

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 COMMITTEE SUBSTITUTE

4 FOR

HOUSE BILL NO. 3053

By: Steele

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7 COMMITTEE SUBSTITUTE

8 An Act relating to state government; creating the  
9 State Government Administrative Process Consolidation  
10 and Reorganization Reform Act of 2012; amending 62  
11 O.S. 2011, Sections 34.3 and 34.3.1, which relate to  
12 the Oklahoma State Finance Act; creating the Office  
13 of Management and Enterprise Services; consolidating  
14 certain agencies into the Office of Management and  
15 Enterprise Services; modifying definition; requiring  
16 Director of the Office of Management and Enterprise  
17 Services to implement consolidation; modifying  
18 delivery of books, papers, records and property;  
19 transferring powers, duties, responsibilities,  
20 employees and funds; amending 62 O.S. 2011, Section  
21 695.7, which relates to the Oklahoma State Bond  
22 Advisor; modifying powers and duties; amending 74  
23 O.S. 2011, Section 61.2, which relates to the  
24 Department of Central Services; modifying references;  
amending 74 O.S. 2011, Sections 840-1.6, 840-1.7,  
840-1.8, 840-1.9, 840-1.10, 840-1.12, 840-1.13, 840-  
1.14, 840-1.15, 840-1.19, 840-1.20 and 840-2.1, which  
relate to the Oklahoma Personnel Act; modifying  
references; providing for powers and duties of  
Director; providing for transfer of funds; directing  
payment of certain costs; amending 74 O.S. 2011,  
Sections 1301, 1303 and 1320, which relate to the  
State and Education Employees Group Insurance Act;  
modifying definitions; creating the Oklahoma  
Employees Insurance and Benefits Board; providing for  
membership and terms; abolishing certain entities;  
providing for powers and duties of the Board;  
modifying references; amending 74 O.S. 2011, Sections  
1363, 1368 and 1375, which relate to the Oklahoma  
State Employees Benefits Act; modifying definitions;

1 providing for transfer of funds; modifying  
2 references; repealing 62 O.S. 2011, Section 695.7a,  
3 which relates to the Office of State Bond Advisor;  
4 repealing 74 O.S. 2011, Sections 840-1.4, 840-1.5,  
5 840-1.6A and 840-1.21, which relate to the Oklahoma  
6 Personnel Act; repealing 74 O.S. 2011, Sections 1304,  
7 1305, 1306, 1306.3 and 1306.4, which relate to the  
8 State and Education Employees Group Insurance Act;  
9 repealing 74 O.S. 2011, Sections 1364 and 1365, which  
10 relate to the Oklahoma State Employees Benefits Act;  
11 providing for codification; and providing for  
12 noncodification.

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

SECTION 1. NEW LAW A new section of law not to be  
codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "State  
Government Administrative Process Consolidation and Reorganization  
Reform Act of 2012".

SECTION 2. AMENDATORY 62 O.S. 2011, Section 34.3, is  
amended to read as follows:

Section 34.3 A. There is hereby created in the Executive  
~~Department, the Office of State Finance which shall consist of a~~  
~~Division of the Budget, Division of Central Accounting and~~  
~~Reporting, Department of Central Services, Office of Personnel~~  
~~Management, Department of State and Education Employees Group~~  
~~Insurance and Department of Employee Benefits, all under the~~  
~~administrative control of the Director of the Office of State~~

1 ~~Finance and directly responsible to the Director and an Information~~  
2 ~~Services Division under the administrative control of the Chief~~  
3 ~~Information Officer and directly responsible to the Officer the~~  
4 Office of Management and Enterprise Services.

5 B. The term "state agency" or "agency", when used in the  
6 Oklahoma State Finance Act, shall mean any agency, board, bureau,  
7 commission, or other entity organized within the executive  
8 department of state government.

9 C. The term "authorization", when used in the Oklahoma State  
10 Finance Act, shall mean the legislative authorization for an agency  
11 to expend a certain amount of money from a specified fund or funds  
12 during a specified period of time.

13 SECTION 3. AMENDATORY 62 O.S. 2011, Section 34.3.1, is  
14 amended to read as follows:

15 Section 34.3.1 A. The Department of Central Services, Office  
16 of Personnel Management, Oklahoma State Employees Benefits Council,  
17 the Oklahoma Merit Protection Commission, the Office of the State  
18 Bond Advisor and the State and Education Employees Group Insurance  
19 Board are consolidated into the ~~Office of State Finance~~ Office of  
20 Management and Enterprise Services. The Director of the ~~Office of~~  
21 ~~State Finance~~ Office of Management and Enterprise Services shall  
22 assume all executive-level responsibilities for each agency and  
23 shall function as and possess the powers of the agency director for  
24 each consolidated agency as enumerated by existing statute. For the

1 purposes of this section the term "consolidated agencies" shall mean  
2 the Department of Central Services, Office of Personnel Management,  
3 Oklahoma State Employees Benefits Council, the Oklahoma Merit  
4 Protection Commission, the Office of the State Bond Advisor and the  
5 State and Education Employees Group Insurance Board.

6 B. Not later than December 31, ~~2011~~ 2012, the Director of the  
7 ~~Office of State Finance~~ Office of Management and Enterprise Services  
8 shall cause the administrative functions of ~~each~~ the consolidated  
9 ~~agency~~ agencies to be consolidated. The Director of the ~~Office of~~  
10 ~~State Finance~~ Office of Management and Enterprise Services shall  
11 demonstrate cost reduction as a result of the consolidation that is  
12 equal to fifteen percent (15%) of the legislative appropriations  
13 received by the consolidated agencies during fiscal year ~~2012~~ 2013.  
14 The Director shall produce a report which details the source and  
15 estimated amounts of savings resulting from this consolidation,  
16 which shall be included in the Governor's Executive Budget for  
17 fiscal year ~~2013~~ 2014.

18 C. ~~Not later than December 31, 2011, the Director of the Office~~  
19 ~~of State Finance shall provide recommendations to the Legislature~~  
20 ~~for the streamlining, reduction or elimination of the governance~~  
21 ~~structures and statutorily established positions of each of the~~  
22 ~~consolidated agencies. Until otherwise provided for by law, the~~  
23 ~~governance structures and statutorily established positions of each~~  
24 ~~of the consolidated agencies shall be maintained. Any funds~~

1 ~~appropriated to, in the possession of or allocated to any of the~~  
2 ~~consolidated agencies shall be deemed to be funds of the Office of~~  
3 ~~State Finance.~~

4 ~~D.~~ Upon request of the Director of the ~~Office of State Finance~~  
5 Office of Management and Enterprise Services, the personnel of the  
6 consolidated agencies shall deliver to the ~~Office of State Finance~~  
7 Office of Management and Enterprise Services all books, papers,  
8 records and property of the consolidated agencies.

9 ~~E.~~ D. All functions, powers, duties and obligations previously  
10 assigned to each of the consolidated agencies are hereby transferred  
11 to the ~~Office of State Finance~~ Office of Management and Enterprise  
12 Services.

13 ~~F.~~ E. All rules, regulations, acts, orders, determinations and  
14 decisions of the consolidated agencies pertaining to the functions  
15 and powers herein transferred and assigned to the ~~Office of State~~  
16 ~~Finance~~ Office of Management and Enterprise Services, in force at  
17 the time of such transfer, assignment, assumption or devolution  
18 shall continue in force and effect as rules, regulations, acts,  
19 orders, determinations and decisions of the consolidated agencies  
20 until duly modified or abrogated by the appropriate body or until  
21 otherwise provided by law.

22 F. All employees of the consolidated agencies on the effective  
23 date of this act, including related liabilities for sick leave,  
24 annual leave, holidays, unemployment benefits, and workers'

1 compensation benefits accruing prior to the effective date of this  
2 act to such personnel, shall be transferred to the Office of  
3 Management and Enterprise Services.

4 G. The Office of Management and Enterprise Services shall  
5 succeed to any contractual rights and responsibilities incurred by  
6 the consolidated agencies.

7 H. Any funds appropriated to, in the possession of or allocated  
8 to any of the consolidated agencies, or consolidated agency  
9 revolving funds, shall be deemed to be the funds of the Office of  
10 Management and Enterprise Services and shall be used for any purpose  
11 for which the consolidated agencies have been authorized.

12 SECTION 4. AMENDATORY 62 O.S. 2011, Section 695.7, is  
13 amended to read as follows:

14 Section 695.7 A. 1. The Council of Bond Oversight shall  
15 engage the services of a person knowledgeable in the current state  
16 of the art of national and international standards for the issuance  
17 of obligations by governmental entities and experienced in the  
18 negotiation of fees for various goods and services requisite to or  
19 deemed desirable in the issuance of such obligations as well as the  
20 negotiation of other matters essential to provide the best current  
21 price and terms of the issuance of such obligations for the benefit  
22 of Oklahoma firms, farms, individuals and local communities, who  
23 shall have the title "Oklahoma State Bond Advisor".  
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1           2. When appointing a person to the position of Oklahoma State  
2 Bond Advisor, the Council shall conduct a national search in seeking  
3 requests for proposals for the position. The person selected as the  
4 Oklahoma State Bond Advisor shall be approved by an affirmative vote  
5 of three of the members of the Council and the Director of the  
6 Office of Management and Enterprise Services and appointed to the  
7 position, subject to the advice and consent of the Senate.

8           3. The Oklahoma State Bond Advisor ~~may be removed for cause by~~  
9 ~~an affirmative vote of three of the members of the Council, after a~~  
10 ~~public hearing~~ shall serve at the pleasure of the Director of the  
11 Office of Management and Enterprise Services.

