

OKLAHOMA HOUSE OF REPRESENTATIVES  
COMMITTEE REPORT

5/23/2023 8:01:42 PM

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET COMMITTEE

**HB1027**

By: Wallace et al of the House

Thompson (Roger) et al of the Senate

Title: Public Finance; creating the Public Finance Act of 2023; effective date.

Coauthored By:

Recommendation: **DO PASS AS AMENDED BY CS**

Amendments:

1. Committee Substitute Attached



Chr.

Representative Kevin Wallace

YEAS: 30

Baker, Bashore, Bennett, Blancett, Boatman, Echols, Ford, Hasenbeck, Hill, Kannady, Kendrix, Kerbs, Lawson, Lowe (D), Luttrell, Martinez, McBride, McEntire, Miller, Moore, Munson, O'Donnell, Osburn, Pfeiffer, Provenzano, Ranson, Sterling, Strom, Vancuren, Wallace

NAYS: 1

Lepak

CONSTITUTIONAL PRIVILEGE: 0

OKLAHOMA STATE SENATE  
JOINT  
COMMITTEE REPORT

May 23, 2023

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET

HB1027

By: Thompson (Roger) et al of the Senate and Wallace et al of the House

Title: Appropriations and Budget; creating the Budget Implementation Act of 2023; effective date.

Recommendation: **DO PASS AS AMENDED BY CS**

AYES: 19

Brooks, Burns, Dugger, Floyd, Hall, Haste, Hicks, Howard, Kirt, Matthews, Montgomery, Prieto, Pugh, Rader, Rosino, Stephens, Thompson (K), Thompson (R), Woods

NAYS: 1

Jech

CONSTITUTIONAL PRIVILEGE: 0

Senator Roger Thompson, Chair

Committee Substitute, motion by Senator Hall - Adopted (Request No: 50097)

1 STATE OF OKLAHOMA

2 1st Extraordinary Session of the 59th Legislature (2023)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 HOUSE BILL NO. 1027

By: Wallace and Martinez of the  
House

6 and

7 Thompson (Roger) and Hall  
8 of the Senate

9  
10 COMMITTEE SUBSTITUTE

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

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

24 SECTION 1. AMENDATORY 74 O.S. 2021, Section 840-2.18, as  
amended by Section 14, Chapter 243, O.S.L. 2022 (74 O.S. Supp. 2022,  
Section 840-2.18), is amended to read as follows:

1 Section 840-2.18 A. A longevity pay plan is hereby adopted.  
2 This plan applies to all state employees, excluding members of  
3 boards and commissions, institutions under the administrative  
4 authority of the Oklahoma State Regents for Higher Education,  
5 employees of public school districts, and elected officials. The  
6 plan shall also apply to those employees of the Oklahoma School for  
7 the Blind and the Oklahoma School for the Deaf who qualify for  
8 longevity pay in accordance with subsection G of Section 1419 of  
9 Title 10 of the Oklahoma Statutes.

10 B. The Oklahoma Conservation Commission is hereby authorized to  
11 establish a longevity pay program for employees of the conservation  
12 districts employed under Section 3-3-103 of Title 27A of the  
13 Oklahoma Statutes. Such longevity pay program shall be consistent  
14 with the longevity pay program for state employees authorized under  
15 this title and payments shall be made in a manner consistent with  
16 procedures for reimbursement to conservation districts.

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

21 For purposes of this section, a break in service of thirty (30)  
22 calendar days or less shall not be considered an interruption of  
23 continuous service; a break in service of more than thirty (30)  
24 calendar days shall mark an end to continuous service. The

1 legislative session employees who have worked for two (2) years or  
2 more in part-time status and are eligible for state retirement  
3 benefits, but do not receive other longevity payments, shall be  
4 eligible and shall be considered to have been continuously employed  
5 for purposes of calculating longevity payments, notwithstanding the  
6 provisions of subsection E of this section.

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

9	Years of Service	Annual Longevity Payment
10	At least 2 years but	
11	less than 4 years	\$250.00
12	At least 4 years but	
13	less than 6 years	\$426.00
14	At least 6 years but	
15	less than 8 years	\$626.00
16	At least 8 years but	
17	less than 10 years	\$850.00
18	At least 10 years but	
19	less than 12 years	\$1,062.00
20	At least 12 years but	
21	less than 14 years	\$1,250.00
22	At least 14 years but	
23	less than 16 years	\$1,500.00

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1	At least 16 years but	
2	less than 18 years	\$1,688.00
3	At least 18 years but	
4	less than 20 years	\$1,900.00
5	At least 20 years	\$2,000.00

6       2. For each additional two (2) years of service after the first  
7 twenty (20) years an additional Two Hundred Dollars (\$200.00) shall  
8 be added to the amount stated above for twenty (20) years of  
9 service.

