

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 3053

By: Steele

7 AS INTRODUCED

8 An Act relating to state government; creating the
9 State Government Administrative Process Consolidation
10 and Reorganization Reform Act of 2012; amending 62
11 O.S. 2011, Sections 34.3 and 34.3.1, which relate to
12 the Oklahoma State Finance Act; creating the Office
13 of Enterprise and Management Services; creating the
14 Division of Capital Assets Management, Human Capital
15 Management Division and Employee Benefits Department;
16 consolidating certain agencies into the Office of
17 Enterprise and Management Services; modifying
18 definition; requiring Director of the Office of
19 Enterprise and Management Services to implement
20 consolidation; modifying delivery of books, papers,
21 records and property; transferring powers, duties and
22 responsibilities; providing for transfer of funds;
23 amending 62 O.S. 2011, Section 695.7, which relates
24 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, 840-1.15, 840-1.19, 840-
1.20, 840-2.1, 840-2.3, 840-2.4, 840-2.7, 840-2.13,
840-2.14, 840-2.18, 840-2.19, 840-2.20, 840-2.20A,
840-2.21, 840-2.22 and 840-2.26, 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 1303
and 1320, which relate to the State and Education
Employees Group Insurance Act; modifying definitions;
creating the Oklahoma Health and Wellness Board;
providing for membership and terms; abolishing
certain entities; providing for powers and duties of

the Board; modifying references; amending 74 O.S. 2011, Sections 1363, 1368 and 1375, which relate to the Oklahoma State Employees Benefits Act; modifying definitions; providing for transfer of funds; modifying references; repealing 62 O.S. 2011, Section 695.7a, which relates to the Office of State Bond Advisor; repealing 74 O.S. 2011, Sections 840-1.5 and 840-1.21, which relate to the Oklahoma Personnel Act; repealing 74 O.S. 2011, Sections 1304, 1305, 1306.3 and 1306.4, which relate to the State and Education Employees Group Insurance Act; repealing 74 O.S. 2011, Sections 1364 and 1365, which relate to the Oklahoma State Employees Benefits Act; providing for codification; and providing for noncodification.

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

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

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

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

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

1 Division of Capital Assets Management, Human Capital Management
2 Division and Employee Benefits Department, all under the
3 administrative control of the Director of the ~~Office of State~~
4 ~~Finance~~ Office of Enterprise and Management Services and directly
5 responsible to the Director and an Information Services Division
6 under the administrative control of the Chief Information Officer
7 and directly responsible to the Officer.

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

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

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

18 Section 34.3.1 A. The Department of Central Services, Office
19 of Personnel Management, Oklahoma State Employees Benefits Council,
20 the Oklahoma Merit Protection Commission, the Office of the State
21 Bond Advisor and the State and Education Employees Group Insurance
22 Board are consolidated into the ~~Office of State Finance~~ Office of
23 Enterprise and Management Services. The Director of the ~~Office of~~
24 ~~State Finance~~ Office of Enterprise and Management Services shall

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

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

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

1 ~~governance structures and statutorily established positions of each~~
2 ~~of the consolidated agencies shall be maintained. Any funds~~
3 ~~appropriated to, in the possession of or allocated to any of the~~
4 ~~consolidated agencies shall be deemed to be funds of the Office of~~
5 ~~State Finance.~~

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

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

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

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1 F. Any funds appropriated to, in the possession of or allocated
2 to any of the consolidated agencies, or consolidated agency
3 revolving funds, shall be deemed to be the funds of the Office of
4 Enterprise and Management Services and shall be used for any purpose
5 for which the consolidated agencies have been authorized.

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

8 Section 695.7 A. 1. The Council of Bond Oversight shall
9 engage the services of a person knowledgeable in the current state
10 of the art of national and international standards for the issuance
11 of obligations by governmental entities and experienced in the
12 negotiation of fees for various goods and services requisite to or
13 deemed desirable in the issuance of such obligations as well as the
14 negotiation of other matters essential to provide the best current
15 price and terms of the issuance of such obligations for the benefit
16 of Oklahoma firms, farms, individuals and local communities, who
17 shall have the title "Oklahoma State Bond Advisor".

18 2. When appointing a person to the position of Oklahoma State
19 Bond Advisor, the Council shall conduct a national search in seeking
20 requests for proposals for the position. The person selected as the
21 Oklahoma State Bond Advisor shall be approved by an affirmative vote
22 of three of the members of the Council and appointed to the
23 position, subject to the advice and consent of the Senate and the

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1 confirmation of the Director of the Office of Enterprise and
2 Management Services.

3 3. The Oklahoma State Bond Advisor may be removed for cause by
4 an affirmative vote of three of the members of the Council, after a
5 public hearing.

6 4. The Oklahoma State Bond Advisor shall serve at the pleasure
7 of the Director of the Office of Enterprise and Management Services.

8 B. The Oklahoma State Bond Advisor ~~may employ the necessary~~
9 ~~staff to carry out the duties of the Bond Advisor and the duties of~~
10 ~~the Council, with approval of the Council. Effective July 1, 2003,~~
11 ~~the Office of the State Bond Advisor shall be a separate state~~
12 ~~agency as set forth in Section 695.7a of this title shall utilize~~
13 ~~the services of the Office of Enterprise and Management Services.~~

14 C. 1. Except as provided in Section 695.8 of this title, prior
15 to engaging the services of underwriters, bond or other legal
16 counsel, financial advisors, consultants, a financial institution to
17 serve as trustee, paying agent or in any fiduciary capacity in
18 connection with any program, indenture or general resolution of the
19 State Governmental Entity, or any other experts, except as provided
20 in Section 5062.8 of Title 74 of the Oklahoma Statutes, the State
21 Governmental Entity shall request proposals for such services from a
22 plurality of persons engaged in the particular activity for such
23 services and the selection of such persons shall be made on the
24 basis of the response to the request which is the most economical

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

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

1 Local Governmental Entity shall be used to retire any obligations
2 issued after the effective date of this act to fund capital
3 additions or expenditures by the Local Governmental Entity unless
4 such obligation has satisfied all of the provisions of this section.

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

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

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

23 Section 61.2 There is hereby created within the ~~Office of State~~
24 Finance Office of Enterprise and Management Services, a Department

1 of Central Services, under the administrative control of the
2 Director of the ~~Office of State Finance~~ Office of Enterprise and
3 Management Services. Whenever the terms "Board of Affairs", "State
4 Board of Public Affairs", "Board" when used in reference to the
5 Board Of Public Affairs or "Office of Public Affairs", appear in the
6 Oklahoma Statutes they shall mean the ~~Department of Central Services~~
7 ~~of the Office of State Finance~~ Office of Enterprise and Management
8 Services. Whenever the term "Director of Public Affairs" appears in
9 the Oklahoma Statutes it shall mean the Director of the ~~Office of~~
10 ~~State Finance~~ Office of Enterprise and Management Services.

11 Whenever the term "Director of Central Services" appears in the
12 Oklahoma Statutes it shall mean the Director of the ~~Office of State~~
13 ~~Finance~~ Office of Enterprise and Management Services or designee.

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

16 Section 840-1.6 A. The internal administrative organization of
17 the ~~Office of Personnel Management~~ Human Capital Management Division
18 of the Office of Enterprise and Management Services shall be
19 determined by the ~~Administrator~~ Director of the Office of Enterprise
20 and Management Services in such a manner as to promote the efficient
21 and effective enforcement of the Oklahoma Personnel Act.

22 B. The ~~Administrator~~ Director of the Office of Enterprise and
23 Management Services may employ attorneys, accountants and other

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1 personnel as he deems necessary to carry out the duties imposed upon
2 the Office.

3 ~~C. Employees of the Office shall be subject to the Merit System~~
4 ~~of Personnel Administration, unless otherwise exempted by Section~~
5 ~~840-5.5 of this title.~~

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

9 The Office of Personnel Management of the Office of State
10 Finance is hereby renamed the Human Capital Management Division of
11 the Office of Enterprise and Management Services. Where the term
12 "Office of Personnel Management" is used within the Oklahoma
13 Statutes it shall mean the Human Capital Management Division of the
14 Office of Enterprise and Management Services. The chief
15 administrative officer of the Division shall be the Director of the
16 Office of Enterprise and Management Services. In addition to the
17 other duties imposed by law, the Director shall:

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

22 2. Prepare, maintain, and revise a classified system of
23 employment designed to assure the impartial consideration of

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1 applicants for employment and to protect state employees from
2 arbitrary dismissal or unfair treatment;

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

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

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

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

22 7. Assist state agencies in implementing their duties and
23 obligations pursuant to the Oklahoma Personnel Act, Section 840-1.1

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1 et seq. of Title 74 of the Oklahoma Statutes, and provide standard
2 forms to the agencies if necessary;

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

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

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

10 11. Not less than once during each three-year period, conduct a
11 study identifying the following, by job family descriptor(s):

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

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

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

22 12. Issue orders directing agencies to:

23 a. conform and comply with the provisions of the Oklahoma
24 Personnel Act, the Merit Rules of Personnel

Administration, and all memoranda or other written communications issued to agencies explaining the Oklahoma Personnel Act, the Rules, and any other matter relating to the Merit System of Personnel Administration or under the jurisdiction of the Director of the Office of Enterprise and Management Services, and

- b. take action pursuant to Section 840-6.9 of Title 74 of the Oklahoma Statutes for failure to implement those orders.

