

entity, if the election to retain health insurance coverage was made within thirty (30) days of termination of employment. Coverage shall also be provided to the eligible dependents of the employees if an election to retain coverage is made within thirty (30) days of termination of employment.

SECTION 947. AMENDATORY 74 O.S. 2011, Section 1309, is amended to read as follows:

Section 1309. A. Any eligible employee may elect to have a dependent or dependents of the employee covered by the Health Insurance Plan and Dental Insurance Plan or by any available Health Maintenance Organization (HMO) approved by the Board Office of Management and Enterprise Services. The employee may elect to cover all dependent children and not elect to cover the spouse of the employee. Such election shall be made at the time the employee becomes enrolled in the Plan, under such procedures as the Board Office may establish. If dependent coverage is not elected or if the employee elects to cover all dependent children and not the spouse of the employee at the time an employee becomes enrolled in the Plan, dependent coverage or coverage for the spouse cannot be elected until the next enrollment period or until a qualifying event has occurred as established by the Board Office. Such subsequent election of dependent coverage shall be made under such conditions as the Board Office may impose. If electing not to cover the spouse, the employee shall submit a statement signed by both the employee and the spouse acknowledging their choice not to provide insurance coverage for the spouse under the Health Insurance Plan and Dental Insurance Plan or approved HMO plans.

B. Any employee with dependent coverage, as provided in this section, who has a change in the number of dependents may at the time of such change increase or decrease the number of dependents covered by the Health Insurance Plan and Dental Insurance Plan or approved HMO plans, under procedures established by the Board Office.

C. Any employee who has no eligible dependents at the time the employee becomes enrolled may elect dependent coverage at the time the dependency status of the employee changes under procedures established by the Board Office.

SECTION 948. AMENDATORY 74 O.S. 2011, Section 1310, is amended to read as follows:

Section 1310. A. Except as provided in subsection B of this section, each state agency participating in the Group Insurance Plans shall appropriate and pay to the appropriate reserve fund an amount to be set by the ~~State and Education Employees Group Insurance Board~~ Oklahoma Employees Insurance and Benefits Board for each employee other than education employees per month enrolled in said Plans, from funds appropriated to said agency or from other funds available to such agency for operational purposes.

B. During the fiscal year ending June 30, 1997, each state agency participating in the ~~Group~~ Insurance Plans shall appropriate and pay to the State Employees Group Insurance Clearing Fund an amount to be set by the ~~State and Education Employees Group Insurance Board~~ for each employee other than education employees per month enrolled in said Plans, from funds appropriated to said agency or from other funds available to such agency for operational purposes.

SECTION 949. AMENDATORY 74 O.S. 2011, Section 1310.1, is amended to read as follows:

Section 1310.1 A. If a certified employee elects health care coverage under a plan offered by a school district, including a plan offered by the ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services or a self-insured plan offered by the school district, then a school district shall pay for the fiscal year ending June 30, 2005, and each fiscal year thereafter, no less than one hundred percent (100%) of the premium amount for the HealthChoice (HI) option plan for an individual offered by the ~~State and Education Employees Group Insurance Board~~ Office.

The amount a school district is required to pay pursuant to this subsection shall be reduced by the flexible benefit allowance provided for in Section 26-105 of Title 70 of the Oklahoma Statutes.

B. The premium for education entities that participate in the health and dental insurance plans offered through the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act shall be the same as paid by state agencies for said plans.

C. All education entities that participate in the insurance plans offered through the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act shall

forward the appropriate premiums for each employee to the ~~Board~~ Office no later than the tenth day of each month following the month for which payment is due.

SECTION 950. AMENDATORY 74 O.S. 2011, Section 1310.2, is amended to read as follows:

Section 1310.2 A school district shall pay fifty percent (50%) of the cost of the individual health care premium amount for school district employees who are not otherwise covered pursuant to Section 1310.1 of ~~Title 74 of the Oklahoma Statutes~~ this title or Section 26-105 of Title 70 of the Oklahoma Statutes, if such employee elects health care coverage under a plan offered by a school district, including a plan offered by the ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services or a self-insured plan offered by the school district.

SECTION 951. AMENDATORY 74 O.S. 2011, Section 1311, is amended to read as follows:

Section 1311. The amount of monthly contribution to be made by employees enrolled in the ~~Group~~ Insurance Plans shall be deducted from the monthly salaries of such employees and remitted to the ~~Board~~ Office of Management and Enterprise Services. The procedure for such deductions and remittances shall be established by the ~~Board~~ Director.

SECTION 952. AMENDATORY 74 O.S. 2011, Section 1311.1, is amended to read as follows:

Section 1311.1 The amount of monthly contribution to be made by persons who are drawing disability benefits under Section 1331 et seq. of ~~Title 74 of the Oklahoma Statutes~~ this title and who are enrolled in the ~~Group~~ Insurance Plans shall be deducted from the monthly disability benefits of such persons and remitted to the ~~Board~~ Office of Management and Enterprise Services. The procedures for such deductions and remittances shall be established by the ~~Board~~ Office.

SECTION 953. AMENDATORY 74 O.S. 2011, Section 1312, is amended to read as follows:

Section 1312. (1) Except as otherwise provided by law, all employee and employer contributions, appropriations and dividend payments related to the health and dental plans administered by the

~~State and Education Employees Group Insurance Board~~ Director of the Office of Management and Enterprise Services shall be deposited in a fund in the State Treasury which is hereby created and which shall be known as the Health and Dental Insurance Reserve Fund. The money in such fund shall be invested by the Oklahoma Employees Insurance and Benefits Board in the manner specified in Section 1305.1 of this title. Investment income of the fund shall be added to the fund. Money payable to the claims administrator and all expenses in connection with the plans shall be paid from the fund. The Board shall have responsibility for management of the fund.

(2) All monies in the Health and Dental Insurance Reserve Fund that are reserves for the life insurance plan administered by the ~~State and Education Employees Group Insurance Board~~ Office shall be transferred to the Life Insurance Reserve Fund on July 1, 1989.

SECTION 954. AMENDATORY 74 O.S. 2011, Section 1312.1, is amended to read as follows:

Section 1312.1 There is hereby created in the State Treasury a Revolving Fund for the ~~State and Education Employees Group Insurance Plan~~ Oklahoma Employees Insurance and Benefits Plan. The revolving fund shall consist of funds transferred from the Health and Dental Insurance Reserve Fund and the Life Insurance Reserve Fund for operational expenses of the State Health and Life Insurance Plan and monies assessed from or collected for and due a Health Maintenance Organization (HMO) as approved by the ~~Board~~ Office of Management and Enterprise Services. Expenditures from said funds shall be made pursuant to the laws of the state and statutes relating to the Plan. This revolving fund shall be a continuing fund, not subject to fiscal year limitations, and shall be under the control and management of the ~~State and Education Employees Group Insurance Board~~ Office.

SECTION 955. AMENDATORY 74 O.S. 2011, Section 1312.2, is amended to read as follows:

Section 1312.2 (1) There is hereby created in the State Treasury, the Life Insurance Reserve Fund. Except as otherwise provided by law, all contributions, appropriations, transfers, dividend payments, and investment income of the fund received from or for the benefit of the life insurance plan administered by the ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services shall be deposited in the reserve fund.

The monies in said reserve fund shall be invested by the Oklahoma Employees Insurance and Benefits Board in the manner specified in Section 1305.1 of this title. The Board shall have responsibility for management of the fund.

Money payable to the claims administrator and all expenses in connection with the life insurance plan shall be paid from the reserve fund.

(2) All monies in the Life Insurance Reserve Fund that are reserves for the health and dental plans administered by the ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services shall be transferred to the Health and Dental Insurance Reserve Fund on July 1, 1989.

SECTION 956. AMENDATORY 74 O.S. 2011, Section 1312.3, is amended to read as follows:

Section 1312.3 There is hereby created in the State Treasury, the ~~State Employees Group Insurance Clearing Fund~~ Oklahoma Employees Insurance and Benefits Clearing Fund. The monies paid to the ~~State Employees Group Insurance Clearing Fund~~ Oklahoma Employees Insurance and Benefits Clearing Fund pursuant to Section 1310 of this title shall be distributed as follows:

1. The first Thirty-one Million Five Hundred Thousand Dollars (\$31,500,000.00) received after the effective date of this act during the fiscal year beginning July 1, 1996, shall be distributed to the Oklahoma State Regents for Higher Education; and

2. The balance thereof shall be distributed to and deposited in the appropriate reserve fund as directed by the ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services.

SECTION 957. AMENDATORY 74 O.S. 2011, Section 1314.3, is amended to read as follows:

Section 1314.3 (1) All otherwise eligible employees hired by the Oklahoma Employment Security Commission after the effective date of this act shall participate in the State Plan and shall not be entitled to the supplemental health insurance for which provision is made in this act nor to any other Commission benefit plan not

generally available to state employees, and no other provisions of this act shall apply to such future hirees.

(2) All otherwise eligible Commission employees not participating in the Agency Plan as of the effective date of this act shall be enrolled in the State Plan on July 1, 1990. Said nonparticipating Commission employees shall not be entitled to the supplemental health insurance for which provision is made in this act.

(3) All Commission employees, retirees and dependents participating in the Agency Plan as of the effective date of this act shall be permitted to transfer to the State Plan and receive the supplemental insurance benefits for which provision is made in Section 1314.4 of this title at such time as the supplemental insurance is available. If not sooner transferred, all Agency Plan participants shall be transferred to the State Plan on January 1, 1991. Such mandatory transfer shall occur simultaneously with any cancellation by the insurance provider of the Agency Plan, occurring prior to January 1, 1991.

(4) All Commission employees, retirees and dependents enrolling in or transferring to the State Plan under the provisions of this section shall be given the opportunity to participate in all options under the State Plan at the time of their enrollment or transfer.

(5) For active employees of the Commission, the Commission shall pay the same monthly premium toward employee-only coverage as that set by the ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services and paid by the other state agencies participating in the state health insurance program. For retirees of the Commission who retired pursuant to the provisions of the Oklahoma Public Employees Retirement System, the Oklahoma Public Employees Retirement System shall pay the same monthly contribution towards premiums for regular or Medicare supplement health insurance coverage for those retirees as the amount paid towards the premiums for the Oklahoma Public Employees Retirement System retirees from other agencies. For retirees of the Commission who retired under the provisions of another retirement plan, the Commission shall pay the same monthly contribution towards premiums for regular or Medicare supplement health insurance coverage for those retirees as the amount paid towards premiums by the Oklahoma Public Employees Retirement System for retirees of other state agencies.

(6) Except as provided in this subsection, employees and retirees of the Commission, and their dependents, shall be covered under the dental and life insurance plans provided by the ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services pursuant to the same provisions and premiums as apply to the employees and retirees of other state agencies. Employees and retirees may elect to keep their present agency offered life insurance, in addition to the state life insurance. Any employee who elects to keep their agency offered life insurance shall pay the premium for the life insurance provided pursuant to the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act. Any Commission retiree who elects to participate in the life insurance program provided pursuant to the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act shall pay the premium for such coverage.

(7) In the event that the agency offered life insurance plan is canceled by the insurer offering it, the Commission shall contract with the ~~State and Education Employees Group Insurance Board~~ Office for replacement coverage equal to that lost by said cancellation. ~~Said Board~~ The Office is expressly authorized and directed to enter into such a contract. The Commission and the participants shall pay the full actuarial costs and all reasonable administrative costs for such coverage. Said actuarial and administrative costs shall be divided between the Commission and the participants in the same ratio as premiums are now divided for the agency offered life insurance. The ~~Board~~ Office shall maintain separate reserves for said coverage. On January 1, 2005, the Commission shall convert the agency offered life insurance to the life insurance plans provided by the ~~State and Education Employees Group Insurance Board~~ Office pursuant to the same provisions and premiums as apply to the employees and retirees of other state agencies. The Commission may offer eligible employees an opportunity to voluntarily relinquish their agency life insurance upon a payment to the eligible employee, provided funds exist to do so.

SECTION 958. AMENDATORY 74 O.S. 2011, Section 1314.5, is amended to read as follows:

Section 1314.5 A. The Oklahoma Employment Security Commission shall attempt to obtain the supplemental health insurance described in Section 1314.4 of this title through competitive procurement under The Central Purchasing Act. If the Commission does not obtain such supplemental health insurance in this manner, it shall contract

with the ~~State and Education Employees Group Insurance Board Office~~ of Management and Enterprise Services for such coverage or the Commission may provide the supplemental health insurance through a self-insurance program.

B. If the Commission decides to contract with the ~~State and Education Employees Group Insurance Board Office~~ for the supplemental health insurance coverage, the Board Office is expressly authorized and directed to enter into such a contract and administer the supplemental benefit in such manner to cause the least disruption to its systems and daily operations. The supplemental benefit does not have to be offered as a supplemental plan but can be combined with the state plan to be administered and actuarially rated as a single plan. If this option is chosen, all dependents of employees or former employees currently eligible for the supplemental health insurance shall be included in the plan, regardless of whether or not the dependents were previously included in the plan, and this subsection will prevail over the provisions of Section 1314.3 of this title. The Commission shall pay the full actuarial cost to be determined by the ~~State and Education Employees Group Insurance Board Office~~ and all reasonable administrative costs for such coverage, if provided by or through the Board Office. The Board Office may consider the utilization experience of the group participating in the benefit when calculating the rate for providing the benefit. The Board Office shall maintain separate reserves for said coverage.

C. If the Commission decides to provide supplemental health insurance through a self-insurance program, the Commission shall be authorized to contract with a private company to provide claims adjusting services for the supplemental health insurance claims adjusting and processing.

SECTION 959. AMENDATORY 74 O.S. 2011, Section 1315, is amended to read as follows:

Section 1315. A. Upon application in writing and subject to any underwriting criteria that may be established by the ~~State and Education Employees Group Insurance Board Office~~ of Management and Enterprise Services, the Board Office may extend the benefits of the ~~State and Education Employees Group Health and Life Insurance Plans~~ Oklahoma Employees Insurance and Benefits Plans to employees who are employed in positions requiring actual performance of duty during not less than one thousand (1,000) hours per year and to all full-time employees of:

1. Any of the following groups which participate in the Oklahoma Public Employees Retirement System:

- a. county,
- b. city,
- c. town,
- d. public trust for which the state is the primary beneficiary, or
- e. conservation districts; and

2. Any of the following groups:

- a. county hospital,
- b. rural water district, including employees and board members,
- c. sewer district,
- d. gas district,
- e. solid waste management district,
- f. nonprofit water corporation employees and board members,
- g. conservancy district or master conservancy district authorized by the provisions of Section 541 of Title 82 of the Oklahoma Statutes,
- h. voluntary organization of Oklahoma local government jurisdictions listed in Section 2003 of Title 62 of the Oklahoma Statutes including any council created by the voluntary organizations,
- i. voluntary association designated to administer the County Government Council as authorized in Section 7 of Title 19 of the Oklahoma Statutes,

- j. statewide nonprofit entities representing employees of the state or employees of local political subdivisions who are eligible for insurance benefits authorized by the provisions of the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act, or
- k. statewide nonprofit entities receiving state funds to provide no cost legal services to low income and senior citizens.

B. Applications to participate in the ~~State and Education Employees Group Health and Life Insurance Plans~~ Oklahoma Employees Insurance and Benefits Plans shall be approved by majority action of the governing body of the groups listed in subsection A of this section.

C. Groups listed in subsection A of this section participating in the ~~Oklahoma State and Education Employees Group Health and Life Insurance Plans~~ Oklahoma Employees Insurance and Benefits Plans shall pay all costs attributable to their participation. The benefits of said plans for a participant provided coverage pursuant to this section 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. The premium for participating groups listed in subsection A of this section shall be the same as paid by state and education employees.

D. Participating groups listed in subsection A of this section shall not be required to offer dental insurance as defined in paragraph ~~(11)~~ 11 of Section 1303 of this title, or other insurance as defined in paragraph ~~(12)~~ 12 of Section 1303 of this title. However, if dental insurance or any other insurance is offered, it must be provided to all eligible employees. If an employee retires and begins to receive benefits from the Oklahoma Public Employees Retirement System or terminates service and has a vested benefit with the Oklahoma Public Employees Retirement System, the employee may elect, in the manner provided in Section 1316.2 of this title, to participate in the dental insurance plan offered through the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act within thirty (30) days from the date of termination of employment. The employee shall pay the full cost of the dental insurance.

E. 1. Any employee of a group listed in subsection A of this section who retires or who has a vested benefit pursuant to the Oklahoma Public Employees Retirement System may begin the health insurance coverage if the employer of the employee is not a participant of the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act and does not offer health insurance to its employees. Such election by the employee to begin coverage shall be made within thirty (30) days from the date of termination of service.

2. Any employee of a group listed in subsection A of this section who retires or who has a vested benefit pursuant to the Oklahoma Public Employees Retirement System may begin or continue the health insurance coverage if the employer of the employee is a participant of the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act and the election to begin or continue coverage is made within thirty (30) days from the date of termination of service.

F. Any county, city, town, county hospital, public trust, conservation district, or rural water, sewer, gas or solid waste management district, or nonprofit water corporation, any of which of the aforementioned groups is not a participating employer in the Oklahoma Public Employees Retirement System, but which has employees who are participating in the health, dental or life insurance plans offered by or through the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act on July 1, 1997, may continue to allow its current and future employees to participate in such health, dental or life insurance plans. Participation of such employees may also continue following termination of employment if the employee has completed at least eight (8) years of service with a participating employer and such an election to continue in force is made within thirty (30) days following termination of employment. Any retiree or terminated employee electing coverage pursuant to this section shall pay the full cost of the insurance.

G. An employee of a group listed in paragraph 2 of subsection A of this section may continue in force health, dental and life insurance coverage following termination of employment if the employee has a minimum of eight (8) years of service with a participating employer and the election to continue in force is made within thirty (30) calendar days following termination of employment.

H. Notwithstanding other provisions in this section, an employer listed in subsection A of this section may cease to participate in the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act but provide health insurance coverage for its current and former employees through another insurance carrier. The subsequent carrier shall be responsible for providing coverage to the entity's employees who terminated employment with a retirement benefit, with a vested benefit, or who have eight (8) or more years of service with a participating employer but did not have a vested benefit through the Oklahoma Public Employees Retirement System, if the election to retain health insurance coverage was made within thirty (30) days of termination of employment. Coverage shall also be provided to the eligible dependents of the employees if an election to retain coverage is made within thirty (30) days of termination of employment. Employees who terminate employment from an employer covered by this paragraph before December 31, 2001, and elect coverage under the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act, shall not be required to change insurance carriers in the event that the employer changes its insurance carrier to a subsequent carrier. The provisions of this subsection shall become effective January 1, 2002.

I. Employers pursuant to subsection A of this section who participate in the Oklahoma Public Employees Retirement System and who offer health insurance coverage to their active employees, shall offer health insurance coverage to those employees who retire from the employer and also to those employees who terminate employment and are eligible to elect a vested benefit in the System. Such employers shall begin offering coverage to such employees on or before January 1, 2004. Such employees who wish to continue coverage shall make an election to retain health insurance coverage within thirty (30) days of termination of employment. However, former employees of such employers who have already retired or who have terminated and are eligible to elect a vested benefit under the Oklahoma Public Employees Retirement System, during the period beginning January 1, 2002, and ending December 31, 2003, may make an election to begin participation in the plans offered by the ~~State and Education Employees Group Insurance Board~~ Office on or before December 31, 2003, in the same manner as other participating retired or vested members. The employer, assisted by the Oklahoma Public Employees Retirement System shall notify by October 1, 2003, all members who have either retired from the System or who are eligible to elect a vested benefit in the System between January 1, 2002, through December 31, 2003, and who were employed by an employer

listed in subsection A of this section of the member's potential eligibility to participate in such plans. Each employer shall notify the Oklahoma Public Employees Retirement System when an employee is retiring and makes the election pursuant to this subsection to continue coverage under a plan offered by such employer and when an employee terminates employment and is eligible to elect a vested benefit in the System and such employee elects to continue coverage under a plan offered by such employer. Such employer shall also notify the Oklahoma Public Employees Retirement System if a retired employee or an employee who is eligible to elect a vested benefit in the System terminates such continued coverage.

