

BILL SUMMARY

1st Session of the 59th Legislature

Bill No.:	HB1027X
Version:	PCS3
Request Number:	50089
Author:	Rep. Wallace/Rep. Martinez
Date:	5/23/2023
Impact:	Potential Future Payout Expenses

Research Analysis

The third proposed committee substitute for HB1027X provides that any service performed by a person during which the person received compensation paid for from state fiscal resources for duties performed for the state is to be counted towards the service years used to determine longevity pay, leave accrual rates and leave accumulation limits. This provision does not apply to elected, appointed or special judges serving in the trial or appellate courts, but does apply for administrative law judges serving in executive branch agencies.

The measure also increases the annual leave accumulation and carryover limits for state employees with 5 or more years of service from 480 hours to 640 hours. Upon separation from a state employment, an employee may be paid for up to 640 hours of annual leave.

The measure also allows any employee, including state employees, that has a noncompete agreement with their employer to engage in the same business as their employer after the work relationship ends as long as the employee does not directly or indirectly solicit the sale of goods or services from the customers of their former employer.

Lastly, the measure repeals [Title 15, Section 219A](#) of the Oklahoma Statutes, a similar provision regulating non-compete employment contracts.

Prepared By: Quyen Do

Fiscal Analysis

The proposed committee substitute to HB1027X adjusts the annual leave accumulation and carryover limits for state employees with 5 or more years of service as well as increases the payout of annual leave from a maximum of 480 hours to a maximum of 640 hours. Per the Office of Management and Enterprise Services (OMES), there are 4,771 state employees who currently have an excess of 480 hours of accrued annual leave and the estimated total payout of these hours is \$16,561,465. This would not have an immediate fiscal impact to the state however, as the increased payout amount limit would only be applicable when an employee leaves state employment. However, this increased cap would require state agencies to increase the amount they budget for annual leave payouts in order to cover possible future payouts.

Prepared By: Jay St Clair, House Fiscal Staff

Other Considerations

None.

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