

THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 2009

ENGROSSED

Senate Bill No. 670

ENGROSSED SENATE BILL NO. 670 - By: ALDRIDGE of the Senate and WRIGHT (JOHN) of the House.

An Act relating to state government; amending 62 O.S. 2001, Section 7.10, as last amended by Section 1, Chapter 392, O.S.L. 2008 (62 O.S. Supp. 2008, Section 7.10), which relates to voluntary payroll deductions; increasing certain membership requirement; 74 O.S. 2001, Section 840-1.9, as amended by Section 1, Chapter 389, O.S.L. 2005, 840-2.17, as last amended by Section 2, Chapter 342, O.S.L. 2007, 840-2.23, as last amended by Section 10, Chapter 312, O.S.L. 2004, 840-2.27C, as last amended by Section 3, Chapter 342, O.S.L. 2007, 840-3.4, as amended by Section 11, Chapter 347, O.S.L. 2002, 840-3.5, as amended by Section 12, Chapter 347, O.S.L. 2002, and 841.30, as last amended by Section 4, Chapter 453, O.S.L. 2005 (74 O.S. Supp. 2008, Sections 840-1.9, 840-2.17, 840-2.23, 840-2.27C, 840-3.4, 840-3.5 and 841-30), which relate to powers and duties of the commission, salary adjustments, state leave sharing program, reduction in force plan, undergraduate public internship program, rules and regulations, executive development program for state officials, Oklahoma compensation and unclassified positions review board; stating certain actions be consistent with certain laws and rules; deleting certain requirement regarding pay movement mechanisms; deleting duplicative language; setting out certain changes which simplify certain calculations of the value of donated leave; clarifying language; deleting certain requirement within the Reduction-in-Force plan; adding certain undergraduate internship; creating certain program for certain state officials; updating statutory reference; providing for codification; providing an effective date; and declaring an emergency.

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

1 SECTION. AMENDATORY 62 O.S. 2001, Section 7.10, as last amended by
2 Section 1, Chapter 392, O.S.L. 2008 (62 O.S. Supp. 2008, Section 7.10), is amended to
3 read as follows:

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

7 2. If the governing body of any county, municipality, or school district provides for
8 voluntary payroll deductions to a credit union serving the employees of the county,
9 municipality, or school district, it shall provide voluntary payroll deductions to any credit
10 union, bank, or savings association having an office in this state which has a minimum
11 participation of twenty percent (20%) of the employees of the county, municipality, or
12 school district.

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

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

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

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

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

6 5. Membership dues utilized for benefits, goods or services provided by the
7 Oklahoma Public Employees Association to the organization's membership or any other
8 statewide association limited to state employee membership with a minimum
9 membership of two thousand (2,000) dues-paying members. For purposes of this
10 paragraph, state agencies shall accept online or electronically submitted forms from the
11 Oklahoma Public Employees Association and other state employee associations. The
12 Office of Personnel Management shall develop and implement a verification process for
13 online or electronically submitted forms which may include the use of electronic
14 signature technology or other process as determined appropriate;

15 6. Contributions to its foundation organized pursuant to 26 U.S.C., Section
16 501(c)(3) in the Oklahoma Public Employees Association or any other statewide
17 association limited to state employee membership with a minimum membership of ~~one~~
18 ~~thousand (1,000)~~ two thousand (2,000) dues-paying members;

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

1 8. Subscriptions to the Oklahoma Today magazine published by the State of
2 Oklahoma through the Oklahoma Tourism and Recreation Department.

3 C. The administrative costs of processing payroll deductions or administering
4 salary adjustment agreements for insurance premiums as provided for in subsection B of
5 this section shall be a charge of two percent (2%) of the gross annual premiums for
6 insurance plans. The administrative costs of processing payroll deductions or
7 administering salary adjustment agreements for payments for retirement plans as
8 provided for in subsection B of this section shall be one percent (1%) of the gross annual
9 payments for retirement plans. These charges shall be collected monthly from the
10 private insurance or retirement plan organization by the Office of Personnel
11 Management and shall be deposited to the credit of the General Revenue Fund. Provided
12 that these costs shall not be collected from state employees or state agencies unless
13 otherwise directed in Section 1 et seq. of this title.

14 D. Any statewide association granted a payroll deduction prior to January 1, 2008,
15 shall be exempt from the minimum state employee membership requirement.