J. Any group that begins participation in the ~~State and Education Employees Group Health and Life Insurance Plans~~ Oklahoma Employees Insurance and Benefits Plans after the effective date of this act and that is not composed of state or education employees must have one hundred percent (100%) participation in the health plan offered pursuant to the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act.

SECTION 960. AMENDATORY 74 O.S. 2011, Section 1315.1, is amended to read as follows:

Section 1315.1 Upon election and application by the secretary of a county election board and subject to any underwriting criteria that may be established by the ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services, the ~~Board Office~~ shall extend the benefits of the ~~State and Education Employees Group Health and Life Insurance Plans~~ Oklahoma Employees Insurance and Benefits Plans to the secretary of each county election board, if the county in which the secretary serves is not participating in such plans.

SECTION 961. AMENDATORY 74 O.S. 2011, Section 1316.1, is amended to read as follows:

Section 1316.1 A. Any person who retires or who has elected to receive a vested benefit under the provisions of the State of Oklahoma retirement systems or persons who are currently drawing disability benefits under Section 1331 et seq. of this title or who meet each and every requirement of the State Employees Disability Program or the spouse or dependent of any such employee may continue in force the life insurance benefits authorized by this act in a face amount of not less than one-fourth (1/4) of the basic life insurance amount, if such election to continue in force is made

within thirty (30) days from the time of severance. Persons electing to continue in force life insurance benefits shall pay the full cost of the life insurance and under such terms and conditions as established by the Board Office of Management and Enterprise Services. Further, any such retiree may continue in force any additional life insurance that was purchased prior to retirement at an actuarially adjusted rate and under such terms and conditions as established by the Board Office.

Effective January 1, 2002, nonvested employees may also continue their life insurance benefits as provided in this section following termination of employment, if the employee has completed at least eight (8) years of service with an employer participating in the Oklahoma Public Employees Retirement System or at least ten (10) years of service with an employer participating in the Teachers' Retirement System of Oklahoma. The election to continue the employee's life insurance in force must be made within thirty (30) days after the date of termination.

B. Any retired employee who is receiving a benefit or terminates employment with a vested benefit from the Teachers' Retirement System of Oklahoma and who becomes enrolled in the health insurance plan offered by the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act, pursuant to subsection E of Section 5-117.5 of Title 70 of the Oklahoma Statutes, may elect to purchase life insurance benefits in amounts and at a cost as provided for in this section.

C. In lieu of subsection A of this section, any person who retires or who has elected to receive a vested benefit under the provisions of the State of Oklahoma retirement systems and who is participating in a health insurance plan, the dental insurance plan, or the life insurance plan offered by the ~~State and Education Employees Group Insurance Board Office~~, including such persons who are currently drawing disability benefits under Section 1331 et seq. of this title or who meet each and every requirement of the State Employees Disability Program on or before July 1, 1999, or the spouse of any such person may elect to purchase life insurance benefits authorized by this subsection in a face amount not to exceed Fifty Thousand Dollars (\$50,000.00). Eligible persons pursuant to this subsection shall make an election by January 1, 2000, to purchase the life insurance coverage provided in this subsection. Life insurance coverage pursuant to this subsection shall depend upon providing satisfactory evidence of insurability for the person who is to be covered. Life insurance coverage,

pursuant to this subsection, shall be purchased in blocks of Five Thousand Dollars (\$5,000.00). The premium for such life insurance coverage shall be at a blended rate and shall be set by the Board Office. The Board Office shall promulgate rules necessary for the implementation of the provisions of this subsection.

SECTION 962. AMENDATORY 74 O.S. 2011, Section 1316.2, is amended to read as follows:

Section 1316.2 A. Any employee other than an education employee who retires pursuant to the provisions of the Oklahoma Public Employees Retirement System or who has a vested benefit pursuant to the provisions of the Oklahoma Public Employees Retirement System may continue in force the health and dental insurance benefits authorized by the provisions of the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act, or other employer insurance benefits if the employer does not participate in the plans offered by the ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services, if such election to continue in force is made within thirty (30) days from the date of termination of service. Except as otherwise provided for in Section 840-2.27I of this title and subsection H of this section, health and dental insurance coverage may not be reinstated at a later time if the election to continue in force is declined. Vested employees other than education employees who have terminated service and are not receiving benefits and effective July 1, 1996, nonvested persons who have terminated service with more than eight (8) years of participating service with a participating employer, who within thirty (30) days from the date of termination of service elect to continue such coverage, shall pay the full cost of said insurance premium at the rate and pursuant to the terms and conditions established by the Board Office. Provided also, any employee other than an education employee who commences employment with a participating employer on or after September 1, 1991, who terminates service with such employer on or after July 1, 1996, but who otherwise has insufficient years of service to retire or terminate service with a vested benefit pursuant to the provisions of the Oklahoma Public Employees Retirement System or to elect to continue coverage as a nonvested employee as provided in this section, but who, immediately prior to employment with the participating employer was covered as a dependent on the health and dental insurance policy of a spouse who was an active employee other than an education employee, may count as part of his or her credited service for the purpose of determining eligibility to elect to continue coverage

under this section, the time during which said terminating employee was covered as such a dependent.

B. 1. Health insurance benefit plans offered pursuant to this section shall include:

- a. indemnity plans offered through the ~~State and Education Employees Group Insurance Board~~ Office,
- b. managed care plans offered as alternatives to the indemnity plans offered through the ~~State and Education Employees Group Insurance Board~~ Office,
- c. Medicare supplements offered pursuant to the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act,
- d. Medicare risk-sharing contracts offered as alternatives to the Medicare supplements offered through the ~~State and Education Employees Group Insurance Board~~ Office. All Medicare risk-sharing contracts shall be subject to a risk adjustment factor, based on generally accepted actuarial principles for adverse selection which may occur, and
- e. for the Oklahoma Public Employee Retirement System, other employer-provided health insurance benefit plans if the employer does not participate in the plans offered pursuant to the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act.

2. Health insurance benefit plans offered pursuant to this section shall provide prescription drug benefits, except for plans designed pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003, for which provision of prescription drug benefits is optional, and except for plans offered pursuant to subparagraph e of paragraph 1 of this subsection.

C. 1. Designated public retirement systems shall contribute a monthly amount towards the health insurance premium of certain individuals receiving benefits from the public retirement system as follows:

- a. a retired employee other than an education employee who is receiving benefits from the Oklahoma Public Employees Retirement System after September 30, 1988, shall have One Hundred Five Dollars (\$105.00), or the premium rate of the health insurance benefit plan, whichever is less, paid by the Oklahoma Public Employees Retirement System to the Board or other insurance carrier of the employer if the employer does not participate in the plans offered by the ~~State and Education Employees Group Insurance Board~~ Office in the manner specified in subsection G of this section,
- b. a retired employee or surviving spouse other than an education employee who is receiving benefits from the Oklahoma Law Enforcement Retirement System after September 30, 1988, is under sixty-five (65) years of age and is not otherwise eligible for Medicare shall have the premium rate for the health insurance benefit plan or One Hundred Five Dollars (\$105.00), whichever is less, paid by the Oklahoma Law Enforcement Retirement System to the ~~Board~~ Office in the manner specified in subsection G of this section,
- c. a retired employee other than an education employee who is receiving benefits from the Oklahoma Law Enforcement Retirement System after September 30, 1988, is sixty-five (65) years of age or older or who is under sixty-five (65) years of age and is eligible for Medicare shall have One Hundred Five Dollars (\$105.00), or the premium rate of the health insurance benefit plan, whichever is less, paid by the Oklahoma Law Enforcement Retirement System to the ~~Board~~ Office in the manner specified in subsection G of this section, and
- d. a retired employee other than an education employee who is receiving benefits from the Uniform Retirement System for Justices and Judges after September 30, 1988, shall have One Hundred Five Dollars (\$105.00), or the premium rate of the health insurance plan, whichever is less, paid by the Uniform Retirement System for Justices and Judges to the ~~Board~~ Office in the manner specified in subsection G of this section.

2. Premium payments made pursuant to this section shall be made subject to the following conditions:

- a. the health plan shall be authorized by the provisions of the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act, except that if an employer from which an employee retired or with a vested benefit pursuant to the provisions of the Oklahoma Public Employees Retirement System does not participate in the plans authorized by the provisions of the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act, the health plan will be the health insurance benefits of the employer from which the individual retired or vested,
- b. for plans offered by the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act, the amount to be paid shall be determined pursuant to the provisions of this subsection and shall first be applied in whole or in part to the prescription drug coverage premium. Any remaining amount shall be applied toward the medical coverage premium,
- c. for all plans, if the amount paid by the public retirement system does not cover the full cost of the elected coverage, the individual shall pay the remaining premium amount, and
- d. payment shall be made by the retirement systems in the manner specified under subsection G of this section.

D. For any member of the Oklahoma Law Enforcement Retirement System killed in the line of duty, whether the member was killed in the line of duty prior to the effective date of this act or on or after the effective date of this act, or if the member was on a disability leave status at the time of death, the surviving spouse or dependents of such deceased member of the Oklahoma Law Enforcement Retirement System may elect to continue or commence health and dental insurance benefits provided said dependents pay the full cost of such insurance and for deaths occurring on or after July 1, 2002, such election is made within thirty (30) days of the date of death. The eligibility for said benefits shall terminate

for the surviving children when said children cease to qualify as dependents.

E. Effective July 1, 2004, a retired member of the Oklahoma Law Enforcement Retirement System who retired from the System by means of a personal and traumatic injury of a catastrophic nature and in the line of duty and any surviving spouse of such retired member and any surviving spouse of a member who was killed in the line of duty shall have one hundred percent (100%) of the retired member's or surviving spouse's health care premium cost, whether the member or surviving spouse elects coverage under the Medicare supplement or Medicare risk-sharing contract, paid by the Oklahoma Law Enforcement Retirement System to the ~~Board Office~~ in the manner specified in subsection H of this section. For plans offered by the ~~State and Education Employees Group Insurance Board Office~~, such contributions will first be applied in whole or in part to the prescription drug coverage premium, if any.

F. Dependents of a deceased employee who was on active work status or on a disability leave at the time of death or of a participating retardant or of any person who has elected to receive a vested benefit under the Oklahoma Public Employees Retirement System, the Uniform Retirement System for Justices and Judges or the Oklahoma Law Enforcement Retirement System may continue the health and dental insurance benefits in force provided said dependents pay the full cost of such insurance and they were covered as eligible dependents at the time of such death and such election is made within thirty (30) days of date of death. The eligibility for said benefits shall terminate for the surviving children when said children cease to qualify as dependents.

G. The amounts required to be paid by the Oklahoma Public Employees Retirement System, the Uniform Retirement System for Justices and Judges and the Oklahoma Law Enforcement Retirement System pursuant to this section shall be forwarded no later than the tenth day of each month following the month for which payment is due by the Oklahoma Public Employees Retirement System Board of Trustees or the Oklahoma Law Enforcement Retirement Board to the ~~State and Education Employees Group Insurance Board Office~~ for deposit in the Health, Dental and Life Insurance Reserve Fund or to another insurance carrier as provided for in subsection H of Section 1315 of this title.

H. Upon retirement from employment of the Board of Regents of the University of Oklahoma, any person who was or is employed at the

George Nigh Rehabilitation Institute and who transferred employment pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any person who was employed at the Medical Technology and Research Authority and who transferred employment pursuant to Section 7068 of this title, and any person who is a member of the Oklahoma Law Enforcement Retirement System pursuant to the authority of Section 2-314 of Title 47 of the Oklahoma Statutes may participate in the benefits authorized by the provisions of the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act for retired participants, including health, dental and life insurance benefits, if such election to participate is made within thirty (30) days from the date of termination of service. Life insurance benefits for any such person who transferred employment shall not exceed the coverage the person had at the time of such transfer. Retirees who transferred employment and who participate pursuant to this paragraph shall pay the premium for elected benefits less any amounts paid by a state retirement system pursuant to this section.

SECTION 963. AMENDATORY 74 O.S. 2011, Section 1316.3, is amended to read as follows:

Section 1316.3 A. Any person who retires pursuant to the provisions of the Teachers' Retirement System of Oklahoma with at least ten (10) years of creditable service or who has a vested benefit with at least ten (10) years of creditable service, pursuant to the provisions of the Teachers' Retirement System of Oklahoma may continue in force the health and dental insurance benefits authorized by the provisions of the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act if such election to continue in force or begin is made within thirty (30) days from the date of termination of service. Except as provided in subsection E of Sections 5-117.5 and 14-108.1 of Title 70 of the Oklahoma Statutes and Section 840-2.27I of this title and subsection K of this section, health and dental insurance coverage may not be reinstated at a later time if the election to continue in force or begin coverage is declined. Vested persons who have terminated service and are not receiving benefits and effective July 1, 1996, nonvested persons who have terminated service with more than ten (10) years of participating service with a qualifying employer, who within thirty (30) days from the date of termination of service, elect to continue such coverage, shall pay the full cost of said insurance premium at the rate and pursuant to the terms and conditions established by the ~~Board~~ Office of Management and Enterprise Services.

B. 1. Health insurance benefit plans offered pursuant to this section shall include:

- a. indemnity plans offered through the ~~State and Education Employees Group Insurance Board Office~~, State and Education Employees Group Insurance Board Office,
- b. managed care plans offered as alternatives to the indemnity plans,
- c. Medicare supplements offered through the ~~State and Education Employees Group Insurance Board Office~~, State and Education Employees Group Insurance Board Office,
- d. Medicare risk-sharing contracts offered as alternatives to the Medicare supplements offered through the ~~State and Education Employees Group Insurance Board Office~~, State and Education Employees Group Insurance Board Office, and
- e. any other employer-provided health insurance benefit plans if the employer does not participate in the plans offered pursuant to the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act.

2. Health insurance benefit plans offered pursuant to this section shall provide prescription drug benefits, except for plans designed pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003, which may or may not contain prescription drug benefits, for which provision of prescription drug benefits is optional, and except for plans offered pursuant to subparagraph e of paragraph 1 of this subsection.

C. A retired person who:

1. Is receiving benefits from the Teachers' Retirement System of Oklahoma after September 30, 1988, is under sixty-five (65) years of age and is not otherwise eligible for Medicare and pursuant to subsection A of this section elects to begin or to continue the health insurance plan;

2. Is receiving benefits from the Teachers' Retirement System of Oklahoma after June 30, 1993, is under sixty-five (65) years of age and is not otherwise eligible for Medicare and participates in a health insurance plan provided by a participating education employer of the Teachers' Retirement System of Oklahoma other than a health

insurance plan offered pursuant to the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act or an alternative health plan offered pursuant to the Oklahoma State Employees Benefits Act;

3. Is receiving benefits from the Teachers' Retirement System of Oklahoma after September 30, 1988, made contributions to the system and is sixty-five (65) years of age or older, or who is under sixty-five (65) years of age and is eligible for Medicare and is a participant in the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act and elects coverage under the Medicare supplement offered by the ~~State and Education Employees Group Insurance Board Office~~; or

4. Is receiving benefits from the Teachers' Retirement System of Oklahoma after June 30, 1993, made contributions to the system and is sixty-five (65) years of age or older, or who is under sixty-five (65) years of age and is eligible for Medicare and participates in a health insurance plan provided by a participating education employer of the Teachers' Retirement System of Oklahoma other than a health insurance plan offered pursuant to the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act or an alternative health plan offered pursuant to the Oklahoma State Employees Benefits Act and elects coverage under the Medicare supplement offered by the ~~State and Education Employees Group Insurance Board Office~~,

shall have the amount determined pursuant to subsection E of this section, or the premium rate of the health insurance benefit plan, whichever is less, paid by the Teachers' Retirement System of Oklahoma. If the amount paid by the Teachers' Retirement System of Oklahoma does not cover the full cost of the health insurance premium, the retired person shall pay the remaining amount if the retired person wants to continue the coverage.

D. The Teachers' Retirement System shall pay the amount due pursuant to the provisions of subsection C of this section as follows:

1. For those individuals participating in plans provided through the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act, payment shall be made to the ~~Board Office~~ pursuant to the provisions of subsection I of this section; or

2. For those individuals participating in plans provided through a participating education employer of the Teachers' Retirement System of Oklahoma other than a health insurance plan offered pursuant to the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act, payment shall be made to the education employer.

E. Beginning July 1, 2000, the maximum benefit payable by the Teachers' Retirement System of Oklahoma on behalf of a retired person toward said person's monthly premium for health insurance shall be determined in accordance with the following schedule:

AVERAGE SALARY USED FOR DETERMINING RETIREMENT ALLOWANCE	LESS THAN 15 YEARS OF CREDITABLE SERVICE	LESS THAN 25 YEARS BUT GREATER THAN 14.99 YEARS OF CREDITABLE SERVICE	GREATER THAN 24.99 YEARS OF CREDITABLE SERVICE
Less than \$20,000.00	\$103.00	\$104.00	\$105.00
Less than \$30,000.00 but greater than \$19,999.99	\$102.00	\$103.00	\$104.00
Less than \$40,000.00 but greater than \$29,999.99	\$101.00	\$102.00	\$103.00
\$40,000.00 or greater	\$100.00	\$101.00	\$102.00

For plans offered by the ~~State and Education Employees Group Insurance Board~~ Office, the amount paid pursuant to this subsection shall first be applied to the prescription drug coverage premium, if any. Any remaining amounts shall be applied towards the medical coverage premium.

F. If a person retires and begins to receive benefits from the Teachers' Retirement System of Oklahoma or terminates service and has a vested benefit with the Teachers' Retirement System of Oklahoma, the person may elect, in the manner provided in subsection A of this section, to participate in the dental insurance plan offered through the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act. The person shall pay the full cost of the dental insurance.

G. Those persons who are receiving benefits from the Teachers' Retirement System of Oklahoma and have health insurance coverage which on the operative date of this section is being paid by the education entity from which the person retired shall make the election required in subsection A of this section within thirty (30) days of the termination of said health insurance coverage. The person making the election shall give the ~~Board~~ Office certified documentation satisfactory to the ~~Board~~ Office of the termination date of the other health insurance coverage.

H. Dependents of a deceased education employee who was on active work status or on a disability leave at the time of death or of a participating retirant or of any person who has elected to receive a vested benefit under the Teachers' Retirement System of Oklahoma may continue the health and dental insurance benefits in force provided said dependents pay the full cost of such insurance and they were covered as eligible dependents at the time of such death and such election is made within thirty (30) days of date of death. The eligibility for said benefits shall terminate for the surviving children when said children cease to qualify as dependents.

I. The amounts required to be paid by the Teachers' Retirement System of Oklahoma pursuant to this section shall be forwarded no later than the tenth day of each month following the month for which payment is due by the Board of Trustees of the Teachers' Retirement System of Oklahoma to the ~~State and Education Employees Group Insurance Board~~ Office for deposit in the Education Employees Group Insurance Reserve Fund.

J. The Teachers' Retirement System of Oklahoma shall provide the ~~State and Education Employees Group Insurance Board~~ Office information concerning the employers of retired and vested members necessary to allow the ~~State and Education Employees Group Insurance Board~~ Office to track eligibility for continued coverage.

K. Upon retirement from employment with the Board of Regents of the University of Oklahoma, any person who is or was employed at the George Nigh Rehabilitation Institute and who transferred employment pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any person who was employed at the Medical Technology and Research Authority and who transferred employment pursuant to Section 7068 of this title, and any person who is a member of the Oklahoma Law Enforcement Retirement System pursuant to the authority of Section 2-314 of Title 47 of the Oklahoma Statutes may participate in the

benefits authorized by the provisions of the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act for retired participants, including health, dental and life insurance benefits, if such election to participate is made within thirty (30) days from the date of termination of employment. Life insurance benefits for any such person who transferred employment shall not exceed the coverage the person had at the time of such transfer. Retirees who are persons transferred employment and who participate pursuant to this paragraph shall pay the premium for elected benefits less any amounts paid by the retirement system pursuant to this section.

