

ENGROSSED HOUSE AMENDMENT  
TO  
ENGROSSED SENATE BILL NO. 620

By: Haney of the Senate

and

Steidley of the House

( public finance - mandatory program budgeting - effective  
date - emergency )

AUTHORS: Add the following House Coauthors: Holt and Davis

AMENDMENT NO. 1. Strike the stricken title, enacting clause and  
entire bill and insert

An Act relating to public finance; amending Sections  
1, 3, 4 and 5, Chapter 279, O.S.L. 1994 (62 O.S.  
Supp. 1994, Sections 41.44, 41.46, 41.47 and  
41.7c), which relate to program budgeting; making  
program budgeting a requirement for all agencies;  
modifying membership of the Joint Legislative  
Committee on Budget and Program Oversight;  
repealing Sections 2, 6 and 7, Chapter 279, O.S.L.  
1994 (62 O.S. Supp. 1994, Sections 41.45, 41.7 and  
41.12), which relate to program transfers and  
budget work programs; providing an effective date;  
and declaring an emergency.

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

SECTION 1. AMENDATORY Section 1, Chapter 279, O.S.L. 1994 (62 O.S. Supp. 1994, Section 41.44), is amended to read as follows:

Section 41.44 There is hereby established ~~a pilot~~ an initiative for ~~select~~ all departments, agencies, boards and commissions, ~~hereinafter referred to as pilot agencies,~~ to prepare, submit and operate their budgetary system in a program format. The program budgeting ~~pilot~~ initiative shall be designed to better prioritize state funding needs, reduce program duplication and enhance budgeting information necessary to improve the efficiency of state operations. ~~The following pilot agencies are directed to participate in the program budgeting pilot:~~

- ~~1. Oklahoma Educational Television Authority;~~
  - ~~2. Physician Manpower Training Commission;~~
  - ~~3. Department of Vocational and Technical Education;~~
  - ~~4. Department of Corrections;~~
  - ~~5. Department of Public Safety;~~
  - ~~6. Office of Personnel Management;~~
  - ~~7. Office of State Finance;~~
  - ~~8. Department of Central Services;~~
  - ~~9. Water Resources Board;~~
  - ~~10. Department of Commerce;~~
  - ~~11. Department of Mental Health and Substance Abuse Services;~~
- and
- ~~12. Commission on Children and Youth.~~

SECTION 2. AMENDATORY Section 3, Chapter 279, O.S.L. 1994 (62 O.S. Supp. 1994, Section 41.46), is amended to read as follows:

Section 41.46 The administrative head of any ~~pilot~~ agency or the request officer as defined in Section ~~5~~ 41.7c of this ~~act~~ title,

may request that any current item of appropriation, appropriation allotment, program category or work program be transferred to any other program category within the same ~~pilot~~ agency. The administrative head shall make a request for program transfer to the Director of State Finance in writing and file a revised budget work program. Copies of the request for program transfer and budget work program revisions shall also be filed with the Joint Legislative Committee on Budget and Program Oversight as created by Section 4 41.47 of this ~~act~~ title. The Director of State Finance shall approve the request for transfer unless both the ~~Chairman~~ Chair and Vice ~~Chairman~~ Chair of the Joint Legislative Committee on Budget and Program Oversight provide written notification to the Director of State Finance within twelve (12) calendar days of receipt of transfer request that the transfer subverts the intention and objectives of the Legislature in establishing the original appropriation, or unless the transfer does not meet the requirements of this section or Section 41.9 of this title. Notification of noncompliance with legislative intent shall be transmitted to the Director of State Finance within twelve (12) calendar days of receipt of the transfer request. The Director of State Finance shall give written notice of approval or disapproval of each program transfer to the ~~pilot~~ agency, the Governor and the ~~Chairman~~ Chair and Vice ~~Chairman~~ Chair of the Joint Legislative Committee on Budget and Program Oversight within eighteen (18) calendar days of receiving the request.

Transfers shall be subject to the following limitations:

1. The amount to be transferred, together with all previous transfers, shall not exceed twenty-five percent (25%) of the total appropriation of the least of the items of appropriation, appropriation allotment or work program involved in the transfer; and

2. If the amount to be transferred, and all previous transfers, is greater than twenty-five percent (25%) of the least items of appropriation, appropriation allotment or work program involved in the transfer request, upon written application to the Director of State Finance, and the ~~Chairman~~ Chair and Vice ~~Chairman~~ Chair of the Joint Legislative Committee on Budget and Program Oversight and with written approval by the Contingency Review Board an additional fifteen percent (15%) may be transferred.

