

MAR 8 2004  
Place On Calendar

HOUSE FILE 2497  
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 694)

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

**A BILL FOR**

1 An Act providing for a sick leave and vacation incentive program  
2 for state employees and providing an effective date.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. 2004 SICK LEAVE AND VACATION INCENTIVE PROGRAM.

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

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

9 b. "Eligible employee" means an employee for which, but  
10 for participation in the program, the sum of the number of  
11 years of credited service and the employee's age in years as  
12 of December 31, 2004, equals or exceeds seventy-five.

13 c. "Employee" means an employee of the executive branch of  
14 this state who is not covered by a collective bargaining  
15 agreement or who is represented by the largest statewide  
16 public employees' organization representing state employees,  
17 including an employee of a judicial district department of  
18 correctional services if the district elects to participate in  
19 the program, an employee of the state board of regents if the  
20 board elects to participate in the program, and an employee of  
21 the department of justice. However, "employee" does not mean  
22 an elected official.

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

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

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

32 g. "Sick leave and vacation incentive benefit" means an  
33 amount equal to the entire value of an eligible employee's  
34 accumulated but unused vacation plus the lesser of seventy-  
35 five percent of the value of the eligible employee's

1 accumulated and unused sick leave or seventy-five percent of  
2 the employee's regular annual salary.

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

5 a. Submit by May 1, 2004, a written application, on forms  
6 prescribed by the department of administrative services,  
7 seeking participation in the program.

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

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

16 d. Acknowledge, in writing, that participation in the  
17 program waives any right to accept permanent part-time or  
18 permanent full-time employment with the state other than as an  
19 elected official on or after July 2, 2004.

20 e. Agree to separate from employment with the state by  
21 July 2, 2004.

22 3. a. Upon acceptance to participate in the program and  
23 separation from employment with the state by July 2, 2004, a  
24 participant shall receive a sick leave and vacation incentive  
25 benefit. The state shall pay to the participant a portion of  
26 the sick leave and vacation incentive benefit each fiscal year  
27 for a period of five years commencing with the fiscal year  
28 ending June 30, 2005.

29 b. A participant in the program shall be eligible to  
30 continue participation in the group plan or under the group  
31 contract at the participant's own expense in the same manner  
32 as a retired employee pursuant to section 509A.13. In  
33 addition, a participant shall be deemed an eligible retired  
34 state employee for purposes of eligibility for continuation of  
35 group insurance covering spouses as provided in section

1 509A.13A.

2 4. a. The department of administrative services shall  
3 administer the program, including the determination of  
4 eligibility for participation in the program, and shall adopt  
5 administrative rules to administer the program. The  
6 department may adopt rules on an emergency basis under section  
7 17A.4, subsection 2, and section 17A.5, subsection 2,  
8 paragraph "b", to implement this section and the rules shall  
9 be effective immediately upon filing unless a later date is  
10 specified in the rules.

11 b. Records of the Iowa public employees' retirement system  
12 may be released for the purposes of administering and  
13 monitoring the program subject to the requirements of section  
14 97B.17, subsection 5.

15 c. The department of administrative services, in  
16 collaboration with the department of management, shall present  
17 an interim report to the general assembly, including copies to  
18 the legislative services agency and the fiscal committee of  
19 the legislative council, by October 1, 2004, concerning the  
20 operation of the program. The department shall also submit an  
21 annual update concerning the program by October 1 of each year  
22 for four years, commencing October 1, 2005. The reports shall  
23 include information concerning the number of program  
24 participants, the cost of the program including any payments  
25 made to participants, the number of state employment positions  
26 eliminated pursuant to the program, and the number of  
27 positions vacated by a program participant that have been  
28 refilled.

29 5. An employer, as defined in section 70A.38, may employ  
30 persons to fill vacancies created as a result of employee  
31 participation in the program established pursuant to this  
32 section subject to the following:

33 a. The employer shall not fill more than seventy-five  
34 percent of the vacancies created as a result of employee  
35 participation in the program.

1 b. An employer shall not offer employment to an individual  
2 who is participating in the program established pursuant to  
3 this Act or in an early termination program established  
4 pursuant to 2001 Iowa Acts, Second Extraordinary Session,  
5 chapter 5, and to 2002 Iowa Acts, Second Extraordinary  
6 Session, chapter 1001.

7 Sec. 2. EFFECTIVE DATE. This Act, being deemed of  
8 immediate importance, takes effect upon enactment.

9 EXPLANATION

10 This bill establishes a sick leave and vacation incentive  
11 program in a manner similar to the program established in  
12 2001.