SECTION 8. AMENDATORY 74 O.S. 2011, Section 840-1.7, is

amended to read as follows:

Section 840-1.7 A. There is hereby created the Oklahoma Merit

~~Protection Commission.~~ Whenever the terms "Ethics and Merit

Commission" or "Special Counsel of the Ethics and Merit Commission"

appear in the Oklahoma Statutes, they shall mean the ~~Oklahoma Merit~~

Protection Commission Human Capital Management Division of the

Office of Enterprise and Management or the Executive Director or

Oklahoma Merit Protection Commission Director of the Office of

Enterprise and Management Services as may be appropriate to the

context in which they appear. The Oklahoma Merit Protection

Commission Human Capital Management Division of the Office of

Enterprise and Management Services shall consist of nine (9) members

who shall be appointed for a term of three (3) years. The members

1 shall be removable only for cause, as provided by law for the
2 removal of officers not subject to impeachment. Two members of the
3 ~~Commission~~ Division shall be appointed by the President Pro Tempore
4 of the Senate. Two members of the ~~Commission~~ Division shall be
5 appointed by the Speaker of the House of Representatives. Five
6 members of the ~~Commission~~ Division shall be appointed by the
7 Governor. No more than four of the appointments made by the
8 Governor shall be from the same political party. Of the initial
9 appointments made to the ~~Commission~~ Division, one member appointed
10 by the President Pro Tempore, one member appointed by the Speaker
11 and one member appointed by the Governor shall be for a term of
12 three (3) years; and one member appointed by the President Pro
13 Tempore, one member appointed by the Speaker and one member
14 appointed by the Governor shall be for a term of two (2) years. The
15 remaining three initial appointments by the Governor shall be
16 designated to serve a term of one (1) year. At the expiration of
17 the initial term, each new appointee shall serve a three-year term.
18 All initial appointments shall be made prior to July 1, 1982.

19 B. Members of the ~~Commission~~ Division shall be entitled to
20 reimbursement for expenses incurred in the performance of their
21 duties as provided in the State Travel Reimbursement Act.

22 C. The ~~Commission~~ Division shall elect a chairman, to serve a
23 two-year term and such other officers as deemed necessary for the
24 performance of their duties. The ~~Commission~~ Division shall hold

1 regular meetings not less than once a month and such additional
2 meetings as called by the chairman as may be required for the proper
3 discharge of its duties.

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

6 Section 840-1.8 The appointing authority of the ~~Oklahoma Merit~~
7 ~~Protection Commission~~ Human Capital Management Division of the
8 Office of Enterprise and Management Services shall be the Executive
9 Director. The Executive Director shall be ~~appointed by the~~
10 ~~Commission to serve at its pleasure~~ Director of the Office of
11 Enterprise and Management Services. The Executive Director, with
12 the approval of the ~~Commission~~ Division, may employ and compensate
13 an attorney and shall select, compensate and employ such
14 administrative hearing officers and other personnel as deemed
15 necessary for the proper administration of the duties and functions
16 of the ~~Commission~~ Division. ~~Effective September 1, 1994, employees~~
17 ~~of the Commission~~ shall become classified employees, except those
18 employees with less than six (6) months of service from their enter-
19 on-duty date will remain in probationary status until obtaining
20 permanent status in accordance with applicable rules of the
21 ~~Administrator of the Office of Personnel Management or as provided~~
22 ~~in Section 8 of this act.~~

23 SECTION 10. AMENDATORY 74 O.S. 2011, Section 840-1.15,
24 is amended to read as follows:

1 Section 840-1.15 A. The ~~Administrator~~ Director shall establish
2 standards and procedures for delegating to appointing authorities
3 the authority to administer human resources functions normally
4 conducted by the ~~Office of Personnel Management~~ Human Capital
5 Management Division of the Office of Enterprise and Management
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~~ Human Capital Management Division of the
17 Office of Enterprise and Management Services to monitor the
18 projects. The ~~Administrator~~ Director shall have the authority to
19 approve model project applications which shall constitute authority
20 for the agency to implement approved model 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
24 action; staffing, recruitment, and promotion; classification and

1 compensation; training and staff development expenditures; the
2 reporting of internal agency grievances and discrimination
3 complaints filed, discharges, suspensions without pay and demotions,
4 and number of investigations directed by the ~~Oklahoma Merit~~
5 ~~Protection Commission~~ Human Capital Management Division of the
6 Office of Enterprise and Management Services and the outcome of all
7 such actions; and strategies for assuring employee participation in
8 the development of agency personnel activities. The self-evaluation
9 should include comparisons with the previous year or years'
10 personnel actions.

11 SECTION 11. 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, Human Capital Management~~
18 Division of the Office of Enterprise and Management Services to all
19 classified employees at the request of the ~~Administrator or the~~
20 ~~Executive~~ Director.

21 SECTION 12. AMENDATORY 74 O.S. 2011, Section 840-1.20,
22 is amended to read as follows:

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

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

1 the Director of ~~State Finance~~ the Office of Enterprise and
2 Management 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 Human Capital Management Division of the Office of
6 Enterprise and Management Services. The Director of ~~State Finance~~
7 the Office of Enterprise and Management Services shall prescribe the
8 rules and procedures for the 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.

23 F. The Human Capital Management Division is hereby directed to
24 pay from the Fund the costs of transcribing the record of any

1 proceeding before the Merit Protection Commission, which record may
2 be designated by an indigent respondent, if such respondent first
3 establishes indigent condition through execution of an in forma
4 pauperis affidavit upon a form approved by the Commission; provided,
5 that if the indigent respondent has a financial recovery the Fund
6 shall be reimbursed from said proceeds.

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

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

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

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

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

19 E. It is not a discriminatory practice for the appointing
20 authority of an entity subject to the provisions of this title to
21 adopt and implement an affirmative action plan to eliminate or
22 reduce imbalances with respect to women and minorities if the plan
23 has been approved by the Office of Personnel Management Office of
24 Enterprise and Management Services in accordance with rules and

1 guidelines adopted by the ~~Office of Personnel Management~~ Office of
2 Enterprise and Management Services. For affirmative action
3 purposes, any person who lists American Indian as his race or
4 national origin shall, within thirty (30) days of his appointment,
5 verify his tribal affiliation by providing a certificate of Degree
6 of Indian Blood from the U.S. Department of Interior, Bureau of
7 Indian Affairs, or by providing the name and address of tribal
8 officials who can verify his tribal affiliation.

9 F. 1. The ~~Administrator~~ Director of the ~~Office of Personnel~~
10 Management Office of Enterprise and Management Services shall
11 establish qualification requirements for personnel serving as agency
12 civil rights or affirmative action administrators, officers,
13 coordinators and other personnel responsible for civil rights
14 compliance or affirmative action for executive branch agencies.
15 Such qualification requirements shall include, but not be limited
16 to, knowledge of federal and state civil rights, affirmative action,
17 and equal employment laws and regulations. Such personnel shall be
18 subject to the training requirements specified by the ~~Office of~~
19 Personnel Management Office of Enterprise and Management Services.
20 The ~~Administrator~~ Director shall be authorized to bill agencies for
21 the training of personnel professionals pursuant to this paragraph
22 to recover reasonable costs associated with the training. Monies
23 received for such training shall be deposited in the ~~Office of~~
24 Personnel Human Capital Management Revolving Fund. Expenditure of

1 such funds collected for the training shall be exempt from any
2 expenditure limit for the ~~Office of Personnel Management~~ Office of
3 Enterprise and Management Services established by law. Effective
4 December 1, 1995, complaints of alleged illegal discrimination shall
5 be investigated only by personnel trained pursuant to the
6 requirements of the Administrator Director, unless otherwise
7 provided by federal or state law. This paragraph shall not apply to
8 such personnel of the ~~Oklahoma Merit Protection Commission~~ Office of
9 Enterprise and Management Services or the Oklahoma Human Rights
10 Commission.

11 2. If, after notice, administrative hearing and determination,
12 pursuant to Article II of the Administrative Procedures Act, Section
13 308a et seq. of Title 75 of the Oklahoma Statutes, the Administrator
14 Director finds that an appointing authority of any executive branch
15 agency has failed to make significant progress toward affirmative
16 action goals, or has failed to appoint a civil rights administrator
17 without justifiable reasons, the Administrator Director may begin
18 requiring remedies as allowed by subsection G of this section and
19 rules promulgated thereto and appropriate to making progress toward
20 affirmative action goals. Such action shall remain in effect until
21 the Administrator Director determines that significant progress
22 toward affirmative action goals is being made. The provisions of
23 law pertaining to the duties and powers of any agency shall not be
24 construed to deny the Administrator Director the authority provided

1 for in this paragraph, unless the agency is specifically excluded by
2 law from the provisions of this paragraph.

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

- 16 a. requiring noncomplying appointing authorities to
17 participate in programs for special recruiting
18 efforts,
- 19 b. development of training programs to enhance
20 promotability of minorities within agencies and
21 supervisory training in equal opportunity employment,
22 affirmative action, managing workplace diversity, and
- 23 c. mandatory review and approval of all hiring and
24 promotion decisions by an appointing authority by the

Administrator if the Administrator can document a pattern of noncompliance in previous remedial actions pursuant to this subsection or appointment of a full-time affirmative action officer to any agency in noncompliance with affirmative action remedies.

