

reinstatement from permanent classified status without a break in service; provided, however, affected employees of the University Hospitals Authority must have been continuously employed in the state service since on or before January 1, 1995, to receive severance benefits. Pursuant to this section and Section 840-5.1A of this title, state agencies may provide severance benefits provided by this subsection to regular unclassified employees with one (1) year or more continuous state service who are separated from the state service for budgetary reasons; however, state agencies shall offer regular unclassified state employees with one (1) year or more continuous state service who are separated from the state service the same severance benefit as the affected employees in a reduction-in-force if the unclassified employees' separation is as a result of the conditions causing the agency to implement a reduction-in-force. Affected employees who qualify for severance benefits pursuant to this section, in addition to the payment of any compensable accrued leave or other benefits an affected employee is eligible to receive upon separation from the state service, shall receive severance benefits consisting of the following elements:

1. All agency severance benefits shall provide the following:
 - a. payment equal to the affected employee's current health insurance premium for the affected employee only for eighteen (18) months based on the cost of the premium at the time of the reduction-in-force. The appointing authority of the agency can ask the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services to waive the severance benefit provision in this subparagraph or to reduce the length of coverage or subsequent severance benefit payment upon demonstration of the agency's inability to fund the full benefit,
 - b. a longevity payment, as prescribed by Section 840-2.18 of this title, in the amount which would otherwise be paid to the affected employee on the affected employee's next anniversary date. For the purposes of this subparagraph, the University Hospitals Authority shall calculate longevity for affected employees who were members of the University Hospitals Authority Model Personnel System pursuant to Section 3211 of Title 63 of the Oklahoma Statutes for all state service as would otherwise be determined by Section 840-2.18 of this title, and

- c. outplacement assistance and employment counseling prior to and after the reduction-in-force from the Oklahoma Employment Security Commission and other state or private entities that the entity may contract with to assist individuals who may be impacted by a reduction-in-force;

2. In addition to the severance benefits provided by paragraph 1 of this subsection, agencies may give affected employees, except as otherwise provided by paragraph 3 of this subsection, severance benefit packages based on any combination of the following options, provided that all affected employees who receive severance benefits in the reduction-in-force shall be accorded uniform treatment pursuant to the State Government Reduction-in-Force and Severance Benefits Act:

- a. up to one (1) week of pay, calculated by dividing the affected employee's current annual salary by the whole number fifty-two (52), for each year of service,
- b. a maximum lump-sum payment of Five Thousand Dollars (\$5,000.00), and
- c. payment for accumulated sick leave or extended illness benefits at up to one-half (1/2) of the affected employee's hourly rate not otherwise used pursuant to law for conversion to credited retirement credit; and

3. An affected employee may direct payment of all or a portion of the affected employee's severance benefits to the options authorized by this paragraph by exercising an option to receive education vouchers for use in connection with the Reduction-in-Force Education Voucher Action Fund subject to the following requirements and rules of the ~~Administrator~~ Director of the Office of ~~Personnel Management~~ Management and Enterprise Services, provided that the agency offers to match employee severance funds pursuant to this paragraph. In such case:

- a. the affected employee may purchase One Dollar (\$1.00) in voucher credit for each One Dollar (\$1.00) contributed by the affected employee to the fund subject to a maximum affected employee contribution of Three Thousand Dollars (\$3,000.00) which may be matched by a maximum agency contribution of Three

Thousand Dollars (\$3,000.00); provided, that the agency contribution shall not exceed the contribution of the affected employee,

- b. the affected employee may pay the cost for the voucher program directly, subject to the requirements of subparagraph a of this paragraph, or the employing agency of the affected employee may pay the cost of the voucher from funds which would otherwise have been used to make payments to the displaced affected employee pursuant to an election by the affected employee to receive severance benefits,
- c. no voucher issued pursuant to the provisions of this paragraph shall:
 - (1) be redeemed by the affected employee for cash or anything of value other than the cost of tuition and fees at a public or private educational institution within the State of Oklahoma, or
 - (2) be valid longer than a period of four (4) years from the date upon which the voucher is issued to the affected employee,
- d. the ~~Administrator~~ Director of the Office of ~~Personnel Management~~ Management and Enterprise Services shall pay tuition and fees directly to the educational institution and shall receive any refunds for payment of tuition and fees from the educational institution which shall be credited to the affected employee's account, and
- e. the ~~Administrator~~ Director of the Office of ~~Personnel Management~~ Management and Enterprise Services shall distribute to the affected employee and the agency any monies remaining in the affected employee's account after the voucher credit has expired. The distribution shall be based on the proportional share of contributions made by the affected employee and the agency.

B. Each affected employee who is separated from state service as a result of a reduction-in-force after July 1, 1998, besides being eligible for the eighteen (18) months of continuation

coverages provided by the Public Health Service Act, 42 U.S.C., Section 30066-1 et seq., i.e., health, dental, vision and healthcare reimbursement account options, under this severance benefit, shall also be eligible to elect additional continuation coverage for any life insurance, in twenty-thousand-dollar units, on self or five-thousand-dollar units, on dependents, and to continue participation in the dependent care reimbursement account provided that these additional coverages were in effect immediately prior to the effective date of the reduction-in-force, the date of which shall serve as the qualifying event date. Provided, that no coverage elected for continuation through the Public Health Service Act for the full eighteen-month period is allowed to lapse, then that affected employee may elect to continue those same coverages for an additional eighteen (18) months at whatever rate is then in effect. This additional eighteen-month continuation period of coverage shall be administered by the Oklahoma State Employees Benefits Council following the initial eighteen-month period of continuation which shall be administered by the COBRA office at the State and Education Employees Group Insurance Board.

C. Part-time affected employees shall receive benefits pursuant to this section on a prorated basis. Part-time employees shall have been compensated for at least one thousand (1,000) hours during the twelve (12) months immediately preceding the effective date of the reduction-in-force to be eligible for severance benefits pursuant to the State Government Reduction-in-Force and Severance Benefits Act.

D. No appointing authority shall grant affected employees in a reduction-in-force severance benefits except as provided in this section.

SECTION 886. AMENDATORY 74 O.S. 2011, Section 840-2.27E, is amended to read as follows:

Section 840-2.27E Any affected employee who receives severance benefits pursuant to the State Government Reduction-in-Force and Severance Benefits Act shall execute a separation agreement with the employing agency, on forms to be prescribed by the ~~Administrator~~ Director of the Office of Personnel Management Office of Management and Enterprise Services. The forms shall comply with applicable federal laws and may include but not be limited to the following elements:

1. Agreement by the affected employee that the receipt of the benefits is in lieu of continued employment with the agency or other severance benefits related to the current reduction-in-force;

2. Agreement by the affected employee that, to the extent allowed by federal or state law, respectively, the affected employee releases the State of Oklahoma and the agency from all claims, liabilities, demands and causes of action known or unknown, fixed or contingent, equitable, legal or administrative, except unemployment insurance;

3. Agreement by the affected employee that, to the extent allowed by federal or state law, respectively, the affected employee releases the State of Oklahoma and the agency from any claim or cause of action which might arise under federal or state laws governing the employment relationship; and

4. Agreement by the affected employee that the affected employee knows and understands that the receipt of severance benefits is in exchange, to the extent allowed by federal or state law, for any rights the affected employee may have had to:

- a. continued employment with any agency, and
- b. future employment with the agency from which separated for a period of one (1) year from the date of the agreement, provided that nothing in this subparagraph shall prohibit an appointing authority of any agency from employing an affected employee who has received a severance benefit. If an affected employee is reemployed by the agency from which separated as a result of a reduction-in-force within one (1) year of separation, the affected employee shall repay all severance benefits received pursuant to the State Government Reduction-in-Force and Severance Benefits Act on a proportional basis. The repayment amount of the severance benefits received by or paid on behalf of the affected employee shall be reduced one-three-hundred-sixty-fifths (1/365) for each day after the separation of the affected employee, provided that any education voucher credit benefits shall not include agency contributions.

The provisions of this section shall not prohibit any affected employee from accepting severance benefits from more than one agency during employment with the State of Oklahoma.

SECTION 887. AMENDATORY 74 O.S. 2011, Section 840-2.27F, is amended to read as follows:

Section 840-2.27F A. There is hereby created in the State Treasury a revolving fund for the Office of ~~Personnel Management~~ Management and Enterprise Services to be designated the "Reduction-in-Force Education Voucher Action Fund". The fund shall be a continuing fund, not subject to fiscal year limitations. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the ~~Administrator~~ Director of the Office of ~~Personnel Management~~ Management and Enterprise Services for the purposes authorized by subsection B of this section. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services for approval and payment.

B. The fund shall be used for the purpose of providing education vouchers to affected employees exercising rights to severance benefits pursuant to Sections ~~7~~ 840-2.27D and ~~12~~ 840-2.28 of this ~~act~~ title in order to make payment to eligible educational institutions.

C. The Office of ~~Personnel Management~~ Management and Enterprise Services shall establish accounts within the fund for each affected employee who elects to participate in the education voucher opportunity pursuant to Sections ~~7~~ 840-2.27D and ~~12~~ 840-2.28 of this ~~act~~ title, in which shall be placed the affected employee and agency contributions.

SECTION 888. AMENDATORY 74 O.S. 2011, Section 840-2.27G, is amended to read as follows:

Section 840-2.27G A. There is hereby created in the State Treasury a fund for the ~~Office of State Finance~~ Office of Management and Enterprise Services to be designated as the "Reduction-in-Force Emergency Cost Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of appropriations made by the Legislature. All monies accruing to the fund are hereby appropriated and may be budgeted and expended by the Director of the ~~Office of State Finance~~ Office of Management and

Enterprise Services for the purpose of aiding state agencies to pay severance benefits pursuant to the State Government Reduction-in-Force Severance Benefits Act. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services for approval and payment.

B. Monies appropriated to the fund may be transferred to an agency upon application to the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services by the appointing authority proposing to conduct a reduction-in-force and who, because of insufficient resources, is unable to provide severance benefits pursuant to the State Government Reduction-in-Force Severance Benefits Act to eligible affected employees. The appointing authority shall have met the reduction-in-force plan submission and approval requirements of Section ~~6~~ 840-2.27C of this ~~act~~ title. The Director may either:

1. Approve the request; or
2. Deny or reduce the request of an appointing authority if the Director determines that the agency has funds available to pay the severance benefits or if anticipated requests from agencies for funding in a fiscal year will exceed the monies in the fund.

C. The Director shall notify the Contingency Review Board regarding any decision to authorize disbursements from the fund. Any member of the Board may call a meeting to consider the Director's decision within five (5) business days of the notification to the Contingency Review Board. If the Contingency Review Board does not disapprove or otherwise amend the Director's decision within ten (10) business days of notification to the Contingency Review Board, the Director's decision shall be final. If the Director or the Contingency Review Board has authorized the use of the fund, the Director shall transfer the funds to the agency.

D. Agencies must use any monies transferred from the fund solely for the purposes of the State Government Reduction-in-Force and Severance Benefits Act. Any monies not used as a result of the reduction-in-force for which the money was transferred shall be returned to the fund by state agencies, except as provided by Section ~~44~~ 840-2.27H of this ~~act~~ title.

E. Any monies transferred to agencies from the fund shall not be subject to any budgetary limits of an agency.

SECTION 889. AMENDATORY 74 O.S. 2011, Section 840-2.28, is amended to read as follows:

Section 840-2.28 A. Agencies shall be authorized to provide voluntary out benefits to permanent classified employees and regular unclassified employees with one (1) year or more of continuous state service who are voluntarily separated from the state service in order to reduce or eliminate the adverse impact of an imminent reduction-in-force. For purposes of this section, "agency" or "agencies" shall include agencies, boards, commissions, or departments of all three branches of state government. Voluntary out benefit payments made pursuant to this section, in addition to the payment of any compensable accrued leave and other benefits an employee who voluntarily separates is eligible to receive upon separation from the state service, shall consist of the following elements:

1. All agency voluntary out benefits shall provide the following:

- a. payment equal to the employee's current health insurance premium for the employee only for eighteen (18) months based on the cost of the premium at the time of the voluntary separation, and
- b. a longevity payment, as prescribed by Section 840-2.18 of this title in the amount which would otherwise be paid to the employee on the employee's next anniversary date. For the purposes of this subparagraph, the University Hospitals Authority shall calculate longevity for employees who were members of the University Hospitals Authority Model Personnel System pursuant to Section 3211 of Title 63 of the Oklahoma Statutes for all state service as would otherwise be determined by Section 840-2.18 of this title;

2. In addition to the voluntary out benefits provided by paragraph 1 of this subsection, agencies may give employees, except as otherwise provided by paragraph 3 of this subsection, voluntary out benefit packages based on any combination of the following options, provided that all employees who are separated as a result

of the agency offer of a voluntary out benefit pursuant to this section in anticipation of the imminent reduction-in-force are accorded uniform treatment pursuant to this section:

- a. up to one (1) week of pay, calculated by dividing the employee's current annual salary by the whole number fifty-two (52), for each year of service,
- b. a maximum lump-sum payment of Five Thousand Dollars (\$5,000.00),
- c. payment for accumulated sick leave or extended illness benefits at up to one-half of the employee's hourly rate not otherwise used pursuant to law for conversion to credited retirement credit, and
- d. payment of health benefit premiums as provided by the Public Health Service Act, 42 U.S.C., Section 300bb-1 et seq., for a period not to exceed eighteen (18) months. The agency shall not be authorized to make a cash payment to the employee in lieu of the payment by the agency of the cost of continued health care coverage for the employee; and

3. An employee may direct payment of all or a portion of the employee's voluntary out benefits to the options authorized by this paragraph by exercising an option to receive education vouchers for use in connection with the Reduction-in-Force Education Voucher Action Fund subject to the following requirements and rules of the ~~Administrator~~ Director of the Office of ~~Personnel Management~~ Management and Enterprise Services, provided that the agency offers to match employee voluntary out funds pursuant to this paragraph. In such case:

- a. the employee may purchase One Dollar (\$1.00) in voucher credit for each One Dollar (\$1.00) contributed by the employee to the fund subject to a maximum employee contribution of Three Thousand Dollars (\$3,000.00) which may be matched by a maximum agency contribution of Three Thousand Dollars (\$3,000.00); provided, that the agency contribution shall not exceed the contribution of the employee,
- b. the employee may pay the cost for the voucher program directly, subject to the requirements of subparagraph

a of this paragraph, or the employing agency of the employee may pay the cost of the voucher from funds which would otherwise have been used to make payments to the displaced employee pursuant to an election by the employee to receive voluntary out benefits,

c. no voucher issued pursuant to the provisions of this paragraph shall:

(1) be redeemed by the employee for cash or anything of value other than the cost of tuition and fees at a public or private educational institution within the State of Oklahoma, or

(2) be valid longer than a period of four (4) years from the date upon which the voucher is issued to the employee,

d. the ~~Administrator~~ Director of the Office of ~~Personnel Management~~ Management and Enterprise Services shall pay tuition and fees directly to the educational institution and shall receive any refunds for payment of tuition and fees from the educational institution which shall be credited to the employee's account, and

e. the ~~Administrator~~ Director of the Office of ~~Personnel Management~~ Management and Enterprise Services shall distribute to the affected employee and the agency any monies remaining in the employee's account after the voucher credit has expired. The distribution shall be based on the proportional share of contributions made by the employee and the agency.

B. Appointing authorities in agencies of the executive branch shall submit to the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services, prior to offering voluntary out benefits pursuant to this section, a plan with details on why the agency has determined a reduction-in-force is imminent, the anticipated impact of the imminent reduction-in-force on the agency or part of the agency, the voluntary out benefits the agency intends to offer pursuant to this section and their cost, and how the agency intends to execute the offer of the voluntary out benefits. The Director shall review the fiscal components of the plan and have ten (10) business days to disapprove it.

C. Part-time employees who are eligible to receive voluntary out benefits shall receive benefits pursuant to this section on a prorated basis. Part-time employees shall have been compensated for at least one thousand (1,000) hours during the twelve (12) months immediately preceding the separation of the employee due to the employee's acceptance of a voluntary out benefit.

D. An employee who accepts voluntary out benefits pursuant to this section shall not be eligible to accept any future voluntary out benefits pursuant to this section.

SECTION 890. AMENDATORY 74 O.S. 2011, Section 840-2.28A, is amended to read as follows:

Section 840-2.28A A. As used in this section:

1. "Agency" means any state governmental entity, excluding institutions within The Oklahoma State System of Higher Education, making payments to a person accepting a voluntary buyout pursuant to the provisions of Section 840-2.28 of ~~Title 74 of the Oklahoma Statutes~~ this title;

2. "Eligible employee" means a person who, as of the date the voluntary buyout payment is made by an agency, is eligible for a normal retirement, without any reduction in retirement benefits based on an early retirement, from the public retirement system in which the employee is a participant as of the last day of employment with the agency;

3. "Eligible voluntary buyout expenditures" means with respect to any voluntary buyout agreement entered into on or after the effective date of this act for which the agency is able to seek reimbursement from the Voluntary Buyout Agency Reimbursement Revolving Fund:

- a. the cost of health care insurance premium amounts pursuant to subparagraph a of paragraph 1 of subsection A of Section 840-2.28 of ~~Title 74 of the Oklahoma Statutes~~ this title,
- b. the cost of the longevity pay amount pursuant to subparagraph b of paragraph 1 of subsection A of Section 840-2.28 of ~~Title 74 of the Oklahoma Statutes~~ this title, and

- c. a maximum of Five Thousand Dollars (\$5,000.00) for payments made pursuant to subparagraph b of paragraph 2 of subsection A of Section 840-2.28 of ~~Title 74 of the Oklahoma Statutes~~ this title; and

4. "Normal retirement" means the date upon which an employee may retire with an unreduced benefit from a public retirement system based upon the age of the employee or a combination of the age of the employee and the number of years of service accrued by the employee in the applicable retirement system.

B. For eligible voluntary buyout expenditures paid by agencies not later than June 30, 2012, pursuant to a voluntary buyout agreement authorized by paragraph 1 of subsection A of Section 840-2.28 of ~~Title 74 of the Oklahoma Statutes~~ this title and entered into on or after the effective date of this act, but not later than June 30, 2012, the paying agency shall be eligible to be reimbursed the amount of the eligible voluntary buyout expenditures from the Voluntary Buyout Agency Reimbursement Revolving Fund created pursuant to Section ~~3~~ 840-2.28B of this ~~act~~ title.

C. An agency seeking reimbursement pursuant to the provisions of this section shall make application to the ~~Office of State Finance~~ Office of Management and Enterprise Services on such form as may be prescribed by the ~~Office of State Finance~~ Office of Management and Enterprise Services for that purpose.

