

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

SENATE BILL 5

By: Bergstrom

AS INTRODUCED

An Act relating to the Legislative Office of Fiscal Transparency; amending 62 O.S. 2021, Section 8012, which relates to duties of the Office; modifying duties; updating statutory references and language; establishing administrative rules division within the Office; stating purposes of division; directing oversight; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 62 O.S. 2021, Section 8012, is amended to read as follows:

Section 8012. 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;

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

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

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

10           6. Analyze and conduct performance evaluations as it relates to  
11 the administrative code of executive branch agencies, as outlined in  
12 Section 2 of this act.

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

20           B. The Office shall further conduct performance evaluations and  
21 may conduct independent comprehensive performance audits. The  
22 oversight committee created in Section ~~3 of this act~~ 8013 of this  
23 title may periodically identify specific executive branch agencies,  
24 or programs, activities, or functions within executive branch

1 agencies, for which the Office shall conduct a performance  
2 evaluation or independent comprehensive performance audit.

3 C. As used in ~~this act~~ Section 8011 et seq. of this title,  
4 "performance evaluation" means an examination of a program,  
5 activity, or function of an executive branch agency, conducted in  
6 accordance with applicable government auditing standards or auditing  
7 and evaluation standards of other appropriate authoritative bodies.  
8 The term includes, but is not limited to, an examination of issues  
9 related to:

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

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

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

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

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

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

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

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

3 D. As used in ~~this act~~ Section 8011 et seq. of this title,  
4 "independent comprehensive performance audit (ICPA)" includes, but  
5 is not limited to, a review and analysis of the economy, efficiency,  
6 effectiveness, and compliance of the policies, management, fiscal  
7 affairs, and operations of state agencies, divisions, programs, and  
8 accounts. The results of an ICPA may be used by the Legislature to  
9 implement the best budgeting and policy-making practices for  
10 government services to run in the most cost-effective way. The  
11 Office may, at the direction of the oversight committee and subject  
12 to the approval of the President Pro Tempore of the Senate and the  
13 Speaker of the House of Representatives, contract with a private  
14 company, nonprofit organization, or academic institution to assist  
15 with an independent comprehensive performance audit or for  
16 professional consulting and administrative support services. The  
17 Office may, but shall not be required to, contract with the Office  
18 of the State Auditor and Inspector to conduct any ICPA. The Office  
19 shall develop the scope of services for a request for proposals  
20 issued, for professional services necessary to complete each ICPA.  
21 Prior to entering into any contract, the Office shall obtain no less  
22 than three separate bids for the auditing services, unless the  
23 Office determines that fewer than three entities meet the  
24 qualifications to bid to perform such services as set forth by the

1 Office. The cost of the contract shall be paid by the Legislative  
2 ~~Services~~ Service Bureau.

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

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

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

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

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

21 SECTION 2. NEW LAW A new section of law to be codified  
22 in the Oklahoma Statutes as Section 8016 of Title 62, unless there  
23 is created a duplication in numbering, reads as follows:

1           A. The Legislative Office of Fiscal Transparency shall, within  
2 ninety (90) days of the effective date of this act, establish a  
3 division within the Office for the purpose of reviewing the Oklahoma  
4 Administrative Code and proposed administrative rules of state  
5 agencies. The Office may employ no more than five full-time  
6 employees to service the division and carry out the functions  
7 outlined in this section.

8           B. The administrative rules division of the Office shall  
9 evaluate the following:

10           1. Whether proposed permanent administrative rules align with  
11 the Oklahoma Constitution;

12           2. Whether proposed permanent rules fulfill the legislative  
13 intent of the statute that authorized the permanent rulemaking;

14           3. Whether the proposed permanent rules will have a negative  
15 impact that is disproportionate to the intended effects of the  
16 rulemaking; and

17           4. Whether the agency has the statutory authority to promulgate  
18 the proposed permanent rules.

19           C. The division shall issue a report including the information  
20 provided in subsection B of this section, a summary statement of the  
21 legislative recommendation being made, and any other information  
22 deemed necessary by the President Pro Tempore of the Senate, the  
23 Speaker of the House of Representatives, or the Administrative Rules  
24 Committee chairs of the Senate or the House of Representatives.

1 D. The division shall also be responsible for regular  
2 evaluations of existing provisions of the administrative code in  
3 coordination with the President Pro Tempore of the Senate, the  
4 Speaker of the House of Representatives, and the Administrative  
5 Rules Committee chairs of the Senate and the House of  
6 Representatives.

7 SECTION 3. This act shall become effective July 1, 2025.

8 SECTION 4. It being immediately necessary for the preservation  
9 of the public peace, health or safety, an emergency is hereby  
10 declared to exist, by reason whereof this act shall take effect and  
11 be in full force from and after its passage and approval.

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