

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 SENATE BILL 1087

By: Thompson

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5
6 AS INTRODUCED

7 An Act relating to public finance; providing short
8 title; amending 62 O.S. 2011, Sections 34.2, as
9 amended by Section 333, Chapter 304, O.S.L. 2012,
10 34.36, as last amended by Section 2, Chapter 168,
11 O.S.L. 2015 and 49, as amended by Section 429,
12 Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2015,
13 Sections 34.2, 34.36 and 49), which relate to revenue
14 and budget estimates; requiring certain agencies to
15 include additional years as part of specified revenue
16 estimate and expanding related reporting
17 requirements; requiring Oklahoma Tax Commission to
18 include additional years as part of specified report;
19 requiring appropriated agencies to include additional
20 years in certain estimate of needs and expected
21 revenues and report related to capital leases;
22 modifying contents of multi-year trend analysis and
23 requiring distribution thereof; providing for
24 noncodification; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law not to be
codified in the Oklahoma Statutes reads as follows:

This act shall be known as "The Oklahoma Multi-year Revenue and
Expenditure Projection Act".

1 SECTION 2. AMENDATORY 62 O.S. 2011, Section 34.2, as
2 amended by Section 333, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
3 2015, Section 34.2), is amended to read as follows:

4 Section 34.2. A. Agencies responsible for the collection of
5 monies deposited to the credit of the General Revenue Fund and each
6 of the Special Revenue Funds shall be subject to the provisions of
7 this act. Upon request of the Director of the Office of Management
8 and Enterprise Services, these agencies shall provide the Director
9 of the Office of Management and Enterprise Services an itemized
10 estimate of funds expected to accrue to the General Revenue Fund and
11 each of the Special Revenue Funds for the ensuing fiscal year in the
12 manner and form established by the Director, in accordance with the
13 duties assigned to the State Board of Equalization in Section 23 of
14 Article X of the Oklahoma Constitution. Each of these agencies
15 shall also provide to the Director, as requested, a written
16 explanation of the methodology and relevant assumptions used in
17 developing the current and future revenue estimates submitted, a
18 statement of ~~the~~:

- 19 1. The prior year's actual revenue collections and a;
- 20 2. A projection of the current year's revenue collections; and
- 21 3. Estimated revenue collections for the ensuing fiscal year
22 and the following two (2) fiscal years. No expenditure shall be
23 made from any General Revenue Fund or Special Revenue Fund until
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1 such fund has been assigned to an agency by law or by the Director
2 of the Office of Management and Enterprise Services.

3 B. In addition to providing the information listed above, the
4 Oklahoma Tax Commission shall also provide to the Director of the
5 Office of Management and Enterprise Services a comprehensive
6 economic report no later than two weeks prior to each of the
7 meetings of the State Board of Equalization pursuant to paragraphs 1
8 and 3 of Section 23 of Article X of the Constitution of the State of
9 Oklahoma. Each report shall include a summary of recent national
10 and state economic performance and a forecast of national and state
11 economic performance for ~~both~~ the current fiscal year, the ensuing
12 fiscal year and the ~~upcoming~~ following two (2) fiscal years. These
13 reports shall be considered a basis upon which the itemized revenue
14 estimates of the Commission are developed. The report shall include
15 an analysis of the relative accuracy of the economic forecasts on
16 which the previous and current fiscal years' revenue estimates were
17 based.

18 C. The Tax Commission shall also provide all estimates,
19 explanations, statements, projections, reports and other documents
20 required by this section to the President Pro Tempore of the Senate
21 and, members of the Senate Appropriations and Finance Committees,
22 the Speaker of the House of Representatives and members of the House
23 Appropriations and Budget Committee at the same time that such
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1 documents are provided to the Director of the Office of Management
2 and Enterprise Services.

3 SECTION 3. AMENDATORY 62 O.S. 2011, Section 34.36, as
4 last amended by Section 2, Chapter 168, O.S.L. 2015 (62 O.S. Supp.
5 2015, Section 34.36), is amended to read as follows:

6 Section 34.36. A. On the first day of October preceding each
7 regular session of the Legislature, each state agency, including
8 those created or established pursuant to constitutional provisions,
9 shall report to the Director of the Office of Management and
10 Enterprise Services and the Chair and Vice Chair of the Legislative
11 Oversight Committee on State Budget Performance an itemized request
12 showing the amount needed for the ensuing fiscal year beginning with
13 the first day of July.

14 B. The forms which must be used in making these reports shall
15 be approved by the Director of the Office of Management and
16 Enterprise Services and the Legislative Oversight Committee on State
17 Budget Performance.

