

1 ENGROSSED SENATE AMENDMENT  
TO  
2 ENGROSSED HOUSE  
BILL NO. 1798

By: Osburn of the House

and

Thompson (Roger) of the  
Senate

[ state government - Oklahoma Personnel Act - pay  
structures - studies of compensation - adjustment  
percentage cap - effective date ]

AUTHOR: Add the following House Coauthors: Menz and Deck

AUTHOR: Add the following Senate Coauthor: Floyd

AMENDMENT NO. 1. Page 1, strike the enacting clause

Passed the Senate the 24th day of April, 2023.

\_\_\_\_\_  
Presiding Officer of the Senate

Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
2023.

\_\_\_\_\_  
Presiding Officer of the House  
of Representatives

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10  
11

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

13 SECTION 1. AMENDATORY 74 O.S. 2021, Section 840-2.15A,  
14 is amended to read as follows:

15 Section 840-2.15A There is hereby established the "State  
16 Employee Compensation Program" within the executive branch. The  
17 State Employee Compensation Program will attract, retain and reward  
18 quality employees with competitive total compensation based on  
19 relevant labor markets. The Office of Management and Enterprise  
20 Services will be responsible for coordinating the implementation of  
21 the compensation program. The compensation program will establish  
22 pay structures ~~with a goal of compensating~~ which compensate state  
23 employees at a level of at least a ninety percent (90%) of  
24

1 compensation for comparable private sector positions. This shall be  
2 done by a gradual increase over the following fiscal years:

3 1. Eighty-five percent (85%) for the fiscal year beginning July  
4 1, 2024;

5 2. Eighty-seven percent (87%) for the fiscal year beginning  
6 July 1, 2025; and

7 3. Ninety percent (90%) for the fiscal year beginning July 1,  
8 2026.

9 Upon reaching the ninety-percent threshold, the Office of  
10 Management and Enterprise Services shall maintain the compensation  
11 levels at such a percentage based upon the fiscal year 2023 Market-  
12 Based Pay Study and subsequent pay studies funded and performed  
13 every four (4) years thereafter. These studies shall be funded to  
14 examine the overall compensation for all positions covered by the  
15 Office of Management and Enterprise Services under the Civil Service  
16 and Human Capital Management Act. The studies shall include an  
17 analysis of the overall state workforce and recommendations for any  
18 increase or decrease in specific areas of the workforce. The  
19 studies shall be completed, and the findings submitted to the  
20 Offices of the Governor, the Speaker of the Oklahoma House of  
21 Representatives, and the President Pro Tempore of the Oklahoma State  
22 Senate, by December 31 of each required year.

23 The compensation program will reinforce a productive work  
24 climate and culture of accountability and make the State of Oklahoma

1 an employer of choice. Pay structures will be implemented with  
2 fairness and equity throughout the executive branch. Pay delivery  
3 mechanisms will be based on a combination of establishing and  
4 maintaining relativity to market, achievement of performance  
5 objectives, recognition of differences in job content, acquisition  
6 and application of further skill and education. The Legislature  
7 will be accountable for the funding of the pay structures  
8 established pursuant to the compensation program.

9 SECTION 2. AMENDATORY 74 O.S. 2021, Section 840-2.17, as  
10 amended by Section 1, Chapter 244, O.S.L. 2022 (74 O.S. Supp. 2022,  
11 Section 840-2.17), is amended to read as follows:

12 Section 840-2.17 A. Unless otherwise provided by the Oklahoma  
13 Constitution, statutory authority to set or fix compensation, pay or  
14 salary of state officers and employees shall not be construed to  
15 authorize any agency, board, commission, department, institution,  
16 bureau, executive officer or other entity of the executive branch of  
17 state government to award, grant, give, authorize, or promise any  
18 officer or employee of the State of Oklahoma a raise that is  
19 inconsistent with the compensation schedules established by the  
20 Office of Management and Enterprise Services for all state officers  
21 and employees in the executive branch pursuant to Section 840-4.6 of  
22 this title, including, but not limited to, a cost-of-living raise or  
23 any other type of raise that would be given to state employees on an  
24 across-the-board basis, except as herein provided. Such raises are

1 prohibited unless authorized by the Legislature and by rules  
2 promulgated by the Director of the Office of Management and  
3 Enterprise Services. This prohibition applies to all officers and  
4 employees in the executive branch of state government, excluding  
5 institutions under the administrative authority of the Oklahoma  
6 State Regents for Higher Education.

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

17 1. Salary advancements on promotion to a job family level or  
18 class with a higher salary band;

19 2. Salary adjustments resulting from a pay band change for a  
20 job family level or class adopted by the Office of Management and  
21 Enterprise Services;

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

24

- 1       4. Payment of overtime, special entrance rates, pay  
2 differentials;
- 3       5. Payment of wages, salaries, or rates of pay established and  
4 mandated by law;
- 5       6. Market adjustments for job family levels tied to market  
6 competitiveness;
- 7       7. Intra-agency lateral transfers, provided that the adjustment  
8 ~~does not exceed five percent (5%) and the adjustment~~ is based on the  
9 needs of the agency;
- 10      8. Skill-based adjustments. Such adjustments, which are  
11 implemented before November 1, 2006, other than lump-sum payments,  
12 shall become permanent after twenty-four (24) months from the date  
13 such salary adjustment is implemented and may not later be removed  
14 from an employee's base salary if a furlough or reduction-in-force  
15 is implemented by the appointing authority granting such salary  
16 adjustment. Skill-based pay adjustments, which are implemented on  
17 or after November 1, 2006, and which are paid to an employee, shall  
18 be paid as long as the employee remains employed in the position and  
19 performs the skills for which the differential is due, but shall not  
20 be included as a part of the employee's base salary;
- 21      9. Equity-based adjustments;
- 22      10. Performance-based adjustments for employees who received at  
23 least a "meets standards" rating on their most current performance  
24 rating;

1 11. Career progression increases as an employee advances  
2 through job family levels; or

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

9 C. The pay movement mechanisms described in paragraphs 6  
10 through 11 ~~in~~ of subsection B of this section shall be implemented  
11 pursuant to rules promulgated by the Director of the Office of  
12 Management and Enterprise Services.

13 D. Appointing authorities may implement the pay movement  
14 mechanisms in paragraphs 6 through 12 ~~in~~ of subsection B of this  
15 section subject to the availability of funds within the agency's  
16 budget for the current fiscal year and subsequent fiscal year  
17 without the need for additional funding to increase the personal  
18 services budget of the agency. Failure by the appointing authority  
19 to follow the provisions of this subsection may cause the withdrawal  
20 of the use of the pay movement mechanisms provided in paragraphs 6,  
21 7, 9, 10 and 11 of subsection B of this section within the agency  
22 during the next appropriations cycle.

23 E. The provisions ~~in~~ of subsection B of this section shall not  
24 apply to chief executive officers of any agency, board, commission,

