

SHORT TITLE: Public health and safety, and state government;  
creating the University Medical Center Act; transferring Oklahoma  
Medical Center from the Department of Human Services to University  
Medical Center Board of Directors; codification; effective date;  
emergency.

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

SENATE BILL NO. 474

By: Rozell

AS INTRODUCED

An Act relating to public health and safety, mental health, officers, poor persons, public finance, state government and statutes and reports; amending 10 O.S. 1991, Section 175.13, which relates to crippled children, 51 O.S. 1991, Section 6, as last amended by Section 11, Chapter 373, O.S.L. 1992, 24A.10a and 154 (51 O.S. Supp. 1992, Section 6), which relate to the filling of vacancies in state and county offices, confidential market research and tort claims, 56 O.S. 1991, Sections 64, as amended by Section 1, Chapter 312, O.S.L. 1992, 162.2, 224, 343 and 344 (56 O.S. Supp. 1992, Section 64), which relate to the Oklahoma Indigent Care Act, appointment of campus police and juvenile officers, the Human Services Disbursing Fund, basic medical services programs at school for mentally retarded and traffic and parking regulation at Children's Hospital of Oklahoma, 59 O.S. 1991, Section 945, which relates to persons licensed to perform examination for refraction and visual training, 62 O.S. 1991, Sections 195, as amended by Section 13, Chapter 307, O.S.L. 1992 and 203, as amended by Section 32, Chapter 327, O.S.L. 1992 (62 O.S. Supp. 1992, Sections 195 and 203), which relate to petty cash funds and apportionments to the General Fund, 63 O.S. 1991, Section 940, which relates to the Chief Medical Examiner, 68 O.S.

1991, Section 302-1, which relates to taxes on cigarettes, 70 O.S. 1991, Sections 697.3 and 3307, which relate to the Physician Manpower Training Commission and diagnostic and remedial psychiatry and neurology; 74 O.S. 1991, Sections 76, 85.7, as amended by Section 19, Chapter 373, O.S.L. 1992, 85.12, as last amended by Section 1, Chapter 246, O.S.L. 1992, 902, as last amended by Section 12, Chapter 376, O.S.L. 1992, 1304, as last amended by Section 15, Chapter 400, O.S.L. 1992 and 4243 (74 O.S. Supp. 1992, Sections 85.7, 85.12, 902 and 1304), which relate to interagency mailing system, acquisitions excluded from the provisions of the Oklahoma Central Purchasing Act, definitions, the State and Education Employees Group Insurance Board and state agency contracts; creating the University Medical Center Act; providing short title; defining terms; stating purposes of Act and mission and purposes of University Medical Center; requiring certain affiliation and coordination; transferring Oklahoma Medical Center from Department of Human Services and Commission for Human Services to University Medical Center Board of Directors; requiring University Medical Center be under jurisdiction, supervision, management and control of University Medical Center Board; stating what transfer shall include; requiring certain liabilities remain responsibility of Commission for Human Services and Department of Human Services; stating legal property description of Children's Hospital of Oklahoma and Oklahoma Memorial Hospital; providing legal description of certain

properties to be retained by the Department of Human Services; requiring execution of any appropriate conveyances to effectuate specified transfers; requiring University Medical Center be licensed by State Commissioner of Health and meet certain standards, requirements and essentials; allowing University Medical Center to provide services and receive payments under certain federal programs and to participate in other federal medical programs; creating University Medical Center; deeming lawful operations of University Medical Center to be essential governmental function of state; stating Board composition and qualifications; making Board members eligible for reappointment and removable only for cause; specifying method for filling vacancies on Board; requiring Board members serve without compensation and allowing reimbursement for expenses; requiring Board members and employees be subject to Oklahoma Campaign Compliance and Ethical Standards Act; stating a quorum; requiring Board meetings comply with the Oklahoma Open Meeting Act; authorizing University Medical Center Board to exercise certain powers and duties; requiring certain audits be on accrual basis and be submitted to State Auditor and Inspector; subjecting University Medical Center to Professional Risk Management Program; designating certain agreements and obligations be for a public purpose; requiring the liability of the state be several; transferring all employees of Oklahoma Medical Center to University Medical Center; allowing transferred classified employees option of

retaining classified status; requiring written notice of such option; requiring employees to give written notice of desire to change status; subjecting all classified employees to Merit System of Personnel Administration; requiring vacated positions become unclassified; requiring all future employees be unclassified; allowing development of unclassified personnel system and allowing procedures thereto; authorizing placement of resident physicians and acquisition of certain insurance for such residents; providing residents are not employees and not eligible to participate in state retirement system; allowing termination of resident for cause and limitation of practice privileges; creating fund; providing for investment of certain monies and deposit of income and investment return; requiring transfer of certain unobligated cash balance; modifying name of fund; exempting Board of Directors of University Medical Center from dual officeholding prohibition; modifying name of medical center; modifying name of College of Osteopathic Medicine and Surgery; clarifying statutory reference; deleting certain authority of the State Department of Health; authorizing University Medical Center to enter into certain cooperative agreements; authorizing University Medical Center Board to regulate traffic and parking on property used by University Medical Center; deleting Oklahoma Medical Center from institutions for which Department of Human Services has authority for appointing campus police; requiring certain employees of University Medical

Center to obtain certain certificate and allowing certain time period for compliance; authorizing cooperative agreement between University Medical Center and City of Oklahoma City; deleting language creating petty cash fund for Oklahoma Medical Center; exempting certain funds from apportionment to the General Revenue Fund; requiring certain employees of University Medical Center to be members of the retirement system; making certain name changes; clarifying statutory references; omitting acquisitions by University Medical Center from purview of Oklahoma Central Purchasing Act; clarifying certain date; specifying that certain persons are members of the retirement system and providing exception; modifying terms of office of members of the State and Education Employees Group Insurance Board; authorizing University Medical Center to employ or contract with certain personnel to obtain professional services for certain patients; repealing 56 O.S. 1991, Sections 66.2, 300, 336, 338, 339, 342, 346, 402, 412, 412.1, 413 and 521 and 64 O.S. 1991, Section 371a, which relate to the Oklahoma Medical Center and the Oklahoma Children's Hospital; 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:

Sections 1 through 10 of this act shall be known and may be cited as the "University Medical Center Act".

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

As used in the University Medical Center Act:

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

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

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

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

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

The purposes of the University Medical Center Act are to provide for an effective and efficient administration, to ensure a dependable source of funding and to effectuate the mission and purposes of the University Medical Center. The mission and purposes of the University Medical Center are to serve principally as teaching and training hospitals for students enrolled at the University of Oklahoma and other health and educational facilities, provide nonindigent and indigent care and to serve as a site for conducting medical and biomedical research by faculty members of the University of Oklahoma Health Sciences Center. The University Medical Center shall maintain a close affiliation with the University of Oklahoma Health Sciences Center and shall coordinate their operations and activities.

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. The Oklahoma Medical Center is hereby transferred from the Department of Human Services and from the Commission for Human Services to the University Medical Center Board of Directors created pursuant to this act and shall be under the jurisdiction, supervision, management and control of the Board. Whenever the terms "Oklahoma Medical Center" or "State of Oklahoma Medical Center" appears in the Oklahoma Statutes they shall mean the University Medical Center.

B. The transfer shall include:

1. All powers, duties, responsibilities, properties, assets, equipment, fund balances, encumbrances, obligations, records, personnel and liabilities, including but not limited to liability for all Oklahoma Medical Center employees' sick leave, annual leave, holidays, unemployment benefits and workers' compensation benefits accruing to employees prior to the effective date of this act, which are attributable to the Oklahoma Medical Center; provided, the Department of Human Services may continue to provide representation for the University Medical Center in any court action filed prior to the effective date of this act, when, in the judgment of the court before whom the action is pending, or in the judgment of the Department, substituting representation may adversely affect the state's interest in the litigation. In those cases in which the Department continues to provide representation, the University Medical Center shall reimburse the Department for all costs incurred after the effective date of this act in providing such representation;

2. Children's Hospital of Oklahoma and all buildings and appurtenances located on land which is described as follows: Blocks B, 3, 4, 12 and 13, and the North 30 feet of Block 14, CULBERTSON



HEIGHTS ADDITION; and Lots 6 through 15, Block 21, CULBERTSON HEIGHTS ADDITION less and except the West 7 feet of Lot 5 and all of Lots 6 through 19, and the East 5 feet of Lot 20 and the North 59.5 feet of Lots 21 through 26, and the North 59.5 feet of the West 49.5 feet of Lot 27, all in Block 13, CULBERTSON HEIGHTS ADDITION to the City of Oklahoma City, Oklahoma, and also less and except the West 106 feet of the vacated Northeast 12th Street abutting said Block 13, also including the abutting vacated portions of the North 1/2 of Northeast 11th Street abutting Block 3, the vacated portion of Euclid Street from Stonewall Avenue easterly to the westerly Right-of-Way of North Lottie Avenue, the vacated portion of Northeast 12th Street from 106 feet East of Stonewall Avenue to the West Right-of-Way of North Lottie Avenue, Everest Avenue from the South Right-of-Way of 13th Street to a point 30 feet South of the North line of Block 14 of the said Culbertson Heights Addition and all of Bruce Street. In addition, a part of Block 20, CULBERTSON HEIGHTS ADDITION and a part of the alleys adjacent thereto, and a part of the SW 1/4, Section 26, T12N, R3W, I.M., and a part of the SE 1/4, Section 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.

