

THE HOUSE OF REPRESENTATIVES
Monday, February 22, 2010

Committee Substitute for
House Bill No. 2662

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 2662 - By: SULLIVAN of the House.

An Act relating to workers' compensation; providing for the sale of CompSource Oklahoma by certain date; providing for disposition of buildings and appointments of CompSource Oklahoma; amending 74 O.S. 2001, Section 840-5.10, as last amended by Section 1, Chapter 440, O.S.L. 2009 (74 O.S. Supp. 2009, Section 840-5.10), which relates to certain employees of CompSource Oklahoma; requiring that CompSource Oklahoma offices and positions be vacated; providing for transfer or termination of employees; amending Section 1, Chapter 17, O.S.L. 2002, as last amended by Section 5, Chapter 300, O.S.L. 2008 (74 O.S. Supp. 2009, Section 3601.1), which relates to maximum number of full-time employees for certain agencies; providing that State Insurance Fund employees shall be zero; amending Section 2, Chapter 463, O.S.L. 2004, as last amended by Section 2, Chapter 208, O.S.L. 2007 (74 O.S. Supp. 2009, Section 3601.2), which relates to salaries of certain chief executive officers; providing that sale of CompSource Oklahoma shall make certain provision obsolete; amending 85 O.S. 2001, Section 132a, as amended by Section 1, Chapter 403, O.S.L. 2004 (85 O.S. Supp. 2009, Section 132a), which relates to workers' compensation insurance for volunteer firefighters; authorizing purchase of workers' compensation from any successor of CompSource Oklahoma; repealing 85 O.S. 2001, Sections 131, 131a, 131b and 132, as amended by Sections 6, 7, 8 and 9, Chapter 50, O.S.L. 2002, 133, as last amended by Section 2, Chapter 316, O.S.L. 2006, 134, as last amended by Section 1, Chapter 77, O.S.L. 2008, 135, 135.1, 136, 137 and 138, as amended by Sections 12, 13, 14, 15 and 16, Chapter 50, O.S.L. 2002, 138.2, 139 and 141, as amended by Sections 17 and 18, Chapter 50, O.S.L. 2002, 142, as amended by Section 2, Chapter 145, O.S.L. 2002, 142a, 144, 145, 146, 147 and 148, as amended by Sections 19 and 20, Chapter 50, O.S.L. 2002, 149.1, 149.2, 151 and Section 21, Chapter 426, O.S.L. 2009 (85 O.S. Supp. 2009, Sections 131, 131a, 131b, 132, 133, 134, 135, 135.1, 136, 137, 138, 139, 141, 142, 147,

148 and 154), which relate to CompSource Oklahoma; providing for codification; and providing effective dates.

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

1 SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma
2 Statutes as Section 125 of Title 85, unless there is created a duplication in numbering,
3 reads as follows:

4 CompSource Oklahoma shall be sold to the highest bidder by December 31, 2011.
5 Any and all proceeds from the sale of CompSource Oklahoma shall be retained as an
6 asset of the State of Oklahoma. The sale shall include the purchase of all buildings and
7 assets owned by CompSource Oklahoma.

8 SECTION 2. AMENDATORY 74 O.S. 2001, Section 840-5.10, as last amended
9 by Section 1, Chapter 440, O.S.L. 2009 (74 O.S. Supp. 2009, Section 840-5.10), is
10 amended to read as follows:

11 Section 840-5.10 A. CompSource Oklahoma shall be under the Merit System until
12 December 31, 2011. ~~Except as otherwise provided in subsection B of this section, all~~
13 ~~offices, positions and personnel shall be classified and subject to the provisions of the~~
14 ~~Merit System of Personnel Administration and rules promulgated hereunder~~ Upon the
15 successful sale of CompSource Oklahoma any employee who is not hired by the successor
16 company shall have priority over other applicants for positions in other agencies of the

1 state. This section shall supersede and repeal any and all executive orders issued
2 pursuant to this act to place the agency or its predecessors under the Merit System.

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

6 ~~1. President and Chief Executive Officer;~~

7 ~~2. Executive Vice President;~~

8 ~~3. Vice Presidents;~~

9 ~~4. Executive Secretaries to the President, Executive Vice President and Vice~~
10 ~~Presidents;~~

11 ~~5. Law Clerks and Legal Assistants;~~

12 ~~6. Special Counsel;~~

13 ~~7. General Counsel;~~

14 ~~8. Medical Analysts Supervisor;~~

15 ~~9. Medical Analysts;~~

16 ~~10. Field Adjusters;~~

17 ~~11. Investment Officer;~~

18 ~~12. Workers' Compensation Insurance Consultants;~~

19 ~~13. Workers' Compensation Insurance Technicians;~~

20 ~~14. Workers' Compensation Insurance Adjusters;~~

21 ~~15. Workers' Compensation Insurance Underwriters;~~

22 ~~16. Information Systems Personnel;~~

1 ~~17. Fraud Investigation Specialists;~~

2 ~~18. Collections Attorneys;~~

3 ~~19. Premium Auditors; and~~

4 ~~20. Safety Consultants.~~

5 ~~C. CompSource Oklahoma may develop a plan for a program for incentive-based~~
6 ~~compensation for its employees. The plan shall be subject to the review and approval of~~
7 ~~the Insurance Commissioner~~

8 B. The Office of Personnel Management shall develop a plan as required by
9 subsection A of this section by July 1, 2011.