D. Before an agency makes a request for reimbursement pursuant to the provisions of this section, the agency shall enter into a contingent agreement with the employee to whom the voluntary buyout payments will be paid. The agreement shall contain the following language which shall be placed at the beginning of the terms of the agreement following any recitations which are not in the nature of a contractual promise to be printed in a font at least as large as the other terms of the agreement and not less than 14-point type regardless of the font size used in other parts of the agreement:

"PAYMENT OF FUNDS PURSUANT TO THIS AGREEMENT IS CONTINGENT UPON CONFIRMATION BY THE ~~OFFICE OF STATE FINANCE~~ OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES THAT FUNDS TO REIMBURSE THE AGENCY ENTERING INTO THIS AGREEMENT ARE AVAILABLE. IF THE AGENCY DOES NOT OBTAIN THE REQUIRED CONFIRMATION OR IF THE ~~OFFICE OF STATE FINANCE~~ OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES COMMUNICATES TO THE AGENCY THAT THE FUNDS TO REIMBURSE THE AGENCY ARE NOT AVAILABLE, THIS AGREEMENT SHALL NOT BE ENFORCEABLE AGAINST THE EMPLOYEE BY THE AGENCY OR BY

ANY OTHER ENTITY AND SHALL NOT BE ENFORCEABLE BY THE EMPLOYEE OR ANY PERSON OR ENTITY REPRESENTING THE INTEREST OF THE EMPLOYEE AGAINST THE AGENCY."

E. If an agency receives the confirmation from the ~~Office of State Finance~~ Office of Management and Enterprise Services that the funds for reimbursement are available, the terms of the voluntary buyout agreement executed pursuant to the provisions of this section shall become final and the agreement may be enforced according to its terms.

F. An agency which has entered into a contingent agreement as provided by subsection D of this section to make payment to an employee for which the agency is eligible to obtain reimbursement from the Voluntary Buyout Agency Reimbursement Revolving Fund shall notify the ~~Office of State Finance~~ Office of Management and Enterprise Services by the fastest method available to the agency, whether by telephone, electronic mail or other form of communication, of the exact amount of funds for which the agency will seek reimbursement based upon payment of eligible voluntary buyout expenses. The ~~Office of State Finance~~ Office of Management and Enterprise Services shall develop a system for the receipt of the communications required by this subsection and shall provide a confirmation to the agency of the sufficiency of funds for reimbursement to the agency based upon the total amount of available funds using the fastest method available to the ~~Office of State Finance~~ Office of Management and Enterprise Services, whether by telephone, electronic mail or other form of communication. Responses to agency requests shall be made by the ~~Office of State Finance~~ Office of Management and Enterprise Services in the order in which the requests were received.

G. Applications for reimbursement shall be processed by the ~~Office of State Finance~~ Office of Management and Enterprise Services according to the order in which confirmations were provided to agencies and any reimbursement from the Voluntary Buyout Agency Reimbursement Revolving Fund shall be subject to the available balance of the fund. Reimbursement shall be made in the full amount requested, subject to verification of eligibility for the expended amount, unless the balance of the fund is insufficient to make full reimbursement. No payments from the fund shall be made on a pro rata basis and if an agency application for reimbursement cannot be made in the full amount requested based upon the unavailability of funds, the application shall be denied.

H. Only payments of eligible voluntary buyout expenditures made to an eligible employee, as defined by paragraph 3 of subsection A of this section, shall be eligible for reimbursement. Any payment of eligible voluntary buyout expenditures made to a person who is not an eligible employee as defined by paragraph 2 of subsection A of this section shall not be eligible for reimbursement.

I. As a condition of receiving reimbursement from the Voluntary Buyout Agency Reimbursement Revolving Fund for one or more particular positions, the agency shall agree that its number of full-time-equivalent employees shall be reduced by the number of such positions for a period of not less than thirty-six (36) months. The agency shall report such information to the ~~Office of State Finance~~ Office of Management and Enterprise Services as may be necessary for the ~~Office of State Finance~~ Office of Management and Enterprise Services to ensure that the provisions of this subsection are enforced. If the ~~Office of State Finance~~ Office of Management and Enterprise Services determines that the agency is not substantially in compliance with the provisions of this subsection, the agency shall repay the amount of reimbursement received.

J. Notwithstanding the loss of specific employees resulting from a voluntary buyout pursuant to this section, an agency shall preserve such full-time-equivalent positions as may be required in order to perform the duties imposed upon the agency by law and may, subject to the applicable provisions of the Oklahoma Personnel Act, provide for the performance of the duties formerly performed by an employee accepting a voluntary buyout.

K. The provisions of this section shall not preclude an agency from entering into a voluntary buyout agreement pursuant to Section 840-2.28 of ~~Title 74 of the Oklahoma Statutes~~ this title which does not provide for any reimbursement of funds.

L. Any employee who accepts a voluntary buyout pursuant to the provisions of this section shall be prohibited from being employed by the entity of state government making payment to the employee pursuant to this section for a period of three (3) years from the date as of which the employee is last employed by the state governmental entity making payment to the employee pursuant to the provisions of this section. After the expiration of the three-year period prescribed by this subsection, the former employee may be hired by the state governmental entity which made payment to the employee pursuant to this section. The provisions of this subsection shall also be applicable to a contract for the

performance of services by a former employee of the state governmental entity which made payment pursuant to this section for a period of three (3) years from the date as of which the employee is last employed by the state governmental entity making payment to the employee pursuant to the provisions of this section.

SECTION 891. AMENDATORY 74 O.S. 2011, Section 840-2.28B, is amended to read as follows:

Section 840-2.28B There is hereby created in the State Treasury a revolving fund for the ~~Office of State Finance~~ Office of Management and Enterprise Services to be designated the "Voluntary Buyout Agency Reimbursement Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the ~~Office of State Finance~~ Office of Management and Enterprise Services from such sources as may be designated by law. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the ~~Office of State Finance~~ Office of Management and Enterprise Services for the purpose of making reimbursement payments to agencies as provided by Section 2 840-2.28A of this ~~act~~ title for eligible voluntary buyout expenditures. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services for approval and payment.

SECTION 892. AMENDATORY 74 O.S. 2011, Section 840-3.1, is amended to read as follows:

Section 840-3.1 A. Each supervisor employed as of January 1, 1993, by a state agency, board or commission in the executive branch of state government, excluding those within The Oklahoma State System of Higher Education, shall attend, prior to December 31, 1993, a training program for supervisory personnel. The training program shall be established pursuant to subsection C of this section.

B. Employees appointed to supervisory positions after January 1, 1993, shall complete twenty-four (24) hours of training pursuant to subsection C of this section within twelve (12) months of assuming such supervisory position. Thereafter, supervisors are required to complete twelve (12) hours of training pursuant to subsection C of this section each year. The appointing authority of each agency shall ensure each supervisory employee is notified and

scheduled to attend such required training and shall make time available for each such employee to complete the training.

C. 1. The ~~Administrator~~ Director of the Office of Personnel Management Office of Management and Enterprise Services shall promulgate any rules necessary to develop and implement training programs for supervisory personnel which shall include courses related to the effective performance of an agency manager or supervisor. Rules authorized by this subsection shall require supervisors to attend such training within a reasonable period of time determined by the ~~Administrator~~ Director.

2. Training programs for supervisors under this section may be approved by the ~~Office of Personnel Management~~ Office of Management and Enterprise Services; provided, however, such programs shall be subject to standards developed by the ~~Office of Personnel Management~~ Office of Management and Enterprise Services. All state agencies, boards and commissions may participate in any such government employee training program established by an institution that is a member of The Oklahoma State System of Higher Education and approved by the ~~Office of Personnel Management~~ Office of Management and Enterprise Services as provided for in this paragraph.

SECTION 893. AMENDATORY 74 O.S. 2011, Section 840-3.2, is amended to read as follows:

Section 840-3.2 There is hereby established within the ~~Office of Personnel Management~~ Office of Management and Enterprise Services, the Carl Albert Public Internship Program. The purposes of the program shall be to assist students at institutions of higher education in gaining experience and knowledge in state government and to encourage recruitment of such students to pursue careers in state government service. In administering the program, the ~~Administrator~~ Director of the Office of Personnel Management Office of Management and Enterprise Services shall:

1. Consult with the chief administrative officers of the legislative, executive, and judicial branches of government in encouraging the establishment and development of intern positions within their agencies;

2. Coordinate with the State Regents for Higher Education and the appropriate public and private institutions of higher education in Oklahoma in the development of a statewide internship program, soliciting qualified applicants, and selecting participants;

3. Develop and coordinate a selection process for placing individuals in intern positions. This selection process shall provide for equal employment opportunities in accordance with state and federal law;

4. Develop and coordinate a training plan for the internship program which balances the need for training and exposure to new ideas with the intern's and agency's need for on-the-job work experience;

5. Develop guidelines for a compensation plan for interns participating in this program; and

6. Provide for recruitment in the regular state service of persons who have successfully completed the Executive Fellows Program provided for in Section ~~3~~ 840-3.4 of this ~~act~~ title.

SECTION 894. AMENDATORY 74 O.S. 2011, Section 840-3.4, is amended to read as follows:

Section 840-3.4 A. The Carl Albert Public Internship Program shall consist of three individual internship programs:

1. An Undergraduate Internship Program consisting of a temporary position for students enrolled in an institution of higher education and working toward an undergraduate degree;

2. A Senior Undergraduate Internship Program consisting of a job placement of up to twenty-four (24) months for students enrolled in an institution of higher education with ninety (90) semester hours or more of completed coursework towards a bachelor's degree. To remain in the Senior Internship a student must continue to be working toward an undergraduate degree at an institution of higher education with at least a two point five (2.5) grade point average calculated on a four point zero (4.0) scale in all undergraduate coursework. The intern occupying this position shall not be converted to the classified service upon graduation or completion of the internship; and

3. An Executive Fellows Program consisting of six-month to two-year placements in professional or managerial level positions for students who have:

- a. successfully completed a baccalaureate degree and at least six (6) semester hours of approved graduate level work with at least a three point zero (3.0) grade point average calculated on a four point zero (4.0) scale in all graduate coursework,
- b. demonstrated a substantial interest in public sector management,
- c. been recommended by the institution of higher education at which they are enrolled, and
- d. such additional requirements as determined by the ~~Office of Personnel Management~~ Office of Management and Enterprise Services.

B. Employing agencies shall rate the performance of participants in the Executive Fellows Program in accordance with Section 840-4.17 of this title.

C. State employees, who otherwise meet the qualifications of the program, shall be eligible to participate in the Carl Albert Public Internship Program upon the written recommendation of the chief administrative officer of the applicant's agency.

SECTION 895. AMENDATORY 74 O.S. 2011, Section 840-3.5, is amended to read as follows:

Section 840-3.5 ~~The Office of Personnel Management~~ Office of Management and Enterprise Services shall promulgate rules to provide that:

1. Upon successful completion of a two-year internship in the Executive Fellows Program, a participant who has met all requirements of education and experience shall be eligible for appointment to a position in the classified or unclassified service of the state and shall be deemed as meeting all other statutory requirements;

2. Persons leaving classified or unclassified positions in state government in order to take an internship shall:

- a. have the right to return to the previous position at any time during the internship or upon completion of the internship, and

- b. continue to receive all fringe benefits they would have received in their previous classified or unclassified positions;

3. Participants in the Undergraduate Internship Program who were not public employees prior to accepting a position in the program shall be employed in accordance with paragraph 8 of subsection A of Section 840-5.5 of this title;

4. Participants in the Senior Undergraduate Internship Program who were not public employees prior to accepting a position in the program shall be employed in accordance with paragraph 10 of subsection A of Section 840.5.5 of this title, except that they shall be granted leave benefits commensurate with regular state employees;

5. Participants in the Executive Fellows Program who were not public employees prior to accepting a position in the program shall be appointed in accordance with paragraph 10 of subsection A of Section 840-5.5 of this title, except that they shall be granted leave benefits commensurate with regular state employees;

6. Selection of interns shall be coordinated by the ~~Office of Personnel Management~~ Office of Management and Enterprise Services, but shall permit appropriate involvement by institutions of higher education and state agencies in order to ensure the integrity of the program, permit the appropriate match between interns and agency assignments, and to benefit the employing agency;

7. The ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services may waive the completion of six (6) semester hours of approved graduate level work required by Section 840-3.4 of this title for participation in the Executive Fellows Program for an undergraduate intern enrolled in six (6) semester hours of approved graduate level work and currently employed by a state agency;

8. Establish compensation plans for interns; and

9. Empower the ~~Office of Personnel Management~~ Office of Management and Enterprise Services to intercede in an internship when the Office determines, at the request of the intern, the agency, or the institution of higher education at which the intern is enrolled, that an internship is not functioning in accordance

with guidelines established for the program and that are necessary for the efficiency and integrity of the program.

SECTION 896. AMENDATORY 74 O.S. 2011, Section 840-3.11, is amended to read as follows:

Section 840-3.11 The ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services is hereby directed to establish programs to facilitate the interchange of employees among state governmental entities, to evaluate the efficient utilization and deployment of state personnel, and to adopt rules necessary to carry out the provisions of the State Personnel Interchange Program. The State Personnel Interchange Program and rules promulgated hereunder shall apply to both unclassified and classified employee services.

SECTION 897. AMENDATORY 74 O.S. 2011, Section 840-3.13, is amended to read as follows:

Section 840-3.13 A. All personnel interchange assignments are intended to be temporary in nature. An individual's period of assignment to any receiving agency shall not exceed twelve (12) months in any thirty-six-month period; except that the period of assignment for mentor executives participating in the mentor program established by Section 840-3.8 of this title shall not exceed twenty-four (24) months in any thirty-six-month period.

B. An individual shall be assigned as a participating employee only upon the individual's freely given written consent, without any form of coercion or duress. Personnel interchanges shall be executed by mutual consent agreement by the appointing authority of the sending agency, the appointing authority of the receiving agency, and the participating individual.

C. A participating employee shall be considered an employee of the sending agency for all purposes other than supervision. The receiving agency shall be responsible for all costs and liabilities arising from the performance of work assigned to the participating employee by the receiving agency which is found to be contrary to law and public policy by a court of competent jurisdiction.

D. A participating classified or unclassified employee may be assigned to a classified or unclassified position for the duration of the assignment without regard to the status of the employee in the sending agency.

E. Work assigned to a participating employee by a receiving agency shall be exempt from the classification and compensation provisions of the Oklahoma Personnel Act. Further, although all agencies are encouraged to resolve employee complaints at the lowest possible level, nothing in this section shall be construed to require a receiving agency to establish or adopt a grievance procedure pursuant to Section 840-6.2 of this title, to hear formal grievances, or to designate a grievance manager. Whenever an interchange agreement is terminated in accordance with the Oklahoma Personnel Act and rules promulgated by the ~~Administrator~~ Director of the Office of Personnel Management Office of Management and Enterprise Services, the participating employee shall be entitled to return to the previous class or job family level of the employee or its successor class or job family level, if one exists in the sending agency. Otherwise, the reduction-in-force provision of Section 840-2.27 of this title shall apply.

F. Except as provided in subsection E of this section, a participating employee who is assigned to a receiving agency shall neither lose, or suffer diminution of, any right, power, privilege, or benefit to which the employee would otherwise be entitled, including but not limited to salary, seniority, promotion, reinstatement, insurance, retirement, classified or unclassified status, progressive discipline, and use of grievance and appeals procedures. An employee's class or job family level shall not be adversely affected by another employee's participation in an interchange.

G. Any participating employee who suffers injury, occupational disease, or death, arising out of and in the course of an assignment to a receiving agency or sustained in the discharge of duties in connection with said assignment shall be considered an employee of the sending agency, and shall not be deprived by virtue of participating in said program of any right or expectancy that would otherwise accrue pursuant to the laws of this state governing labor and workers' compensation.

H. Except as provided in this section, a participating employee shall neither receive nor accept any compensation from the receiving agency to which the employee is assigned. Any receiving agency shall, in accordance with any applicable laws and policies, reimburse the per diem and travel expenses of any participating employee assigned thereto.

I. Nothing in the State Personnel Interchange Program is intended to preclude the adoption of rules governing the interchange of employees of state governmental entities via other interchange provisions, such as leaves of absence without pay and career executive appointments.

SECTION 898. AMENDATORY 74 O.S. 2011, Section 840-3.15, is amended to read as follows:

Section 840-3.15 A. There is hereby created the Certified Public Manager Program within the ~~Office of Personnel Management~~ Office of Management and Enterprise Services. The Program shall be administered by the ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services. The purpose of the Program shall be to develop the management skills of those employees and persons who enter into the Program and to assist state agencies and other employers in the identification and development of future managers and leaders. The Program, when space is available, may be available to political subdivisions and not-for-profit employers.

B. The ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall adopt rules necessary to implement the Certified Public Manager Program. These shall include:

1. Admission and curriculum requirements for the Program; and
2. Fees sufficient for the operation of the Program. Fees charged to state agencies for their employees who participate in the Program may be less than fees charged to other employers for persons employed by them. The ~~Administrator~~ Director shall also require a nominal fee to be charged individuals who participate in the Program.

SECTION 899. AMENDATORY 74 O.S. 2011, Section 840-3.16, is amended to read as follows:

Section 840-3.16 A. There is hereby created the Executive Development Program for State Officials within the ~~Office of Personnel Management~~ Office of Management and Enterprise Services. The Program shall be administered by the ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services. The purpose of the Executive Development Program for State Officials is to enhance the leadership skills of

program participants. This program is designed for cabinet secretaries, agency directors, and senior-level executives within Oklahoma state agencies.

B. The ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services may adopt rules necessary to implement the Executive Development Program for State Officials. The ~~Administrator~~ Director may establish and collect fees for participation in the Program.

SECTION 900. AMENDATORY 74 O.S. 2011, Section 840-4.2, is amended to read as follows:

Section 840-4.2 A. Except as otherwise provided by law, effective on the date an unclassified employee is made subject to the Merit System of Personnel Administration by virtue of an Executive Order issued pursuant to Section 840-4.1 of this title or legislation, the employee shall be given status in the job family level to which the position occupied by the employee is initially allocated by the ~~Office of Personnel Management~~ Office of Management and Enterprise Services. The employee shall not be required to take any examination or qualify for the job family level, and the salary of the employee shall not be reduced as a result of such initial allocation. The status of the employee shall be determined as follows:

1. An employee who has been continuously employed by the agency for a minimum of twelve (12) months immediately preceding the date on which the employee is made subject to the provisions of the Merit System shall be given permanent status in the classified service.

2. An employee who has been continuously employed by the agency for less than twelve (12) months on the date the employee is made subject to the provisions of the Merit System shall be given probationary status in the classified service. Such employee may obtain permanent status in the classified service twelve (12) months after the employee's entry-on-duty date with the agency pursuant to the provisions of the Merit System.

B. Persons appointed to the classified service of any agency under the Merit System shall achieve classified status only in accordance with the Oklahoma Merit System of Personnel Administration Rules promulgated pursuant to the Oklahoma Personnel Act.

C. Any classified employee who is serving in a position on the effective date of the removal of the position from the classified service and placement into the unclassified service shall have the option of retaining the employee's classified status. Any such employee who elects to change from classified to unclassified status shall so indicate in writing. If the employee chooses to remain in the classified service, the position occupied by the employee shall remain in the classified service until the employee either vacates the position or elects unclassified status. All future appointees to such positions shall be in the unclassified service.