Also included is the parking and animal research area specifically described as: all of Blocks 1 and 2 of CULBERTSON HEIGHTS ADDITION, and all of Block 3 and Lots 3 through 20 and the North 50 feet of Lots 21 through 38 of Block 12, OAK PARK ADDITION to the City of Oklahoma City, Oklahoma including the encompassed and abutting portion of the vacated South 1/2 of Northeast 11th Street, Park Place and North East 10th Street, and the abutting portion of Everest Avenue being the 60 feet Right-of-Way 110 feet South of the vacated Northeast 10th St., South 140 feet to a point 50 feet South of the North line of said Block 12 OAK PARK ADDITION and the alley way in Block 12 of said OAK PARK ADDITION;

3. Oklahoma Memorial Hospital and all buildings and appurtenances located on land which is described as follows: A part of the South Half of the Southeast Quarter of Section 27, T12N, R3W of the Indian Meridian AND a part of the North Half of the Northeast Quarter of Section 34, T12N, R3W, of the Indian Meridian, all in Oklahoma County, Oklahoma, more particularly described as follows: Beginning at the Southwest corner of Block 13, HOWE'S CAPITOL ADDITION; thence N. 0 degrees 10' 36" E. along the East line of

Phillips Avenue a distance of 674.64 feet to a point on the South line of Northeast 13th Street; thence S. 89 degrees 48' 51" E. along the South line of said Northeast 13th Street a distance of 620.30 feet; thence S. 23 degrees 29' 12" E. a distance of 250.50 feet; thence S. 89 degrees 48' 51" E. a distance of 25.65 feet; thence S. 0 degrees 12' 03" W. a distance of 72.50 feet; thence S. 89 degrees 48' 51" E. a distance of 27.00 feet; thence S. 00 degrees 12' 03" W. a distance of 443.57 feet; thence S. 89 degrees 43' 03" E. a distance of 32.95 feet; thence S. 00 degrees 14' 28" W. along the East line of a retaining wall a distance of 733.66 feet to a point on the South line of Block 1 of OAK PARK ADDITION; thence S. 89 degrees 52' 55" W. along the South line of Blocks 1 and 7 of OAK PARK ADDITION a distance of 810.11 feet to the Southwest corner of said Block 7; thence N. 00 degrees 10' 36" E. along the West line of said Block 7, OAK PARK ADDITION a distance of 213.87 feet; thence N. 89 degrees 49' 24" W. a distance of 3.40 feet; thence N. 00 degrees 10' 36" E. along the West line of Block 24, HOWE'S CAPITOL ADDITION a distance of 190.00 feet; thence S. 89 degrees 49' 24" E. a distance of 8.10 feet; thence N. 00 degrees 10' 36" E. along the West line of Block 18, HOWE'S CAPITOL ADDITION a distance of 405.00 feet to the Point of Beginning and containing 1,146,572 Square Feet or 26.32 Acres more or less; and

4. George Nigh Rehabilitation Institute and all buildings and appurtenances located on land which is described as follows: a tract of land in Section 29, Township 14 North, Range 13 East of the Indian Meridian, Okmulgee County, Oklahoma, more particularly described as "Commencing at a point of the North Line of said Section a distance of 926.00 feet east of Northwest corner of said Section 29, T14N, R13E, thence S. 00 degrees, 09' 00" W. a distance of 868.06 feet, thence N. 89 degrees, 50' 40.5" W. a distance of 376.00 feet, thence N. 00 degrees, 00" E. a Distance of 300.00 feet, thence N. 89 degrees 50' 40.5" W. a distance of 350.00 feet to the

easterly Right-of-Way of U.S. 75, thence N. 00 degrees, 09' 00" E. a distance of 150.45 feet, thence on a curve to the right with a radius of 226.48 feet a distance of 217.73 feet, thence on a curve to the left with a radius of 264.63 feet a distance of 254.40 feet, thence N. 45 degrees, 00' 00" E. a distance of 21.06 feet, thence S. 89 degrees, 50' 40.5" E. a distance of 501.11 feet to the point of beginning. Said tract contains 11.00 acres.

C. 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).

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

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

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

Organizations, the Council on Graduate Medical Education and the Liaison Committee on Medical Education.

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

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

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

B. The University Medical Center Board shall consist of seven (7) members to be appointed as follows:

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

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

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

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

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

E. Any appointed member shall be eligible for reappointment and appointed members shall be removable only for cause by the appointing authority. Any vacancy occurring on the Board shall be

filled for the remainder of the term by the appointing authority who made the original appointment.

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

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

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

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

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

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

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

2. Adopt an official seal;

3. Maintain an office at the University Medical Center;

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

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

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

7. Make and enter into all contracts and grants necessary or incidental to the performance of its duties and the execution of its powers pursuant to the University Medical Center Act in accordance with the provisions of the Interlocal Cooperation Act, Section 1001, et seq. of Title 74 of the Oklahoma Statutes, when applicable;

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

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

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

11. Accept and receive gifts, bequests and grants of money and property from any public or private source. The Board shall have the authority to manage real or personal property thus received, or to sell it for an adequate consideration if the property is not needed in actual operations of the Board. The Board may accept and receive gifts, bequests and grants which contain specific purposes or objectives and may do all things deemed necessary, appropriate or expedient to accomplish the purposes or objectives of the gift,

bequest or grant, provided such actions are not otherwise prohibited by law;

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

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

14. Establish petty cash funds in accordance with guidelines approved by the Director of the Office of State Finance and provide for appropriate accounting procedures and controls;

15. Purchase drugs and medical supplies from manufacturers and distributors;

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

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

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

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

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

B. All agreements and obligations undertaken, as permitted under this section, by the University Medical Center shall be for a public purpose. In addition to any other limitations, conditions or



restrictions provided by law, the liability of the state shall be several from that of any other person or entity when contractual agreements are entered into pursuant to this section.

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

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

A. All employees of the Oklahoma Medical Center on the effective date of this act shall be transferred to the University Medical Center without loss of pay, seniority, rights, privileges or benefits, and without change in status, whether classified or unclassified, as provided in the Oklahoma Personnel Act, Section 840.1 et seq. of Title 74 of the Oklahoma Statutes.

B. Classified employees of the Oklahoma Medical Center on the effective date of this act who are transferred to the University Medical Center as a result of the passage of this act shall have the option of retaining such classified status. An employee who chooses to remain in the classified service shall be subject to all provisions and conditions of the Merit System of Personnel Administration as provided in the Oklahoma Personnel Act, Section 840.1 et seq. of Title 74 of the Oklahoma Statutes. Classified employees shall be timely notified, in writing, of their option to change from classified to unclassified status. An employee who chooses to change status from classified to unclassified shall so indicate in writing by December 1, 1993. When a classified employee vacates any position, the position shall become part of the unclassified service, and all future appointees to such positions shall be in the unclassified service.

C. All persons who are hired by the University Medical Center after the effective date of this act shall be in the unclassified service.

D. The Board may develop, maintain and revise a personnel system within the unclassified service of the state to accommodate and respond to human resource needs within the health care industry. The exercise of this authority shall be through the establishment of a governance plan including policies, procedures and standards for a system which is comparable to others in the health care industry. Such system shall be subject to the provisions in the Oklahoma Personnel Act, Section 840.1 et seq. of Title 74 of the Oklahoma Statutes which are applicable to the unclassified service.

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

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. There is hereby created in the State Treasury a revolving fund for the University Medical Center, to be designated the "University Medical Center Disbursing Fund". The fund shall be a

continuing fund, not subject to fiscal year limitations, and shall consist of all monies appropriated or directed to the fund by the Legislature, interest earnings, gifts and donations, federal funds, payments for services or goods provided, and any such other revenue received by the University Medical Center. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the University Medical Center to provide operational support, including uncompensated and indigent care. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

B. Monies in the University Medical Center Disbursing Fund created by subsection A of this section shall be invested by the State Treasurer pursuant to the provisions of Section 89.2 of Title 62 of the Oklahoma Statutes. Income and investment return from said monies shall be deposited back into the University Medical Center Disbursing Fund.

C. On the effective date of this act, any unobligated cash balance in the Oklahoma Medical Center Disbursing Fund authorized by Section 412 of Title 56 of the Oklahoma Statutes and any unobligated cash balance in the Oklahoma Medical Center Marketing Revolving Fund authorized by Section 412.1 of Title 56 of the Oklahoma Statutes shall be transferred to the University Medical Center Disbursing Fund authorized by subsection A of this section.

SECTION 11. AMENDATORY 10 O.S. 1991, Section 175.13, is amended to read as follows:

Section 175.13 All monies paid by the Human Services Commission to the Children's Hospital of Oklahoma shall be deposited in the ~~Oklahoma~~ University Medical Center Disbursing Fund, and shall be used for the general operating expenses of the Children's Hospital of Oklahoma, including payment of personal services.

