

5-3/29/95 State 1994
5-4/5/95 Do Pass
5-4/13/95 Unfinished Business
Calendar

MAR 21 1995
Place On Calendar

HOUSE FILE 507
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 316)

(P.1047)
Passed House, Date 3-29-95 Passed Senate, Date 4/25/95 (p. 1392)
Vote: Ayes 96 Nays 0 Vote: Ayes 46 Nays 0
Approved May 4, 1995
Passed 4-26-95
vote 98-0

A BILL FOR

1 An Act relating to state government personnel systems, including
2 affirmative action reports, disability programs, deferred
3 compensation, experimental research projects, the state
4 training system, and health insurance contracts for public
5 employees.

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

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HF 507

1 Section 1. Section 19A.3, subsection 9, Code 1995, is
2 amended to read as follows:

3 9. Seasonal employees ~~appointed-during-the-period-of-April~~
4 ~~15-through-October-15.~~

5 Sec. 2. NEW SECTION. 19A.8A EXPERIMENTAL RESEARCH
6 PROJECTS.

7 The director may conduct experimental or research
8 personnel-related projects of limited duration designed to im-
9 prove the quality of the employment system. The provisions of
10 section 19A.9 or administrative rules adopted pursuant to that
11 section are waived for the purposes of such projects.
12 Projects adopted under this authority shall not violate
13 existing collective bargaining agreements. Any projects that
14 relate to issues covered by such agreements or issues that are
15 mandatory subjects of collective bargaining are subject to
16 negotiations as applicable. The director shall report the
17 results of the experimental research projects conducted in the
18 preceding fiscal year to the legislative council by September
19 30 of each year.

20 Sec. 3. Section 19A.12, subsection 2, Code 1995, is
21 amended to read as follows:

22 2. ~~An-Iowa-management~~ A training revolving fund is created
23 in the state treasury. The moneys credited to the fund shall
24 be used for the purpose of paying actual and necessary
25 expenses incurred by the department in administering the ~~Iowa~~
26 ~~management~~ training system. All fees, grants, or specific
27 appropriations for this purpose shall be credited to the fund.
28 The fees for the ~~Iowa-management~~ training system courses shall
29 be set by the director to cover the ~~cost~~ costs of
30 ~~administration-except-for-costs-associated-with-salaries-of~~
31 ~~employees-of-the-department,~~ course development, training
32 materials, facilities and equipment, and professional
33 instructors, and administration, except for costs associated
34 with the salary of employees of the department. The fees
35 shall be paid to the department by the state agency sending

1 the employees for training and the payment shall be credited
2 to the Iowa-management training revolving fund.
3 Notwithstanding section 8.33, the department shall not revert
4 any unencumbered or unobligated balance in the fund, ~~except~~
5 ~~amounts-in-excess-of-fifty-thousand-dollars, beginning on June~~
6 ~~30, 1988.~~

7 Sec. 4. Section 19A.15, unnumbered paragraph 1, Code 1995,
8 is amended to read as follows:

9 The records of the department, except personal information
10 in an employee's file if the publication of such information
11 would serve no proper public purpose, shall be public records
12 and shall be open to public inspection, subject to reasonable
13 rules as to the time and manner of inspection which may be
14 prescribed by the director. Personal information includes the
15 home address and home telephone number of an employee. Each
16 employee shall have access to the employee's personal file.

17 Sec. 5. Section 19A.32, Code 1995, is amended to read as
18 follows:

19 19A.32 WORKERS' COMPENSATION CLAIMS.

20 The director shall employ appropriate staff to handle and
21 adjust claims of state employees for workers' compensation
22 benefits pursuant to chapters 85, 85A, 85B, and 86, or with
23 the approval of the executive council contract for the
24 services or purchase workers' compensation insurance coverage
25 for state employees or selected groups of state employees. A
26 state employee workers' compensation fund is established to
27 pay state employee workers' compensation claims and
28 administrative costs. The department shall establish a rating
29 formula and assess premiums to all agencies, departments, and
30 divisions of the state including those which have not received
31 an appropriation for the payment of workers' compensation
32 insurance and which operate from moneys other than from the
33 general fund of the state. The department shall collect the
34 premiums and deposit them into the state employee workers'
35 compensation fund. Notwithstanding section 8.33, moneys

1 deposited in the state employee workers' compensation fund
2 shall not revert to the general fund of the state at the end
3 of any fiscal year, but shall remain in the state employee
4 workers' compensation fund and be continuously available to
5 pay state employee workers' compensation claims. The director
6 of revenue and finance is authorized and directed to draw
7 warrants on this fund for the payment of state employee
8 workers' compensation claims.

