

ENROLLED SENATE
BILL NO. 423

By: Miles-LaGrange, Rozell,
Smith, Williams (Penny) and
Fisher of the Senate

and

Glover, Boyd (Laura),
Hamilton (James), Caldwell,
Pope and Coleman of the
House

An Act relating to certain state-operated hospitals; amending 51 O.S. 1991, Section 6, as last amended by Section 11, Chapter 343, O.S.L. 1992 (51 O.S. Supp. 1992, Section 6), which relates to prohibition of dual office holding, 56 O.S. 1991, Sections 162.2, 343, 344 and 521, which relate to powers and duties of the Commission for Human Services and the Department of Human Services regarding certain facilities and personnel, 74 O.S. 1991, Sections 63, 85.12, as last amended by Section 2 of Enrolled House Bill No. 1209 of the 1st Session of the 44th Oklahoma Legislature, and Section 840.8, as last amended by Section 72 of Enrolled Senate Bill No. 31 of the 1st Session of the 44th Oklahoma Legislature, which relate to certain responsibilities of the Department of Central Services, certain state purchases and to the exempt unclassified service, and 75 O.S. 1991, Section 250.4, which relates to compliance with the Administrative Procedures Act; creating the University Hospitals Authority Act and providing short title; defining terms; declaring purposes; stating findings; requiring continuation of certain subsidies and policies; requiring certain percentage of revenues for certain services; providing for reduction in appropriation; reaffirming powers of the Board of Regents of the University of Oklahoma; providing for continuation of management and control until certain date; transferring the University Hospitals with all powers, duties, responsibilities, properties, assets, fund balances, encumbrances, obligations, records, personnel and liabilities from the Department of Human Services and the Commission for Human Services to the University Hospitals Authority; requiring certain agreements; making certain claims and judgments subject to Risk Management Program; describing property and other items to be transferred; providing for retention of certain property; requiring appropriate conveyances; exempting transfer from requirement of certificate of need and requiring certificate

of need for certain future expansions and changes; requiring operation of University Hospitals as general hospitals; requiring certain licenses; requiring compliance with certain standards; authorizing participation in certain programs; requiring availability for teaching, training and indigent care; requiring operation of Children's Hospital of Oklahoma as a general hospital for certain persons; creating the University Hospitals Authority; providing for membership including appointment, terms of office, qualifications, removal, vacancies, compensation, reimbursement and quorum; requiring compliance with the Oklahoma Ethics Commission Act, the Open Meeting Act and the Open Records Act with certain exceptions; providing powers during transfer; stating powers and duties of the Authority; making Authority subject to the Oklahoma Budget Law of 1947 and requiring budget request documents; making Authority subject to the professional risk management program; providing for utilization of certain services under certain circumstances; requiring certain services for the Architecture and Engineering Planning Unit; providing for continuation of determination of Medicaid eligibility; stating powers and duties of the University Hospitals Authority; declaring certain agreements and obligations to be for public purposes; providing for transfer of personnel; requiring election of employment classification; requiring certain employees to be in certain personnel system; authorizing the Board to create a personnel system; requiring all employees to be members of certain retirement systems; providing for use, investment and disposition of funds; creating certain accounts; making Authority subject to blanket bond coverage; authorizing and providing for issuance of revenue and refunding bonds subject to the Oklahoma Bond Oversight and Reform Act; requiring review and approval of bonds by the Attorney General; creating original jurisdiction in Supreme Court for approval of certain bonds; providing procedures; making bonds incontestable under certain circumstances; declaring certain bonds to not be debt of the state; requiring certain statement on bonds; limiting amount of bonds unless approved by the Legislature; making bonds exempt from taxation; authorizing certain investments in certain bonds; requiring certain reports and providing for contents and distribution; providing for certain audits and requiring compliance with certain standards; creating and appropriating a revolving fund, making it a continuing fund, providing for source of funds and providing for expenditures; exempting members of Authority from prohibition against dual office holding; clarifying and conforming language; requiring