2. Effective July 1, 1995, if the Administrator Director

7 determines that a pattern of noncompliance with affirmative action
8 goals exists at an agency and that none of the remedies provided by
9 paragraph 1 of this subsection are appropriate and the ~~Administrator~~
10 Director determines the ~~Office of Personnel Management~~ Office of
11 Enterprise and Management Services has sufficient resources, the
12 ~~Administrator~~ Director shall be empowered to remove personnel
13 function(s) relating to recruitment, hiring or promotion from the
14 appointing authority and to place that function with the
15 ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office
16 of Enterprise and Management Services as provided by this paragraph.

17 Removal of personnel function(s) shall occur only when a pattern of
18 noncompliance with the affirmative action plan can be documented and
19 a vote by two-thirds (2/3) of the Affirmative Action Council
20 recommends to the ~~Administrator~~ Director to remove personnel
21 function(s). Removal of personnel function(s) shall terminate one
22 (1) calendar year after the ~~Administrator~~ Director removes such
23 function(s) unless the ~~Administrator~~ Director is able to demonstrate
24 that the restoration of personnel function(s) to the appointing

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

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

13 2. The Affirmative Action Review Council shall consist of six
14 (6) members. The individuals making the appointment shall consider
15 experience in the field, theory, and application of human resources
16 management and affirmative action in making their appointments.
17 Members of the Council shall serve at the pleasure of the respective
18 individuals making the appointments. Two members of the Council
19 shall be appointed by the Governor, two members shall be appointed
20 by the Speaker of the House of Representatives, and two members
21 shall be appointed by the President Pro Tempore of the Senate.
22 Nothing shall preclude the appointment of members of the
23 Legislature. Each individual making appointments shall give
24 consideration to the diversity of the Council's membership when

1 making the appointments and shall not appoint more than one
2 individual who is an employee of the executive branch, excluding The
3 Oklahoma State System of Higher Education. The Governor shall
4 appoint the initial chair from among the Council's membership to
5 serve a two-year term. Thereafter, the chair shall be selected by
6 the Council from among its membership. The Council shall select a
7 vice-chair from among its membership. All members shall serve two-
8 year terms, unless removed prior to the expiration of a term by the
9 respective individual making the appointment. Any vacancy on the
10 Council shall be filled by the individual who made the original
11 appointment.

12 Except as provided in subparagraph b of paragraph 4 of this
13 subsection, a majority of the members of the Council shall
14 constitute a quorum to transact business, but no vacancy shall
15 impair the right of the remaining members to exercise all of the
16 powers of the Council and every act of a majority of the members
17 present shall be deemed the act of the Council.

18 3. Members of the Council shall receive no compensation for
19 serving on the Council, but shall be reimbursed for their necessary
20 travel expenses incurred in the performance of their duties in
21 accordance with the State Travel Reimbursement Act. Any member who
22 is employed in state government shall receive the reimbursement from
23 their employing entity. Any member who is not an employee of state

24

1 government shall receive the reimbursement from the ~~Office of~~
2 ~~Personnel Management~~ Office of Enterprise and Management Services.

3 4. a. The Council shall make any recommendations to the
4 Administrator Director, the Governor, the Speaker of
5 the House of Representatives or the President Pro
6 Tempore of the Senate the Council deems will assist in
7 the attaining of affirmative action goals for state
8 government.

9 b. The Council shall review agency affirmative action
10 plans for compliance with the standards adopted by the
11 Administrator Director. The Council shall recommend
12 that the ~~Administrator~~ Director reject any agency
13 plans which it finds in noncompliance.

14 c. The Council shall request the ~~Administrator~~ Director
15 to investigate any agency that the Council believes
16 has violated equal employment opportunity or
17 affirmative action provisions of this section and to
18 conduct hearings to determine if such violations have
19 occurred. If the ~~Administrator~~ Director finds that an
20 agency is not in compliance with such law and the
21 Council believes that the noncompliance indicates a
22 pattern of noncompliance, the Council, upon a two-
23 thirds vote of its members, may recommend to the
24 Administrator Director to act in accordance with this

section to compel the agency to comply with equal employment opportunity and affirmative action laws.

If the Administrator Director decides not to act on the Council's recommendation, the Administrator Director shall respond in writing within thirty (30) days of the Council's recommendation setting forth the reasons why the Administrator has decided not to act in accordance with said recommendation.

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

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

19 5. The Council shall not have authority to adopt rules pursuant
20 to the Administrative Procedures Act.

21 I. Affirmative action plans for the judicial branch of
22 government, except the Court of Criminal Appeals and the Workers'
23 Compensation Court, shall be prepared by the Administrative Director
24 of the Courts. The Court of Criminal Appeals shall prepare

1 affirmative action plans for the Court of Criminal Appeals. The
2 Administrator of the Workers' Compensation Court shall prepare
3 affirmative action plans for the Workers' Compensation Court.

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

15 SECTION 14. AMENDATORY 74 O.S. 2011, Section 840-2.3, is
16 amended to read as follows:

17 Section 840-2.3 The appointing authority in each agency of each
18 branch of state government is responsible for affirmative action
19 efforts and progress; provided, he or she may employ or assign a
20 person to assist the agency in affirmative action and equal
21 opportunity subject to the following provisions:

22 1. Any state agency with two hundred or more full-time-
23 equivalent employees shall designate an individual as an affirmative
24

1 action officer. This provision shall not require the hiring of
2 additional employees.

3 2. The affirmative action officer shall report directly to the
4 appointing authority. Nothing in this section shall prevent the
5 appointment or designation of assistants to affirmative action
6 officers in agencies as the appointing authority deems appropriate
7 for the implementation of agency affirmative action plans and
8 objectives; and

9 3. The affirmative action officer shall be knowledgeable of
10 federal and state civil rights and equal opportunity legislation and
11 regulations, of current social and economic conditions and inter-
12 relationships of majority and minority groups, of grievance
13 investigation and interviewing techniques and of report writing.
14 Any person designated as an affirmative action officer shall meet
15 the minimum qualifications and pass all examination requirements as
16 established by the ~~Office of Personnel Management~~ Office of
17 Enterprise and Management Services.

18 SECTION 15. AMENDATORY 74 O.S. 2011, Section 840-2.4, is
19 amended to read as follows:

20 Section 840-2.4 The ~~Administrator~~ Director of the ~~Office of~~
21 ~~Personnel Management~~ Office of Enterprise and Management Services
22 shall promulgate rules and standards for defining progress toward a
23 balanced and representative work force for state government.

24

1 SECTION 16. AMENDATORY 74 O.S. 2011, Section 840-2.7, is
2 amended to read as follows:

3 Section 840-2.7 ~~Beginning July 1, 1993, all~~ All state agencies,
4 boards, commissions, departments and offices, excluding entities
5 within The Oklahoma State System of Higher Education, shall utilize
6 the central payroll system administered by the ~~state Office of~~
7 ~~Personnel Management~~ Office of Enterprise and Management Services.
8 This provision shall not prohibit state institutions of higher
9 education from utilizing the central payroll system at their
10 discretion.

11 SECTION 17. AMENDATORY 74 O.S. 2011, Section 840-2.13,
12 is amended to read as follows:

13 Section 840-2.13 A. The ~~Administrator~~ Director of the ~~Office~~
14 ~~of Personnel Management~~ Office of Enterprise and Management Services
15 shall establish a Personnel Management Information System to provide
16 various management reports to facilitate decision making within
17 agencies, and to promote the efficient utilization of personnel
18 resources by providing a method for tracking, monitoring and
19 reporting positions and employee transactions. The System shall
20 include information on both the classified and unclassified services
21 within the executive branch of government, but shall not require
22 institutions within The Oklahoma State System of Higher Education to
23 participate.

24

1 B. The Administrator Director of the ~~Office of Personnel~~
2 ~~Management~~ Office of Enterprise and Management Services shall
3 promulgate rules regarding the Personnel Management Information
4 System as necessary to implement the provisions of this section.
5 Such rules shall establish a schedule to ensure the orderly
6 implementation of such Personnel Management Information System.

7 C. The Personnel Management Information System shall be
8 implemented for all state agencies under the Merit System by July 1,
9 1993, and for all other executive branch state agencies by July 1,
10 1994.

11 D. State agencies shall assist the ~~Office of Personnel~~
12 ~~Management~~ Office of Enterprise and Management Services as necessary
13 to ensure the orderly completion of implementation as provided for
14 in this section.

15 E. Appointing authorities in the legislative or judicial
16 branches of state government may participate in the Personnel
17 Management Information System at their option.

18 SECTION 18. AMENDATORY 74 O.S. 2011, Section 840-2.14,
19 is amended to read as follows:

20 Section 840-2.14 A. The intent of the Legislature is to
21 increase individual agency skill and accountability in managing the
22 costs associated with personnel and in applying controls that will
23 enhance the ability of the State of Oklahoma to manage the overall
24

1 costs of human resources as efficiently as possible, while
2 continuing to maintain fairness to employees.

