

1 STATE OF OKLAHOMA

2 1st Session of the 47th Legislature (1999)

3 CONFERENCE COMMITTEE SUBSTITUTE
4 FOR ENGROSSED

5 HOUSE BILL NO. 1622

6 By: Askins, Bryant, Sullivan
7 (John) and Davis of the
8 House

9 and

10 Hobson of the Senate

11 CONFERENCE COMMITTEE SUBSTITUTE

12 An Act relating to public finance; creating the
13 Oklahoma Program Performance Budgeting and
14 Accountability Act; requiring agencies to comply with
15 certain requirement; requiring collection of data;
16 providing for implementation; defining terms;
17 requiring strategic plans; prescribing procedures for
18 preparation of plans; prescribing content of plans;
19 requiring statement of reasons for certain omitted
20 items; prescribing timing for filing of plans;
21 requiring transmittal of plan to certain persons;
22 defining term; requiring submission to Long-Range
23 Capital Planning Commission; requiring approval of
24 forms; requiring determination of acceptable
25 performance measures; authorizing training or other
26 services; authorizing hearings; authorizing long-
27 range strategic plan; providing for transmittal of
28 plan to certain persons; providing for certain
29 evaluation of certain conformity to strategic plan by
30 State Auditor and Inspector; authorizing additional
31 oversight activities; requiring schedule of program
32 evaluation and performance review; prescribing
33 procedures; authorizing request for certain
34 evaluations; authorizing request for assistance;
35 prescribing requirements with respect to program
36 evaluation; providing for submission of reports;
37 amending Section 4, Chapter 279, O.S.L. 1994, as
38 amended by Section 4, Chapter 292, O.S.L. 1995 (62
39 O.S. Supp. 1998, Section 41.47), which relates to the
40 Joint Legislative Committee on Budget and Program
41 Oversight; providing for examination and analysis;
42 modifying duties; repealing Section 1, Chapter 279,
43 O.S.L. 1994, as amended by Section 2, Chapter 292,
44 O.S.L. 1995 (62 O.S. Supp. 1998, Section 41.44),
45 which relates to certain initiative; repealing
46 Section 29, Chapter 346, O.S.L. 1995 (62 O.S. Supp.
47 1998, Section 41.13b), which relates to procedures
48 governing certain federal funds; providing for
49 codification; providing an effective date; and
50 declaring an emergency.

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

2 SECTION 1. NEW LAW A new section of law to be codified
3 in the Oklahoma Statutes as Section 45.1 of Title 62, unless there
4 is created a duplication in numbering, reads as follows:

5 There is hereby created the Oklahoma Program Performance
6 Budgeting and Accountability Act. All state agencies are to prepare
7 and submit their budgetary systems in a program format. In
8 addition, all state agencies are to collect and identify data to
9 measure performance of their programs.

10 Implementation of this act shall be designed to better
11 prioritize state funding needs, reduce program duplication, enhance
12 budgeting information necessary to improve the efficiency of state
13 operations and improve state services to the public.

14 SECTION 2. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 45.2 of Title 62, unless there
16 is created a duplication in numbering, reads as follows:

17 In this act, "state agency" means a department, board,
18 commission, or other entity of state government within the Executive
19 Department of the State of Oklahoma, including institutions of
20 higher education, that:

21 1. Was created by the Constitution or a state statute with an
22 ongoing mission and responsibilities;

23 2. Is not the Office of the Governor or Lieutenant Governor;
24 and

25 3. Is not a committee created under state law whose primary
26 function is to advise an agency.

27 SECTION 3. NEW LAW A new section of law to be codified
28 in the Oklahoma Statutes as Section 45.3 of Title 62, unless there
29 is created a duplication in numbering, reads as follows:

30 A. Each state agency shall make a strategic plan for its
31 operations. Beginning with the fiscal year ending June 30, 2001,
32 and in each subsequent even-numbered fiscal year, each state agency

1 shall issue a plan covering five (5) fiscal years beginning with the
2 next odd-numbered fiscal year.

