

3 Senate Bill No. 1606
4 As Amended

5 SENATE BILL NO. 1606 - By: LEFTWICH of the Senate and LIOTTA of the
6 House.

7 [state government - voluntary payroll deduction - petty
8 cash fund - effective date]

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

10 SECTION 1. AMENDATORY 62 O.S. 2001, Section 7.10, as
11 last amended by Section 1, Chapter 49, O.S.L. 2005 (62 O.S. Supp.
12 2005, Section 7.10), is amended to read as follows:

13 Section 7.10 A. 1. Upon the request of a state employee, a
14 state agency, board, or commission shall make voluntary payroll
15 deductions for the employee to any credit union, bank, or savings
16 association having an office in this state.

17 2. If the governing body of any county, municipality, or school
18 district provides for voluntary payroll deductions to a credit union
19 serving the employees of the county, municipality, or school
20 district, it shall provide voluntary payroll deductions to any
21 credit union, bank, or savings association having an office in this
22 state which has a minimum participation of twenty percent (20%) of
23 the employees of the county, municipality, or school district.

1 B. Upon the request of a state employee and pursuant to
2 procedures established by the Administrator of the Office of
3 Personnel Management, a state agency, board, or commission shall
4 make payroll deductions for:

5 1. The payment of any insurance premiums due a private
6 insurance organization with a minimum participation of five hundred
7 (500) state employees for life, accident, and health insurance which
8 is supplemental to that provided for by the state;

9 2. The payment of any insurance premiums due a private
10 insurance organization or service company which is regulated by the
11 State Insurance Commissioner and with a minimum participation of
12 five hundred (500) state employees for legal services;

13 3. Premiums or payments for retirement plans with a minimum
14 participation of five hundred (500) state employees for retirement
15 plans which are supplemental to that provided for by the state;

16 4. Salary adjustment agreements included in a flexible benefits
17 plan as authorized by the State Employees Flexible Benefits Act;

18 5. Membership dues in the Oklahoma Public Employees Association
19 or any other statewide association limited to state employee
20 membership with a minimum membership of one thousand (1,000) dues-
21 paying members. For purposes of this paragraph, state agencies
22 shall accept online or electronically submitted forms from the
23 Oklahoma Public Employees Association and other state employee

1 associations. The Office of Personnel Management shall develop and
2 implement a verification process for online or electronically
3 submitted forms which may include the use of electronic signature
4 technology or other process as determined appropriate;

5 6. Contributions to its foundation organized pursuant to 26
6 U.S.C., Section 501(c)(3) in the Oklahoma Public Employees
7 Association or any other statewide association limited to state
8 employee membership with a minimum membership of one thousand
9 (1,000) dues-paying members;

10 7. Payments to a college savings account administered under the
11 Oklahoma College Savings Plan Act pursuant to Section 3970.1 et seq.
12 of Title 70 of the Oklahoma Statutes; and

13 8. Subscriptions to the Oklahoma Today magazine published by
14 the State of Oklahoma through the Oklahoma Tourism and Recreation
15 Department.

16 C. The administrative costs of processing payroll deductions or
17 administering salary adjustment agreements for insurance premiums as
18 provided for in subsection B of this section shall be a charge of
19 two percent (2%) of the gross annual premiums for insurance plans.
20 The administrative costs ~~of~~ incurred by the Office of Personnel
21 Management for processing payroll deductions or administering salary
22 adjustment agreements for payments for retirement plans as provided
23 for in subsection B of this section shall be one percent (1%) of the

1 gross annual payments for retirement plans. These charges shall be
2 collected monthly from the private insurance or retirement plan
3 organization by the Office of Personnel Management and shall be
4 deposited ~~to the credit of the General Revenue Fund~~ into the Office
5 of Personnel Management Revolving Fund created in Section 840-1.20
6 of Title 74 of the Oklahoma Statutes. Provided that these costs
7 shall not be collected from state employees or state agencies unless
8 otherwise directed in Section 1 et seq. of this title.

9 D. Any statewide association granted a payroll deduction prior
10 to March 23, 1984, shall be exempt from the minimum state employee
11 membership requirement.

12 E. Approval of a payroll deduction or salary adjustment
13 agreement for any insurance organization, line of coverage or policy
14 shall not be construed as an assumption of liability, for the term
15 of policy or the performance of the insurance organization, by this
16 state, or any of its agencies, boards, commissions, institutions or
17 any officer or employee thereof. Contracts for such insurance shall
18 be in all respects subject to the insurance laws of this state, and
19 shall be enforceable solely pursuant to such laws.

20 F. The Oklahoma Employment Security Commission is authorized to
21 deduct from the wages or salary of its employees the employees'
22 contribution to the Oklahoma Employment Security Commission
23 Retirement Plan.

1 G. Payroll deductions shall be made for premium payments for
2 group insurance for retired members or beneficiaries of any state-
3 supported retirement system upon proper authorization given by the
4 member or beneficiary to the board from which the member or
5 beneficiary is currently receiving retirement benefits.