3 B. All agencies, boards, and commissions shall report all
4 reallocation decisions for both classified and unclassified
5 positions and all adjustments to pay grades or salary assignments
6 for classes in the unclassified service to the ~~Office of Personnel~~
7 ~~Management~~ Office of Enterprise and Management Services on a
8 semiannual basis. The ~~Office of Personnel Management~~ Office of
9 Enterprise and Management Services shall submit the semiannual
10 reports to the Governor, the President Pro Tempore of the Senate,
11 and the Speaker of the House of Representatives, along with an
12 analysis of statewide reallocation decisions.

13 C. All agencies, boards, and commissions shall report to the
14 ~~Office of Personnel Management~~ Office of Enterprise and Management
15 Services on a semiannual basis all transactions in both the
16 classified and unclassified service involving the establishment of
17 new positions that have not been authorized specifically by
18 legislative action. Agencies shall report the transactions for the
19 six-month period ending June 30 or December 31. The ~~Office of~~
20 ~~Personnel Management~~ Office of Enterprise and Management Services
21 shall forward the semiannual reports to the Governor, President Pro
22 Tempore of the Senate, and Speaker of the House of Representatives,
23 accompanied by an analysis of agency decisions concerning such
24 positions.

1 D. As a further control on human resource costs, the Governor
2 may declare a financial emergency or implement a freeze in hiring,
3 by declaring this section to be in effect. CompSource Oklahoma
4 shall not be subject to the provisions of this subsection. During
5 such periods, no audits of classified positions or reallocation of
6 unclassified positions shall be initiated or conducted at the
7 request of an agency except at the direction of the Governor. The
8 provisions of the Oklahoma Personnel Act relating to agency-
9 requested audits may be suspended during such periods to the extent
10 that they are in conflict with this section. Provided, an audit at
11 the request of an employee who files a classification grievance
12 shall be conducted during such periods in accordance with the
13 provisions of Section 840-4.3 of this title.

14 E. The ~~Office of Personnel Management~~ Office of Enterprise and
15 Management Services shall establish due dates and specify the format
16 for reports required by this section. Agencies that do not respond
17 by the due dates shall be identified in a special section of the
18 semiannual analysis reports forwarded to the Governor, President Pro
19 Tempore of the Senate and Speaker of the House of Representatives.

20 F. The provisions of this section shall not be construed to
21 suspend the responsibility of any agency to ensure that the duties
22 and responsibilities assigned to an employee are consistent with the
23 current classification of the employee.

24

1 SECTION 19. AMENDATORY 74 O.S. 2011, Section 840-2.18,

2 is amended to read as follows:

3 Section 840-2.18 A. A longevity pay plan is hereby adopted.

4 This plan applies to all state classified, unclassified, and exempt
5 employees, excluding members of boards and commissions, institutions
6 under the administrative authority of the State Regents for Higher
7 Education, employees of public school districts, and elected
8 officials. The plan shall also apply to those employees of the
9 Oklahoma School for the Blind and the Oklahoma School for the Deaf
10 who qualify for longevity pay in accordance with subsection D G of
11 Section 1419 of Title 10 of the Oklahoma Statutes.

12 B. The Oklahoma Conservation Commission is hereby authorized to
13 establish a longevity pay program for employees of the conservation
14 districts employed under Section 3-3-103 of Title 27A of the
15 Oklahoma Statutes. Such longevity pay program shall be consistent
16 with the longevity pay program for state employees authorized under
17 this title and payments shall be made in a manner consistent with
18 procedures for reimbursement to conservation districts.

19 C. To be eligible for longevity pay, employees must have been
20 continuously employed in the classified or unclassified service of
21 the state for a minimum of two (2) years in full-time status or in
22 part-time status working more than one thousand (1,000) hours a
23 year.

1 For purposes of this section, a break in service of thirty (30)
2 calendar days or less shall not be considered an interruption of
3 continuous service; a break in service of more than thirty (30)
4 calendar days shall mark an end to continuous service. The
5 legislative session employees who have worked for two (2) years or
6 more in part-time status and are eligible for state retirement
7 benefits, but do not receive other longevity payments, shall be
8 eligible and shall be considered to have been continuously employed
9 for purposes of calculating longevity payments, notwithstanding the
10 provisions of subsection E of this section.

11 D. 1. Longevity pay for the first twenty (20) years of service
12 shall be determined pursuant to the following schedule:

13	Years of Service	Annual Longevity Payment
14	At least 2	
15	years but less than 4 years	\$250.00
16	At least 4	
17	years but less than 6 years	\$426.00
18	At least 6	
19	years but less than 8 years	\$626.00
20	At least 8	
21	years but less than 10 years	\$850.00
22	At least 10	
23	years but less than 12 years	\$1,062.00
24	At least 12	

1	years but less than 14 years	\$1,250.00
2	At least 14	
3	years but less than 16 years	\$1,500.00
4	At least 16	
5	years but less than 18 years	\$1,688.00
6	At least 18	
7	years but less than 20 years	\$1,900.00
8	At least 20 years	\$2,000.00

9 2. For each additional two (2) years of service after the first
10 twenty (20) years an additional Two Hundred Dollars (\$200.00) shall
11 be added to the amount stated above for twenty (20) years of
12 service.

13 The total amount of the annual longevity payment made to an
14 employee by any and all state agencies in any year shall not exceed
15 the amount shown on the table corresponding to that employee's years
16 of service with the state, except as otherwise provided by Sections
17 840-2.27D and 840-2.28 of this title. Further, no employee shall
18 receive duplicating longevity payments for the same periods of
19 service with any and all agencies, except as otherwise provided by
20 Sections 840-2.27D and 840-2.28 of this title.

21 E. To determine years of service, cumulative periods of full-
22 time employment or part-time employment working more than one
23 hundred fifty (150) hours per month with the state excluding service
24 as specified in subsection A of this section are applicable. Part-

1 time employment, working one hundred fifty (150) hours per month or
2 less for the state, excluding service as specified in subsection A
3 of this section, shall be counted only if:

4 1. The period of employment was continuous for at least five
5 (5) months; and

6 2. The person worked more than two-fifths (2/5) time.

7 Other employment shall not be counted as service for purposes of
8 longevity payments. Further, no period of employment with the
9 state, whether with one or more than one agency, shall be counted as
10 more than full-time service.

11 F. Years of service under the administrative authority of the
12 State Regents for Higher Education or the administrative authority
13 of the Oklahoma Department of Career and Technology Education of any
14 employee who is now employed in a job classification which is
15 eligible for longevity pay shall be included in years of service for
16 purposes of determining longevity pay.

17 G. Years of service shall be certified through the current
18 employing agency by the appointing authority on a form approved by
19 the ~~Office of Personnel Management~~ Office of Enterprise and
20 Management Services. Said The form shall be completed and posted as
21 directed by the ~~Administrator~~ Director of the ~~Office of Personnel~~
22 ~~Management~~ Office of Enterprise and Management Services by the
23 current employing agency when the employee initially enters on duty

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1 with the agency and thereafter whenever the employee's anniversary
2 date is changed.

3 H. Eligible employees, in full-time status or in part-time
4 status working more than one hundred fifty (150) hours per month,
5 shall receive one (1) lump-sum annual payment, in the amount
6 provided on the preceding schedule, during the month following the
7 anniversary date of the employee's most recent enter-on-duty day
8 with the state. Upon implementation of the statewide information
9 systems project, the lump-sum annual payment may be paid concurrent
10 with the final payroll of the month of the employee's anniversary
11 date. Eligible part-time employees who work one hundred fifty (150)
12 hours per month or less shall receive one (1) lump-sum annual
13 payment, based on the formula in subsection L of this section,
14 during the month following the anniversary date of the employee's
15 most recent enter-on-duty day with the state. To receive longevity
16 pay an employee must be in pay status on or after his or her
17 anniversary date.

18 Eligible employees who would not otherwise receive annual
19 longevity payments because their employment includes regular periods
20 of leave without pay in excess of thirty (30) calendar days shall
21 receive one (1) lump-sum annual payment, based on the formula in
22 subsection L of this section, during:

23 1. The month of August if the employee is in pay status on July
24 1; or

1 2. During the month following the employee's first return to
2 duty that fiscal year if the employee is not in pay status on July
3 1.

4 Except as otherwise provided by Sections 840-2.27D and 840-2.28
5 of this title, employees terminated as a result of a reduction-in-
6 force or retiring from state employment shall receive upon said
7 termination or retirement the proportionate share of any longevity
8 payment which may have accrued as of the date of termination or
9 retirement. Provided further that, the proportionate share of any
10 longevity payment which may have accrued as of the date of death of
11 an employee shall be made to the surviving spouse of the employee or
12 if there is no surviving spouse to the estate of the employee.

13 I. Periods of leave without pay taken in accordance with
14 Section 840-2.21 of this title shall be counted as service. Other
15 periods of nonpaid leave status in excess of thirty (30) calendar
16 days shall not mark a break in service; however, they shall:

17 1. Not be used in calculating total months of service for
18 longevity pay purposes; and

19 2. Extend the anniversary date for longevity pay by the total
20 period of time on nonpaid leave status except as provided in
21 subsection H of this section for employees whose conditions of
22 employment include regular periods of leave without pay.

