

An Act

ENROLLED SENATE
BILL NO. 1

By: Treat, Allen and Montgomery
of the Senate

and

McCall and Lepak of the
House

An Act relating to public finance; creating the Legislative Office of Fiscal Transparency (LOFT); specifying purpose and duties; providing for payment of expenses of Office; creating oversight committee; providing for membership, co-chairs, quorum and meetings thereof; specifying certain powers and duties of oversight committee; providing procedures for conduct of performance evaluations and independent comprehensive performance audits; defining term; specifying duty of state agencies and institutions; providing for confidentiality of certain records; requiring certain reports and recommendations; repealing Section 1, Chapter 325, O.S.L. 2017, Sections 2, 3, 4 and 5, Chapter 325, O.S.L. 2017, as amended by Sections 1, 2, 3 and 4, Chapter 298, O.S.L. 2018 (62 O.S. Supp. 2018, Sections 8001, 8002, 8003, 8004 and 8005), which relate to the Agency Performance and Accountability Commission; providing for codification; and declaring an emergency.

SUBJECT: Creating Legislative Office of Fiscal Transparency

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8011 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created within the Legislature the Legislative Office of Fiscal Transparency (LOFT). The purpose of the Office shall be to assist the Legislature in performing its constitutional and statutory function of ensuring that government funds are expended in a fiscally responsible manner.

B. The operations of the Office shall be overseen by the committee created in Section 3 of this act. The committee shall employ an Executive Director and such other staff as it may deem necessary to carry out its duties as set forth in this act.

C. All expenses of the Office shall be paid by the Legislative Service Bureau, subject to the approval of the President Pro Tempore of the Senate and the Speaker of the House of Representatives. Employees of the Office shall be employed by the Legislative Service Bureau.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8012 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The Legislative Office of Fiscal Transparency shall:

1. Gather information regarding the proposed budgets of executive branch agencies each fiscal year;

2. Analyze the information and evaluate the extent to which the agency budget does or does not fulfill the agency's primary duties and responsibilities under applicable provisions of federal, state or other law;

3. Analyze and forecast all revenues available to the agency from appropriations, fees, dedicated revenue or any other source;

4. Compare the agency budget information to the comparable information contained in that agency's budget requests from prior fiscal years; and

5. Conduct such investigations regarding the operations of the agency as required in order to fulfill the duties imposed upon the Office by law or as otherwise directed by the oversight committee.

The oversight committee, subject to the direction of the President Pro Tempore of the Senate and the Speaker of the House of Representatives, shall ensure that the functions performed by the Office pursuant to the provisions of this subsection do not duplicate those of the Senate Committee on Appropriations and the House Committee on Appropriations and Budget and their respective staffs.

B. The Office shall further conduct performance evaluations and may conduct independent comprehensive performance audits. The oversight committee created in Section 3 of this act may periodically identify specific executive branch agencies, or programs, activities or functions within executive branch agencies, for which the Office shall conduct a performance evaluation or independent comprehensive performance audit.

C. As used in this act, "performance evaluation" means an examination of a program, activity or function of an executive branch agency, conducted in accordance with applicable government auditing standards or auditing and evaluation standards of other appropriate authoritative bodies. The term includes, but is not limited to, an examination of issues related to:

1. Economy, efficiency or effectiveness of the agency or program, including any revenue sources used to fund or support the agency or program;

2. Structure or design of the agency or program to accomplish its goals and objectives;

3. Adequacy of the agency or program to meet the needs or policy goals identified by the Legislature;

4. Alternative methods of providing agency or program services or products;

5. Goals, objectives and performance measures used by the agency to monitor and report agency or program accomplishments;

6. The accuracy or adequacy of public documents, reports or requests prepared by or in relation to the agency or program;

7. Compliance with appropriate policies, rules or laws related to the agency or program; and

8. Any other issues related to such agencies or programs as directed by the oversight committee.

D. As used in this act, "independent comprehensive performance audit (ICPA)" includes, but is not limited to, a review and analysis of the economy, efficiency, effectiveness and compliance of the policies, management, fiscal affairs and operations of state agencies, divisions, programs and accounts. The results of an ICPA may be used by the Legislature to implement the best budgeting and policy-making practices for government services to run in the most cost-effective way. The Office may, at the direction of the oversight committee and subject to the approval of the President Pro Tempore of the Senate and the Speaker of the House of Representatives, contract with a private company, nonprofit organization or academic institution to assist with an independent comprehensive performance audit or for professional consulting and administrative support services. The Office may, but shall not be required to, contract with the Office of the State Auditor and Inspector to conduct any ICPA. The Office shall develop the scope of services for a request for proposals issued, for professional services necessary to complete each ICPA. Prior to entering into any contract, the Office shall obtain no less than three separate bids for the auditing services, unless the Office determines that fewer than three entities meet the qualifications to bid to perform such services as set forth by the Office. The cost of the contract shall be paid by the Legislative Services Bureau.