12           B. ~~The Oklahoma State Bond Advisor may employ the necessary~~  
13 ~~staff to carry out the duties of the Bond Advisor and the duties of~~  
14 ~~the Council, with approval of the Council. Effective July 1, 2003,~~  
15 ~~the Office of the State Bond Advisor shall be a separate state~~  
16 ~~agency as set forth in Section 695.7a of this title.~~

17           ~~€.~~ 1. Except as provided in Section 695.8 of this title, prior  
18 to engaging the services of underwriters, bond or other legal  
19 counsel, financial advisors, consultants, a financial institution to  
20 serve as trustee, paying agent or in any fiduciary capacity in  
21 connection with any program, indenture or general resolution of the  
22 State Governmental Entity, or any other experts, except as provided  
23 in Section 5062.8 of Title 74 of the Oklahoma Statutes, the State  
24 Governmental Entity shall request proposals for such services from a

1 plurality of persons engaged in the particular activity for such  
2 services and the selection of such persons shall be made on the  
3 basis of the response to the request which is the most economical  
4 and will provide competent service which furthers the best interest  
5 of the State Governmental Entity and the state. In negotiating  
6 requests for proposals to engage such services, the State  
7 Governmental Entity shall seek the advice and assistance of the  
8 Oklahoma State Bond Advisor. Under no circumstances shall  
9 proprietary inducements be granted. The Oklahoma State Bond Advisor  
10 shall provide assistance and advice to State Governmental Entities  
11 with respect to the issuance of obligations by said State  
12 Governmental Entities, review, negotiate, and approve or disapprove  
13 the fees and expenses for goods and services requisite to or deemed  
14 desirable in the issuance of State Governmental Entity obligations  
15 and represent the interests of the state before rating agencies and  
16 credit enhancement providers.

17 2. The provisions of this subsection shall apply to any Local  
18 Governmental Entity that proposes to issue obligations to fund  
19 capital additions or expenditures which obligations are to be  
20 retired by rental payments from the state, user fees from the state  
21 or any other such payment made by any officer, department, board,  
22 commission, institution or agency of the state. No Local  
23 Governmental Entity may utilize a lease, contract, or other  
24 agreement with a State Governmental Entity as collateral or security

1 for a proposed Local Governmental Entity obligation unless such  
2 obligation has satisfied all of the provisions of this section. No  
3 proceeds of any contract between a State Governmental Entity and a  
4 Local Governmental Entity shall be used to retire any obligations  
5 issued after the effective date of this act to fund capital  
6 additions or expenditures by the Local Governmental Entity unless  
7 such obligation has satisfied all of the provisions of this section.

8 ~~D.~~ C. The Oklahoma State Bond Advisor shall serve as an advisor  
9 to the Governor and to the Legislature with respect to issuance of  
10 indebtedness reviewed by the Council and shall prepare an annual  
11 report to be submitted to the Governor, the President Pro Tempore of  
12 the Senate and the Speaker of the House of Representatives as of  
13 January 15 each year. The report shall contain a summary of the  
14 issuance of indebtedness by State Governmental Entities and Local  
15 Governmental Entities during the preceding year and such other  
16 information as the State Bond Advisor may be required to submit or  
17 as may be relevant.

18 ~~E.~~ D. The Oklahoma State Bond Advisor or any member of the  
19 immediate family of the Oklahoma State Bond Advisor shall not have  
20 any direct or indirect financial or contractual relationship with  
21 any firm or corporation or any officer, partner or principal  
22 stockholder of any firm or corporation directly involved in public  
23 finance.

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1 SECTION 5. AMENDATORY 74 O.S. 2011, Section 61.2, is  
2 amended to read as follows:

3 Section 61.2 ~~There is hereby created within the Office of State~~  
4 ~~Finance, a Department of Central Services, under the administrative~~  
5 ~~control of the Director of the Office of State Finance.~~ Whenever  
6 the terms "Board of Affairs", "State Board of Public Affairs",  
7 "Board" when used in reference to the Board Of Public Affairs ~~or,~~  
8 "Office of Public Affairs", or "Department of Central Services"  
9 appear in the Oklahoma Statutes they shall mean the ~~Department of~~  
10 ~~Central Services of the Office of State Finance~~ Office of Management  
11 and Enterprise Services. Whenever the term "Director of Public  
12 Affairs" appears in the Oklahoma Statutes it shall mean the Director  
13 of the ~~Office of State Finance~~ Office of Management and Enterprise  
14 Services. Whenever the term "Director of Central Services" appears  
15 in the Oklahoma Statutes it shall mean the Director of the ~~Office of~~  
16 ~~State Finance~~ Office of Management and Enterprise Services or  
17 designee.

18 SECTION 6. AMENDATORY 74 O.S. 2011, Section 840-1.6, is  
19 amended to read as follows:

20 Section 840-1.6 A. The internal administrative organization of  
21 the ~~Office of Personnel Management~~ Office of Management and  
22 Enterprise Services shall be determined by the ~~Administrator~~  
23 Director of the Office of Management and Enterprise Services in such  
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1 a manner as to promote the efficient and effective enforcement of  
2 the Oklahoma Personnel Act.

3 B. The ~~Administrator~~ Director of the Office of Management and  
4 Enterprise Services may employ attorneys, accountants and other  
5 personnel as ~~he~~ the Director deems necessary to carry out the duties  
6 imposed upon the Office.

7 ~~C. Employees of the Office shall be subject to the Merit System~~  
8 ~~of Personnel Administration, unless otherwise exempted by Section~~  
9 ~~840-5.5 of this title.~~

10 SECTION 7. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 840-1.6B of Title 74, unless  
12 there is created a duplication in numbering, reads as follows:

13 The Office of Personnel Management of the Office of State  
14 Finance is hereby consolidated into and renamed the Office of  
15 Management and Enterprise Services. Where the term "Office of  
16 Personnel Management" is used within the Oklahoma Statutes it shall  
17 mean the Office of Management and Enterprise Services. The chief  
18 administrative officer shall be the Director of the Office of  
19 Management and Enterprise Services. In addition to the other duties  
20 imposed by law, the Director shall:

21 1. Establish rules for leave and pay including, but not limited  
22 to, rules for leave, furloughs, performance pay increases, rates for  
23 pay differentials, on-call pay, and other types of pay incentives  
24 and salary adjustments consistent with the Oklahoma Personnel Act;

1           2. Prepare, maintain, and revise a classified system of  
2 employment designed to assure the impartial consideration of  
3 applicants for employment and to protect state employees from  
4 arbitrary dismissal or unfair treatment;

5           3. Develop and maintain a classification and compensation  
6 system for all classified positions in the executive branch of state  
7 government including those established by the Oklahoma Constitution;

8           4. Be responsible for the development and maintenance of a  
9 uniform occupation code system, grouped by job titles or duties, for  
10 all classified and unclassified state positions. The responsibility  
11 shall include the establishment of rules governing the  
12 identification, tracking, and reporting of all state positions as  
13 provided in Section 840-2.13 of Title 74 of the Oklahoma Statutes;

14           5. Develop and implement a reasonable and expeditious method  
15 for referral of capable candidates for vacancies, probationary  
16 periods of employment, and the employment of individuals on other  
17 types of appointments as necessary;

18           6. Establish a quality management function within the Office of  
19 Management and Enterprise Services and assist state agencies in  
20 fully integrating quality management concepts and models into their  
21 business practices for the purpose of improving the overall  
22 efficiency and effectiveness of state government;

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1       7. Assist state agencies in implementing their duties and  
2 obligations pursuant to the Oklahoma Personnel Act and provide  
3 standard forms to the agencies if necessary;

4       8. Be responsible for advising state agencies on personnel  
5 policy and administration;

6       9. Be responsible for the development of an efficient and  
7 effective system of personnel administration that meets the  
8 management needs of the various agencies;

9       10. Assist agencies with human resource needs based upon the  
10 administrative capacity and resources of the various agencies;

11       11. Not less than once during each three-year period, conduct a  
12 study identifying the following, by job family descriptors:

13           a. selected job family levels with a turnover rate in  
14 excess of ten percent (10%),

15           b. selected job family levels identified by the Director  
16 of the Office of Management and Enterprise Services  
17 with salaries and benefits that are ten percent (10%)  
18 or more below the market for such positions, and

19           c. selected job family levels identified by the Director  
20 of the Office of Management and Enterprise Services in  
21 which recruitment efforts have yielded a low number of  
22 qualified applicants; and

23       12. Issue orders directing agencies to:  
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- 1 a. conform and comply with the provisions of the Oklahoma  
2 Personnel Act, the Merit Rules of Personnel  
3 Administration, and all memoranda or other written  
4 communications issued to agencies explaining the  
5 Oklahoma Personnel Act, the Rules, and any other  
6 matter relating to the Merit System of Personnel  
7 Administration or under the jurisdiction of the  
8 Director of the Office of Management and Enterprise  
9 Services, and
- 10 b. take action pursuant to Section 840-6.9 of Title 74 of  
11 the Oklahoma Statutes for failure to implement those  
12 orders.

13 SECTION 8. AMENDATORY 74 O.S. 2011, Section 840-1.7, is  
14 amended to read as follows:

15 Section 840-1.7 A. ~~There is hereby created the Oklahoma Merit~~  
16 ~~Protection Commission.~~ Whenever the terms "Oklahoma Merit  
17 Protection Commission", "Ethics and Merit Commission" or "Special  
18 Counsel of the Ethics and Merit Commission" appear in the Oklahoma  
19 Statutes, they shall mean the ~~Oklahoma Merit Protection Commission~~  
20 Office of Management and Enterprise Services or the ~~Executive~~  
21 ~~Director of the Oklahoma Merit Protection Commission~~ Director of the  
22 Office of Management and Enterprise Services as may be appropriate  
23 to the context in which they appear.

1        B. The Oklahoma Merit Protection Commission is hereby renamed  
2 and continued within the Office of Management and Enterprise  
3 Services as the Board of Merit Protection which shall consist of  
4 nine (9) members who shall be appointed for a term of three (3)  
5 years. The members shall be removable only for cause, as provided  
6 by law for the removal of officers not subject to impeachment. Two  
7 members of the ~~Commission~~ Board shall be appointed by the President  
8 Pro Tempore of the Senate. Two members of the ~~Commission~~ Board  
9 shall be appointed by the Speaker of the House of Representatives.  
10 Five members of the ~~Commission~~ Board shall be appointed by the  
11 Governor. No more than four of the appointments made by the  
12 Governor shall be from the same political party. Of the initial  
13 appointments made to the ~~Commission~~ Board, one member appointed by  
14 the President Pro Tempore, one member appointed by the Speaker and  
15 one member appointed by the Governor shall be for a term of three  
16 (3) years; and one member appointed by the President Pro Tempore,  
17 one member appointed by the Speaker and one member appointed by the  
18 Governor shall be for a term of two (2) years. The remaining three  
19 initial appointments by the Governor shall be designated to serve a  
20 term of one (1) year. At the expiration of the initial term, each  
21 new appointee shall serve a three-year term. All initial  
22 appointments shall be made prior to July 1, 1982.