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

1 F. The Oklahoma Employment Security Commission is authorized to deduct from
2 the wages or salary of its employees the employees' contribution to the Oklahoma
3 Employment Security Commission Retirement Plan.

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

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

13 I. Upon the request of a state employee of the Department of Corrections, the
14 Department shall make voluntary payroll deductions for the employee to the
15 Correctional Peace Officer Foundation.

16 SECTION 1. AMENDATORY 74 O.S. 2001, Section 840-1.9, as amended by
17 Section 1, Chapter 389, O.S.L. 2005 (74 O.S. Supp. 2008, Section 840-1.9), is amended to
18 read as follows:

19 Section 840-1.9 In addition to any other duties expressly set forth by law, the
20 Oklahoma Merit Protection Commission shall:

1 1. Receive and act on complaints, counsel persons and groups on their rights and
2 duties and take action designed to obtain voluntary compliance with the provisions of the
3 Oklahoma Personnel Act;

4 2. Investigate allegations of violations of the provisions of the Oklahoma Personnel
5 Act within its jurisdiction;

6 3. Investigate allegations of abuses in the employment practices of the
7 Administrator of the Office of Personnel Management or of any state agency;

8 4. Investigate allegations of violations of the rules of the Merit System of Personnel
9 Administration and prohibited activities in the classified service;

10 5. Establish and maintain a statewide Alternative Dispute Resolution Program to
11 provide dispute resolution services for state agencies and employees. Actions agreed to
12 through the Alternative Dispute Resolution Program provided by the Commission shall
13 be consistent with applicable laws and rules and shall not alter, reduce, or modify any
14 existing right or authority as provided by statute or rule;

15 6. Establish rules, pursuant to the Administrative Procedures Act as may be
16 necessary to perform the duties and functions of the Commission including, but not
17 limited to, rules to monitor state agency grievance processes to ensure full compliance
18 with the law. The Commission may also recommend any changes it deems necessary to
19 improve such grievance processes to the appropriate state agency;

20 7. Establish guidelines for the qualifications, duties, responsibilities, authority,
21 power, and continued employment of the Executive Director, Administrative Hearing
22 Officers, mediators, and other resolution arbitrators or facilitators;

1 8. Prepare and preserve an audio tape of all proceedings of all hearings conducted
2 by the Commission and furnish transcripts of such tapes upon payment of the costs of
3 such transcripts by the party requesting the transcripts;

4 9. Submit quarterly, fiscal year reports on workload statistics to the Governor, the
5 Speaker of the House of Representatives, and the President Pro Tempore of the Senate
6 containing the following information:

- 7 a. the number of cases, complaints, and requests for hearing filed,
8 disposed of and pending with the Commission for each month of the
9 quarter,
10 b. a numerical breakdown of the methods of disposition of such cases,
11 complaints, and requests for hearing,
12 c. a numerical breakdown of mediations, prehearing conferences, and
13 appellate hearings, conducted, and
14 d. the date of the oldest pending case, complaint, and request for hearing.

15 Quarterly reports shall be submitted within thirty (30) days following the last day of the
16 month of the appropriate quarter; and

17 10. Make all records of the Commission, except those made confidential by law,
18 available for public inspection, copying and mechanical reproduction, or either of them,
19 in accordance with the Oklahoma Open Records Act and charge a fee not to exceed
20 twenty-five cents (\$0.25) per page as the direct costs of document copying or mechanical
21 reproduction. All fees collected pursuant to the provisions of this paragraph shall be
22 deposited in the Oklahoma Merit Protection Commission Revolving Fund.

1 SECTION 2. AMENDATORY 74 O.S. 2001, Section 840-2.17, as last amended
2 by Section 2, Chapter 342, O.S.L. 2007 (74 O.S. Supp. 2008, Section 840-2.17), is
3 amended to read as follows:

