

1 ENGROSSED SENATE AMENDMENT
TO

2 ENGROSSED HOUSE
3 BILL NO. 3293

By: Osborn, McCall, Ownbey,
McBride and Walker of the
House

4
5 and

Jolley of the Senate

6
7
8 [state employee compensation - Oklahoma Personnel
Act - pay bands - effective date
9 - emergency]

10

11 AUTHOR: Add the following House Coauthor: Billy

12 AMENDMENT NO. 1. Page 1, strike the stricken title, enacting clause
and entire bill and insert

13

14 "An Act relating to state employee compensation;
15 creating the State Employee Compensation Program;
16 defining terms; declaring the Office of Management
and Enterprise Services responsible for implementing
17 compensation program; stating goal; requiring certain
funding by Legislature; amending 74 O.S. 2011,
18 Section 840-2.17, as amended by Section 876, Chapter
304, O.S.L. 2012 (74 O.S. Supp. 2013, Section 840-
2.17), which relates to state employee compensation;
19 prohibiting compensation for certain state employees
inconsistent with compensation schedules; modifying
20 references to certain state employees; amending 74
O.S. 2011, Section 840-4.6, as amended by Section
21 902, Chapter 304, O.S.L. 2012 (74 O.S. 2013, Section
840-4.6), which relates to state employee
22 compensation structure; requiring development of
certain compensation structure based on
23 recommendations from certain salary study; stating
exception; stating time period; providing for annual
24 review; stating exception from the Administrative
Procedures Act; amending 74 O.S. 2011, Section 840-

1 4.17, as amended by Section 911, Chapter 304, O.S.L.
2 2012 (74 O.S. 2013, Section 840-4.17), which relates
3 to state employee performance evaluation system;
4 requiring O.M.E.S. to establish performance
5 evaluation system for certain purpose; authorizing
6 O.M.E.S. to promulgate rules; repealing 63 O.S. 2011,
7 Section 2-103a and 74 O.S. 2011, Section 840-4.7, as
8 amended by Section 903, Chapter 304, O.S.L. 2012 (74
9 O.S. Supp. 2013, Section 840-4.7) which relate to
10 certain salary schedules and adoption of pay grades
11 and pay-grade adjustments; providing for
12 codification; providing for noncodification;
13 providing an effective date; and declaring an
14 emergency.

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

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

18 As used in this act, "classified service" and "unclassified
19 service" shall mean "career service and executive service"
20 respectively, unless the context clearly requires a different
21 interpretation.

22 SECTION 2. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 840-2.15A of Title 74, unless
24 there is created a duplication in numbering, reads as follows:

There is hereby established the "State Employee Compensation
Program" within the executive branch. The State Employee
Compensation Program will attract, retain and reward quality
employees with competitive total compensation based on relevant
labor markets. The Office of Management and Enterprise Services

1 will be responsible for coordinating the implementation of the
2 compensation program. The compensation program will establish pay
3 structures with a goal of compensating state employees at a level of
4 at least a ninety percent (90%) of compensation for comparable
5 private sector positions. The compensation program will reinforce a
6 productive work climate and culture of accountability and make the
7 State of Oklahoma an employer of choice. Pay structures will be
8 implemented with fairness and equity throughout the executive
9 branch. Pay delivery mechanisms will be based on a combination of
10 establishing and maintaining relativity to market, achievement of
11 performance objectives, recognition of differences in job content,
12 acquisition and application of further skill and education. The
13 Legislature will be accountable for the funding of the pay
14 structures established pursuant to the compensation program.

15 SECTION 3. AMENDATORY 74 O.S. 2011, Section 840-2.17, as
16 amended by Section 876, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
17 2013, Section 840-2.17), is amended to read as follows:

18 Section 840-2.17 A. Unless otherwise provided by the Oklahoma
19 Constitution, ~~language in law which authorizes the setting or fixing~~
20 ~~of~~ statutory authority to set or fix compensation, pay or salary of
21 state officers and employees shall not be construed to authorize any
22 agency, board, commission, department, institution, bureau,
23 executive officer or other entity of the executive branch of state
24 government to award, grant, give, authorize, or promise any officer

1 or employee of the State of Oklahoma a raise that is inconsistent
2 with the compensation schedules established by the Office of
3 Management and Enterprise Services for all state officers and
4 employees in the executive branch pursuant to Section 840-4.6 of
5 this title, including, but not limited to, a cost-of-living raise or
6 any other type of raise that would be given to state employees on an
7 across-the-board basis, except as herein provided. Such raises are
8 prohibited unless authorized by the Legislature and by ~~Merit System~~
9 ~~of Personnel Administration~~ Career Service Rules for Employment
10 promulgated by the Director. This prohibition applies to all
11 ~~classified and unclassified~~ career and executive service officers
12 and employees in the executive branch of state government, excluding
13 institutions under the administrative authority of the Oklahoma
14 State Regents for Higher Education.

