

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                               STATE OF OKLAHOMA

3                               1st Session of the 59th Legislature (2023)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 2376

By: Kannady of the House

and

7                               **Hall** of the Senate

8  
9  
10                               COMMITTEE SUBSTITUTE

11           An Act relating to state government; amending 74 O.S.  
12           2021, Sections 840-1.3, as amended by Section 2,  
13           Chapter 243, O.S.L. 2022, 840-2.18, as amended by  
14           Section 14, Chapter 243, O.S.L. 2022, and 840-2.20,  
15           as amended by Section 16, Chapter 243, O.S.L. 2022  
16           (74 O.S. Supp. 2022, Sections 840-1.3, 840-2.18, and  
17           840-2.20), which relate to the Oklahoma Personnel  
18           Act; modifying definitions; modifying provisions  
19           related to longevity payments; modifying leave  
20           benefits; increasing accumulation limits; authorizing  
21           option for payment of certain leave; modifying  
22           provisions related to computation of service;  
23           providing an effective date; and declaring an  
24           emergency.

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

SECTION 1.           AMENDATORY           74 O.S. 2021, Section 840-1.3, as  
amended by Section 2, Chapter 243, O.S.L. 2022 (74 O.S. Supp. 2022,  
Section 840-1.3), is amended to read as follows:

1       Section 840-1.3 As used in this act, unless otherwise provided  
2 in Sections 840-1.1 through 840-6.9 of this title:

3       1. "Agency" means any office, department, board, commission or  
4 institution of the executive branch of state government, except as  
5 otherwise provided by subparagraph b of paragraph 2 of subsection E  
6 of Section 840-2.18 of this title and except as otherwise provided  
7 by paragraph 10 of subsection A of Section 840-2.20 of this title;

8       2. "Employee" or "state employee" means an elected or appointed  
9 officer or employee of an agency unless otherwise indicated;

10       3. "Appointing authority" means the chief administrative  
11 officer of an agency;

12       4. "Job-related organization" means a membership association  
13 which collects annual dues, conducts annual meetings and provides  
14 job-related education for its members and which includes state  
15 employees, including any association for which payroll deductions  
16 for membership dues are authorized pursuant to paragraph 5 of  
17 subsection B of Section 34.70 of Title 62 of the Oklahoma Statutes;

18       5. "Progressive discipline" means a system designed to ensure  
19 the consistency, impartiality and predictability of discipline and  
20 the flexibility to vary penalties if justified by aggravating or  
21 mitigating conditions;

22       6. "Supervisor" means an officer or employee who has been  
23 assigned authority and responsibility for evaluating the performance  
24 of subordinates;

1       7. "Director" means the appointing authority of the Office of  
2 Management and Enterprise Services;

3       8. "Office" means the Office of Management and Enterprise  
4 Services; and

5       9. "Veteran" means a person who has been honorably discharged  
6 from the Armed Forces of the United States.

7       SECTION 2.       AMENDATORY       74 O.S. 2021, Section 840-2.18, as  
8 amended by Section 14, Chapter 243, O.S.L. 2022 (74 O.S. Supp. 2022,  
9 Section 840-2.18), is amended to read as follows:

10       Section 840-2.18 A. A longevity pay plan is hereby adopted.  
11 This plan applies to all state employees, excluding members of  
12 boards and commissions, institutions under the administrative  
13 authority of the State Regents for Higher Education, employees of  
14 public school districts, and elected officials. The plan shall also  
15 apply to those employees of the Oklahoma School for the Blind and  
16 the Oklahoma School for the Deaf who qualify for longevity pay in  
17 accordance with subsection G of Section 1419 of Title 10 of the  
18 Oklahoma Statutes.

19       B. The Oklahoma Conservation Commission is hereby authorized to  
20 establish a longevity pay program for employees of the conservation  
21 districts employed under Section 3-3-103 of Title 27A of the  
22 Oklahoma Statutes. Such longevity pay program shall be consistent  
23 with the longevity pay program for state employees authorized under  
24

1 this title and payments shall be made in a manner consistent with  
2 procedures for reimbursement to conservation districts.

3 C. To be eligible for longevity pay, employees must have been  
4 continuously employed in the service of the state for a minimum of  
5 two (2) years in full-time status or in part-time status working  
6 more than one thousand (1,000) hours a year.