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

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

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

- 1 1. Salary advancements on promotion or direct reclassification to a job family level
2 or class with a higher salary band;
- 3 2. Salary adjustments resulting from a pay band change for a job family level or
4 class adopted by the Office of Personnel Management;
- 5 3. Increases in longevity payments pursuant to Section 840-2.18 of this title;
- 6 4. Payment of overtime, special entrance rates, pay differentials;
- 7 5. Payment of wages, salaries, or rates of pay established and mandated by law;
- 8 6. Market adjustments for job family levels tied to market competitiveness;
- 9 7. Intra-agency lateral transfers, provided that the adjustment does not exceed five
10 percent (5%) and the adjustment is based on the needs of the agency;
- 11 8. Skill-based adjustments. Such adjustments, which are implemented before
12 November 1, 2006, other than lump-sum payments, shall become permanent after
13 twenty-four (24) months from the date such salary adjustment is implemented and may
14 not later be removed from an employee's base salary if a furlough or reduction-in-force is
15 implemented by the appointing authority granting such salary adjustment. Skill-based
16 pay adjustments, which are implemented on or after November 1, 2006, and which are
17 paid to an employee, shall be paid as long as the employee remains employed in the
18 position and performs the skills for which the differential is due, but shall not be
19 included as a part of the employee's base salary;
- 20 9. Equity-based adjustments;
- 21 10. Performance-based adjustments for employees who received at least a "meets
22 standards" rating on their most current performance rating;

1 11. Career progression increases as an employee advances through job family
2 levels; or

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

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

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

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

1 ~~F. All agencies, boards, and commissions shall report to the Office of Personnel~~
2 ~~Management on a fiscal-year basis the pay movement mechanisms utilized in~~
3 ~~paragraphs 6 through 12 in subsection B of this section. The report shall include the pay~~
4 ~~movement mechanisms type, frequency, amounts provided, affected classifications and~~
5 ~~job families, and other information as prescribed by the Administrator of the Office of~~
6 ~~Personnel Management. Agencies shall report this information for the twelve-month~~
7 ~~period ending June 30 for classified and unclassified employees. The Office of Personnel~~
8 ~~Management shall forward the report, which will include findings and recommendations,~~
9 ~~to the Governor, President Pro Tempore of the Senate, and Speaker of the House of~~
10 ~~Representatives no later than February 1 of each year.~~

11 SECTION 3. AMENDATORY 74 O.S. 2001, Section 840-2.23, as last amended
12 by Section 10, Chapter 312, O.S.L. 2004 (74 O.S. Supp. 2008, Section 840-2.23), is
13 amended to read as follows:

14 Section 840-2.23 A. There is hereby created the state leave sharing program. The
15 purpose of the state leave sharing program is to permit state employees to donate annual
16 or sick leave to a fellow state employee who has exhausted, or will exhaust, all types of
17 paid leave and:

18 1. Who is eligible for and requires family leave ~~or who~~ pursuant to the provisions of
19 the Family and Leave Medical Act of 1993, 29 U.S.C., 2601 et seq.; or

20 2. Who is suffering from or has a relative or household member suffering from an
21 extraordinary or severe illness, injury, impairment, or physical or mental condition

1 which has caused or is likely to cause the employee to take leave without pay or
2 terminate employment, ~~if:~~

3 ~~a. the receiving employee has exhausted, or will exhaust, all types of paid~~
4 ~~leave due to an extraordinary or severe illness, injury, impairment, or~~
5 ~~physical or mental condition, which involves the employee, a relative of~~
6 ~~the employee or household member, and~~

7 ~~b. the condition has caused, or is likely to cause, the employee to go on~~
8 ~~leave without pay or terminate employment; or~~

9 ~~2. 3.~~ Immediately after the death of a relative or household member, provided that
10 the total leave received for this purpose shall not exceed five (5) days in any calendar
11 year; or

12 ~~3. 4.~~ Who is affected by a presidentially declared national disaster in Oklahoma
13 after May 1, 1999, for a period of eighteen (18) months after the date of the presidentially
14 declared national disaster if:

- 15 a. the employee suffered a physical injury as a result of the disaster,
16 b. the spouse, relative, or household member of the employee suffered a
17 physical injury or died as a result of the disaster, or
18 c. the domicile of the employee or the home of a relative of the employee
19 was damaged or destroyed as a result of the disaster.