SECTION 901. AMENDATORY 74 O.S. 2011, Section 840-4.3, is amended to read as follows:

Section 840-4.3 A. ~~The Office of Personnel Management Office~~ of Management and Enterprise Services shall conduct audits of positions in the classified service to determine the proper job family to which a position is allocated, and may delegate the auditing function to an agency pursuant to subsection E of Section 840-1.15 of this title. Appointing authorities have control of positions within their agency and have the authority to organize their agencies, to create positions, to abolish positions and to prescribe or change the duties and responsibilities assigned to any position or employee at any time and shall determine the level within a job family at which duties and responsibilities are assigned. ~~The Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall adopt rules establishing policies and procedures for appointing authorities to follow when determining the job family level at which duties and responsibilities are assigned within their agencies. Such rules shall include a process for review by the ~~Office of Personnel Management~~ Office of Management and Enterprise Services of internal classification grievances of job family level assignments which cannot be resolved at the agency level. Individual audits of positions shall be conducted at the request of the appointing authority based on information provided by the agency. An incumbent employee will be given an opportunity to respond; however, the ~~Office of Personnel Management~~ Office of Management and Enterprise Services will rely on the appointing authority for an official listing of the duties and responsibilities of the position.

B. The appointing authority has the responsibility to ensure that employees are properly classified and that the work performed conforms to the appropriate job family descriptor describing the position. Employees shall be classified in accordance with the work

they are assigned on a regular and consistent basis as an integral part of their normal work assignment and job family descriptor. An employee has the right and responsibility to file a classification grievance, as provided by law and rule, when duties performed on a regular and consistent basis do not conform to the job family descriptor. An employee is entitled to the compensation assigned to the job family level for which duties were performed on a regular and consistent basis. This provision does not entitle the employee to a higher job family level. Agency classification and reclassification decisions shall not be subject to appeal to the Oklahoma Merit Protection Commission. However, the involuntary removal of a permanent employee in permanent status in a job family level to a lower level in the same job family or to another job family level assigned a lower pay band shall be considered a demotion. Such action may be appealed by the employee to the Oklahoma Merit Protection Commission. The ~~Administrator~~ Director of the Office of Personnel Management Office of Management and Enterprise Services shall adopt rules pursuant to subsection A of this section which shall include a process for review by the ~~Office of Personnel Management~~ Office of Management and Enterprise Services of internal classification grievances of job family level assignments which cannot be resolved at the agency level.

C. Job family descriptors shall be used for the purpose of distinguishing one job family from another as clearly and definitively as possible in order that positions may be properly allocated and employees may be properly classified in accordance with this section. Job family descriptors shall be applied in accordance with the following:

1. The position description questionnaire and job family descriptors shall be interpreted and applied as a composite picture of the job requirements. An employee is not required to perform all of the work operations described in a job family descriptor in order to be eligible for classification thereunder. An employee is not eligible or entitled to classification by reason of performing isolated or singular duties incidental to the job but which are described in another job family descriptor. Employees are entitled to the job family level they are currently assigned.

2. An employee normally performs some of the work of higher-rated jobs and some of the work of lower-rated jobs when required. The normal duties of an employee may include assistance to others.

3. An employee is required to perform the work operations and duties described or appraised as being covered by a job family descriptor pursuant to that degree or amount of guidance or instruction which is considered regular and consistent in order to qualify for the classification.

SECTION 902. AMENDATORY 74 O.S. 2011, Section 840-4.6, is amended to read as follows:

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

B. The ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall develop a salary schedule for the classified service and pay lines as appropriate to meet the needs of agencies.

C. The ~~Administrator~~ Director shall design a compensation system for all classified state employees. The compensation system, except for performance based adjustments, developed pursuant to this subsection shall be consistent with but not limited to the recommendations contained in the Classification and Compensation Reform Report from the ~~Administrator~~ Director, dated December 1998 and submitted to the Governor, President Pro Tempore of the Senate and Speaker of the House of Representatives.

D. All executive branch state agencies who employ personnel in the unclassified service of the state, whose salaries are not prescribed by law, shall establish salary schedules for such employees.

SECTION 903. AMENDATORY 74 O.S. 2011, Section 840-4.7, is amended to read as follows:

Section 840-4.7 A. Proposed initial assignment of pay bands and pay band adjustments may be adopted by the ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services after a public hearing. Such action shall become effective the following July 1 unless the ~~Administrator~~

Director finds it essential for the provision or continuation of government services to adopt an earlier effective date. All such actions shall be reported to the Governor, President Pro Tempore of the Senate and Speaker of the House of Representatives. The report shall include the justification and financial impact of the action.

B. The provisions of this section shall not be subject to the provisions of Article I of the Administrative Procedures Act.

SECTION 904. AMENDATORY 74 O.S. 2011, Section 840-4.8, is amended to read as follows:

Section 840-4.8 A. In order to allow state-employed chaplains to take advantage of federal tax provisions, the chief administrative officer of any state entity that employs chaplains may designate not to exceed forty percent (40%) of the salary of the chaplain as a housing allowance.

B. The ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall promulgate rules for the implementation of this section.

SECTION 905. AMENDATORY 74 O.S. 2011, Section 840-4.10, is amended to read as follows:

Section 840-4.10 A. The Superintendent of Public Instruction and the ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall enforce and carry out the provisions of Section ~~17~~ 840-4.9 of this ~~act~~ title.

B. The ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall act upon recommendation made by the Superintendent or his designee.

SECTION 906. AMENDATORY 74 O.S. 2011, Section 840-4.11, is amended to read as follows:

Section 840-4.11 The ~~Administrator~~ Director may promulgate rules to provide for the establishment of noncompetitive appointments including, but not limited to, the positions of unskilled labor, attendants, aides, food service helpers, or custodial or similar types of employment when the character of the work makes it impracticable to supply the needs of the service effectively by competitive examination. All such persons appointed shall serve a probationary period in accordance with the rules

adopted by the ~~Office of Personnel Management~~ Office of Management and Enterprise Services and the provisions of the laws of the State of Oklahoma and shall acquire permanent status and be subject to the same rules as other classified employees.

SECTION 907. AMENDATORY 74 O.S. 2011, Section 840-4.12, is amended to read as follows:

Section 840-4.12 A. The ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall be responsible for conducting promotional examinations and entrance examinations as required under the Oklahoma Personnel Act. Such examinations shall be of such character as to determine the qualifications, fitness and ability of the persons tested to perform the duties of the job family or job family level for which such tests or examinations are given. Provided, however, tests and examinations of persons with severe disabilities who have satisfactorily completed vocational and technical education courses in vocational training units or divisions approved by the State Department of Rehabilitation Services shall be limited in scope so as to relate to the skill and physical capability required for a particular position. Adequate public notice shall be given of all examinations except for promotion within a department or agency. Notwithstanding any other provision of law, the ~~Administrator~~ Director may keep confidential all promotional examinations, entrance examinations, and any other testing materials, but the ~~Administrator~~ Director shall be required to disclose them pursuant to a valid order from a court of competent jurisdiction and establishment of a protective order prohibiting public disclosure of the examinations and materials.

B. No person shall be required to take an entrance examination for an appointment to a job family level requiring licensing by a state agency if that person has been previously tested and is currently licensed by the State of Oklahoma.

C. Promotional examinations for promotion within an agency, unless requested by the agency, shall not be required; provided that the promotion is in accordance with a plan adopted by the ~~Administrator~~ Director and is in accordance with a plan adopted by the promoting agency. Every employee promoted within an agency or following an intra-agency lateral transfer shall serve a six-month trial period in the job level to which the employee is promoted or transferred, unless the trial period is waived, in writing, by the appointing authority. At any time during a trial period, the

appointing authority may return the employee to the level from which the employee was promoted upon written notification by the appointing authority to the employee as to such action and the reason therefor, and the employee shall not have the right to appeal.

D. The ~~Administrator~~ Director shall accept Certificates of Proficiency issued by accredited private or public schools, colleges or the Oklahoma Employment Security Commission in lieu of typing and shorthand tests.

E. The ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall certify that a candidate meets the necessary job qualifications for a job family level in the classified service for the purpose of allowing that candidate to be appointed to a job. The ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services may delegate the certification function provided by this section to an agency pursuant to subsection E of Section 840-1.15 of this title. Any statute which creates any position or qualifications for any position in the classified service shall not be construed to limit the power of the ~~Administrator~~ Director to interpret or add to those qualifications in a reasonable manner consistent with the intent of the Legislature and the duties of that position. Any statute which empowers any agency head or other employer to hire or nominate persons for employment within the classified service shall not be construed to empower that agency head or other employer to waive or modify any qualification or rule for employment established by the ~~Administrator~~ Director. The ~~Administrator~~ Director shall not be construed to have the authority to limit or reduce any qualification established by statute for any position. The constructions established herein shall apply to any statutes or positions heretofore or hereafter created unless that statute clearly and specifically states that such constructions do not apply.

F. Subsections A through E of this section shall not apply to special disabled veterans who are considered for employment under the provisions of Sections 401 through 404 of Title 72 of the Oklahoma Statutes. Provided, said veterans may elect instead to be considered for employment according to the procedures set out in subsections A through E of this section.

G. Subsections A through E of this section shall not apply to persons with severe disabilities who are considered for employment

under the provisions of this subsection. Provided, said persons may elect instead to be considered for employment according to the procedures set out in subsections A through E of this section.

1. As used in this subsection "persons with severe disabilities" means persons certified as having disabilities according to standards and procedures established by the ~~Administrator~~ Director. Said standards and procedures shall be developed by the ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services with the assistance of the Office of Handicapped Concerns, and the State Department of Rehabilitation Services.

2. Agencies of this state may employ persons with severe disabilities who are legal residents of the state in competitive and noncompetitive jobs. Except for the requirement of minimum qualifications specified in applicable job specifications, such persons with disabilities shall be exempt from entrance examinations and hiring procedures administered by the ~~Office of Personnel Management~~ Office of Management and Enterprise Services pursuant to this section and Section 840-4.13 of this title.

3. Persons with severe disabilities hired pursuant to this subsection shall be appointed for a probationary period pursuant to Section 840-4.13 of this title.

4. Persons with severe disabilities hired pursuant to this subsection shall be subject to the rules of the ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services.

5. The ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall maintain records regarding the employment of persons with severe disabilities by state agencies and shall report the number of persons so employed in its annual report for the ~~Office of Personnel Management~~ Office of Management and Enterprise Services required by Section 840-1.6A of this title.

H. 1. This subsection shall be known and may be cited as the "Fair Employment Practices Act".

2. Agencies of this state may use the optional hiring procedure provided in this subsection to employ females, blacks, Hispanics, Asian/Pacific Islanders and American Indians/Alaskan natives, as defined by the Equal Employment Opportunity Commission, who are

legal residents of the state in competitive and noncompetitive jobs. Individuals must meet the minimum qualifications and pass any required examinations established by the ~~Office of Personnel Management~~ Office of Management and Enterprise Services or by statute. Except for any required examinations and minimum qualifications specified in applicable job specifications, such persons shall be exempt from the hiring procedures administered by the ~~Office of Personnel Management~~ Office of Management and Enterprise Services. Persons may only be employed under this subsection in a job family level, group or category which has been identified as underutilized and in which an appropriate hiring goal has been set in the state agency's affirmative action plan approved by the ~~Office of Personnel Management~~ Office of Management and Enterprise Services pursuant to the provisions of Section 840-2.1 of this title. In addition, the appointing authority of the employing agency must determine that a manifest imbalance exists which justifies remedial action pursuant to this subsection in order to reach the affirmative action hiring goal. Provided further, that eligible war veterans, as defined by Section 67.13a of Title 72 of the Oklahoma Statutes, who are members of the group for which a hiring goal has been set shall be considered by the employing agency before a nonveteran is appointed pursuant to this subsection.

3. To be eligible for appointment, the persons who are members of the group for which a hiring goal has been set must score within the top ten scores of other available members of said group based on any examination or rating of education and experience.

4. Persons hired pursuant to this subsection shall be appointed for a probationary period pursuant to Section 840-4.13 of this title.

5. Upon acquiring permanent status, the employee shall be subject to the rules and regulations of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services and to full rights and entitlements of state employees in the classified service.

6. The authority for an agency to make appointments pursuant to this subsection shall be temporary and shall cease when the appointing authority of an agency can no longer justify remedial action pursuant to this subsection.

7. The ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall maintain records regarding the employment

of persons by state agencies pursuant to this subsection and shall report the number of persons so employed in its annual report for the ~~Office of Personnel Management~~ Office of Management and Enterprise Services required by Section 840-1.6A of this title.

SECTION 908. AMENDATORY 74 O.S. 2011, Section 840-4.13, is amended to read as follows:

Section 840-4.13 A. Based upon the results of competitive entrance examinations and registers, as provided by the Oklahoma Personnel Act, the ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall certify to the appointing authority the names of the ten persons receiving the highest grade or score in said examinations plus all eligible applicants whose grade or score is tied with the lowest ranking of those so eligible.

B. In addition to establishing statewide registers pursuant to subsection A of this section, the ~~Administrator~~ Director is hereby authorized to promulgate rules creating a local register to fill a vacancy in a local office of an agency by providing a certificate of available names of eligible persons who are residents of the county where the local office is located or said county and adjacent counties or a group of contiguous counties comprising a service area of an agency. Available eligible residents shall be certified ahead of other available eligible persons who reside outside the area of the local register. In filling vacant positions, the appointing authority shall select any one of the persons whose names have been so certified and may give preference in all cases to persons who have resided in this state for at least one (1) year prior to the date of the examination. Provided, however, that any appointing authority authorized to employ persons who are not citizens of the United States, pursuant to Section 255 of this title, may request the Office to certify only the names of persons who are citizens of the United States in carrying out the provisions of this section; and such appointing authority may select any person so certified to the ~~Administrator~~ Director to fill such vacant positions even though a noncitizen may have received a higher grade on the examination. Provided, further, that any appointing authority may select special disabled veterans considered for employment pursuant to Sections 401 through 404 of Title 72 of the Oklahoma Statutes. The Department of Public Safety, in filling vacancies for Highway Patrol Cadets, may disqualify any eligible whose name has been certified for Highway Patrol Cadet pursuant to subsection A of this section, if the Department of Public Safety considers the eligible in connection

with the hiring of three other eligibles pursuant to subsection A of this section from that certificate. The name of such disqualified eligible shall be omitted from further certification to, and consideration by, the Department of Public Safety for appointment as a Highway Patrol Cadet to the Highway Patrol Academy for which vacancies are being filled. Such disqualification shall neither deprive any person of any preference pursuant to paragraph 3 of subsection A of Section 840-4.14 of this title nor deprive any person from certification to, and consideration by, the Department of Public Safety for appointment as a Highway Patrol Cadet to a subsequent Highway Patrol Academy. The Department of Public Safety shall provide written notice of the disqualification to the ~~Office of Personnel Management~~ Office of Management and Enterprise Services. The Department of Corrections, in filling vacancies for Correctional Officer Cadets and Probation and Parole Officers, may disqualify any eligible whose name has been certified for Correctional Officer Cadet or Probation and Parole Officer, pursuant to subsection A of this section, if the Department of Corrections considers the eligible in connection with the hiring of three other eligibles pursuant to subsection A of this section from that or any other certificate. The name of such disqualified eligible shall be omitted from future certification to, and consideration by, the Department of Corrections for appointment as a Correctional Officer Cadet or Probation and Parole Officer for a period of six (6) months, at which time the eligible may request restoration to the register by the ~~Office of Personnel Management~~ Office of Management and Enterprise Services. Such disqualification shall not deprive any person of any preference pursuant to paragraph 3 of subsection A of Section 840-4.14 of this title. The Department of Corrections shall provide written notice of the disqualification to the ~~Office of Personnel Management~~ Office of Management and Enterprise Services.

C. Agencies may fill positions requiring professional practice licensure and hard-to-fill positions pursuant to authorization by the ~~Administrator~~ Director without regard to subsections A and B of this section. The ~~Administrator~~ Director shall promulgate rules to authorize agencies to fill positions directly, pursuant to this subsection. Such rules shall include criteria for identifying professional practice licensure positions and hard-to-fill positions which shall not require establishment of an employment list of eligible persons or the application of veterans preference. The ~~Administrator~~ Director shall monitor appointments made by agencies pursuant to this subsection and shall establish recordkeeping and reporting procedures and the conditions under which the

~~Administrator~~ Director may withdraw authorization for agencies to directly hire persons into hard-to-fill positions. Nothing in this subsection shall be construed to waive any requirement for any job or position established by statute or the ~~Administrator~~ Director.

D. Every person, except as provided in subsection E of this section, upon initial appointment under the classified service, shall be appointed for a probationary period of one (1) year, except that the appointing authority may waive in writing the remainder of the probationary period at any time after a probationary employee has served six (6) months; provided, however, that the employee and the ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall be notified in writing as to such action and the reason therefor. The probationary appointment of any person may be terminated at any time during the probationary period without the right of appeal. At the close of the probationary period, as herein provided, said person shall acquire a permanent status under the conditions prescribed in the Oklahoma Personnel Act.

E. Every person initially appointed under the classified service as an agent of the Alcoholic Beverage Laws Enforcement Commission shall be appointed for a probationary period of one (1) year.

F. In working with appointing authorities in determining minimum qualifications for a position, the ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall require an appointing authority to justify in writing any reasons for excluding from consideration relevant public or private sector experience applicable to the position.

SECTION 909. AMENDATORY 74 O.S. 2011, Section 840-4.14, is amended to read as follows:

Section 840-4.14 A. In establishing employment lists of eligible persons for competitive and noncompetitive appointment, certain preferences shall be allowed for honorably discharged veterans as defined by Section 67.13a and Section 67.13b of Title 72 of the Oklahoma Statutes. In determination of the register rank:

1. Five points shall be added to the final grade of any person who has passed the examination and has submitted proof of having status as a veteran or unremarried surviving spouse of a veteran;

2. Five points shall be added to the final grade of any person who has passed the examination and has submitted proof of having status as a spouse of a veteran who is unemployable due to a service-connected disability as certified by the Veterans Administration or agency of the Defense Department within six (6) months of date of application; and

3. Ten points shall be added to the final grade of any veteran who has passed the examination and has submitted proof of having a service-connected disability as certified by the Veterans Administration or agency of the Defense Department within six (6) months of date of application. Such veterans' names shall be placed at the top of the register in accordance with their numerical rating if in receipt of benefits payable at the rate of thirty percent (30%) or more and such veterans shall not be denied employment and passed over for other veterans or nonveterans, without showing cause. Acceptable cause shall include a reasonable expectation of the inability of the preferenced applicant to satisfactorily perform at the required level of the position and shall be reviewed in each instance by the ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services. If the ~~Administrator~~ Director finds that acceptable cause for the denial of employment to the preferenced applicant does not exist, the appointing authority shall be required to hire the preferenced applicant. The position shall not be permanently filled until the ~~Administrator~~ Director has issued his findings.