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1        ~~B.~~ C. Members of the ~~Commission~~ Board shall not be entitled to  
2 reimbursement for expenses incurred in the performance of their  
3 duties ~~as provided in the State Travel Reimbursement Act.~~

4        ~~C.~~ D. The ~~Commission~~ Board shall elect a chairman, to serve a  
5 two-year term and such other officers as deemed necessary for the  
6 performance of their duties. The ~~Commission~~ Board shall hold  
7 regular meetings not less than once a month and such additional  
8 meetings as called by the chairman as may be required for the proper  
9 discharge of its duties.

10        SECTION 9.        AMENDATORY        74 O.S. 2011, Section 840-1.8, is  
11 amended to read as follows:

12        Section 840-1.8 The appointing authority of the ~~Oklahoma Merit~~  
13 ~~Protection Commission~~ Board of Merit Protection shall be the  
14 ~~Executive~~ Director of the Office of Management and Enterprise  
15 Services. ~~The Executive Director shall be appointed by the~~  
16 ~~Commission to serve at its pleasure.~~ The ~~Executive~~ Director, ~~with~~  
17 ~~the approval of the Commission,~~ may employ and compensate an  
18 attorney and shall select, compensate and employ such administrative  
19 hearing officers and other personnel as deemed necessary for the  
20 proper administration of the duties and functions of the ~~Commission~~  
21 Office of Management and Enterprise Services. Effective September  
22 1, 1994, employees of the Commission shall become classified  
23 employees, except those employees with less than six (6) months of  
24 service from their enter-on-duty date will remain in probationary

1 status until obtaining permanent status in accordance with  
2 applicable rules of the Administrator of the Office of Personnel  
3 Management or as provided in Section ~~8~~ 840-5.5 of this ~~act~~ title.

4 SECTION 10. AMENDATORY 74 O.S. 2011, Section 840-1.9, is  
5 amended to read as follows:

6 Section 840-1.9 In addition to any other duties expressly set  
7 forth by law, the ~~Oklahoma~~ Board of Merit Protection Commission  
8 shall:

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

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

14 3. Investigate allegations of abuses in the employment  
15 practices of the ~~Administrator of the Office of Personnel Management~~  
16 Director of the Office of Management and Enterprise Services or of  
17 any state agency;

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

21 5. Establish and maintain a statewide Alternative Dispute  
22 Resolution Program to provide dispute resolution services for state  
23 agencies and employees. Actions agreed to through the Alternative  
24 Dispute Resolution Program provided by the ~~Commission~~ Board shall be

1 consistent with applicable laws and rules and shall not alter,  
2 reduce, or modify any existing right or authority as provided by  
3 statute or rule;

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

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

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

19 9. Submit quarterly, fiscal year reports on workload statistics  
20 to the Governor, the Speaker of the House of Representatives, and  
21 the President Pro Tempore of the Senate containing the following  
22 information:  
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- 1 a. the number of cases, complaints, and requests for  
2 hearing filed, disposed of and pending with the  
3 ~~Commission~~ Board for each month of the quarter,  
4 b. a numerical breakdown of the methods of disposition of  
5 such cases, complaints, and requests for hearing,  
6 c. a numerical breakdown of mediations, prehearing  
7 conferences, and appellate hearings, conducted, and  
8 d. the date of the oldest pending case, complaint, and  
9 request for hearing.

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

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

20 SECTION 11. AMENDATORY 74 O.S. 2011, Section 840-1.10,  
21 is amended to read as follows:

22 Section 840-1.10 A. A member of the ~~Oklahoma~~ Board of Merit  
23 Protection ~~Commission~~ and the ~~Executive~~ Director of the Office of  
24 Management and Enterprise Services shall have power to subpoena

1 witnesses and compel the production of books and papers pertinent to  
2 any investigation, dispute resolution or hearing authorized by this  
3 act. Members of the ~~Oklahoma~~ Board of Merit Protection Commission,  
4 the ~~Executive~~ Director, and their designees shall have the power to  
5 administer oaths. Any person who fails to appear in response to a  
6 subpoena or to answer any question or produce any books or papers  
7 pertinent to any such investigation, dispute resolution or hearing  
8 or who shall knowingly give false testimony therein upon conviction  
9 shall be subject to penalties pursuant to Section ~~40~~ 840-6.9 of this  
10 ~~act~~ title.

11 B. Any state employee subpoenaed by the ~~Executive~~ Director or  
12 ~~Commission~~ Board to appear shall be reimbursed by the employing  
13 agency for expenses as provided in the State Travel Reimbursement  
14 Act and shall be paid his or her regular salary for each day that  
15 the employee is subpoenaed to appear. Said reimbursement and  
16 payment shall be in lieu of any witness fees to which the employee  
17 might otherwise be entitled by law and a request by a state employee  
18 for such fees shall not remove the obligation which the state  
19 employee has to honor the subpoena.

20 SECTION 12. AMENDATORY 74 O.S. 2011, Section 840-1.12,  
21 is amended to read as follows:

22 Section 840-1.12 The ~~Oklahoma Merit Protection Commission~~  
23 Office of Management and Enterprise Services is directed to publish  
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1 summaries of the Board of Merit Protection Commission appeal  
2 hearings.

3 The ~~Oklahoma Merit Protection Commission~~ Office of Management  
4 and Enterprise Services shall charge state agencies, associations  
5 and other interested parties for the cost of such summaries and  
6 recordings. All monies accruing from the sale of hearing summaries  
7 and recordings are to be deposited to the ~~Oklahoma Merit Protection~~  
8 ~~Commission~~ Human Capital Management Revolving Fund.

9 SECTION 13. AMENDATORY 74 O.S. 2011, Section 840-1.13,  
10 is amended to read as follows:

11 Section 840-1.13 The ~~Oklahoma Merit Protection Commission~~  
12 Office of Management and Enterprise Services shall establish a  
13 training and certification program for all hearing officers employed  
14 by the ~~Oklahoma Merit Protection Commission~~ Office of Management and  
15 Enterprise Services and grievance managers appointed by state  
16 agencies. The ~~Commission~~ Office of Management and Enterprise  
17 Services may also provide training for other agency personnel  
18 employees. The ~~Executive~~ Director of the Office of Management and  
19 Enterprise Services shall be authorized to bill agencies for the  
20 training pursuant to this section to recover reasonable costs  
21 associated with the training. Monies received for such training  
22 shall be deposited in the ~~Oklahoma Merit Protection Commission~~ Human  
23 Capital Management Revolving Fund. Expenditure of such funds  
24 collected for the training shall be exempt from any expenditure

1 limit on the ~~Oklahoma Merit Protection Commission~~ Office of  
2 Management and Enterprise Services established by law.

3 SECTION 14. AMENDATORY 74 O.S. 2011, Section 840-1.14,  
4 is amended to read as follows:

5 Section 840-1.14 When any officer or employee of the state is  
6 in doubt as to the application of the Oklahoma Personnel Act as to  
7 himself or to any employee under his supervision, he may submit to  
8 the Attorney General a full written statement of the facts and  
9 questions he may have. The Attorney General shall then render an  
10 opinion to such person and may publish these opinions, or abstracts  
11 thereof, with the use of the name of the person advised unless such  
12 person requests otherwise in writing. The Attorney General shall be  
13 the legal counsel for the ~~Oklahoma~~ Board of Merit Protection  
14 ~~Commission~~ and represent it when its decisions are appealed to  
15 higher courts. The Office of the Attorney General shall be legal  
16 counsel for and represent the ~~Merit Protection Commission~~ Board  
17 notwithstanding its representation of any other state department,  
18 agency, board or commission in the same or related matters pending  
19 before the ~~Merit Protection Commission~~ Board or before any court.  
20 The Attorney General shall establish internal administrative  
21 procedures to ensure that both such agencies are provided  
22 independent legal representation, and such simultaneous  
23 representation shall not, of itself, be deemed to constitute a  
24 conflict of interest. In the event the Attorney General determines

1 an irreconcilable conflict of interest exists, to the extent that he  
2 is unable to provide simultaneous representation to both the ~~Merit~~  
3 ~~Protection Commission Board~~ and another state department, agency,  
4 board or commission the provision of Section ~~18e-2~~ 20i of this title  
5 shall apply.

6 SECTION 15. AMENDATORY 74 O.S. 2011, Section 840-1.15,  
7 is amended to read as follows:

8 Section 840-1.15 A. The ~~Administrator~~ Director of the Office  
9 of Management and Enterprise Services shall establish standards and  
10 procedures for delegating to appointing authorities the authority to  
11 administer human resources functions normally conducted by the  
12 ~~Office of Personnel Management~~ Office of Management and Enterprise  
13 Services. The ~~Administrator~~ Director shall have the authority to  
14 approve delegation applications which shall constitute authority for  
15 the agency to implement approved delegations of personnel authority.

16 B. The ~~Administrator~~ Director shall create a program to allow  
17 agencies to design model human resource projects to test and  
18 evaluate the effect of innovative policies, standards, and  
19 procedures.

20 The number and scope of model projects shall be limited only by  
21 the capacity of the agency to implement the model projects, the  
22 quality of model project applications, and the ability of the ~~Office~~  
23 ~~of Personnel Management~~ Office of Management and Enterprise Services  
24 to monitor the projects. The ~~Administrator~~ Director shall have the

1 authority to approve model project applications which shall  
2 constitute authority for the agency to implement approved model  
3 projects.