20 B. As used in this section:

21 1. "Relative of the employee" shall be limited to the spouse, child, stepchild,
22 grandchild, grandparent, stepparent, or parent of the employee;

1 2. “Household members” means those persons who reside in the same home, who
2 have reciprocal duties to and do provide financial support for one another. This term
3 shall include foster children and legal wards even if they do not live in the household.
4 The term does not include persons sharing the same general house, when the living style
5 is primarily that of a dormitory or commune;

6 3. “Severe” or “extraordinary” means extreme or life threatening;

7 4. “State employee” means a permanent classified employee or a regular
8 unclassified employee with one (1) year or more continuous service with the state. The
9 term “state employee” does not include classified employees in probationary status or
10 unclassified employees on temporary or other limited term appointments, except that
11 those employees are eligible to receive shared leave as provided in paragraph 4 of
12 subsection A of this section and the leave with pay authorized by Section 840-2.23A of
13 this title related to a presidentially declared national disaster; and

14 5. “Terminal” means likely to result in death within two (2) calendar years.

15 C. An employee may be eligible to receive shared leave pursuant to the following
16 conditions:

17 1. The chief administrative officer of the employee determines that the employee
18 meets the criteria described in this section; and

19 2. The employee has abided by state policies regarding the use of leave.

20 D. An employee may not donate annual or sick leave to an eligible employee
21 without the permission of the chief administrative officer of the donating employee’s
22 agency.

1 E. An employee may donate annual or sick leave to another employee provided the
2 donation does not cause the annual leave balance of the employee to fall below eighty
3 (80) hours and provided the donation does not cause the sick leave balance of the
4 employee to fall below eighty (80) hours.

5 F. Except as otherwise provided for in this subsection, the chief administrative
6 officer of the employee shall determine the amount of donated leave an employee may
7 receive and may authorize an employee to use up to a maximum of two hundred sixty-
8 one (261) days of donated leave during total state employment. ~~An employee may receive
9 and use up to a maximum of three hundred sixty-five (365) days of donated leave during
10 total state employment, if~~ If the employee is suffering from an illness which has been
11 certified in writing by a licensed physician or health care practitioner as being terminal-
12 ~~However, upon written request by~~ and the employee who either has reached or shall
13 reach in the near future ~~a~~ the maximum amount as set out in this subsection, the chief
14 administrative officer of the employee may approve additional donated leave ~~as~~
15 ~~requested by the employee~~ upon written request of the employee.

16 G. The chief administrative officer of the employee shall require the employee to
17 submit, prior to approval or disapproval of shared leave pursuant to paragraph 1 of
18 subsection A of this section, a medical certificate from a licensed physician or health care
19 practitioner verifying the need for the leave and expected duration of the illness, injury,
20 impairment, or physical or mental condition for which the leave is donated.

21 H. Donated annual or sick leave is transferable between employees in different
22 state entities with the agreement of both chief administrative officers of the entities.

1 I. ~~The receiving employee shall be paid his or her regular rate of pay; therefore, one~~
2 ~~hour of donated leave may cover more or less than one hour of the salary of the recipient.~~
3 ~~The calculation of the leave value of the recipient shall be in accordance with Office of~~
4 ~~Personnel Management policies, regulations, and procedures. The dollar value of the~~
5 ~~leave is converted from the donor to the recipient. The leave received will be designated~~
6 ~~as donated leave and be maintained separately from all other leave balances~~ Donated
7 annual or sick leave is transferable between employees on an hour-to-hour basis
8 irrespective of the hourly wage of the donating or receiving employee.

9 J. Any donated leave may only be used by the recipient for the purposes specified in
10 this section.

11 K. All forms of paid leave available for use by the recipient must be used prior to
12 using donated leave.

13 L. Any donated leave not used by the recipient during each occurrence as
14 determined by the chief administrative officer of the employee shall be returned to the
15 donor. The donated leave remaining will be divided among the donors on a prorated
16 basis based on the original donated value and returned at its original donor value and
17 reinstated to the original leave balance of each donor.

18 M. All donated leave must be given voluntarily. No employee shall be coerced,
19 threatened, intimidated, or financially induced into donating annual or sick leave for
20 purposes of the leave sharing program.