15 B. However, nothing in this section shall be construed to
16 prohibit the following actions if the action is made in good faith
17 and not for the purpose of circumventing subsection A of this
18 section, and if the appointing authority certifies that the action
19 can be implemented for the current fiscal year and the subsequent
20 fiscal year without the need for additional funding to increase the
21 personal services budget of the agency, and if the Office of
22 Management and Enterprise Services certifies that the action is
23 consistent with the compensation schedules established pursuant to
24 the provisions of Section 840-4.6 of this title:

- 1 1. Salary advancements on promotion or direct reclassification
2 to a job family level or class with a higher salary band;
- 3 2. Salary adjustments resulting from a pay band change for a
4 job family level or class adopted by the Office of Management and
5 Enterprise Services;
- 6 3. Increases in longevity payments pursuant to Section 840-2.18
7 of this title;
- 8 4. Payment of overtime, special entrance rates, pay
9 differentials;
- 10 5. Payment of wages, salaries, or rates of pay established and
11 mandated by law;
- 12 6. Market adjustments for job family levels tied to market
13 competitiveness;
- 14 7. Intra-agency lateral transfers, provided that the adjustment
15 does not exceed five percent (5%) and the adjustment is based on the
16 needs of the agency;
- 17 8. Skill-based adjustments. Such adjustments, which are
18 implemented before November 1, 2006, other than lump-sum payments,
19 shall become permanent after twenty-four (24) months from the date
20 such salary adjustment is implemented and may not later be removed
21 from an employee's base salary if a furlough or reduction-in-force
22 is implemented by the appointing authority granting such salary
23 adjustment. Skill-based pay adjustments, which are implemented on
24 or after November 1, 2006, and which are paid to an employee, shall

1 be paid as long as the employee remains employed in the position and
2 performs the skills for which the differential is due, but shall not
3 be included as a part of the employee's base salary;

4 9. Equity-based adjustments;

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

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

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

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

20 D. The pay movement mechanisms described in paragraphs 6
21 through 11 in subsection B of this section shall be implemented
22 pursuant to rules promulgated by the Director of the Office of
23 Management and Enterprise Services for the ~~classified~~ career
24 service.

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

11 F. The provisions in subsection B of this section shall not
12 apply to chief executive officers of any agency, board, commission,
13 department or program except for paragraphs 3 and 5 of subsection B
14 of this section.

15 SECTION 4. AMENDATORY 74 O.S. 2011, Section 840-4.6, as
16 amended by Section 902, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
17 2013, Section 840-4.6), is amended to read as follows:

18 Section 840-4.6 A. The State of Oklahoma, to recruit, retain
19 and motivate a quality workforce for the purpose of providing
20 quality services to the citizens of Oklahoma, shall provide a ~~pay~~
21 compensation structure based on internal equity and external
22 competitiveness balanced by the state's fiscal conditions. The
23 state's goal shall be to provide a flexible and adaptable state
24

1 employee ~~pay~~ compensation system based on the market data found in
2 relevant public and private sector markets.

3 B. The Director of the Office of Management and Enterprise
4 Services shall develop a ~~salary~~ compensation schedule for ~~the~~
5 ~~classified service and pay lines as appropriate to meet the needs of~~
6 ~~agencies~~ all career and executive service positions within the
7 executive branch pursuant to the recommendations of the 2013 State
8 Employee Total Remuneration Study, excluding institutions under the
9 administrative authority of the Oklahoma State Regents for Higher
10 Education. The Office may develop market-based occupational
11 compensation structures. The compensation structures established
12 pursuant to this section for all career and executive service
13 positions shall be initially established and published by January 1,
14 2015, and shall thereafter be reviewed for revision annually. The
15 provisions of this section are not subject to the provisions of
16 Article I of the Administrative Procedures Act.

