

1 STATE OF OKLAHOMA

2 1st Session of the 51st Legislature (2007)

3 CONFERENCE COMMITTEE SUBSTITUTE

4 FOR ENGROSSED

5 SENATE BILL 626

By: Brogdon of the Senate

and

Denney of the House

6  
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8  
9 CONFERENCE COMMITTEE SUBSTITUTE

10 An Act relating to state employees; amending 74 O.S.  
11 2001, Sections 840-1.20, 840-2.17, as last amended by  
12 Section 1, Chapter 240, O.S.L. 2006, 840-2.27C, as  
13 last amended by Section 2, Chapter 453, O.S.L. 2005,  
14 840-4.15, as last amended by Section 96, Chapter 5,  
15 O.S.L. 2004, 840-5.16 and 4121, as amended by Section  
16 1, Chapter 325, O.S.L. 2002 (74 O.S. Supp. 2006,  
17 Sections 840-2.17, 840-2.27C, 840-4.15 and 4121),  
18 which relate to the Office of Personnel Management  
19 Revolving Fund, raises, reduction in force plan,  
20 posting vacancies and promotional opportunities,  
21 State Work Incentive Program, and on-the-job employee  
performance recognition program; creating a petty  
cash fund for OPM; changing the pay movement  
mechanism report from a calendar year to a fiscal  
year; modifying certain reason for displacement;  
reinstating posting requirement for vacancy notices;  
deleting certain requirement for testing for the  
State Work Incentive Program; modifying types of  
recognition awards; increasing the maximum cash award  
for the state employee performance recognition award;  
providing an effective date; and declaring an  
emergency.

22  
23 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:  
24

1 SECTION 1. AMENDATORY 74 O.S. 2001, Section 840-1.20, is  
2 amended to read as follows:

3 Section 840-1.20 A. There is hereby created in the State  
4 Treasury a revolving fund for the Office of Personnel Management to  
5 be designated the "Office of Personnel Management Revolving Fund".  
6 The fund shall be a continuing fund, not subject to fiscal year  
7 limitations, and shall consist of fees received by the Office of  
8 Personnel Management for providing training for a certified public  
9 managers program and all other monies received by the Office of  
10 Personnel Management, except for appropriated monies, monies  
11 received as payment for administrative expenses under Section ~~840.14~~  
12 840-1.18 of ~~Title 74 of the Oklahoma Statutes~~ this title, monies  
13 placed in the Employee Benefits Revolving Fund, monies placed in the  
14 Benefits Council Administration Revolving Fund, and any monies in  
15 revolving funds established by the Office of State Finance to  
16 support the operation of the Oklahoma Employees Benefits Council or  
17 to reimburse the Office of Personnel Management for services the  
18 Office provides to the Council. All monies accruing to the credit  
19 of said fund are hereby appropriated and may be budgeted and  
20 expended by the Office of Personnel Management for defraying the  
21 costs incurred in performing the duties and functions of the Office.  
22 Expenditures from said fund shall be made upon warrants issued by  
23 the State Treasurer against claims filed as prescribed by law with  
24 the Director of State Finance for approval and payment.

1        B. There is hereby created a petty cash fund not to exceed Two  
2 Hundred Fifty Dollars (\$250.00) for the Office of Personnel  
3 Management. The Director of State Finance shall prescribe the rules  
4 and procedures for the administration of the petty cash fund.

5        C. Any monies in or obligations against the Certified Public  
6 Managers Revolving Fund upon the effective date of this act shall be  
7 transferred to the Office of Personnel Management Revolving Fund.

8        SECTION 2.        AMENDATORY        74 O.S. 2001, Section 840-2.17, as  
9 last amended by Section 1, Chapter 240, O.S.L. 2006 (74 O.S. Supp.  
10 2006, Section 840-2.17), is amended to read as follows:

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

1 government, excluding institutions under the administrative  
2 authority of the Oklahoma State Regents for Higher Education.