23 J. Employees currently receiving longevity pay who work for the
24 judicial branch of state government or who work for the Oklahoma

1 Department of Career and Technology Education shall not be eligible
2 for the longevity pay plan provided for in this section.

3 K. A break in service with the state in excess of thirty (30)
4 days but which does not exceed two (2) years which was caused by a
5 reduction-in-force shall be treated as if it were a period of
6 nonpaid leave status as provided for in subsection I of this section
7 for the purpose of calculating total months of service for longevity
8 pay. This subsection shall only apply to state employees laid off
9 after June 30, 1982.

10 L. Eligible part-time employees working less than one hundred
11 fifty (150) hours per month and other eligible employees with
12 regular annual periods of leave without pay of more than thirty (30)
13 calendar days will receive a prorated share of the "Annual Longevity
14 Payment" authorized in subsection D of this section. The prorated
15 amount of payment will be based on actual hours worked in the
16 immediately preceding twelve (12) months.

17 M. An employee shall not be entitled to retroactive longevity
18 payments as a result of amendments to this section unless
19 specifically authorized by law.

20 N. The Administrator Director of the ~~Office of Personnel~~
21 Management Office of Enterprise and Management Services is
22 authorized to promulgate such Longevity Pay Plan Rules as he or she
23 finds necessary to carry out the provisions of this section.

1 O. As of July 1, 1998, years of service with a city-county
2 health department for employees who left a city-county health
3 department for employment with the Department of Environmental
4 Quality or the State Department of Agriculture, between July 1, 1993
5 and July 1, 1998, and who are now employed in a job classification
6 that is eligible for longevity pay pursuant to this section, shall
7 be included in years of service for purposes of determining
8 longevity pay subsequent to July 1, 1998.

9 P. As of July 1, 2003, years of service with a local
10 conservation district shall be included in years of service for
11 purposes of determining longevity pay for local conservation
12 district employees transferred to the Oklahoma Conservation
13 Commission pursuant to the provisions of ~~Enrolled Senate Bill No.~~
14 ~~149 of the 1st Session of the 49th Legislature this section.~~

15 SECTION 20. AMENDATORY 74 O.S. 2011, Section 840-2.19,
16 is amended to read as follows:

17 Section 840-2.19 A. The Director of ~~State Finance the Office~~
18 of Enterprise and Management Services shall not approve any payroll
19 claim for payment for any agency unless said claim contains or is
20 accompanied by the certification by the administrative head of said
21 agency or an authorized employee of said agency that the persons
22 named in said claim have been appointed and employed in accordance
23 with the provisions of the Oklahoma Personnel Act and the rules and
24 orders promulgated pursuant to the provisions of the Oklahoma

1 Personnel Act. For purposes of this section, "payroll claim" shall
2 also include longevity payments made pursuant to Section 840-2.18 of
3 this title.

4 B. If, as a result of a payroll audit, the ~~Office of Personnel~~
5 Management Office of Enterprise and Management Services finds that
6 an agency has made payments of salaries or wages contrary to the
7 provisions of the Oklahoma Personnel Act and the rules promulgated
8 pursuant to the provisions of the Oklahoma Personnel Act:

9 1. Audit findings shall be promptly transmitted to the
10 appointing authority of the agency certifying the payroll claim or
11 claims involved; and

12 2. An audit conference with said agency shall be scheduled
13 within fifteen (15) days, at which time the audit exceptions will be
14 resolved or become a determination of error unless the parties to
15 the conference agree to a further review; and

16 3. If underpayments or overpayments made by said agency are
17 deemed to be the result of administrative error, the agency which
18 certified the payroll claim or claims in error shall refund to the
19 employee the balance of the actual amounts due and owing to the
20 payee or shall seek repayment from the payee of any amount paid in
21 excess of the actual amount due and owing the payee; and

22 4. If an agency neglects or refuses to seek repayment after a
23 determination that an error in payroll amount or amounts has been
24 made, or to properly adjust a then current salary or wage, the

1 ~~Office of Personnel Management shall notify the Director of State~~
2 ~~Finance of the Office of Enterprise and Management Services shall~~
3 note an unresolved audit exception stating the agency involved and
4 the person to whom said exception refers; and

5 5. Upon receipt of notification that a procedure to initiate
6 repayment has been instituted by the certifying agency or that a
7 protest has been filed with the ~~Oklahoma Merit Protection Commission~~
8 Human Capital Management Division of the Office of Enterprise and
9 Management Services, said notice shall be withdrawn or waived by the
10 ~~Office of Personnel Management, in writing, to the Director of State~~
11 ~~Finance the Office of Enterprise and Management Services.~~

12 Implementation of procedures provided in this section shall not
13 operate to deny or delay payment of proper salaries or wages to any
14 employee of this state; and

15 6. The provisions of this section regarding collections of any
16 overpayment of salaries or wages by any agency to any state employee
17 or officer shall not include any such overpayment made prior to July
18 1, 1983;

19 7. Recovery of overpayments from an employee shall include all
20 overpayments occurring within one (1) year prior to the
21 determination of error. Disbursement of underpayments to an
22 employee shall include all underpayments made within a period of two
23 (2) years prior to the determination of error; and

24

1 8. If an agency discovers overpayment or underpayment errors
2 through an internal audit, the agency shall recover overpayments
3 from the employee or disburse underpayment amounts in accordance
4 with this section. Prior to initiation of recovery of overpayments
5 from an employee, the agency shall provide the employee with
6 adequate notice and an opportunity to respond.

7 C. The Director of ~~State Finance~~ the Office of Enterprise and
8 Management Services shall not approve any payroll claim for payment
9 for any agency for which ~~the Office of Personnel Management has~~
10 ~~filed with the Director of State Finance~~ a notification of an
11 unresolved audit exception pursuant to this section has been filed,
12 unless the person named in the audit exception has been removed from
13 the payroll by the certifying agency, the overpayment has been
14 converted by the agency, or the exception has been withdrawn or
15 waived in writing by the ~~Office of Personnel Management~~ Office of
16 Enterprise and Management Services.

17 D. Any sum on a payroll claim found to have been paid in excess
18 of the actual amount due and owing may be recovered from the payee
19 through the following procedures:

20 1. Upon the determination that an error in payroll amount has
21 been made, the agency which certified the claim or claims shall
22 notify the payee in writing within ten (10) days from said
23 determination. The notice to the payee shall contain:

24 a. the amounts paid in error; and,

- b. the dates of said payments; and,
- c. the options available for repayment; and
- d. the right of the payee to protest the findings.

Said notice shall also provide space for the payee to indicate selection of a repayment option or to protest the findings. Said action shall be required within thirty (30) days after the specification-;

8 2. If the payee is, at the time of said notification, an
9 officer or employee of the agency seeking repayment, options
10 available for repayment shall be by:

- a. lump-sum cash repayment; or,
- b. reduction of the corrected current salary or
miscellaneous payroll deduction in a lump sum or in
installments over a term not to exceed the term in
which the erroneous payments were made; or,
- c. reduction in accrued annual leave by an amount of time
at the then current correct salary level equal in
value to the total of the amount or amounts to be
repaid; or
- d. any combination thereof;

21 3. If the payee is, at the time of said notification, an
22 officer or employee of an agency of the state other than the agency
23 seeking repayment, the options provided by paragraph 2 of this
24 subsection may be exercised by the payee with the approval of the

1 then current employing agency. Payment of amounts deducted or
2 charged against annual leave shall be paid to the agency seeking
3 repayment by an appropriate miscellaneous claim for interagency
4 payment. If a payroll deduction is elected pursuant to the
5 provisions of this paragraph and employment is subsequently
6 terminated, any balance remaining shall be deducted from any final
7 payment otherwise due to the employee-;

8 4. If a payee who is, at the time of said notification, a
9 permanent classified officer or employee of any agency of this state
10 protests the determination of the error or the amount of said
11 determination, the agency seeking repayment shall present, within
12 five (5) days of the return of said protest, the facts in writing,
13 the notice, and the protest of the payee, to the ~~Oklahoma Merit~~
14 ~~Protection Commission~~ Human Capital Management Division of the
15 Office of Enterprise and Management Services. The ~~Oklahoma Merit~~
16 ~~Protection Commission~~ Human Capital Management Division of the
17 Office of Enterprise and Management Services shall treat any such
18 protest as a complaint pursuant to Section 840-1.9 of this title.
19 The ~~Commission~~ Division and ~~Executive~~ Director, after investigation
20 and hearing, shall make a determination which shall be binding on
21 the agency. The salary or wages of any payee exercising the right
22 to the protest shall not be suspended or reduced until a
23 determination has been issued by the ~~Oklahoma Merit Protection~~
24

1 Commission and Executive Director, Human Capital Management Division
2 of the Office of Enterprise and Management Services;

3 5. If the payee is no longer an employee of the state but
4 agrees to repay the amount or amounts paid in error, repayment may
5 be accepted:

- a. by lump-sum cash repayment, or
- b. in installments over a period not to exceed twelve (12) months.;

9 6. If the payee is no longer an employee of the state, and does
10 not respond or cannot be located within ten (10) days after mailing
11 of the determination of error, or refuses repayment, the agency
12 seeking repayment shall present the facts in writing to the Attorney
13 General and shall send a copy to the ~~Office of Personnel Management~~
14 Office of Enterprise and Management Services. The Attorney General
15 shall determine the appropriate action to be taken.

