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| Policy Title | Layoff and Recall |
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| Approval |  <p style="text-align: right;">Matthew A. Brown State Personnel Director</p> |
| References | IC 4-15-2.2-2 IC 4-15-2.2-15 IC 4-15-2.2-32(c) IC 4-15-2.2-40 IC 4-15-2.2-41 31 IAC 5-11-1 Performance Management Policy |

PURPOSE

To establish a basic framework for laying off and recalling employees.

SCOPE

This policy applies to employees in the state civil service, except employees appointed on a temporary or intermittent basis.

POLICY STATEMENT

It is the policy of the State of Indiana that when layoffs are necessary due to lack of funds, reduction in spending authorization, lack of work or efficiency, such layoffs shall be effected in a manner that retains the best performers and minimizes operational disruption.

DEFINITIONS

Contiguous Counties mean those Indiana counties with boundaries touching the County Affected from which the former employee was laid off.

County Affected means the county to which the position is assigned. It does not mean the county in which the employee resides if the employee's work location is their home address.

Layoff means a reduction in workforce due to lack of funds, reduction in spending authorization, lack of work, or efficiency. Layoff does not include a temporary furlough or reduction in hours.

Potential Layoff Group means the subset of employees in the Affected County(s) in the classification under the same appointing authority whose jobs will be impacted by the lack of funds, reduction in spending authorization, lack of work, or need for efficiency.



Recall means the right of a former employee who has been laid off to assert a right to be reemployed in a position in the same classification under the same appointing authority in the Affected County or Contiguous County.

State Seniority means the length of an employee's unbroken, continuous State employment.

RESPONSIBILITIES

Former employees seeking Recall are responsible for:

- Applying for any vacancy(ies) posted for which they seek to be a candidate in the same manner as any other person applying for a vacancy;
- Asserting in that application their right to Recall to any positions to which the right of Recall applies; and
- Asserting their Recall rights no later than one year after the date of Layoff.

Agencies are responsible for:

- Determining the extent and effective dates of any Layoff;
- Determining the classification(s) affected and the number of employees laid off in each classification by considering all employees under the same appointing authority, within the classification affected, and within the County Affected;
- Identifying the subset of employees that comprises the Potential Layoff Group in competition for retention;
- Considering service ratings and, if applicable, disciplinary record in the past year, then knowledge, skill, and ability, and, if necessary to break a tie, considering seniority including military service as required by IC 4-15- 2.2-32(c);
- Notifying employees of the date of Layoff and other pertinent information, such as Recall rights, impact of employment separation, and benefits information;
- Complying with the requirements for reemploying former employees who timely assert a right of Recall in applicable circumstances; and
- Notifying INSPD's Shared Services/HR Data Division, in the manner prescribed by INSPD, of all actions resulting in a Layoff or Recall for each affected employee within the pay period in which the action is taken.

PROCEDURES

When a Layoff is necessary, goals for the outcome include retaining the best performers and minimizing operational disruption. Initially, the appointing authority shall determine the extent, effective date(s), and classification(s) and county(ies) affected. The appointing authority must initially consider all employees within the classification and County Affected to identify those in competition for retention. From the universe of all employees under the appointing authority, in the affected classification(s) and county, identify next the Potential Layoff Group. In identifying the Potential Layoff Group, the following should be considered:

- In some classifications, work is interchangeable and the competition for retention will be broad, crossing some organizational units (e.g., a File Clerk can do the work of other File Clerks without regard to the content of the file).



- In other cases, the nature of the work may exclude some employees from being subjected to competition for retention and those employees are not in jeopardy of layoff. For example: (i) Where diverse jobs are broad banded into a single classification (e.g., EXBB or Program Director) individuals may not be readily able to perform every other like classified role (an accountant cannot function as a lawyer or engineer); or (ii) The work of organizational units may be inherently different.

To compete for retention, those in the Potential Layoff Group then proceed through the following analysis:

Service ratings shall be considered first. Employees who will be laid off first are those with the service ratings below successfully meeting expectations. If additional Layoffs are necessary, and there are more employees with successful or higher service ratings than must be laid off, then additional consideration may subsequently be given to the affected employees' discipline records in the year preceding the layoff.

