

ENGROSSED SENATE
BILL NO. 993

By: Morgan of the Senate
and
Roberts of the House

[retirement - Oklahoma Police Pension and Retirement
System - modifying travel reimbursement provision -
changes to status - effective date -
emergency]

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

SECTION 1. AMENDATORY 11 O.S. 1991, Section 50-104.1, is amended to read as follows:

Section 50-104.1 A. The State Board shall hold regular meetings in Oklahoma City at least once each quarter, the dates, time, and place thereof to be fixed by the State Board. The State Board shall hold a regular meeting in July of each year which meeting shall be the annual meeting at which it shall elect its Chairman. Special meetings may be called upon written call of the Chairman or by agreement of any eight (8) members of the State Board. Notice of a special meeting shall be delivered to all State Board members in person or by registered or certified United States mail not less than seven (7) days prior to the date fixed for the meeting; provided, however, that notice of such meeting may be waived by any member either before or after such meeting and attendance at such meeting shall constitute a waiver of notice of such meeting, unless a member participates therein solely to object to the transaction of any business because the meeting has not been legally called or convened. Notwithstanding any other provision of law, all reasonable and necessary expenses in connection with any meeting of the State Board, or a committee thereof, as determined by

the State Board shall be paid out of the Fund. These expenses shall include, but are not limited to, meeting facilities, equipment, food and related educational fees and expenses.

B. Seven (7) State Board members shall constitute a quorum for the transaction of business, but any official action of the State Board shall be based upon a favorable vote by at least seven (7) State Board members at a regular or special meeting of the State Board.

C. ~~Appointive~~ State Board members shall be reimbursed for necessary travel expenses pursuant to the State Travel Reimbursement Act.

SECTION 2. AMENDATORY 11 O.S. 1991, Section 50-105.1, is amended to read as follows:

Section 50-105.1 A. The State Board shall appoint an Executive Director. Subject to the policy direction of the State Board, the Executive Director shall be the managing and administrative officer of the System and as such shall have charge of the office, records, and supervision and direction of the employees of the System.

B. The Executive Director shall recommend to the State Board the administrative organization, the number and qualifications of employees necessary to carry out the intent of this article, and the policy direction of the State Board. Upon approval of the organizational plan by the State Board, the Executive Director may employ such persons as are deemed necessary to administer this article.

C. The members of the State Board, the Executive Director and the employees of the System shall not accept gifts or gratuities from an individual organization with a value in excess of ~~Fifty Dollars (\$50.00)~~ the amount per year permitted by the Ethics Commission for all state officials and employees pursuant to Rule 257:20-1-9(b) of the Ethics Commission Rules. The provisions of this section shall not be construed to prevent the members of the

State Board, the Executive Director or the employees of the System from attending educational seminars, conferences, meetings or similar functions which are paid for, directly or indirectly, by more than one organization.

D. The State Board may select and retain a qualified actuary who shall serve at its pleasure as its technical advisor or consultant on matters regarding the operation of the System. The actuary may at the direction of the State Board:

1. Make an annual valuation of the liabilities and reserves of the System, and a determination of the contributions required by the System to discharge its liabilities and administrative costs under this article, and recommend to the State Board rates of employer contributions required to establish and maintain the System on an adequate reserve basis;

2. As deemed necessary by the State Board, make a general investigation of the actuarial experience under the System, including mortality, retirement, employment turnover, and interest, and recommend actuarial tables for use in valuations and in calculating actuarial equivalent values based on such investigation; and

3. Perform such other duties as may be assigned by the State Board.

E. The State Board may retain an attorney licensed to practice law in this state. The attorney shall serve at the pleasure of the State Board for such compensation as set by the State Board. The Attorney General shall furnish such legal services as may be requested by the State Board.

SECTION 3. AMENDATORY 11 O.S. 1991, Section 50-105.4, as last amended by Section 2, Chapter 81, O.S.L. 1995 (11 O.S. Supp. 1999, Section 50-105.4), is amended to read as follows:

Section 50-105.4 A. The Oklahoma Police Pension and Retirement Board shall discharge their duties with respect to the System solely in the interest of the participants and beneficiaries and:

1. For the exclusive purpose of:

- a. providing benefits to participants and their beneficiaries, and
- b. defraying reasonable expenses of administering the System;

2. With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

3. By diversifying the investments of the System so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

4. In accordance with the laws, documents and instruments governing the System.

B. The State Board may procure insurance indemnifying the members of the State Board from personal loss or accountability from liability resulting from a member's action or inaction as a member of the State Board.

