STATE OF OKLAHOMA

2nd Session of the 54th Legislature (2014)

HOUSE BILL 3337 By: Inman

AS INTRODUCED

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

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

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

Section 840-2.20C A. Each agency, as defined by Section 840-1.3 of ~~Title 74 of the Oklahoma Statutes~~ this title, shall provide a written notice to any employee of such agency who will be furloughed 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

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

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

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

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

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

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

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

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

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

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

a. up to one (1) week of pay, calculated by dividing the employee's current annual salary by the whole number fifty-two (52), for each year of service,

b. a maximum lump-sum payment of Five Thousand Dollars ($5,000.00),

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

54-2-9523 LRB 12/19/13