

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 53rd Legislature (2012)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 3053

By: Steele and Murphey of the
House

and

David of the Senate

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10 COMMITTEE SUBSTITUTE

11 An Act relating to state government; creating the
12 State Government Administrative Process Consolidation
13 and Reorganization Reform Act of 2012; amending 62
14 O.S. 2011, Sections 34.3 and 34.3.1, which relate to
15 the Oklahoma State Finance Act; creating the Office
16 of Management and Enterprise Services; consolidating
17 certain agencies into the Office of Management and
18 Enterprise Services; modifying definition; requiring
19 Director of the Office of Management and Enterprise
20 Services to implement consolidation; modifying
21 delivery of books, papers, records and property;
22 transferring powers, duties, responsibilities,
23 employees and funds; amending 62 O.S. 2011, Section
24 695.7, which relates to the Oklahoma State Bond
 Advisor; modifying powers and duties; amending 74
 O.S. 2011, Section 61.2, which relates to the
 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

1 State and Education Employees Group Insurance Act;
2 modifying definitions; creating the Oklahoma
3 Employees Insurance and Benefits Board; providing for
4 membership and terms; abolishing certain entities;
5 providing for powers and duties of the Board;
6 modifying references; amending 74 O.S. 2011, Sections
7 1363, 1368 and 1375, which relate to the Oklahoma
8 State Employees Benefits Act; modifying definitions;
9 providing for transfer of funds; modifying
10 references; repealing 62 O.S. 2011, Section 695.7a,
11 which relates to the Office of State Bond Advisor;
12 repealing 74 O.S. 2011, Sections 840-1.4, 840-1.5,
13 840-1.6A and 840-1.21, which relate to the Oklahoma
14 Personnel Act; repealing 74 O.S. 2011, Sections 1304,
15 1305, 1306, 1306.3 and 1306.4, which relate to the
16 State and Education Employees Group Insurance Act;
17 repealing 74 O.S. 2011, Sections 1364 and 1365, which
18 relate to the Oklahoma State Employees Benefits Act;
19 providing for codification; and providing for
20 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~~

1 ~~Division of the Budget, Division of Central Accounting and~~
2 ~~Reporting, Department of Central Services, Office of Personnel~~
3 ~~Management, Department of State and Education Employees Group~~
4 ~~Insurance and Department of Employee Benefits, all under the~~
5 ~~administrative control of the Director of the Office of State~~
6 ~~Finance and directly responsible to the Director and an Information~~
7 ~~Services Division under the administrative control of the Chief~~
8 ~~Information Officer and directly responsible to the Officer the~~
9 ~~Office of Management and Enterprise Services.~~

10 B. The term "state agency" or "agency", when used in the
11 Oklahoma State Finance Act, shall mean any agency, board, bureau,
12 commission, or other entity organized within the executive
13 department of state government.

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

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

20 Section 34.3.1 A. The Department of Central Services, Office
21 of Personnel Management, Oklahoma State Employees Benefits Council,
22 the Oklahoma Merit Protection Commission, the Office of the State
23 Bond Advisor and the State and Education Employees Group Insurance
24

1 Board are consolidated into the ~~Office of State Finance~~ Office of
2 Management and Enterprise Services. The Director of the ~~Office of~~
3 ~~State Finance~~ Office of Management and Enterprise Services shall
4 assume all executive-level responsibilities for each agency and
5 shall function as and possess the powers of the agency director for
6 each consolidated agency as enumerated by existing statute. For the
7 purposes of this section the term "consolidated agencies" shall mean
8 the Department of Central Services, Office of Personnel Management,
9 Oklahoma State Employees Benefits Council, the Oklahoma Merit
10 Protection Commission, the Office of the State Bond Advisor and the
11 State and Education Employees Group Insurance Board.

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

1 C. ~~Not later than December 31, 2011, the Director of the Office~~
2 ~~of State Finance shall provide recommendations to the Legislature~~
3 ~~for the streamlining, reduction or elimination of the governance~~
4 ~~structures and statutorily established positions of each of the~~
5 ~~consolidated agencies. Until otherwise provided for by law, the~~
6 ~~governance structures and statutorily established positions of each~~
7 ~~of the consolidated agencies shall be maintained. Any funds~~
8 ~~appropriated to, in the possession of or allocated to any of the~~
9 ~~consolidated agencies shall be deemed to be funds of the Office of~~
10 ~~State Finance.~~

11 ~~D.~~ Upon request of the Director of the ~~Office of State Finance~~
12 Office of Management and Enterprise Services, the personnel of the
13 consolidated agencies shall deliver to the ~~Office of State Finance~~
14 Office of Management and Enterprise Services all books, papers,
15 records and property of the consolidated agencies.

16 ~~E.~~ D. All functions, powers, duties and obligations previously
17 assigned to each of the consolidated agencies are hereby transferred
18 to the ~~Office of State Finance~~ Office of Management and Enterprise
19 Services.

20 ~~F.~~ E. All rules, regulations, acts, orders, determinations and
21 decisions of the consolidated agencies pertaining to the functions
22 and powers herein transferred and assigned to the ~~Office of State~~
23 ~~Finance~~ Office of Management and Enterprise Services, in force at
24

1 the time of such transfer, assignment, assumption or devolution
2 shall continue in force and effect as rules, regulations, acts,
3 orders, determinations and decisions of the consolidated agencies
4 until duly modified or abrogated by the appropriate body or until
5 otherwise provided by law.

6 F. All employees of the consolidated agencies on the effective
7 date of this act, including related liabilities for sick leave,
8 annual leave, holidays, unemployment benefits, and workers'
9 compensation benefits accruing prior to the effective date of this
10 act to such personnel, shall be transferred to the Office of
11 Management and Enterprise Services.

12 G. The Office of Management and Enterprise Services shall
13 succeed to any contractual rights and responsibilities incurred by
14 the consolidated agencies.

15 H. Any funds appropriated to, in the possession of or allocated
16 to any of the consolidated agencies, or consolidated agency
17 revolving funds, shall be deemed to be the funds of the Office of
18 Management and Enterprise Services and shall be used for any purpose
19 for which the consolidated agencies have been authorized.

