

Elgin, chair  
Van Engelenhoven  
LARKIN

HSB 38

STATE GOVERNMENT

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S  
SENATE/HOUSE FILE 579  
BY (PROPOSED DEPARTMENT OF  
PERSONNEL BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the administration and management of the  
2 department of personnel and the creation of a revolving fund,  
3 and providing for the appropriation and use of the moneys  
4 credited to the fund.

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

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1 Section 1. Section 19A.8, unnumbered paragraph 6, Code  
2 2001, is amended by striking the unnumbered paragraph.

3 Sec. 2. NEW SECTION. 19A.8B DEPARTMENTAL OPERATIONS  
4 REVOLVING FUND.

5 A departmental operations revolving fund is created in the  
6 state treasury under the control of the director of the  
7 department of personnel for the purpose of establishing a  
8 consolidated billing system. The moneys credited to the fund  
9 are appropriated to the department for the purpose of paying  
10 the operational costs of the department of personnel. All  
11 fees, grants, or specific appropriations for this purpose  
12 shall be credited to the fund. The director shall render  
13 periodically a statement to each department, agency, and the  
14 judicial and legislative branches of government, as authorized  
15 by section 19A.1, subsection 5, for their pro rata share of  
16 the cost of operating the department of personnel. The  
17 expense shall be paid by the state department, agency, or  
18 branch in the same manner as other expenses of that  
19 department, agency, or branch are paid and all moneys received  
20 shall be credited to the departmental operations revolving  
21 fund. Notwithstanding section 8.33, any unencumbered or  
22 unobligated balance in the fund shall not revert.

23 Sec. 3. Section 19A.9, subsection 3, unnumbered paragraph  
24 3, Code 2001, is amended to read as follows:

25 Vacancies and the closing date for applications for each  
26 vacancy shall be announced publicly-at-least-fifteen-days-in  
27 advance-of-the-date-fixed-for-the-filing-of-applications  
28 therefor, and shall be advertised through the communications  
29 media to the public, except for vacancies that are posted  
30 promotionally only for state employees at the discretion of  
31 the appointing authority. The director may, however, in the  
32 director's discretion, continue to receive applications and  
33 examine candidates for a period adequate to assure a  
34 sufficient number of eligibles to meet the needs of the  
35 system, and may add the names of successful candidates to

1 existing eligible lists.

2 Sec. 4. Section 19A.12, subsection 2, Code 2001, is  
3 amended to read as follows:

4 2. A training revolving fund is created in the state  
5 treasury. The moneys credited to the fund shall be used for  
6 the purpose of paying actual and necessary expenses incurred  
7 by the department in administering the training system. All  
8 fees, grants, or specific appropriations for this purpose  
9 shall be credited to the fund. The fees for the training  
10 system courses shall be set by the director to cover the costs  
11 of course development, training materials, facilities and  
12 equipment, professional instructors, and administration,  
13 ~~except-for-costs-associated-with-the-salary-of-employees-of~~  
14 ~~the-department.~~ The fees shall be paid to the department by  
15 the state agency sending the employees for training and the  
16 payment shall be credited to the training revolving fund.  
17 Notwithstanding section 8.33, ~~the-department-shall-not-revert~~  
18 any unencumbered or unobligated balance in the fund shall not  
19 revert.

20 Sec. 5. Section 19B.5, subsection 2, Code 2001, is amended  
21 to read as follows:

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

26 Sec. 6. Section 19B.6, Code 2001, is amended to read as  
27 follows:

28 19B.6 RESPONSIBILITIES OF DEPARTMENT OF PERSONNEL AND  
29 DEPARTMENT OF MANAGEMENT -- AFFIRMATIVE ACTION.

30 The department of management personnel shall oversee the  
31 implementation of sections 19B.1 through 19B.5 and shall work  
32 with the governor to ensure compliance with those sections,  
33 including the attainment of affirmative action goals and  
34 timetables, by all state agencies, ~~including~~ excluding the  
35 state board of regents and its institutions. The department

1 of management shall oversee the implementation of sections  
2 19B.1 through 19B.5 and shall work with the governor to ensure  
3 compliance with those sections, including the attainment of  
4 affirmative action goals and timetables, by the state board of  
5 regents and its institutions.

6 EXPLANATION

7 This bill provides a number of changes to the department of  
8 personnel's administrative authority and management  
9 responsibilities.

