

STATE OF OKLAHOMA

2nd Session of the 53rd Legislature (2012)

HOUSE BILL 3053

By: Steele

AS INTRODUCED

An Act relating to state government; creating the State Government Administrative Process Consolidation and Reorganization Reform Act of 2012; amending 62 O.S. 2011, Sections 34.3 and 34.3.1, which relate to the Oklahoma State Finance Act; creating the Office of Enterprise and Management Services; creating the Division of Capital Assets Management, Human Capital Management Division and Employee Benefits Department; consolidating certain agencies into the Office of Enterprise and Management Services; modifying definition; requiring Director of the Office of Enterprise and Management Services to implement consolidation; modifying delivery of books, papers, records and property; transferring powers, duties and responsibilities; providing for transfer of funds; amending 62 O.S. 2011, Section 695.7, which relates to the Oklahoma State Bond Advisor; modifying powers and duties; amending 74 O.S. 2011, Section 61.2, which relates to the Department of Central Services; modifying references; amending 74 O.S. 2011, Sections 840-1.6, 840-1.7, 840-1.8, 840-1.15, 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

1 the Board; modifying references; amending 74 O.S.  
2 2011, Sections 1363, 1368 and 1375, which relate to  
3 the Oklahoma State Employees Benefits Act; modifying  
4 definitions; providing for transfer of funds;  
5 modifying references; repealing 62 O.S. 2011, Section  
6 695.7a, which relates to the Office of State Bond  
7 Advisor; repealing 74 O.S. 2011, Sections 840-1.5 and  
8 840-1.21, which relate to the Oklahoma Personnel Act;  
9 repealing 74 O.S. 2011, Sections 1304, 1305, 1306.3  
10 and 1306.4, which relate to the State and Education  
11 Employees Group Insurance Act; repealing 74 O.S.  
12 2011, Sections 1364 and 1365, which relate to the  
13 Oklahoma State Employees Benefits Act; providing for  
14 codification; and providing for noncodification.

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

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

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

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

Section 34.3 A. There is hereby created in the Executive  
~~Department, the Office of State Finance which shall consist of a~~  
~~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 Director 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.

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  
24

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

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

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

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

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

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

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

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

12. Issue orders directing agencies to:

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

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

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

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

13 Section 840-1.7 A. ~~There is hereby created the Oklahoma Merit~~  
14 ~~Protection Commission.~~ Whenever the terms "Ethics and Merit  
15 Commission" or "Special Counsel of the Ethics and Merit Commission"  
16 appear in the Oklahoma Statutes, they shall mean the ~~Oklahoma Merit~~  
17 ~~Protection Commission~~ Human Capital Management Division of the  
18 Office of Enterprise and Management or the ~~Executive Director of the~~  
19 ~~Oklahoma Merit Protection Commission~~ Director of the Office of  
20 Enterprise and Management Services as may be appropriate to the  
21 context in which they appear. The ~~Oklahoma Merit Protection~~  
22 ~~Commission~~ Human Capital Management Division of the Office of  
23 Enterprise and Management Services shall consist of nine (9) members  
24 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

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

6 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

1 section to compel the agency to comply with equal  
2 employment opportunity and affirmative action laws.  
3 If the ~~Administrator~~ Director decides not to act on  
4 the Council's recommendation, the ~~Administrator~~  
5 Director shall respond in writing within thirty (30)  
6 days of the Council's recommendation setting forth the  
7 reasons why the Administrator has decided not to act  
8 in accordance with said recommendation.

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

13 e. This paragraph applies to review of issues related to  
14 affirmative action. This paragraph does not apply to  
15 prohibited discrimination that is within the  
16 jurisdiction of the ~~Oklahoma Merit Protection~~  
17 ~~Commission~~ Office of Enterprise and Management  
18 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.

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	

years but less than 14 years	\$1,250.00
At least 14	
years but less than 16 years	\$1,500.00
At least 16	
years but less than 18 years	\$1,688.00
At least 18	
years but less than 20 years	\$1,900.00
At least 20 years	\$2,000.00

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

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

E. To determine years of service, cumulative periods of full-time employment or part-time employment working more than one hundred fifty (150) hours per month with the state excluding service 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  
24

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

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

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

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

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

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

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 an election of a repayment option or to protest the findings. Said election shall be required within thirty (30) days after the notification~~;~~ ;

2. If the payee is, at the time of said notification, an officer or employee of the agency seeking repayment, options 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~~;~~ ;

3. If the payee is, at the time of said notification, an officer or employee of an agency of the state other than the agency seeking repayment, the options provided by paragraph 2 of this 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~~

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:

6 a. by lump-sum cash repayment~~+,~~ or

7 b. in installments over a period not to exceed twelve  
8 (12) months~~+~~; i

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 what action may be taken to recover said amount~~+~~; i  
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.

SECTION 21. AMENDATORY 74 O.S. 2011, Section 840-2.20,  
is amended to read as follows:

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

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

1. Eligible employees who enter on duty or who are reinstated after a break in service shall receive leave benefits in accordance with the schedule outlined below. Leave shall be accrued based upon hours worked, paid leave, and holidays, but excluding overtime, not to exceed the total possible work hours for the pay period. Years of service shall be based on cumulative periods of employment calculated in the manner that cumulative service is determined for longevity purposes pursuant to Section 840-2.18 of this title. Employees may accumulate more than the maximum annual leave accumulation limits shown in the schedule below, provided that such excess is used during the same calendar year in which it accrues or within twelve (12) months of the date on which it accrues, at the 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	Annual	Sick	Annual
	Service	Leave	Leave	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.

SECTION 22. AMENDATORY 74 O.S. 2011, Section 840-2.20A,

is amended to read as follows:

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

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

SECTION 25. AMENDATORY 74 O.S. 2011, Section 840-2.26,  
is amended to read as follows:

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

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

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

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

Section 1303. For the purposes of and as used in the State and 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 in Section 1701 of this title;

15. To assess and collect reasonable fees from contracted health maintenance organizations and third-party insurance vendors to offset the costs of administration;

16. To accept, modify or reject elections under the plan in accordance with the Oklahoma State Employees Benefits Act and 26 U.S.C.A., Section 1 et seq.;

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

18. To adopt rules requiring payment for medical and dental services and treatment rendered by duly licensed hospitals, physicians and dentists. Unless the Board has otherwise contracted 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.

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;

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.  
24

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.

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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