SECTION 3. AMENDATORY Section 4, Chapter 279, O.S.L. 1994 (62 O.S. Supp. 1994, Section 41.47), is amended to read as follows:

Section 41.47 A. There is hereby established the Joint Legislative Committee on Budget and Program Oversight. The purposes of this committee shall include oversight of the implementation of a system of program budgeting for state agencies. Where appropriate, the Joint Committee shall also develop a process to link expenditures for program categories to corresponding program outcome measures.

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

1. Development of agency budget request forms and instructions in conjunction with the Office of State Finance;

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

3. Direction of program evaluation and management studies;

4. Oversight and reporting on executive branch compliance with the legislative intent of appropriation measures. Such oversight and reporting duties may include:

a. agency reorganization actions,

b. executive orders calling for reduction of full-time-equivalents or hiring freezes, and

c. transfer of funds by the executive branch; and

5. The development of revenue and expenditure estimates and analyses.

C. Any reference in the Oklahoma Statutes to the Joint Committee on Fiscal Operations shall be a reference to the Joint Legislative Committee on Budget and Program Oversight.

D. The Joint Committee shall be composed of the following members:

1. ~~Seven (7)~~ Thirteen (13) members of the Senate as appointed by the President Pro Tempore of the Senate; and

2. ~~Seven (7)~~ Thirteen (13) members of the House of Representatives as appointed by the Speaker of the House of Representatives.

Members of the Joint Committee shall be appointed for each Legislature at the time the Legislature convenes by the respective presiding officers of the two houses of the Legislature and shall serve for two (2) years. The chairmanship and vice-chairmanship of the Joint Committee shall rotate every two (2) years between the Senate and the House of Representatives beginning with a Senate member serving as chairman in 1995. The Joint Committee shall meet at least four (4) times per year and at other times as called by the Chairman. The Joint Legislative Committee on Budget and Program Oversight shall function as a committee of the Legislature when the Legislature is in session and is not in session. Each member of the Joint Committee shall serve until a successor is appointed.

D. The Joint Committee shall be staffed jointly by the staff of the fiscal divisions of the Senate and the House of Representatives.

E. The Joint Committee may make use of all available teleconferencing technology to facilitate meetings of the Joint Committee when the Legislature is not in session. The Committee shall take any appropriate action to make such teleconferenced

meetings comply with the provisions of the Oklahoma Open Meeting Act, Section 301 et seq. of Title 25 of the Oklahoma Statutes.

F. The Joint Committee shall periodically meet in different geographical regions of the state to enhance the Joint Committee's understanding of local conditions and to help educate the public as to the fiscal condition of the state.

SECTION 4. AMENDATORY Section 5, Chapter 279, O.S.L. 1994 (62 O.S. Supp. 1994, Section 41.7c), is amended to read as follows:

Section 41.7c A. On or before the first day of June in each year, or as soon thereafter as possible, ~~the pilot~~ all agencies shall be required to file budget work programs with the Director of the Office of State Finance. Copies of all ~~pilot~~ agency budget work programs shall also be made available electronically to the staff of the Joint Legislative Committee on Budget and Program Oversight.

B. The required instructions, content and format of budget work programs shall be developed cooperatively by the staff of the Joint Legislative Committee on Budget and Program Oversight and the staff of the Budget Division of the Office of State Finance. The work programs shall include a description of all funds available to the ~~pilot~~ agency for expenditure and setting out allotments requested by the ~~pilot~~ agency by quarter and the entire fiscal year. The work program shall be accompanied by an organizational chart of the ~~pilot~~ agency, a statement of agency mission and program objectives. The work program shall show budgeted spending by major program category at the activity level and may identify budgeted spending by subprogram category at the subactivity level. Major program categories identified in the budget work program shall conform to the major program categories set out in the ~~pilot~~ agency's appropriation bill. Budget work programs shall be signed by the executive officer of each ~~pilot~~ agency. Such program and allotment requests may be made by the "request officer" who shall be

designated by each ~~pilot~~ agency for that purpose. Executive officers of ~~pilot~~ agencies shall cooperate with the Office of State Finance staff and Joint Committee staff in developing program budgeting categories. All funds available or expected to be made available to any ~~pilot~~ agency, including nonfiscal appropriations, shall not be available for expenditure until the request officer of the ~~pilot~~ agency has complied with the applicable provisions of Sections 41.1 through 41.41 of ~~Title 62 of the Oklahoma Statutes~~ this title and has received approval of such request for funds from the Director of State Finance.

SECTION 5. REPEALER Sections 2, 6 and 7, Chapter 279, O.S.L. 1994 (62 O.S. Supp. 1994, Sections 41.7, 41.12 and 41.45), are hereby repealed.

SECTION 6. This act shall become effective July 1, 1995.

SECTION 7. It being immediately necessary for the preservation of the public peace, health and 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 House of Representatives the 17th day of April, 1995.

Speaker of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 1995.

President of the Senate