3 B. However, nothing in this section shall be construed to  
4 prohibit the following actions if the action is made in good faith  
5 and not for the purpose of circumventing subsection A of this  
6 section, and if the appointing authority certifies that the action  
7 can be implemented for the current fiscal year and the subsequent  
8 fiscal year without the need for additional funding to increase the  
9 personal services budget of the agency:

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

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

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

17 4. Payment of overtime, special entrance rates, pay  
18 differentials;

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

21 6. Market adjustments for job family levels tied to market  
22 competitiveness;

23

24

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

4 8. Skill-based adjustments. Such adjustments, which are  
5 implemented before November 1, 2006, other than lump-sum payments,  
6 shall become permanent after twenty-four (24) months from the date  
7 such salary adjustment is implemented and may not later be removed  
8 from an employee's base salary if a furlough or reduction-in-force  
9 is implemented by the appointing authority granting such salary  
10 adjustment. Skill-based pay adjustments, which are implemented on  
11 or after November 1, 2006, and which are paid to an employee, shall  
12 be paid as long as the employee remains employed in the position and  
13 performs the skills for which the differential is due, but shall not  
14 be included as a part of the employee's base salary;

15 9. Equity-based adjustments;

16 10. Performance-based adjustments for employees who received at  
17 least a "meets standards" rating on their most current performance  
18 rating;

19 11. Career progression increases as an employee advances  
20 through job family levels; or

21 12. Salary adjustments not to exceed five percent (5%) for  
22 probationary classified employees achieving permanent status  
23 following the initial probationary period and permanent classified  
24 employees successfully completing trial periods after intra-agency

1 lateral transfer or promotion to a different job family level or  
2 following career progression to a different job family level.

3 C. Provided, however, any reclassification for one of the  
4 purposes provided in subsection B of this section that would require  
5 additional funding by the Legislature shall not be implemented  
6 without approval of the Legislature.

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

11 E. Appointing authorities may implement the pay movement  
12 mechanisms in paragraphs 6 through 12 in subsection B of this  
13 section subject to the availability of funds within the agency's  
14 budget for the current fiscal year and subsequent fiscal year  
15 without the need for additional funding to increase the personal  
16 services budget of the agency. Failure by the appointing authority  
17 to follow the provisions of this subsection may cause the withdrawal  
18 of the use of the pay movement mechanisms provided in paragraphs 6,  
19 7, 9, 10, and 11 of subsection B of this section within the agency  
20 during the next appropriations cycle.

21 F. All agencies, boards, and commissions shall report to the  
22 Office of Personnel Management on ~~an annual~~ a fiscal-year basis the  
23 pay movement mechanisms utilized in paragraphs 6 through 12 in  
24 subsection B of this section. The report shall include the pay

1 movement mechanisms type, frequency, amounts provided, affected  
2 classifications and job families, and other information as  
3 prescribed by the Administrator of the Office of Personnel  
4 Management. Agencies shall report this information for the twelve-  
5 month period ending ~~December 31~~ June 30 for classified and  
6 unclassified employees. ~~Agencies must also report projected pay~~  
7 ~~movement mechanisms and costs anticipated for the balance of the~~  
8 ~~fiscal year.~~ The Office of Personnel Management shall forward the  
9 report, which will include findings and recommendations, to the  
10 Governor, President Pro Tempore of the Senate, and Speaker of the  
11 House of Representatives no later than February 1 of each year.

12 SECTION 3. AMENDATORY 74 O.S. 2001, Section 840-2.27C,  
13 as last amended by Section 2, Chapter 453, O.S.L. 2005 (74 O.S.  
14 Supp. 2006, Section 840-2.27C), is amended to read as follows:

15 Section 840-2.27C A. At least sixty (60) days before the  
16 scheduled beginning of reduction-in-force separations or as  
17 otherwise provided by law, the appointing authority shall post in  
18 each office of executive branch agencies affected by the proposed  
19 reduction-in-force notice that a reduction-in-force will be  
20 conducted in accordance with the Oklahoma Personnel Act and Merit  
21 rules. The reduction-in-force implementation plan shall be provided  
22 to the Director of State Finance and any state employee association  
23 representing state employees at such time. The notice shall not be  
24 posted unless approved by the cabinet secretary for the agency

