

The following policy standards have been established for use with business reorganization activities at the agency level. Rule 5.6.1 defines business reorganization as the “strategic effort of an Appointing Authority to structure or redesign the resources of an organizational unit to more efficiently achieve its mission.” Business Reorganizations may affect one or many classified employees. They may be used to restructure after the loss of positions or to redesign how an agency utilizes its resources. Business Reorganizations should be used when a proposed action will negatively impact a permanent classified employee.

Characteristics of a business reorganization include:

- No reduction in workforce
- Non-budgetary
- Affected employees will typically remain in the same career field.

These standards will be applied when conducting a business reorganization:

1. Initial Meeting: When planning a business reorganization that may require the movement of a permanent classified employee to a job title in a pay grade with a lower maximum, agency appointing authorities and/or agency human resources representatives should contact the SCS Compensation Division to discuss agency plans. The agency may bring the proposed reorganization plan to the meeting. At this stage, SCS can typically indicate if the use of 5.6.1 seems appropriate. However, advice communicated at these meetings cannot be considered as formal approval.

NOTE: When business reorganizations involve probational employees, the agency should notify and consult with their Compensation consultant on the correct course of action for those employees.

2. Business Reorganization Plan: These elements are required. Additional information may be requested by SCS.

- **Rational business reason(s)** for the change(s) which result in the proposed reallocation(s) down.
- The **impact of the change** is addressed by the required submittal of updated position descriptions for all affected positions. Position descriptions must be complete and include all required signatures. Additionally, proposal details may need to include why particular positions were chosen for movement to a job title in a pay grade with a lower maximum. A defensible business reason should back up each decision; examples include seniority, special skills (certifications), and experience with the program. Documentation should be available to back up all reasons.

- **Current and proposed organizational charts** must be included. Each chart should represent the entire unit pre- and post- reorganization and must include all position numbers, SCS job titles, job codes, and incumbent names.
- **Draft Employee Notices:** Employee notices are not distributed at this point, but SCS requires that agencies provide copies of the notice(s) that will be sent to employees. The agency must use [SCS employee notice template](#) which includes all required elements of the employee notice letter. This template can be adapted to include specifics about your agency's business reorganization plan.

3. Tentative Approval/Employee Notice: At this stage, SCS analyzes the business reorganization plan, makes tentative allocation decisions on position descriptions, and indicates tentative approval of employee notices. **The agency must receive approval from SCS prior to distributing employee notices for employees to comment on proposed actions.** Written notice is considered given under the following circumstances in accordance with SCS Rule 12.8.1: hand-delivery, mail or electronic transmission to the agency's human resources office.

At this time, SCS will require that a copy of the official notice, indicating the date, method of delivery and signature of the agency representative be submitted to the Department before the 15 day comment period can begin. Employees may comment to the agency or to Civil Service.

NOTE: Mailing of notices significantly increases the number of days required to complete the employee comment period. If the employee notice is delivered by mail, allow seven (7) days for mail delivery and an additional 15-day period for employee comments.

4. Director's Decision: After the employee comment period, SCS addresses any agency concerns based on comments received. If no major concerns or special circumstances exist, the Director may approve the business reorganization plan no sooner than 15 days after receipt of the last employee notice. If concerns surface, the Director may disapprove, provide interim approval, and/or refer the plan's approval to the Civil Service Commission for a public hearing.

Example:

Tentative Approval to the Agency	7/3/15
Notice to employees	7/3/15 (could begin on this date or later)
Delivery of last employee notice	7/10/15
Employee 15 day comment period	7/11/15 – 7/25/15
Earliest Director approval	7/26/15
Position Descriptions are effective 30 days prospective	8/25/15

5. 30 Days to Implement: The Director's decision letter finalizes approval to proceed with the process of downwardly reallocating the involved positions effective 30 calendar days after the Director's approval. All involved position descriptions will be returned with the final approval letter.

- SCS rules allow appointing authorities to work employees out of their classification for 30 days before taking action; therefore, the reorganization plan can be implemented effective the date the Director approves it.

7. Implementation Procedures: Upon receipt of the Director's approval letter, the agency is responsible for the following:

- Providing final notice to each impacted employee via a copy of the Director's approval letter.
- Providing information to the SCS Compensation Division for placing impacted employees on the DRPL. To accomplish this, agencies are responsible for completing the following forms **within 15 days of the reorganization approval date** (date of the Director's approval letter).
 - [DPRL Form](#)
 - [Report of Final Actions Taken](#)
- Any affected employees above the pay range maximum of the position to which they were downwardly allocated will be red circled and must be placed on the Department Preferred Re-employment List in accordance with Rule 5.6.1(g).

NOTE: A hiring freeze is in place for all job titles that impacted employees held prior to the business reorganization beginning the date of the approval letter. This freeze is lifted upon the establishment of the Department Preferred Reemployment List. The freeze covers titles impacted by the reorganization and includes all positions within the Department named in the business reorganization approval letter.

In the case of business reorganizations, DPRL rights are limited to the job title the employee occupied prior to the implementation of the business reorganization.