

**ARIZONA STATE PERSONNEL SYSTEM
STATEWIDE POLICIES AND PROCEDURES**

Policy Number: ASPS/HRD-PB6.01	Issued: September 23, 2013
Subject: Reduction in Force (RIF) Guidelines	Effective: September 23, 2013
Policy Section: Covered Employees	Revised:
Policy Owner: ADOA Human Resources Division	

Scope:

This policy applies to all agencies, boards, offices, authorities, commissions, or other governmental budget units of the State that are part of the State Personnel System (SPS).

Actions taken under this policy are applicable only to positions in the covered service and covered employees.

Authority:

A.R.S. § 41-771, Powers and duties of director relating to employees in covered service
A.R.S. § 41-772, Reduction in force procedure in covered service
R2-5B-601, Applicability
R2-5B-602, Reduction in Force Procedures
R2-5B-603, Employee Request for Review

Definitions:

“Agency” means a department, board, office, authority, commission, or other governmental budget unit of the State Personnel System.

“Agency head” means the chief executive officer of a state agency, or designee.

“Director” means the Director of the Arizona Department of Administration (ADOA) or the Director’s designee, who is responsible for administering the State Personnel System pursuant to applicable state and federal laws.

“Permanent status” means the standing a covered employee achieves after the completion of an original probation or a promotional probation.

“Reduction in Force” means the involuntary separation and/or reduction in grade of one or more permanent status employees in a government agency, typically for budgetary reasons.

Policy:

A Reduction in Force applies only to covered State Personnel System employees as provided in Arizona Revised Statute (A.R.S.) § 41-772 and the State Personnel System Rules.

ASPS Statewide Policies and Procedures

Subject: Reduction in Force (RIF) Guidelines

There are various reasons why a Reduction in Force may be required. Those reasons include:

- Lack of funds or work
- Abolition of one or more covered positions
- A material change in job duties or agency organization
- Introduction of a cost reduction initiative

Prior to submitting a proposal for a Reduction in Force, the agency should consider the following:

- Have alternatives been discussed?
- Will the agency eliminate covered positions and/or uncovered positions? Reduction in Force rules apply only to covered service positions and covered employees.
- How will the Reduction in Force be implemented? Will the Reduction in Force be agency-wide or limited to a smaller group, (i.e., organizational unit or agency operations in a geographic area)?
- How does the agency plan to determine the positions to be eliminated?
- Has the agency considered that the employees selected for separation in a Reduction in Force pursuant to the SPS rules may not be the current incumbents in the positions the agency wants to eliminate?

Procedures:

The State Personnel System Rules contain Reduction in Force procedures which must be followed. These procedures provide specific requirements for agency heads and potentially impacted employees. Some of the pertinent provisions are summarized below.

Agency Proposal

- Prior to implementing a Reduction in Force, the agency head shall submit a Reduction in Force proposal to the ADOA Director. R2-5B-602(A) requires that an agency's Reduction in Force proposal be sent to ADOA at least thirty business days before the proposed effective date of the Reduction in Force. If circumstances beyond the agency's control do not permit at least thirty business days' notice, the agency head shall submit the proposal as soon as the agency head is aware of the necessity for a reduction in force. (Letter A)
- The agency's proposal must include all of the following:
 - The reason for the Reduction in Force
 - The proposed scope of the Reduction in Force (agency, organizational unit of the agency or agency operations within a geographic area)
 - Each specific covered position proposed for elimination (Form RIF-2)
 - An organization chart identifying each position
 - The proposed effective date of the Reduction in Force
- An agency head shall not approve a personnel action that would have an effect on the Reduction in Force after the agency head has submitted a proposal for a reduction in force.
- An agency head shall not re-establish a position that was abolished as a result of a Reduction in Force for two years if the position was filled when the Reduction in Force occurred, unless the position was abolished due to fiscal constraints, legislative action, or court order.
- The ADOA Director may approve, modify or deny an agency head's Reduction in Force proposal.

Calculation of Retention Points

- The agency head must use retention points to identify a permanent status employee within a class series affected by a Reduction in Force for retention in the employee's current position, transfer, reduction, or separation based on the employee's relative standing on the retention point list.
- R2-5B-602(C) specifies that an agency head shall compute the average score of a maximum of the three most recent performance appraisals in the 24 months concluded before the date of proposal for a Reduction in Force. An employee's average score shall be the employee's retention points. If an employee has not had a performance appraisal in the past 24 months, the employee shall receive 2.0 retention points. (Form RIF-1; Letter B)
- If an employee's performance appraisals received during the 24 months preceding the proposal were under the Performance Appraisal for State Employees (PASE) system (or other approved alternative appraisal system), the agency must convert the PASE scores to Managing Accountability and Performance (MAP) scores using the Conversion Chart - PASE Scores to Equivalent MAP Scores (Form RIF-3).
- R2-5B-603 contains procedures for an employee to request a review of the calculation of their retention points.

Dates

- R2-5B-602(E) specifies that an agency head shall provide written notice at least five business days in advance to each employee identified for transfer, reduction or separation, and that if circumstances beyond the agency's control do not permit the specified notice, the agency head must provide notice as soon as the agency head is aware of the necessity to transfer, reduce or separate the employee
- R2-5B-602 contains additional important date provisions, such as the number of days in which an employee must accept or reject an offer of employment made as a result of a Reduction in Force.

Other Matters

- An employee on promotional probation, special assignment or in an approved underfill classification competes for retention in the employee's permanent status class.
- Depending on the operational needs of the agency, the agency head may direct that vacant covered positions in the agency will be held open for possible use during the Reduction in Force.
- Depending on the operational needs of the agency, the agency head may allow affected employees to take leave time or use state time to look for jobs, utilize the Career Center or to interview for other Arizona State government jobs. (Letter D; Letter E)
- The agency head should keep the impending Reduction in Force in mind when making any personnel-related decisions such as deciding whether to approve salary increases for other employees in the agency, reorganizing agency units, establishing new positions, etc.
- If uncovered employees will also be separated because of funding or for other reasons, they are not part of the Reduction in Force because a Reduction in Force applies only to covered employees.

ASPS Statewide Policies and Procedures

Subject: Reduction in Force (RIF) Guidelines

Communications with Agency Employees

- The agency head or designee must decide what communications will be sent to agency employees and when the communications will be made: (1) to announce the Reduction in Force; (2) any statements on progress of the Reduction in Force; and, (3) announcing completion of the Reduction in Force.

Related Forms:

The following forms and resources can be obtained from the ADOA Human Resources Division:

- Form RIF-1: Retention Point Computation – Covered [Permanent Status] Employee
- Form RIF-2: [Covered] Positions to be Abolished
- Form RIF-3: Conversion Chart – PASE Scores to Equivalent MAP Scores
- Letter A: Request for RIF Approval
- Letter B: Covered Employee Retention Point Notification
- Letter C: Job Offer within Agency
- Letter D: Separation of Original Probation Employee
- Letter E: Separation of Covered Permanent Status Employee
- RIF/Layoff Toolkit

Corresponding Policies:

None

Contact:

- If it is determined that a Reduction in Force is necessary, the ADOA Human Resources Division can provide assistance. Please contact the Division as early as possible when considering a Reduction in Force.
- If you have any questions related to this policy, please contact your agency's Human Resources Office/representative.

Policy History (supersedes):

Not applicable