C. The State Board may establish an investment committee. The investment committee shall be composed of not more than five (5) members of the State Board appointed by the chairman of the State Board. The committee shall make recommendations to the full State Board on all matters related to the choice of custodians and managers of the assets of the System, on the establishment of investment and fund management guidelines, and in planning future investment policy. The committee shall have no authority to act on behalf of the State Board in any circumstances whatsoever. No recommendation of the committee shall have effect as an action of

the State Board nor take effect without the approval of the State Board as provided by law.

D. The State Board shall retain qualified investment managers to provide for the investment of the monies of the System. The investment managers shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to standards set by the State Board unless the State Board deems it necessary and prudent to do otherwise to fulfill its fiduciary responsibility or to avoid financial loss. Subject to the overall investment guidelines set by the State Board, the investment managers shall have full discretion in the management of those monies of the System allocated to the investment managers. The State Board shall manage those monies not specifically allocated to the investment managers. The monies of the System allocated to the investment managers shall be actively managed by the investment managers, which may include selling investments and realizing losses if such action is considered advantageous to longer term return maximization. Because of the total return objective, no distinction shall be made for management and performance evaluation purposes between realized and unrealized capital gains and losses.

E. Funds and revenues for investment by the investment managers or the State Board shall be placed with a custodian selected by the State Board. The custodian shall be a bank or trust company offering pension fund master trustee and master custodial services. The custodian shall be chosen by a solicitation of proposals on a competitive basis pursuant to standards set by the State Board. In compliance with the investment policy guidelines of the State Board, the custodian bank or trust company shall be contractually responsible for ensuring that all monies of the System are invested in income-producing investment vehicles at all times. If a custodian bank or trust company has not received direction from the investment managers of the System as to the investment of the monies

of the System in specific investment vehicles, the custodian bank or trust company shall be contractually responsible to the State Board for investing the monies in appropriately collateralized short-term interest-bearing investment vehicles.

F. By November 1, 1988, and prior to August 1 of each year thereafter, the State Board shall develop a written investment plan for the System.

G. The State Board shall compile a quarterly financial report of all the funds of the System on a fiscal year basis. The report shall be compiled pursuant to uniform reporting standards prescribed by the Oklahoma State Pension Commission for all state retirement systems. The report shall include several relevant measures of investment value, including acquisition cost and current fair market value with appropriate summaries of total holdings and returns. The report shall contain combined and individual rate of returns of the investment managers by category of investment, over periods of time. The State Board shall include in the quarterly reports all commissions, fees or payments for investment services performed on behalf of the State Board. The report shall be distributed to the Governor, the Oklahoma State Pension Commission, the Legislative Service Bureau, the Speaker of the House of Representatives and the President Pro Tempore of the Senate.

H. After July 1 and before October 1 of each year, the State Board shall publish widely an annual report presented in simple and easily understood language pursuant to uniform reporting standards prescribed by the Oklahoma State Pension Commission for all state retirement systems. The report shall be submitted to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Oklahoma State Pension Commission and the members of the System. The annual report shall cover the operation of the System during the past fiscal year, including income, disbursements, and the financial condition of the System at the end

of the fiscal year. The annual report shall also contain the information issued in the quarterly reports required pursuant to subsection G of this section as well as a summary of the results of the most recent actuarial valuation to include total assets, total liabilities, unfunded liability or over funded status, contributions and any other information deemed relevant by the State Board. The annual report shall be written in such a manner as to permit a readily understandable means for analyzing the financial condition and performances of the System for the fiscal year.

SECTION 4. AMENDATORY 11 O.S. 1991, Section 50-133, is amended to read as follows:

Section 50-133. All costs and expenses incurred in the operation, administration and management of the System shall be paid by the State Board from the monies of the fund, including but not limited to commissions or other costs resulting from the purchase, sale or other transfer of assets.

