

1 **SENATE FLOOR VERSION**

2 March 31, 2014

3 ENGROSSED HOUSE  
4 BILL NO. 3337

By: Inman of the House

and

Burrage of the Senate

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7  
8 An Act relating to state government; amending Section  
9 1, Chapter 140, O.S.L. 2012 and 74 O.S. 2011, Section  
10 840-2.28, as amended by Section 889, Chapter 304,  
11 O.S.L. 2012 (74 O.S. Supp. 2013, Sections 840-2.20C  
12 and 840-2.28), which relate to the Oklahoma Personnel  
13 Act; requiring furlough notice be provided to certain  
14 entities; providing exception; requiring plan be  
15 provided to certain entity; and providing an  
16 effective date.

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

18 SECTION 1. AMENDATORY Section 1, Chapter 140, O.S.L.  
19 2012 (74 O.S. Supp. 2013, Section 840-2.20C), is amended to read as  
20 follows:

21 Section 840-2.20C A. Each agency, as defined by Section 840-  
22 1.3 of ~~Title 74 of the Oklahoma Statutes~~ this title, shall provide a  
23 written notice to any employee of such agency who will be furloughed  
24 by the agency at least thirty (30) days prior to the first date that  
the furlough period is scheduled to begin. The notice shall provide  
information about the anticipated first date of the furlough period

1 and an estimate of the duration of the furlough or the day or days  
2 during which the furlough will be in effect.

3 B. The furlough notice shall be provided to the Director of the  
4 Office of Management and Enterprise Services and any state employee  
5 association representing state employees at such time.

6 C. Subsection A of this section shall not apply to disruptions  
7 in funding to state agencies caused by actions at the federal level.

8 SECTION 2. AMENDATORY 74 O.S. 2011, Section 840-2.28, as  
9 amended by Section 889, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
10 2013, Section 840-2.28), is amended to read as follows:

11 Section 840-2.28 A. Agencies shall be authorized to provide  
12 voluntary out benefits to permanent classified employees and regular  
13 unclassified employees with one (1) year or more of continuous state  
14 service who are voluntarily separated from the state service in  
15 order to reduce or eliminate the adverse impact of an imminent  
16 reduction-in-force. For purposes of this section, "agency" or  
17 "agencies" shall include agencies, boards, commissions, or  
18 departments of all three branches of state government. Voluntary  
19 out benefit payments made pursuant to this section, in addition to  
20 the payment of any compensable accrued leave and other benefits an  
21 employee who voluntarily separates is eligible to receive upon  
22 separation from the state service, shall consist of the following  
23 elements:  
24

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

3 a. payment equal to the employee's current health  
4 insurance premium for the employee only for eighteen  
5 (18) months based on the cost of the premium at the  
6 time of the voluntary separation, and

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

18 2. In addition to the voluntary out benefits provided by  
19 paragraph 1 of this subsection, agencies may give employees, except  
20 as otherwise provided by paragraph 3 of this subsection, voluntary  
21 out benefit packages based on any combination of the following  
22 options, provided that all employees who are separated as a result  
23 of the agency offer of a voluntary out benefit pursuant to this  
24

1 section in anticipation of the imminent reduction-in-force are  
2 accorded uniform treatment pursuant to this section:

- 3 a. up to one (1) week of pay, calculated by dividing the  
4 employee's current annual salary by the whole number  
5 fifty-two (52), for each year of service,
- 6 b. a maximum lump-sum payment of Five Thousand Dollars  
7 (\$5,000.00),
- 8 c. payment for accumulated sick leave or extended illness  
9 benefits at up to one-half of the employee's hourly  
10 rate not otherwise used pursuant to law for conversion  
11 to credited retirement credit, and
- 12 d. payment of health benefit premiums as provided by the  
13 Public Health Service Act, 42 U.S.C., Section 300bb-1  
14 et seq., for a period not to exceed eighteen (18)  
15 months. The agency shall not be authorized to make a  
16 cash payment to the employee in lieu of the payment by  
17 the agency of the cost of continued health care  
18 coverage for the employee; and

19 3. An employee may direct payment of all or a portion of the  
20 employee's voluntary out benefits to the options authorized by this  
21 paragraph by exercising an option to receive education vouchers for  
22 use in connection with the Reduction-in-Force Education Voucher  
23 Action Fund subject to the following requirements and rules of the  
24 Director of the Office of Management and Enterprise Services,

1 provided that the agency offers to match employee voluntary out  
2 funds pursuant to this paragraph. In such case:

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

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

18 c. no voucher issued pursuant to the provisions of this  
19 paragraph shall:

20 (1) be redeemed by the employee for cash or anything  
21 of value other than the cost of tuition and fees  
22 at a public or private educational institution  
23 within the State of Oklahoma, or  
24

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

4 d. the Director of the Office of Management and  
5 Enterprise Services shall pay tuition and fees  
6 directly to the educational institution and shall  
7 receive any refunds for payment of tuition and fees  
8 from the educational institution which shall be  
9 credited to the employee's account, and

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

17 B. Appointing authorities in agencies of the executive branch  
18 shall submit to the Director of the Office of Management and  
19 Enterprise Services and any state employee association representing  
20 state employees at such time, prior to offering voluntary out  
21 benefits pursuant to this section, a plan with details on why the  
22 agency has determined a reduction-in-force is imminent, the  
23 anticipated impact of the imminent reduction-in-force on the agency  
24 or part of the agency, the voluntary out benefits the agency intends

1 to offer pursuant to this section and their cost, and how the agency  
2 intends to execute the offer of the voluntary out benefits. The  
3 Director shall review the fiscal components of the plan and have ten  
4 (10) business days to disapprove it.

5 C. Part-time employees who are eligible to receive voluntary  
6 out benefits shall receive benefits pursuant to this section on a  
7 prorated basis. Part-time employees shall have been compensated for  
8 at least one thousand (1,000) hours during the twelve (12) months  
9 immediately preceding the separation of the employee due to the  
10 employee's acceptance of a voluntary out benefit.

11 D. An employee who accepts voluntary out benefits pursuant to  
12 this section shall not be eligible to accept any future voluntary  
13 out benefits pursuant to this section.

14 SECTION 3. This act shall become effective November 1, 2014.

15 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT  
16 March 31, 2014 - DO PASS

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