13 The bill establishes a sick leave and vacation incentive  
14 program for eligible employees of the executive branch of the  
15 state, including employees of the department of justice, who  
16 are not covered by a collective bargaining agreement or who  
17 are represented by the largest statewide public employees'  
18 organization representing state employees. Employees of a  
19 judicial district department of correctional services and the  
20 state board of regents may participate if the employing entity  
21 agrees to participate. The bill excludes elected officials  
22 from participation. The program shall be administered by the  
23 department of administrative services. The bill permits  
24 eligible executive branch employees for which the sum of the  
25 number of years of credited service under the Iowa public  
26 employees' retirement system (IPERS) and the public safety  
27 peace officers' retirement, accident, and disability system  
28 (PORS) and the employee's age as of December 31, 2004, equals  
29 or exceeds 75 to separate from service with the state and  
30 receive a sick leave and vacation incentive benefit payable in  
31 five fiscal years beginning with the fiscal year that ends on  
32 June 30, 2005. The incentive benefit is equal to the  
33 employee's unused vacation plus the lesser of an amount equal  
34 to 75 percent of the employee's regular annual salary or an  
35 amount equal to 75 percent of the value of the employee's sick

1 leave. To receive the incentive benefit, an eligible employee  
2 must submit an application to participate in the program by  
3 May 1, 2004, separate from state employment by July 2, 2004,  
4 acknowledge the employee's ineligibility to return to  
5 permanent part-time or permanent full-time employment with the  
6 state, and waive any claims to unused sick leave or vacation  
7 balances otherwise payable upon termination of employment.  
8 Employees who participate in the program are eligible to  
9 continue to participate in group insurance coverage from the  
10 state in the same manner as employees who retire from state  
11 employment. The bill also permits release of IPERS records  
12 for the purpose of monitoring and administering the sick leave  
13 and vacation incentive program. The bill further provides  
14 that an employer may fill vacancies created by employees  
15 participating in the program but the employer shall not fill  
16 more than 75 percent of the vacancies created and shall not  
17 offer employment to an individual participating in the program  
18 established by the bill or in an early termination program  
19 established in 2001 or 2002.

20 The bill takes effect upon enactment.

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**HOUSE FILE 2497****H-8220**

1 Amend House File 2497 as follows:  
2 1. Page 1, by striking lines 14 through 16, and  
3 inserting the following: "this state,".  
4 2. By striking page 3, line 29, through page 4,  
5 line 1, and inserting the following:  
6 "5. If an employer, as defined in section 70A.38,  
7 determines that it is necessary to employ a person to  
8 fill a vacancy created as a result of employee  
9 participation in a program established pursuant to  
10 this section, the employer shall not offer employment  
11 to an individual".  
12 3. Page 4, by inserting after line 6, the  
13 following:  
14 "Sec. \_\_\_\_ . SPAN OF CONTROL. The department of  
15 administrative services, in consultation with the  
16 department of management and after discussion and  
17 collaboration with executive branch agencies, shall  
18 pursue a goal of increasing the ratio of the number of  
19 employees per supervisor for executive branch agencies  
20 in the aggregate to twelve employees for one  
21 supervisor by December 31, 2005."  
22 4. By renumbering as necessary.

By ELGIN of Linn

**H-8220** FILED MARCH 10, 2004

**HOUSE FILE 2497****H-8224**

1 Amend House File 2497 as follows:  
2 1. Page 1, by striking lines 14 through 16, and  
3 inserting the following: "this state,".  
4 2. By striking page 3, line 29, through page 4,  
5 line 6.  
6 3. Page 4, by inserting after line 6, the  
7 following:  
8 "Sec. \_\_\_\_ . SPAN OF CONTROL. The department of  
9 administrative services, in consultation with the  
10 department of management and after discussion and  
11 collaboration with executive branch agencies, shall  
12 pursue a goal of increasing the ratio of the number of  
13 employees per supervisor for executive branch agencies  
14 in the aggregate to twelve employees for one  
15 supervisor by December 31, 2005."  
16 4. By renumbering as necessary.

By ELGIN of Linn

**H-8224** FILED MARCH 10, 2004

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

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HF 2497 - Early Out for State Employees (LSB 6587 HV)  
Analyst: Ron Robinson (Phone: (515) 281-6256) (ron.robinson@legis.state.ia.us)  
Fiscal Note Version - New

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**Description**

House File 2497 provides for an incentive to Executive Branch employees to sever employment with the State by paying the employee up to the lesser of 75.0% of the employee's regular salary or an amount equal to 75.0% of the value of the employee's accumulated sick leave.

