STATE OF OKLAHOMA

1st Session of the 43rd Legislature (1991)

SENATE BILL NO. 483

BY: MILES-LaGRANGE, BROWN, DICKERSON and HENDRICK of the SENATE

and

GLOVER and HAMILTON (James) of the HOUSE

AS INTRODUCED

AN ACT RELATING TO PUBLIC HEALTH AND SAFETY, MENTAL HEALTH, OFFICERS, POOR PERSONS, PUBLIC FINANCE, STATE GOVERNMENT AND STATUTES AND REPORTS; AMENDING 43A O.S. 1981, SECTION 701, AS RENUMBERED BY SECTION 103, CHAPTER 103, O.S.L. 1986, AND AS LAST AMENDED BY SECTION 59, CHAPTER 265, O.S.L. 1990 (43A O.S. SUPP. 1990, SECTION 3-701), WHICH RELATES TO HOSPITAL SERVICES FOR INMATES OF CORRECTIONAL INSTITUTIONS, 51 O.S. 1981, SECTION 6, AS LAST AMENDED BY SECTION 1, CHAPTER 230, O.S.L. 1990 (51 O.S. SUPP. 1990, SECTION 6), WHICH RELATES TO THE FILLING OF VACANCIES IN STATE AND COUNTY OFFICES, 56 O.S. 1981, SECTIONS 162.2, AS LAST AMENDED BY SECTION 9, CHAPTER 326, O.S.L. 1988, SECTION 44, CHAPTER 326 O.S.L. 1988, 343, AS LAST AMENDED BY SECTION 24, CHAPTER 326, O.S.L. 1988, AND 344, AS AMENDED BY SECTION 25, CHAPTER 326, O.S.L. 1988 (56 O.S. SUPP. 1990, SECTIONS 162.2, 224, 343 AND 344), WHICH RELATE TO APPOINTMENT OF CAMPUS POLICE AND JUVENILE OFFICERS, THE HUMAN SERVICES DISBURSING

FUND, BASIC MEDICAL SERVICES PROGRAMS AT SCHOOL FOR MENTALLY RETARDED AND TRAFFIC AND PARKING REGULATION AT CHILDREN'S HOSPITAL OF OKLAHOMA, 62 O.S. 1981, SECTIONS 7.1, AS LAST AMENDED BY SECTION 12, CHAPTER 337, O.S.L. 1990, 7.2, AS LAST AMENDED BY SECTION 1, CHAPTER 319, O.S.L. 1990 AND SECTION 93, CHAPTER 222, O.S.L. 1987 (62 O.S. SUPP. 1990, SECTIONS 7.1, 7.2 AND 695.3), WHICH RELATE TO AGENCY CLEARING ACCOUNTS, SPECIAL AGENCY ACCOUNT BOARD AND DEFINITIONS IN THE OKLAHOMA BOND OVERSIGHT ACT, 74 O.S. 1981, SECTION 85.12, AS LAST AMENDED BY SECTION 20, CHAPTER 337, O.S.L. 1990, SECTION 8, CHAPTER 338, O.S.L. 1982, AS LAST AMENDED BY SECTION 87, CHAPTER 264, O.S.L. 1990 AND SECTION 26, CHAPTER 338, O.S.L. 1982, AS LAST AMENDED BY SECTION 1, CHAPTER 160, O.S.L. 1989 (74 O.S. SUPP. 1990, SECTIONS 85.12, 840.8 AND 4243), WHICH RELATE TO ACQUISITIONS EXCLUDED FROM THE PROVISIONS OF THE OKLAHOMA CENTRAL PURCHASING ACT, EXEMPT UNCLASSIFIED STATE OFFICERS AND PERSONNEL AND ACTS PROHIBITED BY STATE AGENCIES AND EXEMPTIONS TO COMPLIANCE WITH PROVISIONS OF THE ADMINISTRATIVE PROCEDURES ACT; SECTION 12, CHAPTER 207, O.S.L. 1987, AS LAST AMENDED BY SECTION 2, CHAPTER 300, O.S.L. 1990 (75 O.S. SUPP. 1990, SECTION 250.4), WHICH RELATES TO COMPLIANCE WITH THE ADMINISTRATIVE PROCEDURES ACT; CREATING THE UNIVERSITY MEDICAL CENTER ACT; DEFINING TERMS; STATING PURPOSES OF ACT AND MISSION AND PURPOSES OF UNIVERSITY MEDICAL CENTER; REQUIRING CERTAIN AFFILIATION AND COORDINATION; TRANSFERRING OKLAHOMA MEDICAL CENTER FROM DEPARTMENT OF HUMAN SERVICES

AND COMMISSION FOR HUMAN SERVICES TO UNIVERSITY MEDICAL CENTER BOARD OF DIRECTORS; STATING EFFECTIVE DATE OF TRANSFER; REQUIRING UNIVERSITY MEDICAL CENTER BE UNDER JURISDICTION, SUPERVISION, MANAGEMENT AND CONTROL OF UNIVERSITY MEDICAL CENTER BOARD; STATING WHAT TRANSFER SHALL INCLUDE; REQUIRING CERTAIN LIABILITIES REMAIN RESPONSIBILITY OF COMMISSION FOR HUMAN SERVICES AND DEPARTMENT OF HUMAN SERVICES; STATING LEGAL PROPERTY DESCRIPTION OF CHILDREN'S HOSPITAL OF OKLAHOMA AND OKLAHOMA MEMORIAL HOSPITAL; PROVIDING LEGAL DESCRIPTION OF CERTAIN PROPERTIES TO BE RETAINED BY THE DEPARTMENT OF HUMAN SERVICES; REQUIRING EXECUTION OF ANY APPROPRIATE CONVEYANCES TO EFFECTUATE SPECIFIED TRANSFERS; REQUIRING UNIVERSITY MEDICAL CENTER BE LICENSED BY STATE COMMISSIONER OF HEALTH AND MEET CERTAIN STANDARDS, REQUIREMENTS AND ESSENTIALS; ALLOWING UNIVERSITY MEDICAL CENTER TO PROVIDE SERVICES AND RECEIVE PAYMENTS UNDER CERTAIN FEDERAL PROGRAMS AND TO PARTICIPATE IN OTHER FEDERAL MEDICAL PROGRAMS; CREATING UNIVERSITY MEDICAL CENTER; DEEMING LAWFUL OPERATIONS OF UNIVERSITY MEDICAL CENTER TO BE ESSENTIAL GOVERNMENTAL FUNCTION OF STATE; STATING BOARD COMPOSITION AND QUALIFICATIONS; MAKING BOARD MEMBERS ELIGIBLE FOR REAPPOINTMENT AND REMOVABLE ONLY FOR CAUSE; SPECIFYING METHOD FOR FILLING VACANCIES ON BOARD; REQUIRING BOARD MEMBERS SERVE WITHOUT COMPENSATION AND ALLOWING REIMBURSEMENT FOR EXPENSES; REQUIRING BOARD MEMBERS AND EMPLOYEES BE SUBJECT TO OKLAHOMA CAMPAIGN COMPLIANCE AND ETHICAL STANDARDS ACT; STATING A QUORUM; REQUIRING BOARD MEETINGS COMPLY

WITH THE OKLAHOMA OPEN MEETINGS ACT; AUTHORIZING UNIVERSITY MEDICAL BOARD TO EXERCISE CERTAIN TEMPORARY AND PERMANENT POWERS AND DUTIES; CONSTRUING ACT AND PROHIBITING USE OF APPROPRIATED FUNDS FOR CERTAIN USES; REQUIRING CERTAIN AUDITS BE ON ACCRUAL BASIS AND BE SUBMITTED TO STATE AUDITOR AND INSPECTOR; SUBJECTING UNIVERSITY MEDICAL CENTER TO PROFESSIONAL RISK MANAGEMENT PROGRAM; AUTHORIZING UNIVERSITY MEDICAL CENTER WITH CERTAIN POWERS AND AUTHORITY; DESIGNATING CERTAIN AGREEMENTS AND OBLIGATIONS BE FOR A PUBLIC PURPOSE; REQUIRING CERTAIN CONDITIONS APPLY TO CERTAIN CONTRACTUAL AGREEMENTS; MODIFYING TYPES OF CORRECTIONAL INMATE PATIENTS TO BE REFERRED TO OKLAHOMA MEMORIAL HOSPITAL; REQUIRING DEPARTMENT OF CORRECTIONS TO REIMBURSE HOSPITALS' ACTUAL COST OF SERVICES PROVIDED BY CERTAIN HOSPITALS; EXEMPTING BOARD OF DIRECTORS OF UNIVERSITY MEDICAL CENTER FROM DUAL OFFICE HOLDING PROHIBITION; DELETING OKLAHOMA MEDICAL CENTER FROM INSTITUTIONS WHICH DEPARTMENT OF HUMAN SERVICES HAS AUTHORITY FOR APPOINTING CAMPUS POLICE; DELETING REFERENCE TO CERTAIN FUND; AUTHORIZING UNIVERSITY MEDICAL CENTER TO ENTER INTO CERTAIN COOPERATIVE AGREEMENTS; MODIFYING CERTAIN REFERENCES; EXEMPTING UNIVERSITY MEDICAL CENTER FROM BEING REQUIRED TO MAINTAIN AGENCY CLEARING ACCOUNTS; EXEMPTING NONAPPROPRIATED FUNDS AND REVENUES OF UNIVERSITY FROM BEING REQUIRED TO ESTABLISH AGENCY SPECIAL ACCOUNTS FOR NONAPPROPRIATED FUNDS AND REVENUES; ADDING UNIVERSITY MEDICAL CENTER TO DEFINITION OF STATE GOVERNMENTAL ENTITY; OMITTING ACQUISITIONS BY