7 For purposes of this section, a break in service of thirty (30)  
8 calendar days or less shall not be considered an interruption of  
9 continuous service; a break in service of more than thirty (30)  
10 calendar days shall mark an end to continuous service. The  
11 legislative session employees who have worked for two (2) years or  
12 more in part-time status and are eligible for state retirement  
13 benefits, but do not receive other longevity payments, shall be  
14 eligible and shall be considered to have been continuously employed  
15 for purposes of calculating longevity payments, notwithstanding the  
16 provisions of subsection E of this section.

17 D. 1. Longevity pay for the first twenty (20) years of service  
18 shall be determined pursuant to the following schedule:

19 Years of Service	Annual Longevity Payment
20 At least 2 years but	
21 less than 4 years	\$250.00
22 At least 4 years but	
23 less than 6 years	\$426.00

24

1	At least 6 years but	
2	less than 8 years	\$626.00
3	At least 8 years but	
4	less than 10 years	\$850.00
5	At least 10 years but	
6	less than 12 years	\$1,062.00
7	At least 12 years but	
8	less than 14 years	\$1,250.00
9	At least 14 years but	
10	less than 16 years	\$1,500.00
11	At least 16 years but	
12	less than 18 years	\$1,688.00
13	At least 18 years but	
14	less than 20 years	\$1,900.00
15	At least 20 years	\$2,000.00

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

20        The total amount of the annual longevity payment made to an  
21 employee by any and all state agencies in any year shall not exceed  
22 the amount shown on the table corresponding to that employee's years  
23 of service with the state, except as otherwise provided by Section  
24 840-2.28 of this title. Further, no employee shall receive

1 duplicating longevity payments for the same periods of service with  
2 any and all agencies, except as otherwise provided by Section 840-  
3 2.28 of this title.

4 E. To determine years of service, cumulative periods of full-  
5 time employment or part-time employment working more than one  
6 hundred fifty (150) hours per month with the state excluding service  
7 as specified in subsection A of this section are applicable. Part-  
8 time employment, working one hundred fifty (150) hours per month or  
9 less for the state, excluding service as specified in subsection A  
10 of this section, shall be counted only if:

11 1. The period of employment was continuous for at least five  
12 (5) months; and

13 2. a. The person worked more than two-fifths (2/5) time.

14 Other employment shall not be counted as service for  
15 purposes of longevity payments. Further, no period of  
16 employment with the state, whether with one or more  
17 than one agency, shall be counted as more than full-  
18 time service.

19 b. For purposes of the computation required by this  
20 section, any service performed by a person during  
21 which the person received compensation for duties  
22 performed for the state, except within the judicial  
23 branch, and for which payment for such service was

1                   made using state fiscal resources shall be included in  
2                   the calculation.

3           F. Years of service under the administrative authority of the  
4 State Regents for Higher Education or the administrative authority  
5 of the Oklahoma Department of Career and Technology Education of any  
6 employee who is now employed in a job classification which is  
7 eligible for longevity pay shall be included in years of service for  
8 purposes of determining longevity pay.

9           G. Years of service shall be certified through the current  
10 employing agency by the appointing authority on a form approved by  
11 the Office of Management and Enterprise Services. The form shall be  
12 completed and posted as directed by the Director of the Office of  
13 Management and Enterprise Services by the current employing agency  
14 when the employee initially enters on duty with the agency and  
15 thereafter whenever the employee's anniversary date is changed.

16           H. Eligible employees, in full-time status or in part-time  
17 status working more than one hundred fifty (150) hours per month,  
18 shall receive one (1) lump-sum annual payment, in the amount  
19 provided on the preceding schedule, during the month following the  
20 anniversary date of the employee's most recent enter-on-duty day  
21 with the state. Upon implementation of the statewide information  
22 systems project, the lump-sum annual payment may be paid concurrent  
23 with the final payroll of the month of the employee's anniversary  
24 date. Eligible part-time employees who work one hundred fifty (150)

1 hours per month or less shall receive one (1) lump-sum annual  
2 payment, based on the formula in subsection L of this section,  
3 during the month following the anniversary date of the employee's  
4 most recent enter-on-duty day with the state. To receive longevity  
5 pay an employee must be in pay status on or after his or her  
6 anniversary date.

7 Eligible employees who would not otherwise receive annual  
8 longevity payments because their employment includes regular periods  
9 of leave without pay in excess of thirty (30) calendar days shall  
10 receive one (1) lump-sum annual payment, based on the formula in  
11 subsection L of this section, during:

12 1. The month of August if the employee is in pay status on July  
13 1; or

14 2. During the month following the employee's first return to  
15 duty that fiscal year if the employee is not in pay status on July  
16 1.