Employees whose years of service and age combine to equal or exceed 75, who submit an application and agree to sever employment and not return to permanent part-time or permanent full-time employment with the State, are eligible to participate in the incentive. The employee must separate from State employment by July 2, 2004.

The employee will be paid the sick leave amount and their accumulated vacation pay over a five-year period beginning in FY 2005 and ending in FY 2009.

The employee will be eligible to continue group insurance coverage for their families, at their own expense, in the same manner as a retired employee as provided in Section 509A.13, Code of Iowa, until reaching the age of 65.

**Assumptions**

1. Employees that do not participate in the incentive are entitled to the payment of their accumulated vacation in a lump sum upon termination of employment.
2. Currently, there are approximately 5,800 employees, excluding the Regent's Institutions, Judicial Branch, and the Legislature that satisfy the rule of 75 under the Iowa Public Employees' Retirement System (IPERS).
3. Employees' age 55 or older with 20 or more years of service, who have 400 hours or more of banked sick leave are the most likely participants.
4. There are approximately 1,900 most likely eligible participants, whose average FY 2004 salary and benefit cost is \$68,000.
5. The average FY 2004 salary and benefit cost for positions that are refilled is \$56,000, which includes \$43,000 in salary, and is assumed to be the same for all fiscal years.
6. Accumulated vacation pay averages \$9,000 for the most likely participants.
7. Accumulated sick pay averages \$30,000 for the most likely participants.
8. There will be no significant administrative costs.
9. The mortality of this group of eligible employees is not considered.
10. The participation rate is the average of the past two early retirement programs, 344.
11. The General Fund funds approximately 43.0% of the retirees' salary.
12. Approximately 75.0% of the positions will be refilled.
13. Departments will assume the sick leave and vacation buy-back costs over the next five years and pay 30.0% in FY 2005, 20.0% in FY 2006 through FY 2008, and 10.0% in FY 2009.

**Fiscal Impact**

House File 2497 is expected to have a cost avoidance of approximately \$5.4 million in FY 2005, \$6.6 million for each FY 2006 through FY 2008, \$7.7 million in FY 2009, or \$32.8 million over five years from all funding sources. The General Fund share would be approximately



\$2.7 million in FY 2005, \$3.1 million for each FY 2006 through FY 2008, \$3.4 million in FY 2009, or \$15.4 million over five years.

The above estimate does not include State employees of the Board of Regents, Judicial Branch, and the Legislature.

**Sources**

Department of Management  
Department of Administrative Services  
Legislative Services Agency

Dennis C Prouty

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March 15, 2004

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

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HOUSE FILE 2497  
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 694)

(As Amended and Passed by the House March 11, 2004)

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

**A BILL FOR**

1 An Act providing for a sick leave and vacation incentive program  
2 for state employees and providing an effective date.

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

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House Amendments \_\_\_\_\_

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Deleted Language \*

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1 Section 1. 2004 SICK LEAVE AND VACATION INCENTIVE PROGRAM.

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

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

9 b. "Eligible employee" means an employee for which, but  
10 for participation in the program, the sum of the number of  
11 years of credited service and the employee's age in years as  
12 of December 31, 2004, equals or exceeds seventy-five.

13 c. "Employee" means an employee of the executive branch of  
14 this state, including an employee of a judicial district  
15 department of correctional services if the district elects to  
16 participate in the program, an employee of the state board of  
17 regents if the board elects to participate in the program, and  
18 an employee of the department of justice. However, "employee"  
19 does not mean an elected official.

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

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

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

29 g. "Sick leave and vacation incentive benefit" means an  
30 amount equal to the entire value of an eligible employee's  
31 accumulated but unused vacation plus the lesser of seventy-  
32 five percent of the value of the eligible employee's  
33 accumulated and unused sick leave or seventy-five percent of  
34 the employee's regular annual salary.

35 2. To become a participant in the program, an eligible

1 employee shall do all of the following:

2 a. Submit by May 1, 2004, a written application, on forms  
3 prescribed by the department of administrative services,  
4 seeking participation in the program.

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

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

13 d. Acknowledge, in writing, that participation in the  
14 program waives any right to accept permanent part-time or  
15 permanent full-time employment with the state other than as an  
16 elected official on or after July 2, 2004.

17 e. Agree to separate from employment with the state by  
18 July 2, 2004.

19 3. a. Upon acceptance to participate in the program and  
20 separation from employment with the state by July 2, 2004, a  
21 participant shall receive a sick leave and vacation incentive  
22 benefit. The state shall pay to the participant a portion of  
23 the sick leave and vacation incentive benefit each fiscal year  
24 for a period of five years commencing with the fiscal year  
25 ending June 30, 2005.

