

# *Oklahoma State Senate*

## *Bill Summary and Fiscal Impact*

**Agency:** All agencies may be affected

**Bill Number:** HB 1717

**Senate Author:** Jolley

**House Author:** Osborn

**FY '14 Impact:** possibly \$22.4 million (study plus performance pay)

**Full Year Impact:** possibly \$22.4 million (study plus performance pay)

**Bill Summary and Comments:** The executive director of any non-appropriated state entity which licenses a profession, may receive a salary which is 80% to 100% of the mean annual wage for the occupation licensed by the entity within the State as determined by the US Department of Labor, Bureau of Labor Statistics or an appropriate salary as decided by the state governmental entity upon approval of the applicable cabinet secretary. The measure does not apply to a chief executive of an appropriated entity. The legislature will determine the maximum salary for a chief executive of an appropriated agency. The bill also expects the Governor to initiate a state employee compensation study for fiscal years 2013 and 2014. Finally, the measure creates a state employee performance incentive of \$1,000. (FICA) would be applicable to such payments; therefore a tax of 7.65% would be payable by employers. Officials from the OMES – Capital Management Division estimate approximately 48% of the 43,000 state employees would be eligible for the payment at a total estimated cost of \$22,218,960 = ((43,000 \* 0.48)\* (\$1,000\*1.0765)).

*Tuesday, April 02, 2013*