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

22 Section 695.7 A. 1. The Council of Bond Oversight shall
23 engage the services of a person knowledgeable in the current state
24

1 of the art of national and international standards for the issuance
2 of obligations by governmental entities and experienced in the
3 negotiation of fees for various goods and services requisite to or
4 deemed desirable in the issuance of such obligations as well as the
5 negotiation of other matters essential to provide the best current
6 price and terms of the issuance of such obligations for the benefit
7 of Oklahoma firms, farms, individuals and local communities, who
8 shall have the title "Oklahoma State Bond Advisor".

9 2. When appointing a person to the position of Oklahoma State
10 Bond Advisor, the Council shall conduct a national search in seeking
11 requests for proposals for the position. The person selected as the
12 Oklahoma State Bond Advisor shall be approved by an affirmative vote
13 of three of the members of the Council and the Director of the
14 Office of Management and Enterprise Services and appointed to the
15 position, subject to the advice and consent of the Senate.

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

20 B. ~~The Oklahoma State Bond Advisor may employ the necessary~~
21 ~~staff to carry out the duties of the Bond Advisor and the duties of~~
22 ~~the Council, with approval of the Council. Effective July 1, 2003,~~
23
24

1 ~~the Office of the State Bond Advisor shall be a separate state~~
2 ~~agency as set forth in Section 695.7a of this title.~~

3 ~~€.~~ 1. Except as provided in Section 695.8 of this title, prior
4 to engaging the services of underwriters, bond or other legal
5 counsel, financial advisors, consultants, a financial institution to
6 serve as trustee, paying agent or in any fiduciary capacity in
7 connection with any program, indenture or general resolution of the
8 State Governmental Entity, or any other experts, except as provided
9 in Section 5062.8 of Title 74 of the Oklahoma Statutes, the State
10 Governmental Entity shall request proposals for such services from a
11 plurality of persons engaged in the particular activity for such
12 services and the selection of such persons shall be made on the
13 basis of the response to the request which is the most economical
14 and will provide competent service which furthers the best interest
15 of the State Governmental Entity and the state. In negotiating
16 requests for proposals to engage such services, the State
17 Governmental Entity shall seek the advice and assistance of the
18 Oklahoma State Bond Advisor. Under no circumstances shall
19 proprietary inducements be granted. The Oklahoma State Bond Advisor
20 shall provide assistance and advice to State Governmental Entities
21 with respect to the issuance of obligations by said State
22 Governmental Entities, review, negotiate, and approve or disapprove
23 the fees and expenses for goods and services requisite to or deemed

1 desirable in the issuance of State Governmental Entity obligations
2 and represent the interests of the state before rating agencies and
3 credit enhancement providers.

4 2. The provisions of this subsection shall apply to any Local
5 Governmental Entity that proposes to issue obligations to fund
6 capital additions or expenditures which obligations are to be
7 retired by rental payments from the state, user fees from the state
8 or any other such payment made by any officer, department, board,
9 commission, institution or agency of the state. No Local
10 Governmental Entity may utilize a lease, contract, or other
11 agreement with a State Governmental Entity as collateral or security
12 for a proposed Local Governmental Entity obligation unless such
13 obligation has satisfied all of the provisions of this section. No
14 proceeds of any contract between a State Governmental Entity and a
15 Local Governmental Entity shall be used to retire any obligations
16 issued after the effective date of this act to fund capital
17 additions or expenditures by the Local Governmental Entity unless
18 such obligation has satisfied all of the provisions of this section.

19 ~~D.~~ C. The Oklahoma State Bond Advisor shall serve as an advisor
20 to the Governor and to the Legislature with respect to issuance of
21 indebtedness reviewed by the Council and shall prepare an annual
22 report to be submitted to the Governor, the President Pro Tempore of
23 the Senate and the Speaker of the House of Representatives as of
24

1 January 15 each year. The report shall contain a summary of the
2 issuance of indebtedness by State Governmental Entities and Local
3 Governmental Entities during the preceding year and such other
4 information as the State Bond Advisor may be required to submit or
5 as may be relevant.

6 ~~E.~~ D. The Oklahoma State Bond Advisor or any member of the
7 immediate family of the Oklahoma State Bond Advisor shall not have
8 any direct or indirect financial or contractual relationship with
9 any firm or corporation or any officer, partner or principal
10 stockholder of any firm or corporation directly involved in public
11 finance.

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

14 Section 61.2 ~~There is hereby created within the Office of State~~
15 ~~Finance, a Department of Central Services, under the administrative~~
16 ~~control of the Director of the Office of State Finance.~~ Whenever
17 the terms "Board of Affairs", "State Board of Public Affairs",
18 "Board" when used in reference to the Board Of Public Affairs ~~or,~~
19 "Office of Public Affairs", or "Department of Central Services"
20 appear in the Oklahoma Statutes they shall mean the ~~Department of~~
21 ~~Central Services of the Office of State Finance~~ Office of Management
22 and Enterprise Services. Whenever the term "Director of Public
23 Affairs" appears in the Oklahoma Statutes it shall mean the Director
24

1 of the ~~Office of State Finance~~ Office of Management and Enterprise
2 Services. Whenever the term "Director of Central Services" appears
3 in the Oklahoma Statutes it shall mean the Director of the ~~Office of~~
4 ~~State Finance~~ Office of Management and Enterprise Services or
5 designee.

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

8 Section 840-1.6 A. The internal administrative organization of
9 the ~~Office of Personnel Management~~ Office of Management and
10 Enterprise Services shall be determined by the ~~Administrator~~
11 Director of the Office of Management and Enterprise Services in such
12 a manner as to promote the efficient and effective enforcement of
13 the Oklahoma Personnel Act.

14 B. The ~~Administrator~~ Director of the Office of Management and
15 Enterprise Services may employ attorneys, accountants and other
16 personnel as ~~he~~ the Director deems necessary to carry out the duties
17 imposed upon the Office.