SECTION 12. AMENDATORY 51 O.S. 1991, Section 6, as last amended by Section 11, Chapter 373, 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. The Board of Directors of the University Medical Center.

B. 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.~~ C. 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 13. AMENDATORY 51 O.S. 1991, Section 24A.10a, is amended to read as follows:

Section 24A.10a The ~~Oklahoma~~ Oklahoma University Medical Center may keep confidential market research conducted by and marketing plans developed by the ~~Oklahoma~~ Oklahoma University Medical Center if the Center determines that disclosure of such research or plans would give an unfair advantage to competitors of the ~~Oklahoma~~ Oklahoma University Medical Center regarding marketing research and planning, public education, and advertising and promotion of special and general services provided by the ~~Oklahoma~~ Oklahoma University Medical Center.

SECTION 14. AMENDATORY 51 O.S. 1991, Section 154, is amended to read as follows:

Section 154. A. The total liability of the state and its political subdivisions on claims within the scope of ~~this act~~, Section 151 et seq. of this title, arising out of an accident or occurrence happening after the effective date of ~~this act~~, Section 151 et seq. of this title, shall not exceed:

1. Twenty-five Thousand Dollars (\$25,000.00) for any claim or to any claimant who has more than one claim for loss of property arising out of a single act, accident, or occurrence;

2. One Hundred Thousand Dollars (\$100,000.00) to any claimant for his claim for any other loss arising out of a single act, accident, or occurrence. Except however, the limits of said liability for the ~~Oklahoma~~ University Medical Center and State Mental Health Hospitals operated by the Department of Mental Health and Substance Abuse Services for claims arising from medical negligence shall be Two Hundred Thousand Dollars (\$200,000.00). For claims arising from medical negligence by any licensed physician, osteopathic physician or certified nurse-midwife rendering prenatal, delivery or infant care services from September 1, 1991, through June 30, 1996, pursuant to a contract authorized by subsection (b) of Section 1-106 of Title 63 of the Oklahoma Statutes and in conformity with the requirements of Section 3 of this act, the limits of said liability shall be Two Hundred Thousand Dollars (\$200,000.00); or

3. One Million Dollars (\$1,000,000.00) for any number of claims arising out of a single occurrence or accident.

B. No award for damages in an action or any claim against the state or a political subdivision shall include punitive or exemplary damages.

C. When the amount awarded to or settled upon multiple claimants exceeds the limitations of this section, any party may

apply to the district court which has jurisdiction of the cause to apportion to each claimant his proper share of the total amount as limited herein. The share apportioned to each claimant shall be in the proportion that the ratio of the award or settlement made to him bears to the aggregate awards and settlements for all claims against the state or its political subdivisions arising out of the occurrence. When the amount of the aggregate losses presented by a single claimant exceeds the limits of paragraphs 1 or 2 of subsection A of this section, each person suffering a loss shall be entitled to his proportionate share.

D. The total liability of resident physicians and interns while participating in a graduate medical education program of the University of Oklahoma College of Medicine, its affiliated institutions and the Oklahoma State University College of Osteopathic Medicine and Surgery shall not exceed One Hundred Thousand Dollars (\$100,000.00).

E. The state or a political subdivision may petition the court that all parties and actions arising out of a single accident or occurrence shall be joined as provided by law, and upon order of the court the proceedings upon good cause shown shall be continued for a reasonable time or until such joinder has been completed. The state or political subdivision shall be allowed to interplead in any action which may impose on it any duty or liability pursuant to this act.

F. The liability of the state or political subdivision under this act shall be several from that of any other person or entity, and the state or political subdivision shall only be liable for that percentage of total damages that corresponds to its percentage of total negligence. Nothing in this section shall be construed as increasing the liability limits imposed on the state or political subdivision under this act.



SECTION 15. AMENDATORY 56 O.S. 1991, Section 64, as amended by Section 1, Chapter 312, O.S.L. 1992 (56 O.S. Supp. 1992, Section 64), is amended to read as follows:

Section 64. A. The Oklahoma Indigent Health Care Act, Section 57 et seq. of this title, shall not apply to state or federally operated medical institutions except the ~~State of Oklahoma~~ University Medical Center and the George Nigh Rehabilitation Institute of the Oklahoma Department of Veterans Affairs.

Hospitals and clinics participating in the Oklahoma Indigent Health Care Act shall have the following responsibilities:

1. Implement the screening criteria and procedures and comply with such other eligibility criteria for participation in the Oklahoma Indigent Health Care Act established pursuant to the provisions of Section 63 of this title.

2. In addition to or as part of other reports required by law or by the rules and regulations of the State Board of Health, annually submit to the State Department of Health reports and data documenting:

- a. the total amount of health care costs incurred by the hospital or clinic for medical indigents,
- b. total patient charges by the hospital or clinic for medical indigents,
- c. the patient mix including, but not limited to, the number of indigent persons served as measured by hospital patient days or clinic encounters as appropriate, and
- d. such other information and in such form as may be required by the State Department of Health pursuant to the Oklahoma Indigent Health Care Act.

Such documentation shall indicate that the person served or the party responsible for such person meets the criteria established by the Oklahoma Indigent Health Care Act. Such documentation shall

also be specific as to the county of residence of the person served. These records shall be available to the public upon request.

B. Clinics shall submit to the Department of Human Services necessary information to certify eligible clinic status pursuant to Section 58 of this title.

C. The State Department of Health shall forward copies of such documentation to the Department of Human Services as necessary for use by the Department in determining the eligibility of a hospital or a clinic for reimbursement pursuant to the provisions of the Oklahoma Indigent Health Care Act. The State Department of Health and the Department of Human Services shall cooperate for the purpose of coordinating the reports and documentation required by the Oklahoma Indigent Health Care Act, and ensuring the timely transmission of said reports and documentation between, said agencies.

~~D. The State Department of Health may expand or modify the reporting requirements of hospitals and establish reporting requirements for clinics as necessary to complete the study required by Section 66.2 of this title.~~

SECTION 16. 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~~ Section 360.15 et seq. of Title 74 of the Oklahoma Statutes. The Department may also appoint and commission juvenile officers to assist it in maintaining custody of children committed to the Department, and in making investigations and in prosecuting court proceedings under the

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

SECTION 17. AMENDATORY 56 O.S. 1991, Section 224, is amended to read as follows:

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

SECTION 18. AMENDATORY 56 O.S. 1991, Section 343, is amended to read as follows:

Section 343. The Commission for Human Services ~~shall adopt rules and regulations for liaison~~ and the University Medical Center shall enter into cooperative agreements in accordance with the provisions of the Interlocal Cooperation Act, Section 1001 et seq. of Title 74 of the Oklahoma Statutes, between the ~~Oklahoma~~ University Medical Center and the state schools for the mentally retarded in the development of basic medical services programs at the schools for the mentally retarded; provided, that the ~~Oklahoma~~ University Medical Center shall not have the responsibility for implementing such programs or for providing medical services at the schools for the mentally retarded.

SECTION 19. AMENDATORY 56 O.S. 1991, Section 344, is amended to read as follows:

Section 344. A. The ~~Oklahoma Commission for Human Services~~ University Medical Center Board may regulate traffic and the parking of vehicles on property used by or for the ~~Children's Hospital of Oklahoma~~ University Medical Center. ~~Such~~ The 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~~ the regulations, which may be prosecuted and shall be punishable as violations of ordinances of the City of Oklahoma City. The ~~Commission~~ Board may cause to be removed, and may enter into contracts for such purpose, any vehicle parked in violation of such regulations.

B. The ~~Director of the Department of Human Services~~ Chief Executive Officer may appoint necessary security officers to serve as policemen and guards for buildings and grounds of the ~~Children's Hospital of Oklahoma~~ University Medical Center, who shall have the

powers vested by law in peace officers in the protection and guarding of such buildings and grounds, and who may prevent or stop improper conduct and trespass in and upon such buildings and grounds, and ~~make arrests and prosecute~~ arrest any and all persons ~~arrested~~ for such improper conduct and trespassing.

C. The University Medical Center Board shall have the authority to appoint campus police for the University Medical Center 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 Section 360.15 et seq. of Title 74 of the Oklahoma Statutes.

D. Employees of the University Medical Center serving as police officers shall obtain a certificate as provided for in the provisions governing the Council on Law Enforcement Education and Training, Section 3311 of Title 70 of the Oklahoma Statutes. Newly hired police officers shall have one (1) year in which to satisfy the provisions of this subsection.

E. The ~~Director of the Department of Human Services~~ University Medical Center and the City of Oklahoma City may enter into a cooperative agreement in accordance with the provisions of the Interlocal Cooperation Act, Section 1001 et seq. of Title 74 of the Oklahoma Statutes, to effectuate the provisions of this section.

SECTION 20. AMENDATORY 59 O.S. 1991, Section 945, is amended to read as follows:

Section 945. No department, commission, board, official, employee, or agency of the State of Oklahoma, or of any county, municipality or other subdivision of the State of Oklahoma shall, in the performance of its duties and functions in obtaining examination for refractions and visual training or correction for citizens of this state discriminate between persons licensed to perform examination for refraction and visual training or correction within the field for which their respective license entitle them to

practice; and no such department, commission, board, official or agency of the state, county, municipality, or other subdivision shall send any resident of the State of Oklahoma out of this state to receive or be furnished such services. This section shall have no application with respect to any person confined in the ~~Oklahoma~~ University Medical Center.

