STATE OF OKLAHOMA

1st Session of the 52nd Legislature (2009)

SENATE BILL 670 By: Aldridge

AS INTRODUCED

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:

SECTION 1. 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.

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

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

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

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

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

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

6. Contributions to its foundation organized pursuant to 26 U.S.C., Section 501(c)(3) in the Oklahoma Public Employees Association or any other statewide association limited to state

employee membership with a minimum membership of ~~one thousand (1,000)~~ two thousand (2,000) dues-paying members;

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

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

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

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

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

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

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

H. Upon request of instructional personnel employed at either the Oklahoma School for the Blind or the Oklahoma School for the Deaf and pursuant to procedures established by the Administrator of the Office of Personnel Management, the Commission for

Rehabilitation Services shall make payroll deductions for membership dues in any statewide educational employee organization or association.

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

SECTION 2. AMENDATORY 74 O.S. 2001, Section 840-1.9, as amended by Section 1, Chapter 389, O.S.L. 2005 (74 O.S. Supp. 2008, Section 840-1.9), is amended to read as follows:

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

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

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

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

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

5. Establish and maintain a statewide Alternative Dispute Resolution Program to provide dispute resolution services for state

agencies and employees. Actions agreed to through the Alternative Dispute Resolution Program provided by the Commission shall be consistent with applicable laws and rules and shall not alter, reduce, or modify any existing right or authority as provided by statute or rule;

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

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

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

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

a. the number of cases, complaints, and requests for hearing filed, disposed of and pending with the Commission for each month of the quarter,

b. a numerical breakdown of the methods of disposition of such cases, complaints, and requests for hearing,

c. a numerical breakdown of mediations, prehearing conferences, and appellate hearings, conducted, and

d. the date of the oldest pending case, complaint, and request for hearing.

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

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

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

Section 840-2.17 A. Unless otherwise provided by the Oklahoma Constitution, language in law which authorizes the setting or fixing

of compensation, pay or salary of state officers and employees shall not be construed to authorize any agency, board, commission, department, institution, bureau, executive officer or other entity of the executive branch of state government to award, grant, give, authorize, or promise any officer or employee of the State of Oklahoma a raise, including, but not limited to, a cost-of-living raise or any other type of raise that would be given to state employees on an across-the-board basis, except as herein provided. Such raises are prohibited unless authorized by the Legislature and by Merit System of Personnel Administration Rules promulgated by the Administrator. This prohibition applies to all classified and unclassified officers and employees in the executive branch of state government, excluding institutions under the administrative authority of the Oklahoma State Regents for Higher Education.

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

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

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

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

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

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

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

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

8. Skill-based adjustments. Such adjustments, which are implemented before November 1, 2006, other than lump-sum payments, shall become permanent after twenty-four (24) months from the date such salary adjustment is implemented and may not later be removed from an employee's base salary if a furlough or reduction-in-force is implemented by the appointing authority granting such salary adjustment. Skill-based pay adjustments, which are implemented on or after November 1, 2006, and which are paid to an employee, shall be paid as long as the employee remains employed in the position and

performs the skills for which the differential is due, but shall not be included as a part of the employee's base salary;

9. Equity-based adjustments;

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

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

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

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

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

E. Appointing authorities may implement the pay movement mechanisms in paragraphs 6 through 12 in subsection B of this

section subject to the availability of funds within the agency's budget for the current fiscal year and subsequent fiscal year without the need for additional funding to increase the personal services budget of the agency. Failure by the appointing authority to follow the provisions of this subsection may cause the withdrawal of the use of the pay movement mechanisms provided in paragraphs 6, 7, 9, 10, and 11 of subsection B of this section within the agency during the next appropriations cycle.

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

SECTION 4. AMENDATORY 74 O.S. 2001, Section 840-2.23, as last amended by Section 10, Chapter 312, O.S.L. 2004 (74 O.S. Supp. 2008, Section 840-2.23), is amended to read as follows:

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

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

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

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

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

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

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

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

b. the spouse, relative, or household member of the employee suffered a physical injury or died as a result of the disaster, or

c. the domicile of the employee or the home of a relative of the employee was damaged or destroyed as a result of the disaster.

