

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

COMMITTEE SUBSTITUTE

FOR

HOUSE BILL NO. 2824

By: Roach

COMMITTEE SUBSTITUTE

An Act relating to state government; amending Section 4, Chapter 279, O.S.L. 1994, as amended by Section 4, Chapter 292, O.S.L. 1995 (62 O.S. Supp. 1997, Section 41.47), which relates to the Joint Legislative Committee on Budget and Program Oversight; expanding duties of the Committee; creating the Office of Government Accountability and Performance Review; providing for administrative support of the Office; providing for appointment of a Director of the Office; specifying duties of the Director; specifying duties of the Office of Government Accountability and Performance Review; requiring annual reports from the Director; providing for independent audit; providing for termination of authority based on audit results; 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 Section 4, Chapter 279, O.S.L. 1994, as amended by Section 4, Chapter 292, O.S.L. 1995 (62 O.S. Supp. 1997, 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 shall perform the duties with respect to the Office of Government Accountability and Performance Review, as required by Sections 2 through 5 of this act.

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

1. Seven (7) members of the Senate as appointed by the President Pro Tempore of the Senate; and
2. Thirteen (13) members of the House of Representatives as appointed by the Speaker of the House of Representatives. A majority vote of the members appointed by each appointing authority shall be required for any action.

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 Chair and Vice Chair 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 Chair in 1995. The Joint Committee shall meet at least four (4) times per year and at other times as called by the Chair. 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.

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

~~F.~~ G. 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.

~~G.~~ H. 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 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 41.48 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Office of Government Accountability and Performance Review as an agency in the legislative department. The Office of Government Accountability and Performance Review shall perform program evaluations and justification reviews pursuant to Section 4 of this act.

B. The Legislative Service Bureau shall provide administrative support for the Office of Government Accountability and Performance Review to the extent required by the Office.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 41.49 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The Joint Legislative Committee on Budget and Program Oversight created by Section 41.47 of Title 62 of the Oklahoma Statutes, hereafter referred to as Committee in this section, shall appoint a Director of the Office of Government Accountability and Performance Review by majority vote of the

Committee. The Director must have had a minimum of ten (10) years of experience in policy analysis and program evaluation.

B. The Director shall serve at the pleasure of the Committee and may be terminated at any time by a majority vote of the Committee.

C. The Director of the Office of Government Accountability and Performance Review shall employ and set the compensation of staff as may be necessary to perform all the requirements of Section 4 of this act and may terminate staff. Professional staff at the Office of Government Accountability and Performance Review shall be employed to provide the Office with a broad background of educational or professional experience and expertise.

D. The Director of the Office of Government Accountability and Performance Review shall cause the performance of program evaluations and justification reviews as prescribed by Section 4 of this act. The performance of program evaluations and justification reviews shall be conducted independently but under general policies established by the Committee.

E. The Director of the Office of Government Accountability and Performance Review may adopt and enforce professional guidelines necessary to facilitate the program evaluations and justification reviews conducted by the Office or other reports assigned to the Office by the Committee.

F. The Director may enter into contracts on behalf of the Office of Government Accountability and Performance Review with the consent of the Committee.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 41.50 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. Each state agency shall be subject to a program evaluation and justification review by the Office of Government Accountability and Performance Review as authorized by the Joint Legislative Committee on Budget and Program Oversight. Each state agency shall offer its complete cooperation to the Office of Government Accountability and Performance Review so that the program evaluation and justification review may be accomplished.

B. The program evaluation and justification review shall be conducted on major programs, but may include other programs. The review shall be comprehensive in its scope but, at a minimum, must be conducted in such a manner as to specifically determine the following, and to consider and determine what changes, if any, are needed with respect thereto:

1. The identifiable cost of each program;

2. The specific purpose of each program, as well as the specific public benefit derived therefrom;

3. The progress toward achieving the outputs and outcomes associated with each program;

4. An explanation of circumstances contributing to the state agency's ability to achieve, not achieve, or exceed its projected outputs and outcomes associated with each program;

5. Alternate courses of action that would result in administration of the same program in a more efficient or effective manner. The courses of action to be considered must include, but are not limited to:

a. whether the program could be organized in a more efficient and effective manner, whether the program's mission, goals, or objectives should be redefined, or, when the state agency cannot demonstrate that its efforts have had a positive effect, whether the program should be reduced in size or eliminated,

b. whether the program could be administered more efficiently or effectively to avoid duplication of activities and ensure that activities are adequately coordinated,

c. whether the program could be performed more efficiently or more effectively by another unit of government or a private entity, or whether a program performed by a private entity could be performed more efficiently and effectively by a state agency,

d. when compared to costs, whether effectiveness warrants elimination of the program or, if the

program serves a limited interest, whether it should be redesigned to require users to finance program costs,

- e. whether the cost to administer the program exceeds license and other fee revenues paid by those being regulated, and
- f. whether other changes could improve the efficiency and effectiveness of the program;

6. The consequences of discontinuing such program. If any discontinuation is recommended, such recommendation must be accompanied by a description of alternatives to implement such recommendation, including an implementation schedule for discontinuation and recommended procedures for assisting state agency employees affected by the discontinuation;

7. Determination as to public policy, which may include recommendations as to whether it would be sound public policy to continue or discontinue funding the program, either in whole or in part, in the existing manner; and

8. Whether state agency management has established control systems sufficient to ensure that performance data are maintained and supported by state agency records and accurately presented in state agency performance reports.

C. Evaluations and justification reviews may include consideration of programs provided by other agencies which are integrally related to the programs administered by the state agency.

D. The Director of the Office of Government Accountability and Performance Review shall issue the program evaluations and performance justification reviews of the Office and other reports assigned to the Office by the Joint Legislative Committee on Budget and Program Oversight to the Committee. All reports issued to the Committee shall be available to the public once they have been submitted to the Committee.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 41.51 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The Director of the Office of Government Accountability and Performance Review shall issue, prior to the convening of each regular session of the Legislature, to each member of the Legislature a report summarizing the work of the Office during the prior calendar year. The annual report shall include a summary of findings and recommendations of program evaluations and justification reviews issued during the year and any legislative or agency actions taken pursuant to the findings and recommendations. The annual report shall detail proposed savings and other efficiency measures contained in program evaluations and justification reviews.

B. If, pursuant to an independent audit authorized by the Joint Legislative Committee on Budget and Program Oversight of the savings achieved by findings and recommendations of performance evaluations and justification reviews and other reports issued by the Office of Government Accountability and Performance Review on or before January 1, 2002, it is established that the savings achieved pursuant to those reports are equal to or less than the cost of funding the operations of the Office, then the Office shall cease to have any authority as of the July 1 date next ensuing the date as of which the independent audit is filed.

SECTION 6. This act shall become effective July 1, 1998.

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.

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