

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 SENATE BILL 189

By: Sharp

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5
6 AS INTRODUCED

7 An Act relating to state budgeting; amending 62 O.S.
8 2011, Sections 34.36, as last amended by Section 1,
9 Chapter 125, O.S.L. 2014 and 34.96, as amended by
10 Section 411, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
11 2014, Sections 34.36 and 34.96), which relate to
12 agency budget requests and oversight; providing short
13 title; modifying information to be provided with
14 budget request; modifying duties of Legislative
15 Oversight Committee on State Budget Performance;
16 amending 74 O.S. 2011, Section 3914, which relates to
17 the Oklahoma Sunset Law; modifying information to be
18 submitted to sunset committees; providing for
19 noncodification; providing an effective date; and
20 declaring an emergency.

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

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

24 This act shall be known and may be cited as the "Oklahoma
Performance Informed Budget and Transparency Act of 2015".

SECTION 2. AMENDATORY 62 O.S. 2011, Section 34.36, as
last amended by Section 1, Chapter 125, O.S.L. 2014 (62 O.S. Supp.
2014, Section 34.36), is amended to read as follows:

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

9 B. The forms which must be used in making these reports shall
10 be approved by the Director of the Office of Management and
11 Enterprise Services and the Legislative Oversight Committee on State
12 Budget Performance.

13 C. The forms shall be uniform, and shall clearly designate the
14 information to be given.

15 D. The information provided shall include, but not be limited
16 to:

17 1. A budget analysis of existing and proposed programs
18 utilizing ~~zero-based~~ performance-informed budgeting techniques.
19 Such analysis shall be included as a part of the estimate of funds
20 needed;

21 2. A statement listing any other state, federal or local
22 agencies which administer a similar or cooperating program and an
23 outline of the interaction among such agencies;

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- 1 3. A statement of the statutory authority for the missions and
2 quantified objectives of each program;
- 3 4. A description of the groups of people served by each program
4 in the agency;
- 5 5. A quantification of the need for the program;
- 6 6. A description of the tactics which are intended to
7 accomplish each objective;
- 8 7. A list of quantifiable program outcomes which measure the
9 efficiency and effectiveness of each program;
- 10 8. A ranking of these programs by priority;
- 11 9. Actual program expenditures for the current fiscal year and
12 prior fiscal years and the number of personnel required to
13 accomplish each program;
- 14 10. Revenues expected to be generated by each program, if any;
- 15 11. With respect to appropriated state agencies, a detailed
16 listing of all employees and resources dedicated to the provision of
17 financial services including but not limited to procurement,
18 payroll, accounts receivable and accounts payable. The provisions
19 of this paragraph shall not be applicable to the Oklahoma State
20 Regents for Higher Education or to any institutions within The
21 Oklahoma State System of Higher Education; and
- 22 12. A certification that following the effective date of this
23 act and prior to July 1, 2011, no expenditure shall have been made
24 or funds encumbered for the purchase, lease, lease-purchase or

1 rental of any computers, software, telecom, information technology
2 hardware, firmware or information technology services, including
3 support services without the prior written approval of the State
4 Comptroller or his or her designee.

5 E. These appropriated agencies shall make an itemized estimate
6 of needs and request for funds for the ensuing fiscal year and an
7 estimate of the revenues from all sources to be received by the
8 agency during the ensuing fiscal year.

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

14 G. The reports required by this section shall include an
15 itemized listing of outstanding capital lease debt and estimated
16 capital lease needs for the ensuing fiscal year, and shall be
17 provided on forms prescribed by the Director of the Office of
18 Management and Enterprise Services.

19 H. For the purposes of this section, "capital lease" means a
20 lease-purchase agreement which provides an option for the State of
21 Oklahoma or its agencies to purchase property, including personal
22 and real property, which is the subject thereof and/or a lease
23 agreement that provides an option for the State of Oklahoma or its
24 agencies to lease such property, which is the subject thereof, at a

1 nominal annual amount, after a period in which leased property is
2 rented at fair market value.

3 I. The provisions of this section shall not apply to CompSource
4 Oklahoma if CompSource Oklahoma is operating pursuant to a pilot
5 program authorized by Sections 3316 and 3317 of Title 74 of the
6 Oklahoma Statutes.

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

1 process, resource utilization or action as defined by administrative
2 rule. On a yearly basis the Director of the Office of Management
3 and Enterprise Services shall compile and publish a report
4 documenting the cost savings resulting from shared services
5 contracts. The provisions of this subsection shall not be
6 applicable to the Oklahoma State Regents for Higher Education or to
7 any institutions within The Oklahoma State System of Higher
8 Education.

9 SECTION 3. AMENDATORY 62 O.S. 2011, Section 34.96, as
10 amended by Section 411, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
11 2014, Section 34.96), is amended to read as follows:

12 Section 34.96. A. There is hereby established the Legislative
13 Oversight Committee on State Budget Performance. The purposes of
14 this committee shall include oversight of the implementation of a
15 system of program performance-based budgeting for implementation by
16 state agencies.