certain cooperative agreements; transferring certain authority to regulate certain activities; transferring authority to appoint security officers; transferring authority to employ resident physicians; exempting certain buildings and properties from the responsibilities of the Department of Central Services; exempting certain purchases from certain requirements and requiring development of certain purchasing standards; making certain persons members of the unclassified personnel service; providing exemption from Article II of the Administrative Procedures Act; providing for recodification; repealing 56 O.S. 1991, Sections 336, 337, 338, 339, 340, 341, 342, 345, 346, 401, 402, 404, 405, 406, 407, 408, 409, 410 and 412, which relate to Oklahoma Children's Memorial Hospital, Oklahoma Medical Center, University of Oklahoma Medical Center, medical programs and facilities of the Department of Human Services and the Commission for Human Services, Oklahoma Memorial Hospital, and certain bonds, funds and other property; repealing 64 O.S. 1991, Section 371a, which relates to certain funds of and for the Public Building Fund; providing for codification; providing an effective date; 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 Hospitals Authority 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 Hospitals Authority Act:

1. "University Hospitals" include the Oklahoma Memorial Hospital, which shall be renamed University Hospital; the Children's Hospital of Oklahoma; the Child Study Center; and the O'Donoghue Rehabilitation Institute;

2. "Authority" means the University Hospitals Authority;

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

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

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:

A. The purposes of the University Hospitals Authority 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 Hospitals Authority. The mission and purposes of the University Hospitals Authority are to serve as general hospitals, to serve as teaching and training facilities for students enrolled at the University of Oklahoma, to serve as a site for conducting medical and biomedical research by faculty members of

the University of Oklahoma Health Sciences Center and to provide care for the medically indigent. The University Hospitals shall maintain a close affiliation with the University of Oklahoma Health Sciences Center and shall coordinate their operations and activities in a cooperative manner. In addition, the University Hospitals shall provide indigent and nonindigent patient care, as more fully described herein.

B. The Legislature finds that the needs of the citizens of this state and the needs of the University of Oklahoma Health Sciences Center will be best served if the University Hospitals are operated by a separate authority charged with the mission of operating the teaching hospitals for the benefit of the colleges of the University of Oklahoma Health Sciences Center and providing care for the medically indigent.

C. The Authority by receiving the assets and operating obligations shall continue to subsidize the costs of delivering medically indigent care in excess of the state reimbursement for the medically indigent, consistent with the teaching hospitals' past policy and performance and that of the University of Oklahoma Health Sciences Center. The Authority will make every reasonable effort to continue the hospitals' historic commitment to the provision of uncompensated care and shall allocate and invest its resources with a view to maximizing the hospitals' long-term ability to provide uncompensated care, except as may be modified by changes in federal or state law. Total indigent care provided by the Authority during a fiscal year shall equal or exceed sixteen percent (16%) of the gross patient revenues of the Authority.

D. For any fiscal year that indigent care provided by the Authority does not equal or exceed sixteen percent (16%) of gross patient revenue, the state appropriation will be reduced in the following fiscal year by an amount equal to the difference between sixteen percent (16%) of gross patient revenues and actual indigent care provided.

E. As used in this section, "indigent care" means charity care and Medicaid contractual allowance charges less payment rate.

F. The Board of Regents of the University of Oklahoma shall retain full power to govern the personnel, curriculum and facilities of the University of Oklahoma.

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. Until July 1, 1993, the University Hospitals shall be under the jurisdiction, supervision, management and control of the Department of Human Services and the Commission for Human Services.

B. Effective July 1, 1993, the University Hospitals are hereby transferred from the Department of Human Services and the Commission for Human Services to the University Hospitals Authority.

C. The transfer shall include:

1. All powers, duties, responsibilities, properties, assets, fund balances, encumbrances, obligations, records, personnel and liabilities, including, but not limited to, liability for all University Hospital employees' sick leave, annual leave, holidays, unemployment benefits and workers' compensation benefits accruing to employees prior to July 1, 1993, which are attributable to the University Hospitals; provided, however, that any claims arising under the Governmental Tort Claims Act and filed prior to July 1, 1993, and from any other actions filed prior to July 1, 1993, shall remain the responsibility of the Department of Human Services and the Commission for Human Services. All claims arising prior to July

1, 1993 and for which no action has been filed shall be paid by the Risk Management Program;

2. The attorney employed by the Department of Human Services who provides legal representation for the University Hospitals Authority facilities. The Authority shall make such attorney available, at the request of the Department, for purposes of resolving and terminating any claims arising from alleged medical malpractice and other actions filed prior to July 1, 1993. The Authority and the Department of Human Services shall enter into an interagency agreement for the purpose of assisting the Department in resolving claims and other actions;