18 C. ~~Employees of the Office shall be subject to the Merit System~~
19 ~~of Personnel Administration, unless otherwise exempted by Section~~
20 ~~840-5.5 of this title.~~

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

24

1 The Office of Personnel Management of the Office of State
2 Finance is hereby consolidated into and renamed the Office of
3 Management and Enterprise Services. Where the term "Office of
4 Personnel Management" is used within the Oklahoma Statutes it shall
5 mean the Office of Management and Enterprise Services. The chief
6 administrative officer shall be the Director of the Office of
7 Management and Enterprise Services. In addition to the other duties
8 imposed by law, the Director shall:

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

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

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

20 4. Be responsible for the development and maintenance of a
21 uniform occupation code system, grouped by job titles or duties, for
22 all classified and unclassified state positions. The responsibility
23 shall include the establishment of rules governing the

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1 identification, tracking, and reporting of all state positions as
2 provided in Section 840-2.13 of Title 74 of the Oklahoma Statutes;

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

7 6. Establish a quality management function within the Office of
8 Management and Enterprise Services and assist state agencies in
9 fully integrating quality management concepts and models into their
10 business practices for the purpose of improving the overall
11 efficiency and effectiveness of state government;

12 7. Assist state agencies in implementing their duties and
13 obligations pursuant to the Oklahoma Personnel Act and provide
14 standard forms to the agencies if necessary;

15 8. Be responsible for advising state agencies on personnel
16 policy and administration;

17 9. Be responsible for the development of an efficient and
18 effective system of personnel administration that meets the
19 management needs of the various agencies;

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

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

- 1 a. selected job family levels with a turnover rate in
2 excess of ten percent (10%),
3 b. selected job family levels identified by the Director
4 of the Office of Management and Enterprise Services
5 with salaries and benefits that are ten percent (10%)
6 or more below the market for such positions, and
7 c. selected job family levels identified by the Director
8 of the Office of Management and Enterprise Services in
9 which recruitment efforts have yielded a low number of
10 qualified applicants; and

11 12. Issue orders directing agencies to:

- 12 a. conform and comply with the provisions of the Oklahoma
13 Personnel Act, the Merit Rules of Personnel
14 Administration, and all memoranda or other written
15 communications issued to agencies explaining the
16 Oklahoma Personnel Act, the Rules, and any other
17 matter relating to the Merit System of Personnel
18 Administration or under the jurisdiction of the
19 Director of the Office of Management and Enterprise
20 Services, and
21 b. take action pursuant to Section 840-6.9 of Title 74 of
22 the Oklahoma Statutes for failure to implement those
23 orders.

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

3 Section 840-1.7 A. ~~There is hereby created the Oklahoma Merit~~
4 ~~Protection Commission.~~ Whenever the terms "Oklahoma Merit
5 Protection Commission", "Ethics and Merit Commission" or "Special
6 Counsel of the Ethics and Merit Commission" appear in the Oklahoma
7 Statutes, they shall mean the ~~Oklahoma Merit Protection Commission~~
8 Office of Management and Enterprise Services or the ~~Executive~~
9 ~~Director of the Oklahoma Merit Protection Commission~~ Director of the
10 Office of Management and Enterprise Services as may be appropriate
11 to the context in which they appear.

12 B. The Oklahoma Merit Protection Commission is hereby renamed
13 and continued within the Office of Management and Enterprise
14 Services as the Board of Merit Protection which shall consist of
15 nine (9) members who shall be appointed for a term of three (3)
16 years. The members shall be removable only for cause, as provided
17 by law for the removal of officers not subject to impeachment. Two
18 members of the ~~Commission~~ Board shall be appointed by the President
19 Pro Tempore of the Senate. Two members of the ~~Commission~~ Board
20 shall be appointed by the Speaker of the House of Representatives.
21 Five members of the ~~Commission~~ Board shall be appointed by the
22 Governor. No more than four of the appointments made by the
23 Governor shall be from the same political party. Of the initial

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

1 appointments made to the ~~Commission~~ Board, one member appointed by
2 the President Pro Tempore, one member appointed by the Speaker and
3 one member appointed by the Governor shall be for a term of three
4 (3) years; and one member appointed by the President Pro Tempore,
5 one member appointed by the Speaker and one member appointed by the
6 Governor shall be for a term of two (2) years. The remaining three
7 initial appointments by the Governor shall be designated to serve a
8 term of one (1) year. At the expiration of the initial term, each
9 new appointee shall serve a three-year term. All initial
10 appointments shall be made prior to July 1, 1982.

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

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

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

22 Section 840-1.8 The appointing authority of the ~~Oklahoma Merit~~
23 ~~Protection Commission~~ Board of Merit Protection shall be the

1 ~~Executive~~ Director of the Office of Management and Enterprise
2 Services. ~~The Executive Director shall be appointed by the~~
3 ~~Commission to serve at its pleasure.~~ The Executive Director, ~~with~~
4 ~~the approval of the Commission,~~ may employ and compensate an
5 attorney and shall select, compensate and employ such administrative
6 hearing officers and other personnel as deemed necessary for the
7 proper administration of the duties and functions of the ~~Commission~~
8 Office of Management and Enterprise Services. Effective September
9 1, 1994, employees of the Commission shall become classified
10 employees, except those employees with less than six (6) months of
11 service from their enter-on-duty date will remain in probationary
12 status until obtaining permanent status in accordance with
13 applicable rules of the Administrator of the Office of Personnel
14 Management or as provided in Section & 840-5.5 of this ~~act~~ title.

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

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

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

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

3 3. Investigate allegations of abuses in the employment
4 practices of the ~~Administrator of the Office of Personnel Management~~
5 Director of the Office of Management and Enterprise Services or of
6 any state agency;

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

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

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

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

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

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

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

22 Quarterly reports shall be submitted within thirty (30) days
23 following the last day of the month of the appropriate quarter; and
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UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 10. Make all records of the ~~Commission~~ Board, except those made
2 confidential by law, available for public inspection, copying and
3 mechanical reproduction, or either of them, in accordance with the
4 Oklahoma Open Records Act and charge a fee not to exceed twenty-five
5 cents (\$.25) per page as the direct costs of document copying or
6 mechanical reproduction. All fees collected pursuant to the
7 provisions of this paragraph shall be deposited in the ~~Oklahoma~~
8 ~~Merit Protection Commission~~ Human Capital Management Revolving Fund.