3 B. The Office of State Finance shall determine the elements
4 required to be included in each agency's strategic plan. Unless
5 modified by the Office of State Finance, and except as provided by
6 subsection C of this section, a plan must include, but is not
7 limited to, the following items:

8 1. A statement of the mission and goals of the state agency;

9 2. A description of the indicators developed under this act and
10 used to measure the output and outcome of the agency and its
11 programs;

12 3. Identification of the groups of people served by the agency,
13 including those having service priorities, or other service measures
14 established by law, and estimates of changes in those groups
15 expected during the term of the plan;

16 4. An analysis of the use of the agency's resources to meet the
17 agency's needs, including future needs, and an estimate of
18 additional resources that may be necessary to meet future needs;

19 5. An analysis of expected changes in the services provided by
20 the agency because of changes in state or federal law;

21 6. A description of the means and strategies for meeting the
22 agency's needs, including future needs, and achieving the goals for
23 each area of state government for which the agency provides
24 services;

25 7. A description of the capital improvement needs of the agency
26 during the term of the plan and a statement, if appropriate, of the
27 priority of those needs; and

28 8. Other information that may be required.

29 C. A state agency's plan that does not include an item
30 described by subsection B of this section must include the reason
31 the item does not apply to the agency.

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1 D. Each state agency's plan shall be submitted at the same time
2 as the estimate of funds needed developed pursuant to Section 41.29
3 of Title 62 of the Oklahoma Statutes.

4 E. A state agency shall send one copy of the plan each to:

5 1. The Governor;

6 2. The President Pro Tempore of the State Senate;

7 3. The Speaker of the House of Representatives;

8 4. The Chair and Vice Chair of the Joint Legislative Committee
9 on Budget and Program Oversight;

10 5. The Chair and Vice Chair of the Joint Committee on
11 Accountability in Government;

12 6. The Director of the Office of State Finance; and

13 7. The State Auditor and Inspector.

14 E. In this section, "capital improvement" means any building or
15 infrastructure project that will be owned by the state and built
16 with direct appropriations or with the proceeds of state-issued
17 bonds or paid from revenue sources other than general revenue at a
18 cost of at least Twenty-five Thousand Dollars (\$25,000.00) and has a
19 useful life of at least five (5) years.

20 F. The description of capital improvement needs shall also be
21 submitted to the Long-Range Capital Planning Commission pursuant to
22 Section 901 of Title 62 of the Oklahoma Statutes.

23 SECTION 4. NEW LAW A new section of law to be codified
24 in the Oklahoma Statutes as Section 45.4 of Title 62, unless there
25 is created a duplication in numbering, reads as follows:

26 The official forms which must be used in making those plans
27 shall be approved or furnished by the Director of State Finance.

28 SECTION 5. NEW LAW A new section of law to be codified
29 in the Oklahoma Statutes as Section 45.5 of Title 62, unless there
30 is created a duplication in numbering, reads as follows:

31 A. The Office of State Finance and the Joint Legislative
32 Committee on Budget and Program Oversight shall work with each state

1 agency to determine acceptable measures of output, outcome, unit
2 cost, and cost-effectiveness for use in the agency's plan.

3 B. The Office of Personnel Management is authorized to provide
4 training or other services to state agencies pursuant to this act.

5 SECTION 6. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 45.6 of Title 62, unless there
7 is created a duplication in numbering, reads as follows:

8 The Office of State Finance, the Joint Legislative Committee on
9 Budget and Program Oversight, or the Joint Committee on
10 Accountability in Government, jointly or separately, may hold
11 hearings on any matter required by this act.

12 SECTION 7. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 45.7 of Title 62, unless there
14 is created a duplication in numbering, reads as follows:

15 A. The Governor and the State Legislature may compile a long-
16 range strategic plan for state government using the state agency
17 plans issued under this act.

18 B. The long-range strategic state plan shall be sent to the
19 Governor, Lieutenant Governor, State Auditor and Inspector, and each
20 member of the Legislature not later than the seventh working day of
21 January.

22 SECTION 8. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 45.8 of Title 62, unless there
24 is created a duplication in numbering, reads as follows:

25 A. The State Auditor and Inspector when in the conduct of a
26 performance audit of a state agency shall consider in the evaluation
27 of an agency the extent to which the agency conforms to the agency's
28 strategic plan.

29 B. The Joint Committee on Accountability in Government pursuant
30 to its procedures may conduct a performance investigation of a state
31 agency to consider to what extent an agency has improved
32 performance.

1 C. The activities of the Joint Committee shall not preclude
2 other oversight activities by other legislative entities.