SECTION 964. AMENDATORY 74 O.S. 2011, Section 1317, is amended to read as follows:

Section 1317. Any legally blind person who is licensed by the Department of Rehabilitation Services as a vending stand operator or managing operator shall be eligible for membership in the Health Insurance Plan, Dental Insurance Plan and Life Insurance Plan referred to in the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act. Enrollment in the Plan shall be optional with each operator pursuant to the rules prescribed by the ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services. Any payments required to be made for enrollees in the Plan shall be payable by the operator in such manner as may be determined by the Department of Rehabilitation Services; provided, that the Department may, in its discretion, make all or a part of such payments.

SECTION 965. AMENDATORY 74 O.S. 2011, Section 1318, is amended to read as follows:

Section 1318. No former employee who is reemployed by a participating entity within twenty-four (24) months after the date of termination of previous employment shall be enrolled in the ~~State and Education Employees Group Insurance Plan~~ Oklahoma Employees Insurance and Benefits Plan authorized by ~~Section~~ Sections 1301 ~~et seq.~~ through 1329.1 of this title, for a greater amount of life insurance or life benefit than the amount for which the life of the ~~ex-employee~~ former employee was insured under ~~said~~ the plan at the date of termination of ~~his~~ his employment, except upon ~~his~~ the former employee furnishing evidence of ~~his~~ his insurability, satisfactory to the ~~Board~~ Office of Management and Enterprise Services, and any greater amount of benefit or insurance provided ~~him~~ the employee shall be at the ~~ex-employee's~~ former employee's cost.

SECTION 966. AMENDATORY 74 O.S. 2011, Section 1321, is amended to read as follows:

Section 1321. A. The ~~Board~~ Office of Management and Enterprise Services shall have the authority to determine all rates and life, dental and health benefits. All rates shall be compiled in a comprehensive Schedule of Benefits. The Schedule of Benefits shall be available for inspection during regular business hours at the ~~office of the State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services. The ~~Board Office~~ shall have the authority to annually adjust the rates and benefits based on claim experience.

B. The premiums for such insurance plans offered for the next plan year shall be established as follows:

1. For active employees and their dependents, the ~~Board's~~ Office's premium determination shall be made no later than the bid submission date for health maintenance organizations set by the Oklahoma State Employees Benefits Council, which shall be set in August no later than the third Friday of that month; and

2. For all other covered members and dependents, the ~~Board's~~ Office's and the health maintenance organizations' premium determinations shall be no later than the fourth Friday of September.

C. The ~~Board~~ Office may approve a mid-year adjustment provided the need for an adjustment is substantiated by an actuarial determination or more current experience rating. The only publication or notice requirements that shall apply to the Schedule of Benefits shall be those requirements provided in the Oklahoma Open Meeting Act. It is the intent of the Legislature that the benefits provided not include cosmetic dental procedures except for certain orthodontic procedures as adopted by the ~~Board~~ Director.

SECTION 967. AMENDATORY 74 O.S. 2011, Section 1323, is amended to read as follows:

Section 1323. Any person who shall knowingly make any false statement, or who shall falsify or permit to be falsified any record necessary for carrying out the intent of 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, for the purpose of committing fraud, shall be guilty of a misdemeanor, and upon conviction shall be punished by a fine not exceeding Five Thousand Dollars (\$5,000.00) or by imprisonment for not exceeding one (1) year or by both the fine and imprisonment. The ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services shall have the right to audit participating employer groups to verify eligibility for any member and/or dependent and may require proof of eligibility upon demand.

SECTION 968. AMENDATORY 74 O.S. 2011, Section 1324, is amended to read as follows:

Section 1324. A. All health benefit plans that are offered by the ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services shall provide coverage for side effects that are commonly associated with radical retropubic prostatectomy surgery, including, but not limited to impotence and incontinence, and for other prostate-related conditions.

B. The ~~Board~~ Office shall provide notice to each insured or enrollee under ~~such~~ the plan regarding the coverage required by this section in the plan's evidence of coverage, and shall provide additional written notice of the coverage to the insured or enrollee as follows:

1. In the next mailing made by the plan to the employee; or
2. As part of the enrollment information packet sent to the enrollee.

C. The ~~Board~~ Office shall promulgate any rules or actions necessary to implement the provisions of this section.

SECTION 969. AMENDATORY 74 O.S. 2011, Section 1325, is amended to read as follows:

Section 1325. The ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services shall schedule a hearing thirty (30) days prior to adopting any major change in the reimbursement rates or methodology. The ~~Board~~ Office shall notify health care providers who provide services pursuant to a contract with the ~~Board~~ Office at least fifteen (15) days prior to the hearing. The notice shall include proposed changes to the reimbursement rates or methodology. The ~~Board~~ Office shall also inform such health care providers at the hearing of any proposed

changes to the reimbursement rates or methodology. At the hearing the ~~Board~~ Office shall provide an open forum for such health care providers to comment on the proposed changes.

SECTION 970. AMENDATORY 74 O.S. 2011, Section 1326, is amended to read as follows:

Section 1326. The ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services shall make available, upon request, copies of relevant fee schedules to participating health care providers.

SECTION 971. AMENDATORY 74 O.S. 2011, Section 1327, is amended to read as follows:

Section 1327. A. All health benefit plans offered by the ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services which provide for services for vision care or medical diagnosis and treatment for the eye shall allow optometrists to be providers of those services. All such health benefit plans shall also require equal payment for the same services provided by an optometrist if the services are within the scope of practice of optometry.

B. With respect to optometric services, any health benefit plan offered by the ~~State and Education Employees Group Insurance Board~~ Office which uses a gatekeeper or equivalent for referrals for services for vision care or for medical diagnosis and treatment of the eye, shall require such covered services be provided on a referral basis within the medical group or network at the request of an enrollee who has a condition requiring vision care or medical diagnosis and treatment of the eye if:

1. A referral is necessitated in the judgment of the primary care physician; and

2. Treatment for the condition falls within the licensed scope of practice of an optometrist.

C. All health benefit plans offered by the ~~State and Education Employees Group Insurance Board~~ Office shall have a defined set of standards and procedures for selecting providers, including specialists, to serve enrollees. The standards and procedures shall be drafted in such a manner that they are applicable to all categories of providers and shall be utilized by the health

maintenance organization in a manner that is without bias for or discrimination against a particular category or categories of providers.

D. No health benefit plan specified by this section shall require a provider to have hospital privileges if hospital privileges are not usual and customary for the services the provider provides.

E. Nothing in this section shall be construed to:

1. Prohibit a health benefit plan offered by the ~~State and Education Employees Group Insurance Board~~ Office which provides for services for vision care or medical diagnosis and treatment for the eye from determining the adequacy of the size of its network;

2. Prohibit an optometrist from agreeing to a fee schedule;

3. Limit, expand, or otherwise affect the scope of practice of optometry; or

4. Alter, repeal, modify or affect the laws of this state except where such laws are in conflict or are inconsistent with the express provisions of this section.

F. Existing health benefit plans offered by the ~~State and Education Employees Group Insurance Board~~ Office shall comply with the requirements of this section upon issuance or renewal on or after the effective date of this act.

SECTION 972. AMENDATORY 74 O.S. 2011, Section 1328, is amended to read as follows:

Section 1328. A. The contracted claims administrator for the ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services shall reimburse all clean claims of an enrollee, an assignee of the enrollee, or a health care provider within forty-five (45) calendar days after receipt of the claim by the entity.

B. As used in this section, "clean claim" means a claim that has no defect or impropriety, including a lack of any required substantiating documentation, or particular circumstance requiring special treatment that impedes prompt payment.

C. 1. If a claim or any portion of a claim is determined to have defects or improprieties, including a lack of any required substantiating documentation, or a particular circumstance requiring special treatment, the enrollee, assignee of the enrollee, or health care provider shall be notified in writing within thirty (30) calendar days after receipt of the claim by the contracted claims administrator for the ~~State and Education Employees Group Insurance Board~~ Office. The written notice shall specify the portion of the claim that is causing a delay in processing and explain any additional information or corrections needed. Failure of the ~~Board's Office's~~ claims administrator to provide the enrollee, assignee of the enrollee, or health care provider with such notice shall constitute prima facie evidence that the claim will be paid in accordance with the terms of the health benefit claims administration contract.

2. The portion of the claim that is accurate shall be paid within forty-five (45) calendar days after receipt of the claim by the claims administrator for the ~~State and Education Employees Group Insurance Board~~ Office.

D. Upon receipt of the additional information or corrections which led to the claim's being delayed and a determination that the information is accurate, the claims administrator for the ~~State and Education Employees Group Insurance Board~~ Office shall either pay or deny the claim or a portion of the claim within forty-five (45) calendar days.

E. Payment shall be considered made on:

1. The date a draft or other valid instrument which is equivalent to the amount of the payment is placed in the United States mail in a properly addressed, postpaid envelope; or

2. If not so posted, the date of delivery.

F. An overdue payment shall bear simple interest at the rate of ten percent (10%) per year.

G. In the event litigation should ensue based upon such a claim, the prevailing party shall be entitled to recover a reasonable ~~attorney's~~ attorney fee to be set by the court and taxed as costs against the party or parties who do not prevail.

SECTION 973. AMENDATORY 74 O.S. 2011, Section 1329, is amended to read as follows:

Section 1329. ~~The State and Education Employees Group Insurance Board ("Board"), and the Office of State Finance, Management and Enterprise Services~~ shall contract with a vendor to make available a health savings account to all enrollees in the HealthChoice qualified high-deductible health plan. Any employer or employee contributions to the health savings account shall be allowable as a remittance to the vendor through payroll deduction in conjunction with the employer's Section 125 Plan and shall not be subject to any assessment of administrative fees by ~~the Board,~~ the Office of ~~State Finance~~ Management and Enterprise Services or any state agency for remittance to the vendor. The State of Oklahoma, ~~the Board,~~ and the Office of ~~State Finance and the Oklahoma State Employees Benefits Council~~ Management and Enterprise Services shall take necessary measures to make any employer or employee health savings account contributions permissible under the state's Section 125 Plan.

SECTION 974. AMENDATORY 74 O.S. 2011, Section 1329.1, is amended to read as follows:

Section 1329.1 ~~The State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services shall contract for 2012 with a vendor that offers a Health Insurance Portability and Accountability Act (HIPAA) compliant web-based, doctor-patient mutual accountability incentive program. The purpose of the contract is to conduct a pilot project to test the value proposition of a program that offers financial incentives to both the health care provider and the patient for each care encounter in which the provider and patient incorporate evidence-based medicine treatment guidelines, patient health education remedies and other proven medical interventions made available and recorded through the program in the rendering and utilization of health care. The ~~Board~~ Office shall use ~~its~~ operating funds to underwrite the cost of this pilot project and shall not pass these costs along to the participating state agencies, or school boards or providers. The ~~Board~~ Office may retain or share with participating state agencies or school boards any savings realized as a result of the pilot program. The program will demonstrate a self-sustaining financial model that, through the savings incurred by better utilization health care programs, will offset the costs of this program with savings. This program will offer the health care provider the flexibility to use the health care provider's clinical judgment to adhere to or deviate from the program's treatment guidelines and

still receive a financial incentive, as long as the health care provider communicates care guidelines and patient health education remedies to the patient that include an explanation of the provider's adherence or reason for nonadherence to the guideline. The vendor managing the pilot program shall offer a financial reward to the patient for responding to the vendor's guidelines for care and patient education remedies by demonstrating the patient's understanding of the patient's health condition, by declaring or demonstrating adherence to recommended care, by agreeing to allow the patient's physician to view patient's responses and acknowledge the patient's health accomplishments, and by judging the quality of care given to the patient against these guidelines and recommended care. Any communications to patient and provider shall be in compliance with all HIPAA regulations and standards. Participation in the program shall be voluntary to both the provider and patient on an encounter-by-encounter basis. The program shall be offered and administered by the program vendor through an Internet application that is HIPAA-compliant. This pilot project shall include a minimum of ~~15,000~~ fifteen thousand beneficiaries of the ~~Board Office~~ to achieve a statistical significance and collect and analyze data over a period of three (3) years in order to determine the program's effectiveness and ability to become self-funded.

SECTION 975. AMENDATORY 74 O.S. 2011, Section 1343, is amended to read as follows:

Section 1343. The Board shall retain qualified agencies, persons or entities to design, develop, communicate, implement or administer the state employees flexible benefits plan. The Board shall solicit proposals on a competitive bid basis for such agencies, persons or entities according to the standards set out in the Oklahoma Central Purchasing Act, Section 85.1 et seq. of ~~Title 74 of the Oklahoma Statutes~~ this title. When requested by the Board, the ~~Office of Public Affairs~~ Office of Management and Enterprise Services shall assist the Board in the process of selecting contracts for the design, development, communication or implementation of the state employees flexible benefits plan.

When awarding a contract for services pursuant to this subsection, the Board shall satisfy itself that the contractor has no interests which would impair its ability to perform the tasks and services required and that the contractor will exercise independent judgment when performing its responsibilities under the act and under the agreement.

SECTION 976. AMENDATORY 74 O.S. 2011, Section 1366, is amended to read as follows:

Section 1366. A. ~~The Oklahoma State Employees Benefits Council~~ Office of Management and Enterprise Services shall establish a flexible benefits plan in accordance with the provisions of Section 1361 et seq. of this title. All participating employers shall offer the plan to their eligible employees.

B. ~~The Council~~ Office shall interpret the plan and decide any matters arising thereunder and may adopt such rules and procedures as it deems necessary, desirable or appropriate in the administration of the plan subject to the Administrative Procedures Act. All rules and decisions of the ~~Council~~ Office shall be uniformly and consistently applied to all participants in similar circumstances and shall be conclusive and binding on all persons having an interest in the plan. When making any decision or determination, the ~~Council~~ Office shall be entitled to rely upon such information as may be furnished to it by a participant, a participating employer, legal counsel, third party administrator or the management of any individual benefit plan which is incorporated in the plan.

C. ~~The executive director, under the direction of the Council,~~ Office may contract with one or more firms or organizations to administer or provide consulting services in regard to all or any portion of the plan.

The ~~Council~~ Office shall solicit proposals on a competitive bid basis. Contracts for the flexible benefits plan shall not be subject to the provisions of The Oklahoma Central Purchasing Act, Section 85.1 et seq. of this title. The ~~Council~~ Office shall promulgate rules establishing appropriate competitive bidding criteria and procedures for contracts awarded for flexible benefits plans. ~~When requested by the Council, the Department of Central Services shall assist the Council in the process of selecting any contracts for the design, development, communication or implementation of the plan.~~

When awarding a contract for services pursuant to this subsection, the ~~Council~~ Office shall satisfy itself that the contractor has no interests which would impair its ability to perform the tasks and services required and that the contractor will exercise proper independent judgment when performing its

responsibilities under Section 1361 et seq. of this title and under the contract.

D. Expenses included in an employee's salary adjustment agreement pursuant to the flexible benefits plan shall be limited to expenses for:

1. Premiums for any health insurance, health maintenance organization, life insurance, long term disability insurance, dental insurance or high deductible health benefit plan offered to employees and their dependents;

2. Insurance premiums or retirement plan premiums or payments which are supplemental to insurance or retirement programs offered by this state or which are paid for under salary adjustment agreements pursuant to the provisions of Section ~~7.10~~ 34.70 of Title 62 of the Oklahoma Statutes;

3. Dependent care;

4. Medical care, as defined by the ~~Council~~ Office; and

5. All other eligible benefit programs offered under 26 United States Code Section 125.

E. The amount by which an employee's salary is adjusted pursuant to a salary adjustment agreement shall be excluded from income in computation of income tax withholding, federal insurance contributions act taxes, unemployment payments and workers' compensation coverage. Such amount shall be included as income in computation of state retirement contributions and benefits. Provided, if the inclusions and exclusions provided in this subsection conflict with the provisions of federal law or regulations pertaining to flexible benefits plans, the Council is authorized to modify or abolish such inclusions and exclusions.

F. 1. Legal representation shall be provided by the Office of the Attorney General.

2. The executive director shall be the appointing authority and agency head. All other positions and employees shall be classified and subject to the provisions of the Merit System of Personnel Administration except actuaries and other personnel and positions in the unclassified service as provided in Section 840-5.5 of this title.

SECTION 977. AMENDATORY 74 O.S. 2011, Section 1366.1, is amended to read as follows:

Section 1366.1 Notwithstanding any other provision of law to the contrary, for contracts relating to the plan year beginning January 1, 2003, and for each plan year thereafter, the ~~Oklahoma State Employees Benefits Council and the State and Education Employees Group Insurance Board~~ Oklahoma Employees Insurance and Benefits Board shall:

- a. develop geographic service areas and list the zip codes contained in such service areas. Each participating health maintenance organization shall not be required to offer enrollment in every service area as a condition to participation in the State Account,
- b. not require participating health maintenance organizations to offer a Medicare supplement plan. However, if the participating health maintenance organization offers a Medicare supplement plan to other entities within this state then it shall be required to offer a Medicare supplement plan,
- c. require participating health maintenance organizations to meet the standardized benefit plan as required by the ~~Oklahoma State Employees Benefits Council~~ Oklahoma Employees Insurance and Benefits Board. However, participating health maintenance organizations may offer enhancements in an effort to make their plans more attractive and competitive, and
- d. ensure that all premiums are paid to participating health maintenance organizations within sixty (60) calendar days from receipt of the bill.

SECTION 978. AMENDATORY 74 O.S. 2011, Section 1366.2, is amended to read as follows:

Section 1366.2 Notwithstanding any other provision of law to the contrary, for contracts relating to the plan year beginning January 1, 2003, and for each plan year thereafter, the ~~Oklahoma State Employees Benefits Council and the State and Education~~

~~Employees Group Insurance Board~~ Oklahoma Employees Insurance and Benefits Board shall:

- a. develop geographic service areas and list the zip codes contained in such service areas. Each participating health maintenance organization shall not be required to offer enrollment in every service area as a condition to participation in the State Account,
- b. not require participating health maintenance organizations to offer a Medicare supplement plan; provided, however, any participating health maintenance organization that offers a Medicare supplement plan to other entities within this state shall be required to offer a Medicare supplement plan,
- c. require participating health maintenance organizations to meet the standardized benefit plan as required by the ~~Oklahoma State Employees Benefits Council~~ Oklahoma Employees Insurance and Benefits Board; provided, however, participating health maintenance organizations may offer enhancements in an effort to make their plans more attractive and competitive, and
- d. ensure that all premiums collected are paid to participating health maintenance organizations within sixty (60) calendar days of receipt.

SECTION 979. AMENDATORY 74 O.S. 2011, Section 1371, is amended to read as follows:

Section 1371. A. All participants must purchase at least the basic plan unless, to the extent that it is consistent with federal law, the participant is a person who has retired from a branch of the United States military and has been provided with health coverage through a federal plan and that participant provides proof of that coverage, or the participant has opted out of the state's basic plan according to the provisions in Section 2 1308.3 of this ~~act~~ title. On or before January 1 of the plan year beginning July 1, 2001, and July 1 of any plan year beginning after January 1, 2002, the ~~Oklahoma State Employees Benefits Council~~ Oklahoma Employees Insurance and Benefits Board shall design the basic plan for the next plan year to insure that the basic plan provides adequate coverage to all participants. All benefit plans, whether

offered by the State and Education Employees Group Insurance Board, a health maintenance organization or other vendors shall meet the minimum requirements set by the ~~Council~~ Board for the basic plan.