B. As used in this section:

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

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

3. "Severe" or "extraordinary" means extreme or life threatening;

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

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

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

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

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

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

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

the donation does not cause the sick leave balance of the employee to fall below eighty (80) hours.

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

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

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

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

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

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

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

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

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

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

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

to the Administrator. A reduction-in-force shall not be used as a disciplinary action.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

rounded to the next higher whole number. The appointing authority must explain why affected employees are being protected.

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

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

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

a. be required, as a condition of continued employment by the agency, to sign an agreement, in a form to be prescribed by the Administrator of the Office of Personnel Management, acknowledging that the employee had an opportunity to receive severance benefits and

affirmatively elected to exercise a displacement privilege and to forego such benefits. An affected employee who signs the agreement required by this subparagraph waives any privilege which might otherwise have been available to the affected employee pursuant to the agreement for the provision of severance benefits, and

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

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

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

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

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

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

Consideration beginning with the date the schedule is posted, not to exceed twelve (12) months before the scheduled date of separation.

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

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

2. Mandatory furlough means the involuntary temporary reduction of work hours or the placement of an employee on involuntary leave without pay. Rules governing leave, longevity pay and participation in the State Employees Group Health, Dental, Disability, and Life Insurance program shall not be affected by mandatory furloughs. Furlough, as provided for in this section or by rules adopted by the

Administrator of the Office of Personnel Management, shall not be appealable under the provisions of the Oklahoma Personnel Act.

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

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

M. The appointing authority of an agency which has an approved reduction-in-force plan pursuant to the State Government Reduction-in-Force and Severance Benefits Act may request the Administrator of the Office of Personnel Management to appoint an interagency advisory task force for the purpose of assisting the agency and its employees with the implementation of the reduction-in-force. The appointing authority of state agencies requested by the

Administrator to participate on a task force shall assign appropriate administrative personnel necessary to facilitate the necessary assistance required for the efficient implementation of the approved reduction-in-force.

SECTION 6. AMENDATORY 74 O.S. 2001, Section 840-3.4, as amended by Section 11, Chapter 347, O.S.L. 2002 (74 O.S. Supp. 2008, Section 840-3.4), is amended to read as follows:

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

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

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

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

a. successfully completed a baccalaureate degree and at least six (6) semester hours of approved graduate level work with at least a three point zero (3.0) grade point average calculated on a four point zero (4.0) scale in all graduate coursework,

b. demonstrated a substantial interest in public sector management,

c. been recommended by the institution of higher education at which they are enrolled, and

d. such additional requirements as determined by the Office of Personnel Management.

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

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

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

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

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

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

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

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

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

4. <u>Participants in the Senior Undergraduate Internship Program who were not public employees prior to accepting a position in the program shall be employed in accordance with paragraph 10 of subsection A of Section 840.5.5 of this title, except that they</u>

shall be granted leave benefits commensurate with regular state employees;

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

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

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

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

~~8.~~ 9. Empower the Office of Personnel Management to intercede in an internship when the Office determines, at the request of the intern, the agency, or the institution of higher education at which the intern is enrolled, that an internship is not functioning in

accordance with guidelines established for the program and that are necessary for the efficiency and integrity of the program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. State agencies subject to the provisions of the Merit System of Personnel Administration shall submit requests to the Administrator of the Office of Personnel Management for authorizations for unclassified positions and employees that are in addition to unclassified positions already authorized by law. The Administrator shall forward the requests to the Board. The Administrator shall review, analyze, and provide recommendations to the Board regarding the requests. The Board shall meet in December of each year and shall review any agency proposals to add unclassified positions to the state service. A representative from each appointing authority of a state agency that desires to add

unclassified positions shall attend the meeting and present the proposal of the agency. The Board shall also review positions currently in the unclassified service. The Administrator of the Office of Personnel Management shall review and analyze such positions and provide recommendations to the Board. The Board may request the presence of state agency representatives to provide information concerning such positions.

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

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

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

I. Each member of the Board shall serve without compensation except that each legislative member of the Board shall receive reimbursement for travel expenses in accordance with Section 456 of

this title and each nonlegislative member of the Board shall receive reimbursement for travel expenses in accordance with the State Travel Reimbursement Act by the Office of Personnel Management.

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

SECTION 10. This act shall become effective July 1, 2009.

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

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