

1 ENGROSSED SENATE
2 BILL NO. 1856

By: Stewart of the Senate

3 and

4 Osburn of the House

5
6 An Act relating to the Oklahoma Personnel Act;
7 amending 74 O.S. 2021, Section 840-2.27C, as amended
8 by Section 20, Chapter 243, O.S.L. 2022 (74 O.S.
9 Supp. 2023, Section 840-2.27C), which relates to
10 reduction-in-force plan; allowing for certain factors
11 to be considered; amending 74 O.S. 2021, Section 840-
12 2.27D, as amended by Section 21, Chapter 243, O.S.L.
13 2022 (74 O.S. Supp. 2023, Section 840-2.27D), which
14 relates to severance benefits; updating statutory
15 language; repealing 74 O.S. 2021, Sections 840-2.28,
16 840-2.28A, and 840-2.28B, which relate to voluntary
17 buyout benefits; and providing an effective date.

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

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

22 Section 840-2.27C. A. At least thirty (30) days before the
23 scheduled beginning of reduction-in-force separations or as
24 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
conducted. The reduction-in-force implementation plan shall be
provided to the Director of the Office of Management and Enterprise

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

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

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

19 2. Provide outplacement assistance and employment counseling
20 from the Oklahoma Employment Security Commission and any other
21 outplacement assistance and employment counseling made available by
22 the agency to affected employees regarding the options available
23 pursuant to the State Government Reduction-in-Force and Severance
24

1 Benefits Act prior to the date that a reduction-in-force is
2 implemented.

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

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

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

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

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

22 E. 1. When the Legislature is not in session, the Contingency
23 Review Board may, upon the request of the Governor, direct and
24 require mandatory furloughs for all state employees whenever it is

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

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

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

23 F. All agencies directed by the Contingency Review Board to
24 terminate or furlough employees, shall report the cumulative cost

1 savings achieved by the reductions-in-force or furloughs to the
2 Governor, President Pro Tempore of the Senate and Speaker of the
3 House of Representatives on a quarterly basis for one (1) year
4 following the effective date of the action.

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

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

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

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

10 1. All agency severance benefits shall provide the following:

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

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

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

9 2. In addition to the severance benefits provided by paragraph
10 1 of this subsection, agencies shall give affected employees
11 severance benefit packages based on the following options; provided
12 that all affected employees are accorded uniform treatment:

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

22 3. Agencies shall also be allowed to provide the severance
23 benefits to separating employees not subject to the Civil Service
24 and Human Capital Modernization Act and rules promulgated thereunder

1 ~~and~~ or whose position is not subject to an imminent reduction-in-
2 force in exchange for executing a release of all claims against the
3 agency and ~~the State of Oklahoma~~ this state as required by Section
4 840-2.27E of this title.

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

11 SECTION 3. REPEALER 74 O.S. 2021, Sections 840-2.28,
12 840-2.28A, and 840-2.28B, are hereby repealed.

13 SECTION 4. This act shall become effective November 1, 2024.
14 Passed the Senate the 4th day of March, 2024.

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17 Presiding Officer of the Senate

18 Passed the House of Representatives the ____ day of _____,
19 2024.

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22 Presiding Officer of the House
23 of Representatives
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