B. The Board shall offer health, disability, life and dental coverage to all participants and their dependents. For health, dental, disability and life coverage, the Board shall offer plans at the basic benefit level established by the ~~Council~~ Board, and in addition, may offer benefit plans that provide an enhanced level of benefits. The Board shall be responsible for determining the plan design and the benefit price for the plans that they offer. Effective for the plan year beginning January 1, 2007, and for each plan year thereafter, in setting health insurance premiums for active employees and for retirees under sixty-five (65) years of age, the Board shall set the monthly premium for active employees to be equal to the monthly premium for retirees under sixty-five (65) years of age.

Nothing in this subsection shall be construed as prohibiting the Board from offering additional medical plans, provided that any medical plan offered to participants shall meet or exceed the benefits provided in the medical portion of the basic plan.

C. In lieu of electing any of the preceding medical benefit plans, a participant may elect medical coverage by any health maintenance organization made available to participants by the ~~Council~~ Board. The benefit price of any health maintenance organization shall be determined on a competitive bid basis. Contracts for said plans shall not be subject to the provisions of The Oklahoma Central Purchasing Act. The ~~Council~~ Board shall promulgate rules establishing appropriate competitive bidding criteria and procedures for contracts awarded for flexible benefits plans. All plans offered by health maintenance organizations meeting the bid requirements as determined by the ~~Council~~ Board shall be accepted. The ~~Council~~ Board shall have the authority to reject the bid or restrict enrollment in any health maintenance organization for which the ~~Council~~ Board determines the benefit price to be excessive. The ~~Council~~ Board shall have the authority to reject any plan that does not meet the bid requirements. All bidders shall submit along with their bid a notarized, sworn statement as provided by Section 85.22 of this title. Effective for the plan year beginning January 1, 2007, and for each plan year thereafter, in setting health insurance premiums for active employees and for retirees under sixty-five (65) years of age, HMOs, self-insured organizations and prepaid plans shall set the monthly

premium for active employees to be equal to the monthly premium for retirees under sixty-five (65) years of age.

D. Nothing in this section shall be construed as prohibiting the ~~Council~~ Board from offering additional qualified benefit plans or currently taxable benefit plans.

E. Each employee of a participating employer who meets the eligibility requirements for participation in the flexible benefits plan shall make an annual election of benefits under the plan during an enrollment period to be held prior to the beginning of each plan year. The enrollment period dates will be determined annually and will be announced by the ~~Council~~ Board, providing the enrollment period shall end no later than thirty (30) days before the beginning of the plan year.

Each such employee shall make an irrevocable advance election for the plan year or the remainder thereof pursuant to such procedures as the ~~Council~~ Board shall prescribe. Any such employee who fails to make a proper election under the plan shall, nevertheless, be a participant in the plan and shall be deemed to have purchased the default benefits described in this section.

F. The ~~Council~~ Board shall prescribe the forms that participants will be required to use in making their elections, and may prescribe deadlines and other procedures for filing the elections.

G. Any participant who, in the first year for which he or she is eligible to participate in the plan, fails to make a proper election under the plan in conformance with the procedures set forth in this section or as prescribed by the ~~Council~~ Board shall be deemed automatically to have purchased the default benefits. The default benefits shall be the same as the basic plan benefits. Any participant who, after having participated in the plan during the previous plan year, fails to make a proper election under the plan in conformance with the procedures set forth in this section or prescribed by the ~~Council~~ Board, shall be deemed automatically to have purchased the same benefits which the participant purchased in the immediately preceding plan year, except that the participant shall not be deemed to have elected coverage under the health care reimbursement account plan or the dependent care reimbursement account plan.

H. Benefit plan contracts with the Board, health maintenance organizations, and other third party insurance vendors shall provide for a risk adjustment factor for adverse selection that may occur, as determined by the ~~Council~~ Board, based on generally accepted actuarial principles.

I. 1. For the plan year ending December 31, 2004, employees covered or eligible to be covered under the State and Education Employees Group Insurance Act and the State Employees Flexible Benefits Act who are enrolled in a health maintenance organization offering a network in Oklahoma City, shall have the option of continuing care with a primary care physician for the remainder of the plan year if:

- a. that primary care physician was part of a provider group that was offered to the individual at enrollment and later removed from the network of the health maintenance organization, for reasons other than for cause, and
- b. the individual submits a request in writing to the health maintenance organization to continue to have access to the primary care physician.

2. The primary care physician selected by the individual shall be required to accept reimbursement for such health care services on a fee-for-service basis only. The fee-for-service shall be computed by the health maintenance organization based on the average of the other fee-for-service contracts of the health maintenance organization in the local community. The individual shall only be required to pay the primary care physician those co-payments, coinsurance and any applicable deductibles in accordance with the terms of the agreement between the employer and the health maintenance organization and the provider shall not balance bill the patient.

3. Any network offered in Oklahoma City that is terminated prior to July 1, 2004, shall notify the health maintenance organization, ~~Oklahoma State Employees Benefits Council~~ and ~~State and Education Employees Group Insurance Board~~ Oklahoma Employees Insurance and Benefits Board by June 11, 2004, of the network's intentions to continue providing primary care services as described in paragraph 2 of this subsection offered by the health maintenance organization to state and public employees.

SECTION 980. AMENDATORY 74 O.S. 2011, Section 1372, is amended to read as follows:

Section 1372. ~~The Oklahoma State Employees Benefits Council~~ Office of Management and Enterprise Services shall be responsible for making all determinations as to the rights of any participant or any beneficiary of a participant to receive amounts under the flexible spending account benefits plan. ~~The Council Office~~ shall prescribe forms and procedures for making claims for flexible spending account benefits under the plan. Each person making a claim for benefits under the flexible spending account benefits plan shall also furnish the ~~Council Office~~ with such documents, evidence, data or information in support of such claim as the ~~Council~~ Oklahoma Employees Insurance and Benefits Board considers necessary or desirable. If any claim for the flexible spending account benefits plan is wholly or partially denied, the claimant shall be given notice in writing of such denial within a reasonable period of time, but no later than forty-five (45) days after the claim is filed.

A claimant whose claim is denied shall have the right to a hearing before the ~~Council's executive director~~ Director of the Office of Management and Enterprise Services or hearing officer designated by the ~~executive director~~ Director. Written notification by a claimant for a hearing must be received by the executive director within ten (10) business days of notification of claim denial. The hearing shall be conducted within thirty (30) days in accordance with the provisions of the Administrative Procedures Act. ~~The Council Office~~ shall promulgate administrative rules establishing policies and procedures specific to the notice of denial, request for explanation, and hearing for flexible spending account benefit claims denial.

SECTION 981. AMENDATORY 74 O.S. 2011, Section 1373, is amended to read as follows:

Section 1373. A. All health benefit plans that are offered by the ~~Oklahoma State Employees Benefits Council~~ Oklahoma Employees Insurance and Benefits Board shall provide coverage for side effects that are commonly associated with radical retropubic prostatectomy surgery, including, but not limited to impotence and incontinence, and for other prostate related conditions.

B. ~~The Council Office~~ Office of Management and Enterprise Services shall provide notice to each insured or enrollee under such plan regarding the coverage required by this section in the plan's

evidence of coverage, and shall provide additional written notice of the coverage to the insured or enrollee as follows:

1. In the next mailing made by the plan to the employee; or
2. As part of the enrollment information packet sent to the enrollee.

C. The ~~Council~~ Office shall promulgate any rules or actions necessary to implement the provisions of this section.

SECTION 982. AMENDATORY 74 O.S. 2011, Section 1374, is amended to read as follows:

Section 1374. For the plan year beginning January 1, 2005, and for each year thereafter, it shall be the fiduciary responsibility of the ~~Oklahoma State Employees Benefits Council and the State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services to ensure that participants have the option to choose which vision plan best meets their individual needs by offering every vision plan that notifies the ~~Employees Benefits Council and the State and Education Employees Group Insurance Board~~ Office of ~~their~~ its desire to participate no later than July 1 of each year and meets or exceeds the following criteria:

1. Has in place a statewide network of at least one hundred fifty providers. "Providers", for purposes of this section, means Optometrists (OD), Ophthalmologists (MD), and Ophthalmologists (DO) which shall be counted once regardless of the number of locations where they may practice. Optical shops and retail optical locations shall not be listed as providers. The company offering the vision plan must have a direct relationship with each provider on its panel, and may not lease, borrow, or otherwise obtain use of a provider panel from another company. This would not prevent a company from offering their plan through one corporate entity and administering the plan or provider panel through another legal entity of the same organization. Providers must be actively engaged in providing the services offered under the vision plan they represent;
2. Has operated in Oklahoma for at least five (5) years;
3. Is licensed by the Insurance Department, certified by the State Department of Health, or licensed as a third-party administrator by the Insurance Department. Vision plans must be

offered by the company administering the plan, not by an agent or third party. A company shall offer only one vision plan and rate schedule for each plan year;

4. Presents accurate product information in a reproducible format not to exceed two pages; and

5. Vision plans must provide an examination, frames and lenses, and/or contact lenses and some form of indemnified payment to the contracted providers for each component of the benefits, i.e., the exam, frames and lenses and/or contact lenses. This does not eliminate discounted supplementary benefits under a qualified plan.

Any administrative fees imposed by the ~~Oklahoma State Employees Benefits Council or the State and Education Employees Group Insurance Board~~ Oklahoma Employees Insurance and Benefits Board shall be applied equally to all qualified vision plans. There shall be no additional requirements imposed on a vision plan other than the proper licensing or certification by the appropriate state agency.

SECTION 983. AMENDATORY 74 O.S. 2011, Section 1384, is amended to read as follows:

Section 1384. There is hereby created in the State Treasury a revolving fund for the ~~Oklahoma State Employees Benefits Council Office of Management and Enterprise Services~~ to be designated the "Wellness Program Fund". The fund shall be a continuing fund, not subject to fiscal year limitations and shall consist of all monies received by the Wellness Council division of the ~~Oklahoma State Employees Benefits Council Office~~ from money received through grants, donations, contributions and gifts from any public or private source and transfer of funds from the Benefits Council Administration Revolving Fund as approved by the ~~Oklahoma State Employees Benefits Council Office~~. The Wellness Council may expend funds as provided for by law. 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 State Finance Office of Management and Enterprise Services~~ for approval and payment.

SECTION 984. AMENDATORY 74 O.S. 2011, Section 1701, is amended to read as follows:

Section 1701. A. The State of Oklahoma, its agencies and the political subdivisions thereof and the employees of a duly

constituted authority or instrumentality of the State of Oklahoma, its agencies and the political subdivisions thereof, municipalities and any local governmental entity may enter into a written agreement to defer a portion of any employee's compensation which is derived from a state or local government. The compensation to be deferred shall be subject to any federal limitations imposed by the Internal Revenue Code, Sections 1 et seq. of Title 26 of the United States Code. The state or local governments may, under a written agreement, invest the deferred compensation in life insurance, annuities, United States Agency or Treasury Bills, Notes or Bonds, savings accounts and/or mutual funds with a company licensed or eligible to do business in the state or in a contract or commingled trust or program. Deferred compensation programs shall exist and be in addition to, and not be a part of, any existing retirement, pension or Social Security system provided for the benefit of state and local government employees.

B. The Oklahoma Public Employees Retirement System Board shall offer a deferred compensation program and shall be responsible for establishing rules and regulations and participation agreement forms for said program. The Oklahoma State Employee Benefits Council shall communicate this program with eligible participants.

C. The Office of the Attorney General of this state shall be responsible for interpreting all applicable laws and fiduciary responsibilities for the deferred compensation programs of state and local governments if the programs do not maintain in-house counsel.

D. Prior to January 1, 1991, the Board of Trustees of the Oklahoma Public Employees Retirement System, the Plan Administrator, and the ~~Office of State Finance~~ Office of Management and Enterprise Services shall jointly develop a system that provides for state employee participation amounts in the deferred compensation plan be posted and transferred to the investment option selected by the state employee within ten (10) business days of the payday, the end of the payroll period, or the process date for supplemental payrolls, whichever is later.

SECTION 985. AMENDATORY 74 O.S. 2011, Section 1705, is amended to read as follows:

Section 1705. There is hereby created in the State Treasury a revolving fund for the Oklahoma State Employees Deferred Compensation Plan. The fund shall be designated "The Oklahoma State Employees Deferred Compensation Plan Fund". The revolving fund

shall be a continuing fund and shall consist of all monies other than appropriated funds received by the Oklahoma State Employees Deferred Compensation Plan pursuant to statutory authority. Monies accruing to the fund may be expended by the Oklahoma Public Employees Retirement System pursuant to the laws of this state. Disbursements from the fund created herein shall be made on warrants issued by the State Treasurer against claims submitted to the Director of ~~State Finance~~ the Office of Management and Enterprise Services for payment.

SECTION 986. AMENDATORY 74 O.S. 2011, Section 1707, is amended to read as follows:

Section 1707. A. Effective January 1, 1998, for each qualified participant as defined in this section who is a state employee as defined in this section, the Oklahoma Public Employees Retirement System shall pay each month from funds appropriated or deposited to the Oklahoma State Employees Deferred Savings Incentive Plan Fund created pursuant to this section the sum of Twenty-five Dollars (\$25.00) to a plan established pursuant to the Internal Revenue Code, Section 401(a), for the benefit of the employee; provided, if monies in the fund are insufficient to fully fund the contributions in any month, payments shall be suspended until such time as sufficient monies are available. Employees receiving payroll other than monthly shall have an amount contributed which is equivalent to Twenty-five Dollars (\$25.00) per month.

B. For the purposes of this section, "qualified participant" means a state employee as defined in this section who is an active participant in the Oklahoma State Employees Deferred Compensation Plan making deferrals of at least Twenty-five Dollars (\$25.00) per month. Effective July 1, 2000, each qualified participant shall be eligible for a contribution of Twenty-five Dollars (\$25.00) to the Oklahoma State Employees Deferred Savings Incentive Plan beginning with the first employee deferral into the Oklahoma State Employees Deferred Compensation Plan. ~~The Administrator~~ Director of the ~~Office of Personnel Management and the Director of State Finance~~ Office of Management and Enterprise Services shall be responsible for the provision of such information and assistance as may be necessary to determine which employees are qualified participants and shall provide for appropriate payroll transactions to accomplish contributions to the Oklahoma State Employees Deferred Savings Incentive Plan and the Oklahoma State Employees Deferred Compensation Plan. The Oklahoma Public Employees Retirement System shall be responsible for establishing rules and plan documents for

administration of such contributions. Funds so credited shall be held and invested in the same manner as the Oklahoma State Employees Deferred Compensation Plan, as provided in Section 1701 of this title.

C. For the purposes of this section, "state employee" means any officer or employee of the executive, legislative, or judicial branches of the government of this state who is an active member of a public retirement system of this state, but does not include:

1. Employees of the public elementary, secondary, or area vocational school districts;

2. Employees of The Oklahoma State System of Higher Education except employees of the Oklahoma State Regents of Higher Education, employees of the governing boards and employees of the Board of Regents of the University of Oklahoma who are participating members of the Oklahoma Public Employees Retirement System;

3. Persons on temporary, student, internship, or other limited-term appointments except for Executive Fellows in the Carl Albert Public Internship Program created in Section 840-3.4 of this title; or

4. Persons employed pursuant to Section 1.6a of Title 53 of the Oklahoma Statutes ~~or Section 1806.1 of this title.~~

D. No public official shall be able to make contributions to the Section 401(a) plan described by this section during a term of office which commenced prior to July 1, 1997. A public official may make contributions to the Section 401(a) plan described by this section during a term of office which commences after July 1, 1997. No legislator shall be eligible to make contributions to the Section 401(a) plan described by this section until such contributions have been approved by the Board on Legislative Compensation. The provisions of this subsection shall be applicable only in the event that the Plan permits employee contributions.

E. There is hereby created in the State Treasury a revolving fund to be designated the "Oklahoma State Employees Deferred Savings Incentive Plan Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of any monies the Legislature may appropriate or transfer to the fund and any monies contributed for the fund from any other sources, public or private. All monies accruing to the credit of said fund are hereby

appropriated and may be budgeted and expended by the Oklahoma Public Employees Retirement System for the matching of deferred compensation contributions pursuant to this section and in accordance with rules promulgated by the Oklahoma Public Employees Retirement System and for reimbursement of expenses for administration of the Deferred Savings Incentive Plan and the Oklahoma State Employees Deferred Compensation Plan. Expenditures from the fund shall be made by warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

F. Effective July 1, 2000, every employer which has state employees participating in the Oklahoma State Employees Deferred Savings Incentive Plan shall pay to the Fund an amount equal to Twenty-five Dollars (\$25.00) each month for each qualified participant as defined in this section, along with an amount to reimburse the cost of administration of the Oklahoma State Employees Deferred Savings Incentive Plan and the Oklahoma State Employees Deferred Compensation Plan for each qualified participant, as determined by the Board.

1. The Board shall certify each year to the ~~Office of State Finance~~ Office of Management and Enterprise Services the determined amount for the administrative cost of the Oklahoma State Deferred Savings Incentive Plan and the Oklahoma State Employees Deferred Compensation Plan which will be required to be paid for each qualified participant. The Board of Trustees shall promulgate such rules as are necessary to implement the provisions of this subsection and provide the methodology for the determination.

2. Each employer shall pay at least monthly to the Fund the sum sufficient to satisfy the obligation under this section as certified by the Board.

3. Each 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.

SECTION 987. AMENDATORY 74 O.S. 2011, Section 1811.4A, is amended to read as follows:

Section 1811.4A A. The Oklahoma Tourism and Recreation Commission is hereby authorized to lease, purchase, or otherwise

acquire the land between Kelley Avenue and Eastern Avenue within the boundary of Northeast 63rd Street on the north and Deep Fork Creek on the south and extending along the public right-of-way of Interstate Highway Number 240 to the junction of Interstate Highway Number 35, three-quarters (3/4) of a mile east of Eastern Avenue in Oklahoma City, Oklahoma. Such land shall be used to establish a state park to be designated and known as the "Cowboy Hall of Fame Park". The Commission shall be responsible for the establishment, operation, and maintenance of such park.

B. The Commission may contract with the Oklahoma Capitol Improvement Authority, the Oklahoma Department of Transportation, the ~~Office of Public Affairs~~ Office of Management and Enterprise Services, the City of Oklahoma City, the National Cowboy Hall of Fame Foundation, or any other entity for the purpose of landscaping, beautification, capital improvement, operation, and maintenance of the "State Capitol Park" and the "Cowboy Hall of Fame Park".

SECTION 988. AMENDATORY 74 O.S. 2011, Section 1811.4C, is amended to read as follows:

Section 1811.4C A. The provisions of Title 47 of the Oklahoma Statutes shall be applicable to all streets and highways within the State Capitol Park in Oklahoma City and the State Capitol Complex in Tulsa. The Department of Public Safety shall be the primary law enforcement agency within the State Capitol Park and within the State Capitol Complex, upon its establishment, and shall enforce and supervise the enforcement of all parking, traffic and criminal laws therein.

B. The rules for the "Use of the Public Areas of the Capitol and Plazas" and for the "Use of the State Capitol Park", as promulgated by the ~~Department of Central Services~~ Office of Management and Enterprise Services and set out in Subchapters 5 and 7 of Chapter 10 of Title 580 of the Oklahoma Administrative Code, are applicable to the State Capitol Park and State Capitol Complex. The Department of Public Safety shall have the exclusive authority to enforce these rules. A violation of a rule shall be a misdemeanor and, upon conviction, shall be punishable by imprisonment in the county jail not exceeding one (1) year, or by a fine not exceeding Five Hundred Dollars (\$500.00), or by both such fine and imprisonment.

C. This section shall not be construed to divest the Cities of Oklahoma City or Tulsa of jurisdiction relating to the enforcement

of any law or ordinance within said parks except the enforcement of laws regarding vehicle parking which shall be vested exclusively in the Department of Public Safety.