SECTION 21. AMENDATORY 62 O.S. 1991, Section 195, as amended by Section 13, Chapter 307, O.S.L. 1992 (62 O.S. Supp. 1992, Section 195), is amended to read as follows:

Section 195. A. 1. There is hereby created a petty cash fund at each of the following institutions: Oklahoma School for the Blind, Muskogee, Oklahoma; Oklahoma School for the Deaf, Sulphur, Oklahoma; Griffin Memorial Hospital, Norman, Oklahoma; Eastern State Hospital, Vinita, Oklahoma; Northern Oklahoma Resource Center of Enid, Enid, Oklahoma; Southern Oklahoma Resource Center of Pauls Valley, Pauls Valley, Oklahoma; Western State Hospital, Fort Supply, Oklahoma; Central Oklahoma Juvenile Treatment Center, Tecumseh, Oklahoma; Hissom Memorial Center, Sand Springs, Oklahoma; L.E. Rader Children's Diagnostic and Evaluation Center, Sand Springs, Oklahoma; and the L.E. Rader Intensive Treatment Center, Sand Springs, Oklahoma; ~~and the Oklahoma Medical Center.~~

2. The Director of State Finance and the head of the institution involved are hereby authorized and it shall be their duty to fix the maximum amount of the petty cash funds. The Director of State Finance shall prescribe all forms, systems, and procedures for administering the petty cash funds of the institution.

B. 1. There is hereby created a petty cash fund in the legal division of the Department of Human Services which fund shall be used solely to pay court costs, filing fees, witness fees, and expenses related to any case or proceeding within the responsibility of the legal division.

2. There is hereby created a petty cash fund in the Child Support Enforcement Division of the Department of Human Services. The fund shall be used solely to pay litigation expenses, including court costs, filing fees, witness fees, and expenses related to any case or proceeding within the responsibility of the Child Support Enforcement Division.

3. The Director of State Finance, and the Director of the Department of Human Services are hereby authorized and it shall be their duty to fix the maximum amount of the petty cash funds. The Director of State Finance shall prescribe all forms, systems, and procedures for administering the petty cash funds.

C. 1. There is hereby created a petty cash fund in the finance department of the Oklahoma Corporation Commission which shall be used solely to pay litigation expenses of the legal division, including court costs, filing fees, witness fees, and other expenses related to any case, proceeding, or matter within the responsibility of the legal division.

2. The Director of State Finance and the Corporation Commission are hereby authorized and it shall be their duty to fix the maximum amount of the petty cash fund, not to exceed Five Hundred Dollars (\$500.00). The Director of State Finance shall prescribe all forms, systems, and procedures for administering the petty cash fund.

SECTION 22. AMENDATORY 62 O.S. 1991, Section 203, as amended by Section 32, Chapter 327, O.S.L. 1992 (62 O.S. Supp. 1992, Section 203), is amended to read as follows:

Section 203. A. Except as otherwise provided by subsection B of this section, all monies that may come into the State Treasury, pursuant to the provisions of Section 201 et seq. of this title, together with all amounts that may be received by the State Treasurer as investment income or as interest on average daily bank balances, including investment income or interest on deposits from funds deposited to the credit of the Constitutional Reserve Fund

created pursuant to Section 23 of Article 10 of the Oklahoma Constitution, shall be apportioned and credited to the General Revenue Fund for the current year.

B. The provisions of subsection A of this section shall not apply to:

1. Interest received on deposits from funds under the control of the Commissioners of the Land Office;

2. Funds in the University Medical Center Disbursement Fund created by Section 10 of this act;

3. Funds in the Oklahoma State Regents' Endowment Trust Fund created by Section 3951 of Title 70 of the Oklahoma Statutes;

4. Funds in the Oklahoma College Tuition Trust Fund created by Section 6009 of Title 70 of the Oklahoma Statutes;

5. Funds in the Oklahoma State Regents' Academic Scholars Trust Fund created by Section 3953 of Title 70 of the Oklahoma Statutes;

6. Funds in the William P. Willis Trust Fund created by Section 2291 of Title 70 of the Oklahoma Statutes;

7. Funds in the Department of Human Services Federal Disallowance Fund; and

~~3.~~ 8. Interest received on deposits from funds under the control of the Santa Claus Commission.

SECTION 23. AMENDATORY 63 O.S. 1991, Section 940, is amended to read as follows:

Section 940. A. All law enforcement officers and other state and county officials shall cooperate with the Chief Medical Examiner and all other medical examiners in making investigations required pursuant to the provisions of Sections 931 through 954 of this title. Said officials and the physician in attendance of the deceased, or other persons when the deceased was unattended by a physician, shall promptly notify the medical examiner of the occurrence of all deaths coming to their attention which, pursuant to the provisions of Sections 931 through 954 of this title, are



subject to investigation, and shall assist in making dead bodies and related evidence available for investigation.

The scene of a death subject to the provisions of Sections 931 through 954 of this title shall not be disturbed until authorized by the Chief Medical Examiner, his designee, or a county medical examiner, and the representative of any law enforcement agency which has begun an investigation of the cause of death. Said authorization may be given by telephone. Nothing in Sections 931 through 954 of this title shall prevent the district attorney or his designee from authorizing the removal of a body when the removal is determined by him to be in the public interest and conditions at the scene are adequately documented and preserved by photographs and measurements.

B. The death of any patient, inmate, ward, or veteran in a state hospital or other institution, except ~~Oklahoma~~ University Medical Center ~~Hospitals and Clinics thereof~~, shall be reported by the chief administrative officer of the hospital or institution or his designee to the Office of the Chief Medical Examiner at the time of the death and prior to release of the body.

1. Within thirty-six (36) hours, a written report shall be submitted and shall be accompanied by true and correct copies of all medical records of the hospital or institution concerning the deceased patient.

2. The Chief Medical Examiner shall have the authority to require production of any records, documents, or equipment or other items regarding the deceased patient deemed necessary to investigate the death.

SECTION 24. AMENDATORY 68 O.S. 1991, Section 302-1, is amended to read as follows:

Section 302-1. (a) In addition to the tax levied in Section 302 of this title, there is hereby levied upon the sale, use, gift, possession, or consumption of cigarettes, as defined in Sections 301

through 325 of this title, within the State of Oklahoma a tax at the rate of two and one-half (2 1/2) mills per cigarette. Such tax shall be evidenced by tax stamps as now provided for by law for other cigarette taxes, except that as to cigarette packages of less than ten cigarettes for free distribution as samples, the tax levied in this section shall be computed and paid as provided for other cigarette taxes without affixing stamps on each such package.

(b) No part of the revenues resulting from the additional tax levied in this section shall be used in determining the amount of cigarette tax collections to be paid into the State of Oklahoma Building Bonds of 1961 Sinking Fund pursuant to the provisions of Sections 57.31 through 57.43 of Title 62 of the Oklahoma Statutes, into the State of Oklahoma Building Bonds of 1965 Sinking Fund pursuant to the provisions of Sections 57.51 through 57.60 of Title 62 of the Oklahoma Statutes, or into the State of Oklahoma Institutional Building Bonds of 1965 Sinking Fund pursuant to the provisions of Sections 57.61 through 57.73 of Title 62 of the Oklahoma Statutes.

(c) The revenues resulting from the additional tax levied in this section through June 30, 1968, shall be apportioned by the Oklahoma Tax Commission and transmitted to the State Treasurer, who shall deposit the same in the State Treasury in a fund to be known as the "State of Oklahoma Building Bonds of 1968 Reserve Fund", which fund is hereby created. The Legislature shall appropriate monies from such fund or so much thereof as may be deemed necessary; first, for the payment of interest and principal upon any bonds issued for capital improvements pursuant to the provisions of Section 38 of Article X of the Oklahoma Constitution; second, for other capital improvements at state institutions; third, for operating expenses of such capital improvements; and fourth, for any other purposes of state government. From and after July 1, 1968, all revenues resulting from the additional tax levied in this

section, except revenues dedicated to the retirement of the State of Oklahoma Building Bonds of 1968, Series A, B, C, D and E, or any refunding of any or all of such series, and except revenues required to be deposited in the ~~Oklahoma Memorial Hospital Fund~~ University Medical Center Disbursing Fund created by Section 10 of this act, shall be apportioned by the Oklahoma Tax Commission and transmitted to the State Treasurer, who shall deposit the same in the General Revenue Fund.

(d) The cigarette tax levied in this section shall be collected and administered in all respects not inconsistent with as now or hereafter provided for by law for other cigarette taxes now levied, collected and administered pursuant to the provisions of Sections 301 through 325 of this title.

SECTION 25. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 17-103.2 of Title 70, unless there is created a duplication in numbering, reads as follows:

All employees of the University Medical Center who meet the requirements of paragraph 3 of Section 17-101 of this title, as determined by the Board of Trustees, shall be members of the retirement system.