10       The total amount of the annual longevity payment made to an  
11 employee by any and all state agencies in any year shall not exceed  
12 the amount shown on the table corresponding to that employee's years  
13 of service with the state, except as otherwise provided by Section  
14 840-2.28 of this title. Further, no employee shall receive  
15 duplicating longevity payments for the same periods of service with  
16 any and all agencies, except as otherwise provided by Section 840-  
17 2.28 of this title.

18       E. To determine years of service, cumulative periods of full-  
19 time employment or part-time employment working more than one  
20 hundred fifty (150) hours per month with the state excluding service  
21 as specified in subsection A of this section are applicable. Part-  
22 time employment, working one hundred fifty (150) hours per month or  
23 less for the state, excluding service as specified in subsection A  
24 of this section, shall be counted only if:

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

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

4 Other employment shall not be counted as service for purposes of  
5 longevity payments. Further, no period of employment with the  
6 state, whether with one or more than one agency, shall be counted as  
7 more than full-time service.

8 b. For purposes of the computation required by this  
9 section, any service performed by a person during  
10 which the person received compensation for duties  
11 performed for the state, shall be counted if payment  
12 for such service was made using state fiscal  
13 resources. The provisions of this paragraph shall not  
14 apply to elected or appointed justices or judges,  
15 including special judges, who perform services in the  
16 trial or appellate courts. The provisions of this  
17 section shall apply to persons who perform services as  
18 an administrative law judge within the executive  
19 department and employees of the judicial branch.

20 F. Years of service under the administrative authority of the  
21 Oklahoma State Regents for Higher Education or the administrative  
22 authority of the Oklahoma Department of Career and Technology  
23 Education of any employee who is now employed in a job  
24



1 classification which is eligible for longevity pay shall be included  
2 in years of service for purposes of determining longevity pay.

3 G. Years of service shall be certified through the current  
4 employing agency by the appointing authority on a form approved by  
5 the Office of Management and Enterprise Services. The form shall be  
6 completed and posted as directed by the Director of the Office of  
7 Management and Enterprise Services by the current employing agency  
8 when the employee initially enters on duty with the agency and  
9 thereafter whenever the employee's anniversary date is changed.

10 H. Eligible employees, in full-time status or in part-time  
11 status working more than one hundred fifty (150) hours per month,  
12 shall receive one (1) lump-sum annual payment, in the amount  
13 provided on the preceding schedule, during the month following the  
14 anniversary date of the employee's most recent enter-on-duty day  
15 with the state. Upon implementation of the statewide information  
16 systems project, the lump-sum annual payment may be paid concurrent  
17 with the final payroll of the month of the employee's anniversary  
18 date. Eligible part-time employees who work one hundred fifty (150)  
19 hours per month or less shall receive one (1) lump-sum annual  
20 payment, based on the formula in subsection L of this section,  
21 during the month following the anniversary date of the employee's  
22 most recent enter-on-duty day with the state. To receive longevity  
23 pay an employee must be in pay status on or after his or her  
24 anniversary date.

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

6 1. The month of August if the employee is in pay status on July  
7 1; or

8 2. During the month following the employee's first return to  
9 duty that fiscal year if the employee is not in pay status on July  
10 1.

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

16 Provided further that, the proportionate share of any longevity  
17 payment which may have accrued as of the date of death of an  
18 employee shall be made to the surviving spouse of the employee or if  
19 there is no surviving spouse to the estate of the employee.

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

24

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

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

7 J. Employees currently receiving longevity pay ~~who work for the~~  
8 ~~judicial branch of state government or~~ who work for the Oklahoma  
9 Department of Career and Technology Education shall not be eligible  
10 for the longevity pay plan provided for in this section.

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

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

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

4 N. The Director of the Office of Management and Enterprise  
5 Services is authorized to promulgate such Longevity Pay Plan Rules  
6 as he or she finds necessary to carry out the provisions of this  
7 section.

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

16 P. As of July 1, 2003, years of service with a local  
17 conservation district shall be included in years of service for  
18 purposes of determining longevity pay for local conservation  
19 district employees transferred to the Oklahoma Conservation  
20 Commission pursuant to the provisions of this section.