3. 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; 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 Northeast 12th Street abutting said Block 13; and a part of Block 20, CULBERTSON HEIGHTS ADDITION and a part of the alleys adjacent thereto, and a part of the SW 1/4, Section 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 Section 27, T12N, R3W, thence S. 0 degrees 06' 23" W. along the East line of said Section 27, a distance of 10.0 ft., thence N. 89 degrees 33' 42" E. and 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; and

4. a. 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;

- b. That portion of the property described in subparagraph a known as the Research Building shall be transferred to the Authority, but shall be leased to the University of Oklahoma for a term of not less than forty (40) years from the date thereof; and
- c. 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 Northeast 11th Street, Park Place and Northeast 10th Street, and the abutting portion of Everest Avenue and the alley way in Block 12 of the said Oak Park Addition.

D. Properties to be retained by the Department of 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 Northeast 9th Street. (219,300 sq. ft., 5.03 acres); and

2. The Management Information Division 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 Northeast 12th Street abutting said Block 13. (82,199 sq. ft., 1.89 acres).

E. Appropriate conveyances shall be executed to effectuate the transfers specified by subsections B, C and D 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. The transfer of the University Hospitals from the Commission for Human Services and the Department of Human Services shall not require a Certificate of Need pursuant to the provisions of Sections 2651 through 2656.2 of Title 63 of the Oklahoma Statutes; provided, however, that any expansion or change to the University Hospitals requiring a Certificate of Need after such transfer shall be subject to the provisions of Sections 2651 through 2656.2 of Title 63 of the Oklahoma Statutes.

B. 1. University Hospitals shall be operated as general hospitals and shall be 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 Health Care Organizations, the American Medical Association's Council on Medical Education, the American Specialty Boards and the Association of American Medical Colleges.

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

3. University Hospitals shall be available as teaching and training hospitals for the colleges of the University of Oklahoma Health Sciences Center, for the College of Medicine of the University of Oklahoma, for other health and educational facilities and shall provide indigent patient care.

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:

Children's Hospital of Oklahoma shall serve as a general hospital and service institution for persons under twenty-one (21) years of age and shall have the authority to extend transplant services to persons twenty-one (21) years or older.

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. There is hereby created the University Hospitals Authority, 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 Hospitals Authority Act. The University Hospitals Authority is an agency of the State of Oklahoma covered by the Governmental Tort Claims Act.

B. The Authority shall consist of six (6) members as follows:

1. One member shall be appointed by the Governor, with the advice and consent of the Senate;

2. One member shall be appointed by the President Pro Tempore of the Senate;

3. One member shall be appointed by the Speaker of the House of Representatives;

4. One member shall be the Director for Human Services or the director of the successor organization responsible for Medicaid, or his or her designee;

5. One member shall be the Provost of the University of Oklahoma Health Sciences Center; and

6. The Chief Executive Officer of the University Hospitals who shall be an ex officio, nonvoting member.

C. All members shall be appointed by June 1, 1993. Of the members of the Authority initially appointed, the member appointed by the President Pro Tempore of the Senate shall serve a term of one

(1) year; the member appointed by the Speaker of the House of Representatives shall serve a term of two (2) years; and the member appointed by the Governor shall serve a term of three (3) years. Successors shall be appointed for terms of three (3) years.

D. Each member of the Authority, prior to appointment, shall be a resident of the state and a qualified elector.

E. Members shall be removable only for cause by the appointing authority. Any vacancy occurring on the Authority shall be filled by the original appointing authority.

F. The members of the Authority 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 of the Authority and administrative personnel of the Authority shall be subject to the provisions of the Oklahoma Ethics Commission Act, Section 4200 et seq. of Title 74 of the Oklahoma Statutes.

H. A quorum of the Authority shall be three (3) members. Members shall elect a chair and vice chair for the Authority from among its members. The chair must be an appointed member of the Authority.

