

**Office of Personnel Management
Policy Directive**

Policy Title: Workforce Reduction	Policy Number: 20.17
Citation: Arkansas Code Annotated § 21-3-304	Forms: Workforce Reduction Applicant Interview Information Form Workforce Reduction Data Form

Purpose and Scope

A Reduction in Force (RIF) is the least desirable method of solving staffing issues. Agency directors should examine alternatives to avoid a reduction in force. However, should a reduction be necessary, the purpose of this Workforce Reduction Policy is to assist state agencies in implementing statewide reductions in the workforce in an orderly fashion with the least possible impact on the agency and its employees.

The decision regarding the number of employees and positions that will be affected depends on each individual agency and the services provided to the citizens of Arkansas. These factors include, but are not necessarily limited to, the nature of the agency's mission, the final budget reduction target for the agency, the availability of funds in the agency, and/or the agency's strategic and organizational plan to address the necessary reductions.

The agency director shall consider positions providing agency services to the public and any regulatory and enforcement responsibilities as being critical to the agency operations, except if the agency director determines that it can maintain current levels of agency operations with less personnel and or locations.

This Workforce Reduction Policy supersedes any agency policy or employee handbook. Therefore, each agency policy manual and/or employee handbook should be reviewed to ensure that any existing policy regarding reductions in the workforce appropriately reflects the elements of this Workforce Reduction Policy. This policy does not constitute any employment contract or agreement, either expressed or implied, between the state agency and its employees. This policy applies to all jobs except where specified by contract or federally mandated requirements. This policy is subject to change without notice, wholly or in part.

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Workforce Reduction Procedures

Reductions in the workforce may be due to significant organizational structure changes, shortage of funds or work, abolishment of positions or duties, loss of functional responsibility by the agency, and/or the loss/non-renewal of federal funding, grants or other special funds. In the workforce reduction decision-making process, an agency director should be guided by agency priorities, resources, locations and staffing to determine where reductions may be made that least impact the agency's operations.

If an agency director determines that a workforce reduction is required, procedures that are uniform in nature and consistent in application should be utilized. Prior to determining that a workforce reduction is necessary, the agency shall have considered other options such as hiring freezes, reducing work hours with proportionate pay cuts, assessing expected job attrition, job sharing, limiting travel and limiting capital outlay.

Each agency/institution director shall conduct an organizational analysis, for the purpose of identifying and classifying critical and/or non-critical agency-specific operations such as (1) programs, (2) locations of service delivery, and/or (3) positions.

Based on the results of the organizational analysis, the agency director shall eliminate and/or consolidate non-critical programs, locations and/or positions first. Employees occupying extra-help, part-time, intermittent, or temporary positions are to be deemed non-critical and are to be the first to be separated from state employment, with the exception of a condition where extra-help, part-time, intermittent, or temporary employees occupy positions operating as full-time employees in a regular position, based on special language, or where such positions are being used to staff critical positions.

Operations deemed critical should be ranked in ascending order as follows:

1. Low Impact: Loss of a program, location, or position would have little effect on the overall mission of the agency/institution.
2. Moderate Impact: Loss of a program, location, or position will require some reorganization of duties for the agency/institution to successfully accomplish its mission.
3. Severe Impact: The agency/institution will be unable to accomplish its mission with a loss of a particular program, location, or position.

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The determination as to the retention or separation of employees occupying positions deemed to be critical will include utilization of the Retention Criteria for Critical Positions described in this policy.

Oversight or Review Committee

Agency directors are to give employees in positions that will be eliminated at least 30 days advance written notification, if possible. At the time of separation of employment, the agency is to provide affected employees with information regarding the employee's outstanding leave balances, continuation of benefits and available outplacement assistance. Employees should be allowed to collect their personal belongings prior to termination. Collection of belongings can be performed with or without supervision at the discretion of the agency.

All positions that have been targeted as workforce reduction positions shall be frozen and may not be utilized until additional funding is provided, as certified by the Chief Fiscal Officer of the State.

Following implementation of a workforce reduction, vacant positions will be filled pursuant to the Special Re-Employment Consideration section of this policy. Consequences of the workforce reduction shall not be considered as disciplinary actions.

Each agency implementing a workforce reduction shall file a report with the Legislative Council and the Department of Finance and Administration, Office of Personnel Management (OPM), which includes the job titles, programs and work units involved in the layoffs.

Utilizing Retention Criteria

If additional reductions are required after the elimination of non-critical positions, the determination as to the retention or separation of a particular position or employee occupying a position that is deemed to be critical to agency operations should be based on a combined evaluation of the most recent performance evaluations and length of state service.

