

1 ENGROSSED SENATE
2 BILL NO. 1189

By: Aldridge of the Senate
and
Blackwell of the House

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5
6 [state government - comprehensive risk management
7 programs - Surplus Property Revolving Fund -
8 codification -

9 effective date]

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

12 SECTION 1. AMENDATORY 74 O.S. 2001, Section 85.58A, as
13 last amended by Section 6, Chapter 483, O.S.L. 2002 (74 O.S. Supp.
14 2007, Section 85.58A), is amended to read as follows:

15 Section 85.58A A. The Department of Central Services shall
16 establish for all state agencies, whether or not subject to the
17 Central Purchasing Act, and other entities as provided by law a
18 comprehensive professional risk management program which shall:

19 1. Identify and evaluate risks of loss and exposures to loss to
20 officers, employees and properties;

21 2. Minimize risks through loss-prevention and loss-control
22 programs;

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1 3. Transfer risks, if economically advantageous to the state,
2 by acquiring commercial insurance, contractual pass through of
3 liability, or by other means;

4 4. Consolidate and administer risk management plans and
5 programs including self-insurance programs, except Workers'
6 Compensation Insurance and State Employees Group Insurance;

7 5. Determine feasibility of and, if feasible, establish self-
8 insurance programs, considering whether a program may be self-
9 supporting to remain financially and actuarially sound;

10 6. Provide a system to allocate insurance and program costs to
11 determine payment for insurance coverage and program expenses
12 provided by the Department of Central Services;

13 7. When requested by a state retirement system, CompSource
14 Oklahoma or the State and Education Employees Group Insurance Board,
15 assist in obtaining insurance authorized by law. If requested by
16 the Oklahoma State Regents for Higher Education, assist trust funds
17 for which the State Regents serve as trustees in obtaining insurance
18 authorized by law;

19 8. Assist state agencies and officers, employees, and members
20 thereof, charged with licensing authority, in obtaining insurance
21 for liability for judgments, based on the licensing authority,
22 rendered by any court pursuant to federal law;

23 9. When requested by a public trust established pursuant to
24 Title 60 of the Oklahoma Statutes of which the State of Oklahoma is

1 the beneficiary, obtain, provide or assist the public trust in
2 obtaining insurance authorized by law or trust indenture covering
3 any board member, trustee, official, officer, employee or volunteer
4 for errors and omissions or liability risks arising from the
5 performance of ~~their~~ official duties pursuant to law or trust
6 indenture; and

7 10. When requested by the Oklahoma State Regents for Higher
8 Education, for the purpose of insuring real property required
9 pursuant to Section 4018 of Title 70 of the Oklahoma Statutes, of
10 which the Oklahoma State Regents for Higher Education is the
11 beneficiary, obtain, provide or assist the Oklahoma State Regents
12 for Higher Education in obtaining insurance for the real property
13 pursuant to the provisions of this section.

14 B. The Director of Central Services may hire or contract for
15 the services of a Risk Management Administrator to supervise the
16 Comprehensive Professional Risk Management Program established
17 pursuant to this section. If appointed by the Director as a state
18 employee, the Risk Management Administrator shall be in the
19 unclassified service.

20 C. The Risk Management Administrator shall evaluate insurance
21 coverage needs and in force for state agencies, whether or not
22 subject to the Central Purchasing Act, and other entities as
23 provided by law. All entities shall submit to the Risk Management
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1 Administrator all information which the Risk Management
2 Administrator deems necessary to perform this duty.

3 D. The Risk Management Administrator in conjunction with the
4 State Purchasing Director under the authority of the Director of
5 Central Services may negotiate insurance coverage and insurance-
6 related services contracts, including, but not limited to, insurance
7 brokerage and consulting services. The State Purchasing Director
8 shall ensure open processes for solicitation and qualification of
9 insurance coverage and services providers. The State Purchasing
10 Director shall award contracts for insurance coverage and services
11 to the provider or providers which offer the best and final terms
12 and conditions. The State Purchasing Director may authorize the
13 Risk Management Administrator to bind for insurance coverage with
14 providers.

15 E. The school districts of this state may request the Risk
16 Management Administrator to advise for the purchase of insurance
17 coverage for the school districts.

18 F. A state agency, whether or not subject to the Central
19 Purchasing Act, that contemplates purchase of property and casualty
20 insurance, shall provide details of the proposed purchase to the
21 Risk Management Administrator for approval or disapproval prior to
22 the purchase.

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1 G. The Director of Central Services shall promulgate rules to
2 effect the provisions of the comprehensive professional risk
3 management program.