9 Sec. 6. Section 19B.5, subsection 2, Code 1995, is amended
10 to read as follows:

11 2. The department of personnel shall submit a report on
12 the condition of affirmative action programs in state agencies
13 covered by subsection 1 by ~~August-31~~ September 30 of each year
14 to the department of management.

15 Sec. 7. Section 70A.20, Code 1995, is amended to read as
16 follows:

17 70A.20 EMPLOYEES DISABILITY PROGRAM.

18 A state employees disability insurance program is created,
19 which shall be administered by the director of the department
20 of personnel and which shall provide disability benefits in an
21 amount and for the employees as provided in this section. The
22 monthly disability benefits shall provide twenty percent of
23 monthly earnings if employed less than one year, forty percent
24 of monthly earnings if employed one year or more but less than
25 two years, and sixty percent of monthly earnings thereafter,
26 reduced by primary and family social security determined at
27 the time social security disability payments commence,
28 railroad retirement disability income, workers' compensation
29 if applicable, and any other state-sponsored sickness or
30 disability benefits payable. However, the amount of benefits
31 payable under the Iowa public employees' retirement system
32 pursuant to chapter 97B shall not reduce the benefits payable
33 pursuant to this section. Subsequent social security or
34 railroad retirement increases shall not be used to further
35 reduce the insurance benefits payable. As used in this

1 section, "primary and family social security" shall not
2 include social security benefits awarded to a disabled adult
3 child of the disabled state employee who does not reside with
4 the disabled state employee if the social security benefits
5 were awarded to the disabled adult child prior to the approval
6 of the state employee's benefits under this section,
7 regardless of whether the United States social security
8 administration records the benefits to the social security
9 number of the disabled adult child, the disabled state
10 employee, or any other family member, and such social security
11 benefits shall not reduce the benefits payable pursuant to
12 this section. As used in this section, unless the context
13 otherwise requires, "adult" means a person who is eighteen
14 years of age or older. State employees shall receive credit
15 for the time they were continuously employed prior to and on
16 July 1, 1974. The following provisions apply to the employees
17 disability insurance program:

18 1. Waiting period, ninety working days of continuous
19 sickness or accident disability or the expiration of accrued
20 sick leave, whichever is greater.

21 2. Maximum period benefits paid for both accident or
22 sickness disability:

23 a. If the disability occurs prior to the time the employee
24 attains the age of sixty-one years, the maximum benefit period
25 shall end sixty months after continuous benefit payments begin
26 or on the date on which the employee attains the age of sixty-
27 five years, whichever is later.

28 b. If the disability occurs on or after the time the
29 employee attains the age of sixty-one years but prior to the
30 age of sixty-nine years, the maximum benefit period shall end
31 sixty months after continuous benefit payments begin or on the
32 date on which the employee attains the age of seventy years,
33 whichever is earlier.

34 c. If the disability occurs on or after the time the
35 employee attains the age of sixty-nine years, the maximum

1 benefit period shall end twelve months after continuous
2 benefit payments begin.

3 3. a. Minimum and maximum benefits, not less than fifty
4 dollars per month and not exceeding two thousand dollars per
5 month.

6 b. In no event shall benefits exceed one hundred percent
7 of the claimant's predisability covered monthly compensation.

8 4. All permanent full-time state employees shall be
9 covered under the employees disability insurance program,
10 except board members and members of commissions who are not
11 full-time state employees, and state employees who on July 1,
12 1974, are under another disability program financed in whole
13 or in part by the state, and state employees who have agreed
14 to participation in another disability program through a
15 collective bargaining agreement. For purposes of this
16 section, members of the general assembly serving on or after
17 January 1, 1989, are eligible for the plan during their tenure
18 in office, on the basis of enrollment rules established for
19 full-time state employees excluded from collective bargaining
20 as provided in chapter 20.

21 Sec. 8. Section 509A.6, Code 1995, is amended to read as
22 follows:

23 509A.6 CONTRACT WITH INSURANCE CARRIER OR HEALTH
24 MAINTENANCE ORGANIZATION.