B. War veterans, as defined by Section 67.13a of Title 72 of the Oklahoma Statutes, who have been awarded the Purple Heart or have a service-incurred disability rated by the Veterans Administration or a branch of the Armed Forces of the United States and who have been a resident of Oklahoma for at least one (1) year prior to the date of the examination, shall be authorized to open any closed register established by the Merit System of Personnel Administration.

C. Subsection A of this section shall not apply to special disabled veterans who are considered for employment under the provisions of Sections 401 through 404 of Title 72 of the Oklahoma Statutes. Provided, said veterans may elect instead to be considered for employment according to the procedures set out in this section.

SECTION 910. AMENDATORY 74 O.S. 2011, Section 840-4.15, is amended to read as follows:

Section 840-4.15 A. The appointing authority shall post announcements of a vacancy or vacancies in accordance with a promotional plan filed by the agency with the ~~Office of Personnel Management~~ Office of Management and Enterprise Services. In order to give qualified employees an opportunity to apply for and be considered for possible promotions, the vacancy notices shall be posted at least five (5) working days prior to the closing date for the receipt of applications by the appointing authority. Promotional posting shall be required for initial entry into a job family at any level. Promotional posting shall also be required for entry into any supervisory position or level. Each agency's promotional posting plan shall describe the method by which all agency employees will be notified of vacancy announcements. The posting shall include:

1. Identification of the job family level of the vacancy or vacancies;
2. A listing of job title, major work duties and minimum qualifications;
3. The pay band and range;
4. The anticipated number of vacancies;
5. The specific location of work;
6. The time limits and procedure for filing an application with the appointing authority; and
7. Any additional factors which the appointing authority will consider in filling the vacancy.

B. The appointing authority may elect to post general promotional opportunities in accordance with the provisions of this section in cases where there are usually continuous multiple vacant positions within a given job family; provided the appointing authority maintains a promotional applicant list for each job family which is posted on the basis of general promotional opportunities. In such cases, the posting must include the length of time and conditions under which the promotional application of the candidate will remain available for active consideration by the appointing authority.

C. If an employee still feels that the employee has not been treated fairly with regard to a promotional action pursuant to this section after such complaint has been reviewed in a formal grievance procedure conducted in accordance with the provisions of Section 840-6.2 of this title, the employee may seek a remedy through the procedures established in the Oklahoma Personnel Act. If a violation of Section 840-2.9 of this title has been committed, the Oklahoma Merit Protection Commission may declare a position open.

D. Prior to re-posting a notice of vacancy for a position that was not filled after the first notice was posted, the appointing authority must receive approval from the ~~Administrator~~ Director of the Office of Management and Enterprise Services prior to making any qualification changes to the position to be filled.

SECTION 911. AMENDATORY 74 O.S. 2011, Section 840-4.17, is amended to read as follows:

Section 840-4.17 A. ~~The Office of Personnel Management~~ Office of Management and Enterprise Services shall make available one standard performance management system that shall be used by all agencies for completing employee performance evaluations. The purpose of this employee performance management system is to evaluate the performance of each regular classified, unclassified and exempt employee in the executive branch of state government except those in the exempt unclassified service as specified in paragraphs 1 and 2 of subsection A of Section 840-5.5 of this title and those employees employed by the institutions under the administrative authority of The Oklahoma State System of Higher Education.

B. The employee performance management system shall provide for the following:

1. An objective evaluation by the immediate supervisor of the performance of the employee within the assigned duties of the job. The evaluation shall contain the agency number, date of review, and employee identification number;

2. The identification by the immediate supervisor of accountabilities and behaviors upon which the employee will be evaluated;

3. A mid-term interview with the immediate supervisor for the purpose of discussing the progress of the employee in meeting the accountabilities and behaviors upon which the employee will be evaluated;

4. Identification of performance strengths and performance areas for development;

5. A final interview with the employee by the immediate supervisor who shall provide the employee with a copy of the performance evaluation; and

6. The opportunity for the employee to submit written comments regarding the performance evaluation.

C. Each employee shall be rated at least thirty (30) days prior to the end of the probationary period. Except as may otherwise be provided by rules promulgated by the ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services, after the end of the probation period, each employee shall be evaluated at least annually on a twelve-month period.

D. Any permanent classified employee who disagrees with the employee's performance evaluation may file a grievance pursuant to Section 840-6.2 of this title.

E. Any employee, regardless of status, who is required to be evaluated pursuant to this section and who believes that the employing agency has not complied with the requirements of subsection B of this section may file a complaint through any dispute resolution process made available through the employing agency or, if there is no internal agency dispute resolution process, through the Oklahoma Merit Protection Commission. The Oklahoma Merit Protection Commission shall have jurisdiction to investigate or hear appeals of the failure of an agency to comply with the provisions of subsection B of this section.

F. The agency shall use employee evaluations of current or former state employees in decisions regarding promotions, appointments, demotions, performance pay increases and discharges. Reductions-in-force shall not be considered discharges.

G. The agency shall retain a copy of the performance evaluation for each employee of the agency. A copy of the performance evaluation shall be retained in the employee's personnel file.

H. Each appointing authority shall annually report its compliance with the provisions of this section in writing to the ~~Administrator~~ Director of the Office of Personnel Management Office of Management and Enterprise Services. The ~~Administrator~~ Director shall prescribe a form for such reporting.

I. The ~~Administrator~~ Director of the Office of Personnel Management Office of Management and Enterprise Services shall conduct an annual random audit of state agencies to determine whether they are in compliance with this section. Any agency deemed to be out of compliance shall submit a written plan to the ~~Administrator~~ Director detailing the efforts the agency will make to come into compliance at the earliest possible date.

SECTION 912. AMENDATORY 74 O.S. 2011, Section 840-5.1, is amended to read as follows:

Section 840-5.1 Unless otherwise provided, offices and positions in the unclassified service are in no way subject to any of the provisions of this act or of the rules and regulations promulgated hereunder except leave regulations. Provided, offices and positions of the State Senate and House of Representatives shall not be subject to regulations of the ~~Office of Personnel Management Office of Management and Enterprise Services~~ on involuntary leave without pay or furlough but shall be subject to any involuntary leave without pay or furlough plan adopted by the President Pro Tempore of the Senate or the Speaker of the House of Representatives. No person chosen by election or appointment to fill an elective office shall be subject to any leave plan or regulation or shall such person be eligible for accrual of any leave benefits.

SECTION 913. AMENDATORY 74 O.S. 2011, Section 840-5.1A, is amended to read as follows:

Section 840-5.1A A. Within state government, persons appointed to a position in the unclassified service after June 30, 1996, shall serve at the pleasure of the appointing authority. Appointing authorities shall not convey any right or expectation of continued employment to such unclassified employees. The appointing authority may separate such unclassified employees at any time with or without cause. No provision of the Oklahoma Personnel Act shall be construed as granting any property interest in employment to any unclassified service employee.

B. Nothing in this section is intended to change the status of any unclassified employee appointed to a position on or before June 30, 1996.

C. This section shall not apply to persons in positions in institutions under the jurisdiction of the Oklahoma State Regents for Higher Education or subject to the University Hospitals Authority Model Personnel System created pursuant to Section 3211 of Title 63 of the Oklahoma Statutes.

D. Agencies may provide severance benefits pursuant to Section 840-2.27D of this title to regular unclassified employees with one (1) year or more continuous state service who are separated from the state service for budgetary reasons. A plan providing for such benefits shall be submitted to the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services who shall reject any plan that does not:

1. Demonstrate that funds are available to cover projected costs;
2. Contain an estimate of the number of affected employees likely to participate in the education voucher program established in Section 840-2.27D of this title; and
3. Contain an estimate of the cost savings or reduced expenditures likely to be achieved by the agency.

SECTION 914. AMENDATORY 74 O.S. 2011, Section 840-5.2A, is amended to read as follows:

Section 840-5.2A All persons employed by the Ethics Commission prior to March 18, 1998, shall be in and shall have been in such status in the classified or unclassified service as shown on their individual records on file in the ~~Office of Personnel Management~~ Office of Management and Enterprise Services. The employment records of such persons on file in the ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall be controlling as to the status of such persons and the positions they occupy or occupied.

SECTION 915. AMENDATORY 74 O.S. 2011, Section 840-5.2B, is amended to read as follows:

Section 840-5.2B All persons employed by the State and Education Employees Group Insurance Board prior to March 27, 1998, shall be in and shall have been in such status in the classified or unclassified service as shown on their individual records on file in the ~~Office of Personnel Management~~ Office of Management and Enterprise Services. The employment records of such persons on file in the ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall be controlling as to the status of such persons and the positions they occupy or occupied.

SECTION 916. AMENDATORY 74 O.S. 2011, Section 840-5.3, is amended to read as follows:

Section 840-5.3 A. The following offices, positions and personnel shall not be considered state employees except as otherwise provided by law:

1. Patient and inmate help in the state charitable, mental and correctional institutions;
2. Persons engaged in public work for the state, but employed by contractors when the performance of such contract is authorized by the Legislature or other competent authority;
3. All employees of all public school districts; and
4. Officers and members of the Oklahoma National Guard, as such.

B. 1. Instructional and administrative personnel, except for superintendents, of the State Department of Rehabilitation Services at the Oklahoma School for the Blind and the Oklahoma School for the Deaf pursuant to Section 1419 of Title 10 of the Oklahoma Statutes shall be considered state employees, except they shall not be considered state employees for the purposes of the Oklahoma Personnel Act, unless otherwise provided by law. However, the ~~Office of Personnel Management~~ Office of Management and Enterprise Services may categorize such employees as unclassified solely for the purpose of entering and maintaining employment data in the state Personnel Management Information System established pursuant to Section 840-2.13 of this title.

2. The superintendents at the Oklahoma School for the Blind and the Oklahoma School for the Deaf shall be state employees in the unclassified service, subject to the Oklahoma Personnel Act.

SECTION 917. AMENDATORY 74 O.S. 2011, Section 840-5.5,
is amended to read as follows:

Section 840-5.5 A. The following offices, positions, and personnel shall be in the unclassified service and shall not be placed under the classified service:

1. Persons chosen by popular vote or appointment to fill an elective office, and their employees, except the employees of the Corporation Commission, the State Department of Education and the Department of Labor;

2. Members of boards and commissions, and heads of agencies; also one principal assistant or deputy and one executive secretary for each state agency;

3. All judges, elected or appointed, and their employees;

4. Persons employed with one-time, limited duration, federal or other grant funding that is not continuing or indefinitely renewable. The length of the unclassified employment shall not exceed the period of time for which that specific federal funding is provided;

5. All officers and employees of The Oklahoma State System of Higher Education, State Board of Education and Oklahoma Department of Career and Technology Education;

6. Persons employed in a professional or scientific capacity to make or conduct a temporary and special inquiry, investigation, or examination on behalf of the Legislature or a committee thereof or by authority of the Governor. These appointments and authorizations shall terminate on the first day of the regular legislative session immediately following the appointment, if not terminated earlier. However, nothing in this paragraph shall prevent the reauthorization and reappointment of any such person. Any such appointment shall be funded from the budget of the appointing authority;

7. Election officials and employees;

8. Temporary employees employed to work less than one thousand (1,000) hours in any twelve-month period, and seasonal employees employed by the Oklahoma Tourism and Recreation Department pursuant

to Section 2241 of this title who work less than one thousand six hundred (1,600) hours in any twelve-month period;

9. Department of Public Safety employees occupying the following offices or positions:

- a. administrative aides to the Commissioner,
- b. executive secretaries to the Commissioner,
- c. the Governor's representative of the Oklahoma Highway Safety Office who shall be appointed by the Governor,
- d. Highway Patrol Colonel,
- e. Highway Patrol Lieutenant Colonel,
- f. Director of Finance,
- g. noncommissioned pilots,
- h. Information Systems Administrator,
- i. Law Enforcement Telecommunications System Specialist,
- j. Director of Driver Compliance,
- k. Director of Transportation Division,
- l. Director of the Oklahoma Highway Safety Office,
- m. Civil Rights Administrator,
- n. Budget Analyst,
- o. Comptroller,
- p. Chaplain,
- q. Helicopter Mechanic,
- r. Director of Safety Compliance,
- s. Human Resources Director,

- t. Administrator of Department Services, and
- u. a maximum of seven (7) positions for the purpose of administering programs in the Oklahoma Highway Safety Office, within full-time employee limitations of the Department, employed with federal funding that is continuing or indefinitely renewable. The authorization for such positions shall be terminated if the federal funding for positions is discontinued;

provided, any person appointed to a position prescribed in subparagraph d or e of this paragraph shall have a right of return to the classified commissioned position without any loss of rights, privileges or benefits immediately upon completion of the duties in the unclassified commissioned position;

10. Professional trainees only during the prescribed length of their course of training or extension study;

11. Students who are employed on a part-time basis, which shall be seventy-five percent (75%) of a normal forty-hour work week or thirty (30) hours per week, or less, or on a full-time basis if the employment is pursuant to a cooperative education program such as that provided for under Title I IV-D of the Higher Education Act of 1965 (20 U.S.C. 1087a-1087c), as amended, and who are regularly enrolled in:

- a. an institution of higher learning within The Oklahoma State System of Higher Education,
- b. an institution of higher learning qualified to become coordinated with The Oklahoma State System of Higher Education. For purposes of this section, a student shall be considered a regularly enrolled student if the student is enrolled in a minimum of five (5) hours of accredited graduate courses or a minimum of ten (10) hours of accredited undergraduate courses, provided, however, the student shall only be required to be enrolled in a minimum of six (6) hours of accredited undergraduate courses during the summer, or
- c. high school students regularly enrolled in a high school in Oklahoma and regularly attending classes during such time of enrollment;

12. The spouses of personnel who are employed on a part-time basis to assist or work as a relief for their spouses in the Oklahoma Tourism and Recreation Department;

13. Service substitute attendants who are needed to replace museum and site attendants who are unavoidably absent. Service substitutes may work as part-time or full-time relief for absentees for a period of not more than four (4) weeks per year in the Oklahoma Historical Society sites and museums; such substitutes will not count towards the agency's full-time-equivalent (FTE) employee limit;

14. Employees of the Oklahoma House of Representatives, the State Senate, or the Legislative Service Bureau;

15. Corporation Commission personnel occupying the following offices and positions:

- a. Administrative aides, and executive secretaries to the Commissioners,
- b. Directors of all the divisions, personnel managers and comptrollers,
- c. General Counsel,
- d. Public Utility Division Chief Engineer,
- e. Public Utility Division Chief Accountant,
- f. Public Utility Division Chief Economist,
- g. Public Utility Division Deputy Director,
- h. Secretary of the Commission,
- i. Deputy Conservation Director,
- j. Manager of Pollution Abatement,
- k. Manager of Field Operations,
- l. Manager of Technical Services,
- m. Public Utility Division Chief of Telecommunications,

- n. Director of Information Services,
- o. All Data Processing employees hired on or after September 1, 2005,
- p. All Public Utilities employees hired on or after September 1, 2007,
- q. All Regulatory Program Managers hired on or after September 1, 2007, and
- r. All Pipeline Safety Department employees hired on or after September 1, 2008;

16. At the option of the employing agency, the Supervisor, Director, or Educational Coordinator in any other state agency having a primary responsibility to coordinate educational programs operated for children in state institutions;

17. Department of Mental Health and Substance Abuse Services personnel occupying the following offices and positions at each facility:

- a. Director of Facility,
- b. Deputy Director for Administration,
- c. Clinical Services Director,
- d. Executive Secretary to Director, and
- e. Directors or Heads of Departments or Services;

18. ~~Office of State Finance~~ Office of Management and Enterprise Services personnel occupying the following offices and positions:

- a. State Comptroller,
- b. Administrative Officers,
- c. Alternator Claims Auditor,
- d. Employees hired to fulfill state compliance agency requirements under Model Tribal Gaming Compacts,

- e. Employees of the Budget Division,
- f. Employees of the Fiscal and Research Division,
- g. Employees hired to work on the CORE Systems Project;
and
- h. The following employees of the Information Services
Division:
 - (1) Information Services Division Manager,
 - (2) Network Manager,
 - (3) Network Technicians,
 - (4) Security Manager,
 - (5) Contracts/Purchasing Manager,
 - (6) Operating and Applications Manager,
 - (7) Project Manager,
 - (8) Help Desk Manager,
 - (9) Help Desk Technicians,
 - (10) Quality Assurance Manager,
 - (11) ISD Analysts,
 - (12) CORE Manager,
 - (13) Enterprise System/Database Software Manager,
 - (14) Data Center Operations and Production Manager,
 - (15) Voice Communications Manager,
 - (16) Applications Development Manager,
 - (17) Projects Manager,

- (18) PC's Manager,
- (19) Servers Manager,
- (20) Portal Manager,
- (21) Procurement Specialists,
- (22) Security Technicians,
- (23) Enterprise Communications and Network Administrator,
- (24) Server Support Specialists,
- (25) Senior Server Support Specialists,
- (26) Systems Support Specialists,
- (27) Senior Systems Support Specialists,
- (28) Chief Technology Officer,
- (29) Facility Manager,
- (30) Application Development Specialists,
- (31) Senior Application Development Specialists,
- (32) Workstation Specialists,
- (33) Senior Workstation Specialists,
- (34) Cabling Infrastructure Administration,
- (35) Planning Specialists,
- (36) Senior Planning Specialists,
- (37) Network Specialists,
- (38) Senior Network Specialists,
- (39) Voice Communication Specialists, and

(40) Senior Voice Communication Specialists;

19. Employees of the Oklahoma Industrial Finance Authority;

20. Those positions so specified in the annual business plan of the Oklahoma Department of Commerce;

21. Those positions so specified in the annual business plan of the Oklahoma Center for the Advancement of Science and Technology;

22. The following positions and employees of the Oklahoma School of Science and Mathematics:

- a. positions for which the annual salary is Twenty-four Thousand One Hundred Ninety-three Dollars (\$24,193.00) or more, as determined by the Office of ~~Personnel Management~~ Management and Enterprise Services, provided no position shall become unclassified because of any change in salary or grade while it is occupied by a classified employee,
- b. positions requiring certification by the State Department of Education, and
- c. positions and employees authorized to be in the unclassified service of the state elsewhere in this section or in subsection B of this section;

23. Office of ~~Personnel Management~~ Management and Enterprise Services employees occupying the following positions:

- a. the Carl Albert Internship Program Coordinator,
- b. one Administrative Assistant,
- c. one Workforce Planning Manager,
- d. Assistant Administrators,
- e. one Associate Administrator, and
- f. Division Directors;

24. Department of Labor personnel occupying the following offices and positions:

- a. two Deputy Commissioners,
- b. two Executive Secretaries to the Commissioner,
- c. Chief of Staff,
- d. two Administrative Assistants,
- e. Information Systems Administrator,
- f. three Safety and Health Directors,
- g. Research Director,
- h. Employment Standards Director,
- i. Asbestos Director,
- j. General Counsel,
- k. one Legal Secretary,
- l. one Docket Clerk, and
- m. two Information Systems Application Specialists;

25. The State Bond Advisor and his or her employees;

26. The Oklahoma Employment Security Commission employees occupying the following positions:

- a. Associate Director,
- b. Secretary to the Associate Director, and
- c. Assistant to the Executive Director;