If additional Layoffs are necessary, and there are more employees still in the Potential Layoff Group after consideration of service ratings and disciplinary records, then an assessment of individual knowledge, skill, and ability ("KSA") is required. A tool for this purpose is attached to this document. And, if necessary to break ties remaining after assessment of KSAs, then the final determination falls to State Seniority, including military service as required by IC 4-15-2.2-32(c).

If, during the one (1) year period following the effective date of the Layoff, the appointing authority who laid off the former employee posts a vacancy to be filled in the classification affected by the Layoff, and the vacancy is located in the Affected Count or a Contiguous County, the former employee may assert a right of Recall when applying to that posted vacancy. Within the SuccessFactors job application process, a former employee may assert their right of Recall via an attached cover letter or by providing details regarding their former employment with the State.

Employees with the knowledge, skill, and ability to perform the duties and who have asserted Recall rights to a particular vacancy are eligible for recall and shall be recalled in the order of service ratings; those with the highest service rating will be recalled first. Should there be a tie between or among eligible employees, then the right to Recall is determined by recalling the employee with the most State Seniority. If there continues to be a tie after applying State Seniority to the eligible employees, then the eligible former employee with the highest number comprised of the last four (4) digits of the employee's social security number shall be recalled.

The right to Recall expires on the earlier of:

- (1) one (1) year after the date the employee is laid off; or
- (2) the date the employee is reemployed into a position in the State civil service that is neither temporary nor intermittent.

An employee who is Recalled or reemployed within one (1) year after the employee is laid off is considered to have unbroken, continuous State employment, except the time the employee spent in out-of-pay status as a result of the Layoff must be deducted from the employee's total seniority for purposes of determining leave accruals. Employees in the Classified Service must complete a new Working Test Period upon rehire but if recalled to the same classification within one (1) year after layoff, employee will maintain status in the classification held prior to the layoff.



FORMS & RESOURCES

STATE CIVIL SERVICE LAYOFF PLANNING PROCEDURE ASSESSMENT TOOL FOR KSAs

1. This Layoff Planning Procedure (“Procedure”) is to be utilized in identifying (by rank order) which employees are to be placed on Layoff status when an agency determines there is a need to systemically reduce the work force, and ties exist after consideration of service ratings and discipline. This Procedure will assist managers in differentiating the relative strengths of their employees so those most qualified to support the needs of the agency are retained.
2. Although the State’s commitment to equal employment opportunity has been well communicated and is understood by management, a State Personnel Department (“INSPD”) representative will monitor the Layoff process to assure improper criteria, including but not limited to race, age, sex, religion, color, disability, national origin, citizenship, and veteran status do not influence any employment decision.
3. When an agency needs to reduce its work force, employees will be identified for Layoff using the Layoff Identification Matrix (“Matrix”).
4. Each manager must be fully familiar with the attached instructions prior to completing any Layoff Matrix. Managers should address any questions to the INSPD representative responsible for the agency in question.
5. INSPD must review final Layoff decisions prior to implementation.
6. Under some circumstances an employee may choose to volunteer for Layoff or demotion when the determination has been made there is a need to reduce the workforce in that employee’s agency. The agency may consider such requests only when they fit operational needs and is under no obligation to accept any such request. Because of the sensitivity of these situations, managers must review with their INSPD representatives the procedures for handling such requests prior to initiating any discussion of the subject with the employee.
7. Exceptions to the Procedure will be permitted only by written approval of the appropriate INSPD representative, after consultation with agency leadership and legal advisors.