21 N. Employees may not donate excess annual or sick leave that the donor would not
22 be able to otherwise take.

1 SECTION 4. AMENDATORY 74 O.S. 2001, Section 840-2.27C, as last
2 amended by Section 3, Chapter 342, O.S.L. 2007 (74 O.S. Supp. 2008, Section 840-2.27C),
3 is amended to read as follows:

4 Section 840-2.27C A. At least sixty (60) days before the scheduled beginning of
5 reduction-in-force separations or as otherwise provided by law, the appointing authority
6 shall post in each office of executive branch agencies affected by the proposed reduction-
7 in-force notice that a reduction-in-force will be conducted in accordance with the
8 Oklahoma Personnel Act and Merit rules. The reduction-in-force implementation plan
9 shall be provided to the Director of State Finance and any state employee association
10 representing state employees at such time. The notice shall not be posted unless
11 approved by the cabinet secretary for the agency conducting the reduction-in-force. If
12 there is no incumbent cabinet secretary for the agency, the cabinet-secretary-notice-
13 approval requirement shall not be applicable. The approved notice shall be posted in
14 each office affected by the proposed plan for five (5) days. The appointing authority shall
15 provide a copy of the notice to the Administrator. A reduction-in-force shall not be used
16 as a disciplinary action.

17 B. The reduction-in-force implementation plan and subsequent personnel
18 transactions directly related to the reduction-in-force in executive branch agencies shall
19 be in compliance with rules adopted by the Administrator. The reduction-in-force
20 implementation plan, including the description of and reasons for displacement limits
21 and protections from displacement actions, and severance benefits that will be offered
22 pursuant to Section 840-2.27D of this title shall be posted in each office affected by the

1 plan within five (5) business days after posting of the reduction-in-force notice. The
2 reduction-in-force implementation plan shall:

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

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

7 3. Require the separation of probationary classified affected employees in affected
8 job family levels, except those affected employees on probationary status after
9 reinstatement from permanent classified status without a break in service, prior to the
10 separation or displacement of any permanent classified affected employee in an affected
11 job family level;

12 4. Provide for retention of permanent classified affected employees in affected job
13 family levels and those affected employees on probationary status after reinstatement
14 from permanent classified status without a break in service based upon consideration of
15 years of service;

16 5. Provide for exercise of displacement opportunities by permanent classified
17 affected employees and those affected employees on probationary status after
18 reinstatement from permanent classified status without a break in service if any
19 displacement opportunities exist; and

20 6. Provide outplacement assistance and employment counseling from the
21 Oklahoma Employment Security Commission and any other outplacement assistance
22 and employment counseling made available by the agency to affected employees

1 regarding the options available pursuant to the State Government Reduction-in-Force
2 and Severance Benefits Act prior to the date that a reduction-in-force is implemented.

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

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

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

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

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

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

18 E. The appointing authority may limit displacement of affected employees at the
19 time of a reduction-in-force. Displacement limits shall not be subject to the approval of
20 the Administrator. Any limitation shall be based upon reasonable, written, articulated
21 criteria as certified by the appointing authority. If displacement is limited, the

1 appointing authority shall take action to avoid or minimize any adverse impact on
2 minorities or women.

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

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

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

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

- 1 a. be required, as a condition of continued employment by the agency, to
2 sign an agreement, in a form to be prescribed by the Administrator of
3 the Office of Personnel Management, acknowledging that the employee
4 had an opportunity to receive severance benefits and affirmatively
5 elected to exercise a displacement privilege and to forego such benefits.
6 An affected employee who signs the agreement required by this
7 subparagraph waives any privilege which might otherwise have been
8 available to the affected employee pursuant to the agreement for the
9 provision of severance benefits, and
10 b. not have the right to exercise any subsequent right to receive
11 severance benefits from the agency for which the affected employee
12 performs services on the date that the employee exercises a
13 displacement privilege. The provisions of this section shall not
14 prohibit any person from exercising a displacement privilege in, or
15 accepting severance benefits from, more than one agency during
16 employment with the State of Oklahoma or from the agency which the
17 affected employee exercised a displacement privilege in any future
18 reduction-in-force.

19 F. An affected employee who does not agree pursuant to Section 840-2.27E of this
20 title to accept severance benefits and who does not have a displacement opportunity or
21 does not accept a displacement opportunity shall be separated by the reduction-in-force

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

1 and shall not receive any severance benefits that would have otherwise been provided
2 pursuant to Section 840-2.27D of this title.