4 C. The ~~Administrator~~ Director shall create a Human Resource  
5 Management Plan and Self-Evaluation Report system for agencies  
6 including but not be limited to provisions related to affirmative  
7 action; staffing, recruitment, and promotion; classification and  
8 compensation; training and staff development expenditures; the  
9 reporting of internal agency grievances and discrimination  
10 complaints filed, discharges, suspensions without pay and demotions,  
11 and number of investigations directed by the ~~Oklahoma Merit~~  
12 ~~Protection Commission~~ Office of Management and Enterprise Services  
13 and the outcome of all such actions; and strategies for assuring  
14 employee participation in the development of agency personnel  
15 activities. The self-evaluation should include comparisons with the  
16 previous year or years' personnel actions.

17 SECTION 16. AMENDATORY 74 O.S. 2011, Section 840-1.19,  
18 is amended to read as follows:

19 Section 840-1.19 It shall be the responsibility of each  
20 appointing authority to distribute copies of the Merit System of  
21 Personnel Administration Rules promulgated and published by the  
22 ~~Administrator of the Office of Personnel Management or the Merit~~  
23 ~~Protection Commission, respectively,~~ Office of Management and  
24

1 Enterprise Services to all classified employees at the request of  
2 the ~~Administrator or the Executive~~ Director.

3 SECTION 17. AMENDATORY 74 O.S. 2011, Section 840-1.20,  
4 is amended to read as follows:

5 Section 840-1.20 A. There is hereby created in the State  
6 Treasury a revolving fund for the ~~Office of Personnel Management~~  
7 Office of Management and Enterprise Services to be designated the  
8 "~~Office of Personnel~~ Human Capital Management Revolving Fund". The  
9 fund shall be a continuing fund, not subject to fiscal year  
10 limitations, and shall consist of fees received by the ~~Office of~~  
11 ~~Personnel Management~~ Office of Management and Enterprise Services  
12 for providing training for a certified public managers program and  
13 all other monies received by the ~~Office of Personnel Management~~  
14 Office of Management and Enterprise Services, except for  
15 appropriated monies, and monies received as payment for  
16 administrative expenses under Section 840-1.18 of this title, ~~monies~~  
17 ~~placed in the Employee Benefits Revolving Fund, monies placed in the~~  
18 ~~Benefits Council Administration Revolving Fund, and any monies in~~  
19 ~~revolving funds established by the Office of State Finance to~~  
20 ~~support the operation of the Oklahoma Employees Benefits Council or~~  
21 ~~to reimburse the Office of Personnel Management for services the~~  
22 ~~Office provides to the Council.~~ All monies accruing to the credit  
23 of said fund are hereby appropriated and may be budgeted and  
24 expended by the ~~Office of Personnel Management~~ Office of Management

1 and Enterprise Services for defraying the costs incurred in  
2 performing the duties and functions of the Office. Expenditures  
3 from said fund shall be made upon warrants issued by the State  
4 Treasurer against claims filed as prescribed by law with the  
5 Director of ~~State Finance~~ the Office of Management and Enterprise  
6 Services for approval and payment.

7 B. There is hereby created a petty cash fund not to exceed Two  
8 Hundred Fifty Dollars (\$250.00) for the ~~Office of Personnel~~  
9 ~~Management~~ Office of Management and Enterprise Services. The  
10 Director of ~~State Finance~~ the Office of Management and Enterprise  
11 Services shall prescribe the rules and procedures for the  
12 administration of the petty cash fund.

13 C. Any monies in or obligations against the Certified Public  
14 Managers Revolving Fund upon the effective date of this act shall be  
15 transferred to the ~~Office of Personnel~~ Human Capital Management  
16 Revolving Fund.

17 D. Any monies in or obligations against the Employee Benefits  
18 Revolving Fund and the Benefits Council Administration Revolving  
19 Fund shall be transferred to the Human Capital Management Revolving  
20 Fund. Funds previously designated for deposit into the Employee  
21 Benefits Revolving Fund and the Benefits Council Administration  
22 Revolving Fund shall be deposited into the Human Capital Management  
23 Revolving Fund.

24

1        E. Any monies in or obligations against the Merit Protection  
2 Commission Revolving Fund shall be transferred to the Human Capital  
3 Management Revolving Fund.

4        F. The Office of Management and Enterprise Services is hereby  
5 directed to pay from the fund the costs of transcribing the record  
6 of any proceeding before the Office of Management and Enterprise  
7 Services, which record may be designated by an indigent respondent,  
8 if such respondent first establishes indigent condition through  
9 execution of an in forma pauperis affidavit upon a form approved by  
10 the Office of Management and Enterprise Services; provided, that if  
11 the indigent respondent has a financial recovery the fund shall be  
12 reimbursed from said proceeds.

13        SECTION 18.        AMENDATORY        74 O.S. 2011, Section 840-2.1, is  
14 amended to read as follows:

15        Section 840-2.1 A. All agencies, boards, commissions,  
16 departments, and offices of each branch of state government, except  
17 institutions within The Oklahoma State System of Higher Education,  
18 shall submit an affirmative action plan to the ~~Office of Personnel~~  
19 ~~Management~~ Office of Management and Enterprise Services annually by  
20 September 1 following the end of the fiscal year ending June 30.  
21 Institutions within The Oklahoma State System of Higher Education  
22 shall submit an affirmative action plan to the Oklahoma State  
23 Regents for Higher Education in accordance with standards  
24 established by the Oklahoma State Regents for Higher Education.

1 B. ~~Said~~ The plan for agencies of the executive branch, except  
2 institutions within The Oklahoma State System of Higher Education,  
3 is subject to the approval of the ~~Administrator~~ Director of the  
4 ~~Office of Personnel Management~~ Office of Management and Enterprise  
5 Services.

6 C. The ~~Administrator~~ Director of the ~~Office of Personnel~~  
7 ~~Management~~ Office of Management and Enterprise Services shall  
8 analyze the affirmative action plans of executive branch agencies  
9 and Equal Employment Opportunity Commission reports prepared by such  
10 agencies, except institutions within The Oklahoma State System of  
11 Higher Education, and, on or before March 1 of each year, shall  
12 submit a report to the Speaker of the House of Representatives, the  
13 President Pro Tempore of the Senate, and the Governor. ~~Said~~ The  
14 report shall state the efforts and progress made by governmental  
15 entities in the area of affirmative action, including the status of  
16 recruitment, hiring, and promotion of women, men and minorities  
17 within job categories.

18 D. The provisions of this section shall not require an agency,  
19 board, commission, department, or office of state government to  
20 grant preferential treatment to an individual or group because of  
21 race, color, religion, sex, national origin, age, or handicap  
22 because of an imbalance which may exist in comparison with the  
23 employment statistics of the area involved.

1 E. It is not a discriminatory practice for the appointing  
2 authority of an entity subject to the provisions of this title to  
3 adopt and implement an affirmative action plan to eliminate or  
4 reduce imbalances with respect to women and minorities if the plan  
5 has been approved by the ~~Office of Personnel Management~~ Office of  
6 Management and Enterprise Services in accordance with rules and  
7 guidelines adopted by the ~~Office of Personnel Management~~ Office of  
8 Management and Enterprise Services. For affirmative action  
9 purposes, any person who lists American Indian as his race or  
10 national origin shall, within thirty (30) days of his appointment,  
11 verify his tribal affiliation by providing a certificate of Degree  
12 of Indian Blood from the U.S. Department of Interior, Bureau of  
13 Indian Affairs, or by providing the name and address of tribal  
14 officials who can verify his tribal affiliation.

15 F. 1. The ~~Administrator~~ Director of the ~~Office of Personnel~~  
16 ~~Management~~ Office of Management and Enterprise Services shall  
17 establish qualification requirements for personnel serving as agency  
18 civil rights or affirmative action administrators, officers,  
19 coordinators and other personnel responsible for civil rights  
20 compliance or affirmative action for executive branch agencies.  
21 Such qualification requirements shall include, but not be limited  
22 to, knowledge of federal and state civil rights, affirmative action,  
23 and equal employment laws and regulations. Such personnel shall be  
24 subject to the training requirements specified by the ~~Office of~~

1 ~~Personnel Management~~ Office of Management and Enterprise Services.  
2 The ~~Administrator~~ Director shall be authorized to bill agencies for  
3 the training of personnel professionals pursuant to this paragraph  
4 to recover reasonable costs associated with the training. Monies  
5 received for such training shall be deposited in the ~~Office of~~  
6 ~~Personnel~~ Human Capital Management Revolving Fund. Expenditure of  
7 such funds collected for the training shall be exempt from any  
8 expenditure limit for the ~~Office of Personnel Management~~ Office of  
9 Management and Enterprise Services established by law. ~~Effective~~  
10 ~~December 1, 1995, complaints~~ Complaints of alleged illegal  
11 discrimination shall be investigated only by personnel trained  
12 pursuant to the requirements of the ~~Administrator~~ Director, unless  
13 otherwise provided by federal or state law. This paragraph shall  
14 not apply to such personnel of the ~~Oklahoma Merit Protection~~  
15 ~~Commission~~ Office of Management and Enterprise Services or the  
16 Oklahoma Human Rights Commission.

17 2. If, after notice, administrative hearing and determination,  
18 pursuant to Article II of the Administrative Procedures Act, Section  
19 308a et seq. of Title 75 of the Oklahoma Statutes, the ~~Administrator~~  
20 Director finds that an appointing authority of any executive branch  
21 agency has failed to make significant progress toward affirmative  
22 action goals, or has failed to appoint a civil rights administrator  
23 without justifiable reasons, the ~~Administrator~~ Director may begin  
24 requiring remedies as allowed by subsection G of this section and

1 rules promulgated thereto and appropriate to making progress toward  
2 affirmative action goals. Such action shall remain in effect until  
3 the ~~Administrator~~ Director determines that significant progress  
4 toward affirmative action goals is being made. The provisions of  
5 law pertaining to the duties and powers of any agency shall not be  
6 construed to deny the ~~Administrator~~ Director the authority provided  
7 for in this paragraph, unless the agency is specifically excluded by  
8 law from the provisions of this paragraph.