27. Oklahoma Human Rights Commission personnel occupying the position of Administrative Assistant;

28. Officers and employees of the State Banking Department;

29. Officers and employees of the University Hospitals Authority except personnel in the state classified service pursuant

to Section 3211 of Title 63 of the Oklahoma Statutes and members of the University Hospitals Authority Model Personnel System created pursuant to subsection E of Section 3211 of Title 63 of the Oklahoma Statutes or as otherwise provided for in Section 3213.2 of Title 63 of the Oklahoma Statutes;

30. Alcoholic Beverage Laws Enforcement Commission employees occupying the following positions:

- a. three Administrative Service Assistant positions, however, employees in such positions who are in the unclassified service on June 4, 2003, may make an election to be in the classified service without a loss in salary by September 1, 2003, and
- b. the Deputy Director position in addition to the one authorized by paragraph 2 of this subsection;

31. The Oklahoma State Bureau of Investigation employees occupying the following positions:

- a. five assistant directors,
- b. six special investigators,
- c. one information representative,
- d. one federally funded physical evidence technician,
- e. four federally funded laboratory analysts,
- f. a maximum of fourteen positions employed for the purpose of managing the automated information systems of the agency,
- g. one executive secretary in addition to the one executive secretary authorized pursuant to paragraph 2 of this subsection,
- h. Child Abuse Response Team (CART) investigator,
- i. Child Abuse Response Team (CART) forensic interviewer, and

- j. nine administration and research positions and five data processing and information technology positions transferred from the Criminal Justice Resource Center pursuant to Section 150.17a of this title;

32. The Department of Transportation, the following positions:

- a. Director of the Oklahoma Aeronautics Commission,
- b. five Department of Transportation Assistant Director positions,
- c. eight field division engineer positions,
- d. one pilot position,
- e. five Project Manager Positions, and
- f. five Transportation Coordinators;

33. Commissioners of the Land Office employees occupying the following positions:

- a. Director of the Investments Division,
- b. Assistant Director of the Investments Division,
- c. one Administrative Assistant,
- d. one Audit Tech position,
- e. one Auditor I position,
- f. two Accounting Tech I positions,
- g. two Administrative Assistant I positions,
- h. two Imaging Specialist positions,
- i. one Information Systems Specialist position,
- j. Director of Communications,
- k. Director of Royalty Compliance,

- l. Director of Mineral Management,
- m. Director of Accounting,
- n. Chief of Staff,
- o. First Assistant Secretary,
- p. Director of Real Estate Management,
- q. one executive secretary,
- r. one legal secretary, and
- s. one legal assistant;

34. Within the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control Commission, the following positions:

- a. six Narcotics Agent positions and three Typist Clerk/Spanish transcriptionists, including a Typist Clerk Supervisor/Spanish transcriptionist, provided, authorization for such positions shall be terminated if the federal funding for the positions is discontinued,
- b. one executive secretary in addition to the one authorized pursuant to paragraph 2 of this subsection,
- c. one fiscal officer,
- d. one full-time Programmer, and
- e. one full-time Network Engineer;

35. The Military Department of the State of Oklahoma is authorized such unclassified employees within full-time employee limitations to work in any of the Department of Defense directed youth programs, the State of Oklahoma Juvenile Justice youth programs, those persons reimbursed from Armory Board or Billeting Fund accounts, and skilled trade positions;

36. Within the Oklahoma Commission on Children and Youth the following unclassified positions:

- a. one Oversight Specialist and one Community Development Planner,
- b. one State Plan Grant Coordinator, provided authorization for the position shall be terminated when federal support for the position by the United States Department of Education Early Intervention Program is discontinued,
- c. one executive secretary in addition to the one authorized pursuant to paragraph 2 of this subsection, and
- d. one Programs Manager;

37. The following positions and employees of the ~~Department of Central Services~~ Office of Management and Enterprise Services:

- a. one Executive Secretary in addition to the Executive Secretary authorized by paragraph 2 of this subsection,
- b. the Director of Central Purchasing,
- c. one Alternate Fuels Administrator,
- d. one Director of Special Projects,
- e. three postauditors,
- f. four high-technology contracting officers,
- g. one Executive Assistant to the Purchasing Director,
- h. four Contracts Managers,
- i. one Associate Director,
- j. one specialized HiTech/Food Contracting Officer,
- k. one State Use Contracting Officer,
- l. one Property Distribution Administrator,

- m. three licensed architects assigned to the Construction and Properties Division,
- n. three licensed engineers assigned to the Construction and Properties Division,
- o. eight construction consultants assigned to the Construction and Properties Division,
- p. one attorney assigned to the Construction and Properties Division,
- q. three positions assigned to the Information Services Division, which shall include one Information Technology Manager, one Applications Specialist and one Data Planning Specialist,
- r. four positions assigned to Fleet Management, which shall include one Deputy Fleet Manager and three Management Analysts,
- s. one Chief Auditor,
- t. one Assistant Director of Central Purchasing Division,
- u. one Professional Errors and Omissions Liability Adjuster,
- v. three Strategic Sourcing Managers,
- w. three Strategic Sourcing Assistant Managers, and
- x. two Printing Services Brokers;

38. Oklahoma Water Resources Board personnel occupying the following offices and positions:

- a. four Water Quality Assistant Division Chiefs,
- b. four Water Resources Division Chiefs, and
- c. Director of Water Planning;

39. J.D. McCarty Center for Children with Developmental Disabilities personnel occupying the following offices and positions:

- a. Physical Therapists,
- b. Physical Therapist Assistants,
- c. Occupational Therapists,
- d. Certified Occupational Therapist Aides, and
- e. Speech Pathologists;

40. The Development Officer, the Director of the State Museum of History and the Cherokee Strip Regional Heritage Center Director within the Oklahoma Historical Society;

41. Oklahoma Department of Agriculture, Food, and Forestry personnel occupying the following positions:

- a. one Executive Secretary in addition to the Executive Secretary authorized by paragraph 2 of this subsection and one Executive Assistant,
- b. nineteen Agricultural Marketing Coordinator III positions,
- c. temporary fire suppression personnel, regardless of the number of hours worked, who are employed by the Oklahoma Department of Agriculture, Food, and Forestry; provided, however, notwithstanding the provisions of any other section of law, the hours worked by such employees shall not entitle such employees to any benefits received by full-time employees,
- d. one Information Technology Specialist,
- e. one Director of Administrative Services,
- f. one Water Quality Consumer Complaint Coordinator,
- g. one hydrologist position,

- h. Public Information Office Director,
- i. one Information Technology Technician,
- j. Legal Services Director,
- k. Animal Industry Services Director,
- l. Agricultural Environmental Management Services Director,
- m. Forestry Services Director,
- n. Plant Industry and Consumer Services Director,
- o. one Grants Administrator position,
- p. Director of Laboratory Services,
- q. Chief of Communications,
- r. Public Information Manager,
- s. Inventory/Supply Officer,
- t. five Agriculture Field Inspector positions assigned the responsibility for conducting inspections and audits of agricultural grain storage warehouses. All other Agriculture Field Inspector positions and employees of the Oklahoma Department of Agriculture, Food, and Forestry shall be classified and subject to the provisions of the Merit System of Personnel Administration. On November 1, 2002, all other unclassified Agriculture Field Inspectors shall be given status in the classified service as provided in Section 840-4.2 of this title,
- u. Rural Fire Coordinator,
- v. one Agricultural Marketing Coordinator I,
- w. Food Safety Division Director,
- x. two Environmental Program Specialists,

- y. two Scale Technicians,
- z. two Plant Protection Specialists, and
- aa. Chief Agent;

42. The Contracts Administrator within the Oklahoma State Employees Benefits Council;

43. The Development Officer within the Oklahoma Department of Libraries;

44. Oklahoma Real Estate Commission personnel occupying the following offices and positions:

- a. Educational Program Director, and
- b. Data Processing Manager;

45. A Chief Consumer Credit Examiner for the Department of Consumer Credit;

46. All officers and employees of the Oklahoma Capitol Complex and Centennial Commemoration Commission;

47. All officers and employees of the Oklahoma Motor Vehicle Commission;

48. One Museum Archivist of The Will Rogers Memorial Commission;

49. One Fire Protection Engineer of the Office of the State Fire Marshal;

50. Acting incumbents employed pursuant to Section 209 of Title 44 or Section 48 of Title 72 of the Oklahoma Statutes who shall not be included in any limitation on full-time equivalency imposed by law on an agency. Permanent classified employees may request a leave of absence from classified status and accept an unclassified appointment and compensation as an acting incumbent with the same agency; provided, the leave shall expire no later than two (2) years from the date of the acting incumbent appointment. An appointing authority may establish unclassified positions and appoint unclassified employees to perform the duties of a permanent classified employee who is on leave of absence from a classified

position to serve as an acting incumbent. All unclassified appointments created pursuant to this paragraph shall expire no later than two (2) years from the date of appointment. Classified employees accepting unclassified appointments and compensation pursuant to this paragraph shall be entitled to participate without interruption in any benefit programs available to classified employees, including retirement and insurance programs. Immediately upon termination of an unclassified appointment pursuant to this paragraph, an employee on assignment from the classified service shall have a right to be restored to the classified service and reinstated to the former job family level and compensation plus any adjustments and increases in salary or benefits which the employee would have received but for the leave of absence;

51. The Oklahoma Homeland Security Director and all other positions assigned the responsibilities of working in the Oklahoma Office of Homeland Security;

52. The following eighteen (18) positions in the State Department of Health:

- a. one surveillance supervisor,
- b. one surveillance project monitor,
- c. two bilingual interviewers,
- d. eight senior interviewers, and
- e. six interviewers;

53. State Board of Licensure for Professional Engineers and Land Surveyors personnel occupying the following offices and positions:

- a. one Director of Enforcement, and
- b. two Board Investigators;

54. One Information Systems Data Management Analyst of the State and Education Employees Group Insurance Board;

55. Two Management Information Systems positions of the Office of Juvenile Affairs; and

56. Heads of agencies, principal assistants or deputies and executive secretaries of an agency that is consolidated into another agency.

B. If an agency has the authority to employ personnel in the following offices and positions, the appointing authority shall have the discretion to appoint personnel to the unclassified service:

1. Licensed medical doctors, osteopathic physicians, dentists, psychologists, and nurses;
2. Certified public accountants;
3. Licensed attorneys;
4. Licensed veterinarians; and
5. Licensed pharmacists.

C. Effective July 1, 1996, authorization for unclassified offices, positions, or personnel contained in a bill or joint resolution shall terminate June 30 of the ensuing fiscal year after the authorization unless the authorization is codified in the Oklahoma Statutes or the termination is otherwise provided in the legislation.

D. The appointing authority of agencies participating in the statewide information systems project may establish unclassified positions and appoint unclassified employees to the project as needed. Additional unclassified positions may be established, if required, to appoint an unclassified employee to perform the duties of a permanent classified employee who is temporarily absent from a classified position as a result of assignment to this project. All unclassified appointments under this authority shall expire no later than December 31, 2007, and all unclassified positions established to support the project shall be abolished. Both the positions and appointments resulting from this authority shall be exempt from any agency FTE limitations and any limits imposed on the number of unclassified positions authorized. Permanent classified employees may request a leave of absence from classified status and accept an unclassified appointment and compensation with the same agency under the provisions of this subsection; provided, the leave shall expire no later than December 31, 2007. Employees accepting the appointment and compensation shall be entitled to participate without interruption in any benefit programs available to classified

employees, including retirement and insurance programs. Immediately upon termination of an unclassified appointment pursuant to this subsection, an employee on assignment from the classified service shall have a right to be restored to the classified service and reinstated to the former job family level and compensation plus any adjustments and increases in salary or benefits which the employee would have received but for the leave of absence.

SECTION 918. AMENDATORY 74 O.S. 2011, Section 840-5.16, is amended to read as follows:

Section 840-5.16 A. There is hereby created the State Work Incentive Program aimed at employing participants in the Temporary Assistance for Needy Families Program in Oklahoma and vocational rehabilitation clients of the State Department of Rehabilitation Services in the state service. The program shall focus on placement of persons in entry-level positions. The Department of Human Services and the State Department of Rehabilitation Services shall notify agencies in all branches of state government of this program and shall certify to appointing authorities and the ~~Administrator~~ Director of the Office of Management and Enterprise Services that a person is a participant in the Temporary Assistance for Needy Families Program or is a vocational rehabilitation client of the State Department of Rehabilitation Services before the person is eligible to be employed under the State Work Incentive Program by a state agency. Agencies shall cooperate with the Department of Human Services and the State Department of Rehabilitation Services in seeking to provide employment opportunities to persons who are participants in the Temporary Assistance for Needy Families Program or who are vocational rehabilitation clients of the State Department of Rehabilitation Services. The Department of Human Services, the State Department of Rehabilitation Services and the ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall coordinate with agencies to facilitate the transition of participants in the Temporary Assistance for Needy Families Program and vocational rehabilitation clients of the State Department of Rehabilitation Services into the State Work Incentive Program.

B. Agencies employing eligible persons in the State Work Incentive Program shall employ them in unclassified status for up to two (2) years in full-time or part-time capacity. State Work Incentive Program positions shall not be included within any limitation on full-time-equivalent employee positions for any

agency. The service of participants shall be rated pursuant to Section 840-4.17 of this title.

C. Employees hired under the State Work Incentive Program are eligible for leave benefits and other benefits available to state employees, subject to other eligibility requirements, and may be reassigned or promoted while they are participating in the program.

D. Employees hired under the State Work Incentive Program shall be eligible for conversion to permanent classified status after two (2) years of continuous participation in the program. Such employee shall be exempt from probationary hiring procedures including, but not limited to, placement on hiring lists and certification from registers, provided the employee:

1. Has had satisfactory performance as evidenced by service ratings conducted pursuant to Section 840-4.17 of this title; and
2. Possesses the minimum requirements specified for an applicable job.

The ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall promulgate such rules as are necessary for the implementation of the State Work Incentive Program.

SECTION 919. AMENDATORY 74 O.S. 2011, Section 840-6.2, is amended to read as follows:

Section 840-6.2 A. The Oklahoma Merit Protection Commission shall establish standard internal agency grievance resolution procedures for classified state employees. The procedures shall encourage prompt and equitable resolution of grievances at the lowest possible level within the employing agency. Each appointing authority shall either use the procedures established by the Commission or adopt other procedures which address the specific needs of their agencies. All procedures shall contain the minimum requirements established pursuant to this section.

B. The appointing authority of each agency shall furnish to each classified employee a copy of the internal agency grievance resolution procedure utilized by the agency.

C. No employee shall be disciplined or otherwise prejudiced in his or her employment for exercising his or her rights under the internal agency grievance resolution procedure.

D. Internal agency grievances may include, but are not limited to, any direct or indirect form of discipline, reduction-in-force, work assignments, withholding of work, classification, reclassification, promotion, leave, performance appraisal, length of service, overtime, compensatory time, transfers, or any alleged violation of the Oklahoma Personnel Act or merit rules.

E. The internal agency grievance resolution procedures established by the Oklahoma Merit Protection Commission shall contain the following minimum requirements:

1. Procedures encouraging resolution of disputes within the agency quickly, informally and at the lowest possible level;

2. Procedures requiring prompt resolution of the internal agency grievance within established time periods; and

3. Procedures guaranteeing the employee the right to be represented by a person of his own choosing at each step of the procedure, except the initial informal discussion with his immediate supervisor.

F. The Oklahoma Merit Protection Commission shall promulgate rules as necessary to implement the provisions of subsections A through I of this section to establish internal agency grievance resolution procedures, ~~provided that such rules previously promulgated by the Administrator of the Office of Personnel Management shall be transferred to the Oklahoma Merit Protection Commission and shall remain in effect until duly modified by the Commission.~~

G. The appointing authority of each classified agency shall designate employees of the agency to receive and process internal agency grievances. Within six (6) months after designation to serve in this capacity, these employees shall complete the training programs established by the Commission. Upon successful completion, such employees shall be certified to perform the duties associated with receiving and processing internal agency grievances.

H. The appointing authority of each classified agency shall ensure that employees designated to receive and process internal

agency grievances are scheduled to attend and notified of the required training and shall make time available for employees to complete the training.

I. Each agency shall maintain records of each grievance filed as well as summary information about the number, nature and outcome of all grievances filed. Agencies shall keep records of grievances separate and apart from other individual employee personnel files. Agencies shall annually report grievance information and related statistical data to the Oklahoma Merit Protection Commission pursuant to rules adopted by the Commission. An employee or former employee shall have a right of access to the grievance record of grievances he or she filed after the grievance procedure has been completed.

J. Employees may only appeal a reduction-in-force action to the Oklahoma Merit Protection Commission on the basis of procedural errors in the application of the reduction-in-force plan of the employing agency, board, or commission.

SECTION 920. AMENDATORY 74 O.S. 2011, Section 840-6.5, is amended to read as follows:

Section 840-6.5 A. It is the purpose of this section to provide a system for the prompt, fair, and equitable disposition of appeals by permanent classified employees who have been demoted, suspended, or discharged. Further, it is the intent of this section that all decisions rendered as a result of this procedure shall be confined to the issues submitted for decision and consistent with the applicable laws and rules.

B. If an employee in the classified service is demoted as a result of a position audit or reclassification, the agency shall provide notice of such demotion to the ~~Office of Personnel Management~~ Office of Management and Enterprise Services, which shall review the findings of the agency prior to such demotion occurring, to ensure compliance with the law. The ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall complete the review and respond within ten (10) business days of receipt of notice. The provisions of this subsection shall not apply to demotions that are a result of a position audit or reclassification performed by the ~~Office of Personnel Management~~ Office of Management and Enterprise Services.

C. Any employee in the classified service may be discharged, suspended without pay for not to exceed sixty (60) calendar days, or demoted by the agency, department, institution, or officer by whom employed, for misconduct, insubordination, inefficiency, habitual drunkenness, inability to perform the duties of the position in which employed, willful violation of the Oklahoma Personnel Act, the Merit Rules for Employment or of the rules prescribed by ~~the Office of Personnel Management or by~~ the Oklahoma Merit Protection Commission, conduct unbecoming a public employee, conviction of a crime involving moral turpitude, or any other just cause. Employees in the classified service, upon final conviction of, or pleading guilty or nolo contendere to, a felony shall be discharged if the felony is job-related pursuant to Section 24.1 of Title 51 of the Oklahoma Statutes. Before any such action is taken against a permanent classified employee, the employing agency, department, institution or officer shall provide the employee with a written statement of the specific acts or omissions that are causes or reasons for the proposed action, an explanation of the agency's evidence, and an opportunity to present reasons why the proposed action is improper.