26 b. A participant in the program shall be eligible to  
27 continue participation in the group plan or under the group  
28 contract at the participant's own expense in the same manner  
29 as a retired employee pursuant to section 509A.13. In  
30 addition, a participant shall be deemed an eligible retired  
31 state employee for purposes of eligibility for continuation of  
32 group insurance covering spouses as provided in section  
33 509A.13A.

34 4. a. The department of administrative services shall  
35 administer the program, including the determination of

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

8 b. Records of the Iowa public employees' retirement system  
9 may be released for the purposes of administering and  
10 monitoring the program subject to the requirements of section  
11 97B.17, subsection 5.

12 c. The department of administrative services, in  
13 collaboration with the department of management, shall present  
14 an interim report to the general assembly, including copies to  
15 the legislative services agency and the fiscal committee of  
16 the legislative council, by October 1, 2004, concerning the  
17 operation of the program. The department shall also submit an  
18 annual update concerning the program by October 1 of each year  
19 for four years, commencing October 1, 2005. The reports shall  
20 include information concerning the number of program  
21 participants, the cost of the program including any payments  
22 made to participants, the number of state employment positions  
23 eliminated pursuant to the program, and the number of  
24 positions vacated by a program participant that have been  
25 refilled.

\*26 Sec. 2. SPAN OF CONTROL. The department of administrative  
27 services, in consultation with the department of management  
28 and after discussion and collaboration with executive branch  
29 agencies, shall pursue a goal of increasing the ratio of the  
30 number of employees per supervisor for executive branch  
31 agencies in the aggregate to twelve employees for one  
32 supervisor by December 31, 2005.

33 Sec. 3. EFFECTIVE DATE. This Act, being deemed of  
34 immediate importance, takes effect upon enactment.

35

**HOUSE FILE 2497****S-5163**

1 Amend House File 2497, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 2, line 2, by striking the word and  
4 figure "May 1" and inserting the following: "May 21".

5 2. Page 2, line 16, by striking the word and  
6 figures "July 2, 2004" and inserting the following:  
7 "the date the eligible employee separates from  
8 employment as provided in this section".

9 3. Page 2, lines 17 and 18, by striking the words  
10 and figures "by July 2, 2004" and inserting the  
11 following: "on or after July 2, 2004, but no later  
12 than August 12, 2004".

13 4. Page 2, line 20, by striking the words and  
14 figures "by July 2, 2004" and inserting the following:  
15 "on or after July 2, 2004, but no later than August  
16 12, 2004".

17 5. Page 3, by inserting after line 25 the  
18 following:

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

32 6. By renumbering as necessary.

**By** COMMITTEE ON STATE GOVERNMENT  
MARK ZIEMAN, Chairperson

**S-5163** FILED MARCH 29, 2004  
ADOPTED

**SENATE AMENDMENT TO  
HOUSE FILE 2497**

**H-8338**

- 1 Amend House File 2497, as amended, passed, and  
2 reprinted by the House, as follows:
- 3 1. Page 2, line 2, by striking the word and  
4 figure "May 1" and inserting the following: "May 21".
- 5 2. Page 2, line 16, by striking the word and  
6 figures "July 2, 2004" and inserting the following:  
7 "the date the eligible employee separates from  
8 employment as provided in this section".
- 9 3. Page 2, lines 17 and 18, by striking the words  
10 and figures "by July 2, 2004" and inserting the  
11 following: "on or after July 2, 2004, but no later  
12 than August 12, 2004".
- 13 4. Page 2, line 20, by striking the words and  
14 figures "by July 2, 2004" and inserting the following:  
15 "on or after July 2, 2004, but no later than August  
16 12, 2004".
- 17 5. Page 3, by inserting after line 25 the  
18 following:
- 19 "5. The legislative council shall provide an  
20 incentive program for employees of the legislative  
21 branch consistent with the program provided in this  
22 section for executive branch employees. The  
23 legislative council shall collaborate with the  
24 department of administrative services to establish the  
25 program as required under this subsection as nearly  
26 identical as possible to the program provided  
27 executive branch employees under this section. The  
28 program provided pursuant to this subsection shall  
29 establish the same guidelines used to establish an  
30 eligible employee and benefit calculations as provided  
31 under the program for executive branch employees."
- 32 6. By renumbering as necessary.

RECEIVED FROM THE SENATE

**H-8338** FILED MARCH 30, 2004

Chair: Elgin  
Fallon  
Hutter  
Jochum  
Oldson  
Roberts  
Watts

Succeeded by  
SF 02497

HSB 694  
STATE GOVERNMENT

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
STATE GOVERNMENT BILL  
BY CHAIRPERSON ELGIN)

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

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19 the program, an employee of the state board of regents if the  
20 board elects to participate in the program, and an employee of  
21 the department of justice. However, "employee" does not mean  
22 an elected official.

