

AN ACT

To provide for a temporary Chuuk State Formal Reduction in Force Process, to establish a Reduction in Force Assistance Program for those state government employees subject to layoff due to a Reduction In Force, to supersede inconsistent provisions of TSL No. 3-43, as amended, and its corresponding regulations; and for other purposes.

Be it enacted by the Chuuk State Legislature:

1 Section 1. Purpose. The purpose of this Act is to allow and authorize Chuuk
2 State Government to proceed with the process of reducing and restructuring the Public
3 Service System Employment force and to create a fund to assist those state government
4 employees who are subjected to a layoff due to a lack of work or lack of funds and to
5 assist those employees who may be subject to the Reduction in Force implemented to
6 lower the cost of Chuuk State Government operations due to less-than-anticipated local
7 revenue collections and reductions in Compact funding during the compact step-down
8 and phasing-out of several Compact sector grant programs.

9 Section 2. Findings. The State finds that:

10 (1) The State must initiate and implement cost savings measures as it faces
11 less-than-anticipated local revenue collections and certain reductions and possible future
12 termination of funds under the Compact of Free Association between the Federated States
13 of Micronesia and the United States of America; and

14 (2) The State must undertake to implement effective financial and structural
15 reforms to maintain a sustainable and affordable government to serve the people of the
16 State of Chuuk and other cost saving and cost reduction measures necessary to provide
17 relief for its outstanding financial obligations.

18 (3) The State cannot continue to provide essential public services unless cost-
19 saving and cost reduction measures are implemented immediately; and

20 (4) The State must ease the impact of the necessary cost saving and cost-
21 reduction measures on the people of the State of Chuuk. An assistance program will help
22 to alleviate the fiscal difficulties facing the government and people of Chuuk.

1 Section 3. Reduction -in-Force. As a prerequisite to taking or affecting a
2 formal process of a reduction in force during the applicability of this Act, consideration
3 shall be given; first to the employee's individual merit, as shown by performance
4 evaluations; second, to employees_ qualifications of education, training, and experience;
5 third, employees seniority as measured by total creditable service, experience and
6 training; fourth, vacant positions; and fifth, positions that either existed but were not
7 authorized by law or filled in violations of the Public Service System Act and its
8 implementing regulations.

9 Section 4. Reduction in Force Assistance Program: Commencement.

10 (1) The State hereby establishes a Chuuk State Reduction in Force Assistance
11 Program for the benefit of permanent employees, including exempt, ungraded, or contract
12 positions which a Department or Office head or supervisor deem that the exempt,
13 ungraded, or contract positions are not needed, essential or could be abolished without
14 failure to deliver essential services to the public.

15 (2) The program shall begin on the date the Governor certifies that funds are
16 available in the Program for disbursement to employees and shall continue from the date
17 of certification for a period not to exceed two years.

18 (3) The certification shall clearly state the date when the program will end.

19 (4) Copies of certification shall be provided to each branch of the Chuuk State
20 Government and its agencies.

21 Section 5. Eligibility; Procedures; Requirements. Eligibility for the benefits
22 under the Program shall be determined as follows:

23 (1) Within 30 days of the commencement of the Program, the Governor of
24 Chuuk for the Executive branch, the Chief Justice of State Supreme Court
25 for the Judicial Branch, the President of the House of Senate and the
26 Speaker of the House of Representatives of the Chuuk State Legislature,
27 and the Chief Executive Officer for each agency of the State Government
28 shall submit to the Public_Service Commission a list of positions to be
29 abolished for their respective branch or agency. The Commission shall

1 issue the appropriate terminating papers for those employees who would be
2 terminated pursuant to subsection (1) (a) within ten days after receipt of such
3 listing. The Public Service Commission may include -other positions not
4 exempt by the Public Service System Act and its implementing regulations, if in
5 its judgment, such positions while not on the submitted lists are non-essential
6 positions. The Commission shall have the authority to delete positions from the
7 submitted lists if it determines that such positions were included on the list
8 because management dislikes the individuals holding such positions and that such
9 positions are essential positions. Each list may be updated from time to time and
10 shall include each position:

11 (a) Which shall be terminated because such position is redundant,
12 inefficient, no longer funded or subject to abolishment from the Public
13 Service without causing a failure by the Chuuk State Government to provide
14 essential public services, including positions that either existed but were not
15 authorized by law or filled in violations of the Public Service System Act
16 and its implementing regulations.

17 (b) Existing non-essential vacancies as determined by management.

18 (c) Positions that may be eligible for inclusion in the program or
19 those positions or employees who voluntarily avail under this program.

20 (d) A permanent employee in a position which may be terminated
21 under section (1) (a) of this section shall be deemed a mandatory participant
22 in the program only if the position is, in fact, abolished. Such abolishment
23 may occur at anytime during the Program period but only after the employee
24 has received his or her 30-day notice that the position is to be abolished.
25 Eligibility for compensation under the Program shall be subject to the
26 criteria under this section.

27 (e) A permanent employee in a position eligible for inclusion in the
28 Program under this section may participate in the program voluntarily by

1 submitting written application to the Governor, Chief Justice, Speaker or
2 Senate President, as the case may be or his designee.