SECTION 989. AMENDATORY 74 O.S. 2011, Section 2215, is amended to read as follows:

Section 2215. The Division of State Parks shall, subject to the policies and rules of the Commission:

1. Conserve, preserve, plan, supervise, construct, enlarge, reduce, improve, maintain, equip and operate parkland and public recreation facilities including, but not limited to, lodges, cabins, camping sites, scenic trails, picnic sites, golf courses, boating, and swimming facilities under the jurisdiction and control of the Commission. All facilities in state parks shall be reasonably necessary and useful in promoting the public use of state parks and shall be in accord with the resource management plan for the respective park;

2. Supervise the management and use of state properties and facilities under the jurisdiction of the Commission, with an emphasis on conserving, protecting, and enhancing the natural, ecological, historic, cultural, and other resources contained in each park and to provide for the public enjoyment of and access to these resources in a manner which will protect them for future generations;

3. Formulate, establish, maintain, and periodically review with public participation a resource management plan for each state park. The resource management plan, upon approval by the Commission, shall be considered a guide for the development, utilization, protection, and management of the state park and its natural, cultural, historic, and recreational resources;

4. Authorize those employees in the Park Manager job family classification series, as established by the ~~Oklahoma Office of Personnel Management~~ Office of Management and Enterprise Services, to maintain administrative control over all facilities, programs, operations, services, and employees in the park to which they are assigned; and

5. Enforce the rules and policies governing the use of and conduct of patrons in all recreational facilities and properties of

the Commission. The Commission may adopt rules to lease concessions in any state-owned facility if the Commission deems it feasible.

SECTION 990. AMENDATORY 74 O.S. 2011, Section 2216, is amended to read as follows:

Section 2216. Park Rangers, subject to the policies of the Commission, shall:

1. Obtain a commission as an officer or employee pursuant to the certification specified in Section 3311 of Title 70 of the Oklahoma Statutes and by the Division of State Parks;

2. Secure the parks and property of the Department and maintain law and order therein;

3. Maintain the powers of peace officers except the serving or execution of civil process, have in all parts of the state the same powers with respect to criminal matters and enforcement of the laws relating thereto as sheriffs, highway patrolmen and police officers in their respective jurisdictions and possess all immunities and matters of defense now available or hereafter made available to sheriffs, the highway patrol, and police officers in any suit brought against them resulting from acts done in the course of their employment;

4. Possess law enforcement jurisdiction over state parks, including all facilities located therein;

5. Serve a probationary period of twelve (12) months. The Division of State Parks Director may extend the probationary period for up to three (3) additional months provided that the employee and the ~~Office of Personnel Management~~ Office of Management and Enterprise Services are notified in writing as to such action and the reasons therefor. At any time during a probationary period the employment of a park ranger may be terminated in accordance with Department procedure and at the discretion of the Director of State Parks. Retention of the employee, after expiration of the probationary period, shall entitle the employee to be classified as a permanent employee;

6. Provide law enforcement protection and enforcement pursuant to the terms of interlocal agreements authorized by the Commission with other entities of government or federally recognized tribes in the state; and

7. Remain in the Oklahoma Law Enforcement Retirement System if promoted to the Park Manager job family classification series, provided they maintain their certification specified in Section 3311 of Title 70 of the Oklahoma Statutes, perform the requisite training required by the Chief Park Ranger, and meet all other requirements, policies, and rules of the Department and laws of the state.

SECTION 991. AMENDATORY 74 O.S. 2011, Section 2243, is amended to read as follows:

Section 2243. Expenditure of funds for all purchases in excess of Fifty Thousand Dollars (\$50,000.00) shall not be contracted except upon approval of a majority of the Oklahoma Tourism and Recreation Commission. The amount exempted by paragraph 1 of subsection A of Section 85.7 of ~~Title 74 of the Oklahoma Statutes~~ this title shall apply to each separate department facility as identified by the annual budget submitted to the ~~Office of State Finance~~ Office of Management and Enterprise Services pursuant to Section 34.42 of Title 62 of the Oklahoma Statutes.

SECTION 992. AMENDATORY 74 O.S. 2011, Section 2244, is amended to read as follows:

Section 2244. A. The Department shall be exempt from any provision of Sections 85.1 through 85.45k of ~~Title 74 of the Oklahoma Statutes~~ this title requiring purchases to be made pursuant to a statewide contract for individual purchases of less than Two Thousand Five Hundred Dollars (\$2,500.00) when the following conditions are met:

1. The Department documents a cost savings to the state resulting from the purchase of the item(s) from a vendor not on the statewide contract;

2. The exempted purchase is made in the county where the purchasing facility, as identified in subsection B of this section, is located or in an adjacent county; and

3. The exempted purchase is approved by the Executive Director or a designee prior to the purchase.

B. The Commission shall promulgate rules, procedures, and forms necessary to adequately document the dollar savings resulting from the application of this section.

C. The exemption provided for in this section shall apply to individual department entities identified by the annual budget submitted to the ~~Office of State Finance~~ Office of Management and Enterprise Services.

D. The Department shall not be required to purchase furniture, fixtures and equipment, and soft goods associated with the decor of the state parks, lodges, golf, and tourism information center facilities from Oklahoma prisons or reformatories.

E. Nothing in this section shall be construed to authorize bid splitting as prohibited by The Oklahoma Central Purchasing Act.

SECTION 993. AMENDATORY 74 O.S. 2011, Section 2251, is amended to read as follows:

Section 2251. There is hereby created in the State Treasury a revolving fund for the Department to be designated the "Oklahoma Tourism and Recreation Department Revolving Fund". The fund shall consist of all monies received by the Department pursuant to the provisions of this act, monies derived from the sale or conveyance of real property under the jurisdiction of the Commission, and interest attributable to investment of money in the fund. The revolving fund shall be a continuing fund not subject to fiscal year limitations and shall be under the administrative direction of the Department. Expenditures from the fund created by this section shall be for the administration, operation, and maintenance expenses of the Department, for purchase of real property, and shall be made pursuant to the laws of this state and the statutes relating to the Department. 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 994. AMENDATORY 74 O.S. 2011, Section 2252, is amended to read as follows:

Section 2252. There is hereby created in the State Treasury a revolving fund for the Department to be designated the "Oklahoma Today Magazine Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Department from donations, gifts and bequests by individuals, corporations, organizations, associations and foundations specifying that such monies be expended on "Oklahoma

Today Magazine" and its ancillary products and activities. No state monies shall be deposited in this fund. From monies deposited in this fund, the Executive Director may reimburse the publisher of "Oklahoma Today Magazine" and its staff for all actual and necessary expenses for travel, subsistence and entertainment in order to gain advertising and promotion for "Oklahoma Today Magazine", pursuant to Section 500.18 of ~~Title 74 of the Oklahoma Statutes~~ this title. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Department for the purpose of supporting and promoting "Oklahoma Today Magazine" and its ancillary products and activities, and for soliciting contributions for other expenses for "Oklahoma Today Magazine", so that the magazine can become self-supporting and not dependent on state-appropriated funds in the future. 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 995. AMENDATORY 74 O.S. 2011, Section 2253, is amended to read as follows:

Section 2253. There is hereby created in the State Treasury a revolving fund for the Oklahoma Tourism and Recreation Department to be designated the "Tourism and Recreation Environmental Loan Proceeds Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received from the State Revolving Fund loan programs as administered by the Oklahoma Water Resources Board designated specifically for the purposes of reimbursements, construction, repair, remediation, or improvement of eligible facilities under the jurisdiction of the Oklahoma Tourism and Recreation Commission. The fund shall be under the administrative direction of the Oklahoma Tourism and Recreation Department. All monies accruing to the credit of the fund may be budgeted and expended by the Oklahoma Tourism and Recreation Department for the purpose of constructing, repairing, remediating, improving loan eligible projects, reimbursing the Department for eligible planning and design expenses, or paying for associated loan financing requirements. 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 996. AMENDATORY 74 O.S. 2011, Section 2254, is amended to read as follows:

Section 2254. There is hereby created in the State Treasury a revolving fund for the Oklahoma Tourism and Recreation Department to be designated the "State Park System Improvement Revolving Fund". The fund shall be a continuing fund not subject to fiscal year limitations. The fund shall consist of all monies that are received by the Department, from all entrance or day-use charges for the state park system, including charges for an annual pass for visitors to the state parks. All monies accruing to the fund are hereby appropriated and may be expended by the Department for the exclusive purpose of capital improvements at the state park where the charges were collected. 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 997. AMENDATORY 74 O.S. 2011, Section 2254.1, is amended to read as follows:

Section 2254.1 A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Tourism and Recreation Department to be designated the "Oklahoma Tourism and Recreation Department Capital Expenditure Revolving Fund".

B. The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Oklahoma Tourism and Recreation Department from the apportionment of gross production tax revenues as prescribed by Section 1004 of Title 68 of the Oklahoma Statutes.

C. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma Tourism and Recreation Department for the purpose of one-time capital expenditures for capital assets owned, managed or controlled by the Oklahoma Tourism and Recreation Department.

D. 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

E. No monies in the fund shall be used for the payment of administrative expenses, salary or any other continuing obligation of the Oklahoma Tourism and Recreation Department.

F. The provisions of this section shall cease to have the force and effect of law on July 1, 2014. Any monies remaining in the fund created by this section on July 1, 2014, which have been encumbered, but not expended, may be expended according to the terms pursuant to which the monies were encumbered.

SECTION 998. AMENDATORY 74 O.S. 2011, Section 2255, is amended to read as follows:

Section 2255. A. There is hereby created a petty cash fund in the revolving fund of each of the properties or activities with sales under the control of the Department. The petty cash funds shall be such amounts as are determined to be necessary by the Director of ~~State Finance~~ the Office of Management and Enterprise Services and the Executive Director of the Department. Petty cash funds may be expended for the payment of emergency purchases, for postage due, for bank charges, for resale merchandise and firewood purchases under One Hundred Dollars (\$100.00), for refund of charges for returned merchandise, for refund of advance deposits, to reimburse lease concessions, for purchases charged to guests' statement of account, to reimburse employees for gratuities charged to guests' statement of accounts, to pay artisans the net proceeds resulting from the sale of consignment arts and crafts products, to purchase beverage and vending licenses, and to purchase low-point beer.

B. The petty cash funds may be reimbursed by the State Treasurer upon the filing of a claim with the proper receipts or from the agency clearing account if the petty cash disbursement was a refund of erroneous or excessive collections or credits. Petty cash funds may be reimbursed from the agency clearing account for shortages accruing to the account. Reimbursements are to be made from the revolving fund. The Director of ~~State Finance~~ the Office of Management and Enterprise Services shall prescribe all forms, systems and procedures for administering the petty cash funds of the various properties or activities with sales of the Department.

SECTION 999. AMENDATORY 74 O.S. 2011, Section 2288, is amended to read as follows:

Section 2288. There shall be created in the State Treasury a revolving fund to be designated the "Oklahoma Recreation and Development Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of monies designated for the fund by statute, monies the Legislature may

appropriate or transfer to the fund, monies contributed for the fund from any other sources public or private, and income from investment of the fund. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Oklahoma Tourism and Recreation Commission, with advice from the Oklahoma Recreation and Development Revolving Fund Advisory Board. 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 1000. AMENDATORY 74 O.S. 2011, Section 3001, is amended to read as follows:

Section 3001. A. There is hereby created in the ~~Department of Central Services~~ Office of Management and Enterprise Services a committee to be known as the "State Use Committee". The Committee shall consist of five (5) members and one nonvoting member as follows:

1. A private citizen conversant with the employment needs of people with severe disabilities who shall be appointed by and serve at the pleasure of the Governor to act as an advocate for the employment needs of people with severe disabilities;

2. The Director of the ~~Department of Central Services~~ Office of Management and Enterprise Services or designee;

3. The Director of Visual Services, or designee;

4. The past president of Oklahoma Community-Based Providers or designee to serve for a one-year period, who may be reappointed by the succeeding president;

5. An individual or a parent or guardian of an individual with severe disabilities who participates in vocational programming through a sheltered environment facility, to be selected by the Committee; and

6. As a nonvoting member, a person employed by the ~~Department of Central Services~~ Office of Management and Enterprise Services as a contracting officer in the purchasing division, appointed by the State Purchasing Director with the advice of the Committee and designated specifically to solicit, develop, and negotiate contracts with agencies and individuals.

B. The Committee shall elect from among its membership a Chair and a Vice Chair who shall both serve for a period of one year.

C. The four private citizens on the Committee shall serve for a period of two (2) years and may be reappointed by the appointing authority. Any private citizen appointed pursuant to this section to fill a vacancy occurring prior to the expiration of the term for which the predecessor was appointed shall be appointed only for the remainder of the term.

D. Any member of the Committee shall be prohibited from voting on any issue in which the member has an interest.

SECTION 1001. AMENDATORY 74 O.S. 2011, Section 3004.1, is amended to read as follows:

Section 3004.1 A one-percent fee of any contract for products or services of the severely disabled shall be assessed against the qualified organization and deposited in the State Use Committee Revolving Fund, as created in Section 3004.2 of this title, for the salary, administrative costs, and other expenses incurred by the Purchasing Division of the Department of Central Services Office of Management and Enterprise Services for promoting goods and services provided by qualified organizations.

SECTION 1002. AMENDATORY 74 O.S. 2011, Section 3004.2, is amended to read as follows:

Section 3004.2 There is hereby created in the State Treasury a revolving fund for the Department of Central Services Office of Management and Enterprise Services to be designated the "State Use Committee Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all proceeds from the one-percent fee on contracts for purchases of products or services of the severely disabled, as provided in Section 3004.1 of this title. The fund shall be invested in any of the types of instruments in which the State Treasurer is authorized by law to invest. Interest earned shall be retained by the fund. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Department of Central Services Office of Management and Enterprise Services for the salary and other administrative expenses of the buyer and clerical and technical support in the Purchasing Division of the Department of Central Services Office of Management and Enterprise

Services responsible for contracts for the products and services of the severely disabled and expenses the ~~Department~~ Office incurs to support Committee operations. 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 1003. AMENDATORY 74 O.S. 2011, Section 3007, is amended to read as follows:

Section 3007. A. Whenever the State of Oklahoma or any of its agencies intends to procure any product or service included in the procurement schedule, that entity shall secure the product or service from a qualified nonprofit agency providing employment to people with severe disabilities at the fair market price determined by the Committee if the product or service is available within the period required by the entity.

B. An agency of this state shall not evade the intent and meaning of this section by slight variations from standards adopted by the ~~Department of Central Services~~ Office of Management and Enterprise Services.

C. Provided, the requirements of this section shall not apply to the procurement of janitorial services by the Oklahoma State Bureau of Investigation. The Bureau shall conduct background investigations and national criminal history record checks on companies and individuals with which it contracts to provide janitorial services.

SECTION 1004. AMENDATORY 74 O.S. 2011, Section 3119, is amended to read as follows:

Section 3119. Any statewide organization limited to state employee membership with a minimum membership of two thousand dues-paying members and serving employees of a state agency including, but not limited to, the Department of Corrections, may annually send one general mailing to all state employees and shall pay for the total cost of the mailing. The ~~Office of State Finance~~ Office of Management and Enterprise Services and any qualifying organization under this section shall agree on the method of providing a list of the names and addresses of the state employees to accomplish the mailing, while preserving the confidentiality of the list. Such an agreement may include providing the list to a third party in the

business of providing mailing services if the third party agrees to maintain the confidentiality of the list. The State of Oklahoma shall not be held responsible or be liable to employees for providing the names and addresses as provided herein.

SECTION 1005. AMENDATORY 74 O.S. 2011, Section 3200.2, is amended to read as follows:

Section 3200.2 A. There is hereby created the Health Care Workforce Resources Board whose purpose shall be to govern the Health Care Workforce Resources Center promoting the purposes for which the Health Care Workforce Resources Center was created in the Health Care Workforce Resources Act.

B. 1. The Board shall consist of nineteen (19) members as follows:

- a. two members of the Oklahoma State Senate. One member shall be appointed by the President Pro Tempore of the Senate and one member shall be appointed by the minority leader of the Senate,
- b. two members of the Oklahoma House of Representatives. One member shall be appointed by the Speaker of the House of Representatives and one member shall be appointed by the minority leader of the House of Representatives,
- c. the Chancellor of the Oklahoma State Regents for Higher Education or a designee,
- d. the Director of the Oklahoma Department of Career and Technology Education or a designee,
- e. the State Superintendent of Public Instruction or a designee,
- f. the Secretary of Health or a designee,
- g. the Commissioner of Health or a designee,
- h. a representative of the Governor's Council for Workforce and Economic Development,

- i. a representative of the University of Oklahoma Health Sciences Center, designated by the president of that institution,
 - j. a representative of the ~~Office of State Finance~~ Office of Management and Enterprise Services, designated by the ~~Director of State Finance~~ the Office of Management and Enterprise Services, and
 - k. a representative of the Oklahoma State University Center for Health Sciences, designated by the president of that institution.
2. Six members shall be appointed by the Governor as follows:
- a. one member of a statewide association representing urban and rural hospitals,
 - b. one member of a statewide association representing nurses,
 - c. one member of a statewide association representing allopathic physicians,
 - d. one member of a statewide association representing osteopathic physicians,
 - e. one member representing the long-term care industry chosen from a list of at least three names submitted by a statewide association representing urban and rural nursing homes, and
 - f. one lay member who shall represent the general public.

3. All designated members shall serve at the pleasure of their designators. The initial appointments of the Governor shall be for the following terms:

- a. the initial term of the member of a statewide association representing urban and rural hospitals shall be for a three-year term,
- b. the initial term of the member of a statewide association representing nurses shall be for a three-year term,

- c. the initial term of the member of a statewide association representing allopathic physicians shall be for a two-year term,
- d. the initial term of the member of a statewide association representing osteopathic physicians shall be for a two-year term,
- e. the initial term of the member representing the long-term care industry shall be for a one-year term, and
- f. the initial term of the lay member representing the general public shall be for a one-year term.

4. After the initial terms, all other terms of members appointed by the Governor shall be for four-year terms. Members appointed by the Governor may be removed by the Governor for cause. A vacancy of an appointed member shall be filled in the same manner as the original appointment for the unexpired portion of the term.

5. The Board shall elect from among its membership a chair and a vice-chair and shall adopt procedures for the governance of its operations. Ten members shall constitute a quorum for the transaction of business. The Board shall meet at such times as it deems appropriate.

6. Members of the Board shall receive no compensation for their services but may be reimbursed for reasonable and necessary travel expenses incurred in the performance of their duties by their respective legislative house or state agency pursuant to the provisions of the State Travel Reimbursement Act. Members appointed by the Governor shall be reimbursed by the Oklahoma State Regents for Higher Education pursuant to the provisions of the State Travel Reimbursement Act.

7. Until such time as private or public funds become available, administrative support for the Board, including, but not limited to, personnel necessary to ensure the proper performance of the duties and responsibilities of the Board shall be provided by the Oklahoma State Regents for Higher Education and the Oklahoma Department of Health. All represented agencies shall provide any additional administrative support requested by the Board.

C. The duties of the Health Care Workforce Resources Board shall include, but not be limited to, the hiring of, or contracting for, an Executive Director of the Health Care Workforce Resources Center as private or public funds become available. The Executive Director shall report to the Board and be responsible for the hiring of staff and activities of the Health Care Workforce Resources Center as stated in the Health Care Workforce Resources Act. These activities include contracting for services including, but not limited to, data collection and analysis and Web support. Until such time as private or public funds become available to hire an Executive Director, the Board shall be responsible for activities of the Health Care Workforce Resources Center.

SECTION 1006. AMENDATORY 74 O.S. 2011, Section 3317, is amended to read as follows:

Section 3317. A. Compliance with the provisions of The Oklahoma Central Purchasing Act shall not be required of CompSource Oklahoma. CompSource Oklahoma shall observe internal purchasing procedures approved by the Purchasing Director of the ~~Department of Central Services~~ Office of Management and Enterprise Services and keep records of acquisitions which shall be subject to audit by the ~~Department of Central Services~~ Office of Management and Enterprise Services.

B. Compliance with the provisions of the Public Competitive Bidding Act of 1974, Public Building Construction and Planning Act, and Consulting Services through the Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services shall not be required of CompSource Oklahoma. CompSource Oklahoma shall observe internal procurement and bidding procedures and keep records of contracts and acquisitions which shall be subject to audit by the ~~Department of Central Services~~ Office of Management and Enterprise Services.