18 C. The forms shall be uniform, and shall clearly designate the
19 information to be given.

20 D. The information provided shall include, but not be limited
21 to:

22 1. A budget analysis of existing and proposed programs
23 utilizing performance-informed budgeting techniques. Such analysis
24 shall be included as a part of the estimate of funds needed;

- 1 2. A statement listing any other state, federal or local
2 agencies which administer a similar or cooperating program and an
3 outline of the interaction among such agencies;
- 4 3. A statement of the statutory authority for the missions and
5 quantified objectives of each program;
- 6 4. A description of the groups of people served by each program
7 in the agency;
- 8 5. A quantification of the need for the program;
- 9 6. A description of the tactics which are intended to
10 accomplish each objective;
- 11 7. A list of quantifiable program outcomes which measure the
12 efficiency and effectiveness of each program;
- 13 8. A ranking of these programs by priority;
- 14 9. Actual program expenditures for the current fiscal year and
15 prior fiscal years and the number of personnel required to
16 accomplish each program;
- 17 10. Revenues expected to be generated by each program, if any;
- 18 11. With respect to appropriated state agencies, a detailed
19 listing of all employees and resources dedicated to the provision of
20 financial services including but not limited to procurement,
21 payroll, accounts receivable and accounts payable. The provisions
22 of this paragraph shall not be applicable to the Oklahoma State
23 Regents for Higher Education or to any institutions within The
24 Oklahoma State System of Higher Education; and

1 12. A certification that following the effective date of this
2 act and prior to July 1, 2011, no expenditure shall have been made
3 or funds encumbered for the purchase, lease, lease-purchase or
4 rental of any computers, software, telecom, information technology
5 hardware, firmware or information technology services, including
6 support services without the prior written approval of the State
7 Comptroller or his or her designee.

8 E. These appropriated agencies shall make an itemized estimate
9 of needs for the ensuing fiscal year and the following two (2)
10 fiscal years and request for funds for the ensuing fiscal year and
11 an estimate of the revenues from all sources to be received by the
12 agency during the ensuing fiscal year and the following two (2)
13 fiscal years.

14 F. The Director of the Office of Management and Enterprise
15 Services shall submit to the Governor and the Legislative Oversight
16 Committee on State Budget Performance no later than the fifth day of
17 October a complete list of all spending agencies which have failed
18 to submit budgets by October 1.

19 G. The reports required by this section shall include an
20 itemized listing of outstanding capital lease debt and estimated
21 capital lease needs for the ensuing fiscal year and the following
22 two (2) fiscal years, and shall be provided on forms prescribed by
23 the Director of the Office of Management and Enterprise Services.
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1 H. For the purposes of this section, "capital lease" means a
2 lease-purchase agreement which provides an option for the State of
3 Oklahoma or its agencies to purchase property, including personal
4 and real property, which is the subject thereof and/or a lease
5 agreement that provides an option for the State of Oklahoma or its
6 agencies to lease such property, which is the subject thereof, at a
7 nominal annual amount, after a period in which leased property is
8 rented at fair market value.

9 I. The provisions of this section shall not apply to CompSource
10 Oklahoma if CompSource Oklahoma is operating pursuant to a pilot
11 program authorized by Sections 3316 and 3317 of Title 74 of the
12 Oklahoma Statutes.

13 J. Not later than January 1, the Director of the Office of
14 Management and Enterprise Services shall publish a shared services
15 cost-performance assessment report documenting the amount of each
16 state agency's cost for providing shared services. The lowest
17 ranking state agencies shall enter into a contract with the Office
18 of Management and Enterprise Services for the provision of shared
19 financial services, provided that the Director of the Office of
20 Management and Enterprise Services determines that implementation of
21 such a contract would be feasible and documents that the contractual
22 agreement will result in cost savings or efficiencies to the state.
23 Contracts required by this subsection shall be entered into at the
24 start of the next fiscal year. When a state agency is contracted

1 with the Office of Management and Enterprise Services for the
2 provision of shared financial services, the agency may discontinue
3 using shared services when documentation showing that the agency can
4 provide the services at a lower cost to the state is provided to and
5 approved by the Director of the Office of Management and Enterprise
6 Services. As used in this subsection, "shared services" means
7 process, resource utilization or action as defined by administrative
8 rule. On a yearly basis the Director of the Office of Management
9 and Enterprise Services shall compile and publish a report
10 documenting the cost savings resulting from shared services
11 contracts. The provisions of this subsection shall not be
12 applicable to the Oklahoma State Regents for Higher Education or to
13 any institutions within The Oklahoma State System of Higher
14 Education.

15 SECTION 4. AMENDATORY 62 O.S. 2011, Section 49, as
16 amended by Section 429, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
17 2015, Section 49), is amended to read as follows:

18 Section 49. On or before November 1 of each year, the Office of
19 Management and Enterprise Services shall develop and publish a
20 multi-year trend analysis of the state's budget outlook which
21 includes the current fiscal year, the ensuing fiscal year and the
22 following two (2) fiscal years. The trend analysis shall include
23 projections of revenues and expenditures reflecting the best
24 available information concerning economic activity, population

1 change, policy developments and other factors affecting the state
2 budget. The analysis shall be provided to the President Pro Tempore
3 of the Senate, members of the Senate Appropriations and Finance
4 Committees, the Speaker of the House of Representatives and members
5 of the House Appropriations and Budget Committee.

6 SECTION 5. It being immediately necessary for the preservation
7 of the public peace, health and safety, an emergency is hereby
8 declared to exist, by reason whereof this act shall take effect and
9 be in full force from and after its passage and approval.

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