1 conducting the reduction-in-force. If there is no incumbent cabinet  
2 secretary for the agency, the cabinet-secretary-notice-approval  
3 requirement shall not be applicable. The approved notice shall be  
4 posted in each office affected by the proposed plan for five (5)  
5 days. The appointing authority shall provide a copy of the notice  
6 to the Administrator. A reduction-in-force shall not be used as a  
7 disciplinary action.

8 B. The reduction-in-force implementation plan and subsequent  
9 personnel transactions directly related to the reduction-in-force in  
10 executive branch agencies shall be in compliance with rules adopted  
11 by the Administrator. The reduction-in-force implementation plan,  
12 including the description of and reasons for displacement limits and  
13 protections from displacement actions, and severance benefits that  
14 will be offered pursuant to Section 840-2.27D of this title shall be  
15 posted in each office affected by the plan within five (5) business  
16 days after posting of the reduction-in-force notice. The reduction-  
17 in-force implementation plan shall:

18 1. Provide for the appointing authority to determine the  
19 specific position or positions to be abolished within specified  
20 units, divisions, facilities, agency-wide or any parts thereof;

21 2. Provide for retention of affected employees based on type of  
22 appointment;

23 3. Require the separation of probationary classified affected  
24 employees in affected job family levels, except those affected

1 employees on probationary status after reinstatement from permanent  
2 classified status without a break in service, prior to the  
3 separation or displacement of any permanent classified affected  
4 employee in an affected job family level;

5 4. Provide for retention of permanent classified affected  
6 employees in affected job family levels and those affected employees  
7 on probationary status after reinstatement from permanent classified  
8 status without a break in service based upon consideration of years  
9 of service;

10 5. Provide for exercise of displacement opportunities by  
11 permanent classified affected employees and those affected employees  
12 on probationary status after reinstatement from permanent classified  
13 status without a break in service if any displacement opportunities  
14 exist; and

15 6. Provide outplacement assistance and employment counseling  
16 from the Oklahoma Employment Security Commission and any other  
17 outplacement assistance and employment counseling made available by  
18 the agency to affected employees regarding the options available  
19 pursuant to the State Government Reduction-in-Force and Severance  
20 Benefits Act prior to the date that a reduction-in-force is  
21 implemented.

22 C. If an agency implements a reduction-in-force then it shall  
23 give a veteran's preference over affected nonveterans who have equal  
24 retention points to the affected veteran.

1 D. The Director of the Office of State Finance shall review the  
2 fiscal components of the reduction-in-force implementation plan and  
3 within five (5) business days of receipt reject any plan that does  
4 not:

5 1. Demonstrate that funds are available to cover projected  
6 costs;

7 2. Contain an estimate of the number of affected employees  
8 likely to participate in the education voucher program established  
9 in Section 840-2.27D of this title; and

10 3. Contain an estimate of the cost savings or reduced  
11 expenditures likely to be achieved by the agency.

12 If the reduction-in-force is conducted pursuant to a  
13 reorganization, the fiscal components of the reduction-in-force  
14 implementation plan shall contain reasons for the reorganization,  
15 which may include, but not be limited to, increased efficiency,  
16 improved service delivery, or enhanced quality of service.

17 E. The appointing authority may limit displacement of affected  
18 employees at the time of a reduction-in-force. Displacement limits  
19 shall not be subject to the approval of the Administrator. Any  
20 limitation shall be based upon reasonable, written, articulated  
21 criteria as certified by the appointing authority. If displacement  
22 is limited, the appointing authority shall take action to avoid or  
23 minimize any adverse impact on minorities or women.

24

1        1. The appointing authority may protect from displacement  
2 action up to twenty percent (20%) of projected post-reduction-in-  
3 force employees in affected positions within displacement limits;  
4 provided, that any fractional number resulting from the final  
5 mathematical calculation of the number of those positions shall be  
6 rounded to the next higher whole number. The appointing authority  
7 must explain why affected employees are being protected.

