

I am unable to approve the item designated as Section 40, in its entirety. This item places an inappropriate restriction on the Department of Transportation's ability to adjust to changing needs.

I am unable to approve the item designated as Section 43, in its entirety. Changes made by this section would allow a city to amend an application for annexation after it has been submitted to the City Development Board if it is determined that the application would create an island or would be in violation of a requirement of Chapter 368. Current board policy allows a city to correct a minor technical defect or omission in a filed application. If an application is flawed to the extent that it is in violation of Chapter 368, the application should be withdrawn and resubmitted.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 2462 are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD, *Governor*

CHAPTER 1245

COMPENSATION FOR PUBLIC EMPLOYEES

H.F. 2490

AN ACT relating to compensation and benefits for public employees by providing adjustments for salaries, by providing for other properly related matters, by making appropriations, and providing retroactive applicability.

Be It Enacted by the General Assembly of the State of Iowa:

**Section 1. COLLECTIVE BARGAINING AGREEMENTS FUNDED — GENERAL FUND APPROPRIATION FOR COVERED AND NONCOVERED EMPLOYEES. There is appropriated from the general fund of the state to the salary adjustment fund for distribution by the department of management to the various state departments, boards, commissions, councils, and agencies for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, \$101,009,928, or so much thereof as may be necessary, to fully fund the following annual pay adjustments, expense reimbursements, and related benefits:*

- 1. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the blue collar bargaining unit.*
- 2. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the state police officers council bargaining unit.*
- 3. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the security bargaining unit.*
- 4. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the technical bargaining unit.*
- 5. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the professional fiscal and staff bargaining unit.*
- 6. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the university of northern Iowa faculty bargaining unit.*
- 7. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the clerical bargaining unit.*
- 8. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the professional social services bargaining unit.*

*Item veto; see message at end of the Act

9. *The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the community-based corrections bargaining unit.*

10. *The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the judicial branch of government bargaining unit.*

11. *The annual pay adjustments, related benefits, and expense reimbursements referred to in sections 2 and 3 of this Act for employees not covered by a collective bargaining agreement.**

Sec. 2. NONCONTRACT STATE EMPLOYEES — GENERAL.

1. Effective July 3, 1992, all pay plans provided for in section 19A.9, subsection 2, as they existed for the fiscal year ending June 30, 1991, shall be increased as of July 1, 1991, for employees who are not included in a bargaining agreement made final under chapter 20 and who are not otherwise specified in this Act, by not less than nor more than 2 percent. Effective July 3, 1992, the pay plans established as of July 1, 1991, in this subsection shall be increased by not less than nor more than 4 percent. The department of personnel shall revise the pay plans as provided under section 19A.9, subsection 2, by increasing the salary levels of the various grades within the respective plans as provided in this subsection. The employees shall receive a bonus of four hundred dollars each, payable in December 1992. In addition to the increases specified above, employees may receive a merit increase in accordance with policies to be adopted by the department of personnel for the reimplementation of merit increases. This subsection does not authorize annual pay adjustments, interest, and related benefits pursuant to the increase in the pay plans for the fiscal year beginning July 1, 1991, and ending June 30, 1992.

2. The pay plans for state employees who are exempt from chapter 19A and who are included in the department of revenue and finance's centralized payroll system, and the board office employees of the state board of regents shall be increased by the same percentages and in the same manner as provided in subsection 1, including the bonus of four hundred dollars in December 1992 and the merit increases.

3. This section does not apply to members of the general assembly, board members, commission members, salaries of persons set by the general assembly pursuant to this Act, or set by the governor, employees designated under section 19A.3, subsection 5, and employees under the state board of regents, but subsection 2 does apply to office employees of the state board of regents.

4. The pay plans for the bargaining eligible employees of the state shall be increased by the same percentages and in the same manner as provided in subsection 1, including the bonus of four hundred dollars in December 1992 and merit increases. As used in this section, "bargaining eligible employee" means an employee who is eligible to organize under chapter 20, but has not done so.

5. The policies for implementation of this section shall be approved by the governor.

Sec. 3. NONCONTRACT STATE EMPLOYEES — STATE BOARD OF REGENTS. The funds allocated to the state board of regents for the purpose of providing increases for employees not covered by a collective bargaining agreement shall be used as follows:

1. The amount necessary to fund for the fiscal year beginning July 1, 1992, and ending June 30, 1993, an average base salary increase in an amount equal to the salary increase received by state employees in subsection 1 of section 2 of this Act for the fiscal year beginning July 1, 1992, of the base salaries of professional and scientific staff members, except board office employees as provided for in section 2 of this Act, paid during the preceding fiscal year, to be allocated to professional and scientific staff members at the discretion of the state board of regents.

2. For employees under the state board of regents merit system who are not included in the collective bargaining agreement made final under chapter 20, except board office employees, the amount necessary to fund an average base salary increase in an amount equivalent to the salary increase received by state employees in subsection 1 of section 2 of this Act for the

*Item veto; see message at end of the Act

fiscal year beginning July 1, 1992, to be allocated to the employees of the state board of regents merit system who are not included in the collective bargaining agreement made final under chapter 20 at the discretion of the state board of regents. The employees shall receive a bonus of four hundred dollars each, payable in December 1992. In addition to the increases specified above, employees may receive a merit increase or the equivalent of a merit increase.