C. Compliance with the provisions of the Oklahoma Surplus Property Act shall not be required of CompSource Oklahoma. CompSource Oklahoma shall observe internal property disposition procedures and keep records of property dispositions which shall be subject to audit by the ~~Department of Central Services~~ Office of Management and Enterprise Services.

D. CompSource Oklahoma shall additionally be exempted from compliance with Sections 78 through 78b of ~~Title 74 of the Oklahoma Statutes~~ this title concerning Fleet Management within the

~~Department of Central Services~~ Office of Management and Enterprise Services and shall keep records and documentation of its motor-vehicle-related transactions which shall be subject to audit by the ~~Department of Central Services~~ Office of Management and Enterprise Services.

E. CompSource Oklahoma shall be exempted from the requirements of the ~~Office of State Finance~~ Office of Management and Enterprise Services to file the annual budget work program, budget request, information systems plan and telecommunications plan. CompSource Oklahoma shall continue to file an annual audited financial statement in accordance with governmental accounting standards.

F. CompSource Oklahoma shall further be exempted from conversion to CORE Phase II requirements of the ~~Office of State Finance~~ Office of Management and Enterprise Services.

SECTION 1007. AMENDATORY 74 O.S. 2011, Section 3601.2, is amended to read as follows:

Section 3601.2 A. Beginning January 1, 2010, the agency, board, commission, department or program shall establish the salary of each of the chief executive officers for which they have appointing authority. Such salary shall be set between the minimum and maximum of the range specified below, for full-time employees only, per annum, payable monthly, pursuant to the limitations outlined below:

1. If the chief executive officer's salary is below the minimum annual salary then it can not be raised to more than the minimum annual salary in one (1) fiscal year. If the chief executive officer's salary is at or above the minimum annual salary then the salary may not be increased above the midpoint in one (1) fiscal year.

2. Such increases shall not occur more than once in a fiscal year; and

3. The salary of the incumbent chief executive officer shall not be increased if the officer's salary exceeds the maximum of the range.

MINIMUM	MIDPOINT	MAXIMUM
ANNUAL	ANNUAL	ANNUAL
SALARY	SALARY	SALARY

CompSource Oklahoma	\$86,136.00	\$101,337.00	\$116,536.00
Oklahoma Employment Security Commission	\$93,190.00	\$109,635.00	\$126,080.00
Board of Governors of the Licensed Architects, Landscape Architects and Interior Designers of Oklahoma	\$45,513.00	\$62,757.00	\$80,000.00
Board of Chiropractic Examiners	\$46,788.00	\$55,044.00	\$63,301.00
State Board of Cosmetology	\$46,788.00	\$55,044.00	\$63,301.00
Board of Dentistry	\$54,956.00	\$64,334.00	\$75,687.00
Oklahoma Funeral Board	\$46,788.00	\$55,044.00	\$63,301.00
State Board of Registration for Professional Engineers and Land Surveyors	\$55,748.00	\$65,585.00	\$75,424.00
State Board of Medical Licensure and Supervision, Board of Podiatric Medical Examiners/State Board of Examiners of Perfusionists	\$67,551.00	\$79,471.00	\$91,392.00
Commission on Marginally Producing Oil and Gas Wells	\$55,748.00	\$65,585.00	\$75,424.00
Oklahoma Motor Vehicle Commission	\$55,748.00	\$65,585.00	\$75,424.00
Oklahoma Board of Nursing	\$67,551.00	\$79,471.00	\$91,392.00

Oklahoma State Board of Examiners for Nursing Home Administrators	\$46,788.00	\$55,044.00	\$63,301.00
State Board of Osteopathic Examiners	\$54,956.00	\$64,334.00	\$75,687.00
Oklahoma Peanut Commission	\$45,513.00	\$55,044.00	\$63,300.00
State Board of Examiners of Psychologists	\$46,788.00	\$55,044.00	\$63,301.00
Oklahoma Real Estate Commission	\$67,551.00	\$79,471.00	\$91,392.00
Board of Examiners for Speech-Language Pathology and Audiology	\$38,001.00	\$44,706.00	\$51,412.00
Oklahoma Used Motor Vehicle and Parts Commission	\$55,748.00	\$65,585.00	\$75,424.00
State Board of Veterinary Medical Examiners	\$46,788.00	\$55,044.00	\$63,301.00
Oklahoma Wheat Utilization, Research and Market Development Commission	\$55,748.00	\$65,585.00	\$75,424.00
Oklahoma Firefighters Pension and Retirement System	\$80,732.00	\$94,980.00	\$109,226.00
Oklahoma Police Pension and Retirement System	\$80,733.00	\$94,981.00	\$109,227.00
Teachers' Retirement System of Oklahoma	\$86,136.00	\$101,337.00	\$116,536.00
Oklahoma Public Employees Retirement System	\$86,136.00	\$101,337.00	\$116,536.00
Oklahoma Student Loan Authority	\$83,790.00	\$101,377.00	\$116,536.00

Oklahoma Industrial Finance Authority	\$80,731.00	\$94,979.00	\$109,225.00
State and Education Employees Group Insurance Board	\$86,136.00	\$101,337.00	\$116,536.00
Oklahoma Capital Investment Board	\$80,731.00	\$94,979.00	\$109,225.00
State Board of Licensed Social Workers	\$46,788.00	\$55,044.00	\$63,301.00
Oklahoma State Employees Benefits Council	\$80,731.00	\$94,979.00	\$109,225.00
Grand River Dam Authority	\$101,437.00	\$119,339.00	\$137,239.00
Oklahoma State Banking Department	\$101,437.00	\$119,339.00	\$137,239.00
Liquefied Petroleum Gas Administration	\$55,748.00	\$65,585.00	\$75,424.00
Oklahoma Securities Commission	\$101,437.00	\$119,339.00	\$137,239.00

B. All increases require certification of the appointing authority that said action can be implemented for the current fiscal year and subsequent fiscal year without the need for additional funding. The agency, board, commission, department or program shall report increases granted under this section to the ~~Office of Personnel Management~~ Office of Management and Enterprise Services on an annual basis by August 1 of each year. The ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall forward a report of such increases to the Governor, President Pro Tempore of the Senate, and Speaker of the House of Representatives no later than September 1 of each year.

C. Every two (2) years starting FY-05, the ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall review these salary ranges and report on and make recommendations on proposed salary ranges in their annual compensation reports mandated by paragraph 5 of Section 840-1.6A of this title by no later than December 1.

D. Every three (3) years the Legislature shall review the salary ranges specified in subsection A of this section.

SECTION 1008. AMENDATORY 74 O.S. 2011, Section 3605, is amended to read as follows:

Section 3605. A. There is hereby re-created, the Contingency Review Board consisting of the following ex officio voting members:

1. The Governor;
2. The Speaker of the House of Representatives;
3. The President Pro Tempore of the Senate; and

4. The Director of ~~State Finance~~ the Office of Management and Enterprise Services shall be an ex officio nonvoting member of the Board.

B. The Governor shall act as Chair of the Board. The Director of ~~State Finance~~ the Office of Management and Enterprise Services shall be the Executive Secretary of the Board and shall perform all the duties pertaining to such position.

C. A simple majority of the total voting membership shall be required to constitute a quorum and shall be necessary for any official action of the Board.

D. The Board shall hold such meetings as are necessary to carry out the purposes of this act. The Board shall meet at the call of the Governor.

SECTION 1009. AMENDATORY 74 O.S. 2011, Section 3909, is amended to read as follows:

Section 3909. A. Except as otherwise provided by law, any statutory entity listed in Sections 3903 through 3908 of this title which is terminated shall have a period of one (1) year after its termination date for the purpose of ceasing its affairs and termination shall not reduce or otherwise limit the powers, duties, or functions of said entity. Upon the expiration of the one-year period, the entity and its personnel positions shall be abolished.

B. Except as otherwise provided by law, one (1) year after the termination date of a statutory entity, the State Treasurer shall transfer all funds of that entity to the General Revenue Fund. All debts of that entity shall be paid by the State Treasurer from the funds of that statutory entity. All equipment, files, fixtures, furniture, and supplies of the terminated entity shall be transferred to the ~~Office of Public Affairs~~ Office of Management and Enterprise Services to be stored or disposed of as specified by law. Any other outstanding obligations or functions remaining to be performed after termination of an entity shall be performed by the ~~Office of Public Affairs~~ Office of Management and Enterprise Services until provisions are made for such obligations or functions by the Legislature.

SECTION 1010. AMENDATORY 74 O.S. 2011, Section 3920, is amended to read as follows:

Section 3920. All persons employed by any statutory entity which has been terminated by operation of the Oklahoma Sunset Law, but has been re-created within one (1) year after the final termination date shall be deemed employees of the ~~Office of Public Affairs~~ Office of Management and Enterprise Services for not more than one (1) year after such final termination date. Salaries and benefits of such employees shall continue from the final termination date until the effective date re-creating the statutory entity, and shall be paid from the funds of the re-created statutory entity as soon as available. For the purpose of this section "final termination date" shall mean the date on which a statutory entity's powers, duties and functions are to be abolished pursuant to the provisions of the Oklahoma Sunset Law.

After the effective date of the act re-creating the statutory entity the employees shall resume their positions with the entities they were employed by on the final termination date.

The provisions of this section shall have prospective and retrospective application.

SECTION 1011. AMENDATORY 74 O.S. 2011, Section 4103, is amended to read as follows:

Section 4103. A. The State Capitol Preservation Commission shall be composed of fifteen (15) members as follows:

1. Three members shall be appointed by the Governor;

2. Three members shall be appointed by the President Pro Tempore of the Senate;

3. Three members shall be appointed by the Speaker of the House of Representatives;

4. One member shall be appointed by the Chief Justice of the Oklahoma Supreme Court; and

5. The following shall be ex officio members:

- a. Chairman of the Oklahoma Arts Council,
- b. President of the Oklahoma Historical Society,
- c. Capitol Architect and Curator,
- d. Superintendent of the Capitol, and
- e. Director of ~~Public Affairs~~ the Office of Management and Enterprise Services or a designee.

B. The initial term of office of the appointed members shall be as follows:

1. One of the members appointed by the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the member appointed by the Chief Justice of the Oklahoma Supreme Court shall serve a one-year term;

2. One of the members appointed by the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives shall serve a three-year term; and

3. One of the members appointed by the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives shall serve a five-year term.

The term of office for each successor shall be for five (5) years. Any member of the Legislature who is appointed to the Commission shall serve only as long as he is a member of the respective house from which he was appointed.

C. The Commission shall elect a chairman and a vice-chairman from its membership to serve for a period of two (2) years. Members of the Commission shall not be compensated except for reimbursement as provided in the State Travel Reimbursement Act.

D. The ~~Department of Central Services~~ Office of Management and Enterprise Services shall make the necessary arrangements for support services for the State Capitol Preservation Commission.

SECTION 1012. AMENDATORY 74 O.S. 2011, Section 4104, is amended to read as follows:

Section 4104. The State Capitol Preservation Commission shall:

1. Research, plan, and have control of modifications and decor of the interior and exterior of the Capitol and the Governor's Mansion; and

2. Establish in conjunction with the ~~Office of Public Affairs~~ Office of Management and Enterprise Services, such annual operating and capitol construction budgets as necessary for the operation, restoration, and preservation of the Capitol and the Governor's Mansion and for providing such works of art as are considered desirable and suitable; and

3. Establish standards for the acquisition and display of works of art for public display in the Capitol and the Governor's Mansion and select such works. Such works of art shall be directly related to the history and culture of the State of Oklahoma; and

4. Establish procedures by which private contributions of suitable art can be accepted for the Capitol and the Governor's Mansion. The Commission is authorized to accept and make proper disposition of works of art as may be donated to the Commission and this state; and

5. Have final approval authority for any proposed modification, alteration, renovation, repair, or construction on any part of the Capitol and the Governor's Mansion or any plans or programs for the restoration, preservation, or display of fine art programs in and surrounding the Capitol and the Governor's Mansion.

SECTION 1013. AMENDATORY 74 O.S. 2011, Section 4105, is amended to read as follows:

Section 4105. There is hereby established the position of the Capitol Architect and Curator who shall:

1. Develop the technical plans and programs for consideration by the State Capitol Preservation Commission with regard to restoration, renovation, and preservation of the Capitol and the Governor's Mansion; and

2. Develop and enforce standards adopted for acquisition and display of works of art in and surrounding the Capitol and the Governor's Mansion; and

3. Coordinate space demands of the various agencies in the Capitol and the Governor's Mansion; and

4. Maintain a record of all structural and decor changes made in the Capitol and the Governor's Mansion; and

5. Make recommendations to the Commission of necessary action on proposed modifications in decor or design to ensure preservation and maintenance of the cultural and historic integrity of the Capitol and the Governor's Mansion.

The Director of ~~Public Affairs~~ the Office of Management and Enterprise Services may contract for the services of a Capitol Architect and Curator or employ such an individual on either a full- or part-time basis. Compensation for the position will be in accord with similar professional positions in state government.

SECTION 1014. AMENDATORY 74 O.S. 2011, Section 4109, is amended to read as follows:

Section 4109. By the order of the Director of the ~~Department of Central Services~~ Office of Management and Enterprise Services, restoration and preservation projects of the State Capitol Building or of the Governor's Mansion may be exempted from the provisions of the Public Competitive Bidding Act of 1974, Section 101 et seq. of Title 61 of the Oklahoma Statutes. For exempted State Capitol Building or Governor's Mansion construction projects, the ~~Department of Central Services~~ Office of Management and Enterprise Services shall select among contractors qualified by past experience to conduct historical preservation projects.

SECTION 1015. AMENDATORY 74 O.S. 2011, Section 4112, is amended to read as follows:

Section 4112. There is hereby created within the Office of ~~Personnel Management~~ Management and Enterprise Services the Committee for Incentive Awards for State Employees, referred to in the Incentive Awards for State Employees Act as the "Committee".

The Committee shall consist of ~~seven (7)~~ five (5) members as follows:

1. The Director of ~~Central Services~~ the Office of Management and Enterprise Services or designee who shall be the chairperson;

2. ~~The Director of State Finance or designee;~~

3. ~~The Administrator of the Office of Personnel Management or designee;~~

4. The chief administrative officer of a state executive agency, department, commission, or office who shall be appointed by the Governor;

5. 3. A state employee who does not occupy a supervisory position, to be appointed by the Governor;

6. 4. A person who is not a state officer or employee, to be appointed by the President Pro Tempore of the Senate; and

7. 5. A person who is not a state officer or employee, to be appointed by the Speaker of the House of Representatives.

Each member who is appointed by the Governor shall serve on the Committee at the pleasure of the Governor. Those members not appointed by the Governor shall serve on the Committee at the pleasure of their respective appointing authority. Each member who is not a state officer or employee shall have experience in administering employee incentive programs as such programs are used in private industry or in the public sector. Each member shall serve on the Committee without receiving compensation for said service or any reimbursement pursuant to the provisions of the State Travel Reimbursement Act.

SECTION 1016. AMENDATORY 74 O.S. 2011, Section 4119, is amended to read as follows:

Section 4119. At the conclusion of the eligible fiscal year, subject to the rules and regulations promulgated by the Committee, the Committee shall compare the unit dollar expenditures for that year of each agency, department, commission, office, or defined work unit or work teams against the base year data and, after making such adjustments as in the judgment of the Committee are required to eliminate distortions, shall determine the amount, if any, that the agency, department, commission, office, or defined work unit or work teams has reduced its unit dollar cost of operations or increased its level of services in the eligible fiscal year. Adjustments to eliminate distortions may include any legislative increases in employee compensation and inflationary increases in the cost of services, materials, or supplies. If the Committee shall determine an agency, department, commission, or office qualifies for award, it may award, after consultation with the ~~Office of State Finance~~ Office of Management and Enterprise Services, to the employees of that agency, department, commission, office, defined work unit or work teams a sum not in excess of twenty-five percent (25%) of the amount determined to be the total unit dollar savings to the state for the level of services rendered. Incentive pay awards provided pursuant to the provisions of the Incentive Awards for State Employees Act shall be exempt from retirement contributions and shall not be included for the purpose of computing a retirement allowance pursuant to any public retirement system of this state. The amount awarded shall be divided and distributed in equal shares to the employees of the agency, department, commission, office, defined work unit or work teams except that employees who have worked for the agency, department, commission, office, defined work unit or work teams less than the full twelve (12) months of the fiscal year shall receive only a pro rata share based on the fraction of the year said employees have worked for that agency, department, commission, office, defined work unit or work teams. Employees voluntarily leaving the employment of state government or employees dismissed for cause shall forfeit their share. Funds for this incentive pay shall be drawn from the operating expenses of the agency, department, commission, or office for the eligible fiscal year. No nominations for a unit incentive compensation award shall be made until the nominating agency, department, commission, or office assures that funds for said award are available. Funds for the payment of unit incentive compensation awards shall be considered encumbered to the extent said awards are approved by the Committee.

SECTION 1017. AMENDATORY 74 O.S. 2011, Section 4120, is amended to read as follows:

Section 4120. The ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall include a status report on the employee incentive award program in the annual report for the ~~Office of Personnel Management~~ Office of Management and Enterprise Services required by Section 840-1.6A of this title.

SECTION 1018. AMENDATORY 74 O.S. 2011, Section 4121, is amended to read as follows:

Section 4121. A. In order to establish a public employee benefit program to encourage outstanding performance in the workplace, the ~~Administrator~~ Director of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services is hereby directed to establish an on-the-job employee performance recognition program which encourages outstanding job performance and productivity.

B. In order to promote excellence in job performance and provide recognition for work units with exceptional performance, state agencies are authorized to expend from monies available in the agency's operating funds so much thereof as may be necessary for the purchase of recognition awards for presentation to the members of work units or individual employees with exceptional job performance records or for other significant contributions to the operation of the agency. State agencies may also provide for such recognition awards to be cash awards.

C. Recognition awards may be presented to members of work units or individual employees having exceptional job performance records or other significant contributions and such awards may be presented at a formal or informal ceremony, banquet or reception, the cost of which may be expended from monies available in the agency's operating funds.

D. 1. Recognition awards may consist of distinctive wearing apparel, service pins, plaques, writing pens, or other distinguished awards of a value not exceeding One Hundred Fifty Dollars (\$150.00) per recognized employee each fiscal year to recognize the achievement of the work unit or individual employee.

2. In addition to recognition awards listed in paragraph 1 of this subsection, the agency may establish an employee cash

recognition program not to exceed Five Hundred Dollars (\$500.00) per recognized employee each fiscal year.

SECTION 1019. AMENDATORY 74 O.S. 2011, Section 4190, is amended to read as follows:

Section 4190. A. ~~The Administrator of the Office of Personnel Management~~ Director of the Office of Management and Enterprise Services is authorized to approve and administer child care centers for minor dependents of state employees, and may provide consultation to state agencies regarding child care centers.

B. 1. ~~The Administrator~~ Director shall appoint an advisory committee to review the child care needs of state employees, recommend suitable sites for centers, monitor and evaluate the operation of centers.

2. The advisory body shall report annually on the progress of the centers to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives.

C. ~~The Department of Central Services~~ Office of Management and Enterprise Services, the Department of Human Services, and the Oklahoma State Department of Health are directed to assist the ~~Administrator of the Office of Personnel Management~~ Director of the Office of Management and Enterprise Services in the implementation of Sections 4190 through 4192 of this title.

D. ~~The Administrator~~ Director is authorized to promulgate any rules necessary for the establishment and implementation of Sections 4190 through 4192 of this title.

E. Licensed spaces in the child care centers shall be open to all eligible children, including those individuals not employed by the State of Oklahoma and those financially eligible for Department of Human Services child care assistance. However, minor dependents of state employees shall be given highest priority and children financially eligible for Department of Human Services child care assistance second priority for all vacant spaces.