UNIVERSITY MEDICAL CENTER FROM PURVIEW OF OKLAHOMA CENTRAL PURCHASING ACT; REQUIRING BOARD OF DIRECTORS OF UNIVERSITY MEDICAL CENTER TO DEVELOP STANDARDS FOR ACQUISITIONS; PROVIDING THAT CERTAIN OFFICERS AND EMPLOYEES OF UNIVERSITY MEDICAL CENTER ARE PART OF EXEMPT UNCLASSIFIED SERVICE; AUTHORIZING UNIVERSITY MEDICAL CENTER TO EMPLOY OR CONTRACT WITH CERTAIN PERSONNEL TO OBTAIN PROFESSIONAL SERVICES FOR CERTAIN PATIENTS; EXEMPTING THE UNIVERSITY MEDICAL CENTER FROM ARTICLE I OF THE ADMINISTRATIVE PROCEDURES ACT; REPEALING SECTION 42, CHAPTER 326, O.S.L. 1988, 56 O.S. 1981, SECTIONS 336, AS AMENDED BY SECTION 20, CHAPTER 326, O.S.L. 1988, 337, 338 AND 339, AS AMENDED BY SECTIONS 21 AND 22, CHAPTER 326, O.S.L. 1988, 340, 341, 342, AS AMENDED BY SECTION 23, CHAPTER 326, O.S.L. 1988, 345, 346, AS AMENDED BY SECTION 26, CHAPTER 326, O.S.L. 1988, 401, 402, AS AMENDED BY SECTION 27, CHAPTER 326, O.S.L. 1988, 404, 405, 406, 407, 408, 409 AND 410 AND SECTION 16, CHAPTER 247, O.S.L. 1986, AS AMENDED BY SECTION 28, CHAPTER 326, O.S.L. 1988, SECTION 23, CHAPTER 266, O.S.L. 1988 AND SECTION 182, CHAPTER 181, O.S.L. 1985, AS AMENDED BY SECTION 30, CHAPTER 326, O.S.L. 1988 (56 O.S. SUPP. 1990, SECTIONS 300, 336, 338, 339, 342, 346, 402, 412, 412.1 AND 521) AND 64 O.S. 1981, SECTION 371a, WHICH RELATE TO THE OKLAHOMA MEDICAL CENTER AND THE OKLAHOMA CHILDREN'S HOSPITAL; PROVIDING FOR CODIFICATION; AND DECLARING AN EMERGENCY.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3201 of Title 63, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "University Medical Center Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3202 of Title 63, unless there is created a duplication in numbering, reads as follows:

As used in the University Medical Center Act:

1. "University Medical Center" includes the Oklahoma Memorial Hospital, the Children's Hospital of Oklahoma, the O'Donoghue Rehabilitation Institution, the George Nigh Rehabilitation Institute and the Child Study Center;

2. "Board" means the Board of Directors of the University Medical Center;

3. "Department" means the Department of Human Services; and

4. "Commission" means the Oklahoma Public Welfare Commission or the Commission for Human Services.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3203 of Title 63, unless there is created a duplication in numbering, reads as follows:

The purposes of the University Medical Center Act are to provide for an effective and efficient administration, to ensure a dependable source of funding and to effectuate the mission and purposes of the University Medical Center. The mission and purposes of the University Medical Center are to serve principally as teaching and training hospitals for students enrolled at the University of Oklahoma and other health and educational facilities, provide nonindigent and indigent care and to serve as a site for

conducting medical and biomedical research by faculty members of the University of Oklahoma Health Sciences Center. The University Medical Center shall maintain a close affiliation with the University of Oklahoma Health Sciences Center and shall coordinate their operations and activities in a cooperative manner.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3204 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. Effective January 1, 1992, the Oklahoma Medical Center is hereby transferred from the Department of Human Services and Commission for Human Services to the University Medical Center Board of Directors created pursuant to this act and shall be under the jurisdiction, supervision, management and control of the Board.

B. The transfer shall include:

1. All powers, duties, responsibilities, properties, assets, equipment, fund balances, encumbrances, obligations, records, personnel and liabilities including but not limited to liability for all Oklahoma Medical Center employees' sick leave, annual leave, holidays, unemployment benefits and workers' compensation benefits accruing to employees prior to January 1, 1992, which are attributable to the Oklahoma Medical Center; provided, however, that any liabilities arising from alleged medical malpractice or other cause of action presented pursuant to The Governmental Tort Claims Act, Section 151 et seq. of Title 51 of the Oklahoma Statutes, prior to January 1, 1992, shall remain the responsibility of the Commission for Human Services and the Department of Human Services.

2. Children's Hospital of Oklahoma and all buildings and appurtenances located on land which is described as follows: Blocks B, 3, 4, 12 and 13, and the North 30 feet of Block 14, CULBERTSON HEIGHTS ADDITION; and Lots 6 through 15, Block 21, CULBERTSON HEIGHTS ADDITION less and except the West 7 feet of Lot 5 and all of Lots 6 through 19, and the East 5 feet of Lot 20 and the North 59.5

feet of Lots 21 through 26, and the North 59.5 feet of the West 49.5 feet of Lot 27, all in Block 13, CULBERTSON HEIGHTS ADDITION to the City of Oklahoma City, Oklahoma, and also less and except the West 106 feet of the vacated North East 12th Street abutting said Block 13. In addition, a part of Block 20, CULBERTSON HEIGHTS ADDITION and a part of the alleys adjacent thereto, and a part of the SW 1/4, Sec. 26, T12N, R3W, I.M., and a part of the SE 1/4, Sec. 27, T12N, R3W, I.M., Oklahoma County, Oklahoma, and a part of vacated Kelley Avenue adjacent thereto, more particularly described as follows: Commencing at the NE corner of Block 20, CULBERTSON HEIGHTS ADDITION, Oklahoma City, Oklahoma, thence S. 0 degrees 03' 34" E. and along the East line of said Block 20 and along the West Right-of-Way line of Stonewall Avenue a distance of 10 ft. to the point or place of beginning; thence continuing S. 0 degrees 03' 34" E. and along the East line of said Block 20 and along the West Right-of-Way line of Stonewall Avenue a distance of 341.27 ft.; thence N. 89 degrees 54' 35" W. a distance of 520.10 ft.; thence N. 0 degrees 11' 08" E. a distance of 18.0 ft.; thence N. 89 degrees 48' 52" W. a distance of 12.0 ft.; thence N. 0 degrees 11' 08" E. a distance of 6 ft.; thence N. 89 degrees 48' 52" W. a distance of 21.5 ft.; thence N. 0 degrees 11' 08 E. a distance of 22.5 ft.; thence N. 89 degrees 48' 52" W. a distance of 286.5 ft.; thence N. 89 degrees 48' 52" W. a distance of 27.00 feet; thence N. 0 degrees 12' 03" E. a distance of 72.50 feet; thence N. 89 degrees 48' 51" W. a distance of 25.65 feet; thence N. 23 degrees 29' 12" W. a distance of 250.50 feet to a point on the South Right-of-Way line of N.E. 13th Street; thence S. 89 degrees 48' 51" E. and along the South Right-of-Way line of N.E. 13th Street a distance of 649.76 feet; to a point in the East line of said SE 1/4 of Sec. 27, T12N, R3W; thence S. 0 degrees 06' 23" W. along the East line of said Sec. 27 a distance of 10.0 ft.; thence N. 89 degrees 33' 42" E. a parallel to and 10 ft., South of the

North line of said Block 20 of said CULBERTSON HEIGHTS ADDITION a distance of 342.10 ft. to the point or place of beginning.

Also included is the parking and animal research area specifically described as: all of Blocks 1 and 2 of CULBERTSON HEIGHTS ADDITION, and all of Block 3 and Lots 3 through 20 and the North 50 feet of Lots 21 through 38 of Block 12, OAK PARK ADDITION to the City of Oklahoma City, Oklahoma, including the encompassed and abutting portions of the vacated North East 11th Street, Park Place and North East 10th Street, and the abutting portion of Everest Avenue and the alley way in Block 12 of said OAK PARK ADDITION.

3. Oklahoma Memorial Hospital and all buildings and appurtenances located on land which is described as follows: A part of the South Half of the Southeast Quarter of Section 27, T12N, R3W of the Indian Meridian and a part of the North Half of the Northeast Quarter of Section 34, T12N, R3W, of the Indian Meridian, all in Oklahoma County, Oklahoma, more particularly described as follows: Beginning at the Southwest corner of Block 13, HOWE'S CAPITOL ADDITION; thence N. 0 degrees 10' 36" E. along the East line of Phillips Avenue a distance of 674.64 feet to a point on the South line of Northeast 13th Street; thence S. 89 degrees 48' 51" E. along the South line of said Northeast 13th Street a distance of 620.30 feet; thence S. 23 degrees 29' 12" E. a distance of 250.50 feet; thence S. 89 degrees 48' 51" E. a distance of 25.65 feet; thence S. 0 degrees 12' 03" W. a distance of 72.50 feet; thence S. 89 degrees 48' 51" E. a distance of 27.00 feet; thence S. 00 degrees 12' 03" W. a distance of 443.57 feet; thence S. 89 degrees 43' 03" E. a distance of 32.95 feet; thence S. 00 degrees 14' 28" W. along the East line of a retaining wall a distance of 733.66 feet to a point on the South line of Block 1 of OAK PARK ADDITION; thence S. 89 degrees 52' 55" W. along the South line of Blocks 1 and 7 of OAK PARK ADDITION a distance of 810.11 feet to the Southwest corner of

said Block 7; thence N. 00 degrees 10' 36" E. along the West line of said Block 7, OAK PARK ADDITION a distance of 213.87 feet; thence N. 89 degrees 49' 24" W. a distance of 3.40 feet; thence N. 00 degrees 10' 36" E. along the West line of Block 24, HOWE'S CAPITOL ADDITION a distance of 190.00 feet; thence S. 89 degrees 49' 24" E. a distance of 8.10 feet; thence N. 00 degrees 10' 36" E. along the West line of Block 18, HOWE'S CAPITOL ADDITION a distance of 405.00 feet to the Point of Beginning and containing 1,146,572 Square Feet or 26.32 Acres more or less.

C. Properties to be retained by the Department of Human Services and Commission for Human Services include:

1. The Service Center Building and land located on: The South 100 feet of Block 12 and all of Block 17, OAK PARK ADDITION to the City of Oklahoma City, Oklahoma, including the encompassed or abutting portions of vacated Everest Avenue and North East 9th Streets. (219,300 sq. ft., 5.03 acres); and

2. The M.I.D. Building and land located on: The west 7 feet of Lot 5 and all of Lots 6 through 19, and the East 5 feet of Lot 20 and the North 59.5 feet of Lots 21 through 26, and the North 59.5 feet of the West 49.5 feet of Lot 27, all in Block 13, CULBERTSON HEIGHTS ADDITION to the City of Oklahoma City, Oklahoma, and also including the West 106 feet of the vacated North East 12th Street abutting said Block 13. (82,199 sq. ft., 1.89 acres).

