

BILL SUMMARY
1st Session of the 52nd Legislature

Bill No.:	HB 1111
Version	CCS (8004)
Author:	Representative Murphy
Date:	May 11, 2009
Impact:	State Costs - \$0; State Agency Multi-Monthly Payroll Transition Costs Dependent on Agency Option; Potential Savings From Efficiencies Related to Multi-Monthly Payroll

Bill Summary

Research Analyst: Jonathan S. Small II

The CCS version of the measure amends current provisions regarding payroll processes for executive state agency employees. The measure requires the following:

- Establishment of a centralized web-based system, available to all state employees, that allows employees to access their personal employment and compensation related information. The system must be made available by the Office of State Finance (OSF) by July 1, 2010.
- Establishment of procedures, by converting agencies, for executive state agencies converting to a multi-monthly payroll system. The agencies that convert to this system are required to do the following:
 1. Consult with OSF regarding the timing of conversion to a multi-monthly payroll system.
 2. Place all employees hired during the 6 months prior to the conversion on either the biweekly payroll system or supplemental payroll upon the date of hire.
 3. Offer all employees the option of choosing the biweekly payroll system or supplemental payroll, during the 6 months prior to the conversion.
- Establishment of payroll banks, by executive state agencies converting to the multi-monthly payroll system, 6 months prior to the conversion to the multi-monthly payroll system. The banks will be used to make a one-time payment to the employee during the period of the payroll gap that is created by the conversion. The bank can be filled to a maximum of 80 hours for the employee from the following:
 1. Earned compensatory time if applicable,
 2. Earned annual leave,
 3. Earned sick leave up to 40 hours

The measure also requires OSF and the Office of Personnel Management to establish procedures concerning the conversion.

Fiscal Summary

Fiscal Analyst: Terry McKenna

The CCS for HB1111 provides that as of July 1, 2010, the Office of State Finance (OSF) shall make available and each executive state agency shall make available to all state employees a centralized web-based system to access their personal employment and compensation-related information. The provisions of this subsection as it pertains to executive agencies may be waived by the Director of State Finance in the event that lack of timely access prevents employees from utilizing the centralized system.

The measure also provides that, except for institutions within The Oklahoma State System for Higher Education, executive state agencies converting to a multi-monthly payroll system shall consult with the Office of State Finance on the timing of the agency's conversion. All state employees hired during the six months prior to an agency's conversion to a multi-monthly payroll shall be placed on either a multi-monthly payroll or a supplemental payroll system upon the date of hire. In the six months prior to conversion to a multi-monthly payroll, the agency shall offer either multi-monthly or supplemental payroll to any employee who chooses to participate; and the agency converting to the multi-monthly payroll system shall create employee payroll conversion banks for the purpose of providing a one-time payroll payment to an employee for the gap in payroll payments created by the conversion to the multi-monthly system. The conversion bank shall include a maximum of eighty hours from the following sources: compensatory time, annual leave and a maximum of forty hours sick leave.

Fiscal Analysis

OSF advises that there is no cost related to the centralized web-based system that provides personal employment and compensation-related information to all state employees. This system is already available in the Personnel and Payroll Self Service application within the CORE system. Any state agency that currently does not have access to the Personnel and Payroll Self Service site can convert to it without cost through the services of OSF.

The language related to the multi-monthly payroll system appears to be permissive. If that is indeed the case, a state agency that opts to offer the multi-monthly payroll system then would bear the cost of providing a one-time payroll payment to fill the gap created by the conversion to the system.

Long Term Fiscal Considerations

The Office of State Finance advises that an agency opting to transition to the multi-monthly payroll system would realize annual savings based on the following components: the reduction of check reversals, the reduction of overpayments/underpayments and the elimination of manual overtime calculations.

Fiscal Analysis Reviewed By:

Janice Buchanan

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