4 H. 1. a. Any community action agency established pursuant to
5 Sections 5035 through 5040 of this title may
6 participate in the comprehensive professional risk
7 management program established pursuant to this
8 section for risks incurred as a result of operating a
9 Head Start program or providing transportation
10 services to the public. The Risk Management
11 Administrator shall obtain or provide for insurance
12 coverage for such community action agencies or bonding
13 for employees of such community action agencies. Any
14 liability insurance coverage obtained or provided
15 shall include expenses for administrative and legal
16 services obtained or provided by the Risk Management
17 Administrator.

18 b. The Risk Management Administrator shall determine
19 criteria for participation in the risk management
20 program by such community action agencies. In
21 addition, the Risk Management Administrator may
22 require each such community action agency to:

23 (1) provide adequate qualified personnel and suitable
24 facilities and equipment for operating a Head

1 Start program or providing transportation
2 services to the public, and

3 (2) comply with such standards as are necessary for
4 the protection of the clients it serves.

5 2. To receive coverage pursuant to this section, a community
6 action agency shall make payments for any insurance coverage and
7 shall otherwise comply with the provisions of this section and rules
8 promulgated by the Department pursuant to the provisions of this
9 section.

10 3. Requests for the insurance coverage provided pursuant to the
11 provisions of this subsection shall be submitted in writing to the
12 Risk Management Administrator by the community action agencies.

13 I. The Risk Management Administrator may provide or obtain for
14 any state agency, public trust with the state as a beneficiary and
15 a director, officer, employee or member thereof, insurance for
16 liability for loss, including judgments, awards, settlements, costs
17 and legal expenses, resulting from violations of rights or
18 privileges secured by the Constitution or laws of the United States
19 of America which occur while a director, officer, employee or member
20 is acting within the scope of service to the State of Oklahoma. The
21 insurance shall be for coverage in excess of the limits on liability
22 established by the Governmental Tort Claims Act but shall not limit
23 or waive any immunities now or hereafter available to the State of
24 Oklahoma or any state agency, any public trust with the state as a

1 beneficiary, or any director, officer, employee or member thereof,
2 including, but not limited to, any immunities under the Eleventh
3 Amendment to the Constitution of the United States, state sovereign
4 immunity, and any absolute or qualified immunity held by any
5 director, officer, employee or member.

6 SECTION 2. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 63.4 of Title 74, unless there
8 is created a duplication in numbering, reads as follows:

9 There is hereby created a petty cash fund for the Department of
10 Central Services to be used for the State Surplus Auctions in the
11 Property Reutilization Division.

12 The amount of the State Surplus Auction petty cash fund shall
13 not exceed Two Hundred Fifty Dollars (\$250.00), and the initial
14 amount shall be drawn by warrant from the State Surplus Property
15 Revolving Fund. The Director of State Finance is authorized to
16 prescribe forms, systems and procedures for the administration of
17 the State Surplus Auction petty cash fund.

18 SECTION 3. AMENDATORY 80 O.S. 2001, Section 34.6, as
19 amended by Section 14, Chapter 372, O.S.L. 2003 (80 O.S. Supp. 2007,
20 Section 34.6), is amended to read as follows:

21 Section 34.6 There is hereby created in the State Treasury a
22 revolving fund to be designated as the "State Surplus Property
23 Revolving Fund" which shall consist of all monies appropriated
24 thereto by the Legislature and all monies received by the Surplus

1 Property Agent from state departments, boards, commissions,
2 institutions, and agencies and from counties, cities, and towns, and
3 school districts and other authorized program participants as a
4 reimbursement to the state of monies spent in acquiring surplus
5 property for such entities, and for services to the entities. The
6 State Surplus Property Revolving Fund shall be a continuing fund,
7 not subject to fiscal year limitations, and shall be expended by the
8 Surplus Property Agent, under the supervision of the Director of the
9 Department of Central Services, for any expense incurred in the
10 handling, transportation, warehousing, distribution of surplus
11 property received by purchase or donation, including the purchase of
12 trucks and equipment, the salary of the Surplus Property Agent and
13 other employees' salaries, other necessary expenses incurred in
14 program administration and operation and expenses the Department of
15 Central Services incurs to support program operations. Expenditures
16 shall be made from the fund on claims signed by the State Surplus
17 Property Agent and approved for payment by the Director of State
18 Finance. Excess funds above the operational needs may be invested
19 in any of the types of instruments in which the State Treasurer is
20 authorized by law to invest. Interest earned shall be retained by
21 the State Surplus Property Revolving Fund, and the funds may be
22 expended by the Department of Central Services to acquire, improve,
23 or maintain state agency surplus property facilities.

24 SECTION 4. This act shall become effective November 1, 2008.

