

ENROLLED SENATE  
BILL NO. 151

By: Haney and Hobson of the  
Senate

and

Ervin of the House

An Act directing the Secretary of State to refer to the people for their approval or rejection a proposed amendment to Section 23 of Article X of the Constitution of the State of Oklahoma; authorizing multi-year contracts for presidents of institutions of higher education within The Oklahoma State System of Higher Education; deleting obsolete language; providing ballot title; and directing filing; authorizing Oklahoma State Regents for Higher Education to establish certain lease financing program; limiting transactions for which program may be used; amending 62 O.S. 1991, Section 41.14, which relates to procedures for allotment of funds by State Regents; modifying procedures to provide for certain lease payments; amending 70 O.S. 1991, Sections 3210 and 3903, which relate to allocations of appropriations to State Regents; requiring State Regents certify amount of certain allocation reserved for lease payments; modifying petty cash fund expenditure limitations and broadening exemption from certain expenditure prohibitions; amending Section 2, Chapter 367, O.S.L. 1992, as renumbered by Section 54, Chapter 242, O.S.L. 1994 (74 O.S. Supp. 1998, Section 840-2.7), which relates to Office of Personnel Management central payroll system; broadening exclusion from using system; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. The Secretary of State shall refer to the people for their approval or rejection, as and in the manner provided by law, the following proposed amendment to Section 23 of Article X of the Constitution of the State of Oklahoma to read as follows:

Section 23. The state shall never create or authorize the creation of any debt or obligation, or fund or pay any deficit, against the state, or any department, institution or agency thereof, regardless of its form or the source of money from which it is to be

paid, except as may be provided in this section and in Sections 24 and 25 of Article X of the Constitution of the State of Oklahoma.

To ensure a balanced annual budget, pursuant to the limitations contained in the foregoing, procedures are herewith established as follows:

1. Not more than forty-five (45) days or less than thirty-five (35) days prior to the convening of each regular session of the Legislature, the State Board of Equalization shall certify the total amount of revenue which accrued during the last preceding fiscal year to the General Revenue Fund and to each Special Revenue Fund appropriated directly by the Legislature, and shall further certify amounts available for appropriation which shall be based on a determination, in accordance with the procedure hereinafter provided, of the revenues to be received by the state under the laws in effect at the time such determination is made, for the next ensuing fiscal year, showing separately the revenues to accrue to the credit of each such fund of the state appropriated directly by the Legislature.

Amounts certified as available for appropriation from each fund, as hereinbefore provided, shall be ninety-five percent (95%) of an itemized estimate made by the State Board of Equalization, which shall include all sources of revenue to each fund for the next ensuing fiscal year; provided, however, appropriated federal funds shall be certified for the full amount of the estimate. Said estimate shall consider any increase or decline in revenues that would result from predictable changes in the economy.

Legislative appropriations for any fiscal year, except for special appropriations provided for in paragraph 4, shall be limited to a sum not to exceed the total amount appropriated from all funds in the preceding fiscal year, plus twelve percent (12%), adjusted for inflation for the previous calendar year. Said limit shall be adjusted for funds not previously appropriated. The limit on the growth of appropriations shall be certified to by the State Board of Equalization.

2. Such certification shall be filed with the Governor, the President and President Pro Tempore of the Senate, and the Speaker of the House of Representatives. The Legislature shall not pass or enact any bill, act or measure making an appropriation of money for any purpose until such certification is made and filed, unless the State Board of Equalization has failed to file said certification at the time of convening of said Legislature. In such event, it shall be the duty of the Legislature to make such certification pursuant to the provisions of this section. All appropriations made in excess of such certification shall be null and void; provided, however, that the Legislature may at any regular session or special session, called for that purpose, enact laws to provide for additional revenues or a reduction in revenues, other than ad valorem taxes, or transferring the existing revenues or unappropriated cash on hand from one fund to another, or making provisions for appropriating funds not previously appropriated directly by the Legislature. Whereupon, it shall be the duty of the State Board of Equalization to make a determination of the revenues