Within ten (10) business days after such discharge, suspension, or demotion, the appointing authority shall notify the employee by certified mail or personal service of the action taken and the specific cause for which said appointing authority has so acted. Within twenty (20) calendar days after receiving the written notification provided for in this section, the employee may file a written request for appeal with the Oklahoma Merit Protection Commission. The Executive Director shall determine if the jurisdictional requirements provided for in this section have been met. If the jurisdictional requirements are not met, the Executive Director shall notify both the employee and the agency within five (5) calendar days after the receipt of a written appeal request. Such notice shall specifically describe the requirements that were not met. If said requirements have been met, the Executive Director shall refer the appeal request to an administrative hearing officer for a hearing on said discharge, suspension, or demotion, or refer the appeal request to the Alternative Dispute Resolution Program.

If the case is not referred to the Alternative Dispute Resolution Program, then within five (5) calendar days after receipt of said properly executed appeal request, the Executive Director shall provide said employee and the appointing authority with a written notice of (1) a prehearing conference to be held at least five (5) working days, but not more than ten (10) working days,

before the date of the hearing; and (2) the appeal hearing date which shall be no later than thirty-five (35) calendar days after the receipt of the appeal request, unless continued for good cause. Any continuances shall not exceed a combined total of sixty (60) calendar days except for good cause shown. Both the prehearing conference and the hearing shall be conducted in accordance with the provisions of Section 840-6.7 of this title. The notice shall be in the following form:

Notice of Hearing

Oklahoma Merit Protection Commission to _____. You are hereby notified that pursuant to your request an appeal hearing on your (discharge), (suspension), (demotion), from the position of _____ has been set for the _____ day of _____ at _____ M. at _____ in _____, a copy of said cause for your (discharge), (suspension), (demotion), being hereto attached.

Dated this _____ day of _____ City of _____ By _____
Special Counsel of the Oklahoma Merit Protection Commission.

In appeals from demotion, suspension, or discharge, the burden of proof shall rest with the appointing authority, and decisions shall be made based on the rule of preponderance of evidence. The employee shall be sustained or not sustained. If the employee is not sustained in the appeal, the employee shall be discharged, or suspended without pay for not to exceed sixty (60) calendar days, or demoted. If sustained in the appeal, in whole or in part, the presiding official may either adjudge a forfeiture of pay not in excess of sixty (60) calendar days without loss of other rights and benefits or order reinstatement of appellant to the class previously held with full rights and without loss of pay or other benefits; provided that the decision will not result in an employee working out of proper classification as determined by the ~~Office of Personnel Management~~ Office of Management and Enterprise Services.

The findings of the presiding officials shall be final and conclusive upon all questions within their jurisdiction between the parties except as provided for in Sections 317 and 318 of Title 75 of the Oklahoma Statutes. Upon the timely filing of a petition to rehear, reopen, or reconsider, the Oklahoma Merit Protection Commission shall schedule the matter for consideration by the Commissioners on the earliest possible date. The Commission shall rule on petitions by a majority vote of a quorum of the Commissioners. Based on the Commission review of the petition, the

Commission shall issue a Final Petition Decision within thirty (30) days after the petition is heard. The Final Petition Decision shall address the issues which are within the jurisdiction of the Commission raised in the petition, and the Decision shall be written in clear and concise language. Final Petition Decisions are subject to judicial review if appealed to the district court within thirty (30) calendar days. The State of Oklahoma or any agency of the state shall not be allowed to appeal to the district court unless the employee is continued on full pay in the same status of employment existing prior to suspension or discharge.

SECTION 921. AMENDATORY 74 O.S. 2011, Section 840-6.9, is amended to read as follows:

Section 840-6.9 A. The Oklahoma Merit Protection Commission or ~~the Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services may levy an administrative fine not to exceed Five Thousand Dollars (\$5,000.00) against any person, whether subject to the provisions of the merit system or in unclassified service, who after proper notice fails or refuses, within a reasonable period of time, to implement a written order of the Oklahoma Merit Protection Commission or the ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services. Such fine shall be assessed against the person who violates the order and shall not be paid by any monies of the employing entity in which the person is employed or serves.

B. Any person against whom an administrative fine is levied who continues the violation for an unreasonable period of time, as determined by the Oklahoma Merit Protection Commission or ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services, shall forfeit his or her position and shall be ineligible for appointment to or employment in state government for a period of five (5) years.

C. Any fines collected pursuant to this section shall be deposited to the revolving fund of the respective entity which levies the fine.

SECTION 922. AMENDATORY 74 O.S. 2011, Section 841.30, is amended to read as follows:

Section 841.30 A. There is hereby created the Oklahoma Compensation and Unclassified Positions Review Board.

B. The Oklahoma Compensation and Unclassified Positions Review Board shall be composed of the following seven (7) members:

1. Two members of the Oklahoma Senate appointed by the President Pro Tempore of the Senate;

2. Two members of the Oklahoma House of Representatives appointed by the Speaker of the House of Representatives;

3. Two members appointed by the Governor, one to be from a state agency with five hundred (500) or more employees and the other to be from a state agency with fewer than five hundred (500) employees; and

4. The chief executive officer of the largest organization in the state that represents state employees, or a designee.

C. After the initial appointments, the members shall serve four-year terms, and the appointing authorities may fill any vacancies as they occur. The term of the members appointed by the President Pro Tempore of the Senate shall expire July 1, 2004. The term of the members appointed by the Speaker of the House of Representatives shall expire July 1, 2005. The term of the members appointed by the Governor shall expire July 1, 2006. The term of the members appointed by the largest organization in the state that represents state employees shall expire July 1, 2007.

D. The Board shall elect one of its members as chair.

E. The Board shall review the study of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services, as required by paragraph 19 of Section 840-1.6A of this title, and make recommendations which may include compensation adjustments, pay band adjustments, targeted salary increases, and other recommendations related to turnover, fringe benefits and other compensation issues concerning state employees, but excluding retirement issues. The recommendations shall be made to the President Pro Tempore of the Senate, Speaker of the House of Representatives, and Governor on or before February 1 of the year following each biennial meeting.

F. The Board shall meet in December 2005 and in December of every odd-numbered year thereafter to consider compensation recommendations. The Board shall meet every year to consider unclassified positions recommendations. Any additional meetings shall be at the call of the chair.

G. The Board shall review and make recommendations concerning the unclassified service as follows:

1. State agencies subject to the provisions of the Merit System of Personnel Administration shall submit requests to the ~~Administrator~~ Director of the Office of Personnel Management Office of Management and Enterprise Services for authorizations for unclassified positions and employees that are in addition to unclassified positions already authorized by law. The ~~Administrator~~ Director shall forward the requests to the Board. The ~~Administrator~~ Director shall review, analyze, and provide recommendations to the Board regarding the requests. The Board shall meet in December of each year and shall review any agency proposals to add unclassified positions to the state service. A representative from each appointing authority of a state agency that desires to add unclassified positions shall attend the meeting and present the proposal of the agency. The Board shall also review positions currently in the unclassified service. The ~~Administrator~~ Director of the Office of Personnel Management Office of Management and Enterprise Services shall review and analyze such positions and provide recommendations to the Board. The Board may request the presence of state agency representatives to provide information concerning such positions.

2. On or before February 1 of each year, the Board shall present any recommendations to the President Pro Tempore of the State Senate and the Speaker of the Oklahoma House of Representatives concerning current positions in the unclassified service and agency proposals to add unclassified positions.

3. The Board may also meet during the regular session of the Legislature to consider any additional requests to add unclassified positions to the state service submitted pursuant to this subsection.

H. A majority of the members of the Board shall constitute a quorum for the transaction of business. Each Board member shall be entitled to one vote on the Board. Any official action of the Board must have a majority of the votes of the members present.

I. Each member of the Board shall serve without compensation except that each legislative member of the Board shall receive reimbursement for travel expenses in accordance with Section 456 of this title and each nonlegislative member of the Board shall receive

reimbursement for travel expenses in accordance with the State Travel Reimbursement Act by the ~~Office of Personnel Management~~ Office of Management and Enterprise Services.

J. Staffing for the Board shall be composed of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services, Oklahoma Senate staff, and Oklahoma House of Representatives staff as needed.

SECTION 923. AMENDATORY 74 O.S. 2011, Section 842, is amended to read as follows:

Section 842. A. Effective July 1, 2003, state agencies shall allow product vendors that have an authorized payroll deduction for state employees pursuant to Section 7.10 of Title 62 of the Oklahoma Statutes reasonable access to state employees in order to provide information concerning their products. In cooperation with the individual state agencies, vendors shall be allowed, at a minimum, annual access to state employees for such purpose. This access shall only occur during scheduled breaks or during periods immediately before or after normal work hours and must not disrupt or interfere with the business of the agency. For those state government facilities that operate twenty-four (24) hours a day, vendors shall be allowed access for each shift. State funds shall not be utilized to accommodate this access.

B. The ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services may promulgate rules necessary to implement this section.

SECTION 924. AMENDATORY 74 O.S. 2011, Section 845, is amended to read as follows:

Section 845. A. State agencies shall allow employee organizations the following privileges:

1. Holding meetings on state property in a location that does not disrupt the operations of agency business. Employees may attend such meetings as long as meetings are conducted before or after working hours, or during employee lunch periods; and

2. Allowing employee organizations to provide information to state agencies to be included in new employee packets.

B. The ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall promulgate rules governing the annual distribution of employee organization materials by state agencies.

C. Nothing in the State Employee Advocacy Rights Act shall be construed to conflict with the rules of the Ethics Commission regarding the use of public facilities for political purposes.

SECTION 925. AMENDATORY 74 O.S. 2011, Section 865, is amended to read as follows:

Section 865. The accounts and books of the Authority, including its receipts, disbursements, contracts, mortgages, investments and other matters relating to its finances, operations and affairs shall be examined and audited annually by the State Auditor and Inspector as provided by law. The audit shall be filed with the Director of ~~State Finance~~ the Office of Management and Enterprise Services in accordance with the requirements for financial statement audits in Section 212A of this title.

SECTION 926. AMENDATORY 74 O.S. 2011, Section 905, is amended to read as follows:

Section 905. (1) There shall be a Board of Trustees which shall consist of ~~thirteen (13)~~ twelve (12) members as follows: a member of the Corporation Commission selected by the Corporation Commission, the ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services or the ~~Administrator's~~ Director's designee, the State Insurance Commissioner or the Commissioner's designee, ~~the Director of State Finance or the Director's designee,~~ a member of the Oklahoma Tax Commission selected by the Tax Commission, three members appointed by the Governor, one member appointed by the Supreme Court, two members appointed by the Speaker of the House of Representatives and two members appointed by the President Pro Tempore of the State Senate. One member appointed by the Governor shall be an active member of the System. One member appointed by the Speaker shall be an active member of the System. One member appointed by the President Pro Tempore shall be a retired member of the System.

(2) The member of the Board of Trustees on the operative date of this act who was appointed by the Supreme Court shall complete the term of office for which the member was appointed. The members

thereafter appointed by the Supreme Court shall serve terms of office of four (4) years.

(3) Members of the Board of Trustees on the operative date of this act who were appointed by the Speaker of the House of Representatives or by the President Pro Tempore of the Senate shall complete their term of office for which they were appointed. The initial term of office of members appointed thereafter shall expire on January 8, 1991. The members thereafter appointed by the Speaker of the House of Representatives and by the President Pro Tempore of the Senate shall serve terms of office of four (4) years.

(4) The initial term of office of the members appointed by the Governor shall expire on January 14, 1991. The members thereafter appointed by the Governor shall serve a term of office of four (4) years which is coterminous with the term of office of the office of the appointing authority.

(5) One of the members appointed to the Board by the Speaker of the House of Representatives and by the President Pro Tempore of the Senate and two members appointed to the Board by the Governor shall:

(a) have demonstrated professional experience in investment or funds management, public funds management, public or private pension fund management or retirement system management;

(b) have demonstrated experience in the banking profession and have demonstrated professional experience in investment or funds management;

(c) be licensed to practice law in this state and have demonstrated professional experience in commercial matters; or

(d) be licensed by the Oklahoma Accountancy Board to practice in this state as a public accountant or a certified public accountant.

The appointing authorities, in making appointments that conform to the requirements of this subsection, shall give due consideration to balancing the appointments among the criteria specified in paragraphs (a) through (d) of this subsection.

(6) No member of the Board of Trustees shall be a lobbyist registered in this state as provided by law.

(7) Any vacancy that occurs on the Board of Trustees shall be filled for the unexpired term in the same manner as the office was previously filled.

(8) Notwithstanding any of the provisions of this section to the contrary, any person serving as an appointed member of the Board on the operative date of this act shall be eligible for reappointment when the term of office of the member expires.

(9) The Board shall elect one of its members as Chairman of the Board at its annual meeting. He shall preside over meetings of the Board and perform such other duties as may be required by the Board.

(10) The Board shall also elect another member to serve as Vice Chairman, and the Vice Chairman shall perform duties of Chairman in the absence of the latter or upon his inability or refusal to act.

SECTION 927. AMENDATORY 74 O.S. 2011, Section 907, is amended to read as follows:

Section 907. A. The principal office of the System shall be in quarters at Oklahoma City, Oklahoma. Offices shall be assigned to the System by the ~~Department of Central Services~~ Office of Management and Enterprise Services. Upon the failure or inability of the ~~Department of Central Services~~ Office of Management and Enterprise Services to provide adequate facilities, the Board is hereby authorized to contract for necessary office space in suitable quarters. If the Board acquires an office building for investment purposes, it may occupy suitable quarters in the building.

B. The Board shall keep a record of all of its proceedings, which shall be open at all reasonable hours to inspection. A statement covering the operation of the System for the past fiscal year, including income, disbursements, and the financial condition of the fund at the end of each fiscal year and showing the valuation of its assets, investments, and liabilities, shall be delivered to the Governor after the end of each fiscal year and prior to December 1 of the next fiscal year and made readily available to the members and participating employers.

C. The Office of the State Auditor and Inspector shall make an annual audit of the accounts of the System. The audit shall be filed in accordance with the requirements for financial statement audits in Section 212A of this title.

SECTION 928. AMENDATORY 74 O.S. 2011, Section 913, is amended to read as follows:

Section 913. A. Prior service shall be credited as follows:

1. A member shall receive full credit for employment with any participating employer prior to the entry date of his or her employer whether or not continuous and whether or not he or she was employed with a participating employer on such entry date, provided that any member who has retired before the passage of Section 901 et seq. of this title, shall not receive retirement benefits retroactively for such prior service. Provided, that at such time that an employer becomes a participating employer on or after January 1, 1965, and before January 1, 1975, each member and each retirant, upon making proper written application therefor, shall receive prior service credit for service with such employer in the same manner as if such participating employer had been a participating employer on the date first eligible to become a participating employer; and increased benefits attributable to such increased prior service credit shall commence with the next monthly benefit payment due following receipt and approval of such application by the Board of Trustees. No prior service shall be granted, however, for periods of service in which the employee made contributions which he or she subsequently withdrew, unless he or she has complied with the provisions of subsection (5) of Section 917 of this title. The burden of proof regarding prior service shall be with the member and shall be documented in such manner as the Board may direct;

2. Any member who was employed in an institution of higher learning by a State Board of Regents or who was employed by an Oklahoma school district prior to July 1, 1943, may receive prior service credit under this act for the period of time they were so employed;

3. Any member who served in the Armed Forces of the United States, as defined in paragraph (23) of Section 902 of this title, prior to membership in the Oklahoma Public Employees Retirement System shall be granted prior service credit, not to exceed five (5) years, for those periods of active military service during which he or she was a war veteran. For a member of the System hired on or after July 1, 2003, if the military service credit authorized by this paragraph is used to compute the retirement benefit of the member and the member retires from the System, such military service credit shall not be used to compute the retirement benefit in any

other retirement system created pursuant to the Oklahoma Statutes and the member may receive credit for such service only in the retirement system from which the member first retires;

4. An elective state, county, city or town official who is ineligible for membership as a result of any applicable state law or constitutional provision making him or her ineligible solely because of his or her being such an official at the time of his or her eligibility for membership at the time his or her employer becomes a participating employer shall nevertheless not forfeit the prior service credit to which he or she would be entitled except for such ineligibility, provided that he or she either:

- a. becomes an employee of a participating employer within four (4) calendar months of the expiration of his or her term of office current at the time of his or her eligibility except for his or her being an elective state or county official, or
- b. within a period of four (4) years after the expiration of his or her term of office current at the time of his or her eligibility except for his or her being an elective state or county official, is elected as a state or county official and thereupon becomes a member of the System, or
- c. has completed ten (10) years of credited service as of the date of his or her eligibility for membership except for his or her being an elective state or county official;

5. Beginning July 1, 1965, all employees of the Department of Human Services shall participate in the Oklahoma Public Employees Retirement System to the same extent as other employees of participating employers in such System. Provided, that any employee performing teaching services in the Oklahoma School for the Deaf or the Oklahoma School for the Blind may elect to participate in the Teachers' Retirement System of Oklahoma in lieu of the Oklahoma Public Employees Retirement System; and any other employee at each such institution or any other institution under the jurisdiction of the Department of Human Services, participating in the Teachers' Retirement System of Oklahoma, may elect to continue to participate in such system in lieu of the Oklahoma Public Employees Retirement System. All employees who shall have participated in the Teachers' Retirement System of Oklahoma and not continuing therein shall have

the right to withdraw their membership from the Teachers' Retirement System of Oklahoma on the same terms as other members withdrawing from such System before retirement. Provided, all persons employed at the Oklahoma School for the Blind and Oklahoma School for the Deaf on June 30, 1965, who became subject to the Oklahoma Public Employees Retirement System, on July 1, 1965, shall receive credit for prior service and be eligible for participation, regardless of age;

6. A member employed as a temporary employee by the Legislative Service Bureau or its predecessors, the State Senate or the House of Representatives for the full duration of a regular legislative session prior to the member's eligibility for membership in the System shall receive six (6) months of prior service credit for each such full regular legislative session if the employee is employed by the Legislative Service Bureau or its predecessors, the State Senate or the House of Representatives as either a full-time or temporary employee for a minimum of six (6) full regular legislative sessions beginning January 1, 1983. For purposes of this subsection, the determination of whether an employee is employed for the full duration of a regular legislative session shall be made by the Legislative Service Bureau if such employee is employed by the Legislative Service Bureau, the State Senate if such employee is employed by the State Senate, or by the House of Representatives if such employee is employed by the House of Representatives;

7. A member of the System shall receive prior service credit for any years of service after January 1, 1975, the member had with a participating employer if the member is not receiving or eligible to receive such prior service credit for the same time in any other state or county retirement system authorized by law. To receive the service credit, the member shall pay the amount determined by the Board pursuant to Section 913.5 of this title; and

8. Any member who is a state employee and receives temporary total disability benefits during the period of absence with a participating employer due to a work-related injury or illness incurred while engaged in a governmental function for said participating employer pursuant to the Workers' Compensation Act shall receive credit for participating service during said period of absence subject to the following requirements:

- a. the member was employed by the participating employer immediately prior to and during the period of absence,

- b. the member must notify the System in writing not later than four (4) months after the member's return to his or her job duties with the participating employer, or termination of employment with the participating employer, or termination of the temporary total disability benefits, whichever is earlier, of the member's desire to receive participating service credit for the period of absence,
- c. the participating employer must certify to the System in writing the dates during which temporary total disability benefits payments were paid to the member, and
- d. the member and the participating employer shall each pay their respective contributions required for the period of absence without interest within sixty (60) days of invoicing by the System, or with interest of seven and one-half percent (7 1/2%) compounded annually if paid after said sixty (60) days.