10 SECTION 3. AMENDATORY Section 1, Chapter 17, O.S.L. 2002, as last
11 amended by Section 5, Chapter 300, O.S.L. 2008 (74 O.S. Supp. 2009, Section 3601.1), is
12 amended to read as follows:

13 Section 3601.1 A. For purposes of Sections 3601.1 through 3603 of this title, the
14 term "employee" means a full-time employee or any number of part-time employees
15 whose combined weekly hours of employment equal those of a full-time employee, but
16 shall not include temporary employees working on a seasonal basis between May 1 and
17 October 31.

18 B. Beginning July 1, 2008, the maximum number of full-time-equivalent employees
19 for each of the following agencies, boards, commissions, departments, or programs shall
20 not exceed the numbers specified in this section, except as may be authorized pursuant to
21 the provisions of Section 3603 of this title.

22 MAXIMUM NUMBER OF

	FULL-TIME-EQUIVALENT EMPLOYEES
1	
2	
3	591
4	1150
5	11
6	
7	4
8	3
9	16
10	5
11	5
12	
13	10
14	
15	
16	29
17	5
18	6
19	26
20	
21	4
22	3

1	State Board of Osteopathic Examiners	7
2	Oklahoma Peanut Commission	2
3	Oklahoma State Board of Pharmacy	10
4	State Board of Examiners of Psychologists	2
5	Oklahoma Real Estate Commission	26
6	Board of Examiners for Speech-Language Pathology and	
7	Audiology	2
8	Oklahoma Used Motor Vehicle and Parts Commission	12
9	State Board of Veterinary Medical Examiners	6
10	Oklahoma Wheat Utilization, Research and Market	
11	Development Commission	7
12	Oklahoma Firefighters Pension and Retirement System	13
13	Oklahoma Police Pension and Retirement System	12
14	Teachers' Retirement System of Oklahoma	52
15	Oklahoma Public Employees Retirement System	63
16	Oklahoma Student Loan Authority	85
17	Oklahoma Industrial Finance Authority/Oklahoma Development	
18	Finance Authority	10
19	State and Education Employees Group Insurance Board	178
20	Oklahoma Capital Investment Board	4
21	State Board of Licensed Social Workers	1
22	Oklahoma State Employees Benefits Council	38

1	Oklahoma State Banking Department	46
2	Liquefied Petroleum Gas Administration	10

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

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

10 SECTION 4. AMENDATORY Section 2, Chapter 463, O.S.L. 2004, as last
11 amended by Section 2, Chapter 208, O.S.L. 2007 (74 O.S. Supp. 2009, Section 3601.2), is
12 amended to read as follows:

13 Section 3601.2 A. Beginning January 1, 2007, the agency, board, commission,
14 department or program shall establish the salary of each of the chief executive officers
15 for which they have appointing authority. Such salary shall be set between the
16 minimum and maximum of the range specified below, for full-time employees only, per
17 annum, payable monthly, pursuant to the limitations outlined below:

18 1. If the chief executive officer's salary is below the minimum annual salary then it
19 can not be raised to more than the minimum annual salary in one (1) fiscal year. If the
20 chief executive officer's salary is at or above the minimum annual salary then the salary
21 may not be increased above the midpoint in one (1) fiscal year.

22 2. Such increases shall not occur more than once in a fiscal year; and

3. The salary of the incumbent chief executive officer shall not be increased if the officer's salary exceeds the maximum of the range.