10 Code section 19A.8 is amended to abolish the department of  
11 personnel's billing system with regard to departmental  
12 operational costs from health and dependent care flexible  
13 spending accounts.

14 Code section 19A.8B is created to establish a centralized  
15 revolving fund for billing, depositing, and disbursing funds  
16 for all department of personnel transactions and services,  
17 with the fees collected appropriated to the department for the  
18 purpose of paying the operational costs of the department.

19 Code section 19A.9 is amended to eliminate the 15-day  
20 timeline for public announcements of job vacancies.

21 Code section 19A.12 is amended to eliminate the current  
22 restriction on the use of the Iowa management training system  
23 revolving fund to reimburse the department for employee  
24 salaries.

25 Code section 19B.5 is amended to direct the department of  
26 personnel to file an affirmative action report with the  
27 governor's office, rather than with the department of  
28 management.

29 Code section 19B.6 is amended to transfer the supervisory  
30 authority for the implementation of affirmative action  
31 programs in all state agencies from the department of  
32 management to the department of personnel, with the exception  
33 of the state board of regents. The department of management  
34 will continue to supervise the state board of regents with  
35 respect to affirmative action programs.

Thomas J. Vilsack  
GOVERNOR

Timothy J. Pederson  
GOVERNOR



Mollie K. Anderson, DIRECTOR

January 19, 2001

Honorable Senators and Representatives:

I am honored to be in the position to submit on behalf of the Iowa Department of Personnel proposed changes to the Iowa Code that are aimed at strengthening the state's personnel management system.

The proposed changes continue the redesign of our personnel system, a revamping which began following the General Assembly's overwhelming support of last year's department bill. The system redesign is based on a review and analysis, published in my "100 Day Report," of what was working, what was not working, and what emerging human resource issues needed to be addressed. The personnel system redesign has at its core solid management of approximately \$18.9 billion in resources and risks. I am also focusing on how to get the greatest return from the investment we make in human resources, which includes an annual compensation investment of over \$940 million dollars for Executive Branch, non-Regents employees.

The redesign has required changes in most human resource practices, from recruiting and hiring to benefits management and billing methods. Specifically, the proposed bill would:

- Change how the Department of Personnel bills agencies and establishes a revolving fund for the purposes of depositing and disbursing funds for personnel transactions. Although this bill does not provide funding, it would allow the department to begin creating a simplified system of billing other agencies that is predictable and fair.
- Delete the 15-day timeline for the public announcement of job vacancies. The change will provide for increased flexibility to close announcements in less than 15-days if circumstances justify a shorter period. This will allow positions to be filled more quickly. It also eliminates an unnecessary waiting period for positions that typically have a sufficient number of applicants who respond in less than 15-days. The change will also benefit job applicants who can be informed of hiring decisions more quickly.
- Remove the restriction on the use of the training revolving fund for employee salaries. The change will allow IDOP to hire a staff trainer rather than relying on consultants. The average daily rate for outside consultants is approximately \$1,500 a day, compared to \$215 for a state employee trainer.
- Move some Affirmative Action responsibilities and annual reporting to the Department of Personnel from the Department of Management, consistent with the responsibility for other personnel management responsibilities.

If you have any questions about the proposed changes, please do not hesitate to call me at 281-3351. Julie Economaki is also available to assist you. She can be reached at 281-4742.

Sincerely,

Mollie Anderson  
Director

*3/26/01 state gov.  
S-4-2-01 Do Pass*

*S-4/12/01 UNFINISHED BUSINESS CALENDAR  
H-5/1/01 deferred*

MAR 12 2001  
Place On Calendar

HOUSE FILE 579  
BY COMMITTEE ON STATE  
GOVERNMENT

(SUCCESSOR TO HSB 38)

Passed House, Date 3-26-01 Passed Senate, Date 4/30/01  
Vote: Ayes 98 Nays 0 Vote: Ayes 35 Nays 15  
Approved May 18, 2001

*Re passed 5/7/01  
Vote 82-7 (p.1894)*  
A BILL FOR

1 An Act relating to the administration and management of the  
2 department of personnel.

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

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HF 579

PERSONNEL

1 Section 1. Section 19A.9, subsection 3, unnumbered  
2 paragraph 3, Code 2001, is amended to read as follows:  
3 Vacancies shall be announced publicly at least ~~fifteen~~ ten  
4 days in advance of the date fixed for the filing of  
5 applications therefore, and shall be advertised through the  
6 communications media. The director may, however, in the  
7 director's discretion, continue to receive applications and  
8 examine candidates for a period adequate to assure a  
9 sufficient number of eligibles to meet the needs of the  
10 system, and may add the names of successful candidates to  
11 existing eligible lists.