The State Board ~~is authorized~~ has exclusive authority to purchase such equipment and supplies as it deems necessary for the efficient operation, administration and management of the System notwithstanding any other provision of law. Payment for such equipment and supplies shall be made from the operating account of the System. Such payments shall be considered an expense of the System and the equipment and supplies so purchased shall be an asset of the System.

SECTION 5. AMENDATORY 11 O.S. 1991, Section 50-134, is amended to read as follows:

Section 50-134. The State Board shall be responsible for the operation, administration and management of the System.

In order to carry out the responsibilities imposed upon them by law, the State Board shall have the exclusive authority to appoint such advisors, consultants, agents and employees, each of whom may be such individual, firm or corporation as shall be deemed necessary

or advisable and approved by the State Board notwithstanding any other provision of law. Such individuals, firms or corporations may be retained or employed in such manner and upon such terms as shall seem appropriate and proper to the State Board, either by contract or retainer, by regular full- or part-time employment or by such other arrangements as shall be satisfactory to the State Board and shall be subject to such bonding requirements as shall be established by the State Board. The fees, commissions, salaries or other compensation of such advisors, consultants, agents or employees shall be paid by the State Board from the Fund.

The Executive Director shall perform the duties and services indicated below and such other duties and services as may, from time to time, be requested or directed by the State Board, and who shall be responsible to the State Board and shall attend all regular meetings of the State Board.

The Executive Director shall be responsible to the State Board for the day-to-day operation of the System, and shall on behalf of the State Board:

1. Be responsible for the transmittal of communications from the State Board to the local board;

2. Receive payroll and employment reports from participating municipalities and maintain current employment, earnings and contribution data on each covered member of each participating municipality;

3. Coordinate the activities of all other advisors, consultants, agents or employees appointed by the State Board;

4. Maintain all necessary records reflecting the operation and administration of the System and submit detailed reports thereof to the State Board at each regular meeting of the State Board and at such other time or times as requested by the State Board;

5. Process all claims for payment of benefits or expenses for approval by the State Board; and

6. File on behalf of the State Board such reports or other information as shall be required by any state or federal law or regulations.

SECTION 6. AMENDATORY Section 1, Chapter 412, O.S.L. 1997, as amended by Section 8, Chapter 388, O.S.L. 1998 (74 O.S. Supp. 1999, Section 840-5.18), is amended to read as follows:

Section 840-5.18 A. All offices, positions and personnel of the Oklahoma Public Employees Retirement System shall be classified and subject to the provisions of the Merit System of Personnel Administration as provided in the Oklahoma Personnel Act, Section 840.1 et seq. of this title. This section shall supersede and repeal any and all executive orders issued pursuant to the Oklahoma Personnel Act to place the agency under the Merit System.

B. In addition to offices, positions, and personnel that are unclassified pursuant to Section 840-5.5 of this title, the following positions and personnel shall be in the unclassified service:

1. The Chief Investment Officer;
2. One Administrative Assistant;
3. Two positions associated with the Severance Program;
4. One additional position; and
5. Four professional-level data processing positions.

C. Effective July 1, 2000, the Board of Trustees of the Oklahoma Public Employees Retirement System shall adopt a personnel plan which shall list, describe and justify which office, positions and personnel shall be in the unclassified service. Any classified employee who is serving in a position which is classified and subject to the Merit System of Personnel Administration on July 1, 2000, shall have the option of retaining such classified status. An incumbent who chooses to remain in the classified service shall be subject to all provisions and conditions of the Merit System of Personnel Administration. An incumbent who chooses to change status

from classified to unclassified shall so indicate in writing by October 1, 2000. All future appointees to such positions shall be in accordance with the personnel plan adopted by the Board. In the event of amendments to the personnel plan adopted by the Board after July 1, 2000, which causes any classified position to be placed in the unclassified service, the incumbent in that position shall have ninety (90) days from the amendment to exercise in writing the option to change status from classified to unclassified.