9 G. 1. The ~~Administrator~~ Director of the ~~Office of Personnel~~  
10 ~~Management~~ Office of Management and Enterprise Services shall  
11 develop rules for the imposition of appropriate remedies for  
12 agencies in the executive branch of state government, excluding The  
13 Oklahoma State System of Higher Education, when an agency has failed  
14 to make significant progress toward affirmative action goals or has  
15 been found to have a pattern of noncompliance with affirmative  
16 action goals. If, pursuant to Article II of the Administrative  
17 Procedures Act, the ~~Administrator~~ Director finds that an agency has  
18 failed to make significant progress toward affirmative action goals  
19 or is found to have a pattern of noncompliance with affirmative  
20 action goals, remedies that the ~~Administrator~~ Director may impose  
21 shall include:

- 22 a. requiring noncomplying appointing authorities to  
23 participate in programs for special recruiting  
24 efforts,

- 1           b.    development of training programs to enhance  
2                    promotability of minorities within agencies and  
3                    supervisory training in equal opportunity employment,  
4                    affirmative action, managing workplace diversity, and  
5           c.    mandatory review and approval of all hiring and  
6                    promotion decisions by an appointing authority by the  
7                    Administrator if the Administrator can document a  
8                    pattern of noncompliance in previous remedial actions  
9                    pursuant to this subsection or appointment of a full-  
10                  time affirmative action officer to any agency in  
11                  noncompliance with affirmative action remedies.

12           2. ~~Effective July 1, 1995, if~~ If the Administrator Director  
13 determines that a pattern of noncompliance with affirmative action  
14 goals exists at an agency and that none of the remedies provided by  
15 paragraph 1 of this subsection are appropriate and the ~~Administrator~~  
16 Director determines the ~~Office of Personnel Management~~ Office of  
17 Management and Enterprise Services has sufficient resources, the  
18 ~~Administrator~~ Director shall be empowered to remove personnel  
19 function(s) relating to recruitment, hiring or promotion from the  
20 appointing authority and to place that function with the  
21 ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office  
22 of Management and Enterprise Services as provided by this paragraph.  
23 Removal of personnel function(s) shall occur only when a pattern of  
24 noncompliance with the affirmative action plan can be documented and

1 a vote by two-thirds (2/3) of the Affirmative Action Review Council  
2 recommends to the ~~Administrator~~ Director to remove personnel  
3 function(s). Removal of personnel function(s) shall terminate one  
4 (1) calendar year after the ~~Administrator~~ Director removes such  
5 function(s) unless the ~~Administrator~~ Director is able to demonstrate  
6 that the restoration of personnel function(s) to the appointing  
7 authority will result in further noncompliance with this section. A  
8 vote of two-thirds (2/3) of the Affirmative Action Review Council  
9 shall be necessary to continue the removal of personnel function(s)  
10 by the ~~Administrator~~ Director for each additional year. The  
11 ~~Administrator must receive approval from the Director of the Office~~  
12 ~~of State Finance to develop recruitment, hiring and promotion~~  
13 ~~actions within budgetary constraints for the affected agencies.~~ The  
14 ~~Administrator~~ Director shall consult with the appointing authority  
15 about personnel plans and actions, but the ~~Administrator~~ Director  
16 shall retain final authority for personnel decisions within the  
17 scope of the ~~Administrator's~~ Director's authority for the period an  
18 agency is operating under removal of the personnel function(s).  
19 Nothing in this section shall prohibit the removal of a personnel  
20 function(s) remedy at any time if the ~~Administrator~~ Director  
21 determines the appointing authority and agency have the capability  
22 of reassuming the authority that was removed. The provisions of law  
23 pertaining to the duties and powers of any agency shall not be  
24 construed to deny the ~~Administrator~~ Director the authority provided

1 for in this paragraph, unless the agency is specifically excluded by  
2 law from the provisions of this paragraph. Upon removal of an  
3 agency's personnel function(s), the ~~Administrator~~ Director may  
4 employ employees at the ~~Office of Personnel Management~~ Office of  
5 Management and Enterprise Services to assume the personnel  
6 function(s) of the agency as provided by this section.

7 H. 1. There is hereby created the Affirmative Action Review  
8 Council to assist in the implementation of the state's equal  
9 employment opportunity and affirmative action efforts mandated by  
10 this section. The ~~Administrator~~ Director of the ~~Office of Personnel~~  
11 ~~Management~~ Office of Management and Enterprise Services shall  
12 consult with and request the assistance of the Council in developing  
13 standards that executive branch agencies shall follow in adopting  
14 their affirmative action plans. The Council shall review agency  
15 affirmative action plans and assist the ~~Administrator~~ Director in  
16 preparing the annual status report for agencies on equal employment  
17 opportunity and affirmative action required by this section. Staff  
18 for the Council shall be provided by the ~~Office of Personnel~~  
19 ~~Management~~ Office of Management and Enterprise Services.

20 2. The Affirmative Action Review Council shall consist of six  
21 (6) members. The individuals making the appointment shall consider  
22 experience in the field, theory, and application of human resources  
23 management and affirmative action in making their appointments.  
24 Members of the Council shall serve at the pleasure of the respective

1 individuals making the appointments. Two members of the Council  
2 shall be appointed by the Governor, two members shall be appointed  
3 by the Speaker of the House of Representatives, and two members  
4 shall be appointed by the President Pro Tempore of the Senate.  
5 ~~Nothing shall preclude the appointment of members of the~~  
6 ~~Legislature.~~ Each individual making appointments shall give  
7 consideration to the diversity of the Council's membership when  
8 making the appointments and shall not appoint more than one  
9 individual who is an employee of the executive branch, excluding The  
10 Oklahoma State System of Higher Education. The Governor shall  
11 appoint the initial chair from among the Council's membership to  
12 serve a two-year term. Thereafter, the chair shall be selected by  
13 the Council from among its membership. The Council shall select a  
14 vice-chair from among its membership. All members shall serve two-  
15 year terms, unless removed prior to the expiration of a term by the  
16 respective individual making the appointment. Any vacancy on the  
17 Council shall be filled by the individual who made the original  
18 appointment.

19 Except as provided in subparagraph b of paragraph 4 of this  
20 subsection, a majority of the members of the Council shall  
21 constitute a quorum to transact business, but no vacancy shall  
22 impair the right of the remaining members to exercise all of the  
23 powers of the Council and every act of a majority of the members  
24 present shall be deemed the act of the Council.

1           3. Members of the Council shall receive no compensation or  
2 travel reimbursement for serving on the Council, ~~but shall be~~  
3 ~~reimbursed for their necessary travel expenses incurred in the~~  
4 ~~performance of their duties in accordance with the State Travel~~  
5 ~~Reimbursement Act. Any member who is employed in state government~~  
6 ~~shall receive the reimbursement from their employing entity. Any~~  
7 ~~member who is not an employee of state government shall receive the~~  
8 ~~reimbursement from the Office of Personnel Management.~~

9           4.    a.    The Council shall make any recommendations to the  
10                   ~~Administrator~~ Director, the Governor, the Speaker of  
11                   the House of Representatives or the President Pro  
12                   Tempore of the Senate the Council deems will assist in  
13                   the attaining of affirmative action goals for state  
14                   government.

15                   b.    The Council shall review agency affirmative action  
16                   plans for compliance with the standards adopted by the  
17                   ~~Administrator~~ Director. The Council shall recommend  
18                   that the ~~Administrator~~ Director reject any agency  
19                   plans which it finds in noncompliance.

20                   c.    The Council shall request the ~~Administrator~~ Director  
21                   to investigate any agency that the Council believes  
22                   has violated equal employment opportunity or  
23                   affirmative action provisions of this section and to  
24                   conduct hearings to determine if such violations have

1 occurred. If the ~~Administrator~~ Director finds that an  
2 agency is not in compliance with such law and the  
3 Council believes that the noncompliance indicates a  
4 pattern of noncompliance, the Council, upon a two-  
5 thirds vote of its members, may recommend to the  
6 ~~Administrator~~ Director to act in accordance with this  
7 section to compel the agency to comply with equal  
8 employment opportunity and affirmative action laws.  
9 If the ~~Administrator~~ Director decides not to act on  
10 the Council's recommendation, the ~~Administrator~~  
11 Director shall respond in writing within thirty (30)  
12 days of the Council's recommendation setting forth the  
13 reasons why the ~~Administrator~~ Director has decided not  
14 to act in accordance with said recommendation.

15 d. Any member who is an employee of an agency that is  
16 subject to investigation pursuant to subparagraph b of  
17 this paragraph shall disqualify himself or herself  
18 from voting on the matter.

19 e. This paragraph applies to review of issues related to  
20 affirmative action. This paragraph does not apply to  
21 prohibited discrimination that is within the  
22 jurisdiction of the ~~Oklahoma Merit Protection~~  
23 ~~Commission~~ Office of Management and Enterprise  
24 Services or the Oklahoma Human Rights Commission.

1           5. The Council shall not have authority to adopt rules pursuant  
2 ~~to the Administrative Procedures Act.~~

3           I. Affirmative action plans for the judicial branch of  
4 government, except the Court of Criminal Appeals and the Workers'  
5 Compensation Court, shall be prepared by the Administrative Director  
6 of the Courts. The Court of Criminal Appeals shall prepare  
7 affirmative action plans for the Court of Criminal Appeals. The  
8 Administrator of the Workers' Compensation Court shall prepare  
9 affirmative action plans for the Workers' Compensation Court.

10          J. The ~~Administrator~~ Director of the ~~Office of Personnel~~  
11 ~~Management~~ Office of Management and Enterprise Services is hereby  
12 directed to adopt rules necessary to implement the provisions of  
13 this section. Such rules regarding affirmative action plans shall  
14 include, but not be limited to, a set of specific and result-  
15 oriented programs to which an appointing authority commits himself  
16 or herself to apply every good faith effort to achieve prompt and  
17 full utilization of women and minorities at all levels and in all  
18 segments of the work force where deficiencies exist. Such rules  
19 shall also include separate provisions for affirmative plans for  
20 agencies with fewer than fifteen full-time-equivalent employees.