6 H. Upon request of instructional personnel employed at either
7 the Oklahoma School for the Blind or the Oklahoma School for the
8 Deaf and pursuant to procedures established by the Administrator of
9 the Office of Personnel Management, the Commission for
10 Rehabilitation Services shall make payroll deductions for membership
11 dues in any statewide educational employee organization or
12 association.

13 SECTION 2. AMENDATORY 74 O.S. 2001, Section 840-1.20, is
14 amended to read as follows:

15 Section 840-1.20 A. There is hereby created in the State
16 Treasury a revolving fund for the Office of Personnel Management to
17 be designated the "Office of Personnel Management Revolving Fund".
18 The fund shall be a continuing fund, not subject to fiscal year
19 limitations, and shall consist of fees received by the Office of
20 Personnel Management for providing training for a certified public
21 managers program and all other monies received by the Office of
22 Personnel Management, except for appropriated monies, monies
23 received as payment for administrative expenses under Section 840.14

1 of ~~Title 74 of the Oklahoma Statutes~~ this title, monies placed in
2 the Employee Benefits Revolving Fund, monies placed in the Benefits
3 Council Administration Revolving Fund, and any monies in revolving
4 funds established by the Office of State Finance to support the
5 operation of the Oklahoma Employees Benefits Council or to reimburse
6 the Office of Personnel Management for services the Office provides
7 to the Council. All monies accruing to the credit of said fund are
8 hereby appropriated and may be budgeted and expended by the Office
9 of Personnel Management for defraying the costs incurred in
10 performing the duties and functions of the Office. Expenditures
11 from said fund shall be made upon warrants issued by the State
12 Treasurer against claims filed as prescribed by law with the
13 Director of State Finance for approval and payment.

14 B. ~~Any monies in or obligations against the Certified Public~~
15 ~~Managers Revolving Fund upon the effective date of this act shall be~~
16 ~~transferred to the Office of Personnel Management Revolving Fund~~
17 There is hereby created a petty cash fund for the Office of
18 Personnel Management. The Director of State Finance and the
19 Administrator of the Office of Personnel Management are authorized
20 to fix the maximum amount of the petty cash fund and the Director of
21 State Finance shall prescribe by rule the procedures for
22 administration of the petty cash fund.

1 SECTION 3. AMENDATORY 74 O.S. 2001, Section 840-2.17, as
2 last amended by Section 5, Chapter 312, O.S.L. 2004 (74 O.S. Supp.
3 2005, Section 840-2.17), is amended to read as follows:

4 Section 840-2.17 A. Unless otherwise provided by the Oklahoma
5 Constitution, language in law which authorizes the setting or fixing
6 of compensation, pay or salary of state officers and employees shall
7 not be construed to authorize any agency, board, commission,
8 department, institution, bureau, executive officer or other entity
9 of the executive branch of state government to award, grant, give,
10 authorize, or promise any officer or employee of the State of
11 Oklahoma a raise, including but not limited to, a cost-of-living
12 raise or any other type of raise that would be given to state
13 employees on an across-the-board basis, except as herein provided.
14 Such raises are prohibited unless authorized by the Legislature and
15 by Merit System of Personnel Administration Rules promulgated by the
16 Administrator. This prohibition applies to all classified and
17 unclassified officers and employees in the executive branch of state
18 government, excluding institutions under the administrative
19 authority of the Oklahoma State Regents for Higher Education.

20 B. However, nothing in this section shall be construed to
21 prohibit the following actions if the action is made in good faith
22 and not for the purpose of circumventing subsection A of this
23 section, and if the appointing authority certifies that the action

1 can be implemented for the current fiscal year and the subsequent
2 fiscal year without the need for additional funding to increase the
3 personal services budget of the agency:

4 1. Salary advancements on promotion or direct reclassification
5 to a job family level or class with a higher salary band;

6 2. Salary adjustments resulting from a pay band change for a
7 job family level or class adopted by the Office of Personnel
8 Management;

9 3. Increases in longevity payments pursuant to Section 840-2.18
10 of this title;

11 4. Payment of overtime, special entrance rates, pay
12 differentials;

13 5. Payment of wages, salaries, or rates of pay established and
14 mandated by law;

15 6. Market adjustments for job family levels tied to market
16 competitiveness;

17 7. Intra-agency lateral transfers, provided that the adjustment
18 does not exceed five percent (5%) and the adjustment is based on the
19 needs of the agency;

20 8. Skill-based adjustments. Such adjustments, other than lump-
21 sum payments, shall become permanent after twenty-four (24) months
22 from the date such salary adjustment is implemented and may not
23 later be removed from an employee's base salary if a furlough or

1 reduction-in-force is implemented by the appointing authority
2 granting such salary adjustment;

3 9. Equity-based adjustments;

4 10. Performance-based adjustments for employees who received at
5 least a "meets standards" rating on their most current performance
6 rating;

7 11. Career progression increases as an employee advances
8 through job family levels; or

9 12. Salary adjustments not to exceed five percent (5%) for
10 probationary classified employees achieving permanent status
11 following the initial probationary period and permanent classified
12 employees successfully completing trial periods after intra-agency
13 lateral transfer or promotion to a different job family level or
14 following career progression to a different job family level.