25 The governing body may contract with a nonprofit
26 corporation operating under the provisions of this chapter or
27 chapter 514 or with any insurance company having a certificate
28 of authority to transact an insurance business in this state
29 with respect of a group insurance plan, which may include
30 life, accident, health, hospitalization and disability
31 insurance during period of active service of such employees,
32 with the right of any employee to continue such life insurance
33 in force after termination of active service at such
34 employee's sole expense; may contract with a nonprofit
35 corporation operating under and governed by the provisions of

1 this chapter or chapter 514 with respect of any hospital or
2 medical service plan; and may contract with a health
3 maintenance organization or an organized delivery system
4 authorized to operate in this state with respect to health
5 maintenance organization or organized delivery system
6 activities.

7 Sec. 9. Section 509A.12, Code 1995, is amended to read as
8 follows:

9 509A.12 DEFERRED COMPENSATION PROGRAM FOR GOVERNMENTAL
10 EMPLOYEES.

11 At the request of an employee, the governing body or the
12 county board of supervisors shall by contractual agreement
13 acquire an individual or group life insurance contract,
14 annuity contract, interest in a mutual fund, security, or any
15 other deferred payment contract for the purpose of funding a
16 deferred compensation program. The contract acquired for an
17 employee, shall be in accordance with the plan document and
18 from any company the-employee-may-choose that is authorized to
19 do business in this state, or through an Iowa-licensed
20 salesperson that the employee selects on a group or individual
21 basis. The-deferred-compensation-program-shall-be
22 administered-so-that-the-director-of-revenue-and-finance-or
23 the-director's-designees-remit-one-sum-for-the-entire-program
24 according-to-a-single-billing. When the state of Iowa
25 acquires an investment product pursuant to the plan document
26 the state does not become a shareholder, stockholder, or owner
27 of a corporation in violation of Article VIII, section 3, of
28 the Constitution of the State of Iowa or any other provision
29 of law.

30 This section is in addition to any benefit program provided
31 by law for employees of the state or its political
32 subdivisions.

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EXPLANATION

34 Section 1 drops the qualification that seasonal workers are
35 those individuals hired only between April 15 and October 15.

1 Section 2 allows the department of personnel the flexi-
2 bility to pilot innovative changes in the personnel system.

3 Section 3 changes the name of the state training system to
4 include employees other than managers and eliminates the
5 \$50,000 floor on reversions to the general fund from the
6 training revolving fund. The fund will not cover salaries of
7 employees of the department.

8 Section 4 exempts the home phone number and house address
9 of state employees from routine public disclosure.

10 Section 5 provides that the state employee workers'
11 compensation fund pay administrative costs associated with
12 state workers' compensation claims.

13 Section 6 changes the annual deadline from August 31 to
14 September 30 for the department to report on affirmative
15 action programs in state government.

16 Section 7 adds railroad retirement disability income for
17 offset against state disability payments and provides that
18 disability income benefits shall not exceed predisability
19 covered monthly compensation. It also excludes state
20 employees from state employee disability insurance, if they
21 have selected another disability program through a collective
22 bargaining agreement.

23 Section 8 adds organized health delivery systems to those
24 programs with which governing bodies of public organizations
25 may contract.

26 Section 9 requires companies wishing to provide deferred
27 compensation investment contracts to government employees to
28 follow the plan document established by the governing body.
29 The requirement that the program be administered so that the
30 director of revenue and finance or the director's designee
31 remits one sum for the entire program according to a single
32 billing is eliminated. New language is added to provide that
33 the state of Iowa does not become a shareholder or owner of a
34 corporation when the state acquires an investment program.

35

HOUSE FILE 507

S-3397

1 Amend House File 507, as passed by the House, as
2 follows:

3 1. Page 1, line 4, by inserting after the word
4 and figure "October-15" the following: "appointed
5 during a department's designated six-month seasonal
6 employment period during the same annual twelve-month
7 period, as approved by the director".

8 2. Page 1, line 16, by inserting after the word
9 "applicable." the following: "The director shall
10 notify the chairpersons of the standing committees on
11 appropriations of the senate and the house of
12 representatives and the chairpersons of the
13 appropriate subcommittees of those committees of the
14 proposed projects. The notice from the director shall
15 include the purpose of the project, a description of
16 the project and how the project will be evaluated.
17 Chairpersons notified shall be given at least two
18 weeks to review and comment on the proposal before the
19 project is implemented."

By MICHAEL E. GRONSTAL

S-3397 FILED APRIL 12, 1995

Adopted 4/25/95 (p. 1392)

HOUSE FILE 507

S-3398

1 Amend House File 507, as passed by the House, as
2 follows:

3 1. Page 1, by inserting before line 1 the
4 following:

5 "Section 1. Section 19A.3, Code 1995, is amended
6 by adding the following new subsection:

7 NEW SUBSECTION. 23. Up to six nonprofessional
8 employees designated at the discretion of each
9 statewide elected official."