17 ~~C. The Director shall design a compensation system for all~~
18 ~~classified state employees. The compensation system, except for~~
19 ~~performance based adjustments, developed pursuant to this subsection~~
20 ~~shall be consistent with but not limited to the recommendations~~
21 ~~contained in the Classification and Compensation Reform Report from~~
22 ~~the Director, dated December 1998 and submitted to the Governor,~~
23 ~~President Pro Tempore of the Senate and Speaker of the House of~~
24 ~~Representatives.~~

1 ~~D. All executive branch state agencies who employ personnel in~~
2 ~~the unclassified service of the state, whose salaries are not~~
3 ~~prescribed by law, shall establish salary schedules for such~~
4 ~~employees.~~

5 SECTION 5. AMENDATORY 74 O.S. 2011, Section 840-4.17, as
6 amended by Section 911, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
7 2013, Section 840-4.17), is amended to read as follows:

8 Section 840-4.17 A. The Office of Management and Enterprise
9 Services shall ~~make available one standard~~ study and establish a
10 performance management evaluation system that shall be used by all
11 executive branch agencies for completing employee performance
12 evaluations and making salary and performance-based pay decisions.
13 The purpose of ~~this employee performance management~~ the system is to
14 ~~evaluate the performance of each regular classified, unclassified~~
15 ~~and exempt employee in the executive branch of state government~~
16 ~~except those in the exempt unclassified service as specified in~~
17 ~~paragraphs 1 and 2 of subsection A of Section 840-5.5 of this title~~
18 ~~and those employees employed by the institutions under the~~
19 ~~administrative authority of The Oklahoma State System of Higher~~
20 ~~Education~~ effectively link pay and performance while taking into
21 consideration both the relativity of the position to market and the
22 performance of the employee. The Office of Management and
23 Enterprise Services may promulgate rules to implement the provisions
24 of this section.

1 ~~B. The employee performance management system shall provide for~~
2 ~~the following:~~

3 ~~1. An objective evaluation by the immediate supervisor of the~~
4 ~~performance of the employee within the assigned duties of the job.~~
5 ~~The evaluation shall contain the agency number, date of review, and~~
6 ~~employee identification number;~~

7 ~~2. The identification by the immediate supervisor of~~
8 ~~accountabilities and behaviors upon which the employee will be~~
9 ~~evaluated;~~

10 ~~3. A mid-term interview with the immediate supervisor for the~~
11 ~~purpose of discussing the progress of the employee in meeting the~~
12 ~~accountabilities and behaviors upon which the employee will be~~
13 ~~evaluated;~~

14 ~~4. Identification of performance strengths and performance~~
15 ~~areas for development;~~

16 ~~5. A final interview with the employee by the immediate~~
17 ~~supervisor who shall provide the employee with a copy of the~~
18 ~~performance evaluation; and~~

19 ~~6. The opportunity for the employee to submit written comments~~
20 ~~regarding the performance evaluation.~~

21 ~~C. Each employee shall be rated at least thirty (30) days prior~~
22 ~~to the end of the probationary period. Except as may otherwise be~~
23 ~~provided by rules promulgated by the Director of the Office of~~
24 ~~Management and Enterprise Services, after the end of the probation~~

1 ~~period, each employee shall be evaluated at least annually on a~~
2 ~~twelve-month period.~~

3 ~~D. Any permanent classified employee who disagrees with the~~
4 ~~employee's performance evaluation may file a grievance pursuant to~~
5 ~~Section 840-6.2 of this title.~~

6 ~~E. Any employee, regardless of status, who is required to be~~
7 ~~evaluated pursuant to this section and who believes that the~~
8 ~~employing agency has not complied with the requirements of~~
9 ~~subsection B of this section may file a complaint through any~~
10 ~~dispute resolution process made available through the employing~~
11 ~~agency or, if there is no internal agency dispute resolution~~
12 ~~process, through the Oklahoma Merit Protection Commission. The~~
13 ~~Oklahoma Merit Protection Commission shall have jurisdiction to~~
14 ~~investigate or hear appeals of the failure of an agency to comply~~
15 ~~with the provisions of subsection B of this section.~~

16 ~~F. The agency shall use employee evaluations of current or~~
17 ~~former state employees in decisions regarding promotions,~~
18 ~~appointments, demotions, performance pay increases and discharges.~~
19 ~~Reductions in force shall not be considered discharges.~~

20 ~~G. The agency shall retain a copy of the performance evaluation~~
21 ~~for each employee of the agency. A copy of the performance~~
22 ~~evaluation shall be retained in the employee's personnel file.~~

23 ~~H. Each appointing authority shall annually report its~~
24 ~~compliance with the provisions of this section in writing to the~~

1 ~~Director of the Office of Management and Enterprise Services. The~~
2 ~~Director shall prescribe a form for such reporting.~~

3 ~~I. The Director of the Office of Management and Enterprise~~
4 ~~Services shall conduct an annual random audit of state agencies to~~
5 ~~determine whether they are in compliance with this section. Any~~
6 ~~agency deemed to be out of compliance shall submit a written plan to~~
7 ~~the Director detailing the efforts the agency will make to come into~~
8 ~~compliance at the earliest possible date.~~

9 SECTION 6. REPEALER 63 O.S. 2011, Section 2-103a, is
10 hereby repealed.

11 SECTION 7. REPEALER 74 O.S. 2011, Section 840-4.7, as
12 amended by Section 903, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
13 2013, Section 840-4.7), is hereby repealed.