SECTION 7. AMENDATORY 74 O.S. 1991, Section 906, is amended to read as follows:

Section 906. (1) The Board shall hold regular meetings in Oklahoma City at least once each quarter, the dates, time, and place thereof to be fixed by the Board. The Board shall hold a regular meeting in July of each year which meeting shall be the annual meeting and at which meeting it shall elect its Chairman. Special meetings may be called upon written call of the Chairman or by agreement of any seven members of the Board. Notice of a special meeting shall be delivered to all trustees in person or by registered or certified United States mail not less than seven (7) days prior to the date fixed for the meeting; provided, however, that notice of such meeting may be waived by any member either before or after such meeting and attendance at such meeting shall constitute a waiver of notice of such meeting, unless a member participates therein solely to object to the transaction of any business because the meeting has not been legally called or convened. Notwithstanding any other provision of law, all reasonable and necessary expenses as determined by the Board in connection with any meeting of the Board or any committee thereof, shall be paid from the operating fund of the System. These expenses include, but are not limited to, meeting facilities, equipment, food and related educational fees and expenses.

(2) Seven (7) trustees shall constitute a quorum for the transaction of business, but any official action of the Board shall be based upon a favorable vote by at least seven (7) trustees at a regular or special meeting of the Board.

(3) The trustees shall serve the System without compensation but shall receive their actual and necessary expenses, subject to statutory limitations applying to other state employees, as are incurred in the performance of their duties, which shall be paid as an operating expense from the appropriate operating fund of the System.

SECTION 8. AMENDATORY 74 O.S. 1991, Section 907, as last amended by Section 18, Chapter 290, O.S.L. 1996 (74 O.S. Supp. 1999, Section 907), is amended to read as follows:

Section 907. A. The principal office of the System shall be in quarters at Oklahoma City, Oklahoma. ~~Offices shall be assigned to the System by the Department of Central Services. Upon the failure or inability of the Department of Central Services to provide adequate facilities, the~~ The Board is hereby exclusively authorized to contract for necessary office space in suitable quarters.

B. The Board shall keep a record of all of its proceedings, which shall be open at all reasonable hours to inspection. A statement covering the operation of the System for the past fiscal year, including income, disbursements, and the financial condition of the fund at the end of each fiscal year and showing the valuation of its assets, investments, and liabilities, shall be delivered to the Governor after the end of each fiscal year and prior to December 1 of the next fiscal year and made readily available to the members and participating employers.

C. The Office of the State Auditor and Inspector shall make an annual audit of the accounts of the System. The audit shall be filed in accordance with the requirements for financial statement audits in Section 212A of this title.

SECTION 9. AMENDATORY 74 O.S. 1991, Section 907.1, is amended to read as follows:

Section 907.1 The Oklahoma Public Employees Retirement System is authorized to maintain electronic data processing equipment for their operations. The Board is granted the exclusive authority to purchase and maintain such data processing equipment as the Board deems necessary and suitable.

SECTION 10. AMENDATORY 74 O.S. 1991, Section 908, as amended by Section 3, Chapter 381, O.S.L. 1994 (74 O.S. Supp. 1999, Section 908), is amended to read as follows:

Section 908. (1) The Board of Trustees of the Oklahoma Public Employees Retirement System shall appoint an Executive Director and shall establish his compensation. Subject to the policy direction of the Board, he shall be the managing and administrative officer of the System and as such shall have charge of the office, records, and supervision and direction of the employees of the System.

(2) The Executive Director shall recommend to the Board the administrative organization, the number and qualifications of employees necessary to carry out the intent of this act, and the policy direction of the Board. Upon approval of the organizational plan by the Board, the Executive Director may employ such persons as are deemed necessary to administer this act.

(3) The members of the Board of Trustees, the Executive Director and the employees of the System shall not accept gifts or gratuities from an individual organization with a value in excess of ~~Fifty Dollars (\$50.00)~~ the amount per year permitted by the Ethics Commission for all state officials and employees pursuant to rule 257:20-1-9(b) of the Ethics Commission Rules. The provisions of this section shall not be construed to prevent the members of the Board of Trustees, the Executive Director or the employees of the System from attending educational seminars, conferences, meetings or

similar functions which are paid for, directly or indirectly, by more than one organization.

(4) The Board of Trustees shall select and retain a qualified actuary who shall serve at its pleasure as its technical advisor or consultant on matters regarding the operation of the System. The actuary shall:

(a) make an annual valuation of the liabilities and reserves of the System, and a determination of the contributions required by the System to discharge its liabilities and administrative costs under this act, and recommend to the Board rates of employer contributions required to establish and maintain the System on an adequate reserve basis.