An independent comprehensive performance audit shall address but not be limited to the following topics:

1. Policies which shall include constitutional mandates, if any, statutory mandates, statutory authorizations, administrative rules or policies of the affected agency reflected in internal agency documents or agency practices;

2. All sources of funding received by the agency, inclusive of federal funds, state appropriations, state-dedicated revenues, fee revenue sources, the use of agency revolving funds or any other fund or revenue source which is used to pay the expenses of the agency;

3. Management of the agency which shall include, but not be limited to, its governance, capacity, divisions, programs, accounts, information technology systems and policies and agency operations which include objective analysis of the roles and functions of the department; and

4. A schedule for implementation of agency-specific recommendations.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8013 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created within the Legislature a committee to oversee the operations of the Legislative Office of Fiscal Transparency. The committee shall consist of fourteen (14) members, as follows:

1. Seven members of the Senate, at least two of whom shall be members of the minority party, to be appointed by the President Pro Tempore of the Senate; and

2. Seven members of the House of Representatives, at least two of whom shall be members of the minority party, to be appointed by the Speaker of the House of Representatives.

B. The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a co-chair of the oversight committee from among the members from their respective houses.

C. A quorum of the oversight committee shall consist of at least eight members; provided, any action by the oversight committee shall require the vote of at least four members from each house of the Legislature. The agenda for each meeting shall be set by the co-chairs and shall be made available to the public, by posting on the Senate and House websites, at least twenty-four (24) hours prior

to the time of the meeting. Meetings of the oversight committee shall be governed by joint rules of the Legislature. Members of the oversight committee shall receive reimbursement from the Legislative Service Bureau for actual and necessary expenses incurred in connection with their duties as members of the oversight committee in accordance with other provisions of law relating to travel reimbursement for members of the Legislature.

D. The members and co-chairs of the oversight committee shall be appointed no later than July 1, 2019, and the oversight committee shall hold its first meeting no later than August 1, 2019.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8014 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. Each agency or institution of the state shall, upon request, furnish and make available to the Legislative Office of Fiscal Transparency all records, documents, materials, personnel, information or other resources as the Office deems necessary to conduct performance evaluations as required by this act. Any record, document, material or other information made confidential by law shall be provided to the Office, which shall also maintain such confidentiality. All records, documents, materials or other information of the Office shall be deemed to be a record of the Legislature.

B. Each state agency and other affected persons shall cooperate with the oversight committee and the Office in the providing of any information requested. The oversight committee shall have the power to conduct hearings, administer oaths, issue subpoenas and compel the attendance of witnesses and the production of information as provided in Sections 773 and 775 of Title 74 of the Oklahoma Statutes.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8015 of Title 62, unless there is created a duplication in numbering, reads as follows:

The Legislative Office of Fiscal Transparency shall prepare and submit to the oversight committee a report of its findings for each performance evaluation or independent comprehensive performance

audit conducted. Such reports shall be available to the public, other than with respect to any information or material made confidential by law. The oversight committee may make recommendations to the agency evaluated, or to the Legislature and the Governor, for further action as it deems necessary, and may direct the Office to monitor and report on implementation of such recommendations.

SECTION 6. REPEALER Section 1, Chapter 325, O.S.L. 2017, Sections 2, 3, 4 and 5, Chapter 325, O.S.L. 2017, as amended by Sections 1, 2, 3 and 4, Chapter 298, O.S.L. 2018 (62 O.S. Supp. 2018, Sections 8001, 8002, 8003, 8004 and 8005), are hereby repealed.

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

Passed the Senate the 21st day of May, 2019.

Presiding Officer of the Senate

Passed the House of Representatives the 22nd day of May, 2019.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____