F. ~~The Administrator~~ Director shall approve rates for child care consistent with the rates of the industry within the geographic area.

SECTION 1020. AMENDATORY 74 O.S. 2011, Section 4191, is amended to read as follows:

Section 4191. A. ~~The Administrator of the Office of Personnel Management~~ Director of the Office of Management and Enterprise Services shall establish and administer child care centers with funds available for that purpose.

B. ~~The Administrator of the Office of Personnel Management~~ Director of the Office of Management and Enterprise Services may approve a consortium, partnership, cooperative or agreement to provide child care centers with other public or private employers.

C. The child care centers shall be operated through a contract with child care providers. Specifications for a contract shall be developed with the assistance of, and subject to the approval of, ~~the Administrator of the Office of Personnel Management~~ Director of the Office of Management and Enterprise Services. Any such contract shall be made through the Central Purchasing Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services. The low bid will not be the single qualifier. Any child care provider shall be required to carry sufficient liability insurance coverage which will pay damages incurred as a result of the negligent acts or omissions of an employee of the child care provider within the scope of the employment of such person. Any child care provider shall meet or exceed applicable state child care facilities licensure standards.

D. Nothing in this section shall prevent the ~~Administrator~~ Director from utilizing paragraph 13 of Section 85.5 of this title and paragraph 3 of subsection A of Section 85.7 of this title to continue the operation of a child care center with emergency contracts when the service provider's contract is canceled or terminated before another qualified service provider is procured. The employees of the ~~Office of Personnel Management~~ Office of Management and Enterprise Services shall not be employed to operate the centers.

E. Any parent utilizing the services of a child care center shall be responsible for the charges assessed by the child care provider for child care services.

SECTION 1021. AMENDATORY 74 O.S. 2011, Section 4192, is amended to read as follows:

Section 4192. 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 "Child Care 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 ~~Personnel Management~~ Management and Enterprise Services, from appropriations or fees. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Office of ~~Personnel Management~~ Management and Enterprise Services for the purpose of establishing and administering child care centers. All expenditures from said revolving fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 1022. AMENDATORY 74 O.S. 2011, Section 4258, is amended to read as follows:

Section 4258. There is hereby created in the State Treasury a revolving fund for the Ethics Commission to be designated the "Ethics Commission Fund". The fund shall be a continuing fund, not subject to fiscal year limitations and shall consist of all copying fees, lobbyist registration fees, and committee registration fees received by the Commission. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Commission for any expenses incurred in the implementation of this 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 1023. AMENDATORY 74 O.S. 2011, Section 4260, is amended to read as follows:

Section 4260. All candidates allowed to receive the maximum contribution of Five Thousand Dollars (\$5,000.00), pursuant to paragraph 2 of subsection A of Section 187.1 of Title 21 of the Oklahoma Statutes, shall file a campaign contributions and expenditures report electronically with the Ethics Commission. The Ethics Commission shall make the report available online. The Ethics Commission shall consult with the ~~Office of State Finance~~ Office of Management and Enterprise Services regarding an information technology services contract to comply with this section.

SECTION 1024. AMENDATORY 74 O.S. 2011, Section 5001, is amended to read as follows:

Section 5001. A. The Oklahoma Economic Development Commission, the Office of the Governor - Department of Economic Development, and the Department of Economic and Community Affairs, are hereby abolished.

B. All powers, duties, responsibilities, property, personnel, assets, liabilities, fund balances, encumbrances and obligations of the Oklahoma Economic Development Commission, the Office of the Governor - Department of Economic Development, and the Department of Economic and Community Affairs are hereby transferred to the Oklahoma Department of Commerce or other appropriate governmental entity as provided for in this act. As soon as possible the offices and staff of the Oklahoma Department of Commerce shall be moved to a common location.

C. The current Tulsa field office of the Department of Commerce shall be designated as the Tulsa Division of the Department of Commerce. The Tulsa Division shall include, but not be limited to the following services: film industry promotion, international trade recruitment and export assistance, trade reference, business expansion and start-up, small business assistance, economic and community development financing, and economic and community development.

All powers, duties, responsibilities, property, personnel, and assets of the Division of Waterways of the Department of Commerce abolished by this act are hereby transferred to the Department of Transportation.

The Department of Commerce shall transfer only those employees requesting to be transferred to the Tulsa Division, provided the employee meets the criteria established by the Department for positions to be placed in the Tulsa Division, and shall fill any remaining positions at the Tulsa Division through accrued vacancies within the Department of Commerce.

D. All powers, duties, responsibilities, property, personnel, assets, liabilities, fund balances, encumbrances and obligations of the film industry program in the Marketing Division of the Oklahoma Department of Tourism and Recreation are hereby transferred to the Oklahoma Department of Commerce.

E. The Director of ~~Public Affairs and Director of State Finance~~ the Office of Management and Enterprise Services shall coordinate the transfers made pursuant to subsections B and D of this section.

SECTION 1025. AMENDATORY 74 O.S. 2011, Section 5008.3, is amended to read as follows:

Section 5008.3 There is hereby created in the State Treasury a revolving fund for the Oklahoma Department of Commerce, to be designated the "World Trade/Export Insurance Program Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of appropriated funds and any other monies collected as a result of the operations of the World Trade/Export Insurance Program. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma Department of Commerce for the purpose of establishing, managing and administering a program to access federal and private insurance and federal and private guarantees for Oklahoma businesses that wish to export products. 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 1026. AMENDATORY 74 O.S. 2011, Section 5009.16, is amended to read as follows:

Section 5009.16 There is hereby created in the State Treasury a revolving fund for the Oklahoma Bioenergy Center to be designated the "Oklahoma Bioenergy Center Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Oklahoma Department of Commerce or any other entity authorized to accept or expend funds on behalf of the Oklahoma Bioenergy Center from any authorized source. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Oklahoma Bioenergy Center for the purpose of implementing the provisions of the Oklahoma Bioenergy Center 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 1027. AMENDATORY 74 O.S. 2011, Section 5012, is amended to read as follows:

Section 5012. A. There is hereby created the "Oklahoma Department of Commerce Revolving Fund". The fund shall consist of all monies, other than appropriated monies, received by the Department which are not directed to be placed into another fund. The fund shall be a continuing fund not subject to fiscal year limitations and shall be subject to the administrative direction of the Oklahoma Department of Commerce. Expenditures from the 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. Monies in the fund may be expended for the operating expenses of the Department and shall be made pursuant to the laws of this state.

B. On July 1, 1986, any unallotted cash balance in the funds created in Sections 678 and 2008 of ~~Title 74 of the Oklahoma Statutes~~ this title shall be transferred to the Oklahoma Department of Commerce Revolving Fund. All outstanding financial obligations and encumbrances of the funds created in Sections 678 and 2008 of ~~Title 74 of the Oklahoma Statutes~~ this title are hereby transferred to the Oklahoma Department of Commerce. After November 15, 1986, any unexpended balance in the funds created in Sections 678 and 2008 of ~~Title 74 of the Oklahoma Statutes~~ this title shall be transferred to the Oklahoma Department of Commerce Revolving Fund.

SECTION 1028. AMENDATORY 74 O.S. 2011, Section 5013, is amended to read as follows:

Section 5013. A. There is hereby created the "Community Planning Project Revolving Fund". The fund shall consist of any monies appropriated thereto and any monies payable to the Oklahoma Department of Commerce by the United States Federal Government or cities, towns, or counties of the State of Oklahoma for assistance in communities' planning projects. The fund shall be a continuing fund not subject to fiscal year limitations and shall be subject to the administrative direction of the Oklahoma Department of Commerce. Expenditures from the 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. The monies deposited in the revolving fund shall be expended by the Oklahoma Department of Commerce to pay the cost of providing these services for the various planning projects.

B. On July 1, 1986, any unallotted cash balance in the fund created in Section 686 of ~~Title 74 of the Oklahoma Statutes~~ this title shall be transferred to the Community Planning Project Revolving Fund. All outstanding financial obligations and encumbrances of the fund created in Section 686 of ~~Title 74 of the Oklahoma Statutes~~ this title are hereby transferred to the Oklahoma Department of Commerce. After November 15, 1986, any unexpended balance in the fund created in Section 686 of ~~Title 74 of the Oklahoma Statutes~~ this title shall be transferred to the Community Planning Project Revolving Fund created in this section.

SECTION 1029. AMENDATORY 74 O.S. 2011, Section 5013.1, is amended to read as follows:

Section 5013.1 There is hereby created in the State Treasury a revolving fund for the Oklahoma Department of Commerce to be designated the "Minority Business Development Program 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 entities authorized to provide funding for the purposes authorized for the use of the fund. Monies deposited or apportioned to the credit of the fund may be expended for the purposes of job creation and enhancement and business creation and expansion of Oklahoma minority owned businesses pursuant to 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 for purposes authorized by law. 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 1030. AMENDATORY 74 O.S. 2011, Section 5013.3, is amended to read as follows:

Section 5013.3 There is hereby created the "Capital Improvement Program Revolving Fund". The fund shall consist of any monies appropriated thereto. The fund shall be a continuing fund, not subject to fiscal year limitations, and shall be subject to the administrative direction of the Oklahoma Department of Commerce. Expenditures from the 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. The

monies deposited in the revolving fund shall be expended by the Oklahoma Department of Commerce to pay the cost of providing services for the various capital improvement planning projects.

SECTION 1031. AMENDATORY 74 O.S. 2011, Section 5019, is amended to read as follows:

Section 5019. There is hereby created in the State Treasury a revolving fund for the Oklahoma Department of Commerce to be designated the "State Data Center Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Oklahoma Department of Commerce from monies received for costs of data processing, copying, duplication and other costs incident to the production of printed reports from entities receiving such services. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma Department of Commerce for the purpose of costs of data processing, copying, duplication and other costs incident to the production of printed reports for entities which have requested the services of the State Data Center. 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 1032. AMENDATORY 74 O.S. 2011, Section 5020.1, is amended to read as follows:

Section 5020.1 There is hereby created in the State Treasury a revolving fund for the Oklahoma Department of Commerce to be designated the "Community Development Centers Program 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 entities authorized to provide funding for the purposes authorized for the use of the fund. Monies deposited or apportioned or donated to the credit of the fund may be expended for the purposes of community development centers, with emphasis on aging and elderly citizen interests pursuant to 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 for purposes authorized by law. 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 ~~State Finance~~ the

Office of Management and Enterprise Services for approval and payment.

SECTION 1033. AMENDATORY 74 O.S. 2011, Section 5028, is amended to read as follows:

Section 5028. A. There is hereby created in the State Treasury a special fund for the Oklahoma Department of Commerce to be designated the "County Jail Improvement Fund". The fund shall be a continuing fund, not subject to fiscal year limitations. All monies appropriated to the fund may be budgeted and expended by the Oklahoma Department of Commerce for the purpose of providing matching funds to counties to renovate existing or to construct new jail facilities in accordance with state-approved jail standards. 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

B. On July 1, 1986, any unallotted cash balance in the County Jail Improvement Fund created in Section 66 of Title 57 of the Oklahoma Statutes shall be transferred to the County Jail Improvement Fund created in this section. All outstanding financial obligations and encumbrances of the County Jail Improvement Fund created in Section 66 of Title 57 of the Oklahoma Statutes are hereby transferred to the Oklahoma Department of Commerce. After November 15, 1986, any unexpended balance in the County Jail Improvement Fund created in Section 66 of Title 57 of the Oklahoma Statutes shall be transferred to the County Jail Improvement Fund created in this section.

SECTION 1034. AMENDATORY 74 O.S. 2011, Section 5030, is amended to read as follows:

Section 5030. A. There is hereby created in the State Treasury a revolving fund to be designated as the "Weatherization Revolving Fund", which shall consist of all monies appropriated or transferred to the fund. Said revolving fund shall be a continuing fund not subject to fiscal year limitations and shall be under the administration of the Oklahoma Department of Commerce and may be disbursed without legislative appropriation. Warrants for expenditures from said revolving fund shall be drawn by the State Treasurer, based on claims signed by an authorized employee or employees of the Oklahoma Department of Commerce and approved for payment by the Director of ~~State Finance~~ the Office of Management

and Enterprise Services. It is hereby declared that energy conservation is in the interest of the State of Oklahoma. The purpose of this fund is to provide monies to be used for the purpose of weatherizing households in Oklahoma thereby conserving the oil and natural gas resources of the state.

B. On July 1, 1986, any unallotted cash balance in the Weatherization Revolving Fund created in Section 1537.1 of ~~Title 74 of the Oklahoma Statutes~~ this title shall be transferred to the Weatherization Revolving Fund created in this section. All outstanding financial obligations and encumbrances of the Weatherization Revolving Fund created in Section 1537.1 of ~~Title 74 of the Oklahoma Statutes~~ this title are hereby transferred to the Oklahoma Department of Commerce. After November 15, 1986, any unexpended balance in the Weatherization Revolving Fund created in Section 1537.1 of ~~Title 74 of the Oklahoma Statutes~~ this title shall be transferred to the Weatherization Revolving Fund created in this section.

SECTION 1035. AMENDATORY 74 O.S. 2011, Section 5060.2, is amended to read as follows:

Section 5060.2 A. In order to attain the goals as set forth in the Oklahoma Science and Technology Research and Development Act, Oklahoma enterprises need institutions that combine the resources of the public and private sectors to encourage the development of new products, new processes and whole new industries in Oklahoma. The institutions are needed to:

1. Support the development of new or expanded technologies;
2. Provide basic and applied research capital to move innovation to commercial application;
3. Encourage the transfer of technology to firms and farms throughout the geographic regions of the state;
4. Stimulate seed-capital investment in firms that will use innovation, new technologies, or technological advances in profitable commercial applications;
5. Foster competitiveness, productivity and modernization in Oklahoma firms and farms; and

6. Establish public-private partnerships to provide opportunities for development, expansion, and retention of, funding and financing for, and investment in, technology-oriented enterprises in Oklahoma.

B. There is hereby created the Oklahoma Center for the Advancement of Science and Technology. The Oklahoma Center for the Advancement of Science and Technology is hereby constituted an instrumentality of the state and the exercise of the authority and powers conferred by law shall be deemed and held to be the performance of an essential governmental function.

C. There is hereby created the Oklahoma Institute of Technology as an institute within the Oklahoma Center for the Advancement of Science and Technology. The Oklahoma Science and Technology Research and Development Board and the Oklahoma Center for the Advancement of Science and Technology are hereby directed to support the Oklahoma Institute of Technology and to include the Institute in the Center's budget work program submitted each fiscal year to the Office of State Finance Office of Management and Enterprise Services.

SECTION 1036. AMENDATORY 74 O.S. 2011, Section 5060.11, is amended to read as follows:

Section 5060.11 There is hereby created in the State Treasury a revolving fund for the Oklahoma Center for the Advancement of Science and Technology to be designated the "Research Support Revolving 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, gifts, grants, private donations, fee revenues and funds by government entities authorized to provide funding for the purposes authorized for the use of the fund. Monies deposited or apportioned to the credit of the fund in excess of that required for implementation of the program or programs for which expenditures from the fund are authorized may be transferred to any other fund under the control of the Center. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma Center for the Advancement of Science and Technology for purposes authorized by law. 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 State Finance the Office of Management and Enterprise Services for approval and payment.

SECTION 1037. AMENDATORY 74 O.S. 2011, Section 5060.21,
is amended to read as follows:

Section 5060.21 A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Center for the Advancement of Science and Technology to be designated the "Seed-Capital Revolving 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 the fund including but not limited to gifts, grants, private donations and funds by government entities authorized to provide funding for the purposes authorized for use of the fund and with payments on loans made from the fund, rents, dividends paid on shares of stock purchased with monies from the fund, royalty proceeds, or any other form of return on authorized investments made by the Center. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma Center for the Advancement of Science and Technology for use as seed-capital for enterprises and for the purposes set forth in this section, and shall not be used for administrative, management, or operating expenses of the Center. 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

B. The Seed-Capital Revolving Fund shall be managed consistent with the long-term goal that revenues earned from investment of the fund be used to cover administrative costs of the fund. The Center may contract with the Commercialization Center or another entity to manage the Seed-Capital Revolving Fund and to carry out the activities set forth in this section.

C. The Center may use the Seed-Capital Revolving Fund to provide seed-capital to enterprises and to carry out the purposes of the Oklahoma Science and Technology Research and Development Act through authorized investments, including:

1. Loans, loans convertible to equity, and equity;
2. Leaseholds;
3. Management or consultant service agreements;

4. Loans with stock subscription or similar warrants that are beneficially owned by the Center;

5. Loans with stock subscription or similar warrants that are beneficially owned by a party other than the Center;

6. Any other contractual arrangement in which the Center is providing scientific and technological services to any federal, state, county or municipal agency, or to any individual, corporation, enterprise, association or any other entity involving science and technology. The Center, in connection with the provision of any form of financial assistance, may enter into royalty agreements with an enterprise;

7. Participation as a general or limited partner in other seed-capital funds or participation as a limited partner in individual cases as authorized by the board of directors;

8. Royalty or other interests in patents, licenses, trade secrets or other technology; and

9. All other seed-capital investments and qualified securities as defined in the Oklahoma Science and Technology Research and Development Act.

D. The Center may use the Seed-Capital Revolving Fund to purchase qualified securities issued by enterprises engaged in new product or process innovations subject to the conditions set forth in this section.

E. The Center may use the Seed-Capital Revolving Fund to make loans for business incubator facilities in exchange for interests in the enterprises.

F. The Center shall make authorized seed-capital investments in enterprises engaged in new product or process innovations only after:

1. Receipt of an application from the enterprise which contains:

a. a business plan including a description of the enterprise and its management, product and market,

- b. a statement of the amount, timing and projected use of the capital required,
- c. a statement of the potential economic impact of the enterprise, including the number, location and types of jobs expected to be created, and
- d. such other information as the Center board of directors shall request; and

2. Approval of the investment by the Center. Such approval may be made after the board of directors finds, based upon the application submitted by the enterprise and such additional investigation as the staff of the Center shall make and incorporate in its minutes, or based on the recommendation of the fund manager, if the Center contracts with the Commercialization Center or another entity to manage the Seed-Capital Revolving Fund, that:

- a. the proceeds of the investment or financial assistance will be used only to cover the seed-capital needs of the enterprise except as authorized by this section,
- b. the enterprise has a reasonable chance of success,
- c. the Center's participation is instrumental to the success of the enterprise and will assist in its retention within the state,
- d. the Center's investment is leveraged by at least one additional equity or near-equity investor,
- e. the enterprise has the reasonable potential to enhance employment opportunities within the state,
- f. the entrepreneur and other founders of the enterprise have already made or are contractually committed to make an appropriate financial and time commitment to the enterprise,
- g. any securities to be purchased are qualified securities,
- h. there is a reasonable possibility that the Center will recoup at least its initial investment or financial commitment, and

- i. binding commitments have been made to the Center by the enterprise for adequate reporting of financial data to the Center, which shall include a requirement for an annual report, or if required by the board, an annual audit of the financial and operational records of the enterprise, and for such control on the part of the Center as the board of directors shall consider prudent over the management of the enterprise, so as to protect the investment or financial commitment of the Center, including in the discretion of the board and without limitation, right of access to financial and other records of the enterprise, and membership or representation on the board of directors of the enterprise.

G. The board of directors shall create an investment committee to assist in evaluating potential investments in qualified securities and provision of other forms of authorized financial assistance. The membership of this investment committee shall serve at the pleasure of the board and shall consist of:

1. No more than two members of the board of directors, neither of whom serves on any advisory committee to the Center; and

2. Persons drawn from sources other than the Center who meet standards similar to those applying to the board of directors and who are recognized by their peers for outstanding knowledge and leadership in their fields, all of whom shall serve at the pleasure of the board.