12 Sec. 2. Section 19B.5, subsection 2, Code 2001, is amended  
13 to read as follows:

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

18 Sec. 3. Section 19B.6, Code 2001, is amended to read as  
19 follows:

20 19B.6 RESPONSIBILITIES OF DEPARTMENT OF PERSONNEL AND  
21 DEPARTMENT OF MANAGEMENT -- AFFIRMATIVE ACTION.

22 The department of ~~management~~ personnel shall oversee the  
23 implementation of sections 19B.1 through 19B.5 and shall work  
24 with the governor to ensure compliance with those sections,  
25 including the attainment of affirmative action goals and  
26 timetables, by all state agencies, ~~including~~ excluding the  
27 state board of regents and its institutions. The department  
28 of management shall oversee the implementation of sections  
29 19B.1 through 19B.5 and shall work with the governor to ensure  
30 compliance with those sections, including the attainment of  
31 affirmative action goals and timetables, by the state board of  
32 regents and its institutions.

33 EXPLANATION

34 This bill provides a number of changes to the department of  
35 personnel's administrative authority and management

1 responsibilities.

2 Code section 19A.9 is amended to change the 15-day timeline  
3 for public announcements of job vacancies to a 10-day  
4 timeline.

5 Code section 19B.5 is amended to direct the department of  
6 personnel to file an affirmative action report with the  
7 governor's office, rather than with the department of  
8 management.

9 Code section 19B.6 is amended to transfer the supervisory  
10 authority for the implementation of affirmative action  
11 programs in all state agencies from the department of  
12 management to the department of personnel, with the exception  
13 of the state board of regents. The department of management  
14 will continue to supervise the state board of regents with  
15 respect to affirmative action programs.

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HOUSE FILE 579

S-3319

- 1 Amend House File 579 as passed by the House as
- 2 follows:
- 3 1. Page 1, by striking lines 1 through 11.
- 4 2. By renumbering as necessary.

By JOE BOLKCOM

S-3319 FILED APRIL 9, 2001

*Lost 4-17-01  
(p 1157)*

## HOUSE FILE 579

S-3366

- 1 Amend House File 579 as follows:  
2 1. Page 1, by inserting after line 11, the  
3 following:  
4 "Sec. \_\_\_\_ Section 19A.32, Code 2001, is amended  
5 to read as follows:  
6 19A.32 WORKERS' COMPENSATION CLAIMS.  
7 The director shall employ appropriate staff to  
8 handle and adjust claims of state employees for  
9 workers' compensation benefits pursuant to chapters  
10 85, 85A, 85B, and 86, or with the approval of the  
11 executive council contract for the services or  
12 purchase workers' compensation insurance coverage for  
13 state employees or selected groups of state employees.  
14 A state employee workers' compensation fund is  
15 established to pay state employee workers'  
16 compensation claims and administrative costs. The  
17 department shall establish a rating formula and assess  
18 premiums to all agencies, departments, and divisions  
19 of the state including those which have not received  
20 an appropriation for the payment of workers'  
21 compensation insurance and which operate from moneys  
22 other than from the general fund of the state. The  
23 department shall collect the premiums and deposit them  
24 into the state employee workers' compensation fund.  
25 Notwithstanding section 8.33, moneys deposited in the  
26 state employee workers' compensation fund shall not  
27 revert to the general fund of the state at the end of  
28 any fiscal year, but shall remain in the state  
29 employee workers' compensation fund and be  
30 continuously available to pay state employee workers'  
31 compensation claims. ~~The director of revenue and~~  
32 ~~finance is authorized and directed to draw warrants on~~  
33 ~~this fund for the payment of state employee workers'~~  
34 ~~compensation claims~~ may, to the extent practicable,  
35 contract with a private organization to handle the  
36 processing and payment of claims and services rendered  
37 under the provisions of this section."  
38 2. By renumbering as necessary.

