

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

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

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1798

By: Osburn

7 COMMITTEE SUBSTITUTE

8 An Act relating to state government; amending 74 O.S.
9 2021, Sections 840-2.15A and 840-2.17, as amended by
10 Section 1, Chapter 244, O.S.L. 2022 (74 O.S. Supp.
11 2022, Section 840-2.17), which relate to the Oklahoma
12 Personnel Act; modifying establishment of pay
13 structures over fiscal years; providing for studies
14 of compensation; removing adjustment percentage cap;
15 and providing an effective date.

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

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

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

1 employees at a level of at least a ninety percent (90%) of
2 compensation for comparable private sector positions. This shall be
3 done by a gradual increase over the following fiscal years:

4 1. Eighty-five percent (85%) for the fiscal year beginning July
5 1, 2024;

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

8 3. Ninety percent (90%) for the fiscal year beginning July 1,
9 2026.

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

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

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

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

1 any other type of raise that would be given to state employees on an
2 across-the-board basis, except as herein provided. Such raises are
3 prohibited unless authorized by the Legislature and by rules
4 promulgated by the Director of the Office of Management and
5 Enterprise Services. This prohibition applies to all officers and
6 employees in the executive branch of state government, excluding
7 institutions under the administrative authority of the Oklahoma
8 State Regents for Higher Education.

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

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

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

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- 1 3. Increases in longevity payments pursuant to Section 840-2.18
2 of this title;
- 3 4. Payment of overtime, special entrance rates, pay
4 differentials;
- 5 5. Payment of wages, salaries, or rates of pay established and
6 mandated by law;
- 7 6. Market adjustments for job family levels tied to market
8 competitiveness;
- 9 7. Intra-agency lateral transfers, provided that the adjustment
10 ~~does not exceed five percent (5%) and the adjustment~~ is based on the
11 needs of the agency;
- 12 8. Skill-based adjustments. Such adjustments, which are
13 implemented before November 1, 2006, other than lump-sum payments,
14 shall become permanent after twenty-four (24) months from the date
15 such salary adjustment is implemented and may not later be removed
16 from an employee's base salary if a furlough or reduction-in-force
17 is implemented by the appointing authority granting such salary
18 adjustment. Skill-based pay adjustments, which are implemented on
19 or after November 1, 2006, and which are paid to an employee, shall
20 be paid as long as the employee remains employed in the position and
21 performs the skills for which the differential is due, but shall not
22 be included as a part of the employee's base salary;
- 23 9. Equity-based adjustments;
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1 10. Performance-based adjustments for employees who received at
2 least a "meets standards" rating on their most current performance
3 rating;

4 11. Career progression increases as an employee advances
5 through job family levels; or

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

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

16 D. Appointing authorities may implement the pay movement
17 mechanisms in paragraphs 6 through 12 ~~in~~ of subsection B of this
18 section subject to the availability of funds within the agency's
19 budget for the current fiscal year and subsequent fiscal year
20 without the need for additional funding to increase the personal
21 services budget of the agency. Failure by the appointing authority
22 to follow the provisions of this subsection may cause the withdrawal
23 of the use of the pay movement mechanisms provided in paragraphs 6,
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1 7, 9, 10 and 11 of subsection B of this section within the agency
2 during the next appropriations cycle.

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

7 F. The Office of Management and Enterprise Services shall file
8 a quarterly report with the Offices of the Governor, Speaker of the
9 Oklahoma House of Representatives, and President Pro Tempore of the
10 Oklahoma State Senate listing, by agency, all increases in wages,
11 salaries or rates of pay and any changes to title or classification
12 of each employee.

13 SECTION 3. This act shall become effective November 1, 2023.

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15 COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 02/22/2023 - DO PASS,
16 As Amended.

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