SECTION 26. AMENDATORY 70 O.S. 1991, Section 697.3, is amended to read as follows:

Section 697.3 The Physician Manpower Training Commission shall be composed of seven (7) members appointed by the Governor with the advice and consent of the Senate, three of whom shall be practicing allopathic physicians and two of whom shall be osteopathic physicians, and said physician members shall be from throughout the state. Three members of the Commission shall be appointed for one-year terms, two members shall be appointed for three-year terms and two members shall be appointed for five-year terms, and at the expiration of the initial terms, succeeding terms of office shall be five (5) years in duration. There shall be also fourteen (14)

additional nonvoting ex officio members of the Commission who shall serve in an advisory capacity only and include the Dean of the University of Oklahoma College of Medicine, or his designee; the Dean of the University of Oklahoma College of Medicine - Tulsa, or his designee; the Chairman of the Department of Family Medicine of the University of Oklahoma Health Sciences Center, or his designee; the Chairman of the Department of Family Practice of the University of Oklahoma College of Medicine - Tulsa, or his designee; the Chairman of the Department of General Practice of the Oklahoma College of Osteopathic Medicine and Surgery, or his designee; the President of the Oklahoma Academy of Family Physicians, or his designee; the President of the Oklahoma College of Osteopathic Medicine and Surgery, or his designee; the President of the Oklahoma State Medical Association, or his designee; the President of the Oklahoma State Osteopathic Association, or his designee; the President of the Oklahoma Hospital Association, or his designee; the Chairman of the State Board of Health, or his designee; the Provost of the University of Oklahoma Health Sciences Center, or his designee; the Dean of the Oklahoma College of Osteopathic Medicine and Surgery, or his designee; and the ~~Executive Chief of Staff~~ Chief Executive Officer, ~~State of Oklahoma~~ University Medical Center, or his designee. Members of the Commission shall serve without salary, but may be reimbursed for travel expenses in attending meetings and performing their duties pursuant to the State Travel Reimbursement Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes.

SECTION 27. AMENDATORY 70 O.S. 1991, Section 3307, is amended to read as follows:

Section 3307. A. It shall be the policy of the state and is the intent of this section to provide the citizens of Oklahoma with a diagnostic and remedial psychiatry and neurology service, to provide the School of Medicine of the University of Oklahoma with a means of furnishing professional education and research in

psychiatry and neurology, to provide for the administration and use of the facilities, located in the ~~University~~ Oklahoma Memorial Hospital, for this purpose.

~~(a)~~ B. The following terms when used in this section shall mean as herein defined:

~~(1)~~ 1. "University Hospital" shall mean the Oklahoma Memorial Hospital of the ~~Oklahoma~~ University Medical Center.

~~(2)~~ 2. "Psychiatry and Neurology Service" shall mean the diagnostic and therapeutic service for mental patients established in the psychiatric and neurological facilities of the ~~University~~ Oklahoma Memorial Hospital.

~~(3)~~ 3. "Psychiatric and neurological facilities" shall mean the psychiatry and neurology unit of the ~~University~~ Oklahoma Memorial Hospital and such ancillary facilities as may be necessary for its operation.

~~(4)~~ 4. "Chief" shall mean the Chief of the Psychiatry and Neurology Service.

~~(5)~~ 5. "School of Medicine" shall mean the ~~School~~ College of Medicine of the University of Oklahoma ~~Medical Center~~.

~~(6)~~ 6. "Board" shall mean the Board of Regents of the University of Oklahoma.

~~(b)~~ C. The psychiatry and neurology unit (commonly called the neuro-psychiatric unit) of the ~~University~~ Oklahoma Memorial Hospital shall be such clinics and laboratories of the ~~University~~ Oklahoma Memorial Hospital as may be required, together with the psychiatric and neurological facilities of the ~~School~~ College of Medicine and the ~~University~~ Oklahoma Memorial Hospital.

D. The Board shall establish a Psychiatry and Neurology Service in the psychiatric and neurological facilities, to be used as a training and research unit for the teaching of psychiatry and neurology. The Service shall be established and operated under such conditions and terms as may be instituted by the School of Medicine

and ~~University~~ Oklahoma Memorial Hospital with the approval of the Board and subject to the provisions of this section.

~~(e)~~ E. The Board shall appoint a full time Chief of Psychiatry and Neurology Service.

~~(1)~~ 1. He shall be licensed to practice medicine in this state and shall be qualified to supervise residency training and shall meet the standards established by the American Board of Psychiatry and Neurology or its successor.

~~(2)~~ 2. He shall be appointed as a member of the faculty of the School of Medicine in the Department of Psychiatry and Neurology.

~~(3)~~ 3. He shall be in charge of the Psychiatry and Neurology Service, subject to the general policies and direction of the University Hospital administration.

~~(d)~~ F. The admission of patients to the ~~University~~ Oklahoma Memorial Hospital Psychiatry and Neurology Service and the trial release of patients shall be based on the following criteria.

~~(1)~~ 1. Admission shall be on the basis of the teaching needs, and requirements of the School of Medicine, in accordance with regulations approved by the Board.

~~(2)~~ 2. Admission shall be in conformity with the mental health laws providing for the admission of mental patients to mental hospitals.

~~(3)~~ 3. "Trial release" from inpatient to outpatient status is authorized in conformity with the state mental health laws in recognition of special therapeutic requirements of certain mental patients as determined by the Chief. Such trial release will be in the custody of the responsible relative or guardian.

~~(4)~~ 4. In case such custody is not assumed by the responsible relative or guardian within one week after written notice from the Chief, the patient may be committed or transferred by the Director of the Department of Mental Health and Substance Abuse Services to the appropriate state mental hospital.

~~(e)~~ G. Authority is hereby provided for the transfer of any patient of the psychiatric and neurological facilities and services of the ~~University~~ Oklahoma Memorial Hospital to a component facility of the Department of Mental Health and Substance Abuse Services and for the transfer of any patient of a component facility of that Department to the ~~University~~ Oklahoma Memorial Hospital psychiatric and neurological facilities and services under such procedures as the Department and the School of Medicine may adopt, subject to the provisions of this section and the mental health laws of this state.

~~(1)~~ 1. The transfer of such patients shall be for the following purposes:

- a. to provide necessary patients for the teaching of diagnosis and therapy of mental illness, according to the needs of the School of Medicine,
- b. to make special diagnostic and/or therapeutic measures available to the patients, and
- c. to maintain the Psychiatry and Neurology Service of the ~~University~~ Oklahoma Memorial Hospital as a short-term diagnostic and therapeutic facility.

~~(2)~~ 2. The procedure for transfer of patients provided for in paragraph (d), subparagraph (4) and this paragraph shall be determined by a board of three (3) members, one each to be appointed by the Director of the Department of Mental Health and Substance Abuse Services, the ~~Superintendent of the University~~ Chief Executive Officer of the Oklahoma Memorial Hospital, and the State Commissioner of Health.

~~(f)~~ H. The discharge of certified patients from the Psychiatry and Neurology Service shall be determined by the consensus of a board of three members from the Department of Psychiatry and Neurology, including the Chief. The Chief shall notify the court, which certified the patient originally, that the Board has concluded

that the patient so certified is mentally well and is being discharged.

SECTION 28. AMENDATORY 74 O.S. 1991, Section 76, is amended to read as follows:

Section 76. The ~~Office of Public Affairs~~ Department of Central Services is authorized to initiate and operate a mailing service for the agencies and departments of the state located in Oklahoma City. The Director of ~~Public Affairs~~ Central Services shall promulgate and adopt such reasonable rules and regulations as may be necessary for the efficient and economical operation of a clearinghouse for interagency communications and for the deposit of the state's mail with the United States Post Office. The ~~Office~~ Department shall have the authority to employ such personnel and to purchase and acquire such equipment, materials, and supplies as may be necessary to carry out the provisions of Sections 76 through 76b of this title. Every agency and department of the state located in Oklahoma City shall be required to participate in the mailing service, except the Department of Human Services, the Oklahoma Commission for Human Services, the Oklahoma Tax Commission, the University of Oklahoma Medical Center, the Oklahoma Employment Security Commission, the Oklahoma Legislature, the ~~Oklahoma~~ University Medical Center, and the ~~Oklahoma~~ State Department of Health located in the Oklahoma Health Sciences Center.

SECTION 29. AMENDATORY 74 O.S. 1991, Section 85.7, as amended by Section 19, Chapter 373, O.S.L. 1992 (74 O.S. Supp. 1992, Section 85.7), is amended to read as follows:

Section 85.7 A. No acquisition or contract shall be made without the submission of competitive bids by the State Purchasing Director, except as provided in this section.

1. Any acquisition or contract for an amount of Two Thousand Five Hundred Dollars (\$2,500.00) or less shall be exempted from competitive bidding procedures. Separate contracts or acquisitions



for the individual components of a total project or service or split purchasing for the purpose of evading the requirement of competitive bidding shall be deemed a felony. The State Purchasing Director may waive or increase the two-thousand-five-hundred-dollar limit up to, but not to exceed, a contract or purchase price of ten percent (10%) above the open market limit to perfect an otherwise valid acquisition or contract inadvertently exceeding the two-thousand-five-hundred-dollar limit due to administrative error or unforeseeable circumstances. Requests for such waiver or increase shall be promptly submitted upon the discovery of such error or circumstance to the State Purchasing Director in a form prescribed by said Director setting forth the facts. All requests for such waiver or increase in amount, whether granted or denied, shall be reported monthly to the offices of the Governor, President Pro Tempore of the Senate and Speaker of the House of Representatives.