D. Appropriate conveyances, if any, shall be executed to effectuate the transfers specified by subsections B and C of this section.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3205 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. University Medical Center shall be operated as general hospitals licensed by the State Commissioner of Health, and shall, as far as possible, meet the standards, requirements and essentials

of the Joint Commission on Accreditation of Healthcare Organizations, the Council on Graduate Medical Education and the Liaison on Medical Education Committee.

B. The University Medical Center may provide services and receive payments under Titles XVIII and XIX of the federal Social Security Act, and may participate in other federal medical programs.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3206 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the University Medical Center, an agency of the State of Oklahoma, a body corporate and politic, with powers of government and with the authority to exercise the rights, privileges and functions as specified in the University Medical Center Act, with its lawful operations deemed to be an essential governmental function of the State of Oklahoma with all the attributes thereof.

B. The Board shall consist of seven (7) members.

1. Five members appointed by the Governor and confirmed by the Senate who shall be persons with demonstrated skills in successful business management or knowledge of hospital management, who shall have initial terms of one (1) year, two (2) years, three (3) years, four (4) years and five (5) years, and succeeding terms of five (5) years;

2. One member shall be the Director of the Department of Human Services, or his designee;

3. One member shall be the President of the University of Oklahoma, or his designee.

C. The Governor shall appoint a member to be chairman.

D. Each member of the Board shall be a resident of the state and a qualified elector.

E. Any member shall be eligible for reappointment and members shall be removable only for cause by the appointing authority who

made the appointment. Any vacancy occurring on the Board shall be filled for the remainder of the term by the appointing authority who made the original appointment.

F. The members of the Board shall serve without compensation but may be reimbursed for all actual and necessary travel expenses incurred in performance of their duties in accordance with the provisions of the State Travel Reimbursement Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes.

G. All members and personnel of the Board shall be subject to the provisions of the Oklahoma Campaign Compliance and Ethical Standards Act, Section 4200 et seq. of Title 74 of the Oklahoma Statutes.

H. A quorum of the Board shall be four (4) members.

I. All meetings of the Board shall comply with the Oklahoma Open Meetings Act, Section 301 et seq. of Title 25 of the Oklahoma Statutes.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3207 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. On and after the effective date of this act, and until December 31, 1991, in order to effectuate the transfer of the Oklahoma Medical Center from the Commission for Human Services and the Department of Human Services to the Board, the Board shall have the power and duty to:

1. Adopt bylaws and promulgate rules for the regulation of its affairs and the conduct of its business;

2. Change the agency name and adopt an official seal;

3. Maintain an office at the University Medical Center;

4. Make and enter into all contracts necessary or incidental to the performance of its duties and the execution of its powers pursuant to the University Medical Center Act;

5. Appoint such officers, agents and employees, including but not limited to attorneys, as it deems necessary to implement the provisions of this subsection and prescribe their duties and fix their compensation; and

6. Establish petty cash funds and provide for appropriate accounting procedures and controls.

B. On and after January 1, 1992, the Board shall have the power and duty to:

1. Adopt bylaws and promulgate rules for the regulation of its affairs and the conduct of its business;

2. Adopt an official seal;

3. Maintain an office at the University Medical Center;

4. Sue and be sued, subject to the provisions of The Governmental Tort Claims Act, Section 151 et seq. of Title 51 of the Oklahoma Statutes;

5. Establish rates of payment for hospital and clinical services, which shall provide for exceptions and adjustments in cases where the recipients of services are unable to pay and for whom no third party source of payment is available, and establish different rates of payment for indigent and nonindigent care;

6. Enter into cooperative agreements with the Board of Regents of the University of Oklahoma for, including but not limited to, educational programs, professional staffing, research and other medical activities;

7. Make and enter into all contracts and grants necessary or incidental to the performance of its duties and the execution of its powers pursuant to the University Medical Center Act;

8. Purchase or lease equipment, furniture, materials and supplies, and incur such other expenses as may be necessary to maintain and operate the hospitals or clinics, or to discharge its duties and responsibilities or to make any of its powers effective;

9. Acquire by purchase, lease, or by any other manner, and maintain, use and operate or to contract for the maintenance, use and operation of or lease of any and all property of any kind, real, personal, or mixed or any interest therein unless otherwise provided by the University Medical Center Act;

10. Appoint such officers, agents and employees, including but not limited to attorneys, as it deems necessary to operate and maintain the University Medical Center and prescribe their duties and fix their compensation. The Board shall employ and fix the duties and compensation of the Chief Executive Officer of the University Medical Center who shall not be a member of the Board;

11. Borrow money for its corporate purposes and borrow money and accept grants from the United States of America, or from any corporation or agency created or designed by the United States of America, and, in connection with any such loan or grant, enter into such agreements as the United States of America or such corporation or agency may require;

12. Make and issue its bonds or notes for money borrowed, secured by mortgage, pledge, or assignment of real or personal property, tangible or intangible, and pledge revenues of the University Medical Center. Nothing in the University Medical Center Act shall authorize the issuance of any bonds, loans, notes or other evidences of indebtedness of the University Medical Center payable other than from revenues of the University Medical Center except as specifically provided and limited by the University Medical Center Act. Funds appropriated to the University Medical Center shall not be used for issuance of bonds, loans, notes or other evidence of indebtedness;

13. Accept and receive gifts, bequests and grants of money and property from any public or private source. The Board shall have the authority to manage real or personal property thus received, or to sell the same for an adequate consideration if the property is

not needed in actual operations of the Board, and may invest money received from any such source pending use thereof for the purpose intended, if it is consistent with the terms of the gift, bequest or grant; and may do all other things deemed necessary, appropriate or expedient to accomplish the purposes or objectives of the gift, bequest or grant;

14. Provide for complete financial audits on all accounts of the University Medical Center and authorize periodic audits by an independent external auditing agency which shall be performed at least annually in accordance with generally accepted accounting procedures. All such audits shall be submitted to the State Auditor and Inspector for review. Such audits shall be made on an accrual basis;

15. Engage in long-term planning for the operation management and marketing of the University Medical Center;

16. Establish petty cash funds and provide for appropriate accounting procedures and controls;

17. Contract with national manufacturers and distributors of drugs and medical supplies when appropriate to carry out the purposes of this act; and

18. Do all other things necessary and proper to implement the provisions of the University Medical Center Act.

C. The University Medical Center shall be subject to the professional risk management program in Section 85.34 of Title 74 of the Oklahoma Statutes.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3208 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. The University Medical Center shall have the power and authority to:

1. Enter into agreements and cooperative ventures with other health care providers or consortiums to share services or to provide an economic or service benefit to the hospitals;

2. Make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers pursuant to the University Medical Center Act;

3. Join or sponsor membership in organizations or associations intended to benefit the hospitals;

4. Allow members of its Board or its officers or administrators to serve without pay as directors or officers of any organization, association, or cooperative ventures authorized pursuant to the University Medical Center Act; and

5. Offer, directly or indirectly, products and services of the hospitals, any cooperative venture, or organization to the general public.

B. All agreements and obligations undertaken, as permitted under this section, by the University Medical Center shall be for a public purpose. In addition to any other limitations, conditions or restrictions provided by law, the following conditions shall apply to contractual agreements entered into pursuant to this section:

1. Appropriated and nonappropriated funds shall be accounted for separately; and

2. The state does not assume any liability for private entities.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3209 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. Employees of the Oklahoma Medical Center who are in the classified service of the State Merit System of Personnel Administration on January 1, 1992, shall be transferred to the University Medical Center without change or loss of pay, seniority, rights, privileges or benefits.

B. Employees of the Oklahoma Medical Center who are in the unclassified service of the State Merit System of Personnel Administration on January 1, 1992, shall be transferred to the University Medical Center without change or loss of pay, seniority, rights, privileges or benefits.

C. Within one (1) year from the effective date of transfer, all employees of the University Medical Center shall be required to elect whether to remain as a classified or unclassified employee subject to the Oklahoma Personnel Act, Section 840.1 et seq. of Title 74 of the Oklahoma Statutes, or transfer to the personnel system established pursuant to subsection E of this section.

D. All employees hired by the University Medical Center and all positions vacated by classified employees of the University Medical Center after January 1, 1992, shall be in the personnel system established pursuant to subsection E of this section.

E. The Board may develop, maintain or revise unclassified personnel systems, classes or procedures which are necessary for accommodating or responding to human resource needs within the health care industry. Such authority includes recruitment, position classifications, qualifications, selection criteria, search and selection procedures, use of consultants, salaries, benefits, retirement plans, leave benefits and personnel administration. Such systems, classes or procedures shall require consultation with the Administrator of the Office of Personnel Management.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3210 of Title 63, unless there is created a duplication in numbering, reads as follows:

All employees of the University Medical Center, as defined in Section 17-101(3) of Title 70 of the Oklahoma Statutes, shall be eligible for membership in the Oklahoma Teachers' Retirement System. All other eligible employees shall be members of the Oklahoma Public Employees Retirement System.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3211 of Title 63, unless there is created a duplication in numbering, reads as follows:

The Board is authorized to place resident physicians of the College of Medicine of the University of Oklahoma on the University Medical Center payroll as a matter of administrative convenience, and is further authorized to acquire through the Purchasing Division of the Office of Public Affairs health, life, disability and dental insurance for such residents. Such residents shall not be considered employees of the Board and shall not be eligible to participate in the Oklahoma Public Employees Retirement System. This section shall not preclude the right of the University Medical Center to terminate, for cause, the practicing privileges of any resident physician within the University Medical Center.

SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3212 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. The University Medical Center shall be subject to the Oklahoma Budget Law of 1947, Section 41.1 et seq. of Title 62 of the Oklahoma Statutes, with regard to appropriated funds deposited with the State Treasurer. For nonappropriated funds, the University Medical Center shall submit to the Office of State Finance a budget request document and a budget work program for informational purposes.