I. The Authority shall be subject to the Open Meeting Act, Section 301 et seq. of Title 25 of the Oklahoma Statutes, and the Open Records Act, Section 24A.1 et seq. of Title 51 of the Oklahoma Statutes, except as otherwise provided by this act. Any information submitted to or compiled by the Authority with respect to the marketing plans, financial statements, trade secrets, research concepts, methods or products, or any other proprietary information of persons, firms, associations, partnerships, agencies, corporations, institutions of higher education, nonprofit research institutions or other entities shall be confidential, except to the extent that the person or entity which provided such information or which is the subject of such information consents to disclosure. Executive sessions may be held to discuss such materials if deemed necessary by the Authority.

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. On and after June 1, 1993, and until July 1, 1993, in order to effectuate the transfer of the University Hospitals from the Commission for Human Services and the Department of Human Services to the University Hospitals Authority, the Authority shall have the powers and duties 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 Hospitals;
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 Hospitals Authority 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 to prescribe their duties and to fix their compensation; and
6. Establish petty cash funds and provide for appropriate accounting procedures and controls.

B. On and after July 1, 1993, the Authority 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 Hospitals;
4. Sue and be sued, subject to the provisions of the Governmental Tort Claims Act;
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 to 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 educational programs, professional staffing, research and other medical activities;
7. 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 Hospitals Authority 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, gift, or by any other manner, and to 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 Hospitals Authority Act;
10. Appoint such officers, agents and employees, including but not limited to attorneys, as it deems necessary to operate and maintain the University Hospitals and to prescribe their duties and to fix their compensation. The Authority shall employ and fix the duties and compensation of an administrator of the hospitals.
11. 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 grant, to enter into such agreements as the United States of America or such corporation or agency may require;
12. Make and issue bonds and to pledge revenues of the Authority subject to the Oklahoma Bond Oversight and Reform Act. Nothing in the University Hospitals Authority Act shall authorize the issuance of any bonds of the Authority payable other than from revenues of the University Hospitals. Funds appropriated to the University Hospitals shall not be used for issuance of bonds. Authority revenue bonds issued under the provisions of this act shall not at any time be deemed to constitute a debt of the state or of any political subdivision thereof or a pledge of the faith and credit of the state or of any political subdivision, but such bonds shall be payable solely from the funds herein provided. Such revenue bonds shall contain on the face thereof a statement to the effect that neither the state nor the Authority shall be obligated to pay the same or the interest thereon except from the revenues of the project or projects for which they are issued 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 the interest on such bonds. The maximum amount of outstanding bonds at any time shall not exceed Fifty Million Dollars (\$50,000,000.00) unless a greater amount is expressly approved by the Legislature by a concurrent resolution adopted prior to commencing any action in anticipation of issuance of revenue bonds of the University Hospitals Authority for the greater amount;

13. Provide for complete financial audits on all accounts of the University Hospitals Authority and to authorize periodic audits by an independent external auditing agency. Such audits to be performed annually in a format approved by the State Auditor and Inspector and all such audits shall be submitted to the State Auditor and Inspector for review. Such audits shall be made in accordance with generally accepted auditing standards and government auditing standards. Financial statements shall be prepared in accordance with generally accepted accounting principals. In addition to said audits, the State Auditor and Inspector, whenever he deems it appropriate, and at least once each five (5) years, or upon receipt of a request to do so from the Governor, the Attorney General, the President Pro Tempore of the Senate, the Speaker of the House of Representatives or the Authority shall conduct a special audit of the Authority and the University Hospitals;

14. Engage in long-term planning for the operation and management of the University Hospitals;

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

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

17. Do all other things necessary and proper to implement the provisions of the University Hospitals Authority Act;

18. Waive, by such means as the Authority deems appropriate, the exemption from federal income taxation of interest on the Authority's bonds provided by the Internal Revenue Code of 1986, as amended, or any other federal statute providing a similar exemption; and

19. Arrange for guaranties or insurance of its bonds by the federal government or by any private insurer, and to pay any premiums therefor.

C. The University Hospitals Authority and the University Hospitals shall be subject to the Oklahoma Budget Law of 1947, Section 41.1 et seq. of Title 62 of the Oklahoma Statutes.

D. The Authority shall prepare monthly a "budget vs. actual" report which shows by budget activity the monthly and year-to-date revenues and expenditures compared to budgeted revenues and expenditures. Such report shall be submitted to the Office of State Finance and to the Directors of the House of Representatives Fiscal Division and the Senate Fiscal Division.