3. For faculty members who are not included in the collective bargaining agreement made final under chapter 20, for the fiscal year beginning July 1, 1992, and ending June 30, 1993, an average base salary increase of 7 percent for the fiscal year beginning July 1, 1992, to be allocated at the discretion of the state board of regents.

Sec. 4. REGIONAL LIBRARIES. Of the funds appropriated from the general fund of the state in section 1 of this Act, the department of management shall allocate funds to pay the state's share of authorized salary increases for the fiscal year beginning July 1, 1992, and ending June 30, 1993, for regional libraries.

Sec. 5. APPROPRIATIONS FROM ROAD FUNDS.

1. There is appropriated from the road use tax fund to the salary adjustment fund for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as may be necessary, to be used for the purpose designated:

To supplement other funds appropriated by the general assembly:

..... \$ 5,159,862

2. There is appropriated from the primary road fund to the salary adjustment fund, for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as may be necessary, to be used for the purpose designated:

To supplement other funds appropriated by the general assembly:

..... \$ 14,030,835

3. Except as otherwise provided in this Act, the amounts appropriated in subsections 1 and 2 shall be used to fund the annual pay adjustments, expense reimbursements, and related benefits for public employees as provided in the Act.

Sec. 6. BACK PAY. The moneys appropriated in this Act shall also be used to pay annual pay adjustments, interest, and related benefits due employees covered by collective bargaining agreements negotiated pursuant to chapter 20 for the fiscal year beginning July 1, 1991, and ending June 30, 1992.

Sec. 7. SPECIAL FUNDS — AUTHORIZATION. To departmental revolving, trust, or special funds, except for the primary road fund or the road use tax fund, for which the general assembly has established an operating budget, a supplemental expenditure authorization is provided, unless otherwise provided, in an amount necessary to fund salary adjustments as otherwise provided in this Act.

Sec. 8. GENERAL FUND SALARY MONEYS. Funds appropriated from the general fund of the state in this Act relate only to salaries supported from general fund appropriations of the state.

Sec. 9. FEDERAL FUNDS APPROPRIATED. All federal grants to and the federal receipts of the agencies affected by this Act which are received and may be expended for purposes of this Act are appropriated for those purposes and as set forth in the federal grants or receipts.

**Sec. 10. PERSONNEL COMPARABLE WORTH STUDY. The department of personnel shall conduct a study to determine the impact of the salary adjustment provisions in this Act and the changes in salary relationships as a result of the implementation of this Act, and to identify issues of concern, including possible disparities affecting compensation equity. The department shall complete its study and report its findings and recommendations to the general assembly by February 1, 1993. A committee shall be appointed to supervise the study and*

*Item veto; see message at end of the Act

shall have seven members, including six legislators and one member appointed by the governor. The legislative members shall consist of two members of the majority party and one member of the minority party from the house of representatives and the senate. The legislative members shall be selected by the speaker of the house, the majority leader of the senate, and the minority leaders of the house of representatives and the senate.

*The judicial department shall conduct a separate study of the impact of the salary adjustment provisions of this Act related to the judicial department.**

Approved June 3, 1992, except the items which I hereby disapprove and which are designated as Section 1 in its entirety; Section 4 in its entirety; and Section 10 in its entirety. My reasons for vetoing those items are delineated in the item veto message pertaining to this Act to the Secretary of State this same date, a copy of which is attached hereto.

TERRY E. BRANSTAD, *Governor*

Dear Madam Secretary:

I hereby transmit House File 2490, an Act relating to compensation and benefits for public employees by providing adjustments for salaries, by providing for other properly related matters, by making appropriations, and providing retroactive applicability.

House File 2490 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the item designated as Section 1, in its entirety. This item appropriates \$101,009,928 from the general fund to cover the estimated cost of salary increases for state employees.

I strongly object to the disparity in the amount of salary increases provided in this bill for contract and noncontract covered employees. This disparity is directly contrary to the state's long-standing policy of providing equal pay for comparable work. Beyond its basic unfairness, I believe such a practice would make the state vulnerable to legal challenges on the basis of the state's comparable worth law. The bill also inappropriately excludes judges from receiving any salary increase.

It is my intention to bring the General Assembly back for a second special session, thus affording an opportunity to enact a new salary bill that corrects these deficiencies.

It remains my intention to implement all labor arbitration awards. With the appropriate action by the General Assembly, that will be accomplished while extending comparable pay raises to noncontract employees.

I am unable to approve the item designated as Section 4, in its entirety. This section authorizes salary increases for employees of regional libraries. Because these individuals are not state employees, it is inappropriate to include them in this Act.

I am unable to approve the item designated as Section 10, in its entirety. Recognizing the potential disparate effects likely to result from implementation of this bill, the General Assembly in this section requires the Department of Personnel to conduct a study of comparable worth, and establishes a committee to supervise the study. Because it is still my expectation to achieve a salary bill that provides for pay equity, such a study will be unnecessary and I am therefore unable to approve this section.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 2490 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*