16 | and

17 7. Repayments other than by reduction in present salary or
18 reduction in accrued annual leave for a payee currently employed by
19 the agency seeking repayment shall be deposited in the General
20 Revenue Fund unless the fund to which the amount in error was
21 originally charged can be identified and was other than a General
22 Revenue Fund appropriation. Said deposits shall be treated as
23 nonrevenue receipts.

1 SECTION 21. AMENDATORY

74 O.S. 2011, Section 840-2.20,

2 is amended to read as follows:

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

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

12 1. Eligible employees who enter on duty or who are reinstated
13 after a break in service shall receive leave benefits in accordance
14 with the schedule outlined below. Leave shall be accrued based upon
15 hours worked, paid leave, and holidays, but excluding overtime, not
16 to exceed the total possible work hours for the pay period. Years
17 of service shall be based on cumulative periods of employment
18 calculated in the manner that cumulative service is determined for
19 longevity purposes pursuant to Section 840-2.18 of this title.

20 Employees may accumulate more than the maximum annual leave
21 accumulation limits shown in the schedule below, provided that such
22 excess is used during the same calendar year in which it accrues or
23 within twelve (12) months of the date on which it accrues, at the
24 discretion of the appointing authority. If an employee whose job

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

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

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

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

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

23 7. Employees who are volunteer firefighters pursuant to the
24 Oklahoma Volunteer Firefighters Act and who are called to fight a

1 fire shall not have to use any accrued leave or need to make up any
2 time due to the performance of their volunteer firefighter duties.;

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

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

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

19 C. Upon the transfer of a function in state government to an
20 entity outside state government, employees may, with the agreement
21 of the outside entity, waive any payment for leave accumulations to
22 which the employee is entitled and authorize the transfer of the
23 leave accumulations or a portion thereof to the outside entity.

24

1 SECTION 22.

AMENDATORY

74 O.S. 2011, Section 840-2.20A,

2 is amended to read as follows:

3 Section 840-2.20A A. When an agency of the State of Oklahoma
4 or part of such an agency is closed because of an imminent peril
5 threatening the public health, safety, or welfare of state employees
6 or the public, the appointing authority shall place employees who
7 are scheduled to work in the closed area on paid administrative
8 leave or shall assign them to work in another location. Employees
9 who are on paid administrative leave shall be in standby or on-call
10 status during their normal scheduled duty hours. The appointing
11 authority may call such employees to return to their normal duties
12 and work location or respond to the demands of the situation as
13 necessary.

14 B. When the Governor or a designee of the Governor authorizes
15 agencies or parts of agencies to maintain basic minimum services
16 because hazardous weather conditions impede or delay the movement of
17 employees to and from work, employees responsible for providing such
18 basic minimum services shall report to work. Appointing authorities
19 of agencies shall be responsible for determining essential agency
20 functions and ensuring that employees who staff such functions are
21 so informed. Leave alternatives for those employees not responsible
22 for basic minimum services shall be established by the ~~Administrator~~
23 Director of the Office of Personnel Management Office of Enterprise
24 and Management Services.

1 C. Appointing authorities of affected agencies shall notify the
2 ~~Office of Personnel Management~~ Office of Enterprise and Management
3 Services of agency closings and reductions in services pursuant to
4 this section.

5 D. The provisions of this section are applicable to agencies
6 and employees in the executive department of state government,
7 including those on temporary and other limited term appointments.
8 The provisions of this section shall not be applicable to employees
9 of institutions within The Oklahoma State System of Higher
10 Education.

11 E. The ~~Administrator~~ Director of the ~~Office of Personnel~~
12 Management Office of Enterprise and Management Services shall adopt
13 rules necessary to implement the provisions of this section.

14 SECTION 23. AMENDATORY 74 O.S. 2011, Section 840-2.21,
15 is amended to read as follows:

16 Section 840-2.21 A. If a state employee, whether in the
17 classified or unclassified service, is absent because of an illness
18 or injury arising out of and sustained in the course of his or her
19 employment with the state, and for which workers' compensation
20 benefits have been filed, the employing agency shall place the
21 employee on leave without pay if the employee so requests; provided,
22 leave without pay pursuant to this section shall not for any purpose
23 be considered a break in service.

24

1 B. An employee who sustains an illness or injury arising out of
2 and sustained in the course of employment with the State of Oklahoma
3 shall not be required to use either accumulated sick or annual leave
4 during such period prior to being placed on leave without pay
5 pursuant to this section.

6 C. An employee placed on leave without pay pursuant to the
7 provisions of this section shall continue receiving basic plan
8 insurance coverage as defined in Section 1363 of this title and
9 dependent insurance benefit allowance pursuant to paragraph 2 of
10 subsection C of Section 1370 of this title paid by the agency during
11 the leave without pay.

12 D. An employee on leave without pay pursuant to the provisions
13 of this section shall have the right to be returned to his or her
14 original position in accordance with rules promulgated by the ~~Office~~
15 ~~of Personnel Management~~ Office of Enterprise and Management
16 Services. If it is found necessary for the good of the state to
17 fill the position during the period the employee is on leave without
18 pay the employee filling the position shall vacate the position upon
19 the return of the employee on leave without pay, subject to layoff,
20 transfer or demotion rights earned under the Oklahoma Personnel Act
21 and rules of the ~~Office of Personnel Management~~ Office of Enterprise
22 and Management Services. The right to return to the original
23 position shall expire one (1) year from the date of the start of
24 leave without pay. ~~Notwithstanding the provisions of Section 1 et~~

1 ~~seq. of Title 85 of the Oklahoma Statutes, the~~ The employee may be
2 separated in accordance with the Oklahoma Personnel Act and ~~Merit~~
3 Office of Enterprise and Management Services Rules if the employee
4 has not returned to the original position of the employee or some
5 other position within the agency within one (1) year from the date
6 of the start of leave without pay.

7 E. An employee on leave without pay pursuant to the provisions
8 of this section shall provide a medical statement as to his or her
9 ability to perform the duties of the position to the appointing
10 authority at least every three (3) months.

11 F. If the employee becomes medically able with reasonable
12 accommodation to perform the duties of his or her original position,
13 the employee shall be returned to such position. If the employee is
14 unable to perform the duties of the original position with
15 reasonable accommodation, but is medically able with reasonable
16 accommodation to perform the duties of any other position within the
17 agency for which the employee is qualified, and appointment to such
18 other position does not constitute a promotion, the employee shall
19 have first preference for any such position which becomes vacant
20 within the agency, notwithstanding any other preference provisions
21 of the Oklahoma Personnel Act or of other laws of the State of
22 Oklahoma. An employee accepting another position pursuant to this
23 subsection shall not forfeit his or her right to be returned to the
24 original position within twelve (12) months after the start of leave

1 without pay pursuant to the provisions of subsection D of this
2 section.

3 G. An ill or injured employee shall be eligible to participate
4 in the Disability Insurance Program established pursuant to the
5 provisions of Section 1331 et seq. of this title in accordance with
6 rules promulgated by the State and Education Employees Group
7 Insurance Board.

8 H. All benefits, rights, and obligations contained in this
9 section shall continue during the time the employee remains on leave
10 without pay status, for a continuous period not to exceed twelve
11 (12) months. However, if a workers' compensation claim based on
12 such illness or injury is denied during the twelve-month period, all
13 benefits, rights and obligations conferred upon an employee pursuant
14 to this section shall cease and be discontinued immediately.

15 I. A classified employee who is separated pursuant to
16 subsection D of this section shall be eligible for reinstatement to
17 employment with any state agency for twelve (12) months after the
18 date of separation whether in the classified or unclassified service
19 in accordance with rules adopted by the Administrator Director of
20 the ~~Office of Personnel Management~~ Office of Enterprise and
21 Management Services provided the employee is qualified for the
22 position to which reinstated. An unclassified employee who is
23 separated pursuant to subsection D of this section shall be eligible
24 for reinstatement to unclassified employment with any state agency

1 for twelve (12) months after the date of separation in accordance
2 with rules promulgated by the ~~Administrator~~ Director of the ~~Office~~
3 ~~of Personnel Management~~ Office of Enterprise and Management Services
4 provided the employee is qualified for the position to which
5 reinstated. Nothing in this subsection shall be construed to compel
6 or require any agency of the state to reinstate a former employee
7 who is separated pursuant to subsection D of this section. Further,
8 nothing in this subsection shall be construed as limiting or
9 reducing a former employee's eligibility for reinstatement pursuant
10 to other general reinstatement or reemployment provisions in rules
11 promulgated by the ~~Administrator~~ Director.

12 SECTION 24. AMENDATORY 74 O.S. 2011, Section 840-2.22,
13 is amended to read as follows:

14 Section 840-2.22 The ~~Administrator~~ Director of the ~~Office~~ ~~of~~
15 ~~Personnel Management~~ Office of Enterprise and Management Services
16 shall promulgate emergency and permanent leave rules as necessary to
17 implement the federal Family and Medical Leave Act of 1993 and rules
18 thereto. Such leave rules shall permit an employee to select any
19 one or a combination of the following types of leave to account for
20 authorized absences covered by the Family and Medical Leave Act of
21 1993: leave without pay; annual and sick leave accumulated by the
22 employee; and annual and sick leave donated by other state
23 employees; and compensatory time.