14 SECTION 8. This act shall become effective July 1, 2014.

15 SECTION 9. It being immediately necessary for the preservation
16 of the public peace, health and safety, an emergency is hereby
17 declared to exist, by reason whereof this act shall take effect and
18 be in full force from and after its passage and approval."

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1 Passed the Senate the 23rd day of April, 2014.

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3 _____
4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2014.

7
8 _____
9 Presiding Officer of the House
10 of Representatives

1 ENGROSSED HOUSE
2 BILL NO. 3293

By: Osborn, McCall, Ownbey,
McBride and Walker of the
House

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4 and

Jolley of the Senate

5
6
7
8 [state employee compensation - Oklahoma Personnel

9 Act - pay bands - effective date

10 - emergency]
11
12

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

14 SECTION 10. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 840-2.15A of Title 74, unless
16 there is created a duplication in numbering, reads as follows:

17 A. There is hereby established the "State Employee Compensation
18 Program" within the executive branch. The State Employee
19 Compensation Program will attract, retain and reward quality
20 employees with competitive total compensation based on relevant
21 labor markets. The Office of Management and Enterprise Services
22 will be responsible for implementing the compensation program. The
23 compensation program will establish pay structures with a goal of
24 working toward a ninety percent (90%) of the market compensation

1 philosophy. The compensation program will reinforce a productive
2 work climate and culture of accountability and make the State of
3 Oklahoma an employer of choice. Pay structures will be implemented
4 with fairness and equity throughout the executive branch. Pay
5 delivery mechanisms will be based on a combination of establishing
6 and maintaining relativity to market, achievement of performance
7 objectives, recognition of differences in job content, acquisition
8 and application of further skill and education. The Legislature
9 will be accountable for the funding of the pay structures
10 established pursuant to the compensation program.

11 B. Subject to the availability of funds, an annual
12 appropriation equal to three percent (3%) of the previous fiscal
13 year's total payroll cost for state employees within the executive
14 branch shall be made to the Human Capital Management Revolving Fund
15 for the purpose of state employee compensation adjustments. The
16 Office of Management and Enterprise Services shall make allocations
17 from the Human Capital Management Revolving Fund to executive branch
18 state agencies for employee salary market adjustments, targeted
19 performance adjustments and equity adjustments pursuant to the
20 recommendations of the 2013 State Employee Total Remuneration Study.

21 SECTION 11. AMENDATORY 74 O.S. 2011, Section 840-2.17,
22 as amended by Section 876, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
23 2013, Section 840-2.17), is amended to read as follows:

24

1 Section 840-2.17 A. Unless otherwise provided by the Oklahoma
2 Constitution, language in law which authorizes the setting or fixing
3 of compensation, pay or salary of state officers and employees shall
4 not be construed to authorize any agency, board, commission,
5 department, institution, bureau, executive officer or other entity
6 of the executive branch of state government to award, grant, give,
7 authorize, or promise any officer or employee of the State of
8 Oklahoma a raise that is inconsistent with the pay structures
9 established by the Office of Management and Enterprise Services for
10 all state officers and employees in the executive branch pursuant to
11 Section 840-4.6 of this title, including, but not limited to, a
12 cost-of-living raise or any other type of raise that would be given
13 to state employees on an across-the-board basis, except as herein
14 provided. Such raises are prohibited unless authorized by the
15 Legislature and by ~~Merit System of Personnel Administration~~ Career
16 Service Rules for Employment promulgated by the Director. This
17 prohibition applies to all ~~classified and unclassified~~ career and
18 executive service officers and employees in the executive branch of
19 state government, excluding institutions under the administrative
20 authority of the Oklahoma State Regents for Higher Education.