that will accrue under such laws and ninety-five percent (95%) of the amount of any increase or decrease resulting, for any reason, from such changes in laws shall be added to or deducted from the amount previously certified available for appropriation from each respective fund, as the case may be. The State Board of Equalization shall file the amount of such adjusted certification, or additional certification for funds not previously appropriated directly by the Legislature, with the Governor, with the President and President Pro Tempore of the Senate, and the Speaker of the House of Representatives, and such adjusted amount shall be the maximum amount which can be appropriated for all purposes from any such fund for the fiscal year being certified.

3. The State Board of Equalization shall meet within five (5) days after the monthly apportionment in February of each year, and at that time may adjust the certification, based upon the most current information available, and determine the amount of funds available for appropriation for that legislative session. At said meeting the Board shall determine the limit on the growth of appropriations as provided for in this section.

4. Surplus funds or monies shall be any amount accruing to the General Revenue Fund of the State of Oklahoma over and above the itemized estimate made by the State Board of Equalization.

Beginning July 1, 1985, all such surplus funds or monies accruing after said date shall be placed in a Constitutional Reserve Fund by the State Treasurer until such time that the amount of said Fund equals ten percent (10%) of the General Revenue Fund certification for the preceding fiscal year. Appropriations made from said Fund shall be considered special appropriations.

Up to one-half (1/2) of the balance at the beginning of the current fiscal year in the said Fund may be appropriated for the forthcoming fiscal year, when the certification by the State Board of Equalization for said forthcoming fiscal year General Revenue Fund is less than that of the current fiscal year certification. In no event shall the amount of monies appropriated from said Reserve Fund be in excess of the difference between the two said certifications.

Up to one-half (1/2) of the balance at the beginning of the current fiscal year in the said Fund may be appropriated, upon a declaration by the Governor that emergency conditions exist, with concurrence of the Legislature by a two-thirds (2/3) vote of the House of Representatives and Senate for the appropriation; or said one-half (1/2) could be appropriated upon a joint declaration of emergency conditions by the Speaker of the House of Representatives and the President Pro Tempore of the Senate, with a concurrence of a three-fourths (3/4) vote of the House of Representatives and Senate.

5. That portion of every appropriation, at the end of each fiscal year, in excess of actual revenues collected and allocated thereto, as hereinafter provided, shall be null and void. Revenues deposited in the State Treasury to the credit of the General Revenue Fund or of any special fund (which derives its revenue in whole or in part from state taxes or fees) shall, except as to principal and

interest on the public debt, be allocated monthly to each department, institution, board, commission or special appropriation on a percentage basis, in that ratio that the total appropriation for such department, institution, board, commission or special appropriation from each fund for that fiscal year bears to the total of all appropriations from each fund for that fiscal year, and no warrant shall be issued in excess of said allocation. Any department, institution or agency of the state operating on revenues derived from any law or laws which allocate the revenues thereof to such department, institution or agency shall not incur obligations in excess of the unencumbered balance of cash on hand. Nothing in this section shall prevent, under such conditions and limitations as shall be prescribed by law, the governing board of an institution of higher education within The Oklahoma State System of Higher Education from contracting with a president of such institution of higher education for periods extending more than one (1) year, but not to exceed three (3) years beyond the fiscal year in which the contract is signed.