E. The Authority shall be subject to the professional risk management program provided for in Section 85.34 of Title 74 of the Oklahoma Statutes.

F. The Department of Human Services Institutional Maintenance and Construction Unit and the Architecture and Engineering Planning Unit should be given first priority to be vendor for the University Hospitals Authority for construction and remodeling projects which fall within their scope of services. The Authority may enter into contracts for construction and remodeling projects with another contractor only after compliance with all other applicable statutes and after making a specific finding that another contractor is more competitive.

G. The Authority shall continue to provide space, utilities and janitorial services to the Department of Human Services Institutional Maintenance and Construction Architecture and Engineering Planning Unit.

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:

The Department of Human Services or the successor agency responsible for Medicaid shall continue to determine eligibility criteria and standards for Medicaid recipients and indigents and continue to staff a Medicaid eligibility office at the University Hospitals.

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:

A. Effective July 1, 1993, the University Hospitals, subject to the direction of the University Hospitals Authority, shall have the authority to:

1. Enter into agreements and cooperative ventures with other health care providers to share services or to provide a 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 Hospitals Authority Act;

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

4. Have members of its governing body or its officers or administrators serve without pay as directors or officers of any organization, association or cooperative ventures authorized pursuant to the University Hospitals Authority 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 Hospitals Authority 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. Private and public funds shall be accounted for separately; and

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

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:

A. Employees of the University Hospitals who are in the classified service of the State Merit System of Personnel Administration on June 30, 1993, shall be transferred to the University Hospitals Authority without change or loss of pay, seniority, rights, privileges or benefits.

B. Employees of the University Hospitals who are in the unclassified service of the State Merit System of Personnel Administration on June 30, 1993, shall be transferred to the Authority 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 Authority shall be required to elect whether to remain in their present classification pursuant 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 new employees hired by the University Hospitals or the Authority and all positions vacated by classified employees of the University Hospitals and/or the Authority after June 30, 1993, shall be in the personnel system established pursuant to subsection E of this section.

E. The Authority shall develop, maintain or revise unclassified personnel systems, classes or procedures which are necessary for accommodating or responding to its human resource needs. 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 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. There is hereby created the University Hospitals Authority Personnel Task Force. The Task Force shall consist of the following members:

1. The Director of Personnel for the University Hospitals who shall serve as chair;
2. The Affirmative Action Officer for the University Hospitals;
3. The Director of the Office of Personnel Management or a designee;
4. Two employees of the University Hospitals appointed by the Chief Executive Officer of the University Hospitals, one who shall be a health care professional and one who shall not be a health care professional; and
5. The Executive Director of the Oklahoma Public Employees Association or a designee.

B. The Task Force shall annually select a vice-chair from its membership.

C. The Task Force shall annually give advice and make recommendations to the Authority regarding all aspects of personnel matters including, but not limited to:

1. Development of clear mission and goal statements;
2. Involvement of managers and employees in the identification of ways to improve organizational effectiveness;
3. Participation of employees in the development of personnel policies and procedures;
4. Assessment of agency effectiveness and progress toward goals with emphasis on productivity, quality of services, innovation and economical use of resources;
5. Affirmative action programs to ensure workforce diversity and equal employment opportunity;
6. Creation, modification, and elimination of positions;
7. Employee disciplinary procedures with emphasis on timely resolution of personnel disputes at the lowest possible level; and
8. Management and employee development programs.

D. The Authority may delegate additional responsibilities to the Task Force.

E. The Task Force shall assist the Authority in the preparation and implementation of an annual human resource management plan and evaluation report which shall be submitted to the Governor, the Speaker of the House of Representatives and the President Pro Tempore of the Senate by November 1 of each year.

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:

All employees of the University Hospitals Authority shall be members of the Oklahoma Public Employees Retirement System or the Teachers' Retirement System of Oklahoma as appropriate.

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 funds deposited in the Agency Special Account as created in subsection B of this section shall be invested by the State Treasurer in the manner provided for by law. The return on such investments shall be credited to the accounts of the Authority.

B. There is hereby created in the State Treasury an Official Depository Account for the University Hospitals Authority, to be designated the University Hospitals Authority Agency Special Account. The Official Depository Account shall consist of an agency clearing account and an agency special account. All revenues, except federal entitlements and state appropriations, generated by the University Hospitals Authority shall be deposited in these accounts.