21          SECTION 19.        AMENDATORY        74 O.S. 2011, Section 1301, is  
22 amended to read as follows:

23  
24

1 Section 1301. This act shall be known and may be cited as the  
2 "~~State and Education~~ Oklahoma Employees Group Insurance and Benefits  
3 Act".

4 SECTION 20. AMENDATORY 74 O.S. 2011, Section 1303, is  
5 amended to read as follows:

6 Section 1303. For the purposes of and as used in the ~~State and~~  
7 ~~Education Employees Group Insurance Act~~ Oklahoma Employees Insurance  
8 and Benefits Act:

9 1. "Board" means the ~~State and Education Employees Group~~  
10 ~~Insurance Board~~ Oklahoma Employees Insurance and Benefits Board as  
11 created by the ~~State and Education Employees Group Insurance Act~~  
12 Oklahoma Employees Insurance and Benefits Act;

13 2. "Plan" means the Oklahoma Employees Insurance Plan;

14 3. "Employee" means those state employees, education employees  
15 and other eligible employees participating in the ~~State and~~  
16 ~~Education Employees Group Insurance Act~~ Oklahoma Employees Insurance  
17 and Benefits Act;

18 ~~3.~~ 4. "Education employee" means those employees other than  
19 adjunct professors employed by a state institution of higher  
20 education, in the service of an education entity who are members or  
21 are or will be eligible to become members of the Teachers'  
22 Retirement System of Oklahoma and who receive compensation for such  
23 service after the education entity begins to participate in the  
24 ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees

1 Insurance and Benefits Act and visiting faculty who are not eligible  
2 for membership in the Teachers' Retirement System of Oklahoma;

3 ~~4.~~ 5. "Adjunct professor" means a person employed by an  
4 institution of higher education who is attached in a subordinate or  
5 temporary capacity to the faculty or staff, and who is contracted to  
6 instruct in a given specific discipline;

7 ~~5.~~ 6. "Visiting faculty" means a person employed by an  
8 institution of higher education who is not eligible for academic  
9 rank or tenure, other than an adjunct professor, and who is  
10 contracted to instruct in a given specific discipline generally not  
11 to exceed one (1) academic year;

12 ~~6.~~ 7. "Education entity" means a school district, a technology  
13 center school district, or an institution comprising The Oklahoma  
14 State System of Higher Education;

15 ~~7.~~ 8. "State employee" means and includes each officer or  
16 employee in the service of the State of Oklahoma who, after January  
17 1, 1966, received compensation for service rendered to the State of  
18 Oklahoma on a warrant issued pursuant to a payroll certified by a  
19 department or by an elected or duly appointed officer of the state  
20 or who receives payment for the performance of personal services on  
21 a warrant issued pursuant to a payroll certified by a department and  
22 drawn by the State Treasurer against appropriations made by the  
23 Legislature from any state fund or against trust funds held by the  
24 State Treasurer, who is employed in a position normally requiring

1 actual performance of duty during not less than one thousand (1,000)  
2 hours per year, and whose employment is not seasonal or temporary,  
3 except that a person elected by popular vote will be considered an  
4 employee during the person's tenure in office; provided, however,  
5 that employees who are otherwise eligible who are on approved leave  
6 without pay shall be eligible to continue coverage during such leave  
7 not to exceed twenty-four (24) months, as provided and published in  
8 the ~~Merit~~ Office of Management and Enterprise Services Rules for  
9 Employment ~~published by the Office of Personnel Management~~, from the  
10 date the employee goes on such leave provided the employee pays the  
11 full premiums due or persons who are drawing disability benefits  
12 under Section 1331 et seq. of this title or meet each and every  
13 requirement of the State Employees Disability Program shall be  
14 eligible to continue coverage provided the person pays the full  
15 premiums due;

16 ~~8.~~ 9. "Carrier" means the State of Oklahoma or a state  
17 designated Health Maintenance Organization (HMO). Such HMO shall be  
18 a federally qualified Health Maintenance Organization under 42  
19 U.S.C., Section 300e et seq.;

20 ~~9.~~ 10. "Health insurance plan" means a self-insured plan by the  
21 State of Oklahoma for the purpose of paying the cost of hospital and  
22 medical care up to the maximum coverage provided by said plan or  
23 prepaid medical plan(s) offered to employees as an alternative to  
24

1 the state-administered plan by federally qualified HMOs which have  
2 contracted with the state;

3 ~~10.~~ 11. "Life insurance plan" means a self-insured plan for the  
4 purpose of paying death and dismemberment benefits up to the maximum  
5 coverage provided by the plan;

6 ~~11.~~ 12. "Dental benefits plan" means a plan by the State of  
7 Oklahoma for the purpose of paying the cost of dental care up to the  
8 maximum coverage provided by the plan; whenever the term "dental  
9 insurance plan" or a term of like import appears in the ~~State and~~  
10 ~~Education Employees Group Insurance Act~~ Oklahoma Employees Insurance  
11 and Benefits Act, the term shall mean "dental benefits plan";

12 ~~12.~~ 13. "Other insurance" means any type of coverage other than  
13 basic hospital and medical benefits, major medical benefits,  
14 comprehensive benefits, life insurance benefits or dental insurance  
15 benefits, which the ~~Board~~ Plan may be directed to offer;

16 ~~13.~~ 14. "Dependent" means an employee's spouse or any unmarried  
17 child ~~(1)~~:

18 a. under the age of twenty-five (25) years, regardless of  
19 residence, provided that the employee is primarily  
20 responsible for their support, including ~~(a)~~:

21 (1) an adopted child, and ~~(b)~~

22 (2) a stepchild or child who lives with the employee  
23 in a regular parent-child relationship, or ~~(2)~~

24

1           b.     regardless of age who is incapable of self-support  
2                   because of mental or physical incapacity that existed  
3                   prior to reaching the age of twenty-five (25) years;

4       ~~14.~~ 15.   "Comprehensive benefits" means benefits which reimburse  
5 the expense of hospital room and board, other hospital services,  
6 certain outpatient expenses, maternity benefits, surgical expense,  
7 including obstetrical care, in-hospital medical care expense,  
8 diagnostic radiological and laboratory benefits, physicians'  
9 services provided by house and office calls, treatments administered  
10 in physicians' office, prescription drugs, psychiatric services,  
11 Christian Science practitioners' services, Christian Science nurses'  
12 services, optometric medical services for injury or illness of the  
13 eye, home health care, home nursing service, hospice care, and such  
14 other benefits as may be determined by the Board. Such benefits  
15 shall be provided on a copayment or coinsurance basis, the insured  
16 to pay a proportion of the cost of such benefits, and may be subject  
17 to a deductible that applies to all or part of the benefits as  
18 determined by the Board; and

19       ~~15.~~ 16.   "Life insurance coverage" shall include a maximum  
20 amount of basic life insurance or benefit with or without a double  
21 indemnity provision and an amount of accidental death and  
22 dismemberment insurance or benefit per employee to be provided by  
23 the State of Oklahoma, and the employee shall have the option to  
24 purchase additional life insurance or benefits on the employee's

1 life up to the amount provided by the plan. Such basic life  
2 insurance benefits, with or without double indemnity, and accidental  
3 death and dismemberment benefits shall not exclude coverage for  
4 death or dismemberment resulting from war, insurrection or riot.  
5 The Board may also extend dependent life insurance in an amount to  
6 be determined by the Board to each insured employee who elects to  
7 insure the employee's eligible dependents. Premiums for the  
8 dependent life insurance shall be paid wholly by the employee.

9 SECTION 21. NEW LAW A new section of law to be codified  
10 in the Oklahoma Statutes as Section 1304.1 of Title 74, unless there  
11 is created a duplication in numbering, reads as follows:

12 A. The State and Education Employees Group Insurance Board and  
13 the Oklahoma State Employees Benefits Council are hereby abolished.  
14 Wherever the State and Education Employees Group Insurance Board and  
15 the Oklahoma State Employees Benefits Council are referenced in law,  
16 that reference shall be construed to mean the Oklahoma Employees  
17 Insurance and Benefits Board.

18 B. There is hereby created the Oklahoma Employees Insurance and  
19 Benefits Board.

20 C. The chair and vice-chair shall be elected by the Board  
21 members at the first meeting of the Board and shall preside over  
22 meetings of the Board and perform other duties as may be required by  
23 the Board. Upon the resignation or expiration of the term of the  
24

1 chair or vice-chair, the members shall elect a chair or vice-chair.

2 The Board shall elect one of its members to serve as secretary.

3 D. The Board shall consist of seven (7) members to be appointed  
4 as follows:

5 1. The State Insurance Commissioner, or designee;

6 2. Four members shall be appointed by the Governor;

7 3. One member shall be appointed by the Speaker of the Oklahoma  
8 House of Representatives; and

9 4. One member shall be appointed by the President Pro Tempore  
10 of the State Senate.

11 E. The appointed members shall:

12 1. Have demonstrated professional experience in investment or  
13 funds management, public funds management, public or private group  
14 health or pension fund management, or group health insurance  
15 management;

16 2. Be licensed to practice law in this state and have  
17 demonstrated professional experience in commercial matters; or

18 3. Be licensed by the Oklahoma Accountancy Board to practice in  
19 this state as a public accountant or a certified public accountant.

20 In making appointments that conform to the requirements of this  
21 subsection, at least one but not more than three members shall be  
22 appointed each from paragraphs 2 and 3 of this subsection by the  
23 combined appointing authorities.

24

1 F. Each member of the Board shall serve a term of four (4)  
2 years from the date of appointment.

3 G. The members shall not be reimbursed for their expenses. No  
4 Board member shall be individually or personally liable for any  
5 action of the Board.

6 H. The Board shall meet as often as necessary to conduct  
7 business but shall meet no less than four times a year, with an  
8 organizational meeting to be held prior to December 1, 2012. The  
9 organizational meeting shall be called by the Insurance  
10 Commissioner.