10 2. Page 1, by inserting after line 4 the
11 following:

12 "Sec. 2. NEW SECTION. 19A.3A EMPLOYEES OF
13 STATEWIDE ELECTED OFFICIALS.

14 The exempt position classifications of employees of
15 statewide elected officials as of June 30, 1994, shall
16 remain exempt and any employees subsequently hired to
17 fill any exempt position vacancies shall be classified
18 as exempt employees."

19 3. By renumbering as necessary.

By MICHAEL E. GRONSTAL

S-3398 FILED APRIL 12, 1995

Adopted 4/25/95 (p. 1392)

SENATE AMENDMENT TO HOUSE FILE 507

H-4069

1 Amend House File 507, as passed by the House, as
2 follows:

3 1. Page 1, by inserting before line 1 the
4 following:

5 "Section 1. Section 19A.3, Code 1995, is amended
6 by adding the following new subsection:

7 NEW SUBSECTION. 23. Up to six nonprofessional
8 employees designated at the discretion of each
9 statewide elected official."

10 3. Page 1, line 4, by inserting after the word
11 and figure "~~October-15~~" the following: "appointed
12 during a department's designated six-month seasonal
13 employment period during the same annual twelve-month
14 period, as approved by the director".

15 2. Page 1, by inserting after line 4 the
16 following:

17 "Sec. 2. NEW SECTION. 19A.3A EMPLOYEES OF
18 STATEWIDE ELECTED OFFICIALS.

19 The exempt position classifications of employees of
20 statewide elected officials as of June 30, 1994, shall
21 remain exempt and any employees subsequently hired to
22 fill any exempt position vacancies shall be classified
23 as exempt employees."

24 4. Page 1, line 16, by inserting after the word
25 "applicable." the following: "The director shall
26 notify the chairpersons of the standing committees on
27 appropriations of the senate and the house of
28 representatives and the chairpersons of the
29 appropriate subcommittees of those committees of the
30 proposed projects. The notice from the director shall
31 include the purpose of the project, a description of
32 the project and how the project will be evaluated.
33 Chairpersons notified shall be given at least two
34 weeks to review and comment on the proposal before the
35 project is implemented."

36 5. By renumbering, relettering, or redesignating
37 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-4069 FILED APRIL 25, 1995

House Concurred
4-26-95
(P. 1899)

HSB 316

Tynell, chair
Connors
Coon

STATE GOVERNMENT

Succeeded by

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL
BY CHAIRPERSON MARTIN)

Passed House, Date _____ Passed Senate, Date _____

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

Approved _____

A BILL FOR

1 An Act relating to state government personnel systems, including
2 affirmative action reports, disability programs, deferred
3 compensation, experimental research projects, and the state
4 training system.

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

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1 Section 1. Section 19A.3, subsection 9, Code 1995, is
2 amended to read as follows:

3 9. Seasonal employees ~~appointed-during-the-period-of-April~~
4 ~~15-through-October-15.~~

5 Sec. 2. NEW SECTION. 19A.8A EXPERIMENTAL RESEARCH
6 PROJECTS.

7 The director may conduct experimental or research
8 personnel-related projects of limited duration designed to im-
9 prove the quality of the employment system. The provisions of
10 section 19A.9 or administrative rules adopted pursuant to that
11 section are waived for the purposes of such projects.
12 Projects adopted under this authority shall not violate
13 existing collective bargaining agreements. Any projects that
14 relate to issues covered by such agreements or issues that are
15 mandatory subjects of collective bargaining are subject to
16 negotiations as applicable. The director shall report the
17 results of the experimental research projects conducted in the
18 preceding fiscal year to the legislative council by September
19 30 of each year.

20 Sec. 3. Section 19A.12, subsection 2, Code 1995, is
21 amended to read as follows:

22 2. ~~An-Iowa-management~~ A training revolving fund is created
23 in the state treasury. The moneys credited to the fund shall
24 be used for the purpose of paying actual and necessary
25 expenses incurred by the department in administering the ~~Iowa~~
26 ~~management~~ training system. All fees, grants, or specific
27 appropriations for this purpose shall be credited to the fund.
28 The fees for the ~~Iowa-management~~ training system courses shall
29 be set by the director to cover the ~~cost~~ costs of
30 ~~administration-except-for-costs-associated-with-salaries-of~~
31 ~~employees-of-the-department,~~ course development, training
32 materials, facilities and equipment, and professional
33 instructors, and administration, except for costs associated
34 with the salary of employees of the department. The fees
35 shall be paid to the department by the state agency sending

