

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 SENATE BILL 719

By: Barrington

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5
6 AS INTRODUCED

7 An Act relating to state government; amending 74 O.S.
8 2001, Section 840-2.27D, as last amended by Section
9 94, Chapter 5, O.S.L. 2004 (74 O.S. Supp. 2008,
10 Section 840-2.27D), which relates to severance
11 benefits for state employees; requiring certain state
12 employees to receive severance benefits under certain
13 circumstances; providing an effective date; and
14 declaring an emergency.

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

16 SECTION 1. AMENDATORY 74 O.S. 2001, Section 840-2.27D,
17 as last amended by Section 94, Chapter 5, O.S.L. 2004 (74 O.S. Supp.
18 2008, Section 840-2.27D), is amended to read as follows:

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

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

- 21 1. All agency severance benefits shall provide the following:
 - 22 a. payment equal to the affected employee's current
23 health insurance premium for the affected employee
24 only for eighteen (18) months based on the cost of the

1 premium at the time of the reduction-in-force. The
2 appointing authority of the agency can ask the
3 Director of the Office of State Finance to waive the
4 severance benefit provision in this subparagraph or to
5 reduce the length of coverage or subsequent severance
6 benefit payment upon demonstration of the agency's
7 inability to fund the full benefit,

8 b. a longevity payment, as prescribed by Section 840-2.18
9 of this title, in the amount which would otherwise be
10 paid to the affected employee on the affected
11 employee's next anniversary date. For the purposes of
12 this subparagraph, the University Hospitals Authority
13 shall calculate longevity for affected employees who
14 were members of the University Hospitals Authority
15 Model Personnel System pursuant to Section 3211 of
16 Title 63 of the Oklahoma Statutes for all state
17 service as would otherwise be determined by Section
18 840-2.18 of this title, and

19 c. outplacement assistance and employment counseling
20 prior to and after the reduction-in-force from the
21 Oklahoma Employment Security Commission and other
22 state or private entities that the entity may contract
23 with to assist individuals who may be impacted by a
24 reduction-in-force;

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

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

18 3. An affected employee may direct payment of all or a portion
19 of the affected employee's severance benefits to the options
20 authorized by this paragraph by exercising an option to receive
21 education vouchers for use in connection with the Reduction-in-Force
22 Education Voucher Action Fund subject to the following requirements
23 and rules of the Administrator of the Office of Personnel
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1 Management, provided that the agency offers to match employee
2 severance funds pursuant to this paragraph. In such case:

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

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

20 c. no voucher issued pursuant to the provisions of this
21 paragraph shall:

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

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

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

19 B. Each affected employee who is separated from state service
20 as a result of a reduction-in-force after July 1, 1998, besides
21 being eligible for the eighteen (18) months of continuation
22 coverages provided by the Public Health Service Act, 42 U.S.C.,
23 Section 30066-1 et seq., i.e., health, dental, vision and healthcare
24 reimbursement account options, under this severance benefit, shall

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

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

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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. This act shall become effective July 1, 2009.

5 SECTION 3. It being immediately necessary for the preservation
6 of the public peace, health and safety, an emergency is hereby
7 declared to exist, by reason whereof this act shall take effect and
8 be in full force from and after its passage and approval.

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