

SB 670

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THE STATE SENATE
Monday, February 23, 2009

Senate Bill No. 670
As Amended

SENATE BILL NO. 670 - By: Aldridge of the Senate and Wright (John) of the House.

[state government - voluntary payroll deductions - simplify certain calculations - codification - effective date - emergency]

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

SECTION. AMENDATORY 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), is amended to read as follows:

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

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

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

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

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

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

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

18 5. Membership dues utilized for benefits, goods or services
19 provided by the Oklahoma Public Employees Association to the
20 organization's membership or any other statewide association limited
21 to state employee membership with a minimum membership of two
22 thousand (2,000) dues-paying members. For purposes of this
23 paragraph, state agencies shall accept online or electronically

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

7 6. Contributions to its foundation organized pursuant to 26
8 U.S.C., Section 501(c)(3) in the Oklahoma Public Employees
9 Association or any other statewide association limited to state
10 employee membership with a minimum membership of ~~one thousand~~
11 ~~(1,000)~~ two thousand (2,000) dues-paying members;

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

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

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

1 retirement plans as provided for in subsection B of this section
2 shall be one percent (1%) of the gross annual payments for
3 retirement plans. These charges shall be collected monthly from the
4 private insurance or retirement plan organization by the Office of
5 Personnel Management and shall be deposited to the credit of the
6 General Revenue Fund. Provided that these costs shall not be
7 collected from state employees or state agencies unless otherwise
8 directed in Section 1 et seq. of this title.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 7. Establish guidelines for the qualifications, duties,
23 responsibilities, authority, power, and continued employment of the

1 Executive Director, Administrative Hearing Officers, mediators, and
2 other resolution arbitrators or facilitators;

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

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

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

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

22 10. Make all records of the Commission, except those made
23 confidential by law, available for public inspection, copying and

1 mechanical reproduction, or either of them, in accordance with the
2 Oklahoma Open Records Act and charge a fee not to exceed twenty-five
3 cents (\$0.25) per page as the direct costs of document copying or
4 mechanical reproduction. All fees collected pursuant to the
5 provisions of this paragraph shall be deposited in the Oklahoma
6 Merit Protection Commission Revolving Fund.

7 SECTION 2. AMENDATORY 74 O.S. 2001, Section 840-2.17, as
8 last amended by Section 2, Chapter 342, O.S.L. 2007 (74 O.S. Supp.
9 2008, Section 840-2.17), is amended to read as follows:

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

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

1 employees successfully completing trial periods after intra-agency
2 lateral transfer or promotion to a different job family level or
3 following career progression to a different job family level.

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

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

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

22 ~~F. All agencies, boards, and commissions shall report to the~~
23 ~~Office of Personnel Management on a fiscal year basis the pay~~

1 ~~movement mechanisms utilized in paragraphs 6 through 12 in~~
2 ~~subsection B of this section. The report shall include the pay~~
3 ~~movement mechanisms type, frequency, amounts provided, affected~~
4 ~~classifications and job families, and other information as~~
5 ~~prescribed by the Administrator of the Office of Personnel~~
6 ~~Management. Agencies shall report this information for the twelve-~~
7 ~~month period ending June 30 for classified and unclassified~~
8 ~~employees. 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 840-2.23, as
13 last amended by Section 10, Chapter 312, O.S.L. 2004 (74 O.S. Supp.
14 2008, Section 840-2.23), is amended to read as follows:

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

20 1. Who is eligible for and requires family leave ~~or who~~
21 pursuant to the provisions of the Family and Leave Medical Act of
22 1993, 29 U.S.C., 2601 et seq.; or

1 2. Who is suffering from or has a relative or household member
2 suffering from an extraordinary or severe illness, injury,
3 impairment, or physical or mental condition which has caused or is
4 likely to cause the employee to take leave without pay or terminate
5 employment, ~~if:~~

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

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

14 ~~2.~~ 3. Immediately after the death of a relative or household
15 member, provided that the total leave received for this purpose
16 shall not exceed five (5) days in any calendar year; or

17 ~~3.~~ 4. Who is affected by a presidentially declared national
18 disaster in Oklahoma after May 1, 1999, for a period of eighteen
19 (18) months after the date of the presidentially declared national
20 disaster if:

21 a. the employee suffered a physical injury as a result of
22 the disaster,

- 1 b. the spouse, relative, or household member of the
2 employee suffered a physical injury or died as a
3 result of the disaster, or
4 c. the domicile of the employee or the home of a relative
5 of the employee was damaged or destroyed as a result
6 of the disaster.