1 the employees for training and the payment shall be credited
2 to the Iowa-management training revolving fund.
3 Notwithstanding section 8.33, the department shall not revert
4 any unencumbered or unobligated balance in the fund, ~~except~~
5 ~~amounts-in-excess-of-fifty-thousand-dollars, beginning on June~~
6 ~~30, 1988.~~

7 Sec. 4. Section 19A.15, unnumbered paragraph 1, Code 1995,
8 is amended to read as follows:

9 The records of the department, except personal information
10 in an employee's file if the publication of such information
11 would serve no proper public purpose, shall be public records
12 and shall be open to public inspection, subject to reasonable
13 rules as to the time and manner of inspection which may be
14 prescribed by the director. Personal information includes the
15 home address and home telephone number of an employee. Each
16 employee shall have access to the employee's personal file.

17 Sec. 5. Section 19A.32, Code 1995, is amended to read as
18 follows:

19 19A.32 WORKERS' COMPENSATION CLAIMS.

20 The director shall employ appropriate staff to handle and
21 adjust claims of state employees for workers' compensation
22 benefits pursuant to chapters 85, 85A, 85B, and 86, or with
23 the approval of the executive council contract for the
24 services or purchase workers' compensation insurance coverage
25 for state employees or selected groups of state employees. A
26 state employee workers' compensation fund is established to
27 pay state employee workers' compensation claims and
28 administrative costs. The department shall establish a rating
29 formula and assess premiums to all agencies, departments, and
30 divisions of the state including those which have not received
31 an appropriation for the payment of workers' compensation
32 insurance and which operate from moneys other than from the
33 general fund of the state. The department shall collect the
34 premiums and deposit them into the state employee workers'
35 compensation fund. Notwithstanding section 8.33, moneys

1 deposited in the state employee workers' compensation fund
2 shall not revert to the general fund of the state at the end
3 of any fiscal year, but shall remain in the state employee
4 workers' compensation fund and be continuously available to
5 pay state employee workers' compensation claims. The director
6 of revenue and finance is authorized and directed to draw
7 warrants on this fund for the payment of state employee
8 workers' compensation claims.

9 Sec. 6. Section 19B.5, subsection 2, Code 1995, is amended
10 to read as follows:

11 2. The department of personnel shall submit a report on
12 the condition of affirmative action programs in state agencies
13 covered by subsection 1 by ~~August-31~~ September 30 of each year
14 to the department of management.

15 Sec. 7. Section 70A.20, Code 1995, is amended to read as
16 follows:

17 70A.20 EMPLOYEES DISABILITY PROGRAM.

18 A state employees disability insurance program is created,
19 which shall be administered by the director of the department
20 of personnel and which shall provide disability benefits in an
21 amount and for the employees as provided in this section. The
22 monthly disability benefits shall provide twenty percent of
23 monthly earnings if employed less than one year, forty percent
24 of monthly earnings if employed one year or more but less than
25 two years, and sixty percent of monthly earnings thereafter,
26 reduced by primary and family social security determined at
27 the time social security disability payments commence,
28 railroad retirement disability income, workers' compensation
29 if applicable, and any other state-sponsored sickness or
30 disability benefits payable. However, the amount of benefits
31 payable under the Iowa public employees' retirement system
32 pursuant to chapter 97B shall not reduce the benefits payable
33 pursuant to this section. Subsequent social security or
34 railroad retirement increases shall not be used to further
35 reduce the insurance benefits payable. As used in this

1 section, "primary and family social security" shall not
2 include social security benefits awarded to a disabled adult
3 child of the disabled state employee who does not reside with
4 the disabled state employee if the social security benefits
5 were awarded to the disabled adult child prior to the approval
6 of the state employee's benefits under this section,
7 regardless of whether the United States social security
8 administration records the benefits to the social security
9 number of the disabled adult child, the disabled state
10 employee, or any other family member, and such social security
11 benefits shall not reduce the benefits payable pursuant to
12 this section. As used in this section, unless the context
13 otherwise requires, "adult" means a person who is eighteen
14 years of age or older. State employees shall receive credit
15 for the time they were continuously employed prior to and on
16 July 1, 1974. The following provisions apply to the employees
17 disability insurance program:

18 1. Waiting period, ninety working days of continuous
19 sickness or accident disability or the expiration of accrued
20 sick leave, whichever is greater.