By STEVE KING

S-3366 FILED APRIL 17, 2001

ADOPTED

(P. 1157)

HOUSE FILE 579

S-3371

1 Amend House File 579, as passed by the House, as  
 2 follows:  
 3 1. Page 1, line 12, by striking the words and  
 4 figures "subsection 2, Code 2001, is" and inserting  
 5 the following: "subsections 2 and 3, Code 2001, are".  
 6 2. Page 1, line 15, by inserting after the word  
 7 "action" the following: ", diversity, and  
 8 multicultural".  
 9 3. Page 1, line 17, by striking the word  
 10 "governor." and inserting the following: "governor  
 11 and the general assembly. The report shall include  
 12 information identifying funding sources and itemized  
 13 costs, including administrative costs, for these  
 14 programs."  
 15 4. Page 1, by inserting after line 17, the  
 16 following:  
 17 "3. The state board of regents shall submit an  
 18 annual report of the affirmative action, diversity,  
 19 and multicultural accomplishments of the board and its  
 20 institutions by January 31 of each year to the  
 21 ~~department of management~~ general assembly. The report  
 22 shall include information identifying funding sources  
 23 and itemized costs, including administrative costs,  
 24 for these programs."  
 25 5. Title page, page 2, by inserting after the  
 26 word "personnel" the following: "and the state board  
 27 of regents".  
 28 6. By renumbering as necessary.

By STEVE KING	LARRY McKIBBEN
DAVID MILLER	JEFF LAMBERTI
KITTY REHBERG	PAUL McKINLEY
MARK ZIEMAN	NANCY BOETTGER
NEAL SCHUERER	JERRY BEHN
JEFF ANGELO	

S-3371 FILED APRIL 17, 2001

LOST

*(P. 1158)*  
 4/17/01 Motion to Rk by King adopted  
 4/30/01 Motion to Rk  
 now adopted  
 4-30-01  
 (P. 1401)

SENATE AMENDMENT TO HOUSE FILE 579

H-1811

1 Amend House File 579 as follows:

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

4 "Sec. \_\_\_\_\_. Section 19A.32, Code 2001, is amended  
5 to read as follows:

6 19A.32 WORKERS' COMPENSATION CLAIMS.

7 The director shall employ appropriate staff to  
8 handle and adjust claims of state employees for  
9 workers' compensation benefits pursuant to chapters  
10 85, 85A, 85B, and 86, or with the approval of the  
11 executive council contract for the services or  
12 purchase workers' compensation insurance coverage for  
13 state employees or selected groups of state employees.  
14 A state employee workers' compensation fund is  
15 established to pay state employee workers'  
16 compensation claims and administrative costs. The  
17 department shall establish a rating formula and assess  
18 premiums to all agencies, departments, and divisions  
19 of the state including those which have not received  
20 an appropriation for the payment of workers'  
21 compensation insurance and which operate from moneys  
22 other than from the general fund of the state. The  
23 department shall collect the premiums and deposit them  
24 into the state employee workers' compensation fund.  
25 Notwithstanding section 8.33, moneys deposited in the  
26 state employee workers' compensation fund shall not  
27 revert to the general fund of the state at the end of  
28 any fiscal year, but shall remain in the state  
29 employee workers' compensation fund and be  
30 continuously available to pay state employee workers'  
31 compensation claims. The director ~~of revenue and~~  
32 ~~finance is authorized and directed to draw warrants on~~  
33 ~~this fund for the payment of state employee workers'~~  
34 ~~compensation claims may, to the extent practicable,~~  
35 contract with a private organization to handle the  
36 processing and payment of claims and services rendered  
37 under the provisions of this section."

A

38 2. Page 1, line 12, by striking the words and  
39 figures "subsection 2, Code 2001, is" and inserting  
40 the following: "subsections 2 and 3, Code 2001, are".

41 3. Page 1, line 15, by inserting after the word  
42 "action" the following: ", diversity, and  
43 multicultural".

B

44 4. Page 1, line 17, by striking the word  
45 "governor." and inserting the following: "governor  
46 and the general assembly. The report shall include  
47 information identifying funding sources and itemized  
48 costs, including administrative costs, for these  
49 programs."