B. Participating service shall be credited as follows:

1. A member shall receive credit for participating service with a participating employer in accordance with the rules and regulations established by the Board; provided, however, that a member who is not a full-time employee shall receive prorated credit for actual hours worked;

2. Leaves of absence shall not count as a break in continuous employment provided the member leaves his or her accumulated contribution on deposit with the fund; however, the leaves of absence shall not be credited except that involuntary furloughs established by ~~Office of Personnel Management~~ Office of Management and Enterprise Services rules, involuntary furloughs of employees of a district attorney conducted in substantial compliance with the rules of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services as certified by the District Attorneys Council, involuntary furloughs of employees pursuant to a furlough plan adopted by the President Pro Tempore of the Senate or the Speaker of the House of Representatives as authorized in Section 840-5.1 of this title and involuntary furloughs of employees authorized by the Oklahoma Supreme Court shall be credited;

3. Any member who has served in the Armed Forces of the United States, as defined in paragraph (23) of Section 902 of this title, shall be granted participating service for those periods of active military service during which he or she was a war veteran provided this service is immediately preceded by a period of employment with a participating employer and is followed by return to employment as an employee with the same or another participating employer within ninety (90) days immediately following discharge from such military service provided the member leaves his or her accumulated contributions on deposit with the fund;

4. A period of total disability under the System immediately followed by employment with a participating employer, shall not count as a break in continuous employment; provided, that such periods while not employed shall not be credited except that involuntary furloughs established by ~~Office of Personnel Management~~ Office of Management and Enterprise Services Rule 6.13, shall be credited;

5. Termination of employment with a participating employer followed by employment with the same or another participating employer within four (4) calendar months shall not constitute a break in continuous employment; provided, that such period while not employed shall not be credited as participating service;

6. Provided, however, that all employee contributions required by this act made by employees prior to June 30, 1977, will entitle the employee to additional years of participating service in accordance with the following schedule.

Employee accumulated contributions:

More than \$1.00 up to \$500	= 1 year participating service
More than \$500 up to \$1,000	= 2 years participating service
More than \$1,000 up to \$1,500	= 3 years participating service
More than \$1,500 up to \$2,000	= 4 years participating service
More than \$2,000	= 5 years participating service

In no event shall the employee be entitled to more than five (5) additional years of participating service as provided hereunder.

Provided further, that upon termination of employment prior to retirement, the accumulated contributions will be credited as above indicated to establish a vested benefit if so elected by any such employee; and

7. The total participating service credit of a member who retires or terminates employment and elects a vested benefit shall include not to exceed one hundred thirty (130) days of unused sick leave accumulated subsequent to August 1, 1959, during the member's employment with any participating employer. Such credit shall be added in terms of whole months. Twenty (20) days of unused sick leave shall equal one (1) month for purposes of participating service credit. If unused sick leave entitles a member to an additional year of service credit, the member's employer shall reimburse the System for the cost of funding the additional reserve. Each participating employer shall provide the System with adequate and timely information necessary to determine additional benefits and its cost under this paragraph. This paragraph shall apply to members retiring or vesting on or after July 1, 1984.

C. In determining the number of years of credited service, a fractional year of six (6) months or more shall be considered as one (1) year, and less than six (6) months shall be disregarded.

D. A member may receive credit for those years of credited service accumulated by the member while a member of the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Police Pension and Retirement System, the Uniform Retirement System for Justices and Judges, the Oklahoma Law Enforcement Retirement System, or the Teachers' Retirement System of Oklahoma, if the member is not receiving or eligible to receive retirement credit or benefits from said service in any other public retirement system. To receive the service credit, the member shall pay the amount determined by the Board pursuant to Section 913.5 of this title.

E. A member may receive credit for those years of service accumulated by the member as an elected official if the member is not receiving or eligible to receive retirement credit or benefits from said service in any public retirement system. Prior to January 1, 1991, to receive the service credit, the member shall pay to the Board for each year of service purchased pursuant to this subsection a sum equal to the employee and employer contribution rate that would have been applicable to the member as determined by the Board and interest of not to exceed five percent (5%), and effective January 1, 1991, to receive the service credit, the member shall pay

the amount determined by the Board pursuant to Section 913.5 of this title.

F. Effective December 12, 1994, and thereafter, a leave of absence on account of a period of qualified military service in the uniformed services of the United States within the meaning of Section 414(u)(5) of the federal Internal Revenue Code, followed by a return to employment with the participating employer within ninety (90) days after completion of the period of service may be eligible for credited service under this System. Notwithstanding any provision of this plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be allowed in accordance with Section 414(u) of the federal Internal Revenue Code.

G. 1. An active member of the Oklahoma Public Employees Retirement System may receive credit for those years of service accumulated by the member while a member of the Teachers' Retirement System of Oklahoma if:

- a. the member is an active member of the Oklahoma Public Employees Retirement System, and
- b. the member provides notice to the Teachers' Retirement System of Oklahoma and the Oklahoma Public Employees Retirement System of the member's election to transfer said retirement credit. The notice shall include a list of the years to be transferred, and
- c. the member is not receiving or eligible to receive retirement credit or benefits from said service in any other public retirement system, notwithstanding the years of service sought to be transferred under this subsection.

Members electing to take advantage of the transfer authorized by this subsection who are receiving or eligible to receive retirement credit or benefits from said service in any other public retirement system shall have all service credit with the Teachers' Retirement System of Oklahoma canceled which is not transferred to the Oklahoma Public Employees Retirement System or used as a cash offset in such a transfer pursuant to subparagraph d of paragraph 2 of this subsection. Service credit transferred to the Teachers' Retirement System of Oklahoma under this subsection shall also be canceled with the Oklahoma Public Employees Retirement System.

2. For purposes of this subsection, the "sending system" shall mean the Teachers' Retirement System of Oklahoma. The "receiving system" shall mean the Oklahoma Public Employees Retirement System.

a. Within thirty (30) days notification of an intent to transfer is received by the sending system, the sending system shall, according to its own rules and regulations:

- (1) for members who have vested with the sending system, determine the present value of the member's earned benefits attributable to the years of service sought to be transferred, discounted according to the member's age at the time of transfer and computed as of the earliest age at which the member would be able to retire. Said computation shall assume an unreduced benefit and be computed using interest and mortality assumptions consistent with the actuarial assumptions adopted by the Board of Trustees for purposes of preparing the annual actuarial evaluation but shall not make any projections regarding future salary. For vested employees the sending system shall use the product of this calculation for purposes of determining the transfer fee to be paid by the employee under subparagraph c of this paragraph so long as it is greater than the product of the calculation in this division, and
- (2) determine the sum of the employee and employer contributions applicable to the years of service sought to be transferred plus interest consistent with the actuarial assumptions adopted by the Board of Trustees for purposes of preparing the annual actuarial evaluation. For all nonvested members, and for vested members if the product of this calculation is greater than the product of the calculation in division (1) of this subparagraph, the sending system shall use the product of this calculation for purposes of determining the amount to be transferred by the sending system under subparagraph c of this

paragraph and any transfer fee to be paid by the members under subparagraph d of this paragraph.

- b. Within thirty (30) days after notification of an intent to transfer is received by the receiving system, the receiving system shall determine, according to the system's own rules and regulations, the present value of the member's incremental projected benefits discounted according to the member's age at the time of the transfer. Incremental projected benefits shall be the difference between the projected benefit said member would receive without transferring the service credit and the projected benefit after transfer of service credit computed as of the earliest age at which the member would be able to retire. Said computation shall assume an unreduced benefit and be computed using interest, salary projections and mortality assumptions consistent with the actuarial assumptions adopted by the Board of Trustees for purposes of preparing the annual actuarial evaluation.
- c. The sending system shall, within sixty (60) days from the date notification of an intent to transfer is received by the sending system, transfer to the receiving system the amount determined in subparagraph a of this paragraph. Except, if the cost under subparagraph a of this paragraph for the same years of service to the sending system is greater than the actuarial value of the incremental benefit in the receiving system, as established in subparagraph b of this paragraph, the sending system shall send the receiving system an amount equal to the actuarial value of the incremental projected benefit in the receiving system.
- d. In order to receive the credit provided for in paragraph 1 of this subsection, if the cost of the actuarial value of the incremental benefit to the receiving system is greater than the cost as calculated under subparagraph a of this paragraph for the same years of service to the sending system as established in subparagraphs a and b of this paragraph, the employee shall elect to:

- (1) pay any difference to receive full credit for the years sought to be transferred, or
- (2) receive prorated service credit for only the amount received from the Teachers' Retirement System of Oklahoma pursuant to this subsection.

Such an election shall be made in writing, filed with the System prior to receiving the credit provided for in paragraph 1 of this subsection, and shall be irrevocable.

3. Within sixty (60) days of successfully completing all of the requirements for transfer under this subsection, the sending system shall pay the receiving system any amount due under this subsection. Within sixty (60) days of successfully completing all of the requirements for transfer under this subsection, the member shall pay the receiving system any amount due under this subsection. In the event that the member is unable to pay the transfer fee provided for in this subsection by the due date, the Board of Trustees of the receiving system shall permit the member to amortize the transfer fee over a period not to exceed sixty (60) months. Said payments shall be made by payroll deductions unless the Board of Trustees permits an alternate payment source. The amortization shall include interest in an amount not to exceed the actuarially assumed interest rate adopted by the Board of Trustees for investment earnings each year. Any member who ceases to make payment, terminates, retires or dies before completing the payments provided for in this section shall receive prorated service credit for only those payments made, unless the unpaid balance is paid by said member, his or her estate or successor in interest within six (6) months after said member's death, termination of employment or retirement, provided no retirement benefits shall be payable until the unpaid balance is paid, unless said member or beneficiary affirmatively waives the additional six-month period in which to pay the unpaid balance.

4. Years of service transferred pursuant to this subsection shall be used both in determining the member's retirement benefit and in determining the years of service for retirement and/or vesting purposes. Years of service rendered as a member of the Teachers' Retirement System of Oklahoma prior to July 1, 1992, if any, shall be deemed to be years of service rendered as a member of the Oklahoma Public Employees Retirement System prior to July 1, 1992, and shall qualify such person as a member of the Oklahoma Public Employees Retirement System before July 1, 1992.

5. Notwithstanding the requirements of Section 17-104 of Title 70 of the Oklahoma Statutes, members electing to take advantage of the transfer authorized by this subsection who have withdrawn their contributions from the sending system shall remit to the sending system the amount of the accumulated contributions the member has withdrawn plus simple interest of ten percent (10%) per annum prior to making said election or the election shall be deemed invalid and the transfer shall be canceled. If such an election is deemed invalid and the transfer is canceled, the accumulated contribution remitted to the sending system by the member who originally withdrew their contributions shall be returned to the member. The member's rights and obligations regarding any service credit reestablished in the sending system due to a failure to satisfy the requirements of this subsection shall be determined by the sending system in accordance with Section 17-101 et seq. of Title 70 of the Oklahoma Statutes.

6. If any member fails for any reason to satisfy the requirements of this subsection, the election to transfer retirement credit shall be void and of no effect, and any retirement credited as a result of this transfer shall be canceled. If such retirement credit is canceled, the years of canceled retirement credit which were unsuccessfully transferred to the receiving system from the sending system shall be reestablished in the sending system. The member's rights and obligations regarding any retirement credit reestablished in the sending system due to a failure to satisfy the requirements of this subsection shall be determined by the sending system in accordance with Section 17-101 et seq. of Title 70 of the Oklahoma Statutes.

7. The Board of Trustees shall promulgate such rules as are necessary to implement the provisions of this subsection.

H. 1. A member of the Teachers' Retirement System of Oklahoma whose last service with the Teachers' Retirement System of Oklahoma was with an entity or institution within The Oklahoma State System of Higher Education, State Board of Education, State Board of Career and Technology Education, Oklahoma Department of Career and Technology Education, Oklahoma School of Science and Mathematics, Oklahoma Center for the Advancement of Science and Technology, State Department of Rehabilitation Services, Oklahoma State Regents for Higher Education, Department of Corrections, State Department of Education, Oklahoma Board of Private Vocational Schools, Board of Regents of Oklahoma Colleges, Oklahoma Student Loan Authority, or

the Teachers' Retirement System of Oklahoma, may elect to receive credit for those years of service accumulated by the member in the Teachers' Retirement System of Oklahoma, pursuant to this subsection. A member shall be eligible to elect to transfer credit for such years of service from the Teachers' Retirement System of Oklahoma to the Oklahoma Public Employees Retirement System if:

- a. the member is an active member of the Oklahoma Public Employees Retirement System,
- b. the member provides notice to the Teachers' Retirement System of Oklahoma and the Oklahoma Public Employees Retirement System of the member's election to transfer such retirement credit. The notice shall include a list of the years to be transferred, and
- c. the member is not receiving or eligible to receive retirement credit or benefits from such service in any other public retirement system, notwithstanding the years of service sought to be transferred under this subsection.

Members electing to take advantage of the transfer authorized by this subsection shall have all service credit with the Teachers' Retirement System of Oklahoma canceled which is transferred to the Oklahoma Public Employees Retirement System.

2. For purposes of this subsection, the "sending system" shall mean the Teachers' Retirement System of Oklahoma. The "receiving system" shall mean the Oklahoma Public Employees Retirement System.

Within thirty (30) days after notification of an intent to transfer is received by the sending system, the sending system shall, according to its own rules, send to the receiving system all employer and employee contributions made on behalf of the member which were made to the sending system plus an additional amount of earnings based on the actuarial assumed rate of the sending system. Upon receipt of these contributions by the receiving system, the receiving system shall give credit to the transferring member in an amount equal to the years of service accrued in the sending system.

3. If the transferring member's normal retirement date calculation is based upon the sum of the member's age and number of years of credited service totaling eighty (80) in the sending

system, then the member shall retain such calculation in the receiving system.

4. The Board of Trustees shall promulgate such rules as are necessary to implement the provisions of this subsection.

I. A member of the System in the employment of the Governor, the State Senate or the House of Representatives, on or after July 1, 1999, may make an election prior to December 31, 2000, which shall be irrevocable and on a form prescribed for such purpose by the System, to continue participation in the System upon becoming employed by a participating employer of the Teachers' Retirement System of Oklahoma. The Board shall promulgate all rules necessary to implement the provisions of this subsection.

SECTION 929. AMENDATORY 74 O.S. 2011, Section 920, is amended to read as follows:

Section 920. (1) Effective July 1, 1994, every state agency which is a participating employer shall contribute to the System an amount equal to eleven and one-half percent (11 1/2%) of the monthly compensation of each member, but not in excess of Forty Thousand Dollars (\$40,000.00).

(2) Effective July 1, 1995, every state agency which is a participating employer shall contribute to the System an amount equal to eleven and one-half percent (11 1/2%) of the monthly compensation of each member, not to exceed the allowable annual compensation as defined in paragraph (9) of Section 902 of this title.

(3) Effective July 1, 1996, every state agency which is a participating employer shall contribute to the System an amount equal to twelve percent (12%) of the monthly compensation of each member, not to exceed the allowable annual compensation defined in paragraph (9) of Section 902 of this title.

(4) Effective July 1, 1999, and through the fiscal year ending June 30, 2005, every state agency which is a participating employer shall contribute to the System an amount equal to ten percent (10%) of the monthly compensation of each member, not to exceed the allowable annual compensation defined in paragraph (9) of Section 902 of this title.

(5) Effective July 1, 2005, every state agency which is a participating employer shall contribute an amount to the System equal to a percentage of monthly compensation of each member, not to exceed the allowable annual compensation defined in paragraph (9) of Section 902 of this title as follows:

July 1, 2005 - June 30, 2006	11 1/2%
July 1, 2006 - June 30, 2007	12 1/2%
July 1, 2007 - June 30, 2008	13 1/2%
July 1, 2008 - June 30, 2009	14 1/2%
July 1, 2009 - June 30, 2011	15 1/2%
July 1, 2011 - June 30, 2012 and each year thereafter	16 1/2%

(6) The Board shall certify, on or before November 1 of each year, to the ~~Office of State Finance~~ Office of Management and Enterprise Services an actuarially determined estimate of the rate of contribution which will be required, together with all accumulated contributions and other assets of the System, to be paid by each participating employer to pay all liabilities which shall exist or accrue under the System, including amortization of the past service cost over a period of not to exceed forty (40) years from June 30, 1987, and the cost of administration of the System, as determined by the Board, upon recommendation of the actuary.

(7) The ~~Office of State Finance~~ Office of Management and Enterprise Services and the Governor shall include in the budget and in the budget request for appropriations the sum required to satisfy the state's obligation under this section as certified by the Board and shall present the same to the Legislature for allowance and appropriation.

(8) Each other participating employer shall appropriate and pay to the System a sum sufficient to satisfy the obligation under this section as certified by the Board.

(9) Each participating employer is hereby authorized to pay the employer's contribution from the same fund that the compensation for which said contribution is paid from or from any other funds available to it for such purpose.

(10) Forfeitures arising from severance of employment, death or for any other reason may not be applied to increase the benefits any member would otherwise receive under the System's law. However, forfeitures may be used to reduce an employer's contribution.

SECTION 930. AMENDATORY 74 O.S. 2011, Section 941, is amended to read as follows:

Section 941. A. There is hereby created the Oklahoma State Pension Commission. The Commission shall consist of seven (7) members as follows:

1. The State Auditor and Inspector or that person's designee;
2. The Director of the ~~Department of Central Services~~ Office of Management and Enterprise Services or that person's designee;
3. The State Treasurer or that person's designee;
4. One member who shall be a member of the Senate appointed by the President Pro Tempore of the Senate who shall serve at the pleasure of the appointing authority;
5. One member who shall be a member of the House of Representatives appointed by the Speaker of the House of Representatives who shall serve at the pleasure of the appointing authority;
6. One person to be appointed by the Governor who shall have at least ten (10) years of demonstrated experience in the banking industry; and
7. One person to be appointed by the Governor who shall have at least ten (10) years of experience in professional pension planning, including demonstrated experience with defined benefit retirement plan design.

No member of the governing body of a state retirement system shall be eligible to be appointed to the Commission.

B. The Commission shall hold regular meetings at least once each quarter, the dates, time and place to be set by the Commission. The Commission shall hold its first meeting prior to September 30, 1988.

C. The Office of the State Auditor and Inspector shall provide the administrative support required by the Commission.

D. The cost of providing the administrative support shall be apportioned by the State Auditor and Inspector among the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Police Pension and Retirement System, the Uniform Retirement System for Justices and Judges, the Oklahoma Law Enforcement Retirement System, the Teachers' Retirement System of Oklahoma, the Oklahoma Public Employees Retirement System and the Department of Wildlife Conservation on behalf of the retirement plan adopted by the Wildlife Conservation Commission in proportion to the percentage that the assets of each system at the end of the preceding fiscal year were to the combined total of the assets of the systems.