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

11 Section 840-1.10 A. A member of the ~~Oklahoma~~ Board of Merit
12 Protection Commission and the ~~Executive~~ Director of the Office of
13 Management and Enterprise Services shall have power to subpoena
14 witnesses and compel the production of books and papers pertinent to
15 any investigation, dispute resolution or hearing authorized by this
16 act. Members of the ~~Oklahoma~~ Board of Merit Protection Commission,
17 the ~~Executive~~ Director, and their designees shall have the power to
18 administer oaths. Any person who fails to appear in response to a
19 subpoena or to answer any question or produce any books or papers
20 pertinent to any such investigation, dispute resolution or hearing
21 or who shall knowingly give false testimony therein upon conviction
22 shall be subject to penalties pursuant to Section ~~40~~ 840-6.9 of this
23 act title.

1 B. Any state employee subpoenaed by the ~~Executive~~ Director or
2 ~~Commission~~ Board to appear shall be reimbursed by the employing
3 agency for expenses as provided in the State Travel Reimbursement
4 Act and shall be paid his or her regular salary for each day that
5 the employee is subpoenaed to appear. Said reimbursement and
6 payment shall be in lieu of any witness fees to which the employee
7 might otherwise be entitled by law and a request by a state employee
8 for such fees shall not remove the obligation which the state
9 employee has to honor the subpoena.

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

12 Section 840-1.12 The ~~Oklahoma Merit Protection Commission~~
13 Office of Management and Enterprise Services is directed to publish
14 summaries of the Board of Merit Protection ~~Commission~~ appeal
15 hearings.

16 The ~~Oklahoma Merit Protection Commission~~ Office of Management
17 and Enterprise Services shall charge state agencies, associations
18 and other interested parties for the cost of such summaries and
19 recordings. All monies accruing from the sale of hearing summaries
20 and recordings are to be deposited to the ~~Oklahoma Merit Protection~~
21 ~~Commission~~ Human Capital Management Revolving Fund.

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

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1 Section 840-1.13 ~~The Oklahoma Merit Protection Commission~~
2 Office of Management and Enterprise Services shall establish a
3 training and certification program for all hearing officers employed
4 by the ~~Oklahoma Merit Protection Commission~~ Office of Management and
5 Enterprise Services and grievance managers appointed by state
6 agencies. The ~~Commission~~ Office of Management and Enterprise
7 Services may also provide training for other agency personnel
8 employees. The ~~Executive~~ Director of the Office of Management and
9 Enterprise Services shall be authorized to bill agencies for the
10 training pursuant to this section to recover reasonable costs
11 associated with the training. Monies received for such training
12 shall be deposited in the ~~Oklahoma Merit Protection Commission~~ Human
13 Capital Management Revolving Fund. Expenditure of such funds
14 collected for the training shall be exempt from any expenditure
15 limit on the ~~Oklahoma Merit Protection Commission~~ Office of
16 Management and Enterprise Services established by law.

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

19 Section 840-1.14 When any officer or employee of the state is
20 in doubt as to the application of the Oklahoma Personnel Act as to
21 himself or to any employee under his supervision, he may submit to
22 the Attorney General a full written statement of the facts and
23 questions he may have. The Attorney General shall then render an
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1 opinion to such person and may publish these opinions, or abstracts
2 thereof, with the use of the name of the person advised unless such
3 person requests otherwise in writing. The Attorney General shall be
4 the legal counsel for the ~~Oklahoma~~ Board of Merit Protection
5 ~~Commission~~ and represent it when its decisions are appealed to
6 higher courts. The Office of the Attorney General shall be legal
7 counsel for and represent the ~~Merit Protection Commission~~ Board
8 notwithstanding its representation of any other state department,
9 agency, board or commission in the same or related matters pending
10 before the ~~Merit Protection Commission~~ Board or before any court.
11 The Attorney General shall establish internal administrative
12 procedures to ensure that both such agencies are provided
13 independent legal representation, and such simultaneous
14 representation shall not, of itself, be deemed to constitute a
15 conflict of interest. In the event the Attorney General determines
16 an irreconcilable conflict of interest exists, to the extent that he
17 is unable to provide simultaneous representation to both the ~~Merit~~
18 ~~Protection Commission~~ Board and another state department, agency,
19 board or commission the provision of Section ~~18c-2~~ 20i of this title
20 shall apply.

21 SECTION 15. AMENDATORY 74 O.S. 2011, Section 840-1.15,
22 is amended to read as follows:
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1 Section 840-1.15 A. The ~~Administrator~~ Director of the Office
2 of Management and Enterprise Services shall establish standards and
3 procedures for delegating to appointing authorities the authority to
4 administer human resources functions normally conducted by the
5 ~~Office of Personnel Management~~ Office of Management and Enterprise
6 Services. The ~~Administrator~~ Director shall have the authority to
7 approve delegation applications which shall constitute authority for
8 the agency to implement approved delegations of personnel authority.

9 B. The ~~Administrator~~ Director shall create a program to allow
10 agencies to design model human resource projects to test and
11 evaluate the effect of innovative policies, standards, and
12 procedures.

13 The number and scope of model projects shall be limited only by
14 the capacity of the agency to implement the model projects, the
15 quality of model project applications, and the ability of the ~~Office~~
16 ~~of Personnel Management~~ Office of Management and Enterprise Services
17 to monitor the projects. The ~~Administrator~~ Director shall have the
18 authority to approve model project applications which shall
19 constitute authority for the agency to implement approved model
20 projects.

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

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

13 Section 840-1.19 It shall be the responsibility of each
14 appointing authority to distribute copies of the Merit System of
15 Personnel Administration Rules promulgated and published by the
16 ~~Administrator of the Office of Personnel Management or the Merit~~
17 ~~Protection Commission, respectively,~~ Office of Management and
18 Enterprise Services to all classified employees at the request of
19 the ~~Administrator or the Executive~~ Director.

