



STATE OF OKLAHOMA
OFFICE OF PERSONNEL MANAGEMENT

"Serving Equal Opportunity Employers"

OPM 03-15

DATE: April 14, 2003

TO: All Appointing Authorities

FROM: Oscar B. Jackson, Jr., Administrator and
Cabinet Secretary of Human Resources and Administration

RE: **Proposed Amendments to Productivity Enhancement Program
(PEP) Rules**

On behalf of the Committee for Incentive Awards for State Employees, I invite you to attend a public hearing for proposed permanent amendments to the Productivity Enhancement Program (PEP) Rules. The rules hearing will be held Friday, April 18, 2003, at 8:30 a.m. in the G-91 Conference Room at the Office of Personnel Management, 2101 N. Lincoln Boulevard, Oklahoma City.

The purpose of the proposed amendments is to make permanent some currently-effective emergency rules, establish definitions, and make the PEP Rules consistent with statutory changes. A copy of the proposed permanent amendments is attached.

If you would like to comment on the proposed rules but are unable to attend the hearing, you may submit comments through the Committee's rulemaking liaison, Kimberlee Williams, by email at kimberlee.williams@opm.state.ok.us, or by fax at (405) 524-6942. Comments will be accepted until Friday, April 18, 2003, at 5:00 p.m.

If you have any questions about the proposals, please contact Ms. Williams at (405) 522-1736.

Attachment

*"We serve the people of Oklahoma by delivering reliable and innovative
human resource services to our partner agencies to achieve their missions."*

1 **TITLE 345. COMMITTEE FOR INCENTIVE AWARDS FOR STATE**
 2 **EMPLOYEES**

3 **CHAPTER 10. PRODUCTIVITY ENHANCEMENT PROGRAM**

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 5 **SUBCHAPTER 1. GENERAL PROVISIONS**

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 7 **345:10-1-2. Definitions**

8 The following words and terms, when used in this Chapter, shall have the
 9 following meaning, unless the context clearly indicates otherwise.

10 "Committee" or "program Committee" or "statewide PEP Committee" or
 11 "PEP Committee" means the Incentive Awards for State Employees Committee
 12 described in Section 345:10-3-1.

13 "Coordinator" or "program coordinator" or "statewide PEP coordinator" or
 14 "PEP Coordinator" means the Productivity Enhancement Program coordinator
 15 described in Section 345:10-3-2.

16 "PEP" means the Productivity Enhancement Program.

17 "Title 74" means Title 74 of the Oklahoma Statutes.

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 19 **SUBCHAPTER 3. ORGANIZATION**

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 21 **345:10-3-1. Incentive Awards for State Employees Committee**

22 (a) **Structure of the Committee.** The Productivity Enhancement Program will be
 23 managed by a seven-member committee. The members of the Committee will be
 24 appointed to represent state employees, management, and business. The Committee will
 25 be comprised of:

26 (1) *The Director of ~~Public Affairs [Department of Central Services]~~ Central Services*
 27 *or designee who shall be the chairperson;*

28 (2) *The Director of State Finance or designee;*

29 (3) *The Administrator of the Office of Personnel Management or designee;*

30 (4) *The chief administrative officer of a state executive agency, department,*
 31 *commission, or office who shall be appointed by the Governor;*

32 (5) *A state employee who does not occupy a supervisory position, to be appointed by*
 33 *the Governor;*

34 (6) *A person who is not a state officer or employee, to be appointed by the President*
 35 *Pro Tempore of the Senate; and*

36 (7) *A person who is not a state officer or employee, to be appointed by the Speaker of*
 37 *the House of Representatives. [74:4112]*

38 (b) Each member who is appointed by the Governor shall serve on the Committee at
 39 the pleasure of the Governor. Those members not appointed by the Governor shall serve
 40 on the Committee at the pleasure of their respective appointing authority. [74:4112]

41 Apart from the Committee, the chairman will appoint or identify a Productivity
 42 Enhancement Program coordinator to handle administrative details, to act as an advisor to
 43 the Committee, and to act as secretary to the Committee at all meetings. The program
 44 coordinator shall have no vote.

45 (b)(c) **Role of the Committee.** It shall be the responsibility of the Committee to:

1 (1) Promulgate rules and regulations and adopt policies and procedures to implement
2 the Productivity Enhancement Program pursuant to the provisions of the Incentive
3 Awards for State Employees Act. [74:4113]

4 (2) Review all nominations and evaluations brought before it by the program
5 coordinator.

6 (3) Assure that each nomination is thoroughly and fairly investigated and reported
7 upon by:

8 (A) Calling upon any state employee or officer for information on the evaluation
9 or implementation of any nomination;

10 (B) Requesting any further information and investigation it deems appropriate.

11 (4) Encourage employees to make nominations, and explain the program to agencies
12 and groups upon request.

13 (5) Periodically review and update the program rules as necessary, and waive
14 procedural rules in individual cases in the interest of fairness and equity.

15 (6) Authorize awards and the amounts of awards. [74:4117]

16 (7) Prepare and submit to the Governor, Speaker of the House of Representatives and
17 the President Pro Tempore of the Senate, a comprehensive annual status report on the
18 activities, decisions, awards and recommendations of the Committee with respect to
19 the Productivity Enhancement Program.

20 ~~(e)~~(d) **Operations of the Committee.**

21 (1) The Committee chair may cancel regularly scheduled Committee meetings if
22 there is no business before the Committee. When meetings are canceled, the required
23 public notices will be filed with the Secretary of State and publicly posted.

24 (2) The Committee may consider "revenue generation" in evaluating cash
25 nominations.

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27 **SUBCHAPTER 5. TYPES OF AWARDS**

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29 **345:10-5-2. Individual incentive compensation**

30 (a) **Definition.** An individual incentive compensation award will consist of a one lump
31 sum payment equal to at least twenty-five percent (25%) of the amount determined by the
32 Committee to be the total unit dollar savings to the state for the level of services
33 rendered, but shall not exceed ~~five thousand dollars (\$5,000)~~ ten thousand dollars
34 (\$10,000). [74:4117]

35 (b) **Eligibility of employees to participate.** All employees except state agency heads
36 eligible to participate in the individual incentive awards program (see Section 345:10-5-
37 1) shall be eligible to participate in the individual incentive compensation program.
38 Eligibility of state agency supervisors and managers for cash awards will be reviewed on
39 a case-by-case basis according to Section 345:10-7-1(2).

40 (c) **Eligibility of employees to receive individual incentive compensation.** This type
41 of award may be made to eligible employees, nominated for such compensation who, at a
42 minimum, must have made an exceptional contribution similar to, but greater than, that
43 required for an individual incentive award. Individual incentive compensation awards
44 will be made only for proposals that result in real cost savings or revenue generation to an
45 agency.

1 (d) **Funding.** Individual incentive compensation awards shall be paid from the accrued
2 savings in the operating budget of the nominating agency, department, commission, or
3 office for the eligible fiscal year. [74:4117] Incentive pay awards shall be exempt from
4 retirement contributions and shall not be included for the purpose of computing a
5 retirement allowance pursuant to any public retirement system of the state. [74:4119]

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