C. The Authority shall be subject to blanket bond coverage as provided in Sections 85.26 through 85.31 of Title 74 of the Oklahoma Statutes, provided the Authority shall be authorized to purchase increased amounts of fidelity bond coverage for those employees deemed necessary by the Authority. When the amount listed in Section 85.29 of Title 74 of the Oklahoma Statutes is deemed inadequate, the cost of increased coverage shall be borne by the Authority.

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 8 of this act, the University Hospitals Authority may provide by resolution, from time to time, for the issuance of revenue bonds for its lawful 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 Hospitals Authority Act or other law. The principal of and interest on any indebtedness shall be payable solely from the revenues of the Authority and such other funds as may be provided by law for such payment. The Authority 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 shall bear interest at fixed or variable rates and shall bear an average interest rate not to exceed eleven percent (11%) 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 Authority, and may be made redeemable before maturity at the option of the Authority, at such time or times and at such price or prices and pursuant to such terms and conditions as may be fixed by the Authority prior to the issuance of the bonds. The Authority 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 be said officer before the delivery of the bonds, the signature or 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 Hospitals Authority Act shall have all the qualities and incidences of negotiable instruments subject to

the laws of this state. The Authority 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. If the bonds are not sold by competitive bid, the sale must be approved by the State Bond Advisor.

B. All fees and expenses of bond sales must be approved by the State Bond Advisor and the Bond Oversight Commission. Prior to the preparation of definitive bonds, the Authority, 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 Authority 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 Section 19 of this act, bonds may be issued pursuant to the provisions of the University Hospitals Authority 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 Hospitals Authority.

C. The Authority 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 its lawful purposes. The issuance of such bonds shall be governed by the provisions of the University Hospitals Authority 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:

Before any bond shall be issued and delivered by the University Hospitals Authority, 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 Authority and shall be incontestable for any course 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 University Hospitals Authority 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 Hospitals Authority Act, and exclusive original jurisdiction is hereby conferred upon the Supreme Court to hear and determine such application. The Supreme Court shall give such applications precedence over the other business of the Court and consider and 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 Authority 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 Hospitals Authority 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 authority, 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 University Hospitals Authority issued pursuant to the provisions of the University Hospitals Authority 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 forms of the bonds so issued shall contain on the face thereof a statement to the effect that neither the state nor the Authority shall be obligated to pay the same or the interest thereon except from the revenues of the Authority 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 Hospitals Authority 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. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3220 of Title 63, unless there is created a duplication in numbering, reads as follows:

The University Hospitals Authority 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 Authority and an accounting of all revenue received and disbursed by the Authority for the previous fiscal year. The report shall include an accounting of expenses related to each of the following:

1. Education and training of students of the University of Oklahoma, resident physicians and others;

2. Care and treatment of indigents for whom the Authority receives any form of state or federal reimbursement; and

3. Research.

SECTION 21. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3221 of Title 63, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the University Hospitals Authority, to be designated the "University Hospitals Authority Disbursing Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of appropriated revenues and federal entitlements. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the University Hospitals Authority.

SECTION 22. AMENDATORY 51 O.S. 1991, Section 6, as last amended by Section 11, Chapter 343, O.S.L. 1992 (51 O.S. Supp. 1992, 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 a member of 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 member of the Oklahoma Highway Patrol Division of the Department of Public Safety who is elected to a local board of education;

10. Any District Supervisor, Assistant District Supervisor, Team Supervisor, Parole Officer 1 or Parole Officer 2 of the Department of Corrections who is elected or appointed to a city council;

11. 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;

12. Deputy county treasurers who are elected as members of town or city councils;

13. Municipal, county, state or tribal law enforcement or peace officers operating under cross-deputization agreements with an Indian tribe or branch of the federal government;

14. Municipal or county law enforcement or peace officers serving in positions as campus police officers or campus public safety officers pursuant to the provisions of the Oklahoma Campus Security Act, upon such terms and conditions as are mutually approved by resolution adopted by the governing body of the municipality or county and the governing board of the institution of higher education; ~~and~~

15. State law enforcement or peace officers serving in positions as campus police officers or campus public safety officers pursuant to the provisions of the Oklahoma Campus Security Act, upon such terms and conditions as are mutually approved by written agreement between the Commissioner of Public Safety and the governing board of the institution of higher education; and