SECTION 931. AMENDATORY 74 O.S. 2011, Section 943, is amended to read as follows:

Section 943. There is hereby created in the State Treasury a revolving fund to be designated the "Oklahoma State Pension Commission Revolving Fund" which shall consist of all monies received by the Commission as provided by law. The fund shall be a continuing fund not subject to fiscal year limitations. Monies accruing to the credit of the fund are hereby appropriated and may be expended by the Oklahoma State Pension Commission for implementing its duties. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims submitted by the Commission to the Director of State Finance the Office of Management and Enterprise Services for audit and payment.

SECTION 932. AMENDATORY 74 O.S. 2011, Section 952, is amended to read as follows:

Section 952. There is hereby created the Oklahoma Human Rights Commission. Said Commission shall consist of nine (9) members appointed by the Governor by and with the advice and consent of the Senate. Initially, three of such members shall be appointed for a term of one (1) year, three for terms of two (2) years, and three for terms of three (3) years, and until their successors are appointed and confirmed. Thereafter all appointments to the Commission shall be for terms of three (3) years and until their successors are appointed and confirmed.

In making such appointments to said Commission, consideration shall be given to making the membership broadly representative of the geographic areas of the state, the two major political parties in the state, and the several racial, religious, and ethnic groups residing in the state.

The ~~Office of Public Affairs~~ Office of Management and Enterprise Services shall provide a suitable office for said Commission for which the Commission shall pay an appropriate rental charge.

The Commission shall meet regularly at least once per month and at such other times as may be set by the Chairman. Members of the Commission shall receive no salary, but shall be entitled to travel reimbursement as provided by the State Travel Reimbursement Act.

SECTION 933. AMENDATORY 74 O.S. 2011, Section 1224, is amended to read as follows:

Section 1224. A. Notwithstanding any other provision relating to the authority of the ~~Office of Public Affairs~~ Office of Management and Enterprise Services, the ~~Office of Public Affairs~~ Office of Management and Enterprise Services is hereby authorized to enter into a private land sale agreement with the Northeast Eight Inter-Tribal Council to secure title to the former land of the Indian and Hard Rock Mining Museum Commission, which has by law been deemed as a state reservation for the benefit of said Inter-Tribal Council subject to the restrictions and covenants set forth in Section ~~2~~ 1225 of this ~~act~~ title.

B. The purpose of this section is to provide for the transfer of title to the Inter-Tribal Council in such manner that the Secretary of the Interior of the United States can immediately place it in federal trust for the benefit of the Northeast Eight Inter-Tribal Council. The sale of said property must be for fair market value.

SECTION 934. AMENDATORY 74 O.S. 2011, Section 1226.4A, is amended to read as follows:

Section 1226.4A With respect to approval of agreements for the planning, construction, development, operation, maintenance, and administration of commercial facilities which support, enhance, or contribute to the American Indian Cultural Center, the Native American Cultural and Educational Authority, notwithstanding any other provision of law, may enter into contractual agreements

without approval from the ~~Oklahoma Department of Central Services Office of Management and Enterprise Services~~, and the provisions of the Public Building Construction and Planning Act, Section 202 et seq. of Title 61 of the Oklahoma Statutes and Sections 60 through 65 of Title 61 of the Oklahoma Statutes shall not apply. With the exception of the development of the commercial facilities described in this section, this section shall not be construed to enlarge the powers of the Native American Cultural and Educational Authority.

SECTION 935. AMENDATORY 74 O.S. 2011, Section 1226.17, is amended to read as follows:

Section 1226.17 There is hereby created in the State Treasury a revolving fund for the Oklahoma Department of Commerce to be designated the "Native American Cultural and Educational Authority Fund." The fund shall be a continuing fund, not subject to fiscal year limitations. The fund shall consist of all monies authorized by law for deposit in such fund including but not limited to appropriations, gifts, grants, private donations, fee revenues and funds by governmental or tribal government entities. Monies deposited or apportioned to the credit of the fund may be expended for the purposes authorized by law. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma Department of Commerce. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims submitted to the Director of ~~State Finance~~ the Office of Management and Enterprise Services.

SECTION 936. AMENDATORY 74 O.S. 2011, Section 1305.1, is amended to read as follows:

Section 1305.1 (1) ~~The State and Education Employees Group Insurance Board~~ Director of the Office of Management and Enterprise Services and the Oklahoma Employees Insurance and Benefits Board shall discharge their duties with respect to the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act, the State Employees Flexible Benefits Act and the State Employees Disability Program Act solely in the interest of said Acts and:

(a) for the exclusive purpose of:

(i) providing benefits to the participants and their dependents, and

(ii) defraying reasonable expenses of administering the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act, the State Employees Flexible Benefits Act and the State Employees Disability Program Act;

(b) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

(c) by diversifying investments so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

(d) in accordance with the laws, documents and instruments governing the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act, the State Employees Flexible Benefits Act and the State Employees Disability Program Act.

(2) The monies received by the ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services shall be invested only in assets eligible for the investment of funds of legal reserve life insurance companies in this state as provided for in Sections 1602 through 1611, 1613 through 1620, and 1622 through 1624 of Title 36 of the Oklahoma Statutes. The term admitted assets shall mean the amount of the monies received by the ~~Board~~ Office and the provisions relating to limitation of investments as a percentage of surplus and loans to policyholders shall be inapplicable with respect to investment of the monies received by the ~~Board~~ Office.

(3) The ~~Board~~ Office may procure insurance indemnifying the members of the Board and the Director from personal loss or accountability from liability resulting from ~~a member's~~ action or inaction ~~as a member of the Board~~.

(4) The ~~Board~~ Director may establish an investment committee. The investment committee shall be composed of not more than ~~five~~ ~~(5)~~ three (3) members of the Board ~~appointed by the chairman of the Board~~ selected by the Director. The committee shall make recommendations to the full Board on all matters related to the choice of custodians and managers of the assets of the ~~Board~~ Office of Management and Enterprise Services relating to the Oklahoma

Employees Insurance and Benefits Act, on the establishment of investment and fund management guidelines, and in planning future investment policy. The committee shall have no authority to act on behalf of the Board or Director in any circumstances whatsoever. No recommendation of the committee shall have effect as an action of the Board or Director nor take effect without the approval of the Board as ~~provided by law~~ or Director.

(5) The Board shall retain qualified investment managers to provide for the investment of the monies received by the Board Office. The investment managers shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to standards set by the Board. Subject to the overall investment guidelines set by the Board, the investment managers shall have full discretion in the management of those monies of the Board Office allocated to the investment managers. The Board shall manage those monies not specifically allocated to the investment managers. The monies of the Board Office allocated to the investment managers shall be actively managed by the investment managers, which may include selling investments and realizing losses if such action is considered advantageous to longer term return maximization. Because of the total return objective, no distinction shall be made for management and performance evaluation purposes between realized and unrealized capital gains and losses.

(6) Funds and revenues for investment by the investment managers or the Board shall be placed with a custodian selected by the Board. The custodian shall be a bank or trust company offering pension fund master trustee and master custodial services. The custodian shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to standards set by the Board. In compliance with the investment policy guidelines of the Board, the custodian bank or trust company shall be contractually responsible for ensuring that all monies of the Board Office are invested in income-producing investment vehicles at all times. If a custodian bank or trust company has not received direction from the investment managers of the Board Office as to the investment of the monies of the Board Office in specific investment vehicles, the custodian bank or trust company shall be contractually responsible to the Board Office for investing the monies in appropriately collateralized short-term interest-bearing investment vehicles.

(7) ~~By November 1, 1989, and prior~~ Prior to August 1 of each year ~~thereafter~~, the Board shall develop a written investment plan for the monies received by the Board Office.

(8) The Administrator shall compile a quarterly financial report of all the funds of the Board Office on a calendar year basis. The report shall be compiled pursuant to uniform reporting standards prescribed by the Insurance Commissioner for all domestic insurance companies. The report shall include several relevant measures of investment value, including acquisition cost and current fair market value with appropriate summaries of total holdings and returns. The report shall contain combined and individual rate of returns of the investment managers by category of investment, over periods of time. The report shall be distributed to the Governor, the Legislative Service Bureau and the Joint Committee on Fiscal Operations.

SECTION 937. AMENDATORY 74 O.S. 2011, Section 1306.1, is amended to read as follows:

Section 1306.1 A. The Board Office of Management and Enterprise Services shall have the right of subrogation to recover any payments made for injury to an employee or dependent caused by a third party's wrongful act or negligence. The ~~Board, the Administrator or the Board's attorney~~ Office shall have the authority to waive or reduce subrogation in individual cases when the exercise of the right of subrogation would create an extreme financial hardship on the employee or dependent.

B. Subrogation will exist only to the extent of actual claims paid.

C. If an employee or dependent has prejudiced the ~~Board's~~ Office's right of subrogation by releasing the responsible party prior to submitting claims to the Board Office, ~~such the~~ claims may be denied by the Board Office. If claims are submitted and paid after the employee or dependent has released the responsible party, the Board Office shall be entitled to bring an action against the employee, dependent, or their assignees, for any such claims paid and for additional costs incurred by the Board Office including, but not limited to: interest, administrative and adjudicative costs, and ~~attorney's~~ attorney fees.

SECTION 938. AMENDATORY 74 O.S. 2011, Section 1306.2, is amended to read as follows:

Section 1306.2 A. The ~~State and Education Employees Group Insurance Board~~ Director of the Office of Management and Enterprise

Services shall submit to the Insurance Commissioner the following information regarding utilization review performed by employees of the board Office:

1. A utilization review plan that includes:
 - a. an adequate summary description of review standards, protocol and procedures to be used in evaluating proposed or delivered hospital and medical care,
 - b. assurances that the standards and criteria to be applied in review determinations are established with input from health care providers representing major areas of specialty and certified by the boards of the various American medical specialties, and
 - c. the provisions by which patients or health care providers may seek reconsideration or appeal of adverse decisions concerning requests for medical evaluation, treatment or procedures;
2. The type and qualifications of the personnel either employed or under contract to perform the utilization review;
3. The procedures and policies to ensure that an employee of the board Office is reasonably accessible to patients and health care providers five (5) days a week during normal business hours, such procedures and policies to include as a requirement a toll-free telephone number to be available during said business hours;
4. The policies and procedures to ensure that all applicable state and federal laws to protect the confidentiality of individual medical records are followed;
5. The policies and procedures to verify the identity and authority of personnel performing utilization review by telephone;
6. A copy of the materials designed to inform applicable patients and health care providers of the requirements of the utilization review plan;
7. The procedures for receiving and handling complaints by patients, hospitals and health care providers concerning utilization review; and

8. Procedures to ensure that after a request for medical evaluation, treatment, or procedures has been rejected in whole or in part and in the event a copy of the report on said rejection is requested, a copy of the report of the personnel performing utilization review concerning the rejection shall be mailed by the insurer, postage prepaid, to the ill or injured person, the treating health care provider, hospital or to the person financially responsible for the patient's bill within fifteen (15) days after receipt of the request for the report.

B. The ~~Board~~ Office shall pay an annual fee to the Insurance Commissioner of Five Hundred Dollars (\$500.00).

SECTION 939. AMENDATORY 74 O.S. 2011, Section 1306.5, is amended to read as follows:

Section 1306.5 A network provider facility or physician contract, or any part or section of it, may be amended at any time during the term of the contract only by mutual written consent of duly authorized representatives of the ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services and the facility or physician.

SECTION 940. AMENDATORY 74 O.S. 2011, Section 1306.6, is amended to read as follows:

Section 1306.6 The ~~State and Education Employees Group Insurance Board~~ Director of the Office of Management and Enterprise Services, in accordance with administering the Medical Expense Liability Revolving Fund pursuant to Section 4 746.1 of ~~this act~~ Title 19 of the Oklahoma Statutes, shall employ, appoint, or otherwise designate the necessary personnel to carry out the duties of the fund.

SECTION 941. AMENDATORY 74 O.S. 2011, Section 1307, is amended to read as follows:

Section 1307. A. The specifications drawn by the ~~Board~~ Office of Management and Enterprise Services for the Health Insurance Plan shall provide for comprehensive hospital medical and surgical benefits. The Health Insurance Plan may limit coverage for a particular illness, disease, injury or condition; but, except for such limits, shall not exclude or limit particular services or procedures that can be provided for the diagnosis and treatment of an illness, disease, injury or condition, so long as the services

and procedures provided are of sound efficacy, are medically necessary, and fall within the licensed scope of practice of the practitioner providing same. The Health Insurance Plan may contract with providers for specific services based on levels of outcomes defined by the ~~State and Education Employees Group Insurance Board Office~~ and achieved by the provider. The Health Insurance Plan may provide for the application of deductibles and copayment or coinsurance provisions, when equally applied to all covered charges for services and procedures that can be provided by any practitioner for the diagnosis and treatment of a particular illness, disease, injury or condition unless deductibles, copayments or coinsurance variations are based on contracts with providers for specific services based on levels of outcomes.

B. The Life Insurance Plan shall include Accidental Death and Dismemberment Benefits and additional optional life insurance coverage.

SECTION 942. AMENDATORY 74 O.S. 2011, Section 1307.1, is amended to read as follows:

Section 1307.1 No employee or dependent who participates in a an HMO through the ~~State Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act shall be denied the right of changing ~~his~~ the primary care physician to any other primary care physician within the HMO. The employee or dependent shall notify the HMO in writing of any change in ~~his~~ the choice of primary care physician forty-five (45) days in advance of ~~such~~ the change by certified mail with return receipt requested. Any such change in a primary care physician shall not be subject to the approval of the HMO, the ~~State Employees Group Insurance Board Office of Management and Enterprise Services~~ or state agency.

SECTION 943. AMENDATORY 74 O.S. 2011, Section 1307.2, is amended to read as follows:

Section 1307.2 On and after November 1, 1996, the ~~State and Education Employees Group Insurance Board Office of Management and Enterprise Services~~ shall include coverage for equipment, supplies and related services for the treatment of Type I, Type II, and gestational diabetes as provided by and pursuant to the provisions of Section ~~±~~ 6060.2 of ~~this act~~ Title 36 of the Oklahoma Statutes.

SECTION 944. AMENDATORY 74 O.S. 2011, Section 1307.3, is amended to read as follows:

Section 1307.3 Unless the Board Office of Management and Enterprise Services has otherwise contracted with an out-of-state provider, the Board Office shall pay for medical services and treatment rendered by an out-of-state provider at the same level paid to an in-state provider if the insured was referred to the out-of-state provider by a physician or it was an emergency situation and the out-of-state provider which offers the type of services needed is the closest provider in proximity to the place of residence of the employee.

SECTION 945. AMENDATORY 74 O.S. 2011, Section 1308, is amended to read as follows:

Section 1308. (1) Any employee eligible for membership in the Health Insurance Plan, Dental Insurance Plan or Life Insurance Plan upon its effective date shall be enrolled in the plan unless ~~he or she~~ the employee elects not to be enrolled within thirty (30) days of ~~such~~ the effective dates. The employee shall be advised of Health Maintenance Organization prepaid plans available as an alternative to the state self-insured Health Insurance Plan. The Board Office of Management and Enterprise Services shall establish the procedure by which eligible employees not electing to be enrolled initially in the Health Insurance Plan, Dental Insurance Plan or Life Insurance Plan may be subsequently enrolled.

(2) Any eligible employee who is employed after the effective dates of the Health Insurance Plan, Dental Insurance Plan and Life Insurance Plan or HMO plans approved by the Board Office may become enrolled on the first day of the second month of employment.

SECTION 946. AMENDATORY 74 O.S. 2011, Section 1308.1, is amended to read as follows:

Section 1308.1 (1) An educational entity may extend the benefits of the health insurance plan, the dental insurance plan, and the life insurance plan to education employees employed by ~~said~~ the entity. The benefits of ~~said~~ the plans for an education employee shall be the same and shall include the same plan options as would be made available to a state employee participating in the plan that resided at the same location. Notwithstanding the provisions of Section 1308.2 of this title, a period shall exist for enrolling education entities from April 1, 1989 through October 1, 1991, whereby education employees of a participating education entity may be enrolled, pursuant to this act, during the entities'

initial enrollment period, regardless of preexisting conditions. The Board Office of Management and Enterprise Services shall adopt rules and regulations for enrollment by which education entities may apply to participate in ~~said the~~ insurance plans. Once an education entity becomes a participant in the health and dental insurance plans offered through the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act, the education entity may withdraw from ~~said~~ participation, in a manner prescribed by the Board Office. If a school district is participating in the health and dental insurance plans pursuant to the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act, ~~Section Sections~~ 1301 et seq. through 1329.1 of this title, the employees of the school district who are eligible to participate in the health and dental plans, at such time as the school district may withdraw from such participation, may require the board of education of the school district to call an election to allow ~~said the~~ employees to vote as to whether the school district shall continue participation in the health and dental insurance plans offered through the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act. Upon the filing with the board of education of a petition calling for such an election which is signed by no less than thirty percent (30%) of the eligible employees of the school district, the board of education shall call an election for the purpose of determining whether the school district shall continue participation in the health and dental insurance plans offered through the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act. The election shall be held within thirty (30) days of the filing of the petition. If a majority of those eligible employees voting at the election vote to continue participation in the health and dental insurance plans offered through the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act, the board of education shall be prohibited from withdrawing the school district from such participation. If a majority of those eligible employees voting at the election vote against continued participation in the health and dental insurance plans offered through the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act, the board of education of the school district shall apply to discontinue such participation within thirty (30) days of the election and within the times the school district is authorized to withdraw from participation in accordance with rules established for withdrawal by the ~~State and Education Employees Group Insurance Board Office~~.

(2) Except as otherwise provided in this subsection, when an education entity participates in the health and dental insurance plans offered through the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act, all employees shall be advised of Health Maintenance Organizations prepaid plans available as an alternative to the state self-insured health insurance plan. Eligible part-time education employees, at the option of the employee, may enroll in the plans either at the time the education entity begins participation in the plans or, if later, upon a showing of insurability to the satisfaction of the Board Office.

(3) Any employee of an education entity participating in the health and dental insurance plans offered through the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act who is employed after the education entity began said participation may be enrolled in the health and dental insurance plans or HMO plans approved by the Board Office on the first day of the second month of employment.

(4) Upon initial enrollment of an institution of higher education to participate in the health and dental insurance plans offered through the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act, all individuals presently insured by said institution's present group health insurance plan shall become enrolled in said state plans for the remaining period of said institution's contractual liabilities.

(5) Education employees who shall be absent from the teaching service because of election or appointment as a local, state, or national education association officer shall be allowed to retain coverage pursuant to the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act upon the payment of the full cost of the coverage at the rate and under such terms and conditions established by the Board Office.

(6) Except as otherwise provided by law, an educational entity may cease to participate in the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act but provide health insurance coverage through another insurance carrier. The subsequent carrier shall provide coverage to the employees of the educational entity who terminated employment with a retirement benefit, with a vested benefit, or who have ten (10) or more years of service with a participating educational entity but did not have a vested benefit through the retirement system of the educational