(b) as soon after the effective date as practicable and once every three (3) years thereafter, make a general investigation of the actuarial experience under the System, including mortality, retirement, employment turnover, and interest, and recommend actuarial tables for use in valuations and in calculating actuarial equivalent values based on such investigation.

(c) perform such other duties as may be assigned by the Board.

(5) The Board may retain an attorney licensed to practice law in this state. The attorney shall serve at the pleasure of the Board for such compensation as specified by the Board. The attorney shall advise the Board and perform legal services for the Board with respect to any matters properly before the Board. In addition, the attorney shall advise and perform legal services for the State and Education Employees Group Insurance Board with respect to any matters properly before that Board as provided in Section 1301 et seq. of this title.

(6) The Board shall decide in each instance the membership status of member employees whose membership in the System becomes a matter of conjecture on account of mergers or consolidations of state agencies.

(7) The Board may retain an internal auditor to serve at the pleasure of the Board for such compensation as specified by the Board. In addition to the duties assigned by the Board, the internal auditor is authorized to audit all records of any participating employer in order to ensure compliance with the provisions of Section 901 et seq. of this title.

(8) The Board shall be responsible for the operation, administration and management of the System. In order to carry out the responsibilities imposed upon them by law, the Board shall have the exclusive authority to appoint such advisors, consultants, agents, attorneys and employees, each of whom may be such individual, firm or corporation as shall be deemed necessary or advisable and approved by the Board, notwithstanding any other provision of law. Such individuals, firms or corporations may be retained or employed in such manner and upon such terms as shall seem appropriate and proper to the Board, either by contract or retainer, by regular full- or part-time employment or by such other arrangements as shall be satisfactory to the Board and shall be subject to such bonding requirements as shall be established by the Board. The fees, commissions, salaries or other compensation of such advisors, consultants, agents or employees shall be paid by the Board as a normal operating expense from the Fund.

SECTION 11. AMENDATORY 74 O.S. 1991, Section 909, is amended to read as follows:

Section 909. (1) The Board of Trustees shall be responsible for the policies and rules for the general administration of the system, subject to the provisions of this act.

(2) The Board shall establish rules and regulations for the administration of the system and for the transaction of its business consistent with law, which rules and regulations shall be filed in the office of the Secretary of State.

(3) The Board shall be responsible for the installation or provision of a complete and adequate system of accounts and records.

(4) All meetings of the Board shall be open to the public. The Board shall keep a record of its proceedings.

(5) The Board shall prescribe rules for the determination of the value of maintenance, board, lodging, laundry, and other allowances to employees in lieu of money.

(6) The Board may adopt all necessary actuarial tables to be used in the operation of the system as recommended by the actuary and may compile such additional data as may be necessary for required actuarial valuation calculations.

(7) The Board, as soon after the close of the fiscal year as practical, shall publish for distribution among members a financial statement showing the financial status of the system.

(8) All decisions of the Board as to questions of fact shall be final and conclusive on all persons except for the right of review as provided by law and except for fraud or such gross mistake of fact as to have effect equivalent to fraud.

(9) All costs and expenses incurred in the operation, administration and management of the System shall be paid by the Board from the monies of the fund, including but not limited to commissions or other costs resulting from the purchase, sale or other transfer of assets. The Board is exclusively authorized to purchase such equipment and supplies as it deems necessary for the efficient operation, administration and management of the System, notwithstanding any other provision of law. Payment for such equipment and supplies shall be made from the operating account of the System. Such payments shall be considered an expense of the System and the equipment and supplies so purchased shall be an asset of the System.

SECTION 12. AMENDATORY 74 O.S. 1991, Section 909.1, as last amended by Section 31, Chapter 257, O.S.L. 1999 (74 O.S. Supp. 1999, Section 909.1), is amended to read as follows:

Section 909.1 A. The Oklahoma Public Employees Retirement System Board of Trustees shall discharge their duties with respect to the System solely in the interest of the participants and beneficiaries and:

1. For the exclusive purpose of:

- a. providing benefits to participants and their beneficiaries, and
- b. defraying reasonable expenses of administering the System;

2. With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

3. By diversifying the investments of the System so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

4. In accordance with the laws, documents and instruments governing the System.

B. The Board of Trustees may procure insurance indemnifying the members of the Board of Trustees from personal loss or accountability from liability resulting from a member's action or inaction as a member of the Board of Trustees.