16. Members of the University Hospitals Authority.

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 23. AMENDATORY 56 O.S. 1991, 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~~ this title, 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 24. AMENDATORY 56 O.S. 1991, Section 343, is amended to read as follows:

Section 343. The Commission for Human Services and the University Hospitals Authority shall ~~adopt rules and regulations for liaison~~ enter into cooperative agreements between the ~~Oklahoma Medical Center~~ University Hospitals Authority 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~~ University Hospitals Authority 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. 1991, Section 344, is amended to read as follows:

Section 344. A. ~~The Oklahoma Commission for Human Services University Hospitals Authority~~ may regulate traffic and the parking of vehicles on property used by or for the ~~Children's Hospital of Oklahoma~~ University Hospitals Authority. 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~~ Authority 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 Authority~~ may appoint ~~necessary security officers to serve as policemen campus police officers~~ and guards for buildings and grounds of the ~~Children's Hospital of Oklahoma, who shall have the powers vested by law in peace officers in the protection and guarding of such buildings and grounds~~ University Hospitals Authority 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, 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. Employees of the Authority serving as police officers shall be certified as provided for in Section 3311 of Title 70 of the Oklahoma Statutes.

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

SECTION 26. AMENDATORY 56 O.S. 1991, Section 521, is amended to read as follows:

Section 521. ~~The Department of Human Services~~ University Hospitals Authority is authorized to place resident physicians of the College of Medicine of the University of Oklahoma on the ~~Oklahoma Medical Center~~ University Hospitals Authority payroll, and is further authorized to acquire through the Purchasing Division of the ~~Office of Public Affairs~~ Department of Central Services health, life, and dental insurance for such residents. Such residents shall not be considered employees of the ~~Department of Human Services~~ Authority and shall not be eligible to participate in the Oklahoma Public Employees Retirement System. This section shall not preclude the right of the ~~Oklahoma Medical Center~~ University Hospitals

Authority to terminate, for cause, the practicing privileges of any resident physician within the Oklahoma Medical Center University Hospitals Authority.

SECTION 27. AMENDATORY 74 O.S. 1991, Section 63, is amended to read as follows:

Section 63. A. The Office of Public Affairs Department of Central Services shall have power to adopt such promulgate rules and regulations for the management of their business and performance of their duties as they see proper, not inconsistent with the laws of this state.

B. The Office of Public Affairs Department of Central Services shall have charge of the construction, repair, maintenance, insurance, and operation of all buildings owned, used, or occupied by or on behalf of the state including buildings owned by the Oklahoma Capitol Improvement Authority where such services are carried out by contract with said the Authority.

C. The Director of Public Affairs the Department of Central Services shall have authority to purchase all material and perform all other duties necessary in the construction, repair, and maintenance of all such buildings under its management or control, shall make all necessary contracts by or on behalf of the state for any buildings or rooms rented for the use of the state or any of the officers thereof, and shall have charge of the arrangement and allotment of space in ~~said~~ such buildings among the different state officers.

D. The Department of Central Services shall not have any authority or responsibility for buildings, rooms or space under the management or control of the University Hospitals Authority.

E. The Office of Public Affairs Department of Central Services shall have the custody and control of all state property, and all other property managed or used by the state, except military stores and such property under the control of the State Banking Department and the two houses of the State Legislature, shall procure all necessary insurance thereon against loss and shall allot the use of the property to the several offices of the state, and prescribe where the property shall be kept for public use.

F. The Office of Public Affairs Department of Central Services shall keep an accurate account of all property purchased for the state or any of the departments or officers thereof, except that purchased for and by the two houses of the State Legislature. The two houses shall have the exclusive use, care, and custody of their respective chambers, committee rooms, furniture, and property, and shall keep their respective records of said furniture and property.

G. The Department of Central Services shall not have any authority or responsibility for property purchased for or under the management or control of the University Hospitals Authority except as expressly provided by law.