17 B. The Committee's duties shall also include:

18 1. Development of agency budget request forms and instructions
19 in conjunction with the Office of Management and Enterprise
20 Services;

21 2. Directing studies to aid in the development of legislative
22 and procedural changes to further improve the budgetary, financial,
23 accounting, reporting, personnel, and purchasing processes and
24 systems of the state;

- 1 3. Direction of program evaluation and management studies;
- 2 4. Oversight and reporting on executive branch compliance with
- 3 the legislative intent of appropriation measures. Such oversight
- 4 and reporting duties may include:
 - 5 a. agency reorganization actions,
 - 6 b. executive orders calling for reduction of full-time-
 - 7 equivalents or hiring freezes, and
 - 8 c. transfer of funds by the executive branch;
- 9 5. The development of revenue and expenditure estimates and
- 10 analyses;
- 11 6. Study of the management, operations, programs and fiscal
- 12 needs of the agencies and institutions of Oklahoma state government
- 13 pursuant to the Oklahoma Program Performance Budgeting and
- 14 Accountability Act;
- 15 7. Review of the executive budget, agency strategic plans and
- 16 the estimate of needs of each state agency and institution. Reports
- 17 may be issued by the Committee as it deems appropriate; and
- 18 8. Implementation of an ongoing evaluation review procedure of
- 19 existing programs based on ~~zero-base~~ performance-informed budgeting
- 20 techniques pursuant to the Oklahoma Program Performance Budgeting
- 21 and Accountability Act. The committee in cooperation with the
- 22 Office of Management and Enterprise Services shall establish a
- 23 schedule to review strategic plans and existing programs for each
- 24 agency a minimum of once every four (4) years. The committee shall

1 issue an evaluation report for each agency once every four (4) years
2 which will include but not be limited to the following information:

- 3 a. a review of the agency's programs, performance and
4 management,
- 5 b. whether the agency has demonstrated that there is a
6 need for the services and programs which justifies the
7 agency's continued existence,
- 8 c. whether the agency is the most appropriate provider of
9 the programs and services furnished by the agency.

10 C. Any reference in the Oklahoma Statutes to the Joint
11 Legislative Committee on Budget and Program Oversight shall be a
12 reference to the Legislative Oversight Committee on State Budget
13 Performance.

14 D. The Committee shall be composed of three members appointed
15 by the President Pro Tempore of the Senate, three members appointed
16 by the Speaker of the House of Representatives, two members by the
17 minority leader of the Senate and two members appointed by the
18 minority leader of the House of Representatives. The Chair and Vice
19 Chair of the Committee shall rotate every two (2) years between the
20 Senate and the House of Representatives beginning with a Senate
21 member serving as Chair in 2003. The Committee shall meet at least
22 four (4) times per year and at other times as called by the Chair.
23 The Legislative Oversight Committee on State Budget Performance
24 shall function as a committee of the Legislature when the

1 Legislature is in session and is not in session. Each member of the
2 Committee shall serve until a successor is appointed. The duties of
3 the Committee may be performed by the Appropriations Committee of
4 the Senate and the Appropriations and Budget Committee of the House
5 of Representatives or subcommittees thereof.

6 E. The Committee shall be staffed jointly by the staff of the
7 fiscal divisions of the Senate and the House of Representatives.

8 F. The Committee may make use of all available teleconferencing
9 technology to facilitate meetings of the Committee when the
10 Legislature is not in session. The Committee shall take any
11 appropriate action to make such teleconferenced meetings comply with
12 the provisions of the Oklahoma Open Meeting Act, Section 301 et seq.
13 of Title 25 of the Oklahoma Statutes.

14 G. The Committee shall periodically meet in different
15 geographical regions of the state to enhance the Committee's
16 understanding of local conditions and to help educate the public as
17 to the fiscal condition of the state.

18 SECTION 4. AMENDATORY 74 O.S. 2011, Section 3914, is
19 amended to read as follows:

20 Section 3914. When any statutory entities are under review for
21 sunset, said entities shall bear the burden of establishing that a
22 sufficient public need is present which justifies their continued
23 existence. All said entities shall provide the appropriate House
24 and Senate sunset committees with the following information:

- 1 1. A ~~zero-based~~ performance-informed operating budget review
2 and analysis, including a summary of all income and expenditures;
- 3 2. The identity of all units and subunits under the direct or
4 advisory control of the statutory entity under review;
- 5 3. All powers, duties and functions currently performed by the
6 statutory entity under review;
- 7 4. All statutory or other authority under which said powers,
8 duties and functions of the statutory entity are carried out;
- 9 5. Any powers, duties or functions which, in the opinion of the
10 statutory entity under review, are being performed and duplicated by
11 another statutory entity within the state including the manner in
12 which, and the extent to which, this duplication of efforts is
13 occurring and any recommendations as to eliminating such a
14 situation;
- 15 6. Any powers, duties or functions which, in the opinion of the
16 statutory entity under review, are inconsistent with current and
17 projected public demands and should be terminated or altered; and
- 18 7. Any other information which the appropriate House or Senate
19 sunset committee, in its discretion, feels is necessary and proper
20 in carrying out its duties.

21 SECTION 5. This act shall become effective July 1, 2015.

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

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