C. The Board of Trustees may establish an investment committee. The investment committee shall be composed of not more than five (5) members of the Board of Trustees appointed by the chairman of the Board of Trustees. The committee shall make recommendations to the full Board of Trustees on all matters related to the choice of custodians and managers of the assets of the System, on the establishment of investment and fund management guidelines, and in

planning future investment policy. The committee shall have no authority to act on behalf of the Board of Trustees in any circumstances whatsoever. No recommendation of the committee shall have effect as an action of the Board of Trustees nor take effect without the approval of the Board of Trustees as provided by law.

D. The Board of Trustees shall retain qualified investment managers to provide for the investment of the monies of the System. The investment managers shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to standards set by the Board of Trustees, unless the Board deems it necessary and prudent to do otherwise for the preservation of the funds' assets or to avoid financial loss. Subject to the overall investment guidelines set by the Board of Trustees, the investment managers shall have full discretion in the management of those monies of the System allocated to the investment managers. The Board of Trustees shall manage those monies not specifically allocated to the investment managers. The monies of the System allocated to the investment managers shall be actively managed by the investment managers, which may include selling investments and realizing losses if such action is considered advantageous to longer term return maximization. Because of the total return objective, no distinction shall be made for management and performance evaluation purposes between realized and unrealized capital gains and losses.

E. Funds and revenues for investment by the investment managers or the Board of Trustees shall be placed with a custodian selected by the Board of Trustees. The custodian shall be a bank or trust company offering pension fund master trustee and master custodial services. The custodian shall be chosen by a solicitation of proposals on a competitive basis pursuant to standards set by the Board of Trustees. In compliance with the investment policy guidelines of the Board of Trustees, the custodian bank or trust company shall be contractually responsible for ensuring that all

monies of the System are invested in income-producing investment vehicles at all times. If a custodian bank or trust company has not received direction from the investment managers of the System as to the investment of the monies of the System in specific investment vehicles, the custodian bank or trust company shall be contractually responsible to the Board of Trustees for investing the monies in appropriately collateralized short-term interest-bearing investment vehicles.

F. By November 1, 1988, and prior to August 1 of each year thereafter, the Board of Trustees shall develop a written investment plan for the System.

G. The Board of Trustees shall compile a quarterly financial report of all the funds of the System on a fiscal year basis. The report shall be compiled pursuant to uniform reporting standards prescribed by the Oklahoma State Pension Commission for all state retirement systems. The report shall include several relevant measures of investment value, including acquisition cost and current fair market value with appropriate summaries of total holdings and returns. The report shall contain combined and individual rate of returns of the investment managers by category of investment, over periods of time. The Board of Trustees shall include in the quarterly reports all commissions, fees or payments for investment services performed on behalf of the Board. The report shall be distributed to the Governor, the Oklahoma State Pension Commission, the Legislative Service Bureau, the Speaker of the House of Representatives and the President Pro Tempore of the Senate.

H. After July 1 and before October 1 of each year, the Board of Trustees shall publish widely an annual report presented in simple and easily understood language pursuant to uniform reporting standards prescribed by the Oklahoma State Pension Commission for all state retirement systems. The report shall be submitted to the Governor, the Speaker of the House of Representatives, the President

Pro Tempore of the Senate, the Oklahoma State Pension Commission and the members of the System. The annual report shall cover the operation of the System during the past fiscal year, including income, disbursements, and the financial condition of the System at the end of the fiscal year. The annual report shall also contain the information issued in the quarterly reports required pursuant to subsection G of this section as well as a summary of the results of the most recent actuarial valuation to include total assets, total liabilities, unfunded liability or over funded status, contributions and any other information deemed relevant by the Board of Trustees. The annual report shall be written in such a manner as to permit a readily understandable means for analyzing the financial condition and performance of the System for the fiscal year.

