

1 **SENATE FLOOR VERSION**

2 February 22, 2024

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1856

By: Stewart of the Senate

and

Osburn of the House

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9 An Act relating to the Oklahoma Personnel Act;
10 amending 74 O.S. 2021, Section 840-2.27C, as amended
11 by Section 20, Chapter 243, O.S.L. 2022 (74 O.S.
12 Supp. 2023, Section 840-2.27C), which relates to
13 reduction-in-force plan; allowing for certain factors
14 to be considered; amending 74 O.S. 2021, Section 840-
15 2.27D, as amended by Section 21, Chapter 243, O.S.L.
16 2022 (74 O.S. Supp. 2023, Section 840-2.27D), which
17 relates to severance benefits; updating statutory
18 language; repealing 74 O.S. 2021, Sections 840-2.28,
19 840-2.28A, and 840-2.28B, which relate to voluntary
20 buyout benefits; and providing an effective date.

21 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

22 SECTION 1. AMENDATORY 74 O.S. 2021, Section 840-2.27C,
23 as amended by Section 20, Chapter 243, O.S.L. 2022 (74 O.S. Supp.
24 2023, Section 840-2.27C), is amended to read as follows:

Section 840-2.27C. A. At least thirty (30) days before the
scheduled beginning of reduction-in-force separations or as
otherwise provided by law, the appointing authority shall post in
each office of executive branch agencies affected by the proposed

1 reduction-in-force notice that a reduction-in-force will be
2 conducted. The reduction-in-force implementation plan shall be
3 provided to the Director of the Office of Management and Enterprise
4 Services and any state employee association representing state
5 employees at such time. The notice shall not be posted unless
6 approved by the cabinet secretary for the agency conducting the
7 reduction-in-force. If there is no incumbent cabinet secretary for
8 the agency, the cabinet-secretary-notice-approval requirement shall
9 not be applicable. If the appointing authority is governed by an
10 elected official, the cabinet-secretary-notice-approval requirement
11 shall not be applicable. The approved notice shall be posted in
12 each office affected by the proposed plan for five (5) days. The
13 appointing authority shall provide a copy of the notice to the
14 Administrator. A reduction-in-force shall not be used as a
15 disciplinary action; provided, that a low job performance evaluation
16 may be a factor considered by the appointing authority during a
17 reduction-in-force.

18 B. The reduction-in-force implementation plan shall:

19 1. Provide for the appointing authority to determine the
20 specific position or positions to be abolished within specified
21 units, divisions, facilities, agency-wide or any parts thereof; and

22 2. Provide outplacement assistance and employment counseling
23 from the Oklahoma Employment Security Commission and any other
24 outplacement assistance and employment counseling made available by

1 the agency to affected employees regarding the options available
2 pursuant to the State Government Reduction-in-Force and Severance
3 Benefits Act prior to the date that a reduction-in-force is
4 implemented.

5 C. The Director of the Office of Management and Enterprise
6 Services shall review the fiscal components of the reduction-in-
7 force implementation plan and within five (5) business days of
8 receipt reject any plan that does not:

9 1. Demonstrate that funds are available to cover projected
10 costs; and

11 2. Contain an estimate of the cost savings or reduced
12 expenditures likely to be achieved by the agency.

13 If the reduction-in-force is conducted pursuant to a
14 reorganization, the fiscal components of the reduction-in-force
15 implementation plan shall contain reasons for the reorganization,
16 which may include, but not be limited to, increased efficiency,
17 improved service delivery, or enhanced quality of service.

18 D. When the Legislature is not in session, the Contingency
19 Review Board may, upon the request of the Governor, direct agencies,
20 boards and commissions to reduce the number of employees working for
21 the agency, board or commission whenever it is deemed necessary and
22 proper. Such reduction shall be made pursuant to reduction-in-force
23 plans as provided in this section.

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1 E. 1. When the Legislature is not in session, the Contingency
2 Review Board may, upon the request of the Governor, direct and
3 require mandatory furloughs for all state employees whenever it is
4 deemed necessary and proper. The Contingency Review Board shall
5 specify the effective dates for furloughs and shall note any
6 exceptions to state employees affected by the same. All employees,
7 including those employees of agencies or offices established by
8 statute or the Constitution, shall be affected by such actions.

9 2. Mandatory furlough means the involuntary temporary reduction
10 of work hours or the placement of an employee on involuntary leave
11 without pay. Rules governing leave, longevity pay and participation
12 in the State Employees Group Health, Dental, Disability, and Life
13 Insurance program shall not be affected by mandatory furloughs.
14 Furlough, as provided for in this section or by rules adopted by the
15 Director of the Office of Management and Enterprise Services, shall
16 not be appealable under the provisions of this act.