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

14 H. The names of permanent classified affected employees and those affected
15 employees on probationary status after reinstatement from permanent classified status
16 without a break in service who have been separated pursuant to the State Government
17 Reduction-in-Force and Severance Benefits Act, who apply and meet all requirements for
18 state jobs in the classified service shall be placed on Priority Reemployment
19 Consideration Rosters ~~in accordance with their individual final earned ratings~~ for a
20 maximum of eighteen (18) months after the date of separation. Before any vacant
21 position is filled by any individual eligible for initial appointment from the employment
22 register, individuals on the Priority Reemployment Consideration Rosters shall be given

1 priority consideration for reemployment by any state agency within eighteen (18) months
2 after the date of the reduction-in-force. Upon declination of an offer of reemployment to a
3 job family level having the same or higher pay band than the job family level from which
4 the employee was removed, or eighteen (18) months after the date of separation,
5 whichever is first, this priority consideration for reemployment shall expire. If an agency
6 has posted a reduction-in-force plan and implementation schedule, all affected employees
7 in positions covered by the plan and any within the displacement limits established by
8 the appointing authority of the agency who have been separated shall be eligible for
9 priority reemployment consideration.

10 I. If an agency or any part thereof is scheduled to be closed or abolished as a result
11 of legislation or a court order, the affected employees, who would be eligible for Priority
12 Reemployment Consideration after their separation in accordance with subsection H of
13 this section, may apply and, if qualified and eligible, shall be accorded Priority
14 Reemployment Consideration not to exceed twelve (12) months before the scheduled date
15 of separation. If an agency has posted a reduction-in-force plan and implementation
16 schedule, all affected employees in positions covered by the plan and any within the
17 displacement limits established by the appointing authority of the agency shall be
18 eligible for Priority Reemployment Consideration beginning with the date the schedule is
19 posted, not to exceed twelve (12) months before the scheduled date of separation.

20 J. When the Legislature is not in session, the Contingency Review Board may,
21 upon the request of the Governor, direct agencies, boards and commissions to reduce the
22 number of employees working for the agency, board or commission whenever it is deemed

1 necessary and proper. Such reduction shall be made pursuant to reduction-in-force plans
2 as provided in this section.

3 K. 1. When the Legislature is not in session, the Contingency Review Board may,
4 upon the request of the Governor, direct and require mandatory furloughs for all state
5 employees whenever it is deemed necessary and proper. The Contingency Review Board
6 shall specify the effective dates for furloughs and shall note any exceptions to state
7 employees affected by same. All classified, unclassified, exempt or nonmerit employees,
8 including those employees of agencies or offices established by statute or the
9 Constitution, shall be affected by such actions.

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

17 3. Notwithstanding existing laws or provisions to the contrary, members of state
18 boards and commissions shall not receive per diem expenses during periods of mandatory
19 furlough. The Contingency Review Board shall additionally call upon elected officials,
20 members of the judiciary, and other public officers whose salary or emoluments cannot be
21 altered during current terms of office, to voluntarily donate to the General Revenue Fund

1 any portion of their salary which would otherwise have been affected by a mandatory
2 furlough.

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

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

16 SECTION 5. AMENDATORY 74 O.S. 2001, Section 840-3.4, as amended by
17 Section 11, Chapter 347, O.S.L. 2002 (74 O.S. Supp. 2008, Section 840-3.4), is amended to
18 read as follows:

19 Section 840-3.4 A. The Carl Albert Public Internship Program shall consist of ~~two~~
20 three individual internship programs:

1 1. An Undergraduate Internship Program consisting of a temporary position for
2 students enrolled in an institution of higher education and working toward an
3 undergraduate degree; ~~and~~

4 2. A Senior Undergraduate Internship Program consisting of a job placement of up
5 to twenty-four (24) months for students enrolled in an institution of higher education
6 with ninety (90) semester hours or more of completed coursework towards a bachelor's
7 degree. To remain in the Senior Internship a student must continue to be working
8 toward an undergraduate degree at an institution of higher education with at least a two
9 point five (2.5) grade point average calculated on a four point zero (4.0) scale in all
10 undergraduate coursework. The intern occupying this position shall not be converted to
11 the classified service upon graduation or completion of the internship; and

12 3. An Executive Fellows Program consisting of six-month to two-year placements in
13 professional or managerial level positions for students who have:

- 14 a. successfully completed a baccalaureate degree and at least six (6)
15 semester hours of approved graduate level work with at least a three
16 point zero (3.0) grade point average calculated on a four point zero (4.0)
17 scale in all graduate coursework,
18 b. demonstrated a substantial interest in public sector management,
19 c. been recommended by the institution of higher education at which they
20 are enrolled, and
21 d. such additional requirements as determined by the Office of Personnel
22 Management.

