

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 SENATE BILL 1904

By: Barrington

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5
6 AS INTRODUCED

7 An Act relating to state government; amending 74 O.S.
8 2001, Sections 840-2.27D, as last amended by Section
9 94, Chapter 5, O.S.L. 2004 and 840-2.28 (74 O.S.
10 Supp. 2009, Section 840-2.27D), which relate to the
11 Oklahoma Personnel Act; requiring certain state
12 employees to receive severance benefits under certain
13 circumstances; eliminating the ability of appointing
14 authorities to have certain severance benefits
15 waived; requiring appointing authorities to notify
16 certain association of intent to participate in
17 certain programs; providing for codification;
18 providing an effective date; and declaring an
19 emergency.

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

21 SECTION 1. AMENDATORY 74 O.S. 2001, Section 840-2.27D,
22 as last amended by Section 94, Chapter 5, O.S.L. 2004 (74 O.S. Supp.
23 2009, Section 840-2.27D), is amended to read as follows:

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

1 service. Severance benefits shall be given to the following
2 categories of affected employees: permanent classified affected
3 employees and affected employees on probationary status after
4 reinstatement from permanent classified status without a break in
5 service; provided, however, affected employees of the University
6 Hospitals Authority must have been continuously employed in the
7 state service since on or before January 1, 1995, to receive
8 severance benefits. Pursuant to this section and Section 840-5.1A
9 of this title, state agencies ~~may~~ shall provide severance benefits
10 provided by this subsection to regular unclassified employees with
11 one (1) year or more continuous state service who are separated from
12 the state service for budgetary reasons or in a reorganization;
13 however, state agencies shall offer regular unclassified state
14 employees with one (1) year or more continuous state service who are
15 separated from the state service the same severance benefit as the
16 affected employees in a reduction-in-force if the unclassified
17 employees' separation is as a result of the conditions causing the
18 agency to implement a reduction-in-force. Affected employees who
19 qualify for severance benefits pursuant to this section, in addition
20 to the payment of any compensable accrued leave or other benefits an
21 affected employee is eligible to receive upon separation from the
22 state service, shall receive severance benefits consisting of the
23 following elements:

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

- 1 a. payment equal to the affected employee's current
2 health insurance premium for the affected employee
3 only for eighteen (18) months based on the cost of the
4 premium at the time of the reduction-in-force. ~~The~~
5 ~~appointing authority of the agency can ask the~~
6 ~~Director of the Office of State Finance to waive the~~
7 ~~severance benefit provision in this subparagraph or to~~
8 ~~reduce the length of coverage or subsequent severance~~
9 ~~benefit payment upon demonstration of the agency's~~
10 ~~inability to fund the full benefit,~~
- 11 b. a longevity payment, as prescribed by Section 840-2.18
12 of this title, in the amount which would otherwise be
13 paid to the affected employee on the affected
14 employee's next anniversary date. For the purposes of
15 this subparagraph, the University Hospitals Authority
16 shall calculate longevity for affected employees who
17 were members of the University Hospitals Authority
18 Model Personnel System pursuant to Section 3211 of
19 Title 63 of the Oklahoma Statutes for all state
20 service as would otherwise be determined by Section
21 840-2.18 of this title, and
- 22 c. outplacement assistance and employment counseling
23 prior to and after the reduction-in-force from the
24 Oklahoma Employment Security Commission and other

1 state or private entities that the entity may contract
2 with to assist individuals who may be impacted by a
3 reduction-in-force;

4 2. In addition to the severance benefits provided by paragraph
5 1 of this subsection, agencies may give affected employees, except
6 as otherwise provided by paragraph 3 of this subsection, severance
7 benefit packages based on any combination of the following options,
8 provided that all affected employees who receive severance benefits
9 in the reduction-in-force shall be accorded uniform treatment
10 pursuant to the State Government Reduction-in-Force and Severance
11 Benefits Act:

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

21 3. An affected employee may direct payment of all or a portion
22 of the affected employee's severance benefits to the options
23 authorized by this paragraph by exercising an option to receive
24 education vouchers for use in connection with the Reduction-in-Force

1 Education Voucher Action Fund subject to the following requirements
2 and rules of the Administrator of the Office of Personnel
3 Management, provided that the agency offers to match employee
4 severance funds pursuant to this paragraph. In such case:

5 a. the affected employee may purchase One Dollar (\$1.00)
6 in voucher credit for each One Dollar (\$1.00)
7 contributed by the affected employee to the fund
8 subject to a maximum affected employee contribution of
9 Three Thousand Dollars (\$3,000.00) which may be
10 matched by a maximum agency contribution of Three
11 Thousand Dollars (\$3,000.00); provided, that the
12 agency contribution shall not exceed the contribution
13 of the affected employee,