H. The Center shall not make investments in qualified securities issued by enterprises in excess of the amount necessary to own more than forty-nine percent (49%) of qualified securities in any one enterprise at the time such securities are purchased by the Center, after giving effect to the conversion of all outstanding convertible qualified securities of the enterprise; however, in the event of severe financial difficulty of the enterprise, threatening, in the judgment of the board of directors, the investment of the Center therein, a greater percentage of such securities may be owned by the Center.

SECTION 1038. AMENDATORY 74 O.S. 2011, Section 5060.24,
is amended to read as follows:

Section 5060.24 There is hereby created in the State Treasury a revolving fund for the Oklahoma Center for the Advancement of Science and Technology to be designated the "Administration and Data Processing Revolving 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 therein, grants, donations or reimbursements that the President of the Center may direct to be deposited therein, proceeds from the sale of surplus property, insurance payments to the agency, receipts pursuant to the Oklahoma Open Records Act, and transfers from other revolving funds of the Center as the President may direct. Monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Center for the administrative costs of all programs of the Center, including all personal and other operating expenses. 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 1039. AMENDATORY 74 O.S. 2011, Section 5060.30, is amended to read as follows:

Section 5060.30 A. The "Oklahoma Institute of Technology Trust Fund" is hereby created. The trust fund shall be administered as follows:

1. The trustees of the trust fund shall consist of seven members of the Oklahoma Science and Technology Research and Development Board who are the presidents of Oklahoma State University, the University of Oklahoma, and the private university offering graduate engineering degrees and the four chief executive officers or senior executive officers of corporations or foundations. The chair of the board of trustees shall be elected by the trustees from among the four chief executive officers or senior executive officers who also serve on the Oklahoma Science and Technology Research and Development Board.

2. After January 1, 2003, the board of trustees may by unanimous vote expand the number of trustees at any time. No more than three members added by the board of trustees may serve concurrently. The members added by the board of trustees shall be representatives of industries that have demonstrated support for the Oklahoma Institute of Technology, shall have full voting rights, and shall serve four-year terms. A position added by the board of trustees may be filled at the end of the term by vote of the

trustees. A position not filled by the trustees at the end of the term shall be considered abolished.

3. The trust fund shall be utilized to further the mission and purposes of the Institute.

4. The trust fund principal shall consist of monies received from any monies the Legislature appropriates for, or transfers to, the trust fund and any monies or assets contributed to the trust fund from any other source, public or private. Notwithstanding other provisions of law, income and investment return on trust fund principal shall accrue to the trust fund and may be authorized upon a majority vote of the trustees for use and expenditure by the Oklahoma Science and Technology Research and Development Board for the purposes of the Institute. Use of the trust fund principal may be authorized upon a vote of three-fourths of the trustees for use and expenditure by the Oklahoma Science and Technology Research and Development Board to achieve the purposes and goals of the Institute.

5. The trustees shall develop procedures for accomplishing transfer of income and investment return to appropriate accounts set up in the Office of the State Treasurer.

6. The trust fund may be dissolved upon an act approved by three-fourths (3/4) of both houses of the Legislature or pursuant to a plan for use of the principal, leading to dissolution of the trust fund, over a ten-year period that has been proposed by the trustees and approved by the Legislature and the Governor. Upon the trust fund's dissolution, any funds in the trust fund shall be placed in the state general revenue fund, unless the Legislature specifically provides otherwise.

B. There is hereby created in the State Treasury a fund for the Oklahoma Institute of Technology to be designated the "Oklahoma Institute of Technology Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of any monies received by the Institute from the Legislature or other sources for the fund. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Oklahoma Science and Technology Research and Development Board for the purposes of the Institute. 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and

payment. The Oklahoma Science and Technology Research and Development Board shall develop procedures for setting up accounts within the fund as necessary in the Office of the State Treasurer. The Board shall place only funds appropriated for or otherwise received for the Institute in the accounts for the Institute and shall not commingle funds that are not appropriated or otherwise received for the Institute with funds appropriated or received for any other purpose of the Center.

SECTION 1040. AMENDATORY 74 O.S. 2011, Section 5063.17, is amended to read as follows:

Section 5063.17 A. Before the commencement of each legislative session, the Director of ~~State Finance~~ the Office of Management and Enterprise Services shall determine the estimated amount required during the next fiscal year for payment of the debt service on the bonds issued under this act, after making deductions therefrom of estimated monies to be available to the Fund from other sources therefor, and shall certify such estimated amount to the Governor. The Governor shall thereupon promptly prepare and submit to the Legislature his request for an appropriation to meet the debt service on the bonds during such fiscal year. The Legislature shall appropriate funds and provide for timely payment of the maturing debt service of bonds issued under this act.

B. The Authority shall have the power to establish and maintain reserve funds to provide for payment of debt service on the bonds. Monies credited to the reserve funds shall be used only for the purpose of paying debt service on the bonds, either at maturity or on redemption prior to maturity. The reserve funds shall be held and used to ensure prompt payment of debt service on the bonds in such manner and pursuant to such conditions as may be specified by the Authority in the resolution or trust indenture authorizing or securing such bonds. Monies in the reserve funds over and above the amounts necessary to ensure the prompt payment of debt service on the bonds, and the establishment and maintenance of a reserve fund, may be used for the redemption of bonds prior to maturity in the manner and in accordance with the provisions pertaining to redemption prior to maturity, as set forth in the resolution or trust indenture authorizing or securing such bonds.

SECTION 1041. AMENDATORY 74 O.S. 2011, Section 5064.8, is amended to read as follows:

Section 5064.8 A. There is hereby created in the State Treasury a separate revolving fund for the Oklahoma Department of Commerce, to be designated the "Inventors and Entrepreneurs Program Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Department for implementation of this act from all funds appropriated thereto by the Legislature, all fees received pursuant to this act, any federal funds, gifts, private and matching funds and all contributions dedicated thereto from private, state, federal or whatever source. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Department for the purpose of implementing this act; however, monies expended for administrative costs shall not exceed five percent (5%) of the total amount of monies in said fund. Any amount in said fund not directly needed to implement the provisions of this act shall go to the General Revenue Fund of the state. 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

B. On July 1, 1998, the Inventors and Entrepreneurs Program Fund shall be abolished and any unencumbered funds remaining in the Inventors and Entrepreneurs Program Fund shall be transferred to the credit of the OCAST Research Support Revolving Fund. Any unexpended funds remaining in the Inventors and Entrepreneurs Program Fund after November 1, 1998, shall be transferred to the credit of the OCAST Research Support Revolving Fund.

SECTION 1042. AMENDATORY 74 O.S. 2011, Section 5066.6, is amended to read as follows:

Section 5066.6 There is hereby created in the State Treasury a separate revolving fund for the Oklahoma Department of Commerce to be designated as the "Product Development Program Fund". The fund shall be a continuing fund, not subject to fiscal year limitations and shall consist of all monies received by the Department for implementation of the Product Development Act from all funds appropriated thereto by the Oklahoma State Legislature, all fees received pursuant to this act, any federal funds, gifts, private and matching funds and all contributions dedicated thereto from any source. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Department for the purposes of this act. Any amount in said fund not directly needed to implement the provisions of this act shall go to the

General Revenue Fund of the state. 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 1043. AMENDATORY 74 O.S. 2011, Section 5085.11, is amended to read as follows:

Section 5085.11 A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Department of Commerce to be designated the "Oklahoma Capital Formation Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of appropriated funds. All monies accruing to the credit of said fund are hereby appropriated and, as authorized by the Oklahoma Capital Investment Board, shall be expended by the Oklahoma Department of Commerce to perform the duties imposed upon the Oklahoma Capital Investment Board by law. Expenditures of appropriated funds from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

B. On the effective date of this act, any unencumbered funds remaining in the Oklahoma Capital Investment Board Revolving Fund shall be transferred to the credit of the Oklahoma Capital Formation Revolving Fund. Any unexpended funds remaining in the Oklahoma Capital Investment Board Revolving Fund after November 15, 1991, shall be transferred to the credit of the Oklahoma Capital Formation Revolving Fund.

SECTION 1044. AMENDATORY 74 O.S. 2011, Section 5208.1, is amended to read as follows:

Section 5208.1 There is hereby created in the State Treasury a revolving fund for the Oklahoma Space Industry Development Authority to be designated the "Oklahoma Space Industry Development Authority Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Authority from private and public donations, contributions, gifts, and any monies appropriated or directed by law to be deposited thereto. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Authority for the purpose of creating, operating, staffing and maintaining an Oklahoma Space Industry Development Authority, and

any legitimate expenses of the Authority. 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 ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 1045. AMENDATORY 74 O.S. 2011, Section 6201, is amended to read as follows:

Section 6201. A. ~~The Department of Central Services~~ Office of Management and Enterprise Services shall enter into a lease agreement with the Greater Sand Springs Trust Authority for a term of ninety-nine (99) years with respect to the real property and improvements constituting the former Hissom Memorial Treatment Center, as more particularly described by subsection C of this section.

B. The lease agreement described in subsection A of this section:

1. Shall allow the Greater Sand Springs Trust Authority to enter into agreements regarding the property described in subsection C of this section with third parties without the express consent of the ~~Department of Central Services~~ Office of Management and Enterprise Services, including the right of the Authority to sublease all or any part of the real property described in subsection C of this section;

2. Shall provide for the unrestricted access, use and development of the real property described in subsection C of this section by the Greater Sand Springs Trust Authority in order for the Authority to fulfill its purposes according to the terms of its trust indenture, including, but not limited to, the right of the Authority to construct capital improvements on, above or under the property to fulfill the purposes stated in the indenture of the Authority. The lease shall provide that the Authority owns and maintains capital improvements constructed upon the real property with the funds of the Authority;

3. Shall provide for the conveyance by the ~~Department of Central Services~~ Office of Management and Enterprise Services to the Greater Sand Springs Trust Authority, by quit claim deed or by such other instrument of conveyance as the ~~Department of Central Services~~ Office of Management and Enterprise Services and the Authority may mutually agree, for not more than a payment by the Authority to the

Department of a nominal consideration not to exceed Ten Dollars (\$10.00), of any parcel of real property described by the Authority and certified, by a majority of the trustees of the Authority, to be necessary for a complete development of the property described in subsection C of this section and necessary for the Authority to fulfill any purpose specified in its trust indenture. A rebuttable presumption shall exist that any conveyance made pursuant to the provisions of this paragraph shall be considered to have been made for the general economic benefit of the residents of the beneficiary of the Greater Sand Springs Trust Authority and that the disposition of the parcel by the Authority is in furtherance of an essential governmental function by making a productive use of the parcel. After conveyance of a parcel of real property to the Authority pursuant to this paragraph, the Authority shall have the exclusive right to exercise all powers, rights and privileges with respect to the parcel as authorized by law to the owner of any real property, including, but not limited to, the right to sell the parcel as provided by paragraph 4 of this subsection;

4. Shall provide for the conveyance by the Authority to another legal entity, by quit claim deed or by such other instrument of conveyance as the Authority and the other legal entity may mutually agree, of any parcel of real property described by the Authority the proposed conveyance of which to be certified, by a majority of the trustees of the Authority, as necessary for a complete development of the property described in subsection C of this section and necessary for the Authority to fulfill any purpose specified in its trust indenture. A rebuttable presumption shall exist that any conveyance made pursuant to the provisions of this paragraph shall be considered to have been made for the general economic benefit of the residents of the beneficiary of the Greater Sand Springs Trust Authority and that the disposition of the parcel by the Authority is in furtherance of an essential governmental function by making a productive use of the parcel. If the Authority sells any part or all of the real property or improvements described in subsection C of this section subsequent to the conveyance to the Authority by the ~~Department of Central Services~~ Office of Management and Enterprise Services, the Authority shall determine the value of the real property sold separate and apart from the value of the improvements, if any. The Authority shall determine its direct and indirect costs for acquisition, maintenance, improvement, marketing and sale of any parcel of real property conveyed to a legal entity pursuant to this paragraph. The Authority shall pay to the ~~Department of Central Services~~ Office of Management and Enterprise Services the amount of consideration received by the Authority from the sale of the real

property in excess of the direct and indirect costs incurred by the Authority. The ~~Department of Central Services~~ Office of Management and Enterprise Services shall budget all funds received from the sale of any parcel pursuant to this section. These funds shall be expended by the ~~Department of Central Services~~ Office of Management and Enterprise Services for the sole purpose of additional maintenance or improvements for the remainder of the real property or for improvements at the property described in this section. Upon sale of the final parcel or real property and improvements pursuant to this section, the ~~Department of Central Services~~ Office of Management and Enterprise Services shall remit the amount received and all remaining funds from previous sales for deposit to the credit of the Hissom Memorial Treatment Center Surplus Fund for appropriation pursuant to law;

5. Shall provide that the ~~Department of Central Services~~ Office of Management and Enterprise Services shall maintain the real property and the improvements located on the real property described in subsection C of this section in a manner conducive to the preservation of existing economic value of the real property and improvements, subject to the ordinary depreciation of the improvements, until such time as the Authority acquires ownership of a parcel whereupon the Authority and the ~~Department of Central Services~~ Office of Management and Enterprise Services, by mutual written agreement, shall amend the lease to provide for proportionately diminished maintenance expenses to be incurred by the ~~Department of Central Services~~ Office of Management and Enterprise Services or some other legal entity;

6. Shall not require the payment of rent by the Greater Sand Springs Trust Authority in excess of One Dollar (\$1.00) per year;

7. Shall not require a purchase price for any option granted to the Greater Sand Springs Trust Authority to acquire any parcel of the property described by subsection C of this section in excess of Ten Dollars (\$10.00);

8. Shall not require the ~~Department of Central Services~~ Office of Management and Enterprise Services to consent to a sublease of the property described by subsection C of this section by the Authority to any other legal entity; and

9. Shall not impose the expense of maintenance or repair of the real property or improvements located on the property described by subsection C of this section upon the Greater Sand Springs Trust

Authority, except as otherwise provided by paragraph 5 of this subsection.

C. The real property and improvements which shall be leased by the ~~Department of Central Services~~ Office of Management and Enterprise Services to the Greater Sand Springs Trust Authority as required by subsection A of this section are described as follows:

1. Governmental lots 5, 7, and 8 in Section 9; and

2. The part of Governmental Lots 6 and 7 lying north of the centerline of the Burlington Northern Santa Fe Railroad right-of-way, formerly the S.L. & S.F. Railroad right-of-way, in Section 15; and

3. Lots 1 and 2, and that part of Governmental Lot 3 lying north of the centerline of said railroad right-of-way and those parts of each of the following tracts lying north of the centerline of said railroad right-of-way:

a. the Southwest Quarter (SW/4) of the Northeast Quarter (NE/4);

b. the Northwest Quarter (NW/4); and

c. the Northeast Quarter (NE/4) of the Southeast Quarter (SE/4) in Section 16;

4. All in Township 19 North, Range 11 East of the Indian Meridian, Tulsa County, Oklahoma; and

5. Together with all the appurtenances thereto belonging to such property.

D. The Authority shall have the right to access, ingress, egress, use and enjoyment of the roads existing on the property described by subsection C of this section as of July 1, 1997.

E. With respect to the real property and improvements described in subsection C of this section and the lease agreement required by subsection A of this section, or any transfer of the property to the Authority, the ~~Department of Central Services~~ Office of Management and Enterprise Services shall not be subject to the requirements of:

1. Section 387 of Title 60 of the Oklahoma Statutes;

2. Section ~~241~~ 1056 of Title 64 of the Oklahoma Statutes;
3. Section 126.2 of this title;
4. Section 129.4 of this title; or
5. Section 456.7 of this title.

F. With respect to the lease or sale of any part or all of the real property or improvements described in subsection C of this section, the Greater Sand Springs Trust Authority shall not be subject to the requirements of:

1. Section 387 of Title 60 of the Oklahoma Statutes;
2. Section 241 of Title 64 of the Oklahoma Statutes;
3. Section 129.4 of this title; or
4. Section 456.7 of this title.

SECTION 1046. AMENDATORY 74 O.S. 2011, Section 6202, is amended to read as follows:

Section 6202. A. There is hereby created the Hissom Memorial Treatment Center Oversight Committee.

B. The Committee shall consist of the following persons:

1. One person appointed by the Governor from a list of three nominees submitted by the Speaker of the House of Representatives;
2. One person appointed by the Governor from a list of three nominees submitted by the President Pro Tempore of the Senate; and
3. One person appointed by the Governor from a list of three nominees submitted by the City Council of the City of Sand Springs.

C. The duties of the Committee shall be to:

1. Monitor the continued maintenance of the real property and improvements described in subsection C of Section ~~4~~ 6201 of this ~~act~~ title to ensure that the improvements do not diminish in economic

value further than is reasonable to be expected given the condition of the improvements and available financial resources;

2. Assist the Greater Sand Springs Trust Authority and the ~~Department of Central Services~~ Office of Management and Enterprise Services in providing for the orderly and beneficial development of the real property and improvements constituting the former Hissom Memorial Treatment Center; and

3. Serve as an additional resource of information for persons or legal entities that express an interest in occupying, using or purchasing any part or all of the real property constituting the former Hissom Memorial Treatment Center.

D. The Committee shall be subject to the provisions of the Oklahoma Open Meeting Act.

E. The Committee shall be subject to the provisions of the Oklahoma Open Records Act, including the provisions regarding information that may be kept confidential pursuant to Section 24A.10 of Title 51 of the Oklahoma Statutes.

F. No person appointed to any of the positions constituting the Committee who is, at the time of the appointment to the Committee or subsequent to the date of appointment, a public official or officer shall be deemed to be serving in a dual capacity and such person shall be specifically exempt from the provisions of Section 6 of Title 51 of the Oklahoma Statutes.

G. The Committee shall:

1. Act in the interest of and for the economic benefit of persons and business entities in the region of the facility formerly known as the Hissom Memorial Treatment Center with the objective of economic development;

2. Make recommendations in the event of disputes or issues regarding the development, use or occupancy of the real property described by subsection C of Section ~~±~~ 6201 of this ~~act~~ title, but shall not have the power to bind any party to such recommendation; and

3. Make such reports or recommendations to the Board of Trustees of the Greater Sand Springs Trust Authority at such times and regarding such topics as may be pertinent to the development of

the real property and improvements described in subsection C of Section ~~±~~ 6201 of this ~~act~~ title.

H. The Committee shall act in an advisory capacity only and shall not have the power or authority to require the Greater Sand Springs Trust Authority to obtain permission or consent from the Committee in order to take any action with respect to the real property or improvements described in subsection C of Section ~~±~~ 6201 of this ~~act~~ title. No power or authority conferred upon the Committee shall in any way be construed as a limit or modification of the powers granted to the Greater Sand Springs Trust Authority pursuant to its trust indenture.

I. The Committee shall not have authority or power to perform any act that is inconsistent with the powers, rights or duties of the ~~Department of Central Services~~ Office of Management and Enterprise Services with respect to the real property described by subsection C of Section ~~±~~ 6201 of this ~~act~~ title.

SECTION 1047. AMENDATORY 74 O.S. 2011, Section 6203, is amended to read as follows:

Section 6203. There is hereby created in the State Treasury a fund for the ~~Department of Central Services~~ Office of Management and Enterprise Services to be designated the "Hissom Memorial Treatment Center Surplus Fund". The fund shall be subject to legislative appropriation and shall consist of all monies deposited into the fund by law.

SECTION 1048. AMENDATORY 74 O.S. 2011, Section 6204, is amended to read as follows:

Section 6204. The ~~Department of Central Services~~ Office of Management and Enterprise Services shall have the authority to enter into a lease-purchase agreement for a period not to exceed twenty (20) years for the purposes of providing funding in the amount of Three Million Dollars (\$3,000,000.00) for additional repairs, construction, and remediation to the land and improvements formerly known as the Hissom Memorial Treatment Center. The Legislature shall appropriate sufficient funds each year to the Hissom Memorial Treatment Center Surplus Fund to satisfy the obligations under the lease-purchase agreement authorized pursuant to this section. Upon the sale of the land or improvements funded through the lease-purchase agreement, the proceeds of the sale shall be used first to satisfy the remaining payments under the lease-purchase agreement,