21 2. Maximum period benefits paid for both accident or
22 sickness disability:

23 a. If the disability occurs prior to the time the employee
24 attains the age of sixty-one years, the maximum benefit period
25 shall end sixty months after continuous benefit payments begin
26 or on the date on which the employee attains the age of sixty-
27 five years, whichever is later.

28 b. If the disability occurs on or after the time the
29 employee attains the age of sixty-one years but prior to the
30 age of sixty-nine years, the maximum benefit period shall end
31 sixty months after continuous benefit payments begin or on the
32 date on which the employee attains the age of seventy years,
33 whichever is earlier.

34 c. If the disability occurs on or after the time the
35 employee attains the age of sixty-nine years, the maximum

1 benefit period shall end twelve months after continuous
2 benefit payments begin.

3 3. a. Minimum and maximum benefits, not less than fifty
4 dollars per month and not exceeding two thousand dollars per
5 month.

6 b. In no event shall benefits exceed one hundred percent
7 of the claimant's predisability covered monthly compensation.

8 4. All permanent full-time state employees shall be
9 covered under the employees disability insurance program,
10 except board members and members of commissions who are not
11 full-time state employees, and state employees who on July 1,
12 1974, are under another disability program financed in whole
13 or in part by the state. For purposes of this section,
14 members of the general assembly serving on or after January 1,
15 1989, are eligible for the plan during their tenure in office,
16 on the basis of enrollment rules established for full-time
17 state employees excluded from collective bargaining as
18 provided in chapter 20.

19 Sec. 8. Section 509A.12, Code 1995, is amended to read as
20 follows:

21 509A.12 DEFERRED COMPENSATION PROGRAM FOR GOVERNMENTAL
22 EMPLOYEES.

23 At the request of an employee, the governing body or the
24 county board of supervisors shall by contractual agreement
25 acquire an individual or group life insurance contract,
26 annuity contract, interest in a mutual fund, security, or any
27 other deferred payment contract for the purpose of funding a
28 deferred compensation program. The contract acquired for an
29 employee, shall be in accordance with the plan document and
30 from any company the-employee-may-choose that is authorized to
31 do business in this state, or through an Iowa-licensed
32 salesperson that the employee selects on a group or individual
33 basis. The-deferred-compensation-program-shall-be
34 administered-so-that-the-director-of-revenue-and-finance-or
35 the-director's-designees-remit-one-sum-for-the-entire-program

1 ~~according-to-a-single-billing.~~ When the state of Iowa
2 acquires an investment product pursuant to the plan document
3 the state does not become a shareholder, stockholder, or owner
4 of a corporation in violation of Article VIII, section 3, of
5 the Constitution of the State of Iowa or any other provision
6 of law.

7 This section is in addition to any benefit program provided
8 by law for employees of the state or its political
9 subdivisions.

10 EXPLANATION

11 Section 1 drops the qualification that seasonal workers are
12 those individuals hired only between April 15 and October 15.

13 Section 2 allows the department of personnel the flexi-
14 bility to pilot innovative changes in the personnel system.

15 Section 3 changes the name of the state training system to
16 include employees other than managers and eliminates the
17 \$50,000 floor on reversions to the general fund from the
18 training revolving fund. The fund will not cover salaries of
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26 September 30 for the department to report on affirmative
27 action programs in state government.

28 Section 7 adds railroad retirement disability income for
29 offset against state disability payments and provides that
30 disability income benefits shall not exceed predisability
31 covered monthly compensation.

32 Section 8 requires companies wishing to provide deferred
33 compensation investment contracts to government employees to
34 follow the plan document established by the governing body.
35 The requirement that the program be administered so that the

1 director of revenue and finance or the director's designee
2 remits one sum for the entire program according to a single
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4 the state of Iowa does not become a shareholder or owner of a
5 corporation when the state acquires an investment program.

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HOUSE FILE 507

AN ACT

RELATING TO STATE GOVERNMENT PERSONNEL SYSTEMS, INCLUDING AFFIRMATIVE ACTION REPORTS, DISABILITY PROGRAMS, DEFERRED COMPENSATION, EXPERIMENTAL RESEARCH PROJECTS, THE STATE TRAINING SYSTEM, AND HEALTH INSURANCE CONTRACTS FOR PUBLIC EMPLOYEES.

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

Section 1. Section 19A.3, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 23. Up to six nonprofessional employees designated at the discretion of each statewide elected official.

Sec. 2. Section 19A.3, subsection 9, Code 1995, is amended to read as follows:

9. Seasonal employees ~~appointed during the period of April 15 through October 15~~ appointed during a department's designated six-month seasonal employment period during the same annual twelve-month period, as approved by the director.