B. Nonappropriated funds and revenues of the University Medical Center shall be deposited with banks or other financial institutions and disbursed on checks, drafts, orders or other instruments signed by such persons as shall be authorized by the Board.

C. Nonappropriated funds and revenues of the Board shall be invested in interest-bearing accounts yielding at least a rate of return for the period of investment as would a similar investment by the State Treasurer or the Board may elect to have the State

Treasurer invest on behalf of the Board. Such funds shall be invested or deposited in:

1. Direct obligations of the United States Government to the payment of which the full faith and credit of the Government of the United States is pledged;

2. Certificates of deposits of savings and loan associations, banks, and trust companies when the certificates of deposits are secured by acceptable collateral as in the deposit of other public monies; or

3. Savings accounts or savings certificates of savings and loan associations, banks, and trust companies, to the extent that the accounts or certificates are insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation.

D. The Board shall be subject to bond coverage provisions in Sections 85.26 et seq. of Title 74 of the Oklahoma Statutes, provided, the Board shall be authorized to purchase larger amounts of fidelity bond coverage if the Board deems it necessary, the cost of which shall be borne by the Board.

SECTION 13. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3213 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created in the State Treasury a revolving fund for the University Medical Center, to be designated the "University Medical Center Disbursing Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of appropriated revenues. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the University Medical Center to provide operational support, including uncompensated indigent care. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment. No transfer may be made from the

University Medical Center Disbursing Fund to any accounts not subject to the Oklahoma Budget Act of 1947, Section 41.1 et seq. of Title 62 of the Oklahoma Statutes.

B. Effective January 1, 1992, any unobligated cash balance in the Oklahoma Medical Center Disbursing Fund authorized by Title 56, Section 412 of the Oklahoma Statutes shall be transferred to the University Medical Center Disbursing Fund authorized by subsection A of this section.

SECTION 14. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3214 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. The Board shall submit an annual report to the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives. Such report shall be submitted by January 1 of each year and shall include an account of the operations and actions of the Board and an accounting of all revenue received and disbursed by the Board for the previous fiscal year.

SECTION 15. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3215 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. Subject to the provisions of paragraph 12 of subsection B of Section 7 of this act, the Board may provide by resolution, from time to time, for the issuance of revenue bonds or notes evidencing indebtedness of the Board incurred for its corporate purposes, in such amount or amounts as are necessary, incidental or convenient to the exercise of powers, rights, privileges and functions conferred upon it by the University Medical Center Act, or any other act or law. The principal of and interest on any indebtedness shall be payable solely from the revenues of the University Medical Center and such other funds as may be provided by law for such payment. The Board may provide for credit enhancement as additional security or liquidity for its bonds and enter into such agreements as may be

necessary or appropriate to provide for the repayment of any funds advanced by the provider of any such credit enhancement including the payment of any fees and expenses incurred in connection therewith. The bonds of each issue bear interest at fixed or variable rates and shall bear an average interest rate not to exceed twelve percent (12%) per annum, shall mature at such time or times not exceeding thirty (30) years from their date or dates of issue, as may be determined by the Board, and may be made redeemable before maturity at the option of the Board, at such time or times and at such price or prices and pursuant to such terms and conditions as may be fixed by the Board prior to the issuance of the bonds. The Board shall determine the form of the bonds and the manner of execution thereof, and shall fix the denominations of the bonds and the place or places of payment of principal and interest, which may be at any bank and trust company within or without this state. If any officer whose signature or facsimile of whose signature appears on any bonds shall cease to hold such office before the delivery of the bonds, the signature of the facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the person had remained in office until such delivery. All bonds issued pursuant to the provisions of the University Medical Center Act shall have all the qualities and incidences of negotiable instruments subject to the laws of this state. The Board may sell the bonds in such amounts and in such manner, either at public or private sale, and for such price, as it may determine to be in the best interests of the state.

B. Prior to the preparation of definitive bonds, the Board, subject to like restrictions, may issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds which have been executed and are available for delivery. The Board may also provide for the replacement of any bonds which have become mutilated or which have been destroyed or

lost. Except as otherwise provided by Sections 17 and 18 of this act, bonds may be issued pursuant to the provisions of the University Medical Center Act without obtaining the consent of any department, division, commission, board, bureau, or agency of this state, and without any other proceedings or the occurrence of any other conditions or things than those proceedings, conditions, or things that are specifically required by the University Medical Center Act and the Oklahoma Bond Oversight and Reform Act, Section 695.1 et seq. of Title 62 of the Oklahoma Statutes.

C. The Board may, by resolution, provide for the issuance of refunding bonds then outstanding, including the payment of any redemption premium, any interest accrued to the date of redemption of such bonds, and for incurring additional indebtedness for corporate purposes. The issuance of such bonds shall be governed by the provisions of the Oklahoma Medical Center Act.

SECTION 16. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3216 of Title 63, unless there is created a duplication in numbering, reads as follows:

Subject to the provisions of the Oklahoma Bond Oversight and Reform Act, Section 695.1 et seq. of Title 62 of the Oklahoma Statutes, and before any bond shall be issued and delivered by the Board, a certified copy of the proceedings for the issuance thereof, together with any other information which the Attorney General of the State of Oklahoma may require as the Bond Commissioner of the State of Oklahoma, shall be submitted to the Attorney General. If the Attorney General shall find that such bonds have been issued in accordance with law, he shall approve such bonds and execute a certificate to that effect. The Attorney General shall file such certificates in the Office of the State Auditor and Inspector, and the certificates shall be recorded in a record kept for that purpose. All bonds approved by the Attorney General, and issued in accordance with the approved proceedings, shall be valid and binding

obligations of the Board and shall be incontestable for any cause from and after the date of such approval.

SECTION 17. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3217 of Title 63, unless there is created a duplication in numbering, reads as follows:

The Board is authorized to file an application with the Supreme Court of the State of Oklahoma for approval of any bonds to be issued under the provisions of the University Medical Center Act, and exclusive original jurisdiction is hereby conferred upon the Supreme Court to hear and determine such application. The Supreme Court shall determine the validity of the bonds and consider the application and any protest which may be filed thereto. Notice of the hearing on each application shall be given by notice published in a newspaper of general circulation in this state that on a day named the Board will ask the Court to hear the application and approve the bonds. Such notice shall inform all interested parties that they may file a protest against the issuance of the bonds, may be present at the hearing, and may contest the legality thereof. Such notice shall be published one time, not less than ten (10) days prior to the date named for the hearing and the hearing may be adjourned from time to time in the discretion of the Court. If the Court is satisfied that the bonds have been properly authorized in accordance with the University Medical Center Act, and that when issued such bonds will constitute valid obligations in accordance with their terms, the Court shall render its written opinion approving the bonds and shall fix the time within which the petition for rehearing may be filed. The decision of the Court shall be a judicial determination of the validity of the bonds, shall be conclusive as to the Board, its officers and agents, and thereafter the bonds so approved and the revenues pledged to their payment shall be incontestable in any court in the State of Oklahoma.

SECTION 18. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3218 of Title 63, unless there is created a duplication in numbering, reads as follows:

Revenue bonds of the Board issued pursuant to the provisions of the University Medical Center Act shall not constitute a debt of the state or of any political subdivision thereof, or a pledge of the full faith and credit of the state, or of any political subdivision thereof, but such bonds shall be payable solely from the funds provided therefor. The form of the bonds so issued shall contain on the face thereof a statement to the effect that neither the state nor the Board shall be obligated to pay the same or the interest thereon except from the revenues of the Board pledged to the payment of such bonds and that neither the faith and credit nor the taxing power of the state or any political subdivision thereof is pledged, or may hereafter be pledged, to the payment of the principal of or interest on such bonds. The bonds so issued shall be exempt from taxation by the State of Oklahoma and any political subdivision thereof, including the income therefrom, and any gain from the sale thereof.

SECTION 19. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3219 of Title 63, unless there is created a duplication in numbering, reads as follows:

Bonds issued pursuant to provisions of the University Medical Center Act are hereby made securities in which all public officers and public boards, agencies and instrumentalities of the state and its political subdivisions, all banks, trust companies, trust and loan associations, investment companies, and others carrying on a banking business, and all insurance companies and insurance associations, and others carrying on an insurance business, may legally and properly invest. Such bonds are also approved as collateral security for the deposit of any public funds and for the investment of trust funds.

SECTION 20. AMENDATORY 43A O.S. 1981, Section 701, as renumbered by Section 103, Chapter 103, O.S.L. 1986, and as last amended by Section 59, Chapter 265, O.S.L. 1990 (43A O.S. Supp. 1990, Section 3-701), is amended to read as follows:

Section 3-701. It shall be the responsibility of the Department of Mental Health and Substance Abuse Services, within facilities and professional capabilities, to provide at Griffin Memorial Hospital, Norman, Oklahoma, such medical and surgical in-patient and out-patient care as may be required by inmates from the several correctional institutions that are properly referred to the hospital by the Department of Corrections. The Department of Mental Health and Substance Abuse Services may refer to the Oklahoma Memorial Hospital, and the latter shall accept those correctional inmate patients who are beyond the facilities, expertise and professional capability of Griffin Memorial Hospital. The Department of Corrections shall be responsible for transporting to, from, and between hospitals and for providing such physical security of correctional inmate patients as may be required beyond that security normal to hospital operation. The Department of Corrections shall immediately remove from the hospital those inmate patients as they are discharged by the hospital. The actual cost of hospital services provided by Griffin Memorial Hospital and the Oklahoma Memorial Hospital shall be ~~without cost to~~ reimbursed by the Department of Corrections to the hospitals.