8        2. If the affected employee has not held within the last five  
9 (5) years a position in the job family level or predecessor class in  
10 which the affected employee is otherwise eligible for a displacement  
11 opportunity, the appointing authority may determine that the  
12 affected employee does not possess the recent relevant experience  
13 for the position and deny in writing the displacement opportunity.

14        3. An affected permanent classified employee may exercise a  
15 displacement privilege, if one exists, if the affected employee has  
16 received an overall rating of at least ~~"satisfactory"~~ "meets  
17 standards", or its equivalent, on the most recent annual service  
18 rating. If an affected employee has not been rated in accordance  
19 with the time limits established in Section 840-4.17 of this title,  
20 the employee shall be deemed to have received an overall rating of  
21 at least ~~"satisfactory"~~ "meets standards" or its equivalent on the  
22 most recent service rating.

23        4. An affected employee who exercises a displacement privilege  
24 pursuant to this section shall:

1 a. be required, as a condition of continued employment by  
2 the agency, to sign an agreement, in a form to be  
3 prescribed by the Administrator of the Office of  
4 Personnel Management, acknowledging that the employee  
5 had an opportunity to receive severance benefits and  
6 affirmatively elected to exercise a displacement  
7 privilege and to forego such benefits. An affected  
8 employee who signs the agreement required by this  
9 subparagraph waives any privilege which might  
10 otherwise have been available to the affected employee  
11 pursuant to the agreement for the provision of  
12 severance benefits, and

13 b. not have the right to exercise any subsequent right to  
14 receive severance benefits from the agency for which  
15 the affected employee performs services on the date  
16 that the employee exercises a displacement privilege.  
17 The provisions of this section shall not prohibit any  
18 person from exercising a displacement privilege in, or  
19 accepting severance benefits from, more than one  
20 agency during employment with the State of Oklahoma or  
21 from the agency which the affected employee exercised  
22 a displacement privilege in any future reduction-in-  
23 force.  
24

1 F. An affected employee who does not agree pursuant to Section  
2 840-2.27E of this title to accept severance benefits and who does  
3 not have a displacement opportunity or does not accept a  
4 displacement opportunity shall be separated by the reduction-in-  
5 force and shall not receive any severance benefits that would have  
6 otherwise been provided pursuant to Section 840-2.27D of this title.

7 G. Permanent classified affected employees and those affected  
8 employees on probationary status after reinstatement from permanent  
9 classified status without a break in service who were removed from a  
10 job family level by taking a position in another job family level  
11 through displacement or separated after foregoing severance benefits  
12 shall be recalled by the agency to the job family level from which  
13 they were removed in inverse order of removal before the agency may  
14 appoint other persons to the job family level, from the employment  
15 register, by internal action or from Priority Reemployment  
16 Consideration Rosters as provided by this section. Upon declination  
17 of an offer of reappointment to the job family level from which the  
18 employee was removed or eighteen (18) months after the date of  
19 removal from the job family level, whichever is first, this right to  
20 be recalled shall expire.

21 H. The names of permanent classified affected employees and  
22 those affected employees on probationary status after reinstatement  
23 from permanent classified status without a break in service who have  
24 been separated pursuant to the State Government Reduction-in-Force

1 and Severance Benefits Act, who apply and meet all requirements for  
2 state jobs in the classified service shall be placed on Priority  
3 Reemployment Consideration Rosters in accordance with their  
4 individual final earned ratings for a maximum of eighteen (18)  
5 months after the date of separation. Before any vacant position is  
6 filled by any individual eligible for initial appointment from the  
7 employment register, individuals on the Priority Reemployment  
8 Consideration Rosters shall be given priority consideration for  
9 reemployment by any state agency within eighteen (18) months after  
10 the date of the reduction-in-force. Upon declination of an offer of  
11 reemployment to a job family level having the same or higher pay  
12 band than the job family level from which the employee was removed,  
13 or eighteen (18) months after the date of separation, whichever is  
14 first, this priority consideration for reemployment shall expire.  
15 If an agency has posted a reduction-in-force plan and implementation  
16 schedule, all affected employees in positions covered by the plan  
17 and any within the displacement limits established by the appointing  
18 authority of the agency who have been separated shall be eligible  
19 for priority reemployment consideration.

