

**581—11.3(19A) Reduction in force.** A reduction in force (layoff) may be proposed by an appointing authority whenever there is a lack of funds, a lack of work or a reorganization. A reduction in force shall be required whenever the appointing authority reduces the number of permanent merit system covered employees in a class or the number of hours worked, as determined by the “full-time equivalent” funding attributed to the position, by a permanent merit system covered employee in a class, except as provided in subrule 11.3(1).

**11.3(1)** The following agency actions shall not constitute a reduction in force nor require the application of these reduction in force rules:

- a.* An interruption of employment for no more than 20 consecutive calendar days, with the prior approval of the director.
- b.* Interruptions in the employment of school term employees during breaks in the academic year, during the summer, or during other seasonal interruptions that are a condition of employment, with the prior approval of the director.
- c.* The promotion or reclassification of an employee to a class in the same or a higher pay grade.
- d.* The reclassification of an employee’s position to a class in a lower pay grade that results from the correction of a classification error, the implementation of a class or series revision, changes in the duties of the position, or a reorganization that does not result in fewer total positions in the unit that is reorganized.
- e.* A change in the classification of an employee’s position or the appointment of an employee to a vacant position in a class in a lower pay grade resulting from a disciplinary or voluntary demotion.
- f.* The transfer or reassignment of an employee to another position in the same class or to a class in the same pay grade.
- g.* A reduction in the number of, or hours worked by, permanent employees not covered by merit system provisions.

**11.3(2)** The agency’s reduction in force shall conform to the following provisions:

- a.* Reduction in force shall be by class.
- b.* The reduction in force unit may be by agency organizational unit or agencywide. If the agency organizational unit is smaller than a bureau, it must first be reviewed by the director.
- c.* An agency shall not implement a reduction in force until it has first terminated all temporary employees in the same class in the reduction in force unit, as well as those who have probationary status in the same class.
- d.* The appointing authority shall develop a plan for the reduction in force and shall submit that plan to the director for approval in advance of the effective date. The plan must be approved by the director before it can become effective. The plan shall include the reason(s) for and the effective date of the reduction in force, the reduction in force unit(s), the reason(s) for choosing the unit(s) if smaller than a bureau, the number of permanent merit system covered employees by class to be eliminated or reduced in hours, the cutoff date for length of service and performance credits to be utilized in determining retention points, and any other information requested by the director. The appointing authority shall post each approved reduction in force plan for 60 calendar days in conspicuous places throughout the reduction in force unit. The posting shall include the names of all permanent merit system covered employees for each affected job class in the reduction in force unit by retention point order.
- e.* The appointing authority shall notify each affected employee in writing of the reduction in force, the reason(s) for it, and the employee’s rights under these rules. A copy of the employee’s retention points computation worksheet shall be furnished to the employee. The official notifications to affected employees shall be made at least 20 workdays prior to the effective date of the reduction in force unless budgetary limitations require a lesser period of time. These official notifications shall occur only after the agency’s reduction in force plan has been approved by the director, unless otherwise authorized by the director.

*f.* The appointing authority shall notify the affected employee(s), in writing, of any options or assignment changes during the various steps in the reduction in force process. In each instance the employee shall have five calendar days following the date of receipt of the notification in which to respond in writing to the appointing authority in order to exercise the rights provided for in this rule that are associated with the reduction in force.

**11.3(3)** Retention points. The reduction in force shall be in accordance with total retention points made up of a combination of points for length of service and points for performance record. A cutoff date shall be set by the appointing authority beyond which no points shall be credited. Length of service and performance credits shall be calculated as follows:

*a.* Credit for length of service shall be given at the rate of one point for each month of employment, including employment credited to the employee during a probationary period. Any period of 15 calendar days of service in a month will be considered a full month. In computing length of service credit, the appointing authority shall include all continuous merit system covered nontemporary service in the executive branch. If a merit system covered nontemporary employee's employment is interrupted due to (1) a reduction in force, (2) qualification for long-term disability, or (3) a work-related injury, and the employee is subsequently reinstated to the same class in a different layoff unit or to a different class than that held at the time of separation in accordance with rule 581—8.5(19A), and the reinstatement occurs within two years of the interruption of employment, prior service credit shall be restored. Such credit will be subject to a reduction for the period of separation from state service.

Length of service credit shall not include the following periods:

- (1) Any period of temporary or seasonal employment, if not credited toward the probationary period.
- (2) Any period of suspension without pay of 15 days or more.
- (3) Approved leaves of absence without pay in excess of 15 days.
- (4) Any period of layoff of 15 days or more.
- (5) Any period of long-term disability of 15 days or more.
- (6) Any period of unpaid absence that was not subsequently used to establish or adjust the employee's date of hire.

*b.* Credit for the performance record shall be calculated using the results of documented performance evaluations completed in accordance with 581—subrule 13.2(2) as follows:

- (1) A performance evaluation period rated overall as "less than competent" or "does not meet expectations" or for which the "overall sum of ratings" is less than 3.00 shall receive no credit.
- (2) A performance evaluation period rated overall as "competent" or better, or "meets or exceeds expectations" or for which the "overall sum of ratings" is 3.00 or greater shall receive one retention point for each month of such rated service.

All employees shall be evaluated for performance in accordance with 581—subrule 13.2(2). If the period covered on the evaluation exceeds 12 months, the rating shall apply only to the most recent 12 months of the period. If the period covered by the evaluation exceeds 12 months and the employee's overall rating mandates the receipt of no credit pursuant to 11.3(3) "b"(1), then that overall rating shall apply only to the first 12 months of the period and the remaining months shall be rated as competent. Time spent on approved military leave, workers' compensation leave, or educational leave with or without pay that is required by the appointing authority shall be counted as competent performance.