3 Section 6. Compensation to employees under the Program.

4 (1) Employees eligible for participation in the Program shall be eligible for
5 compensation under the program if:

6 (a) There are funds available in the Program; and

7 (b) The respective branch or agency of the Chuuk State
8 Government shall abolish the position without compromising essential
9 public services.

10 (2) Employees eligible for participation in the Program and eligible for
11 compensation under the program, at the option of the employee, shall receive the
12 following compensation based on a 72-hour biweekly pay period:

13 (a) A lump sum payment equal to 26 bi-weekly base salary payments;

14 or

15 (b) Periodic payments equal to 26 bi-weekly base salary payments.

16 Periodic payments shall terminate prior to the receipt of the 26 bi-
17 weekly payments upon the person becoming re-employed with the
18 State.

19 (c) Should the participating employee die prior to the termination of the
20 benefits under the Program, the deceased participating employee's
21 entitlements to compensation under the Program shall survive and the
22 remainder will be paid to the estate of the deceased.

23 (3) Each compensation package due to an employee pursuant to this Act shall
24 be subject to the following adjustments prior to disbursement:

25 (a) Deduction of any salary advance;

26 (b) Deductions of any per diem or other travel advances including
27 outstanding travel authorizations; and

1 (c) Deductions of any other amount that the employee may owe to the
2 government, or additions of any adjustments that the government may owe
3 the employee.

4 Section 7. Employees in program eligible for re-employment. An employee
5 who receives compensation under the Program shall be eligible for re-employment by the
6 State Government pursuant to State Public Service System Act, and its implementing
7 regulations, or employment pursuant to employment_contract under the following
8 conditions:

9 (1) The employee must be qualified for the position applied for and meet all
10 other requirements of the Public Service System or contractual qualifications.

11 (2) The position applied for shall not be a position previously abolished under
12 the Reduction in Force and may not exceed those statutorily created personnel level caps
13 and salary caps.

14 (3) The employee who receives any lump sum under the Program shall be
15 eligible for re-employment after the expiration of one year following the employee's
16 departure from the public service under the Program.

17 Section 8. Government shall provide counseling and training. At the request of
18 the participating employee, the Government shall provide out-placement counseling and
19 re-training for the participating employees during the transition period, which shall be
20 from the commencement of the Program and for the duration of the applicability of this
21 Act. Funds in the Program in an amount not to exceed \$50,000 may be utilized for
22 training costs related to the Program.

23 Section 9. Program Fund. The funds, which are available for the purposes of this
24 Program, shall be allotted to the Governor and shall be expended in accordance with this
25 Act, and the Financial Management Act.

26 Section 10. Annual Report. The Governor shall submit a report to the Legislature
27 not later than the first Monday of February of each year regarding the condition of the
28 Program, actual expenditures from the last completed fiscal year, estimated expenditures

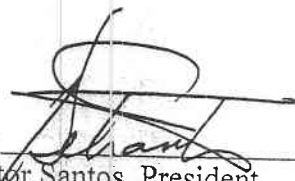
1 for the fiscal year in progress, a full accounting of the funds received by the State for the
2 Program.

3 Section 11. Act supersedes other laws. The provisions of this Act shall supersede
4 in their entirety any other provisions of any state law and regulations that may be
5 interpreted or applied as being inconsistent with any provisions of this Act.


6 Section 12. Prospective Repealer. This Act shall be repealed in its entirety on the
7 second year anniversary from the day the Governor certifies that funds are available, or
8 on an earlier day to be declared by the Governor upon the completion of the Program.

9 Section 13. Prior Law and Regulations Applicability. When this Act is
10 automatically repealed as provided in Section 13, and unless otherwise provided by other
11 law or amendments to the Public Service System Act, the provisions of the Public
12 Service System Act which are superseded pursuant to Section 11 of this Act shall again
13 come into force simultaneously with the repeal of this legislation and their applicability
14 and effectiveness shall continue as the controlling governing law and regulations for the
15 Chuuk State Government as part of the Public Service System Act, as amended.

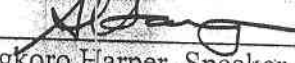
16 Section 14. Effective Date. This act shall take effect upon approval by the
17 Governor or upon its becoming law without such approval.

Signed by: 
Detor Santos, President
Senate
Chuuk State Legislature

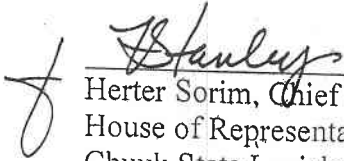
Attested:


Songkinita Bossy, Chief Clerk
Senate
Chuuk State Legislature

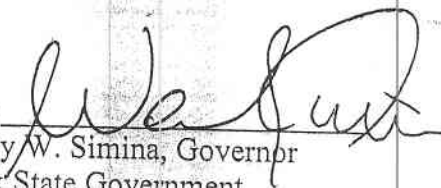
Date: 12-04-07

Signed by: 
Singkoro Harper, Speaker
House of Representatives
Chuuk State Legislature

Attested:


Herter Sorim, Chief Clerk
House of Representatives
Chuuk State Legislature

Date: Dec 05, 2007

Approved by: 
Wesley W. Simina, Governor
Chuuk State Government

Date: Dec. 10, 2007

History

: S.B. No: 9-26
: S.S.C.R.NO: 9-1R-1S-02
: H.S.C.R.NO: None