20 I. If an agency or any part thereof is scheduled to be closed  
21 or abolished as a result of legislation or a court order, the  
22 affected employees, who would be eligible for Priority Reemployment  
23 Consideration after their separation in accordance with subsection  
24 H of this section, may apply and, if qualified and eligible, shall

1 be accorded Priority Reemployment Consideration not to exceed twelve  
2 (12) months before the scheduled date of separation. If an agency  
3 has posted a reduction-in-force plan and implementation schedule,  
4 all affected employees in positions covered by the plan and any  
5 within the displacement limits established by the appointing  
6 authority of the agency shall be eligible for Priority Reemployment  
7 Consideration beginning with the date the schedule is posted, not to  
8 exceed twelve (12) months before the scheduled date of separation.

9 J. When the Legislature is not in session, the Contingency  
10 Review Board may, upon the request of the Governor, direct agencies,  
11 boards and commissions to reduce the number of employees working for  
12 the agency, board or commission whenever it is deemed necessary and  
13 proper. Such reduction shall be made pursuant to reduction-in-force  
14 plans as provided in this section.

15 K. 1. When the Legislature is not in session, the Contingency  
16 Review Board may, upon the request of the Governor, direct and  
17 require mandatory furloughs for all state employees whenever it is  
18 deemed necessary and proper. The Contingency Review Board shall  
19 specify the effective dates for furloughs and shall note any  
20 exceptions to state employees affected by same. All classified,  
21 unclassified, exempt or nonmerit employees, including those  
22 employees of agencies or offices established by statute or the  
23 Constitution, shall be affected by such actions.

24

1           2. Mandatory furlough means the involuntary temporary reduction  
2 of work hours or the placement of an employee on involuntary leave  
3 without pay. Rules governing leave, longevity pay and participation  
4 in the State Employees Group Health, Dental, Disability, and Life  
5 Insurance program shall not be affected by mandatory furloughs.  
6 Furlough, as provided for in this section or by rules adopted by the  
7 Administrator of the Office of Personnel Management, shall not be  
8 appealable under the provisions of the Oklahoma Personnel Act.

9           3. Notwithstanding existing laws or provisions to the contrary,  
10 members of state boards and commissions shall not receive per diem  
11 expenses during periods of mandatory furlough. The Contingency  
12 Review Board shall additionally call upon elected officials, members  
13 of the judiciary, and other public officers whose salary or  
14 emoluments cannot be altered during current terms of office, to  
15 voluntarily donate to the General Revenue Fund any portion of their  
16 salary which would otherwise have been affected by a mandatory  
17 furlough.

18           L. All agencies directed by the Contingency Review Board to  
19 terminate or furlough employees, shall report the cumulative cost  
20 savings achieved by the reductions-in-force or furloughs to the  
21 Governor, President Pro Tempore of the Senate and Speaker of the  
22 House of Representatives on a quarterly basis for one (1) year  
23 following the effective date of the action.

24

1 M. The appointing authority of an agency which has an approved  
2 reduction-in-force plan pursuant to the State Government Reduction-  
3 in-Force and Severance Benefits Act may request the Administrator of  
4 the Office of Personnel Management to appoint an interagency  
5 advisory task force for the purpose of assisting the agency and its  
6 employees with the implementation of the reduction-in-force. The  
7 appointing authority of state agencies requested by the  
8 Administrator to participate on a task force shall assign  
9 appropriate administrative personnel necessary to facilitate the  
10 necessary assistance required for the efficient implementation of  
11 the approved reduction-in-force.