24

1 SECTION 25. AMENDATORY 74 O.S. 2011, Section 840-2.26,

2 is amended to read as follows:

3 Section 840-2.26 A. In order to provide increased services to
4 the public, to assist state employees in meeting the needs of their
5 families, improve employee morale and productivity, appointing
6 authorities are encouraged to consider the adoption of flextime
7 attendance policies and alternative work schedules.

8 B. For purposes of this section, "flextime" means a regular,
9 eight-hour-day work schedule that permits the use of alternative
10 starting and ending times within limits set by the appointing
11 authority and that includes a common work period during which all
12 employees are expected to be present.

13 C. The ~~Administrator Director~~ of the ~~Office of Personnel~~
14 ~~Management Office of Enterprise and Management Services~~ shall
15 provide technical assistance to agencies in developing flextime
16 policies and alternative work schedules and shall promulgate rules
17 pursuant to the Administrative Procedures Act as necessary for such
18 policies.

19 SECTION 26. AMENDATORY 74 O.S. 2011, Section 1303, is
20 amended to read as follows:

21 Section 1303. For the purposes of and as used in the State and
22 Education Employees Group Insurance Act:

1 1. "Board" means the ~~State and Education Employees Group~~
2 ~~Insurance Board~~ Oklahoma Health and Wellness Board as created by the
3 State and Education Employees Group Insurance Act;

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

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

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

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

1 6. "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. "State Employee" means and includes each officer or employee
5 in the service of the State of Oklahoma who, after January 1, 1966,
6 received compensation for service rendered to the State of Oklahoma
7 on a warrant issued pursuant to a payroll certified by a department
8 or by an elected or duly appointed officer of the state or who
9 receives payment for the performance of personal services on a
10 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 in the Merit
21 Office of Enterprise and Management Services Rules for Employment
22 published by the ~~Office of Personnel Management~~ Human Capital
23 Management Division of the Office of Enterprise and Management
24 Services, from the date the employee goes on such leave provided the

1 employee pays the full premiums due or persons who are drawing
2 disability benefits under Section 1331 et seq. of this title or meet
3 each and every requirement of the State Employees Disability Program
4 shall be eligible to continue coverage provided the person pays the
5 full premiums due;

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

10 9. "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. "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. "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
23 Education Employees Group Insurance Act, the term shall mean "Dental
24 Benefits Plan";

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

5 13. "Dependent" means an employee's spouse or any unmarried
6 child ~~(1)~~:

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

10 (1) an adopted child, and ~~(b)~~
11 (2) a stepchild or child who lives with the employee
12 in a regular parent-child relationship, or ~~(2)~~

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

16 14. "Comprehensive benefits" means benefits which reimburse the
17 expense of hospital room and board, other hospital services, certain
18 outpatient expenses, maternity benefits, surgical expense, including
19 obstetrical care, in-hospital medical care expense, diagnostic
20 radiological and laboratory benefits, physicians' services provided
21 by house and office calls, treatments administered in physicians'
22 office, prescription drugs, psychiatric services, Christian Science
23 practitioners' services, Christian Science nurses' services,
24 optometric medical services for injury or illness of the eye, home

1 health care, home nursing service, hospice care, and such other
2 benefits as may be determined by the Board. Such benefits shall be
3 provided on a copayment or coinsurance basis, the insured to pay a
4 proportion of the cost of such benefits, and may be subject to a
5 deductible that applies to all or part of the benefits as determined
6 by the Board; and

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

21 SECTION 27. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 1304.1 of Title 74, unless there
23 is created a duplication in numbering, reads as follows:

24

1 A. There is hereby created the Oklahoma Health and Wellness
2 Board.

3 B. The chair and vice-chair shall be elected by the Board
4 members at the first meeting of the Board and shall preside over
5 meetings of the Board and perform other duties as may be required by
6 the Board. Upon the resignation or expiration of the term of the
7 chair or vice-chair, the members shall elect a chair or vice-chair.
8 The Board shall elect one of its members to serve as secretary.

9 C. The Board shall consist of seven (7) members to be appointed
10 as follows:

11 1. Five members shall be appointed by the Governor;
12 2. One member shall be appointed by the Speaker of the Oklahoma
13 House of Representatives; and
14 3. One member shall be appointed by the President Pro Tempore
15 of the State Senate.

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

18 E. The members shall be reimbursed for their expenses,
19 according to the State Travel Reimbursement Act, as are incurred in
20 the performance of their duties. No Board member shall be
21 individually or personally liable for any action of the Board.

22 F. The Board shall meet as often as necessary to conduct
23 business but shall meet no less than four times a year, with an
24 organizational meeting to be held prior to December 1, 2012. The

1 organizational meeting shall be called by the Insurance
2 Commissioner.

3 G. 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 Health and Wellness Board, or any
9 benefit program under its jurisdiction, for any goods or services
10 whatsoever. Any physician member of the Board shall not be subject
11 to the provisions of this subsection.

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

14 I. 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 J. The State and Education Employees Group Insurance Board and
18 the Oklahoma State Employees Benefits Council are hereby abolished.
19 Wherever the State and Education Employees Group Insurance Board and
20 the Oklahoma State Employees Benefits Council are referenced in law,
21 that reference shall be construed to mean the Oklahoma Health and
22 Wellness Board.

23 K. The Oklahoma Health and Wellness Board shall have the
24 following duties, responsibilities and authority with respect to the

1 administration of the flexible benefits plan authorized pursuant to
2 the State Employees Flexible Benefits Act:

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

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

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

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

20 5. To prepare and distribute information communicating and
21 explaining the plan to participating employers and participants.

22 Health Maintenance Organizations or other third-party insurance
23 vendors may be directly or indirectly involved in the distribution
24 of communicated information to participating state agency employers

1 and state employee participants subject to the following condition:
2 the Board shall verify all marketing and communications information
3 for factual accuracy prior to distribution;

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

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

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

12 9. To negotiate for best and final offer through competitive
13 negotiation and contract with federally qualified health maintenance
14 organizations under the provisions of 42 U.S.C., Section 300e et
15 seq., or with Health Maintenance Organizations granted a certificate
16 of authority by the Insurance Commissioner pursuant to Sections 6901
17 through 6951 of Title 36 of the Oklahoma Statutes for consideration
18 by participants as an alternative to the health plans offered by the
19 Board, and to transfer to the health maintenance organizations such
20 funds as may be approved for a participant electing health
21 maintenance organization alternative services. The Board may also
22 select and contract with a vendor to offer a point-of-service plan.
23 An HMO may offer coverage through a point-of-service plan, subject
24 to the guidelines established by the Board. However, if the Board

1 chooses to offer a point-of-service plan, then a vendor that offers
2 both an HMO plan and a point-of-service plan may choose to offer
3 only its point-of-service plan in lieu of offering its HMO plan.
4 The Board may, however, renegotiate rates with successful bidders
5 after contracts have been awarded if there is an extraordinary
6 circumstance. An extraordinary circumstance shall be limited to
7 insolvency of a participating health maintenance organization or
8 point-of-service plan, dissolution of a participating health
9 maintenance organization or point-of-service plan or withdrawal of
10 another participating health maintenance organization or point-of-
11 service plan at any time during the calendar year. Nothing in this
12 section of law shall be construed to permit either party to
13 unilaterally alter the terms of the contract;

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

18 11. To promulgate administrative rules for the competitive
19 negotiation process;

20 12. To require vendors offering coverage to provide such
21 enrollment and claims data as is determined by the Board. The Board
22 shall be authorized to retain as confidential any proprietary
23 information submitted in response to the Board's Request For
24 Proposal. Provided, however, that any such information requested by

1 the Board from the vendors shall only be subject to the
2 confidentiality provision of this paragraph if it is clearly
3 designated in the Request For Proposal as being protected under this
4 provision. All requested information lacking such a designation in
5 the Request For Proposal shall be subject to Section 24A.1 et seq.
6 of Title 51 of the Oklahoma Statutes. From health maintenance
7 organizations, data provided shall include the current Health Plan
8 Employer Data and Information Set (HEDIS);

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

- 17 a. they shall have a statewide provider network,
- 18 b. they shall provide benefits which shall reimburse the
19 expense for the following types of dental procedures:
 - 20 (1) diagnostic,
 - 21 (2) preventative,
 - 22 (3) restorative,
 - 23 (4) endodontic,
 - 24 (5) periodontic,

(6) prosthodontics,

(7) oral surgery,

(8) dental implants,

(9) dental prosthetics, and

(10) orthodontics, and

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

14. To communicate deferred compensation programs as provided

2 in Section 1701 of this title;

15. To assess and collect reasonable fees from contracted

14 health maintenance organizations and third-party insurance vendors
15 to offset the costs of administration;

16. To accept, modify or reject elections under the plan in

17 accordance with the Oklahoma State Employees Benefits Act and 26
18 U.S.C.A., Section 1 et seq.;

17. To promulgate election and claim forms to be used by

20 participants;

18. To adopt rules requiring payment for medical and dental

22 services and treatment rendered by duly licensed hospitals,

23 physicians and dentists. Unless the Board has otherwise contracted
24 with the out-of-state health care provider, the Board shall

1 reimburse for medical services and treatment rendered and charged by
2 an out-of-state health care provider at least at the same percentage
3 level as the network percentage level of the fee schedule
4 established by the Oklahoma Health and Wellness Board if the insured
5 employee was referred to the out-of-state health care provider by a
6 physician or it was an emergency situation and the out-of-state
7 provider was the closest in proximity to the place of residence of
8 the employee which offers the type of health care services needed.
9 For purposes of this paragraph, health care providers shall include,
10 but not be limited to, physicians, dentists, hospitals and special
11 care facilities; and

12 19. To enter into a contract with out-of-state providers in
13 connection with any PPO or hospital or medical network plan which
14 shall include, but not be limited to, special care facilities and
15 hospitals outside the borders of the State of Oklahoma. The
16 contract for out-of-state providers shall be identical to the in-
17 state provider contracts. The Board may negotiate for discounts
18 from billed charges when the out-of-state provider is not a network
19 provider and the member sought services in an emergency situation,
20 when the services were not otherwise available in the State of
21 Oklahoma or when the Administrator appointed by the Board approved
22 the service as an exceptional circumstance.