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

22 Section 840-1.20 A. There is hereby created in the State
23 Treasury a revolving fund for the ~~Office of Personnel Management~~

1 Office of Management and Enterprise Services to be designated the
2 "~~Office of Personnel~~ Human Capital Management Revolving Fund". The
3 fund shall be a continuing fund, not subject to fiscal year
4 limitations, and shall consist of fees received by the ~~Office of~~
5 ~~Personnel Management~~ Office of Management and Enterprise Services
6 for providing training for a certified public managers program and
7 all other monies received by the ~~Office of Personnel Management~~
8 Office of Management and Enterprise Services, except for
9 appropriated monies, and monies received as payment for
10 administrative expenses under Section 840-1.18 of this title, ~~monies~~
11 ~~placed in the Employee Benefits Revolving Fund, monies placed in the~~
12 ~~Benefits Council Administration Revolving Fund, and any monies in~~
13 ~~revolving funds established by the Office of State Finance to~~
14 ~~support the operation of the Oklahoma Employees Benefits Council or~~
15 ~~to reimburse the Office of Personnel Management for services the~~
16 ~~Office provides to the Council.~~ All monies accruing to the credit
17 of said fund are hereby appropriated and may be budgeted and
18 expended by the ~~Office of Personnel Management~~ Office of Management
19 and Enterprise Services for defraying the costs incurred in
20 performing the duties and functions of the Office. Expenditures
21 from said fund shall be made upon warrants issued by the State
22 Treasurer against claims filed as prescribed by law with the

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1 Director of ~~State Finance~~ the Office of Management and Enterprise
2 Services for approval and payment.

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

9 C. Any monies in or obligations against the Certified Public
10 Managers Revolving Fund upon the effective date of this act shall be
11 transferred to the ~~Office of Personnel~~ Human Capital Management
12 Revolving Fund.

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

20 E. Any monies in or obligations against the Merit Protection
21 Commission Revolving Fund shall be transferred to the Human Capital
22 Management Revolving Fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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1 for the Council shall be provided by the ~~Office of Personnel~~
2 ~~Management~~ Office of Management and Enterprise Services.

3 2. The Affirmative Action Review Council shall consist of six
4 (6) members. The individuals making the appointment shall consider
5 experience in the field, theory, and application of human resources
6 management and affirmative action in making their appointments.

7 Members of the Council shall serve at the pleasure of the respective
8 individuals making the appointments. Two members of the Council
9 shall be appointed by the Governor, two members shall be appointed
10 by the Speaker of the House of Representatives, and two members
11 shall be appointed by the President Pro Tempore of the Senate.

12 ~~Nothing shall preclude the appointment of members of the~~
13 ~~Legislature.~~ Each individual making appointments shall give
14 consideration to the diversity of the Council's membership when
15 making the appointments and shall not appoint more than one
16 individual who is an employee of the executive branch, excluding The
17 Oklahoma State System of Higher Education. The Governor shall
18 appoint the initial chair from among the Council's membership to
19 serve a two-year term. Thereafter, the chair shall be selected by
20 the Council from among its membership. The Council shall select a
21 vice-chair from among its membership. All members shall serve two-
22 year terms, unless removed prior to the expiration of a term by the
23 respective individual making the appointment. Any vacancy on the

1 Council shall be filled by the individual who made the original
2 appointment.

3 Except as provided in subparagraph b of paragraph 4 of this
4 subsection, a majority of the members of the Council shall
5 constitute a quorum to transact business, but no vacancy shall
6 impair the right of the remaining members to exercise all of the
7 powers of the Council and every act of a majority of the members
8 present shall be deemed the act of the Council.

9 3. Members of the Council shall receive no compensation or
10 travel reimbursement for serving on the Council, ~~but shall be~~
11 ~~reimbursed for their necessary travel expenses incurred in the~~
12 ~~performance of their duties in accordance with the State Travel~~
13 ~~Reimbursement Act. Any member who is employed in state government~~
14 ~~shall receive the reimbursement from their employing entity. Any~~
15 ~~member who is not an employee of state government shall receive the~~
16 ~~reimbursement from the Office of Personnel Management.~~

17 4. a. The Council shall make any recommendations to the
18 ~~Administrator~~ Director, the Governor, the Speaker of
19 the House of Representatives or the President Pro
20 Tempore of the Senate the Council deems will assist in
21 the attaining of affirmative action goals for state
22 government.

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- 1 b. The Council shall review agency affirmative action
2 plans for compliance with the standards adopted by the
3 ~~Administrator~~ Director. The Council shall recommend
4 that the ~~Administrator~~ Director reject any agency
5 plans which it finds in noncompliance.
- 6 c. The Council shall request the ~~Administrator~~ Director
7 to investigate any agency that the Council believes
8 has violated equal employment opportunity or
9 affirmative action provisions of this section and to
10 conduct hearings to determine if such violations have
11 occurred. If the ~~Administrator~~ Director finds that an
12 agency is not in compliance with such law and the
13 Council believes that the noncompliance indicates a
14 pattern of noncompliance, the Council, upon a two-
15 thirds vote of its members, may recommend to the
16 ~~Administrator~~ Director to act in accordance with this
17 section to compel the agency to comply with equal
18 employment opportunity and affirmative action laws.
19 If the ~~Administrator~~ Director decides not to act on
20 the Council's recommendation, the ~~Administrator~~
21 Director shall respond in writing within thirty (30)
22 days of the Council's recommendation setting forth the

1 reasons why the ~~Administrator~~ Director has decided not
2 to act in accordance with said recommendation.

3 d. Any member who is an employee of an agency that is
4 subject to investigation pursuant to subparagraph b of
5 this paragraph shall disqualify himself or herself
6 from voting on the matter.

7 e. This paragraph applies to review of issues related to
8 affirmative action. This paragraph does not apply to
9 prohibited discrimination that is within the
10 jurisdiction of the ~~Oklahoma Merit Protection~~
11 ~~Commission~~ Office of Management and Enterprise
12 Services or the Oklahoma Human Rights Commission.