11 I. Except as otherwise provided in this subsection, no member  
12 of the Board shall be a lobbyist registered in this state as  
13 provided by law, or be employed directly or indirectly by any firm  
14 or health care provider under contract to the State and Education  
15 Employees Group Insurance Board, the Oklahoma State Employees  
16 Benefits Council, or the Oklahoma Employees Insurance and Benefits  
17 Board, or any benefit program under its jurisdiction, for any goods  
18 or services whatsoever. Any physician member of the Board shall not  
19 be subject to the provisions of this subsection.

20 J. Any vacancy occurring on the Board shall be filled in the  
21 same manner as provided for in subsection D of this section.

22 K. The Board shall act in accordance with the provisions of the  
23 Oklahoma Open Meeting Act, the Oklahoma Open Records Act and the  
24 Administrative Procedures Act.

1 L. The Oklahoma Employees Insurance and Benefits Board of the  
2 Office of Management and Enterprise Services shall have the  
3 following duties, responsibilities and authority with respect to the  
4 administration of the flexible benefits plan authorized pursuant to  
5 the State Employees Flexible Benefits Act:

6 1. To construe and interpret the plan, and decide all questions  
7 of eligibility in accordance with the Oklahoma State Employees  
8 Benefits Act and 26 U.S.C.A., Section 1 et seq.;

9 2. To select those benefits which shall be made available to  
10 participants under the plan, according to the Oklahoma State  
11 Employees Benefits Act, and other applicable laws and rules;

12 3. To prescribe procedures to be followed by participants in  
13 making elections and filing claims under the plan;

14 4. Beginning with the plan year which begins on January 1,  
15 2013, to select and contract with one or more providers to offer a  
16 group TRICARE Supplement product to eligible employees who are  
17 eligible TRICARE beneficiaries. Any membership dues required to  
18 participate in a group TRICARE Supplement product offered pursuant  
19 to this paragraph shall be paid by the employee. As used in this  
20 paragraph, "TRICARE" means the Department of Defense health care  
21 program for active duty and retired service members and their  
22 families;

23 5. To prepare and distribute information communicating and  
24 explaining the plan to participating employers and participants.

1 Health Maintenance Organizations or other third-party insurance  
2 vendors may be directly or indirectly involved in the distribution  
3 of communicated information to participating state agency employers  
4 and state employee participants subject to the following condition:  
5 the Board shall verify all marketing and communications information  
6 for factual accuracy prior to distribution;

7 6. To receive from participating employers and participants  
8 such information as shall be necessary for the proper administration  
9 of the plan, and any of the benefits offered thereunder;

10 7. To furnish the participating employers and participants such  
11 annual reports with respect to the administration of the plan as are  
12 reasonable and appropriate;

13 8. To keep reports of benefit elections, claims and  
14 disbursements for claims under the plan;

15 9. To negotiate for best and final offer through competitive  
16 negotiation with the assistance and through the procedures adopted  
17 by the Office of Management and Enterprise Services and contract  
18 with federally qualified health maintenance organizations under the  
19 provisions of 42 U.S.C., Section 300e et seq., or with Health  
20 Maintenance Organizations granted a certificate of authority by the  
21 Insurance Commissioner pursuant to Sections 6901 through 6951 of  
22 Title 36 of the Oklahoma Statutes for consideration by participants  
23 as an alternative to the health plans offered by the Oklahoma  
24 Employees Insurance and Benefits Board, and to transfer to the

1 health maintenance organizations such funds as may be approved for a  
2 participant electing health maintenance organization alternative  
3 services. The Board may also select and contract with a vendor to  
4 offer a point-of-service plan. An HMO may offer coverage through a  
5 point-of-service plan, subject to the guidelines established by the  
6 Board. However, if the Board chooses to offer a point-of-service  
7 plan, then a vendor that offers both an HMO plan and a point-of-  
8 service plan may choose to offer only its point-of-service plan in  
9 lieu of offering its HMO plan. The Board may, however, renegotiate  
10 rates with successful bidders after contracts have been awarded if  
11 there is an extraordinary circumstance. An extraordinary  
12 circumstance shall be limited to insolvency of a participating  
13 health maintenance organization or point-of-service plan,  
14 dissolution of a participating health maintenance organization or  
15 point-of-service plan or withdrawal of another participating health  
16 maintenance organization or point-of-service plan at any time during  
17 the calendar year. Nothing in this section of law shall be  
18 construed to permit either party to unilaterally alter the terms of  
19 the contract;

20 10. To retain as confidential information the initial Request  
21 For Proposal offers as well as any subsequent bid offers made by the  
22 health plans prior to final contract awards as a part of the best  
23 and final offer negotiations process for the benefit plan;

24

1 11. To promulgate administrative rules for the competitive  
2 negotiation process;

3 12. To require vendors offering coverage to provide such  
4 enrollment and claims data as is determined by the Board. The Board  
5 shall be authorized to retain as confidential any proprietary  
6 information submitted in response to the Board's Request For  
7 Proposal. Provided, however, that any such information requested by  
8 the Board from the vendors shall only be subject to the  
9 confidentiality provision of this paragraph if it is clearly  
10 designated in the Request For Proposal as being protected under this  
11 provision. All requested information lacking such a designation in  
12 the Request For Proposal shall be subject to Section 24A.1 et seq.  
13 of Title 51 of the Oklahoma Statutes. From health maintenance  
14 organizations, data provided shall include the current Health Plan  
15 Employer Data and Information Set (HEDIS);

16 13. To authorize the purchase of any insurance deemed necessary  
17 for providing benefits under the plan including indemnity dental  
18 plans, provided that the only indemnity health plan selected by the  
19 Board shall be the indemnity plan offered by the Board, and to  
20 transfer to the Board such funds as may be approved for a  
21 participant electing a benefit plan offered by the Board. All  
22 indemnity dental plans shall meet or exceed the following  
23 requirements:

24 a. they shall have a statewide provider network,

1           b.    they shall provide benefits which shall reimburse the  
2           expense for the following types of dental procedures:

- 3           (1)   diagnostic,
- 4           (2)   preventative,
- 5           (3)   restorative,
- 6           (4)   endodontic,
- 7           (5)   periodontic,
- 8           (6)   prosthodontics,
- 9           (7)   oral surgery,
- 10          (8)   dental implants,
- 11          (9)   dental prosthetics, and
- 12          (10)  orthodontics, and

13          c.    they shall provide an annual benefit of not less than  
14          One Thousand Five Hundred Dollars (\$1,500.00) for all  
15          services other than orthodontic services, and a  
16          lifetime benefit of not less than One Thousand Five  
17          Hundred Dollars (\$1,500.00) for orthodontic services;

18          14.   To communicate deferred compensation programs as provided  
19          in Section 1701 of Title 74 of the Oklahoma Statutes;

20          15.   To assess and collect reasonable fees from contracted  
21          health maintenance organizations and third-party insurance vendors  
22          to offset the costs of administration;

1 16. To accept, modify or reject elections under the plan in  
2 accordance with the Oklahoma State Employees Benefits Act and 26  
3 U.S.C.A., Section 1 et seq.;

4 17. To promulgate election and claim forms to be used by  
5 participants;

6 18. To adopt rules requiring payment for medical and dental  
7 services and treatment rendered by duly licensed hospitals,  
8 physicians and dentists. Unless the Board has otherwise contracted  
9 with the out-of-state health care provider, the Board shall  
10 reimburse for medical services and treatment rendered and charged by  
11 an out-of-state health care provider at least at the same percentage  
12 level as the network percentage level of the fee schedule  
13 established by the Oklahoma Employees Insurance and Benefits Board  
14 if the insured employee was referred to the out-of-state health care  
15 provider by a physician or it was an emergency situation and the  
16 out-of-state provider was the closest in proximity to the place of  
17 residence of the employee which offers the type of health care  
18 services needed. For purposes of this paragraph, health care  
19 providers shall include, but not be limited to, physicians,  
20 dentists, hospitals and special care facilities; and

21 19. To enter into a contract with out-of-state providers in  
22 connection with any PPO or hospital or medical network plan which  
23 shall include, but not be limited to, special care facilities and  
24 hospitals outside the borders of the State of Oklahoma. The

1 contract for out-of-state providers shall be identical to the in-  
2 state provider contracts. The Board may negotiate for discounts  
3 from billed charges when the out-of-state provider is not a network  
4 provider and the member sought services in an emergency situation,  
5 when the services were not otherwise available in the State of  
6 Oklahoma or when the Administrator appointed by the Board approved  
7 the service as an exceptional circumstance.

8 M. Except for a breach of fiduciary obligation, a Board member  
9 shall not be individually or personally responsible for any action  
10 of the Board.

11 N. The Board shall operate in an advisory capacity to the  
12 Office of Management and Enterprise Services.

13 O. The members of the Board shall not accept gifts or  
14 gratuities from an individual organization with a value in excess of  
15 Ten Dollars (\$10.00) per year. The provisions of this section shall  
16 not be construed to prevent the members of the Board from attending  
17 educational seminars, conferences, meetings or similar functions  
18 which are paid for, directly or indirectly, by more than one  
19 organization.

20 SECTION 22. AMENDATORY 74 O.S. 2011, Section 1320, is  
21 amended to read as follows:

22 Section 1320. A. ~~The State and Education Employees Group~~  
23 ~~Insurance Board~~ Director of the Office of Management and Enterprise  
24 Services is authorized to hire and appoint an ~~administrator~~

1 Administrator who shall be in the unclassified service and shall  
2 serve at the pleasure of the Director of the Office of Management  
3 and Enterprise Services.

4 The ~~Board~~ Director of the Office of Management and Enterprise  
5 Services may hire a director of internal audit and one attorney  
6 licensed to practice law in this state. The attorney hired by the  
7 Board shall have not less than five (5) years of experience in  
8 matters related to the insurance industry. The ~~Board~~ Director shall  
9 directly supervise the duties of the director of internal audit, and  
10 shall not delegate said supervision to the Administrator or any  
11 other employee ~~of the Board~~. In addition to duties assigned by the  
12 ~~Board~~ Director, the director of internal audit is authorized to  
13 audit all records of health providers and pharmacists who enter into  
14 any contract with the Board in order to ensure compliance with said  
15 contract provisions.

