

ADMINISTRATIVE RULE WAIVER REQUEST

Petitioner Name: Kelly Garcia, Director of Health and Human Services

Contact Information: kelly.garcia@hhs.iowa.gov

Hiring Authority: Kelly Garcia, Director of Health and Human Services

Administrative Rule to be Waived: 11-63.2(2)(o)

Statement of Rule:

3.2(2) Vacation is subject to the following conditions: o. If on June 1 an employee has a balance of 160 or more hours of accrued leave, the employer may, with the approval of the employee, pay the employee for up to 40 hours of the accrued annual leave. This amount will be paid on the payday which represents the last pay period of the fiscal year.

List the names of the persons or the description of the class known by petitioner to be affected:

Any HHS staff person with a vacation accrual balance within 40 hours of max vacation accrual.

Briefly describe the change requested, including the portion of the rule to be waived:

Within the requirements of the admin rule, HHS would allow staff within 40 hours of maximum vacation accrual to request vacation buyout up to 40 hours. All staff who would then be eligible would have more than 160 hours.

Request for staff selection is within the rule as written however, this is a new process of vacation buyout eligibility selection.

Justification for waiving rule (attach additional sheets, as needed):

See attached for justification.

Department Director Signature Kelly K. Garcia by Melissa Bird **Date** 05/15/2025

DAS-HRE Bureau Chief Signature _____ **Date** _____

Decision:

- Granted**
- Denied**

Signature of DAS Director's Designee/COO of DAS-HRE  **Date** 5.27.2025

Decision

May 7, 2025

Director Decision

Through: Sarah Reisetter, Deputy Director

From: Melissa Bird, Division Administrator & Jess Benson, CFO

Subject: Vacation Payout FY25

Purpose

The purpose of this memo is to provide a breakdown of staff eligible for vacation payout, and provide options for staff who are near vacation max to be eligible for vacation payout.

Background or Summary

Department of Administrative Services (DAS) announced on April 24, 2025 that, at the discretion of each agency director, employees who are eligible may receive payment for up to 40 hours of accrued vacation.

Each department may:

- Establish the max number of hours to be paid out, up to 40;
- Determine max hours by employing unit.

Discussion

Below is a breakdown of counts by division of staff who are within 40 hours of max vacation accrual.

Division Name	# Staff within 40 Hours of Max Vacation Accrual	# Staff eligible for Vacation Buyout (160 Hr+)
Aging and Disability Services	8	56
Behavioral Health	3	18
Community Access & Eligibility	149	523
Compliance & Administration	40	108
External Relations & Director Office	4	9

State Operated Specialty Care	105	343
Family Well-Being & Protection	107	374
Medicaid	6	19
Public Health	33	114

Governing rule: IAC 11-63.2(8A) Vacation Leave

11-63.2(2) Vacation is subject to the following conditions:

o. If on June 1 an employee has a balance of 160 or more hours of accrued leave, the employer may, with the approval of the employee, pay the employee for up to 40 hours of the accrued annual leave. This amount will be paid on the payday which represents the last pay period of the fiscal year. Decisions regarding these payments will be made by each department director and are not subject to the grievance procedure provided for in these rules.

Below are estimates for SFY25 max payout and SFY25 payout based on SFY24 based on the DAS admin rule notes above.

- Assumptions
 - Calculations are based on a payout of 40 hours of accrued vacation to employees with a vacation balance of 160 hours or more.
 - Vacation balances as of pay period ending 04/10/2025 were used in the analysis.
 - Community Access & Eligibility, Compliance & Administration and Aging and Disability divisions do not have excess cushion to absorb vacation buyout. Due to federal cuts, Public Health may not be able to absorb vacation buyout in specific areas of the division.
 - Family Well Being & Protection and State Operated Specialty Care can absorb vacation buyout under the standard rule.

Appropriation/Fund	SFY25 Max Payout Estimate		SFY25 Payout Based on SFY24	
	Sum of Max Payout	Sum of State Share	Estimated Payout	Estimated State Share
Aging and Disability Services	65,760	62,122	29,132	27,520
Behavioral Health	34,371	21,474	24,974	15,603
Public Health	184,667	61,358	86,519	28,747
Community Access and Eligibility	544,052	206,213	245,630	93,102
Child Support Services	240,777	81,864	91,219	31,014
Health Program Operations	43,097	21,279	31,520	15,563
FWBP Child Care Assistance	43,143	13,158	19,478	5,940
FWBP Early Intervention and Supports	10,142	8,368	4,964	4,095
FWBP Child Protective Services	534,878	448,120	241,488	202,318
State Operated Specialty Care	511,436	511,436	208,912	208,912
Accountability, Compliance, and Program Integrity	204,967	120,223	149,909	87,929
Vital Records Fund	12,274	-	6,216	-
Targeted Case Management	28,046	-	12,186	-
Refugee Services	12,290	-	5,915	-
Woodward Warehouse	2,660	-	2,267	-
Volunteer Iowa	10,635	-	5,318	-
Grand Total	2,483,196	1,555,614	1,165,647	720,744

HHS has determined the number of staff who are within 40 hours of maximum vacation accrual. HHS staff routinely lose vacation time due to being at max vacation accrual. By offering vacation buyout to these staff, it will allow staff to be compensated for their earned benefit and allow these staff to accrual vacation appropriately.

Below is the costs associated with offering vacation payout to staff who are within 40 hours of max vacation accrual.

Appropriation/Fund	SFY25 Payout Estimate	
	Sum of Max Payout	Sum of State Share
Aging and Disability Services	6,578	6,095
Behavioral Health	5,431	3,131
Public Health	72,879	31,366
Community Access and Eligibility	128,178	50,157
Child Support Services	70,484	23,965
Health Program Operations	14,537	7,235
FWBP Child Care Assistance	14,066	5,169
FWBP Early Intervention and Supports	-	-
FWBP Child Protective Services	145,055	120,491
State Operated Specialty Care	145,364	145,364
Accountability, Compliance, and Program Integrity	79,491	45,462
Vital Records Fund	2,000	-
Targeted Case Management	4,611	-
Refugee Services	3,525	-
Woodward Warehouse	-	-
Volunteer Iowa	5,439	-
Grand Total	697,638	438,435

Recommendation

Request an administrative rule waiver to allow HHS to offer vacation buyout to staff who are within 40 hours of max vacation accrual.

Priority and Explanation of Time-Sensitive Factors

Decision due to DAS by May 23, 2025.

Participants

Sarah Reisetter, Jess Benson, Melissa Bird