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

15 I. Affirmative action plans for the judicial branch of
16 government, except the Court of Criminal Appeals and the Workers'
17 Compensation Court, shall be prepared by the Administrative Director
18 of the Courts. The Court of Criminal Appeals shall prepare
19 affirmative action plans for the Court of Criminal Appeals. The
20 Administrator of the Workers' Compensation Court shall prepare
21 affirmative action plans for the Workers' Compensation Court.

22 J. The ~~Administrator~~ Director of the ~~Office of Personnel~~
23 ~~Management~~ Office of Management and Enterprise Services is hereby
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1 directed to adopt rules necessary to implement the provisions of
2 this section. Such rules regarding affirmative action plans shall
3 include, but not be limited to, a set of specific and result-
4 oriented programs to which an appointing authority commits himself
5 or herself to apply every good faith effort to achieve prompt and
6 full utilization of women and minorities at all levels and in all
7 segments of the work force where deficiencies exist. Such rules
8 shall also include separate provisions for affirmative plans for
9 agencies with fewer than fifteen full-time-equivalent employees.

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

12 Section 1301. This act shall be known and may be cited as the
13 "~~State and Education~~ Oklahoma Employees Group Insurance and Benefits
14 Act".

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

17 Section 1303. For the purposes of and as used in the ~~State and~~
18 ~~Education Employees Group Insurance Act~~ Oklahoma Employees Insurance
19 and Benefits Act:

20 1. "Board" means the ~~State and Education Employees Group~~
21 ~~Insurance Board~~ Oklahoma Employees Insurance and Benefits Board as
22 created by the ~~State and Education Employees Group Insurance Act~~
23 Oklahoma Employees Insurance and Benefits Act;

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

2 3. "Employee" means those state employees, education employees
3 and other eligible employees participating in the ~~State and~~
4 ~~Education Employees Group Insurance Act~~ Oklahoma Employees Insurance
5 and Benefits Act;

6 ~~3.~~ 4. "Education employee" means those employees other than
7 adjunct professors employed by a state institution of higher
8 education, in the service of an education entity who are members or
9 are or will be eligible to become members of the Teachers'
10 Retirement System of Oklahoma and who receive compensation for such
11 service after the education entity begins to participate in the
12 ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees
13 Insurance and Benefits Act and visiting faculty who are not eligible
14 for membership in the Teachers' Retirement System of Oklahoma;

15 ~~4.~~ 5. "Adjunct professor" means a person employed by an
16 institution of higher education who is attached in a subordinate or
17 temporary capacity to the faculty or staff, and who is contracted to
18 instruct in a given specific discipline;

19 ~~5.~~ 6. "Visiting faculty" means a person employed by an
20 institution of higher education who is not eligible for academic
21 rank or tenure, other than an adjunct professor, and who is
22 contracted to instruct in a given specific discipline generally not
23 to exceed one (1) academic year;

1 ~~6.~~ 7. "Education entity" means a school district, a technology
2 center school district, or an institution comprising The Oklahoma
3 State System of Higher Education;

4 ~~7.~~ 8. "State employee" means and includes each officer or
5 employee in the service of the State of Oklahoma who, after January
6 1, 1966, received compensation for service rendered to the State of
7 Oklahoma on a warrant issued pursuant to a payroll certified by a
8 department or by an elected or duly appointed officer of the state
9 or who receives payment for the performance of personal services on
10 a warrant issued pursuant to a payroll certified by a department and
11 drawn by the State Treasurer against appropriations made by the
12 Legislature from any state fund or against trust funds held by the
13 State Treasurer, who is employed in a position normally requiring
14 actual performance of duty during not less than one thousand (1,000)
15 hours per year, and whose employment is not seasonal or temporary,
16 except that a person elected by popular vote will be considered an
17 employee during the person's tenure in office; provided, however,
18 that employees who are otherwise eligible who are on approved leave
19 without pay shall be eligible to continue coverage during such leave
20 not to exceed twenty-four (24) months, as provided and published in
21 the Merit Office of Management and Enterprise Services Rules for
22 Employment ~~published by the Office of Personnel Management,~~ from the
23 date the employee goes on such leave provided the employee pays the
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1 full premiums due or persons who are drawing disability benefits
2 under Section 1331 et seq. of this title or meet each and every
3 requirement of the State Employees Disability Program shall be
4 eligible to continue coverage provided the person pays the full
5 premiums due;

6 ~~8.~~ 9. "Carrier" means the State of Oklahoma or a state
7 designated Health Maintenance Organization (HMO). Such HMO shall be
8 a federally qualified Health Maintenance Organization under 42
9 U.S.C., Section 300e et seq.;

10 ~~9.~~ 10. "Health insurance plan" means a self-insured plan by the
11 State of Oklahoma for the purpose of paying the cost of hospital and
12 medical care up to the maximum coverage provided by said plan or
13 prepaid medical plan(s) offered to employees as an alternative to
14 the state-administered plan by federally qualified HMOs which have
15 contracted with the state;

16 ~~10.~~ 11. "Life insurance plan" means a self-insured plan for the
17 purpose of paying death and dismemberment benefits up to the maximum
18 coverage provided by the plan;

19 ~~11.~~ 12. "Dental benefits plan" means a plan by the State of
20 Oklahoma for the purpose of paying the cost of dental care up to the
21 maximum coverage provided by the plan; whenever the term "dental
22 insurance plan" or a term of like import appears in the ~~State and~~

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1 ~~Education Employees Group Insurance Act~~ Oklahoma Employees Insurance
2 and Benefits Act, the term shall mean "dental benefits plan";

3 ~~12.~~ 13. "Other insurance" means any type of coverage other than
4 basic hospital and medical benefits, major medical benefits,
5 comprehensive benefits, life insurance benefits or dental insurance
6 benefits, which the ~~Board~~ Plan may be directed to offer;

7 ~~13.~~ 14. "Dependent" means an employee's spouse or any unmarried
8 child ~~(1)~~:

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

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

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

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

18 ~~14.~~ 15. "Comprehensive benefits" means benefits which reimburse
19 the expense of hospital room and board, other hospital services,
20 certain outpatient expenses, maternity benefits, surgical expense,
21 including obstetrical care, in-hospital medical care expense,
22 diagnostic radiological and laboratory benefits, physicians'
23 services provided by house and office calls, treatments administered

