

1 will be responsible for implementing the compensation program. The
2 compensation program will establish pay structures with a goal of
3 working toward a ninety percent (90%) of the market compensation
4 philosophy. The compensation program will reinforce a productive
5 work climate and culture of accountability and make the State of
6 Oklahoma an employer of choice. Pay structures will be implemented
7 with fairness and equity throughout the Executive Branch. Pay
8 delivery mechanisms will be based on a combination of establishing
9 and maintaining relativity to market, achievement of performance
10 objectives, recognition of differences in job content, acquisition
11 and application of further skill and education. The Legislature
12 will be accountable for the funding of the pay structures
13 established pursuant to the compensation program.

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

24

1 SECTION 2. AMENDATORY 74 O.S. 2011, Section 840-2.17, as
2 amended by Section 876, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
3 2013, Section 840-2.17), is amended to read as follows:

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

24

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

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

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

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

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

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

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

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

1 8. Skill-based adjustments. Such adjustments, which are
2 implemented before November 1, 2006, other than lump-sum payments,
3 shall become permanent after twenty-four (24) months from the date
4 such salary adjustment is implemented and may not later be removed
5 from an employee's base salary if a furlough or reduction-in-force
6 is implemented by the appointing authority granting such salary
7 adjustment. Skill-based pay adjustments, which are implemented on
8 or after November 1, 2006, and which are paid to an employee, shall
9 be paid as long as the employee remains employed in the position and
10 performs the skills for which the differential is due, but shall not
11 be included as a part of the employee's base salary;

12 9. Equity-based adjustments;

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

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

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

24

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

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

10 E. Appointing authorities may implement the pay movement
11 mechanisms in paragraphs 6 through 12 in subsection B of this
12 section subject to the availability of funds within the agency's
13 budget for the current fiscal year and subsequent fiscal year
14 without the need for additional funding to increase the personal
15 services budget of the agency. Failure by the appointing authority
16 to follow the provisions of this subsection may cause the withdrawal
17 of the use of the pay movement mechanisms provided in paragraphs 6,
18 7, 9, 10 and 11 of subsection B of this section within the agency
19 during the next appropriations cycle.

20 F. The provisions in subsection B of this section shall not
21 apply to chief executive officers of any agency, board, commission,
22 department or program except for paragraphs 3 and 5 of subsection B
23 of this section.

24

1 SECTION 3. AMENDATORY 74 O.S. 2011, Section 840-2.20, as
2 amended by Section 879, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
3 2013, Section 840-2.20), is amended to read as follows:

4 Section 840-2.20 A. The Director of the Office of Management
5 and Enterprise Services shall promulgate such emergency and
6 permanent rules regarding leave and holiday leave as are necessary
7 to assist the state and its agencies.

8 The Director of the Office of Management and Enterprise
9 Services, in adopting new rules, amending rules and repealing rules,
10 shall ensure that the following provisions are incorporated:

11 1. Eligible employees who enter on duty or who are reinstated
12 after a break in service shall receive leave benefits in accordance
13 with the schedule outlined below. Leave shall be accrued based upon
14 hours worked, paid leave, and holidays, but excluding overtime, not
15 to exceed the total possible work hours for the pay period. Years
16 of service shall be based on cumulative periods of employment
17 calculated in the manner that cumulative service is determined for
18 longevity purposes pursuant to Section 840-2.18 of this title.
19 Employees may accumulate more than the maximum annual leave
20 accumulation limits shown in the schedule below, provided that such
21 excess is used during the same calendar year in which it accrues or
22 within twelve (12) months of the date on which it accrues, at the
23 discretion of the appointing authority. If an employee whose job
24 duties include providing fire protection services, law enforcement

1 services or services with the Department of Corrections is unable to
 2 use excess leave as provided for in this paragraph because the
 3 employee's request for leave is denied by the employee's appointing
 4 authority and the denial of leave is due to extraordinary
 5 circumstances such that taking leave could pose a threat to public
 6 safety, health or welfare, the employee shall receive compensation
 7 at the employee's regular rate of pay for the amount of excess leave
 8 the employee is unable to use. Such compensation shall be paid at
 9 the end of the time period during which the excess leave was
 10 required to have been used;

11 2. From ~~November 1, 2001~~ January 1, 2015, the following accrual
 12 rates and accumulation limits apply to eligible employees as
 13 follows:

	ACCRUAL RATES			ACCUMULATION
				LIMITS
	Cumulative			
	Years of	Annual	Sick	Annual
	Service	Leave	Leave	Leave
19	Persons employed 0-5 yrs	= 15 day/yr	15 <u>10</u> days/yr	30 days
20	5-10 yrs	= 18 day/yr	15 <u>10</u> days/yr	60 days
21	10-20 yrs	= 20 day/yr	15 <u>10</u> days/yr	60 days
22	over 20 yrs	= 25 day/yr	15 <u>10</u> days/yr	60 days

23 3. Temporary employees and other limited term employees are
 24 ineligible to accrue, use, or be paid for sick leave and annual

1 leave. Such employees shall be eligible for paid holiday leave at
2 the discretion of the appointing authority;

3 4. ~~Employees shall not be entitled to retroactive accumulation~~
4 ~~of leave as a result~~ The provisions of this section shall not affect
5 employee accumulated leave accrued prior to the effective date of
6 ~~amendments to this section~~ act;

