

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 52<sup>nd</sup> Legislature

**Conference Committee Substitute for HB 2363**

| <b>FY-11 STATE VOLUNTARY BUY-OUT PLAN (VOBO)*</b>  |                     |
|--|---------------------|
| <b>COSTS</b>   |                     |
| TOTAL ELIGIBLE FULL-TIME EQUIVALENT (FTE) EMPLOYEES**  | 6,267               |
| ESTIMATED ACCEPTING FTE***   | 1,316               |
| 18 MONTH HEALTH INSURANCE COST – AVERAGE OF \$7,359  | \$9,684,959         |
| LONGEVITY PAY – AVERAGE OF \$2,141   | 2,821,866           |
| TOTAL \$5,000 PAYMENT  | 6,580,350           |
| FICA PAYMENT – AVERAGE OF \$1,687  | 2,220,210           |
| <b>TOTAL ESTIMATED STATE COST</b>  | <b>\$21,307,385</b> |
| <b>SAVINGS</b>   |                     |
| ACCEPTING FTE SALARY – AVERAGE OF \$44,276   | \$58,270,315        |
| ACCEPTING FTE BENEFITS – AVERAGE OF \$19,924   | 26,221,379          |
| FICA TAX SAVINGS   | 4,457,679           |
| <b>TOTAL ESTIMATED GROSS SAVINGS</b>   | <b>\$88,949,373</b> |
| <b>LESS: ESTIMATED STATE COSTS</b>   | <b>(21,307,385)</b> |
| <b>TOTAL ESTIMATED NET STATE SAVINGS</b>   | <b>\$67,641,988</b> |
| * PLAN ASSUMPTIONS/REQUIREMENTS: Accepting employees must be retirement eligible at the time of acceptance; agencies must reduce authorized FTE by the total of VOBO acceptance; agencies may augment the Plan, without payments from the Fund, with benefits authorized pursuant to 74 O.S., Section 840-2.28 |                     |
| ** Office of Personnel Management, “Retirement Eligibility Report”, July, 2009   |                     |
| *** Based on Department of Corrections VOBO acceptance rate of 21.0 percent.   |                     |

The provisions of the Conference Committee Substitute include:

- Defines terms related to voluntary buy-out expenditures from the Voluntary Buy-Out Reimbursement Fund;
- Specifies that expenditures from the Fund to the agencies must occur no later than June 30, 2011;
- Outlines the procedures for requesting and getting reimbursement from the Fund from the Office of State Finance (OSF);
- Requires that any voluntary buy-out contingent agreement include a disclaimer that the agreement is contingent to confirmation and reimbursement funds being available. States that the agreement is not enforceable if the two conditions are not met;

- Specifies that agency request for reimbursement are to be on a “first come, first serve” basis by OSF subject to the availability of funds;
- Prohibits reimbursements payments to agencies on a pro rata basis;
- Requires the agency to agree to reduce the number of FTEs in the agency for a period of not less than 36 months should any employee of the agency receive reimbursement from the Fund;
- Allows agencies to offer their own voluntary buy-out agreements which are not subject to the conditions within this act, but also not eligible for reimbursement from the Fund;
- Creates the Voluntary Buy-Out Reimbursement Fund;
- Provides that any employee who accepts a voluntary buy out is prohibited from securing employment from the entity making the buy-out payment for a three-year period from their last date of employment. Specifies that the three-year provision also applies to any contract for the performance of services by the state entity making the payment;
- Provides that persons agreeing to a voluntary buy-out will not be eligible for unemployment benefits, if such a buy-out occurs;
- Requires agencies making payment of voluntary buy-out benefits to provide information to the Oklahoma Employment Commission to allow the Commission to deny a claim for benefits to any person who receives a voluntary buy-out and subsequently applies for unemployment benefits; and
- Provides that nothing in the act shall cause any person to become ineligible for unemployment benefits for any reason other than accepting and receiving a voluntary buy-out from the agency.