	MINIMUM	MIDPOINT	MAXIMUM
	ANNUAL	ANNUAL	ANNUAL
	SALARY	SALARY	SALARY
CompSource Oklahoma	\$86,136.00	\$101,337.00	\$116,536.00
Oklahoma Employment Security Commission	\$93,190.00	\$109,635.00	\$126,080.00
Oklahoma Accountancy Board	\$55,748.00	\$65,585.00	\$75,424.00
Board of Governors of the Licensed Architects, Landscape Architects and Interior Designers of Oklahoma	\$45,513.00	\$62,757.00	\$80,000.00
Board of Chiropractic Examiners	\$46,788.00	\$55,044.00	\$63,301.00
State Board of Cosmetology	\$46,788.00	\$55,044.00	\$63,301.00
Board of Dentistry	\$54,956.00	\$64,334.00	\$75,687.00
Oklahoma Funeral Board	\$46,788.00	\$55,044.00	\$63,301.00
State Board of Registration for Professional Engineers and Land Surveyors	\$55,748.00	\$65,585.00	\$75,424.00
State Board of Medical Licensure and Supervision, Board of			

1	Podiatric Medical			
2	Examiners/State Board of			
3	Examiners of Perfusionists	\$67,551.00	\$79,471.00	\$91,392.00
4	Commission on Marginally			
5	Producing Oil and Gas Wells	\$55,748.00	\$65,585.00	\$75,424.00
6	Oklahoma Motor Vehicle			
7	Commission	\$55,748.00	\$65,585.00	\$75,424.00
8	Oklahoma Board of Nursing	\$67,551.00	\$79,471.00	\$91,392.00
9	Oklahoma State Board of			
10	Examiners for Nursing Home			
11	Administrators	\$46,788.00	\$55,044.00	\$63,301.00
12	State Board of Osteopathic			
13	Examiners	\$54,956.00	\$64,334.00	\$75,687.00
14	Oklahoma Peanut Commission	\$45,513.00	\$55,044.00	\$63,300.00
15	State Board of Examiners of			
16	Psychologists	\$46,788.00	\$55,044.00	\$63,301.00
17	Oklahoma Real Estate Commission	\$67,551.00	\$79,471.00	\$91,392.00
18	Board of Examiners for Speech-			
19	Language Pathology and			
20	Audiology	\$38,001.00	\$44,706.00	\$51,412.00
21	Oklahoma Used Motor Vehicle and			
22	Parts Commission	\$55,748.00	\$65,585.00	\$75,424.00

1	State Board of Veterinary Medical			
2	Examiners	\$46,788.00	\$55,044.00	\$63,301.00
3	Oklahoma Wheat Utilization,			
4	Research and Market			
5	Development Commission	\$55,748.00	\$65,585.00	\$75,424.00
6	Oklahoma Firefighters Pension			
7	and Retirement System	\$80,732.00	\$94,980.00	\$109,226.00
8	Oklahoma Police Pension and			
9	Retirement System	\$80,733.00	\$94,981.00	\$109,227.00
10	Teachers' Retirement System of			
11	Oklahoma	\$86,136.00	\$101,337.00	\$116,536.00
12	Oklahoma Public Employees			
13	Retirement System	\$86,136.00	\$101,337.00	\$116,536.00
14	Oklahoma Student Loan Authority	\$83,790.00	\$101,377.00	\$116,536.00
15	Oklahoma Industrial Finance			
16	Authority	\$80,731.00	\$94,979.00	\$109,225.00
17	State and Education Employees			
18	Group Insurance Board	\$86,136.00	\$101,337.00	\$116,536.00
19	Oklahoma Capital Investment			
20	Board	\$80,731.00	\$94,979.00	\$109,225.00
21	State Board of Licensed Social			
22	Workers	\$46,788.00	\$55,044.00	\$63,301.00

1	Oklahoma State Employees			
2	Benefits Council	\$80,731.00	\$94,979.00	\$109,225.00
3	Grand River Dam Authority	\$101,437.00	\$119,339.00	\$137,239.00
4	Oklahoma State Banking			
5	Department	\$101,437.00	\$119,339.00	\$137,239.00
6	Liquefied Petroleum Gas			
7	Administration	\$55,748.00	\$65,585.00	\$75,424.00
8	Oklahoma Securities Commission	\$101,437.00	\$119,339.00	\$137,239.00

9 B. All increases require certification of the appointing authority that said action
10 can be implemented for the current fiscal year and subsequent fiscal year without the
11 need for additional funding. The agency, board, commission, department or program
12 shall report increases granted under this section to the Office of Personnel Management
13 on an annual basis by August 1 of each year. The Office of Personnel management shall
14 forward a report of such increases to the Governor, President Pro Tempore of the Senate,
15 and Speaker of the House of Representatives no later than September 1 of each year.

16 C. Every two (2) years starting FY-05, the Office of Personnel Management shall
17 review these salary ranges and report on and make recommendations on proposed salary
18 ranges in their annual compensation reports mandated by paragraph 5 of Section 840-
19 1.6A of this title by no later than December 1.