If additional reductions are required after the elimination of non-critical positions, agencies are to rank, in ascending order, all positions within each agency or geographic location/office. Each agency director must determine the number of offices that will be considered as "one" geographic location/office for this internal ranking process. The determination as to the retention or separation of a particular employee occupying a position within a classification performing the same or similar job duties that is deemed to be critical to agency operations should be based on a location by location basis utilizing the Retention Criteria Calculation below.

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Retention Criteria Calculation

To provide uniform standards, the retention criteria points are scored and weighted as follows:

- A. Length of state service — Award one (1) point for every complete year of state service. Arkansas Code requires an eligible military veteran’s service in the armed forces be considered as service with the state.
- B. Performance Evaluation (PE) — Rate the overall performance rating of each of the last three years as follows:
 - Unsatisfactory = 0
 - Satisfactory = 4
 - Above Average = 6
 - Exceeds Standards = 8

Award points of the three-year average as follows:

- Below 4 = No points
- 4.0 — 5.32 = 70 points
- 5.33 – 6.66 = 80 points
- 6.67—7.99 = 90 points
- 8.0 = 100 points

Multiply the sum of this category by a factor of .60

For employees with less than three performance evaluations, award a satisfactory overall rating for all non-available years (for the purpose of standardizing PE calculations).

Example 1: Using Organizational Analysis to determine elimination of a position.

An agency location/office has three (3) Research Project Analyst (RPA) positions assigned and has to eliminate one position. Rank the 3 RPA positions based on how critical they are to the mission. You may have one RPA as low impact, one RPA as moderate impact, and one RPA as severe impact. Thus, the first position to be reduced would be the low impact, followed by the moderate impact, followed by the severe impact.

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Example 2: Using Retention Criteria to determine elimination of a person.

An agency location/office has three (3) Research Project Analyst (RPA) positions that are determined to be Moderate Impact. One position has to be eliminated. The retention criteria would be applied to determine which employee of the three will be eliminated.

Employees occupying positions deemed to be critical to the operations of the agency shall be rated on the basis of the above retention criteria and without regard to the employees' race, color, religion, gender, age, national origin, disability, or political affiliation. The results of the employee rating process should be analyzed for potential adverse impact based on age, sex, and race. Employees on authorized leave of absence will be protected under this policy until such time they are eligible for return to work. If a tiebreaker in retention points is necessary, agencies are to use months and days of state service. If an additional tiebreaker is needed, the agency should use any non-discriminatory method deemed suitable as approved by OPM. An employee whose position is eliminated due to implementation of the workforce reduction policy shall not be permitted to displace (commonly referred to as "bumping") any other employee.

Special Reemployment Consideration

Prior to advertising any vacant position following a workforce reduction, all agencies are to review the list of employees eligible for special reemployment consideration and conduct interviews with those employees whose experience and education meet the minimum qualification requirements of the vacancy. Agencies will be allowed to forego regular advertising requirements, as stated in Governor's Policy Directive 8, should the interview result in the selection of an employee who has been terminated due to a workforce reduction.

A list of employees eligible for special reemployment consideration will be maintained and made available by OPM.

Within all state agencies, employees affected by a workforce reduction are to receive special reemployment consideration. If the vacancy is not filled by an out-placed employee and the agency wishes to receive other applications for consideration, the vacancy must be posted on the official Arkansas employment website at <http://www.arstatejobs.com/>.

An employee who accepts a job in a lower graded position as a result of a workforce reduction shall receive a demotion in pay and grade. An agency may request to transfer the employee's current salary to the new position upon approval of the Personnel Subcommittee of the Legislative Council.

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If the affected employee declines an interview or job offer (1) that is equal to or higher than the job classification, grade, and salary held at the time of written notification of the workforce reduction, (2) the job is comparable in scope of responsibility and duties as position previously held, and (3) the job offered is within a reasonable commuting distance from the applicant's home, special reemployment consideration will be forfeited.

Special reemployment consideration begins on the date the employee receives notification of a workforce reduction and is extended for a period of twelve (12) months from the date of termination. If affected employees decide to retire or apply for retirement after receiving an official written notice of the workforce reduction, special reemployment consideration will not be extended.

An employee who has established veteran's preference and is affected by the workforce reduction shall be eligible for reemployment within a period of time no less than the continuous period of his or her service in a department or agency, provided that he or she has been certified by the department or agency director as meeting the current minimum qualifications of the position to which he or she is being reemployed.

Outplacement Assistance Center

The Governor has commissioned Workforce Services to set up an Outplacement Assistance Center. Workforce Services will provide the physical facility for outplaced employees that will include computers, phones, fax machines, and resume software. In addition, Workforce Services provides the WhataJobMatch web site, <http://www.ajb.org/ar> that allows users to identify their individual skills and quickly match them with suitable job vacancies throughout the state. Employees who would like to utilize this service, should schedule an appointment with the Dislocated Worker Program by calling 501-682-1818.