Sec. 3. NEW SECTION. 19A.3A EMPLOYEES OF STATEWIDE ELECTED OFFICIALS.

The exempt position classifications of employees of statewide elected officials as of June 30, 1994, shall remain exempt and any employees subsequently hired to fill any exempt position vacancies shall be classified as exempt employees.

Sec. 4. NEW SECTION. 19A.8A EXPERIMENTAL RESEARCH PROJECTS.

The director may conduct experimental or research personnel-related projects of limited duration designed to improve the quality of the employment system. The provisions of section 19A.9 or administrative rules adopted pursuant to that section are waived for the purposes of such projects. Projects adopted under this authority shall not violate existing collective bargaining agreements. Any projects that relate to issues covered by such agreements or issues that are

mandatory subjects of collective bargaining are subject to negotiations as applicable. The director shall notify the chairpersons of the standing committees on appropriations of the senate and the house of representatives and the chairpersons of the appropriate subcommittees of those committees of the proposed projects. The notice from the director shall include the purpose of the project, a description of the project and how the project will be evaluated. Chairpersons notified shall be given at least two weeks to review and comment on the proposal before the project is implemented. The director shall report the results of the experimental research projects conducted in the preceding fiscal year to the legislative council by September 30 of each year.

Sec. 5. Section 19A.12, subsection 2, Code 1995, is amended to read as follows:

2. ~~An Iowa-management A~~ training revolving fund is created in the state treasury. The moneys credited to the fund shall be used for the purpose of paying actual and necessary expenses incurred by the department in administering the Iowa management training system. All fees, grants, or specific appropriations for this purpose shall be credited to the fund. The fees for the Iowa-management training system courses shall be set by the director to cover the ~~cost~~ costs of ~~administration except for costs associated with salaries of employees of the department,~~ course development, training materials, facilities and equipment, and professional instructors, and administration, except for costs associated with the salary of employees of the department. The fees shall be paid to the department by the state agency sending the employees for training and the payment shall be credited to the Iowa-management training revolving fund. Notwithstanding section 8.33, the department shall not revert any unencumbered or unobligated balance in the fund ~~except amounts in excess of fifty thousand dollars, beginning on June 30, 1988.~~

Sec. 6. Section 19A.15, unnumbered paragraph 1, Code 1995, is amended to read as follows:

The records of the department, except personal information in an employee's file if the publication of such information would serve no proper public purpose, shall be public records and shall be open to public inspection, subject to reasonable rules as to the time and manner of inspection which may be prescribed by the director. Personal information includes the home address and home telephone number of an employee. Each employee shall have access to the employee's personal file.

Sec. 7. Section 19A.32, Code 1995, is amended to read as follows:

19A.32 WORKERS' COMPENSATION CLAIMS.

The director shall employ appropriate staff to handle and adjust claims of state employees for workers' compensation benefits pursuant to chapters 85, 85A, 85B, and 86, or with the approval of the executive council contract for the services or purchase workers' compensation insurance coverage for state employees or selected groups of state employees. A state employee workers' compensation fund is established to pay state employee workers' compensation claims and administrative costs. The department shall establish a rating formula and assess premiums to all agencies, departments, and divisions of the state including those which have not received an appropriation for the payment of workers' compensation insurance and which operate from moneys other than from the general fund of the state. The department shall collect the premiums and deposit them into the state employee workers' compensation fund. Notwithstanding section 8.33, moneys deposited in the state employee workers' compensation fund shall not revert to the general fund of the state at the end of any fiscal year, but shall remain in the state employee workers' compensation fund and be continuously available to pay state employee workers' compensation claims. The director of revenue and finance is authorized and directed to draw warrants on this fund for the payment of state employee workers' compensation claims.

Sec. 8. Section 19B.5, subsection 2, Code 1995, is amended to read as follows:

2. The department of personnel shall submit a report on the condition of affirmative action programs in state agencies covered by subsection 1 by ~~August-31~~ September 30 of each year to the department of management.

Sec. 9. Section 70A.20, Code 1995, is amended to read as follows:

70A.20 EMPLOYEES DISABILITY PROGRAM.