21 SECTION 2. AMENDATORY 74 O.S. 2021, Section 840-2.20, as  
22 amended by Section 16, Chapter 243, O.S.L. 2022 (74 O.S. Supp. 2022,  
23 Section 840-2.20), is amended to read as follows:

24

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

5 A. The Director of the Office of Management and Enterprise  
6 Services, in adopting new rules, amending rules and repealing rules,  
7 shall ensure that the following provisions are incorporated:

8 1. Eligible employees who enter on duty or who are reinstated  
9 after a break in service shall receive leave benefits in accordance  
10 with the schedule outlined below. Leave shall be accrued based upon  
11 hours worked, paid leave, and holidays, but excluding overtime, not  
12 to exceed the total possible work hours for the pay period. Years  
13 of service shall be based on cumulative periods of employment  
14 calculated in the manner that cumulative service is determined for  
15 longevity purposes pursuant to Section 840-2.18 of this title.  
16 Employees may accumulate more than the maximum annual leave  
17 accumulation limits shown in the schedule below provided that such  
18 excess is used during the same calendar year in which it accrues or  
19 within twelve (12) months of the date on which it accrues, at the  
20 discretion of the appointing authority. If an employee whose job  
21 duties include providing fire protection services, law enforcement  
22 services or services with the Department of Corrections is unable to  
23 use excess leave as provided for in this paragraph because the  
24 employee's request for leave is denied by the employee's appointing

1 authority and the denial of leave is due to extraordinary  
 2 circumstances such that taking leave could pose a threat to public  
 3 safety, health or welfare, the employee shall receive compensation  
 4 at the employee's regular rate of pay for the amount of excess leave  
 5 the employee is unable to use. Such compensation shall be paid at  
 6 the end of the time period during which the excess leave was  
 7 required to have been used;

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

	ACCRUAL RATES			ACCUMULATION
				LIMITS
	Cumulative			
	Years of	Annual	Sick	Annual
	Service	Leave	Leave	Leave
16	Persons employed 0-5 yrs	= 15 day/yr	15 days/yr	30 days
17	5-10 yrs	= 18 day/yr	15 days/yr	<del>60</del> <u>80</u> days
18	10-20 yrs	= 20 day/yr	15 days/yr	<del>60</del> <u>80</u> days
19	over 20 yrs	= 25 day/yr	15 days/yr	<del>60</del> <u>80</u> days

20 Following an emergency declaration as described in Section 683.8  
 21 of Title 63 of the Oklahoma Statutes, the accumulation limits for  
 22 annual leave shall temporarily increase and shall carryover to the  
 23 end of the fiscal year following the year in which the emergency  
 24 declaration ended.

1 All annual leave that accrued or expired during the period of  
2 the emergency declarations issued by the Governor in 2020 and 2021  
3 in response to the novel coronavirus (COVID-19) shall carry over to  
4 the end of the fiscal year following the year in which the emergency  
5 declaration ended regardless of regulatory provisions that establish  
6 a maximum amount of annual leave that may be accumulated by an  
7 employee of ~~the State of Oklahoma~~ this state. Expired annual leave  
8 governed by this subsection shall be reinstated as of ~~the effective~~  
9 ~~date of this act~~ May 7, 2021, and accumulation limits for annual  
10 leave shall not apply to amounts accrued or reinstated pursuant to  
11 this subsection. Eligibility for reinstatement of annual leave is  
12 limited to employees currently employed by ~~the State of Oklahoma~~  
13 this state on ~~the effective date of this act~~ May 7, 2021;

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

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

21 5. The Director of the Office of Management and Enterprise  
22 Services shall assist agencies in developing policies to prevent  
23 violence in state government workplaces without abridging the rights  
24 of state employees. Such policies shall include a paid

1 administrative leave provision as a cooling-off period which the  
2 Director of the Office of Management and Enterprise Services is  
3 authorized to provide pursuant to the Administrative Procedures Act.  
4 Such leave shall not be charged to annual or sick leave  
5 accumulations;

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

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

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

22 9. Employees who are reserve deputy sheriffs pursuant to  
23 Section 547 of Title 19 of the Oklahoma Statutes and who miss work  
24 in performing their duties in case of emergency shall not have to



1 use any accrued leave or need to make up any time due to the  
2 performance of their reserve deputy sheriff duties; and

3 10. For purposes of the computation required by this section,  
4 any service performed by a person during which the person received  
5 compensation for duties performed for the state shall be counted if  
6 payment for such service was made using state fiscal resources. The  
7 provisions of this section shall not apply to elected or appointed  
8 justices or judges, including special judges, who perform service in  
9 the trial or appellate courts. The provisions of this section shall  
10 apply to persons who perform services as an administrative law judge  
11 within the executive department and employees of the judicial  
12 branch.

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

19 C. Upon the transfer of a function in state government to an  
20 entity outside state government, employees may, with the agreement  
21 of the outside entity, waive any payment for leave accumulations to  
22 which the employee is entitled and authorize the transfer of the  
23 leave accumulations or a portion thereof to the outside entity.

24

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

6        SECTION 3. This act shall become effective July 1, 2023.

7        SECTION 4. It being immediately necessary for the preservation  
8 of the public peace, health or safety, an emergency is hereby  
9 declared to exist, by reason whereof this act shall take effect and  
10 be in full force from and after its passage and approval.

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59-1EX-50117    MKS        05/23/23