

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 58th Legislature (2022)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 3422

By: Osburn of the House

and

Thompson of the Senate

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10 COMMITTEE SUBSTITUTE

11 [state government - state employees - compensation

12 study - effective date -

13 emergency]

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

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

19 Section 840-2.17 A. Unless otherwise provided by the Oklahoma
20 Constitution, statutory authority to set or fix compensation, pay or
21 salary of state officers and employees shall not be construed to
22 authorize any agency, board, commission, department, institution,
23 bureau, executive officer or other entity of the executive branch of
24 state government to award, grant, give, authorize, or promise any

1 officer or employee of the State of Oklahoma a raise that is
2 inconsistent with the compensation schedules established by the
3 Office of Management and Enterprise Services for all state officers
4 and employees in the executive branch pursuant to Section 840-4.6 of
5 this title, including, but not limited to, a cost-of-living raise or
6 any other type of raise that would be given to state employees on an
7 across-the-board basis, except as herein provided. Such raises are
8 prohibited unless authorized by the Legislature and by ~~Career~~
9 ~~Service Rules for Employment~~ rules promulgated by the Director of
10 the Office of Management and Enterprise Services. This prohibition
11 applies to all ~~career and executive service~~ officers and employees
12 in the executive branch of state government, excluding institutions
13 under the administrative authority of the Oklahoma State Regents for
14 Higher Education.

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

- 1 1. Salary advancements on promotion ~~or direct reclassification~~
2 to a job family level or class with a higher salary band;
- 3 2. Salary adjustments resulting from a pay band change for a
4 job family level or class adopted by the Office of Management and
5 Enterprise Services;
- 6 3. Increases in longevity payments pursuant to Section 840-2.18
7 of this title;
- 8 4. Payment of overtime, special entrance rates, pay
9 differentials;
- 10 5. Payment of wages, salaries, or rates of pay established and
11 mandated by law;
- 12 6. Market adjustments for job family levels tied to market
13 competitiveness;
- 14 7. Intra-agency lateral transfers, provided that the adjustment
15 does not exceed five percent (5%) and the adjustment is based on the
16 needs of the agency;
- 17 8. Skill-based adjustments. Such adjustments, which are
18 implemented before November 1, 2006, other than lump-sum payments,
19 shall become permanent after twenty-four (24) months from the date
20 such salary adjustment is implemented and may not later be removed
21 from an employee's base salary if a furlough or reduction-in-force
22 is implemented by the appointing authority granting such salary
23 adjustment. Skill-based pay adjustments, which are implemented on
24 or after November 1, 2006, and which are paid to an employee, shall

1 be paid as long as the employee remains employed in the position and
2 performs the skills for which the differential is due, but shall not
3 be included as a part of the employee's base salary;

4 9. Equity-based adjustments;

5 10. Performance-based adjustments for employees who received at
6 least a "meets standards" rating on their most current performance
7 rating;

8 11. Career progression increases as an employee advances
9 through job family levels; or

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

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

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

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

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

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

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

23 Section 840-4.6 A. The State of Oklahoma, to recruit, retain
24 and motivate a quality workforce for the purpose of providing

1 quality services to the citizens of Oklahoma, shall provide a
2 compensation structure based on internal equity and external
3 competitiveness balanced by the state's fiscal conditions. The
4 state's goal shall be to provide a flexible and adaptable state
5 employee compensation system based on the market data found in
6 relevant public and private sector markets.

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

20 C. Beginning in fiscal year 2023, a study shall be funded to
21 examine the overall compensation for all positions covered by the
22 Office of Management and Enterprise Services under the Civil Service
23 and Human Capital Management Act. The study shall include an
24 analysis of the overall state workforce and make recommendations for

1 any increase or decrease in specific areas of the workforce. The
2 study shall be completed and the findings submitted to the Offices
3 of the Governor, the Speaker of the Oklahoma House of
4 Representatives, and the President Pro Tempore of the Oklahoma State
5 Senate by December 31, 2022. The study shall be funded and
6 performed every four (4) years thereafter.

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

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

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

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

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21 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
22 03/03/2022 - DO PASS, As Amended and Coauthored.
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