SECTION 21. AMENDATORY 51 O.S. 1981, Section 6, as last amended by Section 1, Chapter 230, O.S.L. 1990 (51 O.S. Supp. 1990, Section 6), is amended to read as follows:

Section 6. A. Except as may be otherwise provided, no person holding an office under the laws of the state and no deputy of any officer so holding any office, shall, during his term of office, hold any other office or be the deputy of any officer holding any

office, under the laws of the state. The provisions of this section shall not apply to:

1. notaries public;

2. members of the State Textbook Committee;

3. county free fair board members;

4. municipal and county law enforcement officers serving in positions as law enforcement officers of both such governmental entities upon such terms and conditions as are mutually approved by resolutions adopted by the board of county commissioners and governing body of the municipality employing such officers;

5. any person holding a county or municipal office or position, or membership on any public trust authority, who is appointed to a board or commission that relates to federal, state, county or municipal government and is created by the United States Government, the State of Oklahoma or a political subdivision of the state, except where the duties of the offices or positions conflict;

6. any elected municipal officers and school board members who are appointed to a state board, commission, or similar entity if there is no compensation for such services other than reimbursement for necessary travel expenses pursuant to the provisions of the State Travel Reimbursement Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes;

7. any trustee of a public trust, who is appointed as a trustee of a different public trust;

8. law enforcement officers employed by municipal or county law enforcement departments or agencies, other than those law enforcement officers elected or appointed as sheriff, chief of police or some similar position in which they are the head of a county or municipal law enforcement agency, who are elected to local boards of education; provided, the provisions of this paragraph shall not prohibit any law enforcement officer employed by a

municipality having a population of ten thousand (10,000) or fewer people from serving as a member of a local board of education;

9. any trustee or director of a rural electric cooperative, or port authority who is appointed or elected to a state, county or municipal board, commission or similar entity; ~~and~~

10. deputy county treasurers who are elected as members of town or city councils; and

11. Board of Directors of the University Medical Center.

The provisions of this section shall not prohibit any person holding an office under the laws of the state or any deputy of any officer so holding any office from serving upon the board of Oklahoma Futures or upon the board of directors of the Oklahoma Center for the Advancement of Science and Technology. The provisions of this section shall not prohibit a member of the board of directors of the Oklahoma Center for the Advancement of Science and Technology from serving upon the board of Oklahoma Futures.

B. Any salaries, emoluments or benefits that would otherwise be paid by the agency or political subdivision to a loaned employee or officer shall instead be paid to the regular employer of such employee who shall in turn be paid his regular salary and benefits the same as if he were continuing his regular employment with his permanent employer.

SECTION 22. AMENDATORY 56 O.S. 1981, Section 162.2, as last amended by Section 9, Chapter 326, O.S.L. 1988 (56 O.S. Supp. 1990, Section 162.2), is amended to read as follows:

Section 162.2 The Department of Human Services shall have the authority to appoint campus police for institutions, county office buildings~~, Oklahoma Medical Center,~~ and any other buildings and their adjacent grounds under the jurisdiction of the Department, in the same manner and with the same powers as campus police appointed by governing boards of State Institutions for Higher Education under the provisions of Sections 360.11 through 360.14 of Title 74 of the

Oklahoma Statutes. The Department may also appoint and commission juvenile officers to assist it in maintaining custody of children committed to the Department, and in making investigations and in prosecuting court proceedings under the provisions of Sections 233 through 236 of Title 56 of the Oklahoma Statutes, relating to child support enforcement. Such officers shall have the powers of peace officers, including the authority to serve and execute process, bench warrants and other court orders in cases in which the Department is a party or a participant. Each juvenile officer shall be required to execute a bond in such form and amount as may be approved by the Department, the cost thereof to be paid by the Department.

SECTION 23. AMENDATORY Section 44, Chapter 326, O.S.L. 1988 (56 O.S. Supp. 1990, Section 224), is amended to read as follows:

Section 224. There is hereby created in the State Treasury a revolving fund for the Commission of Human Services, to be designated the "Human Services Disbursing Fund", provided that the fund may be designated by fiscal year designations as the Commission may determine. The fund shall be a continuing fund, not subject to fiscal year limitations. The fund shall consist of receipts from the federal government, monies appropriated to the Department of Human Services by the State Legislature, and other receipts of the Department of Human Services as shall be directed by the Commission for Human Services. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Commission for Human Services as may be necessary in order to carry out the duties imposed upon the said Commission by law, provided that expenditures shall not be made from the Human Services Disbursing Fund to pay any obligation for which there exists authorization for payment from the ~~Oklahoma Medical Center Disbursing Fund or the~~ Human Services Medical and Assistance Fund.

Expenditures from the Human Services Disbursing Fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 24. AMENDATORY 56 O.S. 1981, Section 343, as last amended by Section 24, Chapter 326, O.S.L. 1988 (56 O.S. Supp. 1990, Section 343), is amended to read as follows:

Section 343. The Commission for Human Services ~~shall adopt rules and regulations for liaison~~ and the University Medical Center shall enter into cooperative agreements between the Oklahoma Medical Center and the state schools for the mentally retarded in the development of basic medical services programs at the schools for the mentally retarded; provided, that the Oklahoma Medical Center shall not have the responsibility for implementing such programs or for providing medical services at the schools for the mentally retarded.

SECTION 25. AMENDATORY 56 O.S. 1981, Section 344, as amended by Section 25, Chapter 326, O.S.L. 1988 (56 O.S. Supp. 1990, Section 344), is amended to read as follows:

Section 344. A. The ~~Oklahoma Commission for Human Services~~ Board may regulate traffic and the parking of vehicles on property used by or for the ~~Children's Hospital of Oklahoma~~ University Medical Center. Such regulations shall be in writing, and copies thereof, including amendments thereto, shall be filed in the office of the Secretary of State, and in the office of the city clerk of the City of Oklahoma City. The municipal court of the City of Oklahoma City shall have jurisdiction to hear and determine prosecutions for violations of such regulations, which may be prosecuted and shall be punishable as violations of ordinances of the City of Oklahoma City. The ~~Commission~~ Board may cause to be removed, and may enter into contracts for such purpose, any vehicle parked in violation of such regulations.

B. The ~~Director of the Department of Human Services~~ Chief Executive Officer may appoint necessary security officers to serve as policemen and guards for buildings and grounds of the ~~Children's Hospital of Oklahoma~~ University Medical Center, who shall have the powers vested by law in peace officers in the protection and guarding of such buildings and grounds, and who may prevent or stop improper conduct and trespass in and upon such buildings and grounds, and make arrests and prosecute any and all persons arrested for such improper conduct and trespassing.

C. The ~~Director of the Department of Human Services~~ University Medical Center and the City of Oklahoma City may enter into a cooperative agreement to effectuate the provisions of this section.

SECTION 26. AMENDATORY 62 O.S. 1981, Section 7.1, as last amended by Section 12, Chapter 337, O.S.L. 1990 (62 O.S. Supp. 1990, Section 7.1), is amended to read as follows:

Section 7.1 A. There is hereby created in the official depository in the State Treasury an agency clearing account for each state officer, department, board, commission, institution or agency of the state, hereinafter referred to collectively as state agencies.

B. It shall be the duty of each state agency, officer or employee, to deposit in the agency clearing account, or agency special account, established under Section 7.2 of this title, all monies of every kind, including, but not limited to:

1. Tax revenues;

2. Receipts from licenses, examinations, per diem and all other reimbursements, fees, permits, fines, forfeitures and penalties; and

3. Income from money and property, grants and contracts, refunds, receipts, reimbursements, judgments, sales of materials and services of employees, and nonrevenue receipts, received by a state agency, officer or employee by reason of the existence of and/or operation of a state agency.

C. All such monies collected pursuant to this section shall be deposited as follows in the agency clearing account or agency special account established therefor:

1. Receipts of One Hundred Dollars ($100.00) or more shall be deposited on the date of receipt.

2. Receipts of less than One Hundred Dollars ($100.00) may be held until accumulated receipts equal One Hundred Dollars ($100.00) or for five (5) business days, whichever occurs first, and shall then be deposited no later than the next business day.

a. Each state agency that has custody of receipts of less than One Hundred Dollars ($100.00) shall provide adequate safekeeping of such receipts,

b. No disbursements shall be made from such receipts prior to this deposit, and

c. All checks received must be restrictively endorsed immediately upon receipt.

D. The State Treasurer is authorized to accept deposits directly to State Treasury funds, consisting of cash, bank drafts, bank cashier's checks, federal treasury checks and other forms of remittance which are uniformly honored for payment.

All checks, drafts, orders and vouchers so deposited shall be credited and cleared at par and should payment be refused on any such check, draft, order or voucher, or should the same prove otherwise worthless, the amount thereof shall be charged by the State Treasurer against the account or fund theretofore credited with the same; and the person issuing the check, draft, order or voucher shall be charged a fee of Twenty-five Dollars ($25.00) to cover the costs of processing each returned check; provided, such charge shall not be made unless efforts have been made to present such check, draft, order or voucher for payment a second time. Unless otherwise provided by law, such fee shall be deposited to the revolving fund of the state agency to which the check, draft, order

or voucher was issued. If no revolving fund exists for the state agency, then such fee shall be deposited to the General Revenue Fund. The State Treasurer shall not accept for deposit to any agency clearing account, or any agency special account, created pursuant to the provisions of Section 7.2 of this title, any warrant, check, order or voucher drawn against any state fund or account in favor of any individual or other person except the state officer, department, institution or agency for which account or fund the deposit is made, or a bona fide student enrolled at any of the state institutions of higher learning when such warrant, check, order or voucher is endorsed to the institution as payment of any fees or other accounts due such institution.

E. At least once each month each state agency shall transfer monies deposited in agency clearing accounts to the various funds or accounts, subdivisions of the state, or functions as may be provided by statute and no money shall ever be disbursed from the agency clearing account for any other purpose, except in refund of erroneous or excessive collections and credits. Provided, however, that state parks and lodges under the control of the Oklahoma Tourism and Recreation Department and district offices under the control of the Corporation Commission shall be permitted to make deposit of receipts on a monthly basis, provided that such receipts must be deposited within the month received or when such receipts equal or exceed Five Hundred Dollars ($500.00) for state parks and lodges under the control of the Oklahoma Tourism and Recreation Department, or One Hundred Dollars ($100.00) for district offices under the control of the Corporation Commission, whichever first occurs.

F. Funds and revenues of the Oklahoma Municipal Power Authority, the Grand River Dam Authority, the Oklahoma Ordnance Works Authority, the University Medical Center and the Midwestern

Oklahoma Development Authority are exempt from the requirements of this section.

G. Monies used for investment purposes by the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Police Pension and Retirement System, the Uniform Retirement System for Justices and Judges, the Oklahoma Law Enforcement Retirement System, the Oklahoma Public Employees Retirement System, the Teachers' Retirement System of Oklahoma, the Oklahoma State Regents for Higher Education and the State and Education Employees Group Insurance Board are exempt from the requirements of this section, and shall be placed with the respective custodian bank or trust company.