2. Contracts for master custodian banks or trust companies, investment managers and investment consultants for state retirement systems, the State Insurance Fund, and the State and Education Employees Group Insurance Board, the pension fund management consultants of the Oklahoma State Pension Commission and actuarial, architectural, engineering, legal or other professional services as such term is defined in Section 803 of Title 18 of the Oklahoma Statutes shall be exempt from competitive bidding procedures. The Department of Central Services shall send a copy of such contracts or a list of such contracts to any member of the House or Senate Appropriations Committee, if requested by such member.

3. Competitive bids shall not be required for any emergency acquisitions or contracts involving Five Thousand Dollars (\$5,000.00) or less, when upon written request of the State Purchasing Director specifying the facts and circumstances given rise thereto, the Governor may certify in writing the existence of an emergency authorizing the acquisition or contract.

4. Competitive bids for services to alleviate a serious environmental emergency shall not be required if, upon the request of the Chairman of the Corporation Commission, the Governor having examined the facts and circumstances of the case, certifies in writing the existence of a serious environmental emergency. A serious environmental emergency for the purpose of this section means a situation within the jurisdiction of the Commission:

- a. in which serious damage to the environment will quickly occur if immediate action is not taken, and the damage will be so significant that the urgent need for action outweighs the public policy strongly favoring competitive bids, or
- b. a situation in which human life or safety is in imminent danger or significant property interests are threatened with imminent destruction.

5. Purchases or acquisitions for repairs of equipment and machinery in emergencies, or of livestock through a market agency, dealer, commission house or livestock auction market bonded or licensed under federal or state law shall not be subject to the competitive bid requirements of this section or any other provisions of the Oklahoma Central Purchasing Act, Section 85.1 et seq. of this title.

6. Purchases or acquisitions of human organs and internal prostheses for the ~~Oklahoma~~ University Medical Center, shall not be subject to the competitive bid requirements of this section or any other provisions of the Oklahoma Central Purchasing Act.

7. Any contract for the restoration of historical sites and museums shall not be subject to the competitive bid requirements of this section or any other provision of the Oklahoma Central Purchasing Act. The procedures will be followed except contractor and bid selection will be the prerogative of the Oklahoma Historical

Society Board and selection will be based on contractors' documented qualifications and experience.

8. Purchases of postage by state agencies shall be made in accordance with the provisions of Sections 90.1 through 90.4 of this title.

9. Any sole source contract shall not be subject to competitive bidding procedures. Any agency requesting products or services pursuant to a sole source contract shall comply with Section 89 of this title.

10. Contracts for the design, development, communication or implementation of the state employees flexible benefits plan shall not be subject to the requirements of this section, provided that the Flexible Benefits Advisory Council shall use procedures consistent with the competitive bid requirements of the Oklahoma Central Purchasing Act.

11. a. Any contract for a service for which the Department of Central Services has approved as qualifying for a fixed and uniform rate shall not be subject to competitive bid procedures.
- b. The Department of Central Services shall establish criteria and guidelines for those services which may be qualified for a fixed and uniform rate.
- c. The exception to competitive bid procedures authorized by this paragraph shall be limited to contracts for those services furnished to persons directly benefiting from such services and shall not be used by any agency to employ consultants or to purchase products.
- d. Any agency desiring to have a service qualified for a fixed and uniform rate shall make a request for such qualification to the Department of Central Services and shall submit any documentation necessary to

support such request. The Department of Central Services shall either approve or deny the request. If the Department of Central Services qualifies such services for a fixed and uniform rate, the agency requesting such qualification shall establish a fixed and uniform rate for such service, provided no contracts shall be entered into by the agency until such rate has been approved by the agency in a public hearing. Prior to approval, the proposed rate shall be clearly and separately identified in the agenda of the agency for the hearing and shall be openly and separately discussed during such hearing. In addition, the agency shall notify the Director of the Department of Central Services of its pending consideration of the proposed rate at least thirty (30) days before the agency is to meet on the proposed rate. Along with such notice, the agency shall deliver to the Department of Central Services a copy of the agenda items concerning the proposed rate with all supporting documentation and materials. The Director of the Department of Central Services shall communicate any observation, reservation, criticism or recommendation to the agency, either in person at the time of the hearing or in writing delivered to the agency before or at the time of the hearing. The Director of the Department of Central Services shall specifically note in such written communications if the Director of the Department of Central Services has determined the rate to be excessive. Any such written communication presented in the absence of the Director of the Department of Central Services shall be presented orally during the public hearing. Whether

made in person or in writing any comment made by the Director of the Department of Central Services shall be made a part of the minutes of the hearing in full.

- e. Within two (2) weeks after the convening of the Legislature, the administrative officer of each state agency shall furnish to the Speaker of the House of Representatives, the President Pro Tempore of the Senate and to any member of the House or Senate, if requested by such member, a complete list of all of the types of services paid for by uniform fixed rates, the amount of the rate last approved by the agency for the service, and the number of contracts then in existence for each type of service. Any rate which has been determined to be excessive by the Director of the Department of Central Services shall be specifically identified in such list.
- f. At any time, the Director of the Department of Central Services is authorized to review, suspend, or terminate a contract entered into pursuant to the provisions of this paragraph if the Director of the Department of Central Services determines the contract is not necessary, is excessive, or is not justified.

B. Acquisitions or contracts shall be awarded to the lowest and best bidder therefor at a specified time and place, which shall be open to the public, with such preference between bidders offering substantially the same products or services at substantially the same prices, as may be set under the authority of Section 85.5 of this title.

C. Bids for professional service contracts shall be evaluated by the State Purchasing Director and the agency contracting for such service. Both cost and technical expertise shall be considered in determining the lowest and best bid. Further, such agency shall

present its evaluation and recommendation to the State Purchasing Director. A documented evaluation report containing the evaluations of the State Purchasing Director and the agency contracting for such service shall be completed prior to the awarding of a professional service contract and such report shall be a matter of public record.

D. When requested by the governing body of a state retirement system, the State Insurance Fund or the State and Education Employees Group Insurance Board which are authorized to hire investment managers, the Department of Central Services shall assist the governing body of a state retirement system, the Fund or the Board in the process of selecting investment managers. When requested by the Flexible Benefits Advisory Council, the Department of Central Services shall assist the Council in the process of selecting contracts for the design, development, communication or implementation of the state employees flexible benefits plan.

SECTION 30. AMENDATORY 74 O.S. 1991, Section 85.12, as last amended by Section 1, Chapter 246, O.S.L. 1992 (74 O.S. Supp. 1992, Section 85.12), is amended to read as follows:

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

B. The following acquisitions shall not be included within the purview of the Oklahoma Central Purchasing Act, Section 85.1 et seq. of this title:

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

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

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

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

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

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

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

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

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

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

11. Purchases by the Oklahoma Municipal Power Authority;

12. Grand River Dam Authority;

13. Purchases by 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 5 of this act;

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; and

24. Purchases amounting to less than that requiring competitive bid pursuant to Section 85.7 of this title. The Director of Public Affairs 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.

C. Notwithstanding the exclusions provided herein, any agency or common schools of Oklahoma, any municipality of the state, any rural fire protection district and county officers may, unless the contract with the state specifies otherwise, avail themselves of the provisions of the Oklahoma Central Purchasing contracts and the services of the Purchasing Director. Provided further, however,

that any subdivision of government and any rural fire protection district of the state may designate the office of Oklahoma Central Purchasing as its agent for the purchase or procurement of any item or service contracted or available to the state.

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

SECTION 31. AMENDATORY 74 O.S. 1991, Section 902, as last amended by Section 12, Chapter 376, O.S.L. 1992 (74 O.S. Supp. 1992, Section 902), is amended to read as follows:

Section 902. As used in ~~this act~~ Section 901 et seq. of this title:

~~(1)~~ 1. "System" means the Oklahoma Public Employees Retirement System as established by this act and as it may hereafter be amended;

~~(2)~~ 2. "Accumulated contributions" means the sum of all contributions by a member to the System which shall be credited to the member's account;

~~(3)~~ 3. "Act" means Sections 901 to 932, inclusive, of this title;

~~(4)~~ 4. "Actuarial equivalent" means a deferred income benefit of equal value to the accumulated deposits or benefits when computed upon the basis of the actuarial tables in use by the System;

~~(5)~~ 5. "Actuarial tables" means the actuarial tables approved and in use by the Board at any given time;

~~(6)~~ 6. "Actuary" means the actuary or firm of actuaries employed by the Board at any given time;

~~(7)~~ 7. "Agent" means the individual designated by each participating employer through whom System transactions and communication shall be directed;

~~(8)~~ 8. "Beneficiary" means any person named by a member to receive any benefits as provided for by this act. If there is no beneficiary living at time of member employee's death, his estate shall be the beneficiary;

~~(9)~~ 9. "Board" means the Oklahoma Public Employees Retirement System Board of Trustees;