A state employees disability insurance program is created, which shall be administered by the director of the department of personnel and which shall provide disability benefits in an amount and for the employees as provided in this section. The monthly disability benefits shall provide twenty percent of monthly earnings if employed less than one year, forty percent of monthly earnings if employed one year or more but less than two years, and sixty percent of monthly earnings thereafter, reduced by primary and family social security determined at the time social security disability payments commence, railroad retirement disability income, workers' compensation if applicable, and any other state-sponsored sickness or disability benefits payable. However, the amount of benefits payable under the Iowa public employees' retirement system pursuant to chapter 97B shall not reduce the benefits payable pursuant to this section. Subsequent social security or railroad retirement increases shall not be used to further reduce the insurance benefits payable. As used in this section, "primary and family social security" shall not include social security benefits awarded to a disabled adult child of the disabled state employee who does not reside with the disabled state employee if the social security benefits were awarded to the disabled adult child prior to the approval of the state employee's benefits under this section, regardless of whether the United States social security administration records the benefits to the social security number of the disabled adult child, the disabled state employee, or any other family member, and such social security benefits shall not reduce the benefits payable pursuant to this section. As used in this section, unless the context otherwise requires, "adult" means a person who is eighteen

years of age or older. State employees shall receive credit for the time they were continuously employed prior to and on July 1, 1974. The following provisions apply to the employees disability insurance program:

1. Waiting period, ninety working days of continuous sickness or accident disability or the expiration of accrued sick leave, whichever is greater.

2. Maximum period benefits paid for both accident or sickness disability:

a. If the disability occurs prior to the time the employee attains the age of sixty-one years, the maximum benefit period shall end sixty months after continuous benefit payments begin or on the date on which the employee attains the age of sixty-five years, whichever is later.

b. If the disability occurs on or after the time the employee attains the age of sixty-one years but prior to the age of sixty-nine years, the maximum benefit period shall end sixty months after continuous benefit payments begin or on the date on which the employee attains the age of seventy years, whichever is earlier.

c. If the disability occurs on or after the time the employee attains the age of sixty-nine years, the maximum benefit period shall end twelve months after continuous benefit payments begin.

3. a. Minimum and maximum benefits, not less than fifty dollars per month and not exceeding two thousand dollars per month.

b. In no event shall benefits exceed one hundred percent of the claimant's predisability covered monthly compensation.

4. All permanent full-time state employees shall be covered under the employees disability insurance program, except board members and members of commissions who are not full-time state employees, and state employees who on July 1, 1974, are under another disability program financed in whole or in part by the state, and state employees who have agreed to participation in another disability program through a collective bargaining agreement. For purposes of this section, members of the general assembly serving on or after

January 1, 1989, are eligible for the plan during their tenure in office, on the basis of enrollment rules established for full-time state employees excluded from collective bargaining as provided in chapter 20.

Sec. 10. Section 509A.6, Code 1995, is amended to read as follows:

509A.6 CONTRACT WITH INSURANCE CARRIER OR HEALTH MAINTENANCE ORGANIZATION.

The governing body may contract with a nonprofit corporation operating under the provisions of this chapter or chapter 514 or with any insurance company having a certificate of authority to transact an insurance business in this state with respect of a group insurance plan, which may include life, accident, health, hospitalization and disability insurance during period of active service of such employees, with the right of any employee to continue such life insurance in force after termination of active service at such employee's sole expense; may contract with a nonprofit corporation operating under and governed by the provisions of this chapter or chapter 514 with respect of any hospital or medical service plan; and may contract with a health maintenance organization or an organized delivery system authorized to operate in this state with respect to health maintenance organization or organized delivery system activities.

Sec. 11. Section 509A.12, Code 1995, is amended to read as follows:

509A.12 DEFERRED COMPENSATION PROGRAM FOR GOVERNMENTAL EMPLOYEES.

At the request of an employee, the governing body or the county board of supervisors shall by contractual agreement acquire an individual or group life insurance contract, annuity contract, interest in a mutual fund, security, or any other deferred payment contract for the purpose of funding a deferred compensation program. The contract acquired for an employee, shall be in accordance with the plan document and from any company the employee may choose that is authorized to do business in this state, or through an Iowa-licensed

salesperson that the employee selects on a group or individual basis. ~~The deferred compensation program shall be administered so that the director of revenue and finance or the director's designees remit one sum for the entire program according to a single billing.~~ When the state of Iowa acquires an investment product pursuant to the plan document the state does not become a shareholder, stockholder, or owner of a corporation in violation of Article VIII, section 3, of the Constitution of the State of Iowa or any other provision of law.

This section is in addition to any benefit program provided by law for employees of the state or its political subdivisions.

RON J. CORBETT
Speaker of the House

LEONARD L. BOSWELL
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 507, Seventy-sixth General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved May 4, 1995

TERRY E. BRANSTAD
Governor