INSTRUCTIONS FOR COMPLETING LAYOFF MATRIX

1. All employees in the Potential Layoff Group are to be compared on the same Matrix. If you have questions as to how to group employees on the Matrix, contact your INSPD representative.
2. List the name of each employee in the potential Layoff group (who has the same annual overall service rating) in alphabetical order from top to bottom on the left-hand side of the Matrix.
3. Carefully read the definition for each of the four selection categories on the following pages. Contact your INSPD representative if you have questions as to the meaning of any of these definitions.
4. Rank each employee in the potential Layoff group from highest to lowest in each selection category. All individuals must be ranked in each category; ties are not permitted within a selection category. Record the results on the form, the highest rank will be assigned number 1 in each category, proceeding through the list until the lowest ranked individual is reached. This person will be assigned a score of N, where N = the total number of people in the potential Layoff group.
5. Total the scores for each individual in all categories and write this number in the "Total" column. The individual with the lowest total score has the highest ranking and is the individual most likely to be retained. Do not include notes or other irrelevant information on the Matrix or on any work papers you may prepare as you complete the Matrix. In the event of a tie in total scores, length of service will be used as the tie-breaker for purposes of determining ranking, i.e., the employee with the longest service will be ranked above the next longest service. Military service shall be included in this calculation.
6. In some instances (albeit infrequently), it may be appropriate to deviate from the Matrix and ultimately select for Layoff an individual who is not the lowest ranked. Reasons for deviations from the Matrix must be documented on the attached Deviation Sheet and reviewed with INSPD and the appropriate legal staff.
7. Complete the Matrix and review the results with your INSPD representative. After you have completed your review, sign and date the Matrix.

IT IS BOTH THE LAW AND THE POLICY OF THE STATE THAT RACE, AGE, SEX, RELIGION, COLOR, DISABILITY, NATIONAL ORIGIN, CITIZENSHIP STATUS, VETERAN STATUS, AND OTHER IMPROPER CONSIDERATIONS MUST NEVER BE FACTORS IN ANY EMPLOYMENT DECISION. THE LAYOFF IDENTIFICATION MATRIX WAS DEVELOPED TO ASSIST YOU IN IDENTIFYING THOSE EMPLOYEES MOST QUALIFIED TO PROVIDE EFFECTIVE SERVICES TO INDIANA CITIZENS WITHOUT REGARD TO IMPROPER CRITERIA OF ANY SORT. IF YOU HAVE ANY QUESTIONS REGARDING THIS POLICY, PLEASE CONTACT YOUR INSPD REPRESENTATIVE IMMEDIATELY.



LAYOFF IDENTIFICATION MATRIX DEFINITIONS

CATEGORY

DEFINITION

PERFORMANCE–RESULTS Compare employees based on achievement of operational results and objectives, principally over the past 12-24 months. Results of this ranking should be consistent with applicable review and appraisal documents and any comments during the review period(s). The individual who has been consistently the best performer in achieving desired results should be ranked the highest.

PERFORMANCE–APPROACH Compare employees based on each individual’s demonstrated attitude and commitment to meet the agency’s objectives. Relevant evaluation criteria (depending on circumstances) include: integrity; judgment/decision making; leaderships skills; impact on the agency’s business; adaptability; interpersonal skills; planning and resource management; oral and written communication skills; initiative; innovation; responsiveness; professionalism; competence; knowledge; and development of people (for supervisors). The individual who has most consistently demonstrated a high level of performance in his/her approach to the achievement of agency results and objectives should be ranked the highest.

CRITICALITY OF SKILLS Compare employees based on the critical nature of the relevant skills possessed by each individual in comparison to: (1) the needs of the agency; and (2) to others in the relevant group. The individual whose skills are most essential to the changing needs of the agency should be ranked the highest. For example, if in the potential layoff group, there was an employee who was the only person capable of performing a certain function that is crucial to the agency, that individual would be ranked highly; skills that are easily spread among the group would be ranked at a lower level.

BREADTH OF SKILLS Compare employees based on each individual’s breadth of knowledge and skills that translate to good performance in a variety of tasks or jobs relevant to the flexible needs of the agency. Relevant factors may include background, education, and training. The person with the most versatile skills in relation to the changing needs of the agency would be ranked the highest.

TIE-BREAKER – SENIORITY

In the case of a tie in the total overall ranking, the final tiebreaker authorized by IC 4-15-2.2-40 is seniority. In accordance with IC 4-15-2.2-32(c), time spent on active duty in the armed forces of the United States shall be included in the calculation of seniority for this purpose.



DEVIATION SHEET

Instructions: Complete this Deviation Sheet in any circumstance in which an employee is selected for layoff over another employee who was ranked lower on the Layoff Identification Matrix. INSPD and the appropriate legal staff will review all deviations prior to any layoff action.

Individual(s) IDENTIFIED for layoff on Matrix: _____

Individual(s) SELECTED for layoff: _____

Reason individual(s) identified for layoff on matrix should not be laid off:

Manager

Date

INSPD Representative

Date