20 D. Every three (3) years the Legislature shall review the salary ranges specified in
21 subsection A of this section.

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 SECTION 5. AMENDATORY 85 O.S. 2001, Section 132a, as amended by
2 Section 1, Chapter 403, O.S.L. 2004 (85 O.S. Supp. 2009, Section 132a), is amended to
3 read as follows:

4 Section 132a. A. ~~1. Volunteer fire departments organized pursuant to state law~~
5 ~~may obtain workers' compensation insurance for volunteer firefighters through the~~
6 ~~Volunteer Firefighter Group Insurance Pool pursuant to requirements established by~~
7 ~~CompSource Oklahoma which shall administer the Pool. For the premium set by~~
8 ~~CompSource Oklahoma, the state shall provide Fifty-five Dollars (\$55.00) per firefighter~~
9 ~~per year. Except as otherwise provided by subsection D of this section, the total amount~~
10 ~~paid by the state shall not exceed Three Hundred Twenty Thousand Three Hundred~~
11 ~~Thirty-eight Dollars (\$320,338.00) per year or so much thereof as may be necessary to~~
12 ~~fund the Volunteer Firefighter Group Insurance Pool.~~

13 ~~2. CompSource Oklahoma shall collect the premium from state agencies, public~~
14 ~~trusts and other instrumentalities of the state. Any funds received by CompSource~~
15 ~~Oklahoma from any state agency, public trust, or other instrumentality for purposes of~~
16 ~~workers' compensation insurance pursuant to this section shall be deposited to the credit~~
17 ~~of the Volunteer Firefighter Group Insurance Pool. CompSource Oklahoma shall collect~~
18 ~~premiums, pay claims, and provide for excess insurance as needed.~~

19 ~~B. CompSource Oklahoma shall report, annually, to the Governor, the Speaker of~~
20 ~~the Oklahoma House of Representatives, and the President Pro Tempore of the State~~
21 ~~Senate the number of enrollees in the Volunteer Firefighter Group Insurance Pool, and~~
22 ~~the amount of any anticipated surplus or deficiency of the Pool; and shall also provide to~~

1 the Governor, the Speaker of the Oklahoma House of Representatives and the President
2 Pro Tempore of the State Senate sixty (60) days advance notice of any proposed change in
3 rates for the Volunteer Firefighter Group Insurance Pool.

4 C. The amount of claims paid, claim expenses, underwriting losses, loss ratio, or
5 any other financial aspect of the Volunteer Firefighter Group Insurance Pool shall not be
6 considered when determining or considering bids for the amount of any premiums, rates,
7 or expenses owed by, or any discounts, rebates, dividends, or other financial benefits
8 owed to any other policyholder of CompSource Oklahoma.

9 D. Except as otherwise provided by law, any increase in the state payment rate for
10 volunteer firefighters under the Volunteer Firefighter Group Insurance Pool shall not
11 exceed five percent (5%) per annum. Any proposed change in rates for the Volunteer
12 Firefighter Group Insurance Pool must be approved by the Board of Managers of
13 CompSource Oklahoma with notice provided pursuant to subsection B of this section.
14 CompSource Oklahoma shall not increase premiums for the Volunteer Firefighter Group
15 Insurance Pool more than once per annum any successor of CompSource Oklahoma.

16 E. B. For purposes of this section, the term “volunteer fire departments” includes
17 those volunteer fire departments which have authorized voluntary or uncompensated
18 workers rendering services as firefighters and are created by statute pursuant to Section
19 592 of Title 18 of the Oklahoma Statutes, Sections 29-201 through 29-205 of Title 11 of
20 the Oklahoma Statutes, and those defined by Section 351 of Title 19 of the Oklahoma
21 Statutes.

1 SECTION 6. REPEALER 85 O.S. 2001, Sections 131, 131a, 131b and 132, as
2 amended by Sections 6, 7, 8 and 9, Chapter 50, O.S.L. 2002, 133, as last amended by
3 Section 2, Chapter 316, O.S.L. 2006, 134, as last amended by Section 1, Chapter 77,
4 O.S.L. 2008, 135, 135.1, 136, 137 and 138, as amended by Sections 12, 13, 14, 15 and 16,
5 Chapter 50, O.S.L. 2002, 138.2, 139 and 141, as amended by Sections 17 and 18, Chapter
6 50, O.S.L. 2002, 142, as amended by Section 2, Chapter 145, O.S.L. 2002, 142a, 144, 145,
7 146, 147 and 148, as amended by Sections 19 and 20, Chapter 50, O.S.L. 2002, 149.1,
8 149.2, 151 and Section 21, Chapter 426, O.S.L. 2009 (85 O.S. Supp. 2009, Sections 131,
9 131a, 131b, 132, 133, 134, 135, 135.1, 136, 137, 138, 139, 141, 142, 147, 148 and 154), are
10 hereby repealed.

11 SECTION 7. Section 1 of this act shall become effective November 1, 2010.

12 SECTION 8. Sections 2 through 6 of this act shall become effective upon the
13 successful sale of CompSource Oklahoma.

14 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND
15 FINANCIAL SERVICES, dated 02-18-10 - DO PASS, As Amended.