~~(10)~~ 10. "Compensation" means all salary and wages, including amounts deferred under deferred compensation agreements entered into between a member and a participating employer, but exclusive of payment for overtime, payable to a member of the System for personal services performed for a participating employer, including maintenance, or any allowance in lieu thereof provided a member as a part of compensation but shall not include compensation or reimbursement for traveling, or moving expenses, or except as otherwise provided in this paragraph, any compensation in excess of Twenty-five Thousand Dollars (\$25,000.00) per annum which shall be the maximum compensation level. An active member of the System may elect to have a maximum compensation level of Forty Thousand Dollars (\$40,000.00) per annum. Such an election shall be made in writing and filed with the System. Any member, who at the time the member was eligible to make an election to increase the member's maximum compensation level failed to make an election or chose not to increase the maximum compensation level of the member to Forty Thousand Dollars (\$40,000.00), may elect to increase the member's maximum compensation level if the election is made within three (3) years of the member's initial opportunity to make the election. Any such member making the election shall pay to the System the amount

of contribution the member would have paid had the member made the election on January 1, 1988. Any member, who at the time the member was eligible to make an election to increase the member's maximum compensation level chose to increase the compensation level of the member to Forty Thousand Dollars (\$40,000.00), may elect to decrease the member's maximum compensation level to Twenty-five Thousand Dollars (\$25,000.00) if the election is made within three (3) years of the initial election to increase the maximum compensation level. Upon the receipt of the election to reduce the maximum compensation level, the Board shall pay to the member the contribution made by the member in excess of the contribution required on a maximum compensation level of Twenty-five Thousand Dollars (\$25,000.00) within sixty (60) days of said election. Members whose salaries exceed Twenty-five Thousand Dollars (\$25,000.00) after ~~the effective date of this act~~ July 1, 1989, shall file the election when the salary exceeds Twenty-five Thousand Dollars (\$25,000.00). Any such election by a member shall be irrevocable. Salary shall include any amount of elective salary reduction under Section 457 of the Internal Revenue Code of 1986, 26 U.S.C., Section 457, and any amount of non-elective salary reduction under Section 414(h) of the Internal Revenue Code of 1986, 26 U.S.C., Section 414(h);

~~(11)~~ 11. "Credited service" means the sum of participating service, prior service and elected service;

~~(12)~~ 12. "Dependent" means a parent, child, or spouse of a member who is dependent upon the member for at least one-half (1/2) of his support;

~~(13)~~ 13. "Effective date" means the date upon which the System becomes effective by operation of law;

~~(14)~~ 14. "Eligible employer" means the state and any county, county hospital, city or town, conservation districts, and any public or private trust in which a county, city or town participates and is the primary beneficiary is to be an eligible employer for the

purpose of this act only, whose employees are covered by Social Security and are not covered by or eligible for another retirement plan authorized under the laws of this state which is in operation on the initial entry date. Emergency medical service districts may join the System upon proper application to the Board. Provided affiliation by a county hospital shall be in the form of a resolution adopted by the board of control.

- (a) If a class or several classes of employees of any above-defined employers are covered by Social Security and are not covered by or eligible for and will not become eligible for another retirement plan authorized under the laws of this state, which is in operation on the effective date, such employer shall be deemed an eligible employer, but only with respect to that class or those classes of employees as defined in this section.
- (b) A class or several classes of employees who are covered by Social Security and are not covered by or eligible for and will not become eligible for another retirement plan authorized under the laws of this state, which is in operation on the effective date, and when the qualifications for employment in such class or classes are set by state law; and when such class or classes of employees are employed by county or municipal government pursuant to such qualifications; and when the services provided by such employees are of such nature that they qualify for matching by or contributions from state or federal funds administered by an agency of state government which qualifies as a participating employer, then the agency of state government administering the state or federal funds shall be deemed an eligible employer,

but only with respect to that class or those classes of employees as defined in this subsection; provided, that the required contributions to the retirement plan may be withheld from the contributions of state or federal funds administered by the state agency and transmitted to the System on the same basis as the employee and employer contributions are transmitted for the direct employees of the state agency. The retirement or eligibility for retirement under the provisions of law providing pensions for service as a volunteer fire fighter shall not render any person ineligible for participation in the benefits provided for in this act. An employee of any public or private trust in which a county, city or town participates and is the primary beneficiary shall be deemed to be an eligible employee for the purpose of this act only;

~~(15)~~ 15. "Employee" means any officer or employee of a participating employer, whose employment is not seasonal or temporary and whose employment requires at least one thousand (1,000) hours of work per year and whose salary or wage is equal to the hourly rate of the monthly minimum wage for state employees as provided in Section 284 of this title. For those eligible employers outlined in Section 910 of this title, the rate shall be equal to the hourly rate of the monthly minimum wage for that employer. Each employer, whose minimum wage is less than the state's minimum wage, shall inform the System of the minimum wage for that employer. This notification shall be by resolution of the governing body.

- (a) Any employee of the county superintendent or the county extension agents who is not currently participating in the Teachers' Retirement System shall be a member of this System.

- (b) Eligibility shall not include any employee who is a contributing member of the United States Civil Service Retirement System.
- (c) It shall be mandatory for an officer, appointee or employee of the office of district attorney to become a member of this System if he is not currently participating in a county retirement system. Provided further, that if an officer, appointee or employee of the office of district attorney is currently participating in such county retirement system, he is ineligible for this System as long as he is eligible for such county retirement system. Any eligible officer, appointee or employee of the office of district attorney shall be given credit for prior service as defined in this section. The provisions outlined in Section 917 of this title shall apply to those employees who have previously withdrawn their contributions.
- (d) Eligibility shall also not include any officer or employee of the Oklahoma Employment Security Commission, except for those officers and employees of the Commission electing to transfer to this System pursuant to the provisions of Section 910.1 of this title or any other class of officers or employees specifically exempted by the laws of this state, unless there be a consolidation as provided by Section 912 of this title. Employees of the Oklahoma Employment Security Commission who are ineligible for enrollment in the Employment Security Commission Retirement Plan, that was in effect on January 1, 1964, shall become members of this System.

(e) Any employee employed by the Legislative Service Bureau, State Senate or House of Representatives for the full duration of a regular legislative session shall be eligible for membership in the System regardless of classification as a temporary employee and may participate in the System during the regular legislative session at the option of the employee. For purposes of this subsection, the determination of whether an employee is employed for the full duration of a regular legislative session shall be made by the Legislative Service Bureau if such employee is employed by the Legislative Service Bureau, the State Senate if such employee is employed by the State Senate, or by the House of Representatives if such employee is employed by the House of Representatives. Once such an employee makes a choice to participate or not, the choice shall be binding for all future legislative sessions during which the employee is employed. Notwithstanding the previous sentence, any employee, who is eligible for membership in the System because of the provisions of this subsection and who was employed by the State Senate or House of Representatives after January 1, 1989, may file an election, in a manner specified by the Board, to participate as a member of the System prior to September 1, 1989. Each regular legislative session during which a legislative employee or an employee of the Legislative Service Bureau participates full time shall be counted as six (6) months of full-time participating service. Notwithstanding the provisions of this paragraph, a temporary legislative session employee who elected to become a member of the System



may withdraw from the System effective the day said employee elected to participate in the System upon written request to the Board. Any such request must be received by the Board prior to October 1, 1990. All employee contributions made by the temporary legislative session employee shall be returned to the employee without interest within four (4) months of receipt of the written request.

f. Any person who is employed by the University Medical Center and whose employment is not seasonal or temporary and whose employment requires at least one thousand (1,000) hours of work per year and whose salary or wage is equal to or greater than the hourly rate of the monthly premium wage for state employees, as provided in Section 284 of this title, shall be a member of the System on the effective date of the University Medical Center Act. However, membership in the System shall not include any employee who is eligible for membership in the Teacher's Retirement System of Oklahoma pursuant to subsection (3) of Section 17-101 of Title 70 of the Oklahoma Statutes, and those persons not eligible to participate in the System pursuant to Section 9 of the University Medical Center Act;

~~(16)~~ 16. "Entry date" means the date as of which an eligible employer joins the System. The first entry date pursuant to this act shall be January 1, 1964;

~~(17)~~ 17. "Executive Director" means the managing officer of the System employed by the Board under this act;

~~(18)~~ 18. "Final average compensation" means the average annual salary, including amounts deferred under deferred compensation agreements entered into between a member and a participating

employer, up to, but not exceeding the allowable amounts defined in subsection (10) of this section received during any three (3) of the last five (5) years of participating service immediately preceding retirement or termination of employment, or, if participating service is less than three (3) years, the average annual compensation up to but not exceeding the allowable amounts defined in subsection (10) of this section paid to the member during the full period of participating service. Provided, no member shall retire with a final average salary in excess of Twenty-five Thousand Dollars (\$25,000.00) unless the member has made the required election and has paid the required contributions on such salary in excess of Twenty-five Thousand Dollars (\$25,000.00);

~~(19)~~ 19. "Fiscal year" means the period commencing July 1 of any year and ending June 30 of the next year;

~~(20)~~ 20. "Fund" means the Oklahoma Public Employees Retirement Fund as created by this act;

~~(21)~~ 21. "Leave of absence" means a period of absence from employment without pay, authorized and approved by the employer and acknowledged to the Board, and which after the effective date does not exceed two (2) years;