21 B. However, nothing in this section shall be construed to
22 prohibit the following actions if the action is made in good faith
23 and not for the purpose of circumventing subsection A of this
24 section, and if the appointing authority certifies that the action

1 can be implemented for the current fiscal year and the subsequent
2 fiscal year without the need for additional funding to increase the
3 personal services budget of the agency:

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

6 2. Salary adjustments resulting from a pay band change for a
7 job family level or class adopted by the Office of Management and
8 Enterprise Services;

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

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

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

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

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

20 8. Skill-based adjustments. Such adjustments, which are
21 implemented before November 1, 2006, other than lump-sum payments,
22 shall become permanent after twenty-four (24) months from the date
23 such salary adjustment is implemented and may not later be removed
24 from an employee's base salary if a furlough or reduction-in-force

1 is implemented by the appointing authority granting such salary
2 adjustment. Skill-based pay adjustments, which are implemented on
3 or after November 1, 2006, and which are paid to an employee, shall
4 be paid as long as the employee remains employed in the position and
5 performs the skills for which the differential is due, but shall not
6 be included as a part of the employee's base salary;

7 9. Equity-based adjustments;

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

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

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

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

23 D. The pay movement mechanisms described in paragraphs 6
24 through 11 in subsection B of this section shall be implemented

1 pursuant to rules promulgated by the Director of the Office of
2 Management and Enterprise Services for the ~~classified~~ career
3 service.

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

14 F. The provisions in subsection B of this section shall not
15 apply to chief executive officers of any agency, board, commission,
16 department or program except for paragraphs 3 and 5 of subsection B
17 of this section.

18 SECTION 12. AMENDATORY 74 O.S. 2011, Section 840-2.23,
19 is amended to read as follows:

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

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

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

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

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

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

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

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

24 B. As used in this section:

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

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

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

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

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

24

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

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

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

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

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

15 F. Except as otherwise provided for in this subsection, the
16 chief administrative officer of the employee shall determine the
17 amount of donated leave an employee may receive and may authorize an
18 employee to use up to a maximum of two hundred sixty-one (261) days
19 of donated leave during total state employment. If the employee is
20 suffering from an illness which has been certified in writing by a
21 licensed physician or health care practitioner as being terminal and
22 the employee who either has reached or shall reach in the near
23 future the maximum amount as set out in this subsection, the chief
24

1 administrative officer of the employee may approve additional
2 donated leave upon written request of the employee.

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

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

13 I. Donated annual or sick leave is transferable between
14 employees on an hour-to-hour basis irrespective of the hourly wage
15 of the donating or receiving employee.

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

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

20 L. Any donated leave not used by the recipient during each
21 occurrence as determined by the chief administrative officer of the
22 employee shall be returned to the donor. The donated leave
23 remaining will be divided among the donors on a prorated basis based
24

1 on the original donated value and returned at its original donor
2 value and reinstated to the original leave balance of each donor.

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

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

9 SECTION 13. AMENDATORY 74 O.S. 2011, Section 840-4.6, as
10 amended by Section 902, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
11 2013, Section 840-4.6), is amended to read as follows:

12 Section 840-4.6 A. The State of Oklahoma, to recruit, retain
13 and motivate a quality workforce for the purpose of providing
14 quality services to the citizens of Oklahoma, shall provide a pay
15 structure based on internal equity and external competitiveness
16 balanced by the state's fiscal conditions. The state's goal shall
17 be to provide a flexible and adaptable state employee pay system
18 based on the market data found in relevant public and private sector
19 markets.

20 B. The Director of the Office of Management and Enterprise
21 Services shall ~~develop a salary schedule for the classified service~~
22 ~~and pay lines as appropriate to meet the needs of agencies~~ study,
23 establish, assign and may make adjustments to pay structures for all
24 career and executive service positions within the executive branch,

1 excluding institutions under the administrative authority of the
2 Oklahoma State Regents for Higher Education. The Office may develop
3 market-based occupational pay structures. The pay structures
4 established pursuant to this section for all career and executive
5 service positions shall be initially established and published by
6 January 1, 2015, and shall thereafter be reviewed for revision
7 annually. The provisions of this section are not subject to the
8 provisions of Article I of the Administrative Procedures Act.

9 C. The Director shall design a compensation system for all
10 classified state employees. The compensation system, except for
11 performance based adjustments, developed pursuant to this subsection
12 shall be consistent with but not limited to the recommendations
13 contained in the Classification and Compensation Reform Report from
14 the Director, dated December 1998 and submitted to the Governor,
15 President Pro Tempore of the Senate and Speaker of the House of
16 Representatives.

17 ~~D. All executive branch state agencies who employ personnel in~~
18 ~~the unclassified service of the state, whose salaries are not~~
19 ~~prescribed by law, shall establish salary schedules for such~~
20 ~~employees.~~

21 SECTION 14. REPEALER 74 O.S. 2011, Section 840-4.7, as
22 amended by Section 903, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
23 2013, Section 840-4.7), is hereby repealed.

24 SECTION 15. This act shall become effective July 1, 2014.

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SECTION 16. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 11th day of March, 2014.

Presiding Officer of the House
of Representatives

Passed the Senate the ____ day of _____, 2014.

Presiding Officer of the Senate