12 SECTION 4. AMENDATORY 74 O.S. 2001, Section 840-4.15, as  
13 last amended by Section 96, Chapter 5, O.S.L. 2004 (74 O.S. Supp.  
14 2006, Section 840-4.15), is amended to read as follows:

15 Section 840-4.15 A. The appointing authority shall post  
16 announcements of a vacancy or vacancies in accordance with a  
17 promotional plan filed by the agency with the Office of Personnel  
18 Management. In order to give qualified employees an opportunity to  
19 apply for and be considered for possible promotions, the vacancy  
20 notices shall be posted at least five (5) working days prior to the  
21 closing date for the receipt of applications by the appointing  
22 authority. Promotional posting shall be required for initial entry  
23 into a job family at any level. Promotional posting shall also be  
24 required for entry into any supervisory position or level. Each

1 agency's promotional posting plan shall describe the method by which  
2 all agency employees will be notified of vacancy announcements. The  
3 posting shall include:

4 1. Identification of the job family level of the vacancy or  
5 vacancies;

6 2. A listing of job title, major work duties and minimum  
7 qualifications;

8 3. The pay band and range;

9 4. The anticipated number of vacancies;

10 5. The specific location of work;

11 6. The time limits and procedure for filing an application with  
12 the appointing authority; and

13 7. Any additional factors which the appointing authority will  
14 consider in filling the vacancy.

15 B. The appointing authority may elect to post general  
16 promotional opportunities in accordance with the provisions of this  
17 section in cases where there are usually continuous multiple vacant  
18 positions within a given job family; provided the appointing  
19 authority maintains a promotional applicant list for each job family  
20 which is posted on the basis of general promotional opportunities.  
21 In such cases, the posting must include the length of time and  
22 conditions under which the promotional application of the candidate  
23 will remain available for active consideration by the appointing  
24 authority.

1 C. If an employee still feels that the employee has not been  
2 treated fairly with regard to a promotional action pursuant to this  
3 section after such complaint has been reviewed in a formal grievance  
4 procedure conducted in accordance with the provisions of Section  
5 840-6.2 of this title, the employee may seek a remedy through the  
6 procedures established in the Oklahoma Personnel Act. If a  
7 violation of Section 840-2.9 of this title has been committed, the  
8 Oklahoma Merit Protection Commission may declare a position open.

9 D. Prior to re-posting a notice of vacancy for a position that  
10 was not filled after the first notice was posted, the appointing  
11 authority must receive approval from the Administrator of the Office  
12 of Personnel Management prior to making any qualification changes to  
13 the position to be filled.

14 SECTION 5. AMENDATORY 74 O.S. 2001, Section 840-5.16, is  
15 amended to read as follows:

16 Section 840-5.16 A. There is hereby created the State Work  
17 Incentive Program aimed at employing participants in the Temporary  
18 Assistance for Needy Families Program in Oklahoma and vocational  
19 rehabilitation clients of the State Department of Rehabilitation  
20 Services in the state service. The program shall focus on placement  
21 of persons in entry-level positions. The Department of Human  
22 Services and the State Department of Rehabilitation Services shall  
23 notify agencies in all branches of state government of this program  
24 and shall certify to appointing authorities and the Administrator of

1 the Office of Personnel Management that a person is a participant in  
2 the Temporary Assistance for Needy Families Program or is a  
3 vocational rehabilitation client of the State Department of  
4 Rehabilitation Services before the person is eligible to be employed  
5 under the State Work Incentive Program by a state agency. Agencies  
6 shall cooperate with the Department of Human Services and the State  
7 Department of Rehabilitation Services in seeking to provide  
8 employment opportunities to persons who are participants in the  
9 Temporary Assistance for Needy Families Program or who are  
10 vocational rehabilitation clients of the State Department of  
11 Rehabilitation Services. The Department of Human Services, the  
12 State Department of Rehabilitation Services and the Office of  
13 Personnel Management shall coordinate with agencies to facilitate  
14 the transition of participants in the Temporary Assistance for Needy  
15 Families Program and vocational rehabilitation clients of the State  
16 Department of Rehabilitation Services into the State Work Incentive  
17 Program.