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1 L. Except for a breach of fiduciary obligation, a Board member
2 shall not be individually or personally responsible for any action
3 of the Board.

4 M. The Board shall operate in an advisory capacity to the
5 Office of Enterprise and Management Services.

6 N. The members of the Board shall not accept gifts or
7 gratuities from an individual organization with a value in excess of
8 Ten Dollars (\$10.00) per year. The provisions of this section shall
9 not be construed to prevent the members of the Board from attending
10 educational seminars, conferences, meetings or similar functions
11 which are paid for, directly or indirectly, by more than one
12 organization.

13 SECTION 28. AMENDATORY 74 O.S. 2011, Section 1320, is
14 amended to read as follows:

15 Section 1320. A. The ~~State and Education Employees Group~~
16 ~~Insurance Board~~ Oklahoma Health and Wellness Board is authorized to
17 hire and appoint an ~~Administrator~~ Administrator who shall be in the
18 unclassified service and shall serve at the pleasure of the Director
19 of the Office of Enterprise and Management Services.

20 The Board may hire a director of internal audit and one attorney
21 licensed to practice law in this state. The attorney hired by the
22 Board shall have not less than five (5) years of experience in
23 matters related to the insurance industry. The Board shall directly
24 supervise the duties of the director of internal audit, and shall

1 not delegate said supervision to the Administrator or any other
2 employee of the Board. In addition to duties assigned by the Board,
3 the director of internal audit is authorized to audit all records of
4 health providers and pharmacists who enter into any contract with
5 the Board in order to ensure compliance with said contract
6 provisions.

7 B. The ~~administrator~~ Administrator shall employ such persons as
8 are necessary to administer the provisions of the State and
9 Education Employees Group Insurance Act, the State Employees
10 Flexible Benefits Act and the State Employees Disability Program
11 Act. The ~~administrator~~ Administrator may employ a maximum of two
12 ~~(2)~~ attorneys. The ~~administrator~~ Administrator or one of the deputy
13 administrators shall have not less than seven (7) years of group
14 health insurance administration experience on a senior managerial
15 level.

16 C. The Board shall not contract for private legal counsel
17 except for extraordinary situations other than normal day to day
18 situations, and when approved by the Attorney General. The Board
19 may contract with a nonemployee consulting actuary, a nonemployee
20 medical consultant and a nonemployee dental consultant subject to
21 competitive bid at least every three (3) years. The Board may
22 contract with health care providers for a level of reimbursement for
23 the payment of claims incurred by the plan participants. The Board
24 may at its request use the services of the office of the Attorney

1 General and the actuarial services of any actuary employed by the
2 Insurance Commissioner and may also seek the advice and counsel of
3 the Commissioner of the State of Oklahoma or any employee of the
4 Office of the Commissioner.

5 SECTION 29. AMENDATORY 74 O.S. 2011, Section 1363, is
6 amended to read as follows:

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

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

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

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

17 4. "Benefit plan" means the specific terms and conditions
18 regarding a benefit which may be purchased under the plan, including
19 the terms and conditions of any separate plan document, group
20 insurance policy or administrative services contract entered into by
21 the Council Board;

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

24

1 6. "Board" means the ~~State and Education Employees Group~~
2 ~~Insurance Board, as created by the State and Education Employees~~
3 ~~Group Insurance Act~~ Oklahoma Health and Wellness Board;

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

6 8. "Compensation" means the remuneration directly paid to a
7 participating employee by a participating employer exclusive of
8 overtime pay, and longevity pay, calculated prior to and without
9 regard to adjustments arising out of an employee's participation in
10 the plan authorized pursuant to this act, or amounts deferred under
11 the tax sheltered income deferment plans as authorized by Section
12 1701 et seq. of this title;

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

15 10. "Default benefit" means any benefit a participant who fails
16 to make a proper election under the plan shall be deemed to have
17 purchased;

18 11. 10. "Dependent" means a participant's spouse or any of his
19 or her dependents as defined in Code Section 152 and regulations
20 promulgated thereunder;

21 12. 11. "Flexible benefit allowance" means the annual amounts
22 credited by the participating employer for each participant for the
23 purchase of benefits under the plan;

24

1 13. 12. "Flexible benefit dollars" means the sum of the
2 flexible benefit allowance and pay conversion dollars allocated by a
3 participant pursuant to provisions of the plan;

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

15 15. 14. "Participating employer" means any state agency, board,
16 commission, department, institution, authority, officer, bureau,
17 council, office or other entity created by the Oklahoma Constitution
18 or statute that is a participating employer 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, but shall not include any county, county hospital, city or
22 town, conservation district, any private or public trust in which a
23 county, city or town participates and is the primary beneficiary,
24 any school district or technology center school district, or

1 political subdivision of the state, but shall include the State
2 Department of Education, the Oklahoma Department of Wildlife
3 Conservation, the Oklahoma Employment Security Commission, the
4 Teachers' Retirement System of Oklahoma and the Oklahoma Department
5 of Career and Technology Education. Provided the term
6 "participating employer" shall also mean the State Regents for
7 Higher Education or any institution under the authority of the State
8 Regents for Higher Education upon agreement between the State
9 Regents for Higher Education or the appropriate governing board of
10 an institution under the authority of the State Regents for Higher
11 Education and the Council Board;

12 16. 15. "Pay conversion dollars" means amounts by which a
13 participant elects to reduce his compensation to purchase benefits
14 under the plan;

15 17. 16. "Plan" means the flexible benefits plan authorized
16 pursuant to the State Employees Flexible Benefits Act as modified by
17 the provisions of this act;

18 18. 17. "Plan year" means for the plan year beginning July 1,
19 2001, the six-month period commencing on July 1 and ending on the
20 following December 31. The next plan year shall begin January 1,
21 2002. It shall mean the twelve-month period commencing on January 1
22 and ending on the following December 31;

23 19. 18. "Salary Adjustment Agreement" means a written agreement
24 between a participant and participating employer whereby the

1 employer agrees to adjust the salary of the participant by a stated
2 amount or an amount equal to the cost of benefits selected under the
3 plan and the participating employer agrees to contribute such amount
4 to cover certain costs of the benefits selected by the participant
5 to the Council Board; and

6 20. 19. "Termination" means the termination of a participant's
7 employment as an employee of a participating employer, whether by
8 reasons of discharge, voluntary termination, retirement, death or
9 reduction-in-force.

10 SECTION 30. AMENDATORY 74 O.S. 2011, Section 1368, is
11 amended to read as follows:

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

1 Assets of the Benefits Council Administration Revolving Fund are
2 hereby transferred to the Human Capital Management Revolving Fund.

3 SECTION 31. AMENDATORY 74 O.S. 2011, Section 1375, is
4 amended to read as follows:

5 Section 1375. The ~~State and Education Employees Group Insurance~~
6 Board Office of Enterprise and Management Services shall make the
7 pre-tax health savings account authorized by the provisions of the
8 Health Savings Account Act established in Section 6060.14 of Title
9 36 of the Oklahoma Statutes available by offering a high deductible
10 health plan to all persons who are eligible employees for purposes
11 of any health care insurance offered through or under the
12 supervision of the ~~Board Office~~. The high deductible health plan
13 shall be offered no later than January 1, 2009. Any employee who
14 elects to participate in a high deductible health plan offered
15 through the ~~State and Education Employees Group Insurance Board~~
16 Office of Enterprise and Management Services may establish a health
17 savings account (HSA) as defined in Section 223 of the Internal
18 Revenue Code. The Office of Enterprise and Management Services
19 shall partially fund state employee Health Savings Accounts with
20 revenue from the Health and Dental Insurance Reserve Fund.

21 SECTION 32. REPEALER 62 O.S. 2011, Section 695.7a, is
22 hereby repealed.

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1 SECTION 33. REPEALER 74 O.S. 2011, Sections 840-1.5,

2 840-1.21, 1304, 1305, 1306.3, 1306.4, 1364 and 1365, are hereby
3 repealed.

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