Outplacement services will also include:

- a. Assistance with resume preparation
- b. Access to state job vacancies plus other job sites, e.g., America's Job Bank, etc.
- c. Referral to Workforce Centers skills assessment and re-employment plan
- d. Job Search Workshop
- e. Job search brochures and literature

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Completing the State Application

Whether or not an employee terminated due to workforce reduction chooses to use the outplacement assistance center, the first and most important step for them, after learning of a state job vacancy, is to complete a State of Arkansas Employment Application. It is essential to provide detailed information regarding work history and education. Failure to complete the application in full detail may result in the employment application not being forwarded to a hiring official. If assistance is needed to complete the employment application, agency human resources staff can provide guidance on how to best present credentials in order to maximize chances for employment. Employment applications may be supplemented with a resume, but all sections of the application should be completed with as much detail as possible. The employee should retain copies of the application for use in applying for future vacancies.

If assistance is needed to acquire dates and salaries for jobs held with the State of Arkansas, agency human resources staff can provide the information. Agencies may contact OPM Classification and Compensation staff or OPM Payroll staff for employee information, as necessary. Affected employees may want to review their personnel files as well. State policy allows employees to access their personnel files. Agencies may require advance requests, in writing, to view a personnel file.

The State of Arkansas Employment Application form is available at <http://www.arstatejobs.com> and all Department of Workforce Services' (DWS) offices. The application may be completed on-line or in hard copy form and sent to the agency where the job vacancy exists.

Employees affected by the workforce reduction may also access comprehensive information regarding State government job vacancies at <http://www.arstatejobs.com>. Job vacancy information is also available at all DWS local offices.

Benefits Available at Employment Separation due to Workforce Reduction

Severance Pay: Employees terminated under the reduction in force policy are eligible for lump sum severance pay based on their total years of state service. Severance amounts are as follows:

- Over 1 year up to 5 years of service the employee may receive eight hundred dollars (\$800)
- Over 5 years up to 15 years of service the employee may receive one thousand two hundred dollars (\$1,200)
- Over 15 years of service the employee may receive one thousand six hundred dollars (\$1,600)

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These payments shall be in addition to any lump-sum payment for annual or sick leave. The severance payment shall not be constructed as exceeding maximum salary.

Annual Leave: All terminating employees are entitled to receive a lump-sum distribution of such benefits, up to thirty (30) days, inclusive of holidays and all accrued, unused, compensatory leave. An employee who receives a lump-sum payment at termination of employment may not return to state employment until the number of days for which he or she received additional compensation has expired.

Sick Leave Incentive: Employees affected by workforce reduction who are qualified for and choose to receive retirement benefits from a state-supported retirement system are eligible for a sick leave incentive lump-sum payment up to \$7,500. If an employee returns to state employment within six (6) months following a termination of state employment that was a direct result of agency budgetary reasons or curtailment of work activities, accrued sick leave that was forfeited at termination of employment will be restored to the employee's credit.

Unemployment Insurance Benefits: DWS is responsible for administration and eligibility determinations regarding unemployment insurance benefits. Employees separated due to the statewide workforce reduction are eligible to collect unemployment insurance benefits, provided they meet the normal eligibility requirements. DWS personnel will assist each out-placed employee in determining unemployment insurance benefit eligibility.

Deferred Compensation Plan: Subject to the provisions of an employer's plan, affected employees may be able to roll over Arkansas Diamond Deferred Compensation Plan contributions to a new employer's plan. Also, upon termination of state employment, contributions may be withdrawn with no penalty. However, such withdrawals are subject to state and federal income taxes. For more information contact Citi-Street at 1-866-271-3327.

Employee Assistance Plan: The Employee Assistance Plan (EAP) coverage will continue upon termination for those employees who continue state sponsored health insurance coverage through COBRA. The EAP program provides a confidential counseling service for employees which helps define problems affecting them personally and identifies appropriate resources to ease, and hopefully resolve, personal crises. Information may be accessed at ComPsych's website: www.guidanceresources.com or by calling ComPsych's Guidance Resources 24 hours a day: 1-877-247-4621.

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Retirement Benefits: For eligible employees, benefits are available through the Arkansas Public Employees Retirement System (1-800-682-7377) and/or the Arkansas Teacher Retirement System (1-800-666-2877). Complete information regarding benefits and eligibility may be accessed at <http://www.apers.org> and <http://www.atrs.state.ar.us/>.

Revised October 14, 2014