16 B. The ~~administrator~~ Director shall employ such persons as are  
17 necessary to administer the provisions of the ~~State and Education~~  
18 ~~Employees Group Insurance Act~~ Oklahoma Employees Insurance and  
19 Benefits Act, the State Employees Flexible Benefits Act and the  
20 State Employees Disability Program Act. The ~~administrator~~ Director  
21 may employ a maximum of two ~~(2)~~ attorneys. The ~~administrator~~  
22 Director or one of the deputy administrators shall have not less  
23 than seven (7) years of group health insurance administration  
24 experience on a senior managerial level.

1 C. The ~~Board~~ Director shall not contract for private legal  
2 counsel except for extraordinary situations other than normal day to  
3 day situations, and when approved by the Attorney General. The  
4 ~~Board~~ Director may contract with a nonemployee consulting actuary, a  
5 nonemployee medical consultant and a nonemployee dental consultant  
6 subject to competitive bid at least every three (3) years. The  
7 ~~Board~~ Director may contract with health care providers for a level  
8 of reimbursement for the payment of claims incurred by the plan  
9 participants. The ~~Board~~ Director may at its request use the  
10 services of the office of the Attorney General and the actuarial  
11 services of any actuary employed by the Insurance Commissioner and  
12 may also seek the advice and counsel of the Commissioner of the  
13 State of Oklahoma or any employee of the Office of the Commissioner.

14 SECTION 23. AMENDATORY 74 O.S. 2011, Section 1363, is  
15 amended to read as follows:

16 Section 1363. The following words and phrases as used in this  
17 act, unless a different meaning is clearly required by the context,  
18 shall have the following meanings:

- 19 1. "Authority" means the Oklahoma Health Care Authority;
- 20 2. "Basic plan" means the plan that provides the least amount  
21 of benefits each participant is required to purchase pursuant to the  
22 provisions of the plan. The basic plan shall include only health,  
23 dental, disability and life benefits;

24

1        3. "Benefit" means any of the benefits which may be purchased  
2 or is required to be purchased under the plan;

3        4. "Benefit plan" means the specific terms and conditions  
4 regarding a benefit which may be purchased under the plan, including  
5 the terms and conditions of any separate plan document, group  
6 insurance policy or administrative services contract entered into by  
7 the ~~Council~~ Oklahoma Employees Insurance and Benefits Board;

8        5. "Benefit price" means the number of flexible benefit dollars  
9 needed to purchase a benefit under the plan;

10       6. "Board" means the ~~State and Education Employees Group~~  
11 ~~Insurance Board, as created by the State and Education Employees~~  
12 ~~Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Board;

13       7. "Code" means the Internal Revenue Code of 1986, as amended,  
14 from time to time;

15       8. "Compensation" means the remuneration directly paid to a  
16 participating employee by a participating employer exclusive of  
17 overtime pay, and longevity pay, calculated prior to and without  
18 regard to adjustments arising out of an employee's participation in  
19 the plan authorized pursuant to this act, or amounts deferred under  
20 the tax sheltered income deferment plans as authorized by Section  
21 1701 et seq. of this title;

22       9. "~~Council~~" means the ~~Oklahoma State Employees Benefits~~  
23 ~~Council, as created by this act~~;

24

1       ~~10.~~ "Default benefit" means any benefit a participant who fails  
2 to make a proper election under the plan shall be deemed to have  
3 purchased;

4       ~~11.~~ 10. "Dependent" means a participant's spouse or any of his  
5 or her dependents as defined in Code Section 152 and regulations  
6 promulgated thereunder;

7       ~~12.~~ 11. "Flexible benefit allowance" means the annual amounts  
8 credited by the participating employer for each participant for the  
9 purchase of benefits under the plan;

10       ~~13.~~ 12. "Flexible benefit dollars" means the sum of the  
11 flexible benefit allowance and pay conversion dollars allocated by a  
12 participant pursuant to provisions of the plan;

13       ~~14.~~ 13. "Participant" means any officer or employee of a  
14 participating employer who is a member of the Oklahoma Law  
15 Enforcement Retirement System, the Oklahoma Public Employees  
16 Retirement System or the Uniform Retirement System for Justices and  
17 Judges, any officer or employee of a participating employer, whose  
18 employment is not seasonal or temporary and whose employment  
19 requires at least one thousand (1,000) hours of work per year and  
20 whose salary and wage is equal to or greater than the hourly wage  
21 for state employees ~~as provided in Section 284 of this title,~~ and  
22 any employee of a participating employer who is a member of the  
23 Teachers' Retirement System of Oklahoma;

24

1       ~~15.~~ 14. "Participating employer" means any state agency, board,  
2 commission, department, institution, authority, officer, bureau,  
3 council, office or other entity created by the Oklahoma Constitution  
4 or statute that is a participating employer of the Oklahoma Law  
5 Enforcement Retirement System, the Oklahoma Public Employees  
6 Retirement System or the Uniform Retirement System for Justices and  
7 Judges, but shall not include any county, county hospital, city or  
8 town, conservation district, any private or public trust in which a  
9 county, city or town participates and is the primary beneficiary,  
10 any school district or technology center school district, or  
11 political subdivision of the state, but shall include the State  
12 Department of Education, the Oklahoma Department of Wildlife  
13 Conservation, the Oklahoma Employment Security Commission, the  
14 Teachers' Retirement System of Oklahoma and the Oklahoma Department  
15 of Career and Technology Education. Provided the term  
16 "participating employer" shall also mean the State Regents for  
17 Higher Education or any institution under the authority of the State  
18 Regents for Higher Education upon agreement between the State  
19 Regents for Higher Education or the appropriate governing board of  
20 an institution under the authority of the State Regents for Higher  
21 Education and the ~~Council~~ Board;

22       ~~16.~~ 15. "Pay conversion dollars" means amounts by which a  
23 participant elects to reduce ~~his~~ the participant's compensation to  
24 purchase benefits under the plan;

1       ~~17.~~ 16. "Plan" means the flexible benefits plan authorized  
2 pursuant to the State Employees Flexible Benefits Act as modified by  
3 the provisions of this act;

4       ~~18.~~ 17. "Plan year" means for the plan year beginning July 1,  
5 2001, the six-month period commencing on July 1 and ending on the  
6 following December 31. The next plan year shall begin January 1,  
7 2002. It shall mean the twelve-month period commencing on January 1  
8 and ending on the following December 31;

9       ~~19.~~ 18. "Salary adjustment agreement" means a written agreement  
10 between a participant and participating employer whereby the  
11 employer agrees to adjust the salary of the participant by a stated  
12 amount or an amount equal to the cost of benefits selected under the  
13 plan and the participating employer agrees to contribute such amount  
14 to cover certain costs of the benefits selected by the participant  
15 to the ~~Council~~ Board; and

16       ~~20.~~ 19. "Termination" means the termination of a participant's  
17 employment as an employee of a participating employer, whether by  
18 reasons of discharge, voluntary termination, retirement, death or  
19 reduction-in-force.

20       SECTION 24.        AMENDATORY        74 O.S. 2011, Section 1368, is  
21 amended to read as follows:

22       Section 1368. ~~There is hereby created in the State Treasury a~~  
23 ~~revolving fund for the Oklahoma State Employees Benefits Council to~~  
24 ~~be designated the "~~ The Benefits Council Administration Revolving

1 Fund". ~~The fund shall be a continuing fund, not subject to fiscal~~  
2 ~~year limitations, and shall consist of all monies properly credited~~  
3 ~~and paid to the Oklahoma State Employees Benefits Council other than~~  
4 ~~flexible benefit dollars. Disbursements from the fund shall be~~  
5 ~~limited to the direct operation of the Oklahoma State Employees~~  
6 ~~Benefits Council and the Wellness Program as authorized by the~~  
7 Council is hereby dissolved. Any reference in the Oklahoma Statutes  
8 to the Benefits Council Administration Revolving Fund shall be  
9 construed to mean the Human Capital Management Revolving Fund.  
10 Assets of the Benefits Council Administration Revolving Fund are  
11 hereby transferred to the Human Capital Management Revolving Fund.

12 SECTION 25. AMENDATORY 74 O.S. 2011, Section 1375, is  
13 amended to read as follows:

14 Section 1375. ~~The State and Education Employees Group Insurance~~  
15 ~~Board~~ Oklahoma Employees Insurance and Benefits Board of the Office  
16 of Management and Enterprise Services shall make the pretax health  
17 savings account authorized by the provisions of the Health Savings  
18 Account Act established in Section 6060.14 of Title 36 of the  
19 Oklahoma Statutes available by offering a high deductible health  
20 plan to all persons who are eligible employees for purposes of any  
21 health care insurance offered through or under the supervision of  
22 the ~~Board~~ Office. The high deductible health plan shall be offered  
23 no later than January 1, 2009. Any employee who elects to  
24 participate in a high deductible health plan offered through the

1 ~~State and Education Employees Group Insurance Board~~ Office of  
2 Management and Enterprise Services may establish a health savings  
3 account (HSA) as defined in Section 223 of the Internal Revenue  
4 Code. The Director of the Office of Management and Enterprise  
5 Services shall form a working group to study the Oklahoma Employees  
6 Insurance and Benefits Plan structure, including, but not limited  
7 to, future recommendations for the state employee flexible benefits  
8 allowance and the potential of funding on employee health savings  
9 accounts. The Director shall provide a report of the working group  
10 study and recommendations to the Legislature and Governor no later  
11 than December 31, 2012.

12 SECTION 26. REPEALER 62 O.S. 2011, Section 695.7a, is  
13 hereby repealed.

14 SECTION 27. REPEALER 74 O.S. 2011, Sections 840-1.4,  
15 840-1.5, 840-1.6A, 840-1.21, 1304, 1305, 1306, 1306.3, 1306.4, 1364  
16 and 1365, are hereby repealed.

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