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1 in physicians' office, prescription drugs, psychiatric services,
2 Christian Science practitioners' services, Christian Science nurses'
3 services, optometric medical services for injury or illness of the
4 eye, home health care, home nursing service, hospice care, and such
5 other benefits as may be determined by the Board. Such benefits
6 shall be provided on a copayment or coinsurance basis, the insured
7 to pay a proportion of the cost of such benefits, and may be subject
8 to a deductible that applies to all or part of the benefits as
9 determined by the Board; and

10 ~~15.~~ 16. "Life insurance coverage" shall include a maximum
11 amount of basic life insurance or benefit with or without a double
12 indemnity provision and an amount of accidental death and
13 dismemberment insurance or benefit per employee to be provided by
14 the State of Oklahoma, and the employee shall have the option to
15 purchase additional life insurance or benefits on the employee's
16 life up to the amount provided by the plan. Such basic life
17 insurance benefits, with or without double indemnity, and accidental
18 death and dismemberment benefits shall not exclude coverage for
19 death or dismemberment resulting from war, insurrection or riot.
20 The Board may also extend dependent life insurance in an amount to
21 be determined by the Board to each insured employee who elects to
22 insure the employee's eligible dependents. Premiums for the
23 dependent life insurance shall be paid wholly by the employee.

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

4 A. The State and Education Employees Group Insurance Board and
5 the Oklahoma State Employees Benefits Council are hereby abolished.
6 Wherever the State and Education Employees Group Insurance Board and
7 the Oklahoma State Employees Benefits Council are referenced in law,
8 that reference shall be construed to mean the Oklahoma Employees
9 Insurance and Benefits Board.

10 B. There is hereby created the Oklahoma Employees Insurance and
11 Benefits Board.

12 C. The chair and vice-chair shall be elected by the Board
13 members at the first meeting of the Board and shall preside over
14 meetings of the Board and perform other duties as may be required by
15 the Board. Upon the resignation or expiration of the term of the
16 chair or vice-chair, the members shall elect a chair or vice-chair.
17 The Board shall elect one of its members to serve as secretary.

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

- 20 1. The State Insurance Commissioner, or designee;
- 21 2. Four members shall be appointed by the Governor;
- 22 3. One member shall be appointed by the Speaker of the Oklahoma
23 House of Representatives; and

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

1 4. One member shall be appointed by the President Pro Tempore
2 of the State Senate.

3 E. The appointed members shall:

4 1. Have demonstrated professional experience in investment or
5 funds management, public funds management, public or private group
6 health or pension fund management, or group health insurance
7 management;

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

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

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

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

18 G. The members shall not be reimbursed for their expenses. No
19 Board member shall be individually or personally liable for any
20 action of the Board.

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

3 I. Except as otherwise provided in this subsection, no member
4 of the Board shall be a lobbyist registered in this state as
5 provided by law, or be employed directly or indirectly by any firm
6 or health care provider under contract to the State and Education
7 Employees Group Insurance Board, the Oklahoma State Employees
8 Benefits Council, or the Oklahoma Employees Insurance and Benefits
9 Board, or any benefit program under its jurisdiction, for any goods
10 or services whatsoever. Any physician member of the Board shall not
11 be subject to the provisions of this subsection.

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

14 K. The Board shall act in accordance with the provisions of the
15 Oklahoma Open Meeting Act, the Oklahoma Open Records Act and the
16 Administrative Procedures Act.

17 L. The Oklahoma Employees Insurance and Benefits Board of the
18 Office of Management and Enterprise Services shall have the
19 following duties, responsibilities and authority with respect to the
20 administration of the flexible benefits plan authorized pursuant to
21 the State Employees Flexible Benefits Act:

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

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

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

9 4. Beginning with the plan year which begins on January 1,
10 2013, to select and contract with one or more providers to offer a
11 group TRICARE Supplement product to eligible employees who are
12 eligible TRICARE beneficiaries. Any membership dues required to
13 participate in a group TRICARE Supplement product offered pursuant
14 to this paragraph shall be paid by the employee. As used in this
15 paragraph, "TRICARE" means the Department of Defense health care
16 program for active duty and retired service members and their
17 families;

18 5. To prepare and distribute information communicating and
19 explaining the plan to participating employers and participants.
20 Health Maintenance Organizations or other third-party insurance
21 vendors may be directly or indirectly involved in the distribution
22 of communicated information to participating state agency employers
23 and state employee participants subject to the following condition:

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1 the Board shall verify all marketing and communications information
2 for factual accuracy prior to distribution;

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

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

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

11 9. To negotiate for best and final offer through competitive
12 negotiation with the assistance and through the procedures adopted
13 by the Office of Management and Enterprise Services and contract
14 with federally qualified health maintenance organizations under the
15 provisions of 42 U.S.C., Section 300e et seq., or with Health
16 Maintenance Organizations granted a certificate of authority by the
17 Insurance Commissioner pursuant to Sections 6901 through 6951 of
18 Title 36 of the Oklahoma Statutes for consideration by participants
19 as an alternative to the health plans offered by the Oklahoma
20 Employees Insurance and Benefits Board, and to transfer to the
21 health maintenance organizations such funds as may be approved for a
22 participant electing health maintenance organization alternative
23 services. The Board may also select and contract with a vendor to
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1 offer a point-of-service plan. An HMO may offer coverage through a
2 point-of-service plan, subject to the guidelines established by the
3 Board. However, if the Board chooses to offer a point-of-service
4 plan, then a vendor that offers both an HMO plan and a point-of-
5 service plan may choose to offer only its point-of-service plan in
6 lieu of offering its HMO plan. The Board may, however, renegotiate
7 rates with successful bidders after contracts have been awarded if
8 there is an extraordinary circumstance. An extraordinary
9 circumstance shall be limited to insolvency of a participating
10 health maintenance organization or point-of-service plan,
11 dissolution of a participating health maintenance organization or
12 point-of-service plan or withdrawal of another participating health
13 maintenance organization or point-of-service plan at any time during
14 the calendar year. Nothing in this section of law shall be
15 construed to permit either party to unilaterally alter the terms of
16 the contract;

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

21 11. To promulgate administrative rules for the competitive
22 negotiation process;

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

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

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

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

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

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

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

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1 Section 1320. A. ~~The State and Education Employees Group~~
2 ~~Insurance Board~~ Director of the Office of Management and Enterprise
3 Services is authorized to hire and appoint an ~~administrator~~
4 Administrator who shall be in the unclassified service and shall
5 serve at the pleasure of the Director of the Office of Management
6 and Enterprise Services.