1 B. Employing agencies shall rate the performance of participants in the Executive
2 Fellows Program in accordance with Section 840-4.17 of this title.

3 C. State employees, who otherwise meet the qualifications of the program, shall be
4 eligible to participate in the Carl Albert Public Internship Program upon the written
5 recommendation of the chief administrative officer of the applicant's agency.

6 SECTION 6. AMENDATORY 74 O.S. 2001, Section 840-3.5, as amended by
7 Section 12, Chapter 347, O.S.L. 2002 (74 O.S. Supp. 2008, Section 840-3.5), is amended to
8 read as follows:

9 Section 840-3.5 The Office of Personnel Management shall promulgate rules to
10 provide that:

11 1. Upon successful completion of a two-year internship in the Executive Fellows
12 Program, a participant who has met all requirements of education and experience shall
13 be eligible for appointment to a position in the classified or unclassified service of the
14 state and shall be deemed as meeting all other statutory requirements;

15 2. Persons leaving classified or unclassified positions in state government in order
16 to take an internship shall:

17 a. have the right to return to the previous position at any time during the
18 internship or upon completion of the internship, and

19 b. continue to receive all fringe benefits they would have received in their
20 previous classified or unclassified positions;

1 3. Participants in the Undergraduate Internship Program who were not public
2 employees prior to accepting a position in the program shall be employed in accordance
3 with paragraph 8 of subsection A of Section 840-5.5 of this title;

4 4. Participants in the Senior Undergraduate Internship Program who were not
5 public employees prior to accepting a position in the program shall be employed in
6 accordance with paragraph 10 of subsection A of Section 840.5.5 of this title, except that
7 they shall be granted leave benefits commensurate with regular state employees;

8 5. Participants in the Executive Fellows Program who were not public employees
9 prior to accepting a position in the program shall be appointed in accordance with
10 paragraph 10 of subsection A of Section 840-5.5 of this title, except that they shall be
11 granted leave benefits commensurate with regular state employees;

12 ~~5.~~ 6. Selection of interns shall be coordinated by the Office of Personnel
13 Management, but shall permit appropriate involvement by institutions of higher
14 education and state agencies in order to ensure the integrity of the program, permit the
15 appropriate match between interns and agency assignments, and to benefit the
16 employing agency;

17 ~~6.~~ 7. The Administrator of the Office of Personnel Management may waive the
18 completion of six (6) semester hours of approved graduate level work required by Section
19 840-3.4 of this title for participation in the Executive Fellows Program for an
20 undergraduate intern enrolled in six (6) semester hours of approved graduate level work
21 and currently employed by a state agency;

22 ~~7.~~ 8. Establish compensation plans for interns; and

1 ~~8.~~ 9. Empower the Office of Personnel Management to intercede in an internship
2 when the Office determines, at the request of the intern, the agency, or the institution of
3 higher education at which the intern is enrolled, that an internship is not functioning in
4 accordance with guidelines established for the program and that are necessary for the
5 efficiency and integrity of the program.

6 SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma
7 Statutes as Section 840-3.16 of Title 74, unless there is created a duplication in
8 numbering, reads as follows:

9 A. There is hereby created the Executive Development Program for State Officials
10 within the Office of Personnel Management. The Program shall be administered by the
11 Administrator of the Office of Personnel Management. The purpose of the Executive
12 Development Program for State Officials is to enhance the leadership skills of program
13 participants. This program is designed for cabinet secretaries, agency directors, and
14 senior-level executives within Oklahoma state agencies.

15 B. The Administrator of the Office of Personnel Management may adopt rules
16 necessary to implement the Executive Development Program for State Officials. The
17 Administrator may establish and collect fees for participation in the Program.