SECTION 28. AMENDATORY 74 O.S. 1991, Section 85.12, as last amended by Section 2 of Enrolled House Bill No. 1209 of the 1st Session of the 44th Oklahoma Legislature, 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~~ Acquisition of products and services by ~~Oklahoma Medical Center~~ the University Hospitals and the University Hospitals Authority. The ~~Commission for Human Services Authority~~ shall develop standards for the purchase acquisition of products and services and may elect to utilize Central Purchasing when appropriate. Such standards shall foster economy, short response time, and shall include appropriate safeguards and written records to assure appropriate competition and economical and efficient purchasing and shall be approved by the Director of Central 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 rural water, sewer, gas or solid waste management districts created pursuant to Section 1324.1 et seq. of Title 82 of the Oklahoma Statutes;

14. 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;

15. Contracts entered into by the Oklahoma Industrial Finance Authority for the services of an appraiser or for acquisition of insurance when it is determined by its Board of Directors that an emergency exists and for the services of legal counsel when approved by the Attorney General;

16. 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;

17. 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;

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

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

20. Contracts entered into by the Oklahoma Department of Commerce pursuant to the provisions of Section 5009.1 et seq. of this title and Section 5066.4 of this title;

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

22. Purchases of products available to an agency through a General Services Administration contract or other federal contract if the item is on current state contract and the terms of such contract are more favorable to the agency than the terms of a state contract for the same products as determined by the State Purchasing Director;

23. Purchases of products by the Forestry Service of the State Department of Agriculture as authorized by the federal General Services Administration through a General Services Administration contract or other federal contract if the item is not on current state contract or the terms of such federal contract are more favorable to the agency than the terms of a state contract for the same products;

24. Purchases amounting to less than that requiring competitive bid pursuant to Section 85.7 of this title. The Director of Central Services shall promulgate rules related to such purchases in excess of Seven Hundred Fifty Dollars (\$750.00) and not exceeding Two Thousand Five Hundred Dollars (\$2,500.00) to ensure competitiveness and fairness in such purchases; and

25. Purchases or acquisitions of clothing for clients of the Department of Human Services and purchases and acquisitions of food for group homes operated by the Department of Human Services.

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, the University Hospitals Authority and the Midwestern Oklahoma Development Authority shall be subject to approval by the Director of the Department of Central Services, and said Director shall make periodic audits of the purchasing policies and procedures of the Oklahoma Ordnance Works Authority, the University Hospitals Authority and the Midwestern Oklahoma Development Authority to ~~assure~~ ensure that said purchasing policies and procedures, as approved ~~by him~~, are being followed.

SECTION 29. AMENDATORY 74 O.S. 1991, Section 840.8, as last amended by Section 72 of Enrolled Senate Bill No. 31 of the 1st Session of the 44th Oklahoma Legislature, 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. 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,
- aq. Facility Staffing Pattern Analyst,
- ar. Correctional School Superintendent,
- as. Regional Director,
- at. Assistant Regional Director,
- au. Chief of Operations, and
- av. Chief Psychologist;

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;

32. The State Bond Advisor and his employees;

33. The Oklahoma Employment Security Commission employees occupying the following positions:

- a. Associate Director,
- b. Secretary to the Associate Director, and
- c. Assistant to the Executive Director;

34. Oklahoma Human Rights Commission personnel occupying the position of Administrative Assistant; ~~and~~

35. The officers and employees of the State Banking Department; and

36. Officers and employees of the University Hospitals Authority except personnel in the state classified service pursuant to Section 11 of this act.

SECTION 30. AMENDATORY 75 O.S. 1991, 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.

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 Hospitals Authority, including all hospitals or other institutions operated by the University Hospitals Authority.

SECTION 31. RECODIFICATION 56 O.S. 1991, Sections 344 and 521, as amended by Sections 25 and 26 of this act, shall be recodified as Sections 3221 and 3222 of Title 63 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 32. REPEALER 56 O.S. 1991, Sections 336, 337, 338, 339, 340, 341, 342, 345, 346, 401, 402, 404, 405, 406, 407, 408, 409, 410 and 412, are hereby repealed.

SECTION 33. REPEALER 64 O.S. 1991, Section 371a, is hereby repealed.

SECTION 34. Sections 1, 5, 6, 9, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32 and 33 of this act shall become effective July 1, 1993.

SECTION 35. 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.

Passed the Senate the 27th day of May, 1993.

President of the Senate

Passed the House of Representatives the 27th day of May, 1993.

Speaker of the House of Representatives