~~(22)~~ 22. "Member" means an eligible employee or elected official who is in the System and is making the required employee or elected official contributions, or any former employee or elected official who shall have made the required contributions to the System and shall have not received a refund or withdrawal;

~~(23)~~ 23. "Military service" means service in the Armed Forces of the United States in time of war or national emergency, as defined in Section 67.13a of Title 72, from which the member was honorably discharged;

~~(24)~~ 24. "Normal retirement date" means the date on which a member may retire with full retirement benefits as provided in this act, such date being whichever occurs first:

- (a) the first day of the month coinciding with or following a member's sixty-second birthday;
- (b) for any person who became a member prior to July 1, 1992, the first day of the month coinciding with or following the date at which the sum of a member's age and number of years of credited service total eighty (80);
- (c) for any person who became a member after June 30, 1992, the first day of the month coinciding with or following the date at which the sum of a member's age and number of years of credited service total ninety (90); or
- (d) in addition to subparagraphs (a), (b) and (c) of this paragraph, the first day of the month coinciding with or following a member's fiftieth birthday if the member has at least twenty (20) years of full-time-equivalent employment as a correctional or probation and parole officer with the Department of Corrections and at the time of retirement, the member was a correctional or probation and parole officer with the Department of Corrections;

~~(25)~~ 25. "Participating employer" means an eligible employer who has agreed to make contributions to the System on behalf of its employees;

~~(26)~~ 26. "Participating service" means the period of employment after the entry date for which credit is granted a member;

~~(27)~~ 27. "Prior service" means the period of employment of a member by an eligible employer prior to his entry date for which credit is granted a member under this act;

~~(28)~~ 28. "Retirant" means a member who has retired under the System;

~~(29)~~ 29. "Retirement benefit" means a monthly income with benefits accruing from the first day of the month coinciding with or following retirement and ending on the last day of the month in which death occurs or the actuarial equivalent thereof paid in such manner as specified by the member pursuant to this act or as otherwise allowed to be paid at the discretion of the Board;

~~(30)~~ 30. "Social Security" means the old-age survivors and disability section of the Federal Social Security Act, 42 U.S.C., Section 301 et seq.;

~~(31)~~ 31. "Total disability" means a physical or mental disability accepted for disability benefits by the Federal Social Security System;

~~(32)~~ 32. "Service-connected disability benefits" means military service benefits which are for a service-connected disability rated at twenty percent (20%) or more by the Veterans Administration or the Armed Forces of the United States;

~~(33)~~ 33. "Elected official" means a person elected to a state office in the legislative or executive branch of state government or, except for the county superintendent of schools, a person elected to a county office for a definite number of years and shall include an individual who is appointed to fill the unexpired term of an elected state official;

~~(34)~~ 34. "Elected service" means the period of service as an elected official; and

~~(35)~~ 35. "Limitation year" means the year used in applying the limitations of Section 415 of the Internal Revenue Code of 1986, 26 U.S.C., Section 415, which year shall be the calendar year.

SECTION 32. AMENDATORY 74 O.S. 1991, Section 1304, as last amended by Section 15, Chapter 400, O.S.L. 1992 (74 O.S. Supp. 1992, Section 1304), is amended to read as follows:

Section 1304. ~~(1)~~ A. There is hereby created the State and Education Employees Group Insurance Board which shall consist of

seven (7) members as follows: The State Insurance Commissioner, or his or her designee who shall be an employee of the Insurance Department, two members appointed by the Governor, two members appointed by the Speaker of the House of Representatives, and two members appointed by the President Pro Tempore of the Senate. The appointed members shall each receive compensation of Five Hundred Dollars (\$500.00) per month. Appointed members who fail to attend a regularly scheduled monthly meeting of the Board shall not receive the related monthly compensation. In the event an appointed member does not attend at least seventy-five percent (75%) of the regularly scheduled monthly meetings of the Board during a calendar year, the appointing authority may remove said member. A member may also be removed for any other cause as provided by law. A vacancy in the office of the appointed member shall be filled for the unexpired term of office in the same manner as the original appointment.

~~(2)~~ B. The initial term of office of the members appointed by the Governor shall expire on January 14, 1991. The members thereafter appointed by the Governor shall serve a term of office of four (4) years which is coterminous with the term of office of the office of the appointing authority.

~~(3)~~ C. The initial term of office of one of the members appointed each by the Speaker of the House of Representatives and by the President Pro Tempore of the Senate shall be for the period ending June 30, 1992. The initial term of office of the other member appointed each by the Speaker of the House of Representatives and by the President Pro Tempore of the Senate shall be for the period ending June 30, 1994. Thereafter, the term of office of the members appointed by the Speaker of the House of Representatives and by the President Pro Tempore of the Senate shall be four (4) years.

~~(4)~~ D. 1. The appointed members shall:

~~(a)~~ a. have demonstrated professional experience in investment or funds management, public funds

management, public or private group health or pension fund management, or group health insurance management~~†~~ or

~~(b)~~ b. be licensed to practice law in this state and have demonstrated professional experience in commercial matters~~†~~ or

~~(c)~~ c. be licensed by the Oklahoma State Board of Public Accountancy to practice in this state as a public accountant or a certified public accountant.

2. In making appointments that conform to the requirements of this subsection, at least one (1) but not more than two (2) members shall be appointed each from paragraphs (b) and (c) of this subsection by the combined appointing authorities.

~~(5)~~ E. No appointed member of the State and Education Employees Group Insurance Board shall be a lobbyist registered in this state as provided by law, a health care provider, a plan participant, be employed, directly or indirectly, by any insurance company or carrier, or health care provider, or be employed directly or indirectly, by any firm under contract to the Board for any goods or services whatsoever.

~~(6)~~ F. The State and Education Employees Group Insurance Board shall not be subject to the provisions of the Oklahoma Sunset Law, Section 3901 et seq. of this title.

~~(7)~~ G. The Attorney General shall furnish the Board with legal representation.

~~(8)~~ H. The Court Administrator shall designate grievance panel members as shall be necessary. The members of the grievance panel shall consist of two attorneys licensed to practice law in this state and one state licensed health care professional or health care administrator who has at least three (3) years practical experience, has had or has admitting privileges to a State of Oklahoma hospital, has a working knowledge of prescription medication, or has worked in

an administrative capacity at some point in their career. The state health care professional shall be appointed by the Governor.

~~(9)~~ I. The Board shall at its first meeting elect one of its members as chairman. He shall preside over meetings of the Board and perform such other duties as may be required by the Board.

~~(10)~~ J. The Board shall elect another member to serve as vice-chairman who shall perform the duties of the chairman in the absence of the latter or upon his inability or refusal to act.

~~(11)~~ K. The Board shall also elect a secretary who shall keep minutes of all meetings and who shall certify to actions of the Board.

~~(12)~~ L. The Board shall adopt rules and regulations requiring payment for medical and dental services and treatment rendered by duly licensed hospitals, physicians and dentists.

~~(13)~~ M. The State and Education Employees Group Insurance Board may enter into a contract with out-of-state providers in connection with any PPO or hospital or medical network plan which shall include, but not be limited to, special care facilities and hospitals outside the borders of the State of Oklahoma. The contract for out-of-state providers shall be identical to the in-state provider contracts.

~~(14)~~ N. The Board shall contract with the ~~Oklahoma~~ University Medical Center and the George Nigh Rehabilitation Institute for the provision of their services, on the same basis as other hospitals and providers in the state network, provided however the Board shall have discretion to reduce the co-payment and the deductibles up to fifty percent (50%) at the ~~Oklahoma~~ University Medical Center and the George Nigh Rehabilitation Institute, and their medical staffs. For purposes of this subsection, the phrase "~~Oklahoma~~ University Medical Center" shall be limited to the Oklahoma Memorial Hospital, the Children's Hospital of Oklahoma, the O'Donaghue Rehabilitation Institute, and the Child Study Center.

~~(15)~~ O. The Administrator shall appoint an advisory committee to the State and Education Employees Group Insurance Board. The advisory committee shall consist of seven (7) members. Of the members appointed to the advisory committee, at least one member must be an active state employee, at least one member must be a retired state employee, at least one member must be an active education employee, at least one member must be a retired education employee, and at least one member must be either an active county employee or a retired county employee.

SECTION 33. AMENDATORY 74 O.S. Supp. 1991, Section 4243, is amended to read as follows:

Section 4243. A. No state agency shall:

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

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

3. Purchase any real property from any employee of said state agency or from any person who within eighteen (18) months prior to such purchase held such position with the state government, unless the property is acquired either by condemnation proceedings or the price to be paid for such property is approved in writing by the appointing authority of the agency acquiring such property and by the Governor.

B. 1. The Department of Human Services is authorized to contract with qualified former state employees, or the spouses of



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

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

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

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

care, and attendant services to children in the custody of the Department.

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

SECTION 34. REPEALER 56 O.S. 1991, Sections 66.2, 300, 336, 338, 339, 342, 346, 402, 412, 412.1, 413 and 521 and 64 O.S. 1991, Section 371a, are hereby repealed.

SECTION 35. This act shall become effective July 1, 1993.

SECTION 36. 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.

44-1-0081

CJ