7 5. The Director of the Office of Management and Enterprise
8 Services and the Executive Director of the Oklahoma Merit Protection
9 Commission shall cooperate to assist agencies in developing policies
10 to prevent violence in state government workplaces without abridging
11 the rights of state employees. Such policy shall include a paid
12 administrative leave provision as a cooling-off period which the
13 Director of the Office of Management and Enterprise Services is
14 authorized to provide pursuant to the Administrative Procedures Act.
15 Such leave shall not be charged to annual or sick leave
16 accumulations;

17 6. State employees who terminated their employment in the state
18 service on or after October 1, 1992, may be eligible to have sick
19 leave accrued at the time of termination of employment restored if
20 they return to state employment, provided that the state employees'
21 enter-on-duty dates for reemployment occur on or before two (2)
22 years after their termination of employment and they are eligible to
23 accrue sick leave before the two (2) years expire;

24

1 7. Employees who are volunteer firefighters pursuant to the
2 Oklahoma Volunteer Firefighters Act and who are called to fight a
3 fire shall not have to use any accrued leave or need to make up any
4 time due to the performance of their volunteer firefighter duties;

5 8. Employees who are reserve municipal police officers pursuant
6 to Section 34-101 of Title 11 of the Oklahoma Statutes and who miss
7 work in performing their duties in cases of emergency shall not have
8 to use any accrued leave or need to make up any time due to the
9 performance of their reserve municipal police officer duties; and

10 9. Employees who are reserve deputy sheriffs pursuant to
11 Section 547 of Title 19 of the Oklahoma Statutes and who miss work
12 in performing their duties in case of emergency shall not have to
13 use any accrued leave or need to make up any time due to the
14 performance of their reserve deputy sheriff duties.

15 B. Nothing in the Oklahoma ~~Personnel~~ Career Service Act is
16 intended to prevent or discourage an appointing authority from
17 disciplining or terminating an employee due to abuse of leave
18 benefits or absenteeism. Appointing authorities are encouraged to
19 consider attendance of employees in making decisions regarding
20 promotions, pay increases, and discipline.

21 C. Upon the transfer of a function in state government to an
22 entity outside state government, employees may, with the agreement
23 of the outside entity, waive any payment for leave accumulations to
24

1 which the employee is entitled and authorize the transfer of the
2 leave accumulations or a portion thereof to the outside entity.

3 SECTION 4. AMENDATORY 74 O.S. 2011, Section 840-2.23, is
4 amended to read as follows:

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

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

13 2. Who is suffering from or has a relative or household member
14 suffering from an extraordinary or severe illness, injury,
15 impairment, or physical or mental condition which has caused or is
16 likely to cause the employee to take leave without pay or terminate
17 employment;

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

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

- 1 a. the employee suffered a physical injury as a result of
2 the disaster,
- 3 b. the spouse, relative, or household member of the
4 employee suffered a physical injury or died as a
5 result of the disaster, or
- 6 c. the domicile of the employee or the home of a relative
7 of the employee was damaged or destroyed as a result
8 of the disaster.

9 B. As used in this section:

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

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

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

21 4. "State employee" means a ~~permanent classified~~ career service
22 employee or a ~~regular unclassified~~ an executive service employee
23 ~~with one (1) year or more continuous service~~ with the state. The
24 term "state employee" does not include ~~classified~~ career service

1 employees ~~in probationary status~~ or ~~unclassified~~ executive service
2 employees on temporary or other limited term appointments, except
3 that those employees are eligible to receive shared leave as
4 provided in paragraph 4 of subsection A of this section and the
5 leave with pay authorized by Section 840-2.23A of this title related
6 to a presidentially declared national disaster; and

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

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

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

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

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

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

23 F. Except as otherwise provided for in this subsection, the
24 chief administrative officer of the employee shall determine the

1 amount of donated leave an employee may receive and may authorize an
2 employee to use up to a maximum of ~~two hundred sixty-one (261)~~ one
3 hundred eighty (180) days of donated leave during total state
4 employment. If the employee is suffering from an illness which has
5 been certified in writing by a licensed physician or health care
6 practitioner as being terminal and the employee who either has
7 reached or shall reach in the near future the maximum amount as set
8 out in this subsection, the chief administrative officer of the
9 employee may approve additional donated leave upon written request
10 of the employee.

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

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

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

24

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

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

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

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

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

17 SECTION 5. AMENDATORY 74 O.S. 2011, Section 840-4.6, as
18 amended by Section 902, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
19 2013, Section 840-4.6), is amended to read as follows:

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

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

1 be to provide a flexible and adaptable state employee pay system
2 based on the market data found in relevant public and private sector
3 markets.

4 B. The Director of the Office of Management and Enterprise
5 Services shall ~~develop a salary schedule for the classified service~~
6 ~~and pay lines as appropriate to meet the needs of agencies~~ study,
7 establish, assign and may make adjustments to pay structures for all
8 career and executive service positions within the executive branch,
9 excluding institutions under the administrative authority of the
10 Oklahoma State Regents for Higher Education. The Office may develop
11 market-based occupational pay structures. The pay structures
12 established pursuant to this section for all career and executive
13 service positions shall be initially established and published by
14 January 1, 2015, and shall thereafter be reviewed for revision
15 annually. The provisions of this section are not subject to the
16 provisions of 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 6. REPEALER 74 O.S. 2011, Section 840-4.7, as
6 amended by Section 903, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
7 2013, Section 840-4.7), is hereby repealed.

8 SECTION 7. This act shall become effective July 1, 2014.

9 SECTION 8. It being immediately necessary for the preservation
10 of the public peace, health and safety, an emergency is hereby
11 declared to exist, by reason whereof this act shall take effect and
12 be in full force from and after its passage and approval.

13
14 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
15 02/25/2014 - DO PASS, As Amended and Coauthored.