

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL 1856

6 By: Stewart

7 COMMITTEE SUBSTITUTE

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

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

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

24 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
reduction-in-force notice that a reduction-in-force will be

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

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

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

21 2. Provide outplacement assistance and employment counseling
22 from the Oklahoma Employment Security Commission and any other
23 outplacement assistance and employment counseling made available by
24 the agency to affected employees regarding the options available

1 pursuant to the State Government Reduction-in-Force and Severance
2 Benefits Act prior to the date that a reduction-in-force is
3 implemented.

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

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

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

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

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

23 E. 1. When the Legislature is not in session, the Contingency
24 Review Board may, upon the request of the Governor, direct and

1 require mandatory furloughs for all state employees whenever it is
2 deemed necessary and proper. The Contingency Review Board shall
3 specify the effective dates for furloughs and shall note any
4 exceptions to state employees affected by the same. All employees,
5 including those employees of agencies or offices established by
6 statute or the Constitution, shall be affected by such actions.

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

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

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

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

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

21 Section 840-2.27D. A. Agencies shall provide severance
22 benefits to affected state employees who are separated from the
23 state service as a result of a reduction-in-force due to a
24 reorganization or any other action by an agency which results in

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

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

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- 1 b. a longevity payment, as prescribed by Section 840-2.18
2 of this title, in the amount which would otherwise be
3 paid to the affected employee on the affected
4 employee's next anniversary date, and
- 5 c. outplacement assistance and employment counseling
6 prior to and after the reduction-in-force from the
7 Oklahoma Employment Security Commission and other
8 state or private entities that the entity may contract
9 with to assist individuals who may be impacted by a
10 reduction-in-force;

11 2. In addition to the severance benefits provided by paragraph
12 1 of this subsection, agencies shall give affected employees
13 severance benefit packages based on the following options; provided
14 that all affected employees are accorded uniform treatment:

- 15 a. up to one (1) week of pay, calculated by dividing the
16 affected employee's current annual salary by the whole
17 number fifty-two (52), for each year of service,
- 18 b. a lump-sum payment of Five Thousand Dollars
19 (\$5,000.00), or
- 20 c. payment for accumulated sick leave or extended illness
21 benefits at up to one-half (1/2) of the affected
22 employee's hourly rate not otherwise used pursuant to
23 law for conversion to credited retirement credit; and
24

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

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

14 SECTION 3. REPEALER 74 O.S. 2021, Sections 840-2.28,
15 840-2.28A, and 840-2.28B, are hereby repealed.

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

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