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**AS AMENDED**

By: Osburn of the House

Thompson of the Senate

emergency ]

Section 840-2.17 A. Unless otherwise provided by the Oklahoma Constitution, statutory authority to set or fix compensation, pay or salary of state officers and employees shall not be construed to authorize any agency, board, commission, department, institution, bureau, executive officer or other entity of the executive branch of state government to award, grant, give, authorize, or promise any officer or employee of the State of Oklahoma a raise that is inconsistent with the compensation schedules established by the Office of Management and Enterprise Services for all state officers and employees in the executive branch pursuant to Section 840-4.6 of 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;  
24

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  
24

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

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

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

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

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

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

COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
April 13, 2022 - DO PASS AS AMENDED