SECTION 27. AMENDATORY 62 O.S. 1981, Section 7.2, as last amended by Section 1, Chapter 319, O.S.L. 1990 (62 O.S. Supp. 1990, Section 7.2), is amended to read as follows:

Section 7.2 A. There is hereby re-created, to continue until July 1, 1996, in accordance with the provisions of the Oklahoma Sunset Law, Section 3901 et seq. of Title 74 of the Oklahoma Statutes, a Special Agency Account Board, to consist of the Director of State Finance, the State Treasurer and the Director of the Legislative Service Bureau. The Board shall have the authority to approve the establishment of agency special accounts in the official depository of the State Treasury. In the case of institutions of higher education, the Special Agency Account Board acting in conjunction with the Oklahoma State Regents for Higher Education shall establish special agency accounts as appropriate which shall be consistent with provisions of the Oklahoma Budget Law of 1947, Section 41.1 et seq. of this title, as it relates to institutions in The Oklahoma State System of Higher Education.

B. The Board, created by this section, shall adopt procedures including application forms, justification and other pertinent information as to the basis for a state agency application for the establishment of agency special accounts.

C. The Board may approve agency special accounts for money received by state agencies for the following purposes:

1. Benefit programs for individuals, including, but not limited to, unemployment compensation, workers' compensation and state retirement programs;

2. Revenues produced by activities or facilities ancillary to the operation of a state agency which receive no money, directly or indirectly, from or through that state agency, including, but not limited to, revenues from the sales of food at retail level, sales at canteens, sales at student unions, sales at student bookstores, receipts from athletic programs and receipts from housing. Provided, however, that a state institution of higher learning may purchase necessary equipment and instructional supplies and office supplies from a student bookstore, or, subject to authorization by the Oklahoma State Regents for Higher Education, may rent building space for institutional use in a building operated by an organization or entity whose existence is ancillary to the operation of a state agency, and whose cost was financed in whole or in part with revenue-type bonds; provided, further, that the cost of such office supplies or space rental shall not exceed the cost of similar supplies or rentals available commercially;

3. Gifts, devises and bequests with an agency as beneficiary, unless otherwise provided by statute;

4. Evidence funds for law enforcement agencies;

5. Student loan funds and scholarship funds;

6. Funds held in escrow;

7. Land Commission funds;

8. Funds for which the state agency acts as custodian, including, but not limited to, fees from employee earnings approved by the governing board of the agency, funds of student organizations including student activity fees collected by an educational

institution as a separate item in enrollment procedures, professional organizations, patients and inmates;

9. Funds used by the Oklahoma Tax Commission to pay for the filing of liens with the Federal Aviation Administration;

10. Temporary accounts for funds arising from new or amended legislation not otherwise provided for in statute or for other emergency situations. Such accounts are to be utilized only pending legislative action directing custody of such funds; and

11. Payment of liability claims against the state.

D. The State Treasurer is authorized to accept deposit of money made directly to agency special accounts approved by the Board. All money received by a state agency, as described in Section 7.1 of this title, shall be deposited in State Treasury funds or accounts and no money shall be deposited in banks or other depositories unless the said bank accounts are maintained by the State Treasurer or are for the deposit of authorized petty cash funds.

E. The balances in agency bank accounts or depository accounts, as of July 1, 1973, shall be transferred to agency clearing accounts or agency special accounts created by law. However, a sufficient balance to fund outstanding checks and vouchers, if any, shall be retained in said bank or depository accounts for a period of one (1) year. A list of all outstanding checks or vouchers for each bank or depository account so abolished shall be furnished to the State Treasurer by the state agency as of July 1, 1973.

F. Money deposited in agency special accounts shall be disbursed on vouchers issued by the state agency concerned to accomplish the purpose for which the money was intended.

G. Funds and revenues of the Grand River Dam Authority are exempt from the requirements of this section.

H. Funds and revenues of the Oklahoma Municipal Power Authority are exempt from the requirements of this section.

I. Monies used for investment purposes by the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Police Pension and Retirement System, the Uniform Retirement System for Justices and Judges, the Oklahoma Law Enforcement Retirement System, the Oklahoma Public Employees Retirement System, the Teachers' Retirement System of Oklahoma, the State Insurance Fund, the State and Education Employees Group Insurance Board and the Oklahoma State Regents for Higher Education for its Endowment Trust Fund are exempt from the requirements of this section, and shall be placed with the respective custodian bank or trust company.

J. Nonappropriated funds and revenues of the University Medical Center are exempt from the provisions and requirements of this section.

SECTION 28. AMENDATORY Section 93, Chapter 222, O.S.L. 1987 (62 O.S. Supp. 1990, Section 695.3), is amended to read as follows:

Section 695.3 As used in the Oklahoma Bond Oversight and Reform Act:

1. "Executive Commission" means the Executive Bond Oversight Commission;

2. "Legislative Commission" means the Legislative Bond Oversight Commission;

3. "Commissions" means the Executive Bond Oversight Commission and the Legislative Bond Oversight Commission;

4. "State Governmental Entity" means the State of Oklahoma or any agency, board, commission, authority, department, public trust of which the state is the beneficiary or other instrumentality of state government, other than a public trust with the state as beneficiary whose jurisdiction is limited to one county, including, but not limited to, the following:

a. Oklahoma Municipal Power Authority,

b. Oklahoma Development Authority,

c. Oklahoma Industrial Finance Authority,

d. Grand River Dam Authority,

e. Oklahoma Water Resources Board,

f. Northeast Oklahoma Public Facilities Authority,

g. Oklahoma Turnpike Authority,

h. Oklahoma Housing Finance Authority, ~~and~~

i. Oklahoma Public, Industrial and Cultural Facilities Authority, and

j. University Medical Center;

5. "Local Governmental Entity" means counties, cities and towns, school districts, public trusts of which a county, city or town or school district is the beneficiary or other political subdivision of the state; and

6. "Purpose" means the issuer's principal intended use of the funds derived from the issuance of bonds or other obligations.

SECTION 29. AMENDATORY 74 O.S. 1981, Section 85.12, as last amended by Section 20, Chapter 337, O.S.L. 1990 (74 O.S. Supp. 1990, Section 85.12), is amended to read as follows:

Section 85.12 A. The provisions of this section shall not be construed to affect any law relating to fiscal or accounting procedure except such as may be directly in conflict herewith; and all claims, warrants and bonds shall be examined, inspected and approved as now provided by law.

B. The following acquisitions shall not be included within the purview of the Oklahoma Central Purchasing Act:

1. Food and other products produced by state institutions and agencies;

2. Contracts for construction of new buildings and for the repair, maintenance or modernization of old buildings by state educational institutions included within The Oklahoma State System of Higher Education;

3. The printing or duplication of publications or forms of whatsoever kind or character by state agencies, which service is performed upon their own equipment, by their own employees;

4. Acquisitions by The Oklahoma State System of Higher Education on any institution or entity comprising the same insofar as such acquisitions relate to textbooks, laboratory supplies, instructional materials and specialized laboratory equipment;

5. Department of Transportation and Transportation Commission contractual services or right-of-way purchases. Contracts awarded pursuant to bids let by the Transportation Commission for the maintenance or construction of streets, roads, highways, bridges, or underpasses, or any other transportation facilities under the control of the Department of Transportation, the acquisitions of equipment or materials accruing to the Department of Transportation required in Federal-Aid contracts, and contracts for public service type announcements initiated by the Department of Transportation. Contractual services as used herein shall not include advertising or public relations services;

6. Utility services where rates therefor are regulated by a state or federal regulatory commission, or by city ordinance or by an Indian Tribal Council for use by the Department of Corrections only;

7. ~~Purchases of products by Oklahoma Medical Center~~ Acquisitions by the University Medical Center. The ~~Commission for Human Services~~ Board of Directors of the University Medical Center shall develop standards for ~~the purchase of products~~ acquisitions and may elect to utilize Central Purchasing when appropriate. Such standards shall foster economy, short response time, and include appropriate safeguards to assure appropriate competition and economical and efficient purchasing;

8. Contracts for custom harvesting by the Department of Corrections for the Department or its institutions;

9. Contracts with private prison contractors which are subject to the contracting procedures of Section 561 of Title 57 of the Oklahoma Statutes;

10. Acquisitions of aircraft by agencies authorized by the Legislature to purchase aircraft;

11. Purchases by the Oklahoma Municipal Power Authority;

12. Grand River Dam Authority;

13. Purchases by the Oklahoma Ordnance Works Authority or Midwestern Oklahoma Development Authority, except that the Oklahoma Ordnance Works Authority and the Midwestern Oklahoma Development Authority shall remain subject to the provisions of Section 85.32 of this title;

14. Contracts entered into by the State Department of Education for the purpose of implementing the provisions of Section 6-156 of Title 70 of the Oklahoma Statutes;

15. Expenditure of monies appropriated to the State Board of Education for the purpose of Local, State-supported Programs and State-supported Programs except monies appropriated for the Administrative and Support Functions of the State Department of Education;

16. Contracts entered into by the State Department of Vocational and Technical Education for the development, revision or updating of vocational curriculum materials;

17. Contracts entered into by the Oklahoma Center for the Advancement of Science and Technology for professional services;

18. Purchases made by the Oklahoma Historical Society from monies used to administer the White Hair Memorial;

19. Purchases of products available to an agency through a General Services Administration contract or other federal contract if the item is not on current state contract or the terms of such contract are more favorable to the agency than the terms of a state contract for the same products; and

20. Purchases amounting to less than that requiring competitive bid pursuant to Section 85.4 of this title.

C. Notwithstanding the exclusions provided herein, any agency or common schools of Oklahoma, any municipality of the state, any rural fire protection district and county officers may, unless the contract with the state specifies otherwise, avail themselves of the provisions of the Oklahoma Central Purchasing contracts and the services of the Purchasing Director. Provided further, however, that any subdivision of government and any rural fire protection district of the state may designate the office of Oklahoma Central Purchasing as its agent for the purchase or procurement of any item or service contracted or available to the state.

