

R2-5B-602. Reduction in Force Procedures

A. General.

1. An agency head shall submit to the Director a proposal to conduct a reduction in force if required for one or more of the following reasons:
 - a. Lack of funds or work,
 - b. Abolition of one or more covered positions,
 - c. Material change in job duties or agency organization, or
 - d. Introduction of a cost reduction initiative.
2. An agency head shall submit the proposal for a reduction in force at least 30 business days before the proposed effective date of the reduction in force. If circumstances beyond the agency's control do not permit at least 30 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.
3. An agency head shall include all of the following in the proposal for a reduction in force:
 - a. The reason for the reduction in force;
 - b. The proposed scope of the reduction in force, which shall be limited to either:
 - i. The agency,
 - ii. An organizational unit of the agency, or
 - iii. Agency operations within a geographic area,
 - c. Each specific covered position proposed for elimination and an organization chart identifying each position, and
 - d. The proposed effective date of the reduction in force.
4. An agency head shall submit a proposal that is consistent with A.R.S. § 41-772 and this Section.
5. 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.
6. 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.

B. Administration of reduction in force. The Director shall review and approve, modify or deny a reduction in force within 20 business days of receipt. Upon approval of the Director to conduct a reduction in force:

1. An agency head shall separate a covered employee who is not a permanent status employee in the class affected by the reduction in force in the following order before any reduction in force action is taken that affects a permanent status employee, provided the separation of the non-permanent status employee will accomplish, or assist in accomplishing, the purpose of the reduction in force:
 - a. Temporary employee,
 - b. Original probationary employee, and

- c. Limited appointment employee.
- 2. An agency head shall 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.
- 3. An agency head shall base retention points upon performance calculated in accordance with the instructions in subsections (C) and (D).
- 4. An employee on promotional probation or special assignment shall compete for retention in the employee's permanent status class.
- 5. An employee in an underfill position shall compete for retention in the employee's permanent status class.
- 6. A permanent part-time employee shall compete for retention against another permanent part-time employee in the same class.
- C. Calculation of retention points. An agency head shall compute the average score of a maximum of the three most recent performance evaluations 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 evaluation in the past 24 months, the employee shall receive 2.0 retention points.
- D. Resolution of ties. An agency head shall break any tie in total retention points in the following manner and order:
 - 1. The employee with the highest most recent performance evaluation shall be given preference.
 - 2. If a tie continues to exist, the agency head shall break the tie by lot.
- E. Offer of position.
 - 1. An agency head shall provide written notice at least five business days in advance to each employee identified for transfer, reduction, or separation. If circumstances beyond the agency's control do not permit at least five business days' notice, the agency head shall provide notice as soon as the agency head is aware of the necessity to transfer, reduce, or separate the employee.
 - 2. The notice shall include:
 - a. The reason for and effective date of the action;
 - b. A job offer, if any, including the salary, location of the position, and supervisor's name;
 - c. The availability of reduction in force procedures and records for review, with references to relevant statutes and rules; and
 - d. The employee's right to request a review of the determination as provided in R2-5B-603.

3. An agency head shall offer a position to an employee identified for transfer, reduction, or separation with the highest number of points on the retention point list in descending order as follows:
 - a. If a vacant covered position exists and an employee possesses the required qualifications for the position, an agency head shall make the single best offer, in terms of pay range, within the agency of:
 - i. A regular position at the same or lower pay range in the same class series as the employee's present permanent status position;
 - ii. A regular position at the same or lower pay range in any class series in which the employee has held permanent status during the past five years; or
 - iii. If both positions described in subsections (E)(3)(a)(i) and (ii) are available, the position described in subsection (E)(3)(a)(i).
 - b. If the offer under subsection (E)(3)(a) is a position at a lower pay range, the agency head shall provide the employee the option of accepting a vacant covered:
 - i. Funded, regular position at the employee's present pay range in a class series in which the employee has never held permanent status for which the employee is qualified; or
 - ii. Temporary or part-time position at the employee's present pay range for which the employee is qualified.
4. An employee shall possess the qualifications required when the position was last filled, unless the Director grants an exception
5. Any job offer shall contain a time period of not less than three business days in which the employee may accept the offer. Failure of an employee to reply in writing within the stated time period, or failure to accept the job offer, shall constitute a resignation. An employee may accept a job offer and retain the right to request a review of the determination.
6. If no position exists, the agency head may separate the employee.

Historical Note

Section made by exempt rulemaking at 18 A.A.R. 2782, effective September 29, 2012 (Supp. 12).
Amended by exempt rulemaking at 19 A.A.R. 717 effective April 13, 2013 (Supp. 13-1).