17 Except as otherwise provided by Section 840-2.28 of this title,  
18 employees terminated as a result of a reduction-in-force or retiring  
19 from state employment shall receive upon said termination or  
20 retirement the proportionate share of any longevity payment which  
21 may have accrued as of the date of termination or retirement.

22 Provided further that, the proportionate share of any longevity  
23 payment which may have accrued as of the date of death of an  
24



1 employee shall be made to the surviving spouse of the employee or if  
2 there is no surviving spouse to the estate of the employee.

3 I. Periods of leave without pay taken in accordance with  
4 Section 840-2.21 of this title shall be counted as service. Other  
5 periods of nonpaid leave status in excess of thirty (30) calendar  
6 days shall not mark a break in service; however, they shall:

7 1. Not be used in calculating total months of service for  
8 longevity pay purposes; and

9 2. Extend the anniversary date for longevity pay by the total  
10 period of time on nonpaid leave status except as provided in  
11 subsection H of this section for employees whose conditions of  
12 employment include regular periods of leave without pay.

13 J. Employees currently receiving longevity pay who work for the  
14 judicial branch of state government or who work for the Oklahoma  
15 Department of Career and Technology Education shall not be eligible  
16 for the longevity pay plan provided for in this section.

17 K. A break in service with the state in excess of thirty (30)  
18 days but which does not exceed two (2) years which was caused by a  
19 reduction-in-force shall be treated as if it were a period of  
20 nonpaid leave status as provided for in subsection I of this section  
21 for the purpose of calculating total months of service for longevity  
22 pay. This subsection shall only apply to state employees laid off  
23 after June 30, 1982.

1 L. Eligible part-time employees working less than one hundred  
2 fifty (150) hours per month and other eligible employees with  
3 regular annual periods of leave without pay of more than thirty (30)  
4 calendar days will receive a prorated share of the "Annual Longevity  
5 Payment" authorized in subsection D of this section. The prorated  
6 amount of payment will be based on actual hours worked in the  
7 immediately preceding twelve (12) months.

8 M. An employee shall not be entitled to retroactive longevity  
9 payments as a result of amendments to this section unless  
10 specifically authorized by law.

11 N. The Director of the Office of Management and Enterprise  
12 Services is authorized to promulgate such Longevity Pay Plan Rules  
13 as he or she finds necessary to carry out the provisions of this  
14 section.

15 O. As of July 1, 1998, years of service with a city-county  
16 health department for employees who left a city-county health  
17 department for employment with the Department of Environmental  
18 Quality or the Oklahoma Department of Agriculture, Food, and  
19 Forestry, between July 1, 1993, and July 1, 1998, and who are now  
20 employed in a job classification that is eligible for longevity pay  
21 pursuant to this section, shall be included in years of service for  
22 purposes of determining longevity pay subsequent to July 1, 1998.

23 P. As of July 1, 2003, years of service with a local  
24 conservation district shall be included in years of service for

1 purposes of determining longevity pay for local conservation  
2 district employees transferred to the Oklahoma Conservation  
3 Commission pursuant to the provisions of this section.

4 SECTION 3. AMENDATORY 74 O.S. 2021, Section 840-2.20, as  
5 amended by Section 16, Chapter 243, O.S.L. 2022 (74 O.S. Supp. 2022,  
6 Section 840-2.20), is amended to read as follows:

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

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

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

1 within twelve (12) months of the date on which it accrues, at the  
2 discretion of the appointing authority. If an employee whose job  
3 duties include providing fire protection services, law enforcement  
4 services or services with the Department of Corrections is unable to  
5 use excess leave as provided for in this paragraph because the  
6 employee's request for leave is denied by the employee's appointing  
7 authority and the denial of leave is due to extraordinary  
8 circumstances such that taking leave could pose a threat to public  
9 safety, health or welfare, the employee shall receive compensation  
10 at the employee's regular rate of pay for the amount of excess leave  
11 the employee is unable to use. Such compensation shall be paid at  
12 the end of the time period during which the excess leave was  
13 required to have been used;

14 2. ~~From November 1, 2001~~ On and after the effective date of  
15 this act, the following accrual rates and accumulation limits apply  
16 to eligible employees as follows:

ACCRUAL RATES				ACCUMULATION
				LIMITS
Cumulative				
	Years of	Annual	Sick	Annual
	Service	Leave	Leave	Leave
22	Persons employed 0-5 yrs	= 15 day/yr	15 days/yr	30 days
23	5-10 yrs	= 18 day/yr	15 days/yr	<del>60</del> <u>80</u> days
24	10-20 yrs	= 20 day/yr	15 days/yr	<del>60</del> <u>80</u> days

1                   over 20 yrs = 25 day/yr   15 days/yr       ~~60~~ 80 days

2       Following an emergency declaration as described in Section 683.8  
3 of Title 63 of the Oklahoma Statutes, the accumulation limits for  
4 annual leave shall temporarily increase and shall carryover to the  
5 end of the fiscal year following the year in which the emergency  
6 declaration ended.