D. Further, notwithstanding the exclusions provided herein, the purchasing policies and procedures of the Oklahoma Ordnance Works Authority and the Midwestern Oklahoma Development Authority shall be subject to approval by the Director of the Office of Public Affairs, and said Director shall make periodic audits of the purchasing policies and procedures of the Oklahoma Ordnance Works Authority and the Midwestern Oklahoma Development Authority to assure that said purchasing policies and procedures, as approved by him, are being followed.

SECTION 30. AMENDATORY Section 8, Chapter 338, O.S.L. 1982, as last amended by Section 87, Chapter 264, O.S.L. 1990 (74 O.S. Supp. 1990, Section 840.8), is amended to read as follows:

Section 840.8 The following offices, positions, and personnel comprise the exempt unclassified service:

1. Persons chosen by popular vote or appointment to fill an elective office, and their employees, except the employees of the Corporation Commission, the State Department of Education and the Department of Labor;

2. Members of boards and commissions, and heads of agencies; also one principal assistant or deputy and one executive secretary for each state agency;

3. All judges, elected or appointed, and their employees;

4. Federally funded time-limited employees hired for the specific purpose of providing public service employment or one-time special or research project services for a limited period of time and shall not exceed the period of time for which that specific federal funding is provided;

5. All officers and employees of The Oklahoma State System of Higher Education, State Board of Education and State Department of Vocational and Technical Education;

6. Persons employed in a professional or scientific capacity to make or conduct a temporary and special inquiry, investigation, or examination on behalf of the Legislature or a committee thereof or by authority of the Governor;

7. Election officials and employees;

8. Temporary employees employed to work less than one thousand (1,000) hours in any twelve-month period. This category of employees shall include persons employed on an intermittent, provisional, seasonal, temporary or emergency basis;

9. Temporary lake patrol officers, regardless of the number of hours worked, who are employed by the Department of Public Safety during the period March 16 through October 31 in any calendar year; provided, the hours worked shall be considered in determining the temporary employee's eligibility for subsequent employment in any other unclassified temporary employment category;

10. Professional trainees only during the prescribed length of their course of training or extension study;

11. Students who are employed on a part-time basis, which shall be seventy-five percent (75%) of a normal forty-hour work week or thirty (30) hours per week, or less, or on a full-time basis if the

employment is pursuant to a cooperative education program such as that provided for under Title I IV-D of the Higher Education Act of 1965 (20 U.S.C. 1087a-1087c), as amended, and who are regularly enrolled in (a) an institution of higher learning within The Oklahoma State System of Higher Education (b) an institution of higher learning qualified to become coordinated with said State System of Higher Education (c) for purposes of this act a student shall be considered a regularly enrolled student if he is enrolled in a minimum of five (5) hours of accredited graduate courses or a minimum of ten (10) hours of accredited undergraduate courses, and regularly attending classes during that semester of employment or (d) high school students regularly enrolled in a high school in Oklahoma and regularly attending classes during such time of enrollment;

12. Bellhops, busboys, housemen, kitchen helpers, laundry helpers, lifeguards, maids, waiters, waitresses, curators of historical facilities, and the spouses of personnel who are employed on a part-time basis to assist or work as a relief for their spouses in the Oklahoma Tourism and Recreation Department;

13. Service substitute attendants who are needed to replace museum and site attendants who are unavoidably absent. Service substitutes may work as part-time or full-time relief for absentees for a period of not more than four (4) weeks per year in the Oklahoma Historical Society sites and museums; such substitutes will not count towards the agency's Full-Time-Equivalent Employee Limit;

14. Employees of State Capitol cafeterias;

15. Employees of either the House of Representatives or the State Senate;

16. Grand River Dam Authority personnel occupying the following offices and positions:

a. The general manager, assistant general managers, secretaries to the general manager, and assistant general managers,

b. The chief engineer and the engineers, superintendents, and assistant superintendents,

c. The general counsel and the attorneys on the general counsel's staff,

d. The secretary,

e. The treasurer,

f. Rate analysts, and

g. Unclassified employees hired prior to May 1, 1989, who hold engineering job titles but who are not registered engineers, provided said persons are reassigned nonengineering job titles. At such time as the positions occupied by said unclassified employees are vacated, the positions shall revert to the classified service;

17. Oklahoma Tax Commission personnel occupying the following offices and positions:

a. All revenue administrators, the budget officer and the comptroller of the Tax Commission,

b. All administrators and unit managers in the Management Information Services Division,

c. All Computer Programming Systems Specialist positions,

d. All Data Processing Programmer Analyst Supervisor and Data Processing Programmer Analyst III positions,

e. All Public Affairs Officer and Assistant Public Affairs Officer positions,

f. Public Information Officer, and

g. All Tax Economist positions;

18. Corporation Commission personnel occupying the following offices and positions:

a. Administrative assistant, administrative aides, and executive secretaries to the Commissioners,

b. Directors of all the divisions, and

c. General Counsel;

19. State Department of Education personnel occupying the following offices and positions:

a. Administrative Assistants,

b. Informational Representatives III,

c. Driver Educational Electronics Technician,

d. Media Technical Assistants,

e. Executive Secretaries,

f. Accounting Supervisor,

g. Supervisor of Records,

h. Supervisor of Printing Services,

i. Migrant Records Transfer System Representative,

j. Financial Managers, and

k. In addition to the State Department of Education offices and positions listed in this paragraph, any and all offices and positions within the State Department of Education for which the annual salary is Twenty-one Thousand Nine Hundred Forty-three Dollars ($21,943.00) or more shall also be in the unclassified service of this state.

Nothing in this paragraph is intended to change the status, whether classified or unclassified, of any person employed by the Department of Education prior to May 1, 1989. No position shall become unclassified while it is occupied by a classified employee because of any change in salary or grade. Hereafter, any position paid an annual salary of Twenty-one Thousand Nine Hundred Forty-three Dollars ($21,943.00) or more shall be in the unclassified service upon being vacated;

20. At the option of the employing agency, the Supervisor, Director, or Educational Coordinator in any other state agency having a primary responsibility to coordinate educational programs operated for children in state institutions;

21. Bill Willis Community Mental Health Center personnel occupying the following offices and positions:

a. Director of Facility,

b. Deputy Director for Administration,

c. Clinical Services Director, and

d. Executive Secretary to Director;

22. The State Comptroller, Office of the Director of State Finance;

23. Employees of the Oklahoma Development Finance Authority;

24. Those positions so specified in the annual business plan of the Department of Commerce;

25. Those positions so specified in the annual business plan of the Oklahoma Center for the Advancement of Science and Technology;

26. The following positions and employees of the Oklahoma School of Science and Mathematics:

a. positions for which the annual salary is Twenty-four Thousand One Hundred Ninety-three Dollars ($24,193.00) or more, as determined by the Office of Personnel Management, provided no position shall become unclassified because of any change in salary or grade while it is occupied by a classified employee,

b. positions requiring certification by the State Department of Education, and

c. positions and employees authorized to be in the unclassified service of the state elsewhere in this section or in Section 840.10 of this title;

27. State Insurance Fund personnel occupying the following offices and positions:

a. Commissioner,

b. Deputy Commissioner,

c. Administrative Assistants to the Commissioner,

d. Executive Secretaries to the Commissioner and Deputy Commissioner,

e. Law Clerks and Legal Assistants,

f. Special Counsel,

g. General Counsel,

h. Medical Analysts Supervisor,

i. Medical Analysts,

j. Field Adjusters,

k. Investment Officer, and

l. Collections Attorneys;

28. The Carl Albert Internship Program Coordinator within the Office of Personnel Management;

29. Department of Corrections personnel occupying the following offices and positions:

a. Associate Director,

b. Executive Secretary,

c. General Counsel,

d. Assistant General Counsel,

e. Deputy Director,

f. Public Information Officer,

g. Personnel Manager,

h. Administrator of Planning and Research,

i. Administrator of Finance and Accounting,

j. Executive Assistant,

k. Administrator of Information Services,

l. Affirmative Action Officer,

m. System Development Manager,

n. Computer Operations Manager,

o. Training Director,

p. Assistant Training Director,

q. Administrator of Construction and Maintenance,

r. Administrative Assistant,

s. Secretary,

t. Administrator of Classification and Programs,

u. Coordinator of Facility Classification,

v. Mediation Coordinator,

w. Inspector General,

x. Medical Director,

y. Psychiatrist,

z. Physician,

aa. Optometrist,

ab. Dental Services Supervisor,

ac. Dentist,

ad. Psychologist,

ae. Administrator of Dietary Services,

af. Warden I,

ag. Warden II,

ah. Warden III,

ai. Deputy Warden I,

aj. Deputy Warden II,

ak. Deputy Warden III,

al. Community Treatment Center Superintendent,

am. Community Treatment Center Assistant Superintendent,

an. Probation and Parole District Supervisor,

ao. Probation and Parole Assistant District Supervisor,

ap. Administrator of Human Resources, and

aq. Facility Staffing Pattern Analyst;

30. Department of Corrections personnel occupying the following offices and positions as representatives of the Oklahoma State Industries:

a. Administrator of Industrial Production,

b. Administrator of Agriculture Production,

c. OSI Sales Representative,

d. OSI Sales Manager, and

e. Marketing Manager.

The positions listed in this paragraph shall be funded from the Department of Corrections Industries' Revolving Fund only. In addition to the regular salary, any unclassified sales representative of the Oklahoma State Industries of the Department of Corrections who is responsible for obtaining a contract for products manufactured or services provided by prison industries may, at the discretion of the Director of the Department of Corrections, be awarded additional compensation of not more than five percent (5%) of the total amount of said contracts but not more than Five Thousand Dollars ($5,000.00) per year. This compensation may be in addition to the salary of the employee and may be paid in one lump-sum from any funds available to the Department of Corrections. No such compensation shall be made unless funds are available. Funds for payment of any compensation awards shall be encumbered to the extent of the awards.

