program waives any right to accept permanent part-time or permanent full-time employment with the state other than as an elected official or as an employee of the state board of regents.

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

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

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

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

8. This section is repealed June 30, 2003.

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

Sec. 3. SICK LEAVE AND VACATION INCENTIVE PROGRAM.

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

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

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

c. "Employee" means an employee of the executive branch of the state who is not covered by a collective bargaining agreement, including an employee of a judicial district department of correctional services if the district elects to participate in the program, an employee of the state board of regents if the board elects to participate in the program, and an employee of the department of justice. However, "employee" does not mean an elected official.

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

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

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

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

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

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

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

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

d. Acknowledge, in writing, that participation in the program waives any right to accept permanent part-time or permanent full-time employment with the state other than as an elected official on or after February 1, 2002.

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

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

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

5. The legislative council shall provide an incentive program for employees of the legislative branch consistent with the program provided in this section for executive branch employees. The legislative council shall collaborate with the department of personnel to establish the program as required under this subsection as nearly as identical as possible to the program provided executive branch employees under this section. The program provided pursuant to this subsection shall establish the same time guidelines and benefit calculations as provided under the program for executive branch employees.

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

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

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

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

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

3. RELEASE OF RECORDS. Notwithstanding any provision of chapter 22 or section 97B.17 to the contrary, records of the department of personnel maintained for the operation of the Iowa public employees' retirement system may be released to

the directors, agents, and employees of the legislative fiscal bureau, the department of revenue and finance, the department of management, and the department of personnel, for the purposes of administering and monitoring an early termination program. A person receiving a record pursuant to this subsection shall maintain the confidentiality of any information otherwise required to be kept confidential and shall be subject to the same penalties as the custodian of the records for the public dissemination of such information. The authority to request a record as provided pursuant to this subsection shall cease June 30, 2002.

4. REPORTING REQUIREMENTS. The department of personnel, in collaboration with the department of management, shall present an interim report to the general assembly, including copies to the legislative fiscal bureau and the fiscal committee of the legislative council, by March 15, 2002, and a final report by October 1, 2002, concerning the operation of early termination programs. The department shall also submit an annual update concerning the early termination programs by October 1 of each year for four years, commencing October 1, 2003. The reports shall include information concerning the number of early termination program participants, the cost of the early termination program including any payments made to participants, the number of state employment positions eliminated pursuant to an early termination program, the number of positions vacated by an early termination program participant that have been refilled, and the savings to the state based upon the early termination program.

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

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

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

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

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

Sec. 7. NONCONTRACT EMPLOYEE ACROSS-THE-BOARD WAGE INCREASE DELAY. Any across-the-board wage increases for employees not covered by a collective bargaining agreement, which would otherwise take effect at the beginning of the pay

period in which July 1, 2002, falls, shall be delayed until the pay period in which November 1, 2002, falls.

Sec. 8. EFFECTIVE DATES.

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

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

MARY E. KRAMER

President of the Senate

BRENT SIEGRIST

Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 551, Seventy-ninth General Assembly.

MICHAEL E. MARSHALL

Secretary of the Senate

Approved Nov. 19, 2001

THOMAS J. VILSACK

Governor