

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

HOUSE BILL 3422

By: Osburn

AS INTRODUCED

An Act relating to state government; amending 74 O.S. 2021, Sections 840-2.17 and 840-4.6, which relate to state employees; removing obsolete language; requiring certain study of compensation; providing for submission of findings; providing an effective date; and declaring an emergency.

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

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

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

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

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

22 1. Salary advancements on promotion ~~or direct reclassification~~
23 to a job family level or class with a higher salary band;
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1 2. Salary adjustments resulting from a pay band change for a
2 job family level or class adopted by the Office of Management and
3 Enterprise Services;

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

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

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

10 6. Market adjustments for job family levels tied to market
11 competitiveness;

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

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

1 performs the skills for which the differential is due, but shall not
2 be included as a part of the employee's base salary;

3 9. Equity-based adjustments;

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

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

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

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

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

23 ~~E.~~ D. Appointing authorities may implement the pay movement
24 mechanisms in paragraphs 6 through 12 in subsection B of this

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

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

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

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

21 Section 840-4.6 A. The State of Oklahoma, to recruit, retain
22 and motivate a quality workforce for the purpose of providing
23 quality services to the citizens of Oklahoma, shall provide a
24 compensation structure based on internal equity and external

1 competitiveness balanced by the state's fiscal conditions. The
2 state's goal shall be to provide a flexible and adaptable state
3 employee compensation system based on the market data found in
4 relevant public and private sector markets.

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

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

1 the Speaker of the House of Representatives, and the President Pro
2 Tempore of the Oklahoma Senate by December 31, 2022. The study
3 shall be funded and performed every four (4) years thereafter.

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

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

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