I. The Board shall distribute the corpus and income of the System to the members and their beneficiaries in accordance with the System's laws and rules and regulations. At no time prior to the satisfaction of all liabilities with respect to members and their beneficiaries shall any part of the corpus and income be used for, or diverted to, purposes other than the exclusive benefit of the members and their beneficiaries.

SECTION 13. AMENDATORY 74 O.S. 1991, Section 3601, as last amended by Section 1, Chapter 306, O.S.L. 1999 (74 O.S. Supp. 1999, Section 3601), is amended to read as follows:

Section 3601. A. For purposes of Sections 3601 through 3603 of this title, the term employee means a full-time employee or any number of part-time employees whose combined weekly hours of employment equal those of a full-time employee, but shall not include temporary employees working on a seasonal basis between May 1 and October 31.

B. The maximum number of full-time-equivalent employees for each of the following agencies, boards, commissions, departments, or programs shall not exceed the numbers specified in this section

during the fiscal year ending June 30, ~~2000~~ 2001, except as may be authorized pursuant to the provisions of Section 3603 of this title. The salary of the chief executive officer for each of the following agencies, boards, commissions, departments, or programs shall not exceed the amount specified, per annum, payable monthly, for the fiscal year ending June 30, ~~2000~~ 2001.

	MAXIMUM NUMBER OF FULL-TIME-EQUIVALENT EMPLOYEES	MAXIMUM ANNUAL SALARY FOR CHIEF EXECUTIVE OFFICER
Board of Managers of the State Insurance Fund	591	\$94,000.00
Oklahoma Employment Security Commission	1150	\$81,000.00
Oklahoma Accountancy Board	8	\$53,552.00
Board of Governors of Licensed Architects and Landscape Architects	4	\$42,396.00
Board of Chiropractic Examiners	2	\$29,496.00
Cosmetology Board	16	\$36,396.00
Board of Governors of Registered Dentists	5	\$37,226.00
Embalmers and Funeral Directors Board	5	\$57,000.00
Professional Engineers and Land Surveyors Board	7	\$44,500.00
Oklahoma State Board of Medical Licensure and Supervision/Podiatry Board/State Board of Examiners of Perfusionists	29	\$75,000.00

Commission on Marginally Producing Oil and Gas Wells	4	\$54,000.00
Oklahoma Motor Vehicle Commission	4	\$49,931.00
Oklahoma Board of Nursing	20	\$57,991.00
Nursing Homes Board	4	\$42,943.00
Optometry Board	1	
Board of Osteopathic Examiners	5	\$61,000.00
Oklahoma Peanut Commission	2	\$45,121.00
State Board of Pharmacy	9	\$63,000.00
Psychologists Board	2	\$32,656.00
Real Estate Commission	26	\$58,000.00
Speech Pathology and Audiology Board	1	\$22,250.00
Oklahoma Used Motor Vehicle and Parts Commission	10	\$51,905.00
Board of Veterinary Medical Examiners	6	\$30,750.00
Oklahoma Wheat Commission	7	\$51,931.00
Firefighters Pension and Retirement System	11	\$77,000.00
Police Pension and Retirement System	9	\$77,000.00
Oklahoma Teachers' Retirement System	46	\$85,000.00
Oklahoma Public Employees Retirement System	51	\$85,000.00
Student Loan Authority	45	\$94,741.00
Oklahoma Industrial		

Finance		
Authority/Oklahoma		
Development Finance		
Authority	15	\$91,178.00
State and Education		
Employees Group		
Insurance Board	173	\$91,494.00
Oklahoma Capital		
Investment Board	4	\$74,000.00
Social Workers Board	1	\$32,760.00
State Employees Benefit		
Council	28	\$72,291.00
Grand River Dam Authority	524	\$97,658.00

C. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the Oklahoma Public Employees Retirement System Board of Trustees by law shall be set by the said Board of Trustees.

D. Temporary employees of the Oklahoma Used Motor Vehicle and Parts Commission between the dates of November 1 and January 31 annually shall not be counted toward the maximum number of full-time-equivalent employees provided for in this section.

SECTION 14. This act shall become effective July 1, 2000.

SECTION 15. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 9th day of March, 2000.

President of the Senate

Passed the House of Representatives the ____ day of _____,
2000.

Speaker of the House of
Representatives