

1 ENGROSSED HOUSE
2 BILL NO. 3422

By: Osburn of the House

3 and

4 Thompson of the Senate

5
6 [state government - state employees - compensation

7 study - effective date -

8 emergency]

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

12 SECTION 1. AMENDATORY 74 O.S. 2021, Section 840-2.17, is
13 amended to read as follows:

14 Section 840-2.17 A. Unless otherwise provided by the Oklahoma
15 Constitution, statutory authority to set or fix compensation, pay or
16 salary of state officers and employees shall not be construed to
17 authorize any agency, board, commission, department, institution,
18 bureau, executive officer or other entity of the executive branch of
19 state government to award, grant, give, authorize, or promise any
20 officer or employee of the State of Oklahoma a raise that is
21 inconsistent with the compensation schedules established by the
22 Office of Management and Enterprise Services for all state officers
23 and employees in the executive branch pursuant to Section 840-4.6 of
24 this title, including, but not limited to, a cost-of-living raise or

1 any other type of raise that would be given to state employees on an
2 across-the-board basis, except as herein provided. Such raises are
3 prohibited unless authorized by the Legislature and by ~~Career~~
4 ~~Service Rules for Employment~~ rules promulgated by the Director of of
5 the Office of Management and Enterprise Services. This prohibition
6 applies to all ~~career and executive service~~ officers and employees
7 in the executive branch of state government, excluding institutions
8 under the administrative authority of the Oklahoma State Regents for
9 Higher Education.

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

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

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

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

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

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

7 6. Market adjustments for job family levels tied to market
8 competitiveness;

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

12 8. Skill-based adjustments. Such adjustments, which are
13 implemented before November 1, 2006, other than lump-sum payments,
14 shall become permanent after twenty-four (24) months from the date
15 such salary adjustment is implemented and may not later be removed
16 from an employee's base salary if a furlough or reduction-in-force
17 is implemented by the appointing authority granting such salary
18 adjustment. Skill-based pay adjustments, which are implemented on
19 or after November 1, 2006, and which are paid to an employee, shall
20 be paid as long as the employee remains employed in the position and
21 performs the skills for which the differential is due, but shall not
22 be included as a part of the employee's base salary;

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

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

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

12 C. ~~Provided, however, any reclassification for one of the~~
13 ~~purposes provided in subsection B of this section that would require~~
14 ~~additional funding by the Legislature shall not be implemented~~
15 ~~without approval of the Legislature.~~

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

20 ~~E.~~ D. Appointing authorities may implement the pay movement
21 mechanisms in paragraphs 6 through 12 in subsection B of this
22 section subject to the availability of funds within the agency's
23 budget for the current fiscal year and subsequent fiscal year
24 without the need for additional funding to increase the personal

1 services budget of the agency. Failure by the appointing authority
2 to follow the provisions of this subsection may cause the withdrawal
3 of the use of the pay movement mechanisms provided in paragraphs 6,
4 7, 9, 10 and 11 of subsection B of this section within the agency
5 during the next appropriations cycle.

6 ~~F.~~ E. The provisions in subsection B of this section shall not
7 apply to chief executive officers of any agency, board, commission,
8 department or program except for paragraphs 3 and 5 of subsection B
9 of this section.

10 ~~G.~~ F. The Office of Management and Enterprise Services shall
11 file a quarterly report with the Offices of the Governor, ~~President~~
12 ~~Pro Tempore of the Senate and Speaker of the Oklahoma House of~~
13 ~~Representatives, and President Pro Tempore of the Oklahoma State~~
14 ~~Senate~~ listing, by agency, all increases in wages, salaries or rates
15 of pay and any changes to title or classification of each employee.

16 SECTION 2. AMENDATORY 74 O.S. 2021, Section 840-4.6, is
17 amended to read as follows:

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

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

16 C. Beginning in fiscal year 2023, a study shall be funded to
17 examine the overall compensation for all positions covered by the
18 Office of Management and Enterprise Services under the Civil Service
19 and Human Capital Management Act. The study shall include an
20 analysis of the overall state workforce and make recommendations for
21 any increase or decrease in specific areas of the workforce. The
22 study shall be completed and the findings submitted to the Offices
23 of the Governor, the Speaker of the Oklahoma House of
24 Representatives, and the President Pro Tempore of the Oklahoma State

1 Senate by December 31, 2022. The study shall be funded and
2 performed every four (4) years thereafter.

3 D. Beginning in fiscal year 2023, a study shall be funded to
4 examine the overall human resources functions throughout the state.
5 The study shall include an analysis of how the statewide human
6 resources functions can be consolidated and recommendations on how
7 to consolidate such functions.

8 E. Nothing in this section shall prohibit the state from
9 contracting for the studies set forth in subsections C and D of this
10 section with one vendor or under one contract.

11 SECTION 3. This act shall become effective July 1, 2022.

12 SECTION 4. It being immediately necessary for the preservation
13 of the public peace, health or safety, an emergency is hereby
14 declared to exist, by reason whereof this act shall take effect and
15 be in full force from and after its passage and approval.

16 Passed the House of Representatives the 8th day of March, 2022.

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Presiding Officer of the House
of Representatives

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Passed the Senate the ____ day of _____, 2022.

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Presiding Officer of the Senate

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