18 SECTION 8. AMENDATORY 74 O.S. 2001, Section 841.30, as last amended by
19 Section 4, Chapter 453, O.S.L. 2005 (74 O.S. Supp. 2008, Section 841-30), is amended to
20 read as follows:

21 Section 841-30 A. There is hereby created the Oklahoma Compensation and
22 Unclassified Positions Review Board.

1 B. The Oklahoma Compensation and Unclassified Positions Review Board shall be
2 composed of the following seven (7) members:

3 1. Two members of the Oklahoma Senate appointed by the President Pro Tempore
4 of the Senate;

5 2. Two members of the Oklahoma House of Representatives appointed by the
6 Speaker of the House of Representatives;

7 3. Two members appointed by the Governor, one to be from a state agency with five
8 hundred (500) or more employees and the other to be from a state agency with fewer
9 than five hundred (500) employees; and

10 4. The chief executive officer of the largest organization in the state that represents
11 state employees, or a designee.

12 C. After the initial appointments, the members shall serve four-year terms, and the
13 appointing authorities may fill any vacancies as they occur. The term of the members
14 appointed by the President Pro Tempore of the Senate shall expire July 1, 2004. The
15 term of the members appointed by the Speaker of the House of Representatives shall
16 expire July 1, 2005. The term of the members appointed by the Governor shall expire
17 July 1, 2006. The term of the members appointed by the largest organization in the state
18 that represents state employees shall expire July 1, 2007.

19 D. The Board shall elect one of its members as chair.

20 E. The Board shall review the study of the Office of Personnel Management, as
21 required by paragraph ~~20~~ 19 of Section 840-1.6A of this title, and make recommendations
22 which may include compensation adjustments, pay band adjustments, targeted salary

1 increases, and other recommendations related to turnover, fringe benefits and other
2 compensation issues concerning state employees, but excluding retirement issues. The
3 recommendations shall be made to the President Pro Tempore of the Senate, Speaker of
4 the House of Representatives, and Governor on or before February 1 of the year following
5 each biennial meeting.

6 F. The Board shall meet in December 2005 and in December of every odd-
7 numbered year thereafter to consider compensation recommendations. The Board shall
8 meet every year to consider unclassified positions recommendations. Any additional
9 meetings shall be at the call of the chair.

10 G. The Board shall review and make recommendations concerning the unclassified
11 service as follows:

12 1. State agencies subject to the provisions of the Merit System of Personnel
13 Administration shall submit requests to the Administrator of the Office of Personnel
14 Management for authorizations for unclassified positions and employees that are in
15 addition to unclassified positions already authorized by law. The Administrator shall
16 forward the requests to the Board. The Administrator shall review, analyze, and provide
17 recommendations to the Board regarding the requests. The Board shall meet in
18 December of each year and shall review any agency proposals to add unclassified
19 positions to the state service. A representative from each appointing authority of a state
20 agency that desires to add unclassified positions shall attend the meeting and present
21 the proposal of the agency. The Board shall also review positions currently in the
22 unclassified service. The Administrator of the Office of Personnel Management shall

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

1 review and analyze such positions and provide recommendations to the Board. The
2 Board may request the presence of state agency representatives to provide information
3 concerning such positions.

4 2. On or before February 1 of each year, the Board shall present any
5 recommendations to the President Pro Tempore of the State Senate and the Speaker of
6 ~~the Oklahoma House of Representatives and the President Pro Tempore of the State~~
7 ~~Senate~~ concerning current positions in the unclassified service and agency proposals to
8 add unclassified positions.

9 3. The Board may also meet during the regular session of the Legislature to
10 consider any additional requests to add unclassified positions to the state service
11 submitted pursuant to this subsection.

12 H. A majority of the members of the Board shall constitute a quorum for the
13 transaction of business. Each Board member shall be entitled to one vote on the Board.
14 Any official action of the Board must have a majority of the votes of the members
15 present.

16 I. Each member of the Board shall serve without compensation except that each
17 legislative member of the Board shall receive reimbursement for travel expenses in
18 accordance with Section 456 of this title and each nonlegislative member of the Board
19 shall receive reimbursement for travel expenses in accordance with the State Travel
20 Reimbursement Act by the Office of Personnel Management.

21 J. Staffing for the Board shall be composed of the Office of Personnel Management,
22 Oklahoma Senate staff, and Oklahoma House of Representatives staff as needed.

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

1 SECTION 9. This act shall become effective July 1, 2009.

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

5 COMMITTEE REPORT BY: COMMITTEE ON ADMINISTRATIVE RULES AND
6 AGENCY OVERSIGHT, dated 03-24-09 - DO PASS.