14 b. the affected employee may pay the cost for the voucher
15 program directly, subject to the requirements of
16 subparagraph a of this paragraph, or the employing
17 agency of the affected employee may pay the cost of
18 the voucher from funds which would otherwise have been
19 used to make payments to the displaced affected
20 employee pursuant to an election by the affected
21 employee to receive severance benefits,

22 c. no voucher issued pursuant to the provisions of this
23 paragraph shall:

24

- 1 (1) be redeemed by the affected employee for cash or
2 anything of value other than the cost of tuition
3 and fees at a public or private educational
4 institution within the State of Oklahoma, or
5 (2) be valid longer than a period of four (4) years
6 from the date upon which the voucher is issued to
7 the affected employee,

8 d. the Administrator of the Office of Personnel
9 Management shall pay tuition and fees directly to the
10 educational institution and shall receive any refunds
11 for payment of tuition and fees from the educational
12 institution which shall be credited to the affected
13 employee's account, and

14 e. the Administrator of the Office of Personnel
15 Management shall distribute to the affected employee
16 and the agency any monies remaining in the affected
17 employee's account after the voucher credit has
18 expired. The distribution shall be based on the
19 proportional share of contributions made by the
20 affected employee and the agency.

21 B. Each affected employee who is separated from state service
22 as a result of a reduction-in-force after July 1, 1998, besides
23 being eligible for the eighteen (18) months of continuation
24 coverages provided by the Public Health Service Act, 42 U.S.C.,

1 Section 30066-1 et seq., i.e., health, dental, vision and healthcare
2 reimbursement account options, under this severance benefit, shall
3 also be eligible to elect additional continuation coverage for any
4 life insurance, in twenty-thousand-dollar units, on self or five-
5 thousand-dollar units, on dependents, and to continue participation
6 in the dependent care reimbursement account provided that these
7 additional coverages were in effect immediately prior to the
8 effective date of the reduction-in-force, the date of which shall
9 serve as the qualifying event date. Provided, that no coverage
10 elected for continuation through the Public Health Service Act for
11 the full eighteen-month period is allowed to lapse, then that
12 affected employee may elect to continue those same coverages for an
13 additional eighteen (18) months at whatever rate is then in effect.
14 This additional eighteen-month continuation period of coverage shall
15 be administered by the Oklahoma State Employees Benefits Council
16 following the initial eighteen-month period of continuation which
17 shall be administered by the COBRA office at the State and Education
18 Employees Group Insurance Board.

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

1 D. No appointing authority shall grant affected employees in a
2 reduction-in-force severance benefits except as provided in this
3 section.

4 SECTION 2. AMENDATORY 74 O.S. 2001, Section 840-2.28, is
5 amended to read as follows:

6 Section 840-2.28 A. Agencies shall be authorized to provide
7 voluntary out benefits to permanent classified employees and regular
8 unclassified employees with one (1) year or more of continuous state
9 service who are voluntarily separated from the state service in
10 order to reduce or eliminate the adverse impact of an imminent
11 reduction-in-force. For purposes of this section, "agency" or
12 "agencies" shall include agencies, boards, commissions, or
13 departments of all three branches of state government. Voluntary
14 out benefit payments made pursuant to this section, in addition to
15 the payment of any compensable accrued leave and other benefits an
16 employee who voluntarily separates is eligible to receive upon
17 separation from the state service, shall consist of the following
18 elements:

19 1. All agency voluntary out benefits shall provide the
20 following:

- 21 a. payment equal to the employee's current health
22 insurance premium for the employee only for eighteen
23 (18) months based on the cost of the premium at the
24 time of the voluntary separation, and

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 employee on the employee's next
4 anniversary date. For the purposes of this
5 subparagraph, the University Hospitals Authority shall
6 calculate longevity for employees who were members of
7 the University Hospitals Authority Model Personnel
8 System pursuant to Section 3211 of Title 63 of the
9 Oklahoma Statutes for all state service as would
10 otherwise be determined by Section 840-2.18 of this
11 title;

12 2. In addition to the voluntary out benefits provided by
13 paragraph 1 of this subsection, agencies may give employees, except
14 as otherwise provided by paragraph 3 of this subsection, voluntary
15 out benefit packages based on any combination of the following
16 options, provided that all employees who are separated as a result
17 of the agency offer of a voluntary out benefit pursuant to this
18 section in anticipation of the imminent reduction-in-force are
19 accorded uniform treatment pursuant to this section:

- 20 a. up to one (1) week of pay, calculated by dividing the
21 employee's current annual salary by the whole number
22 fifty-two (52), for each year of service,
23 b. a maximum lump-sum payment of Five Thousand Dollars
24 (\$5,000.00),

1 c. payment for accumulated sick leave or extended illness
2 benefits at up to one-half of the employee's hourly
3 rate not otherwise used pursuant to law for conversion
4 to credited retirement credit, and

5 d. payment of health benefit premiums as provided by the
6 Public Health Service Act, 42 U.S.C., Section 300bb-1
7 et seq., for a period not to exceed eighteen (18)
8 months. The agency shall not be authorized to make a
9 cash payment to the employee in lieu of the payment by
10 the agency of the cost of continued health care
11 coverage for the employee; and

12 3. An employee may direct payment of all or a portion of the
13 employee's voluntary out benefits to the options authorized by this
14 paragraph by exercising an option to receive education vouchers for
15 use in connection with the Reduction-in-Force Education Voucher
16 Action Fund subject to the following requirements and rules of the
17 Administrator of the Office of Personnel Management, provided that
18 the agency offers to match employee voluntary out funds pursuant to
19 this paragraph. In such case:

20 a. the employee may purchase One Dollar (\$1.00) in
21 voucher credit for each One Dollar (\$1.00) contributed
22 by the employee to the fund subject to a maximum
23 employee contribution of Three Thousand Dollars
24 (\$3,000.00) which may be matched by a maximum agency

1 contribution of Three Thousand Dollars (\$3,000.00);
2 provided, that the agency contribution shall not
3 exceed the contribution of the employee,

4 b. the employee may pay the cost for the voucher program
5 directly, subject to the requirements of subparagraph
6 a of this paragraph, or the employing agency of the
7 employee may pay the cost of the voucher from funds
8 which would otherwise have been used to make payments
9 to the displaced employee pursuant to an election by
10 the employee to receive voluntary out benefits,

11 c. no voucher issued pursuant to the provisions of this
12 paragraph shall:

13 (1) be redeemed by the employee for cash or anything
14 of value other than the cost of tuition and fees
15 at a public or private educational institution
16 within the State of Oklahoma, or

17 (2) be valid longer than a period of four (4) years
18 from the date upon which the voucher is issued to
19 the employee,

20 d. the Administrator of the Office of Personnel
21 Management shall pay tuition and fees directly to the
22 educational institution and shall receive any refunds
23 for payment of tuition and fees from the educational
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1 institution which shall be credited to the employee's
2 account, and

3 e. the Administrator of the Office of Personnel
4 Management shall distribute to the affected employee
5 and the agency any monies remaining in the employee's
6 account after the voucher credit has expired. The
7 distribution shall be based on the proportional share
8 of contributions made by the employee and the agency.

9 B. Appointing authorities in agencies of the executive branch
10 shall submit to the Director of the Office of State Finance and any
11 state employee association representing state employees at such
12 time, prior to offering voluntary out benefits pursuant to this
13 section, a plan with details on why the agency has determined a
14 reduction-in-force is imminent, the anticipated impact of the
15 imminent reduction-in-force on the agency or part of the agency, the
16 voluntary out benefits the agency intends to offer pursuant to this
17 section and their cost, and how the agency intends to execute the
18 offer of the voluntary out benefits. The Director shall review the
19 fiscal components of the plan and have ten (10) business days to
20 disapprove it.

21 C. Part-time employees who are eligible to receive voluntary
22 out benefits shall receive benefits pursuant to this section on a
23 prorated basis. Part-time employees shall have been compensated for
24 at least one thousand (1,000) hours during the twelve (12) months

1 immediately preceding the separation of the employee due to the
2 employee's acceptance of a voluntary out benefit.

3 D. An employee who accepts voluntary out benefits pursuant to
4 this section shall not be eligible to accept any future voluntary
5 out benefits pursuant to this section.

6 SECTION 3. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 840-2.40 of Title 74, unless
8 there is created a duplication in numbering, reads as follows:

9 Appointing authorities in agencies of the executive branch shall
10 provide to any state employee association representing state
11 employees at such time the furlough plan that is required by Rule
12 530:10-15.48 of the Office of Personnel Management to be submitted
13 to the Office of Personnel Management. The plan shall be provided
14 to any such association at the same time that the plan is required
15 to be submitted to the Office of Personnel Management.

16 SECTION 4. This act shall become effective July 1, 2010.

17 SECTION 5. It being immediately necessary for the preservation
18 of the public peace, health and safety, an emergency is hereby
19 declared to exist, by reason whereof this act shall take effect and
20 be in full force from and after its passage and approval.

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