7 B. As used in this section:

- 8 1. "Relative of the employee" shall be limited to the spouse,
9 child, stepchild, grandchild, grandparent, stepparent, or parent of
10 the employee;
11 2. "Household members" means those persons who reside in the
12 same home, who have reciprocal duties to and do provide financial
13 support for one another. This term shall include foster children
14 and legal wards even if they do not live in the household. The term
15 does not include persons sharing the same general house, when the
16 living style is primarily that of a dormitory or commune;
17 3. "Severe" or "extraordinary" means extreme or life
18 threatening;
19 4. "State employee" means a permanent classified employee or a
20 regular unclassified employee with one (1) year or more continuous
21 service with the state. The term "state employee" does not include
22 classified employees in probationary status or unclassified
23 employees on temporary or other limited term appointments, except

1 that those employees are eligible to receive shared leave as
2 provided in paragraph 4 of subsection A of this section and the
3 leave with pay authorized by Section 840-2.23A of this title related
4 to a presidentially declared national disaster; and

5 5. "Terminal" means likely to result in death within two (2)
6 calendar years.

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

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

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

13 D. An employee may not donate annual or sick leave to an
14 eligible employee without the permission of the chief administrative
15 officer of the donating employee's agency.

16 E. An employee may donate annual or sick leave to another
17 employee provided the donation does not cause the annual leave
18 balance of the employee to fall below eighty (80) hours and provided
19 the donation does not cause the sick leave balance of the employee
20 to fall below eighty (80) hours.

21 F. Except as otherwise provided for in this subsection, the
22 chief administrative officer of the employee shall determine the
23 amount of donated leave an employee may receive and may authorize an

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

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

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

22 I. ~~The receiving employee shall be paid his or her regular rate~~
23 ~~of pay; therefore, one hour of donated leave may cover more or less~~

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

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

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

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

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

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

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

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

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

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

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

16 3. Require the separation of probationary classified affected
17 employees in affected job family levels, except those affected
18 employees on probationary status after reinstatement from permanent
19 classified status without a break in service, prior to the
20 separation or displacement of any permanent classified affected
21 employee in an affected job family level;

22 4. Provide for retention of permanent classified affected
23 employees in affected job family levels and those affected employees

1 on probationary status after reinstatement from permanent classified
2 status without a break in service based upon consideration of years
3 of service;

4 5. Provide for exercise of displacement opportunities by
5 permanent classified affected employees and those affected employees
6 on probationary status after reinstatement from permanent classified
7 status without a break in service if any displacement opportunities
8 exist; and

9 6. Provide outplacement assistance and employment counseling
10 from the Oklahoma Employment Security Commission and any other
11 outplacement assistance and employment counseling made available by
12 the agency to affected employees regarding the options available
13 pursuant to the State Government Reduction-in-Force and Severance
14 Benefits Act prior to the date that a reduction-in-force is
15 implemented.

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

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

- 1 1. Demonstrate that funds are available to cover projected
2 costs;
- 3 2. Contain an estimate of the number of affected employees
4 likely to participate in the education voucher program established
5 in Section 840-2.27D of this title; and
- 6 3. Contain an estimate of the cost savings or reduced
7 expenditures likely to be achieved by the agency.

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

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

20 1. The appointing authority may protect from displacement
21 action up to twenty percent (20%) of projected post-reduction-in-
22 force employees in affected positions within displacement limits;
23 provided, that any fractional number resulting from the final

1 mathematical calculation of the number of those positions shall be
2 rounded to the next higher whole number. The appointing authority
3 must explain why affected employees are being protected.

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

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

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

21 a. be required, as a condition of continued employment by
22 the agency, to sign an agreement, in a form to be
23 prescribed by the Administrator of the Office of

1 Personnel Management, acknowledging that the employee
2 had an opportunity to receive severance benefits and
3 affirmatively elected to exercise a displacement
4 privilege and to forego such benefits. An affected
5 employee who signs the agreement required by this
6 subparagraph waives any privilege which might
7 otherwise have been available to the affected employee
8 pursuant to the agreement for the provision of
9 severance benefits, and

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

21 F. An affected employee who does not agree pursuant to Section
22 840-2.27E of this title to accept severance benefits and who does
23 not have a displacement opportunity or does not accept a

1 displacement opportunity shall be separated by the reduction-in-
2 force and shall not receive any severance benefits that would have
3 otherwise been provided pursuant to Section 840-2.27D of this title.