18 B. Agencies employing eligible persons in the State Work  
19 Incentive Program shall employ them in unclassified status for up to  
20 two (2) years in full-time or part-time capacity. State Work  
21 Incentive Program positions shall not be included within any  
22 limitation on full-time-equivalent employee positions for any  
23 agency. The service of participants shall be rated pursuant to  
24 Section 840-4.17 of this title.

1 C. Employees hired under the State Work Incentive Program are  
2 eligible for leave benefits and other benefits available to state  
3 employees, subject to other eligibility requirements, and may be  
4 reassigned or promoted while they are participating in the program.

5 D. Employees hired under the State Work Incentive Program shall  
6 be eligible for conversion to permanent classified status after two  
7 (2) years of continuous participation in the program. Such employee  
8 shall be exempt from probationary hiring procedures including, but  
9 not limited to, placement on hiring lists and certification from  
10 registers, provided the employee:

11 1. Has had satisfactory performance as evidenced by service  
12 ratings conducted pursuant to Section 840-4.17 of this title; and

13 2. Possesses the minimum requirements specified for an  
14 applicable job, ~~and~~

15 ~~3. Passes any entrance examination required for the applicable~~  
16 ~~job by the Office of Personnel Management, or a person with severe~~  
17 ~~disabilities and is eligible to be hired pursuant to Section 840-~~  
18 ~~4.12 of this title.~~

19 The Administrator of the Office of Personnel Management shall  
20 promulgate such rules as are necessary for the implementation of the  
21 State Work Incentive Program.

22 SECTION 6. AMENDATORY 74 O.S. 2001, Section 4121, as  
23 amended by Section 1, Chapter 325, O.S.L. 2002 (74 O.S. Supp. 2006,  
24 Section 4121), is amended to read as follows:

1 Section 4121. A. In order to establish a public employee  
2 benefit program to encourage outstanding performance in the  
3 workplace, the Administrator of the Office of Personnel Management  
4 is hereby directed to establish an on-the-job employee performance  
5 recognition program which encourages outstanding job performance and  
6 productivity.

7 B. In order to promote excellence in job performance and  
8 provide recognition for work units with exceptional performance,  
9 state agencies are authorized to expend from monies available in the  
10 agency's operating funds so much thereof as may be necessary for the  
11 purchase of recognition awards for presentation to the members of  
12 work units or individual employees with exceptional job performance  
13 records or for other significant contributions to the operation of  
14 the agency. State agencies may also provide for such recognition  
15 awards to be cash awards.

16 C. Recognition awards may be presented to members of work units  
17 or individual employees having exceptional job performance records  
18 or other significant contributions and such awards may be presented  
19 at a formal or informal ceremony, banquet or reception, the cost of  
20 which may be expended from monies available in the agency's  
21 operating funds.

22 D. 1. Recognition awards may consist of distinctive wearing  
23 apparel, service pins, plaques, writing pens, or other distinguished  
24 awards of a value not exceeding One Hundred Fifty Dollars (\$150.00)

1 per recognized employee each fiscal year to recognize the  
2 achievement of the work unit or individual employee.

3 2. In addition to recognition awards listed in paragraph 1 of  
4 this subsection, the agency may establish an employee performance  
5 ~~and conduct~~ cash recognition program not to exceed ~~Two Hundred Fifty~~  
6 ~~Dollars (\$250.00)~~ Five Hundred Dollars (\$500.00) per recognized  
7 employee each fiscal year ~~for cash awards to recognize outstanding~~  
8 ~~performance in the workplace by the employees of the agency.~~

9 SECTION 7. This act shall become effective July 1, 2007.

10 SECTION 8. It being immediately necessary for the preservation  
11 of the public peace, health and safety, an emergency is hereby  
12 declared to exist, by reason whereof this act shall take effect and  
13 be in full force from and after its passage and approval.

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