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

19 B. The ~~administrator~~ Director shall employ such persons as are
20 necessary to administer the provisions of the ~~State and Education~~
21 ~~Employees Group Insurance Act~~ Oklahoma Employees Insurance and
22 Benefits Act, the State Employees Flexible Benefits Act and the
23 State Employees Disability Program Act. The ~~administrator~~ Director

1 may employ a maximum of two ~~(2)~~ attorneys. The ~~administrator~~
2 Director or one of the deputy administrators shall have not less
3 than seven (7) years of group health insurance administration
4 experience on a senior managerial level.

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

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

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

23 1. "Authority" means the Oklahoma Health Care Authority;

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1 2. "Basic plan" means the plan that provides the least amount
2 of benefits each participant is required to purchase pursuant to the
3 provisions of the plan. The basic plan shall include only health,
4 dental, disability and life benefits;

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

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

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

14 6. "Board" means the ~~State and Education Employees Group~~
15 ~~Insurance Board, as created by the State and Education Employees~~
16 ~~Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Board;

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

19 8. "Compensation" means the remuneration directly paid to a
20 participating employee by a participating employer exclusive of
21 overtime pay, and longevity pay, calculated prior to and without
22 regard to adjustments arising out of an employee's participation in
23 the plan authorized pursuant to this act, or amounts deferred under
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1 the tax sheltered income deferral plans as authorized by Section
2 1701 et seq. of this title;

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

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

8 ~~11.~~ 10. "Dependent" means a participant's spouse or any of his
9 or her dependents as defined in Code Section 152 and regulations
10 promulgated thereunder;

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

14 ~~13.~~ 12. "Flexible benefit dollars" means the sum of the
15 flexible benefit allowance and pay conversion dollars allocated by a
16 participant pursuant to provisions of the plan;

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

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

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1 an institution under the authority of the State Regents for Higher
2 Education and the ~~Council~~ Board;

3 ~~16.~~ 15. "Pay conversion dollars" means amounts by which a
4 participant elects to reduce ~~his~~ the participant's compensation to
5 purchase benefits under the plan;

6 ~~17.~~ 16. "Plan" means the flexible benefits plan authorized
7 pursuant to the State Employees Flexible Benefits Act as modified by
8 the provisions of this act;

9 ~~18.~~ 17. "Plan year" means for the plan year beginning July 1,
10 2001, the six-month period commencing on July 1 and ending on the
11 following December 31. The next plan year shall begin January 1,
12 2002. It shall mean the twelve-month period commencing on January 1
13 and ending on the following December 31;

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

21 ~~20.~~ 19. "Termination" means the termination of a participant's
22 employment as an employee of a participating employer, whether by
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1 reasons of discharge, voluntary termination, retirement, death or
2 reduction-in-force.

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

5 Section 1368. ~~There is hereby created in the State Treasury a~~
6 ~~revolving fund for the Oklahoma State Employees Benefits Council to~~
7 ~~be designated the " The Benefits Council Administration Revolving~~
8 ~~Fund". The fund shall be a continuing fund, not subject to fiscal~~
9 ~~year limitations, and shall consist of all monies properly credited~~
10 ~~and paid to the Oklahoma State Employees Benefits Council other than~~
11 ~~flexible benefit dollars. Disbursements from the fund shall be~~
12 ~~limited to the direct operation of the Oklahoma State Employees~~
13 ~~Benefits Council and the Wellness Program as authorized by the~~
14 ~~Council~~ is hereby dissolved. Any reference in the Oklahoma Statutes
15 to the Benefits Council Administration Revolving Fund shall be
16 construed to mean the Human Capital Management Revolving Fund.
17 Assets of the Benefits Council Administration Revolving Fund are
18 hereby transferred to the Human Capital Management Revolving Fund.

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

21 Section 1375. ~~The State and Education Employees Group Insurance~~
22 ~~Board~~ Oklahoma Employees Insurance and Benefits Board of the Office
23 of Management and Enterprise Services shall make the pretax health

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

1 savings account authorized by the provisions of the Health Savings
2 Account Act established in Section 6060.14 of Title 36 of the
3 Oklahoma Statutes available by offering a high deductible health
4 plan to all persons who are eligible employees for purposes of any
5 health care insurance offered through or under the supervision of
6 the ~~Board~~ Office. The high deductible health plan shall be offered
7 no later than January 1, 2009. Any employee who elects to
8 participate in a high deductible health plan offered through the
9 ~~State and Education Employees Group Insurance Board~~ Office of
10 Management and Enterprise Services may establish a health savings
11 account (HSA) as defined in Section 223 of the Internal Revenue
12 Code. The Director of the Office of Management and Enterprise
13 Services shall form a working group to study the Oklahoma Employees
14 Insurance and Benefits Plan structure, including, but not limited
15 to, future recommendations for the state employee flexible benefits
16 allowance and the potential of funding on employee health savings
17 accounts. The Director shall provide a report of the working group
18 study and recommendations to the Legislature and Governor no later
19 than December 31, 2012.

20 SECTION 26. REPEALER 62 O.S. 2011, Section 695.7a, is
21 hereby repealed.

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1 SECTION 27. REPEALER 74 O.S. 2011, Sections 840-1.4,
2 840-1.5, 840-1.6A, 840-1.21, 1304, 1305, 1306, 1306.3, 1306.4, 1364
3 and 1365, are hereby repealed.
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5 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT MODERNIZATION, dated
6 03/05/2012 - DO PASS, As Amended and Coauthored.
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