7       All annual leave that accrued or expired during the period of  
8 the emergency declarations issued by the Governor in 2020 and 2021  
9 in response to the novel coronavirus (COVID-19) shall carry over to  
10 the end of the fiscal year following the year in which the emergency  
11 declaration ended regardless of regulatory provisions that establish  
12 a maximum amount of annual leave that may be accumulated by an  
13 employee of the State of Oklahoma. Expired annual leave governed by  
14 this subsection shall be reinstated as of the effective date of this  
15 act, and accumulation limits for annual leave shall not apply to  
16 amounts accrued or reinstated pursuant to this subsection.

17 Eligibility for reinstatement of annual leave is limited to  
18 employees currently employed by the State of Oklahoma on the  
19 effective date of this act;

20       3. Temporary employees and other limited term employees are  
21 ineligible to accrue, use, or be paid for sick leave and annual  
22 leave. Such employees shall be eligible for paid holiday leave at  
23 the discretion of the appointing authority;

1       4. Except as provided in paragraph 2 of this subsection,  
2 employees shall not be entitled to retroactive accumulation of leave  
3 as a result of amendments to this section;

4       5. The Director of the Office of Management and Enterprise  
5 Services shall assist agencies in developing policies to prevent  
6 violence in state government workplaces without abridging the rights  
7 of state employees. Such policies shall include a paid  
8 administrative leave provision as a cooling-off period which the  
9 Director of the Office of Management and Enterprise Services is  
10 authorized to provide pursuant to the Administrative Procedures Act.  
11 Such leave shall not be charged to annual or sick leave  
12 accumulations;

13       6. State employees who terminated their employment in the state  
14 service on or after October 1, 1992, may be eligible to have sick  
15 leave accrued at the time of termination of employment restored if  
16 they return to state employment provided that the state employees'  
17 enter-on-duty dates for reemployment occur on or before two (2)  
18 years after their termination of employment and they are eligible to  
19 accrue sick leave before the two (2) years expire;

20       7. Employees who are volunteer firefighters pursuant to the  
21 Oklahoma Volunteer Firefighters Act and who are called to fight a  
22 fire shall not have to use any accrued leave or need to make up any  
23 time due to the performance of their volunteer firefighter duties;  
24

1        8. Employees who are reserve municipal police officers pursuant  
2 to Section 34-101 of Title 11 of the Oklahoma Statutes and who miss  
3 work in performing their duties in cases of emergency shall not have  
4 to use any accrued leave or need to make up any time due to the  
5 performance of their reserve municipal police officer duties; ~~and~~

6        9. Employees who are reserve deputy sheriffs pursuant to  
7 Section 547 of Title 19 of the Oklahoma Statutes and who miss work  
8 in performing their duties in case of emergency shall not have to  
9 use any accrued leave or need to make up any time due to the  
10 performance of their reserve deputy sheriff duties; and

11        10. For purposes of the computation required by this section,  
12 any service performed by a person during which the person received  
13 compensation for duties performed for the state, except within the  
14 judicial branch, and for which payment for such service was made  
15 using state fiscal resources shall be included in the calculation.

16        B. Nothing in law is intended to prevent or discourage an  
17 appointing authority from disciplining or terminating an employee  
18 due to abuse of leave benefits or absenteeism. Appointing  
19 authorities are encouraged to consider attendance of employees in  
20 making decisions regarding promotions, pay increases, and  
21 discipline.

22        C. Upon the transfer of a function in state government to an  
23 entity outside state government, employees may, with the agreement  
24 of the outside entity, waive any payment for leave accumulations to

1 which the employee is entitled and authorize the transfer of the  
2 leave accumulations or a portion thereof to the outside entity.

3 D. All permanent employees of the state shall be eligible to  
4 carryover a maximum of six hundred forty (640) hours of annual leave  
5 each year. Additionally, all employees shall be paid up to a  
6 maximum of six hundred forty (640) hours of annual leave upon  
7 separation from state service.

8 SECTION 4. This act shall become effective July 1, 2023.

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

13  
14 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated  
15 03/02/2023 - DO PASS, As Amended and Coauthored.  
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