15 C. Provided, however, any reclassification for one of the
16 purposes provided in subsection B of this section that would require
17 additional funding by the Legislature shall not be implemented
18 without approval of the Legislature.

19 D. The pay movement mechanisms described in paragraphs 6
20 through 11 in subsection B of this section shall be implemented
21 pursuant to rules promulgated by the Administrator of the Office of
22 Personnel Management for the classified service.

1 E. Appointing authorities may implement the pay movement
2 mechanisms in paragraphs 6 through 12 in subsection B of this
3 section subject to the availability of funds within the agency's
4 budget for the current fiscal year and subsequent fiscal year
5 without the need for additional funding to increase the personal
6 services budget of the agency. Failure by the appointing authority
7 to follow the provisions of this subsection may cause the withdrawal
8 of the use of the pay movement mechanisms provided in paragraphs 6,
9 7, 9, 10, and 11 of subsection B of this section within the agency
10 during the next appropriations cycle.

11 F. All agencies, boards, and commissions shall report to the
12 Office of Personnel Management on ~~an annual~~ a fiscal year basis the
13 pay movement mechanisms utilized in paragraphs 6 through 12 in
14 subsection B of this section. The report shall include the pay
15 movement mechanisms type, frequency, amounts provided, affected
16 classifications and job families, and other information as
17 prescribed by the Administrator of the Office of Personnel
18 Management. Agencies shall report this information for the twelve-
19 month period ending ~~December 31~~ June 30 for classified and
20 unclassified employees. ~~Agencies must also report projected pay~~
21 ~~movement mechanisms and costs anticipated for the balance of the~~
22 ~~fiscal year.~~ The Office of Personnel Management shall forward the
23 report, which will include findings and recommendations, to the

1 Governor, President Pro Tempore of the Senate, and Speaker of the
2 House of Representatives no later than February 1 of each year.

3 SECTION 4. AMENDATORY 74 O.S. 2001, Section 840-4.15, as
4 last amended by Section 96, Chapter 5, O.S.L. 2004 (74 O.S. Supp.
5 2005, Section 840-4.15), is amended to read as follows:

6 Section 840-4.15 A. The appointing authority shall post
7 announcements of a vacancy or vacancies in accordance with a
8 promotional plan filed by the agency with the Office of Personnel
9 Management. In order to give qualified employees an opportunity to
10 apply for and be considered for possible promotions, vacancy notices
11 shall be posted at least five (5) working days prior to the closing
12 date for the receipt of applications by the appointing authority.

13 Promotional posting shall be required for initial entry into a job
14 family at any level. Promotional posting shall also be required for
15 entry into any supervisory position or level. Each agency's
16 promotional posting plan shall describe the method by which all
17 agency employees will be notified of vacancy announcements. The
18 posting shall include:

- 19 1. Identification of the job family level of the vacancy or
20 vacancies;
- 21 2. A listing of job title, major work duties and minimum
22 qualifications;
- 23 3. The pay band and range;

- 1 4. The anticipated number of vacancies;
- 2 5. The specific location of work;
- 3 6. The time limits and procedure for filing an application with
- 4 the appointing authority; and
- 5 7. Any additional factors which the appointing authority will
- 6 consider in filling the vacancy.

7 B. The appointing authority may elect to post general

8 promotional opportunities in accordance with the provisions of this

9 section in cases where there are usually continuous multiple vacant

10 positions within a given job family; provided the appointing

11 authority maintains a promotional applicant list for each job family

12 which is posted on the basis of general promotional opportunities.

13 In such cases, the posting must include the length of time and

14 conditions under which the promotional application of the candidate

15 will remain available for active consideration by the appointing

16 authority.

17 C. If an employee still feels that the employee has not been

18 treated fairly with regard to a promotional action pursuant to this

19 section after such complaint has been reviewed in a formal grievance

20 procedure conducted in accordance with the provisions of Section

21 840-6.2 of this title, the employee may seek a remedy through the

22 procedures established in the Oklahoma Personnel Act. If a

1 violation of Section 840-2.9 of this title has been committed, the
2 Oklahoma Merit Protection Commission may declare a position open.

3 D. Prior to re-posting a notice of vacancy for a position that
4 was not filled after the first notice was posted, the appointing
5 authority must receive approval from the Administrator of the Office
6 of Personnel Management prior to making any qualification changes to
7 the position to be filled.

8 SECTION 5. This act shall become effective November 1, 2006.

9 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-15-06 - DO
10 PASS, As Amended and Coauthored.