*c.* The total retention points shall be the sum that results from adding together the total of the length of service points and the total of the performance record points.

**11.3(4)** Order of reduction in force. Permanent merit system covered employees in the approved reduction in force unit shall be placed on a list in descending order by class beginning with the employee having the highest total retention points in the class in the layoff unit. Reduction in force selections shall be made from the list in inverse order regardless of full-time or part-time status. If two or more employees have the same combined total retention points, the order of reduction shall be determined by giving preference in the following sequence:

- a.* The employee with the highest total performance record points; and then, if still tied,
- b.* The employee with the lower last four digits of the social security number.

**11.3(5)** Bumping (class change in lieu of layoff). Employees who are affected by a reduction in force may, in lieu of layoff, elect to exercise bumping rights.

*a.* Employees who choose to exercise bumping rights must do so to a position in the applicable reduction in force unit. Bumping may be to a lower class in the same series or to a lower formerly held class (or its equivalent if the class has been retitled) in which the employee had nontemporary status while continuously employed in the state service. Bumping shall not be permitted to classes from which employees were voluntarily or disciplinarily demoted. Bumping by nonsupervisory employees shall be limited to positions in nonsupervisory classes. Bumping to classes that have been designated as collective bargaining exempt shall be limited to persons who occupy classes with that designation at the time of the reduction in force. Bumping shall be limited to positions covered by merit system provisions and positions covered by a collective bargaining agreement. The director may, at the request of the appointing authority, approve specific exemptions from the effects of bumping where special skills or abilities are required and have been previously documented in the records of the department of personnel as essential for performance of the assigned job functions.

*b.* When bumping as set forth in paragraph “*a*” of this subrule, the employee shall indicate the class, but the appointing authority shall designate the specific position assignment within the reduction in force unit. The appointing authority may designate a vacant position if the department of management certifies that funds are available and after all applicable contract transfer and recall provisions have been exhausted. The appointing authority shall notify the employee in writing of the exact location of the position to which the employee will be assigned. After receipt of the notification the employee shall have five calendar days in which to notify the appointing authority in writing of the acceptance of the position or be laid off.

Bumping to another noncontract class in lieu of layoff shall be based on retention points regardless of full-time or part-time status and shall not occur if the result would be to cause the removal or reduction of an employee with more total retention points. If bumping occurs, the employee with the least total retention points in the class shall then be subject to reduction in force.

Bumping to another class in lieu of layoff from a class covered by a collective bargaining agreement to a class not covered by a collective bargaining agreement, or vice versa, shall only occur if the move can be accomplished in accordance with the reduction in force order (retention points or seniority date) governing the class into which the employee moves.

Pay upon bumping shall be in accordance with 581—subrule 4.6(11).

**11.3(6)** Recall. Eligibility for recall shall be for one year following the date of the reduction in force.

- a.* The following employees or former employees are eligible to be recalled:
- (1) Former employees who have been laid off.
  - (2) Employees who have bumped in lieu of layoff.
  - (3) Employees whose hours have been reduced, constituting a reduction in force.

*b.* Current employees who exercised bumping rights in accordance with subrule 11.3(5) and former employees terminated due to layoff in accordance with subrule 11.3(6) shall only be on the recall list for the class and layoff unit occupied at the time of the reduction in force.

*c.* The following provisions shall apply to the issuance and use of recall lists:

(1) Recall lists shall be issued for merit system covered positions and contract-covered positions only.

(2) When one or more names are on the recall list for a class in which a vacancy exists, the agency must fill that vacancy with a former employee from that list. If no one from a recall list is selected, the agency shall justify that decision to the director before the position may be filled by other methods.

(3) The recall alternatives in (2) above must be exhausted before other eligible lists may be used to fill vacancies.

*d.* Recall shall be by class without regard to an employee's status at the time of layoff (full-time or part-time).

An employee may remain on the recall list for the same status as that held at the time of layoff after having declined recall to a position with a different status. However, the employee will be removed for the status declined.

*e.* One failure to accept appointment to a nontemporary position with the same status as that held prior to the reduction in force shall negate all further recall rights.

*f.* An appointing authority may refuse to recall employees who do not possess the documented special skills or abilities required for a position, with the prior approval of the director.

*g.* Notice of recall shall be sent by certified mail, restricted delivery. Employees must respond to an offer of recall within five calendar days following the date the notice was received. A notice that is undeliverable to the most recent address of record will be considered a declination of recall. The declination of a recall offer shall be documented in writing by the appointing authority, with a copy to the director.

*h.* Vacation accrual and accrued sick leave of recalled employees shall be in accordance with 581—subrule 14.2(2), paragraph “l,” and 581—subrule 14.3(10), respectively.

*i.* An employee who bumps in lieu of layoff or has a work hours reduction, and subsequently leaves employment for any reason, shall be removed from the recall list.

*j.* Employees who are recalled shall be removed from the recall list unless otherwise provided for in these rules.

*k.* Pay upon recall shall be in accordance with rule 581—4.6(19A).

**11.3(7)** Reduction in force shall not be used to avoid or circumvent the provisions or intent of Iowa Code chapter 19A, or these rules governing reclassification, disciplinary demotion, or discharge. Actions alleged to be in noncompliance with this rule may be appealed in accordance with 581—Chapter 12.

**11.3(8)** Rescinded IAB 7/11/01, effective 6/22/01.

These rules are intended to implement Iowa Code section 19A.9.

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