3 SECTION 9. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 45.9 of Title 62, unless there
5 is created a duplication in numbering, reads as follows:

6 A. The Joint Legislative Committee on Budget and Program
7 Oversight shall annually establish a schedule of program evaluation
8 and performance review for state agencies. In establishing this
9 schedule the Joint Legislative Committee on Budget and Program
10 Oversight shall take into consideration the work plan of studies,
11 program evaluations and other related performance reviews developed
12 by the Joint Committee on Accountability in Government. Where
13 appropriate, the Joint Legislative Committee on Budget and Program
14 Oversight shall coordinate its schedule with related work plan items
15 of the Joint Accountability in Government Committee.

16 The Joint Legislative Committee on Budget and Program Oversight
17 may request the Joint Committee on Accountability in Government to
18 include additional evaluations or reviews to their schedule or
19 expand any scheduled evaluation or review to include issues of
20 interest to the Joint Legislative Committee on Budget and Program
21 Oversight.

22 The Joint Legislative Committee on Budget and Program Oversight
23 may request any assistance necessary from the Office of the State
24 Auditor and Inspector and the Office of State Finance in regard to
25 program evaluations or performance reviews scheduled by the
26 Committee.

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

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

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

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

8 4. The identifiable cost of each program;

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

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

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

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

28 d. when compared to costs, whether effectiveness warrants
29 elimination of the program or, if the program serves a
30 limited interest, whether it should be redesigned to
31 require users to finance program costs,

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1 e. whether the cost to administer the program exceeds
2 license and other fee revenues paid by those being
3 regulated, and

4 f. whether other changes could improve the efficiency and
5 effectiveness of the program;

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

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

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

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

23 D. Reports issued upon the completion of any performance
24 evaluations and program reviews by the Joint Legislative Committee
25 on Budget and Program Oversight shall be submitted to the Governor,
26 the Speaker of the House of Representatives and the President Pro
27 Tempore of the State Senate. All reports issued shall be available
28 to the public once they have been submitted to the parties listed in
29 this section.

30 SECTION 10. AMENDATORY Section 4, Chapter 279, O.S.L.
31 1994, as amended by Section 4, Chapter 292, O.S.L. 1995 (62 O.S.
32 Supp. 1998, Section 41.47), is amended to read as follows:

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

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

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

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

15 3. Direction of program evaluation and management studies;

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

19 a. agency reorganization actions,

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

22 c. transfer of funds by the executive branch;

23 5. The development of revenue and expenditure estimates and
24 analyses; and

25 6. Conduct examination and analysis pursuant to the Oklahoma
26 Program Performance Budgeting and Accountability Act.

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

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

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

3 2. Thirteen (13) members of the House of Representatives as
4 appointed by the Speaker of the House of Representatives. A
5 majority vote of the members appointed by each appointing authority
6 shall be required for any action.

7 Members of the Joint Committee shall be appointed for each
8 Legislature at the time the Legislature convenes by the respective
9 presiding officers of the two houses of the Legislature and shall
10 serve for two (2) years. The Chair and Vice Chair of the Joint
11 Committee shall rotate every two (2) years between the Senate and
12 the House of Representatives beginning with a Senate member serving
13 as Chair in 1995. The Joint Committee shall meet at least four (4)
14 times per year and at other times as called by the Chair. The Joint
15 Legislative Committee on Budget and Program Oversight shall function
16 as a committee of the Legislature when the Legislature is in session
17 and is not in session. Each member of the Joint Committee shall
18 serve until a successor is appointed.

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

21 F. The Joint Committee may make use of all available
22 teleconferencing technology to facilitate meetings of the Joint
23 Committee when the Legislature is not in session. The Committee
24 shall take any appropriate action to make such teleconferenced
25 meetings comply with the provisions of the Oklahoma Open Meeting
26 Act, Section 301 et seq. of Title 25 of the Oklahoma Statutes.

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

1 SECTION 11. REPEALER Section 1, Chapter 279, O.S.L.
2 1994, as amended by Section 2, Chapter 292, O.S.L. 1995 (62 O.S.
3 Supp. 1998, Section 41.44), is hereby repealed.

4 SECTION 12. REPEALER Section 29, Chapter 346, O.S.L.
5 1995 (62 O.S. Supp. 1998, Section 41.13b), is hereby repealed.

6 SECTION 13. This act shall become effective July 1, 1999.

7 SECTION 14. It being immediately necessary for the preservation
8 of the public peace, health and safety, an emergency is hereby
9 declared to exist, by reason whereof this act shall take effect and
10 be in full force from and after its passage and approval.

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