Incumbents in positions listed in paragraph 29 of this section and in this paragraph that are classified under the Merit System of Personnel Administration on the effective date of this act shall have the option of remaining in their classified status under the Merit System of Personnel Administration. Incumbents that choose to accept unclassified appointments shall so signify in writing. All future appointees to these positions shall be unclassified. Incumbents that choose to remain in the classified service under the Merit System of Personnel Administration shall be subject to all rules and procedures of the Merit System of Personnel Administration. By the end of the first full work week of each month, the Director of the Department of Corrections shall submit to the Director of State Finance a report listing the total number of

part-time employees employed during the preceding month, the positions for which they were employed, and the number of hours worked for each part-time position;

31. Department of Labor personnel occupying the following offices and positions:

a. Deputy Commissioner,

b. Executive Secretary to the Commissioner,

c. Chief of Staff, and

d. Administrative Assistant, Legal; ~~and~~

32. The State Bond Advisor and his employees; and

33. Officers and employees of the University Medical Center except personnel in the state classified service pursuant to Section 14 of the University Medical Center Act.

SECTION 31. AMENDATORY Section 26, Chapter 338, O.S.L. 1982, as last amended by Section 1, Chapter 160, O.S.L. 1989 (74 O.S. Supp. 1990, Section 4243), is amended to read as follows:

Section 4243. A. No state agency shall:

1. Enter into any contract with an employee of the agency, or with a business in which an employee holds a substantial financial interest, unless the contract is made after public notice by the agency and compliance with competitive bidding procedures. This paragraph shall not apply to a contract of employment with the state;

2. Enter into a contract with or make any ruling or take any action in favor of any person or business which is represented before such agency by a former state employee who, while a state employee, participated substantially in the particular matter before the agency; or

3. Purchase any real property from any employee of said state agency or from any person who within eighteen (18) months prior to such purchase held such position with the state government, unless the property is acquired either by condemnation proceedings or the

price to be paid for such property is approved in writing by the appointing authority of the agency acquiring such property and by the Governor.

B. 1. The Department of Human Services is authorized to contract with qualified former state employees, or the spouses of state employees, or other relatives of state employees, for the purpose of providing direct care or treatment services to clients of the Department who are mentally retarded or have other developmental disabilities or are delinquent, children in need of supervision, or in need of treatment, or deprived. Provided, however, that rates of payment and other terms and conditions of contracts entered into pursuant to this section shall be established by the Commission for Human Services and shall be no more favorable than contracts for such services with persons who were not employed by the Department of Human Services nor related to an individual employed by the Department of Human Services.

2. A state employee terminating state employment to provide direct care or treatment services to clients of the Department who are mentally retarded or have developmental disabilities, are delinquent, children in need of supervision, or in need of treatment, or deprived may not return to state employment for a period of one hundred eighty (180) days after date of termination from contracts with the Department of Human Services for direct care or treatment services to clients of the Department who are mentally retarded or have developmental disabilities or are delinquent, children in need of supervision, or in need of treatment, or deprived.

C. Notwithstanding provisions to the contrary, the Department of Human Services is authorized to employ or contract with personnel of the University of Oklahoma Health Sciences Center, directly or indirectly, to obtain professional services for the Oklahoma Medical

Center or clients of other programs administered by the Department of Human Services.

D. Notwithstanding provisions to the contrary, the Department of Human Services is authorized to contract with qualified state employees, or the spouses of state employees, or other relatives of state employees, for the purpose of providing foster care, respite care, and attendant services to children in the custody of the Department.

E. The University Medical Center is authorized to employ or contract with personnel of the University of Oklahoma Health Sciences Center to obtain professional services for the patients of programs and services administered by the University Medical Center.

SECTION 32. AMENDATORY Section 12, Chapter 207, O.S.L. 1987, as last amended by Section 2, Chapter 300, O.S.L. 1990 (75 O.S. Supp. 1990, Section 250.4), is amended to read as follows:

Section 250.4 A. 1. Except as is otherwise specifically provided in this subsection, each agency is required to comply with Article I of the Administrative Procedures Act, Section 250.3 of this title.

2. The Corporation Commission shall be required to comply with the provisions of Article I of the Administrative Procedures Act except for subsections A, B, C and F of Section 303 of this title and Section 306 of this title. To the extent of any conflict or inconsistency with Article I of the Administrative Procedures Act, pursuant to Section 35 of Article IX of the Oklahoma Constitution, it is expressly declared that Article I of the Administrative Procedures Act is an amendment to and alteration of Sections 18 through 34 of Article IX of the Oklahoma Constitution.

3. The Oklahoma Military Department shall be exempt from the provisions of Article I of the Administrative Procedures Act to the extent it exercises its responsibility for military affairs.

4. The Oklahoma Ordnance Works Authority shall be exempt from Article I of the Administrative Procedures Act.

5. The Oklahoma Transportation Commission and the Oklahoma Department of Transportation shall be exempt from Article I of the Administrative Procedures Act to the extent they exercise their authority in adopting standard specifications, special provisions, plans, design standards, testing procedures, federally imposed requirements and generally recognized standards, project planning and programming, and the operation and control of the State Highway System.

6. The Oklahoma State Regents for Higher Education shall be exempt from Article I of the Administrative Procedures Act with respect to:

a. prescribing standards of higher education,

b. prescribing functions and courses of study in each institution to conform to the standards,

c. granting of degrees and other forms of academic recognition for completion of the prescribed courses,

d. allocation of state-appropriated funds, and

e. fees within the limits prescribed by the Legislature.

7. Until January 1, 1992, the Boards of Regents and institutions they govern shall be exempt from Article I of the Administrative Procedures Act except for Sections 250.3, 251, 252, 254, the notice and publication requirements of Section 303, 308.2 of this title and Sections 256.1 and 256.2 of this title.

Within twenty (20) days of final adoption of a rule the Board of Regents or any institution governed by a Board of Regents finally adopting a rule shall submit two copies of the rule so adopted to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate. Rules adopted by the Board of Regents or rules adopted by an institution governed by the Board of Regents shall be considered finally adopted at the time such rules

are approved by the Board of Regents or such institution as applicable.

8. The Commissioner of Public Safety shall be exempt from Section 253, subsections C and D of Section 303 and Sections 303.1, 307.1, 308 and 308.1 of this title insofar as it is necessary to adopt rules under the Oklahoma Hazardous Materials Transportation and Motor Carrier Act, to maintain a current incorporation of federal motor carrier safety and hazardous material regulations for which the Commissioner has no discretion when the state is mandated to adopt rules identical to federal rules and regulations. Such rules may be adopted by the Commissioner and shall be deemed promulgated twenty (20) days after notice of adoption is published in The Oklahoma Register. Such publication need not set forth the full text of the rule but may incorporate the federal rules and regulations by reference. Provided, for any rules for which the Commissioner has discretion to allow variances, tolerances or modifications from the federal rules and regulations, the Commissioner shall fully comply with Article I of the Administrative Procedures Act.

9. The University Medical Center shall be exempt from Article I of the Administrative Procedures Act.

B. As specified, the following agencies or classes of agency activities are not required to comply with the provisions of Article II of the Administrative Procedures Act:

1. The Oklahoma Tax Commission;

2. The Oklahoma Public Welfare Commission;

3. The Oklahoma Ordnance Works Authority;

4. The Oklahoma Corporation Commission;

5. The Pardon and Parole Board;

6. The Midwestern Oklahoma Development Authority;

7. The Grand River Dam Authority;

8. The supervisory or administrative agency of any penal, mental, medical or eleemosynary institution, only with respect to the institutional supervision, custody, control, care or treatment of inmates, prisoners or patients therein; provided, that the provisions of Article II shall apply to and govern all administrative actions of the Oklahoma Alcohol Prevention, Training, Treatment and Rehabilitation Authority;

9. The Board of Regents or employees of any university, college, or other institution of higher learning, except with respect to expulsion of any student for disciplinary reasons; provided, that upon any alleged infraction by a student of rules of such institutions, with a lesser penalty than expulsion, such student shall be entitled to such due process, including notice and hearing, as may be otherwise required by law, and the following grounds of misconduct, if properly alleged in disciplinary proceedings against a student, shall be cause to be barred from the campus and be removed from any college or university-owned housing, upon conviction in a court of law:

a. participation in a riot as defined by the penal code,

b. possession or sale of any drugs or narcotics prohibited by the penal code, or

c. willful destruction of or willful damage to state property;

10. The Oklahoma Horse Racing Commission, its employees or agents only with respect to hearing and notice requirements on the following classes of violations which are an imminent peril to the public health, safety and welfare:

a. any rule regarding the running of a race,

b. any violation of medication laws and rules,

c. any suspension or revocation of an occupation license by any racing jurisdiction recognized by the Commission,

d. any assault or other destructive acts within Commission-licensed premises,

e. any violation of prohibited devices, laws and rules,

f. any filing of false information;

11. The Commissioner of Public Safety only with respect to drivers' license hearings and hearings conducted pursuant to the provisions of Section 2-115 of Title 47 of the Oklahoma Statutes;

12. The Administrator of the Department of Securities only with respect to hearings conducted pursuant to provisions of the Oklahoma Take-over Disclosure Act of 1985;

13. Hearings conducted by a public agency pursuant to Section 962 of Title 47 of the Oklahoma Statutes;

14. The Oklahoma Military Department; ~~and~~

15. The Oklahoma Transportation Commission and the Oklahoma Department of Transportation until January 1, 1990~~.~~; and

16. The University Medical Center.

SECTION 33. REPEALER Section 42, Chapter 326, O.S.L. 1988, 56 O.S. 1981, Sections 336, as amended by Section 20, Chapter 326, O.S.L. 1988, 337, 338 and 339, as amended by Sections 21 and 22, Chapter 326, O.S.L. 1988, 340, 341, 342, as amended by Section 23, Chapter 326, O.S.L. 1988, 345, 346, as amended by Section 26, Chapter 326, O.S.L. 1988, 401, 402, as amended by Section 27, Chapter 326, O.S.L. 1988, 404, 405, 406, 407, 408, 409 and 410, and Section 16, Chapter 247, O.S.L. 1986, as amended by Section 28, Chapter 326, O.S.L. 1988, Section 23, Chapter 266, O.S.L. 1988, and Section 182, Chapter 181, O.S.L. 1985, as amended by Section 30, Chapter 326, O.S.L. 1988 (56 O.S. Supp. 1990, Sections 300, 336, 338, 339, 342, 346, 402, 412, 412.1 and 521) and 64 O.S. 1981, Section 371a, are hereby repealed.

SECTION 34. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby

declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

43-1-528 BPR