50 5. Page 1, by inserting after line 17, the

H-1811

**H-1811**

Page 2

- 1 following:  
 2 "3. The state board of regents shall submit an  
 3 annual report of the affirmative action, diversity,  
 4 and multicultural accomplishments of the board and its  
 5 institutions by January 31 of each year to the  
 6 ~~department of management~~ general assembly. The report  
 7 shall include information identifying funding sources  
 8 and itemized costs, including administrative costs,  
 9 for these programs."
- 10 6. Title page, line 2, by inserting after the  
 11 word "personnel" the following: "and the state board  
 12 of regents".
- 13 7. By renumbering, relettering, or redesignating  
 14 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-1811 FILED MAY 1, 2001

*A - Concurred 5/7/01 (p. 1893)*  
*B - Concurred 5/7/01 (p. 1894)*

## HOUSE FILE 579

**H-1912**

- 1 Amend the Senate amendment, H-1811, to House File  
 2 579, as follows:  
 3 1. Page 1, by striking line 46 and inserting the  
 4 following: "the general assembly, and to nonprofit  
 5 minority organizations located throughout the state.  
 6 The report shall include".  
 7 2. Page 2, line 6, by inserting after the word  
 8 "assembly" the following: "and to nonprofit minority  
 9 organizations located throughout the state".  
 10 3. By renumbering as necessary.

By FORD of Polk

H-1912 FILED MAY 2, 2001

*Last 5/7/01 (p. 1894)*

## HOUSE FILE 579

**H-1913**

- 1 Amend the Senate amendment, H-1811, to House File  
 2 579, as follows:  
 3 1. Page 1, line 49, by inserting after the word  
 4 "programs" the following: "and shall include the  
 5 number of minority workers hired by contractors for  
 6 construction and transportation projects for the  
 7 state".  
 8 2. Page 2, line 9, by inserting after the word  
 9 "programs" the following: "and shall include the  
 10 number of minority workers hired by contractors for  
 11 construction and transportation projects for the  
 12 state".  
 13 3. By renumbering as necessary.

By FORD of Polk

H-1913 FILED MAY 2, 2001

*Last 5/7/01 (p. 1894)*

HOUSE FILE 579

AN ACT

RELATING TO THE ADMINISTRATION AND MANAGEMENT OF THE  
DEPARTMENT OF PERSONNEL AND THE STATE BOARD OF REGENTS.

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

Section 1. Section 19A.9, subsection 3, unnumbered paragraph 3, Code 2001, is amended to read as follows:

Vacancies shall be announced publicly at least fifteen ten days in advance of the date fixed for the filing of applications therefore, and shall be advertised through the communications media. The director may, however, in the director's discretion, continue to receive applications and examine candidates for a period adequate to assure a sufficient number of eligibles to meet the needs of the system, and may add the names of successful candidates to existing eligible lists.

Sec. 2. Section 19A.32, Code 2001, 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 may, to the extent practicable, contract with a private organization to handle the processing and payment of claims and services rendered under the provisions of this section.

Sec. 3. Section 19B.5, subsections 2 and 3, Code 2001, are amended to read as follows:

2. The department of personnel shall submit a report on the condition of affirmative action, diversity, and multicultural programs in state agencies covered by subsection 1 by September 30 of each year to the department-of-management governor and the general assembly. The report shall include information identifying funding sources and itemized costs, including administrative costs, for these programs.

3. The state board of regents shall submit an annual report of the affirmative action, diversity, and multicultural accomplishments of the board and its institutions by January 31 of each year to the department-of-management general assembly. The report shall include information identifying funding sources and itemized costs, including administrative costs, for these programs.

Sec. 4. Section 19B.6, Code 2001, is amended to read as follows:

19B.6 RESPONSIBILITIES OF DEPARTMENT OF PERSONNEL AND DEPARTMENT OF MANAGEMENT -- AFFIRMATIVE ACTION.

The department of management personnel shall oversee the implementation of sections 19B.1 through 19B.5 and shall work with the governor to ensure compliance with those sections, including the attainment of affirmative action goals and timetables, by all state agencies, ~~including~~ excluding the state board of regents and its institutions. The department of management shall oversee the implementation of sections 19B.1 through 19B.5 and shall work with the governor to ensure compliance with those sections, including the attainment of affirmative action goals and timetables, by the state board of regents and its institutions.

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BRENT SIEGRIST  
Speaker of the House

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MARY E. KRAMER  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 579, Seventy-ninth General Assembly.

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MARGARET THOMSON  
Chief Clerk of the House

Approved May 18, 2001

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THOMAS J. VILSACK  
Governor