17 3. Notwithstanding existing laws or provisions to the contrary,
18 members of state boards and commissions shall not receive per diem
19 expenses during periods of mandatory furlough. The Contingency
20 Review Board shall additionally call upon elected officials, members
21 of the judiciary, and other public officers whose salary or
22 emoluments cannot be altered during current terms of office, to
23 voluntarily donate to the General Revenue Fund any portion of their
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1 salary which would otherwise have been affected by a mandatory
2 furlough.

3 F. All agencies directed by the Contingency Review Board to
4 terminate or furlough employees, shall report the cumulative cost
5 savings achieved by the reductions-in-force or furloughs to the
6 Governor, President Pro Tempore of the Senate and Speaker of the
7 House of Representatives on a quarterly basis for one (1) year
8 following the effective date of the action.

9 G. The appointing authority of an agency which has an approved
10 reduction-in-force plan pursuant to the State Government Reduction-
11 in-Force and Severance Benefits Act may request the Director of the
12 Office of Management and Enterprise Services to appoint an
13 interagency advisory task force for the purpose of assisting the
14 agency and its employees with the implementation of the reduction-
15 in-force. The appointing authority of state agencies requested by
16 the Administrator to participate on a task force shall assign
17 appropriate administrative personnel necessary to facilitate the
18 necessary assistance required for the efficient implementation of
19 the approved reduction-in-force.

20 SECTION 2. AMENDATORY 74 O.S. 2021, Section 840-2.27D,
21 as amended by Section 21, Chapter 243, O.S.L. 2022 (74 O.S. Supp.
22 2023, Section 840-2.27D), is amended to read as follows:

23 Section 840-2.27D. A. Agencies shall provide severance
24 benefits to affected state employees who are separated from the

1 state service as a result of a reduction-in-force due to a
2 reorganization or any other action by an agency which results in
3 affected positions being abolished and affected employees being
4 severed from the state service. Severance benefits shall be given
5 to permanent affected employees; provided, however, affected
6 employees of the University Hospitals Authority must have been
7 continuously employed in the state service since, on, or before
8 January 1, 1995, to receive severance benefits. Affected employees
9 who qualify for severance benefits pursuant to this section, in
10 addition to the payment of any compensable accrued leave or other
11 benefits an affected employee is eligible to receive upon separation
12 from the state service, shall receive severance benefits consisting
13 of the following elements:

- 14 1. All agency severance benefits shall provide the following:
 - 15 a. payment equal to the affected employee's current
16 health insurance premium for the affected employee
17 only for eighteen (18) months based on the cost of the
18 premium at the time of the reduction-in-force. The
19 appointing authority of the agency can ask the
20 Director of the Office of Management and Enterprise
21 Services to waive the severance benefit provision in
22 this subparagraph or to reduce the length of coverage
23 or subsequent severance benefit payment upon
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1 demonstration of the agency's inability to fund the
2 full benefit,

3 b. a longevity payment, as prescribed by Section 840-2.18
4 of this title, in the amount which would otherwise be
5 paid to the affected employee on the affected
6 employee's next anniversary date, and

7 c. outplacement assistance and employment counseling
8 prior to and after the reduction-in-force from the
9 Oklahoma Employment Security Commission and other
10 state or private entities that the entity may contract
11 with to assist individuals who may be impacted by a
12 reduction-in-force;

13 2. In addition to the severance benefits provided by paragraph
14 1 of this subsection, agencies shall give affected employees
15 severance benefit packages based on the following options; provided
16 that all affected employees are accorded uniform treatment:

17 a. up to one (1) week of pay, calculated by dividing the
18 affected employee's current annual salary by the whole
19 number fifty-two (52), for each year of service,

20 b. a lump-sum payment of Five Thousand Dollars
21 (\$5,000.00), or

22 c. payment for accumulated sick leave or extended illness
23 benefits at up to one-half (1/2) of the affected
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1 employee's hourly rate not otherwise used pursuant to
2 law for conversion to credited retirement credit; and

3 3. Agencies shall also be allowed to provide the severance
4 benefits to separating employees not subject to the Civil Service
5 and Human Capital Modernization Act and rules promulgated thereunder
6 ~~and or~~ whose position is not subject to an imminent reduction-in-
7 force in exchange for executing a release of all claims against the
8 agency and ~~the State of Oklahoma~~ this state as required by Section
9 840-2.27E of this title.

10 B. Part-time affected employees shall receive benefits pursuant
11 to this section on a prorated basis. Part-time employees shall have
12 been compensated for at least one thousand (1,000) hours during the
13 twelve (12) months immediately preceding the effective date of the
14 reduction-in-force to be eligible for severance benefits pursuant to
15 the State Government Reduction-in-Force and Severance Benefits Act.

16 SECTION 3. REPEALER 74 O.S. 2021, Sections 840-2.28,
17 840-2.28A, and 840-2.28B, are hereby repealed.

18 SECTION 4. This act shall become effective November 1, 2024.

19 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT
20 February 22, 2024 - DO PASS AS AMENDED BY CS
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