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10 specified in the rules.

11 b. Records of the Iowa public employees' retirement system  
12 may be released for the purposes of administering and  
13 monitoring the program subject to the requirements of section  
14 97B.17, subsection 5.

15 c. The department of administrative services, in  
16 collaboration with the department of management, shall present  
17 an interim report to the general assembly, including copies to  
18 the legislative services agency and the fiscal committee of  
19 the legislative council, by October 1, 2004, concerning the  
20 operation of the program. The department shall also submit an  
21 annual update concerning the program by October 1 of each year  
22 for four years, commencing October 1, 2005. The reports shall  
23 include information concerning the number of program  
24 participants, the cost of the program including any payments  
25 made to participants, the number of state employment positions  
26 eliminated pursuant to the program, and the number of  
27 positions vacated by a program participant that have been  
28 refilled.

29 5. An employer, as defined in section 70A.38, may employ  
30 persons to fill vacancies created as a result of employee  
31 participation in the program established pursuant to this  
32 section subject to the following:

33 a. The employer shall not fill more than seventy-five  
34 percent of the vacancies created as a result of employee  
35 participation in the program.



1 leave. To receive the incentive benefit, an eligible employee  
2 must submit an application to participate in the program by  
3 May 1, 2004, separate from state employment by July 2, 2004,  
4 acknowledge the employee's ineligibility to return to  
5 permanent part-time or permanent full-time employment with the  
6 state, and waive any claims to unused sick leave or vacation  
7 balances otherwise payable upon termination of employment.  
8 Employees who participate in the program are eligible to  
9 continue to participate in group insurance coverage from the  
10 state in the same manner as employees who retire from state  
11 employment. The bill also permits release of IPERS records  
12 for the purpose of monitoring and administering the sick leave  
13 and vacation incentive program. The bill further provides  
14 that an employer may fill vacancies created by employees  
15 participating in the program but the employer shall not fill  
16 more than 75 percent of the vacancies created and shall not  
17 offer employment to an individual participating in the program  
18 established by the bill or in an early termination program  
19 established in 2001 or 2002.

20 The bill takes effect upon enactment.

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HOUSE FILE 2497

AN ACT

PROVIDING FOR A SICK LEAVE AND VACATION INCENTIVE PROGRAM FOR STATE EMPLOYEES AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. 2004 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, 2004, equals or exceeds seventy-five.

c. "Employee" means an employee of the executive branch of this state, 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 seventy-five percent of the value of the eligible employee's accumulated and unused sick leave or seventy-five percent of 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 May 21, 2004, a written application, on forms prescribed by the department of administrative services, 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 the date the eligible employee separates from employment as provided in this section.

e. Agree to separate from employment with the state on or after July 2, 2004, but no later than August 12, 2004.

3. a. Upon acceptance to participate in the program and separation from employment with the state on or after July 2, 2004, but no later than August 12, 2004, 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, 2005.

b. A participant in the program shall be eligible to continue participation in the group plan or under the group contract at the participant's own expense in the same manner as a retired employee pursuant to section 509A.13. In addition, a 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.

4. a. The department of administrative services 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.

b. Records of the Iowa public employees' retirement system may be released for the purposes of administering and monitoring the program subject to the requirements of section 97B.17, subsection 5.

c. The department of administrative services, in collaboration with the department of management, shall present an interim report to the general assembly, including copies to the legislative services agency and the fiscal committee of the legislative council, by October 1, 2004, concerning the operation of the program. The department shall also submit an annual update concerning the program by October 1 of each year for four years, commencing October 1, 2005. The reports shall include information concerning the number of program participants, the cost of the program including any payments made to participants, the number of state employment positions eliminated pursuant to the program, and the number of positions vacated by a program participant that have been refilled.

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 administrative services to establish the program as required under this subsection as nearly identical as possible to the program provided executive branch employees under this section. The program provided pursuant to this subsection shall establish the same guidelines used to establish an eligible employee and benefit calculations as provided under the program for executive branch employees.

Sec. 2. SPAN OF CONTROL. The department of administrative services, 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, 2005.

Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

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CHRISTOPHER C. RANTS  
Speaker of the House

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JEFFREY M. LAMBERTI  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2497, Eightieth General Assembly.

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MARGARET THOMSON  
Chief Clerk of the House

Approved \_\_\_\_\_, 2004

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THOMAS J. VILSACK  
Governor