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

18 H. The names of permanent classified affected employees and
19 those affected employees on probationary status after reinstatement
20 from permanent classified status without a break in service who have
21 been separated pursuant to the State Government Reduction-in-Force
22 and Severance Benefits Act, who apply and meet all requirements for
23 state jobs in the classified service shall be placed on Priority

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

18 I. If an agency or any part thereof is scheduled to be closed
19 or abolished as a result of legislation or a court order, the
20 affected employees, who would be eligible for Priority Reemployment
21 Consideration after their separation in accordance with subsection H
22 of this section, may apply and, if qualified and eligible, shall be
23 accorded Priority Reemployment Consideration not to exceed twelve

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

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

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

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.

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

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

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

20 2. A Senior Undergraduate Internship Program consisting of a
21 job placement of up to twenty-four (24) months for students enrolled
22 in an institution of higher education with ninety (90) semester
23 hours or more of completed coursework towards a bachelor's degree.

1 To remain in the Senior Internship a student must continue to be
2 working toward an undergraduate degree at an institution of higher
3 education with at least a two point five (2.5) grade point average
4 calculated on a four point zero (4.0) scale in all undergraduate
5 coursework. The intern occupying this position shall not be
6 converted to the classified service upon graduation or completion of
7 the internship; and

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

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

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

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

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

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

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

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

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

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

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

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

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

19 ~~5-~~ 6. Selection of interns shall be coordinated by the Office
20 of Personnel Management, but shall permit appropriate involvement by
21 institutions of higher education and state agencies in order to
22 ensure the integrity of the program, permit the appropriate match

1 between interns and agency assignments, and to benefit the employing
2 agency;

3 ~~6-~~ 7. The Administrator of the Office of Personnel Management
4 may waive the completion of six (6) semester hours of approved
5 graduate level work required by Section 840-3.4 of this title for
6 participation in the Executive Fellows Program for an undergraduate
7 intern enrolled in six (6) semester hours of approved graduate level
8 work and currently employed by a state agency;

9 ~~7-~~ 8. Establish compensation plans for interns; and

10 ~~8-~~ 9. Empower the Office of Personnel Management to intercede
11 in an internship when the Office determines, at the request of the
12 intern, the agency, or the institution of higher education at which
13 the intern is enrolled, that an internship is not functioning in
14 accordance with guidelines established for the program and that are
15 necessary for the efficiency and integrity of the program.

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

19 A. There is hereby created the Executive Development Program
20 for State Officials within the Office of Personnel Management. The
21 Program shall be administered by the Administrator of the Office of
22 Personnel Management. The purpose of the Executive Development
23 Program for State Officials is to enhance the leadership skills of

1 program participants. This program is designed for cabinet
2 secretaries, agency directors, and senior-level executives within
3 Oklahoma state agencies.

4 B. The Administrator of the Office of Personnel Management may
5 adopt rules necessary to implement the Executive Development Program
6 for State Officials. The Administrator may establish and collect
7 fees for participation in the Program.

8 SECTION 8. AMENDATORY 74 O.S. 2001, Section 841.30, as
9 last amended by Section 4, Chapter 453, O.S.L. 2005 (74 O.S. Supp.
10 2008, Section 841-30), is amended to read as follows:

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

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

15 1. Two members of the Oklahoma Senate appointed by the
16 President Pro Tempore of the Senate;

17 2. Two members of the Oklahoma House of Representatives
18 appointed by the Speaker of the House of Representatives;

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

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

3 C. After the initial appointments, the members shall serve
4 four-year terms, and the appointing authorities may fill any
5 vacancies as they occur. The term of the members appointed by the
6 President Pro Tempore of the Senate shall expire July 1, 2004. The
7 term of the members appointed by the Speaker of the House of
8 Representatives shall expire July 1, 2005. The term of the members
9 appointed by the Governor shall expire July 1, 2006. The term of
10 the members appointed by the largest organization in the state that
11 represents state employees shall expire July 1, 2007.

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

13 E. The Board shall review the study of the Office of Personnel
14 Management, as required by paragraph ~~20~~ 19 of Section 840-1.6A of
15 this title, and make recommendations which may include compensation
16 adjustments, pay band adjustments, targeted salary increases, and
17 other recommendations related to turnover, fringe benefits and other
18 compensation issues concerning state employees, but excluding
19 retirement issues. The recommendations shall be made to the
20 President Pro Tempore of the Senate, Speaker of the House of
21 Representatives, and Governor on or before February 1 of the year
22 following each biennial meeting.

1 F. The Board shall meet in December 2005 and in December of
2 every odd-numbered year thereafter to consider compensation
3 recommendations. The Board shall meet every year to consider
4 unclassified positions recommendations. Any additional meetings
5 shall be at the call of the chair.

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

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

1 request the presence of state agency representatives to provide
2 information concerning such positions.

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

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

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

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

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

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

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

9 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-18-09 - DO
10 PASS, As Amended and Coauthored.