6. The Legislature shall provide a method whereby appropriations shall be divided and set up on a monthly, quarterly or semiannual basis within each fiscal year to prevent obligations being incurred in excess of the revenue to be collected, and notwithstanding other provisions of this Constitution, the Legislature shall provide that all appropriations shall be reduced to bring them within revenues actually collected, but all such reductions shall apply to each department, institution, board, commission or special appropriation made by the State Legislature in the ratio that its total appropriation for that fiscal year bears to the total of all appropriations from that fund for that fiscal year; provided, however, that the Governor may in his discretion issue deficiency certificates to the State Treasurer for the benefit of any department, institution or agency of the state, if the amount of such deficiency certificates be within the limit of the current appropriation for that department, institution or agency, whereupon the State Treasurer shall issue warrants to the extent of such certificates for the payment of such claims as may be authorized by the Governor, and such warrants shall become a part of the public debt and shall be paid out of any money appropriated by the Legislature and made lawfully available therefor; provided further, that in no event shall said deficiency certificates exceed in the aggregate the sum of Five Hundred Thousand Dollars (\$500,000.00) in any fiscal year.

~~Upon the approval by the people of this state of the amendment to this section contained in House Joint Resolution No. 1005 of the 1st Session of the 40th Legislature, the State Board of Equalization shall meet to recertify the amount of revenue available for appropriation for the fiscal year ending June 30, 1986.~~

SECTION 2. The Ballot Title for the proposed Constitutional amendment as set forth in SECTION 1 of this act shall be in the following form:

BALLOT TITLE

Legislative Referendum No. \_\_\_\_\_ State Question No. \_\_\_\_\_

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

This measure amends Section 23 of Article 10 of the State Constitution. This section deals with the state budget. The change would let state colleges and universities make contracts with presidents for more than one year, but not more than three years. This measure also deletes some obsolete language.

SHALL THIS AMENDMENT BE APPROVED BY THE PEOPLE?

YES, FOR THE AMENDMENT

NO, AGAINST THE AMENDMENT

SECTION 3. The President Pro Tempore of the Senate shall, immediately after the passage of this act, prepare and file one copy thereof, including the Ballot Title set forth in SECTION 2 hereof, with the Secretary of State and one copy with the Attorney General.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3206.5 of Title 70, unless there is created a duplication in numbering, reads as follows:

The Oklahoma State Regents for Higher Education may establish a master lease program to finance the acquisition of items of personal property as may be required by or useful to institutions and entities within The Oklahoma State System of Higher Education in order to achieve cost saving efficiencies. The funds used by the Regents for the purposes authorized by this section shall be available for lease transactions having a minimum value of Fifty Thousand Dollars (\$50,000.00) and a maximum value of Five Million Dollars (\$5,000,000.00). Such leases shall have a term that is no less than the useful life of the personal property acquired by institutions pursuant to the provisions of this section or no more than ten (10) years.

SECTION 5. AMENDATORY 62 O.S. 1991, Section 41.14, is amended to read as follows:

Section 41.14 A. The Oklahoma State System of Higher Education, established by Article XIII-A of the Constitution of this state, shall operate an allotment system similar to the procedure set out in this act for other agencies of the state except that the Oklahoma State Regents for Higher Education shall be substituted for the State Budget Director in connection with approving allotment requests of the constituent institutions comprising The Oklahoma State System of Higher Education. The account classification for the State System of Higher Education shall conform as nearly as possible with the classification of accounts recommended by the National Committee on Standard Reports for Institutions of Higher Education. The Board of Regents shall allocate to each institution under its control from the consolidated, or lump sum appropriation made by the Legislature, an amount sufficient to meet the needs and functions of each institution for the entire year as is now provided by law, or may hereafter be provided by law. The amount allocated to each institution for each fiscal year in accordance with Article XIII-A, Oklahoma Constitution, shall be made in a lump sum without

regard to uniform budget or accounting classifications, but shall not be available for expenditure until subsequently allotted by the Regents in accordance with the uniform budget and accounting classifications recommended by the National Committee on Standard Reports.

B. The Oklahoma State Regents for Higher Education may reduce the allocation of funds which could otherwise be made to an institution within The Oklahoma State System of Higher Education in order to make payments for leases within the lease financing program authorized by Section 4 of this act.

C. The Regents, with the approval of the Budget Director, may allot money to any constituent institution under said Regents to set up and operate a petty cash fund at said institution, said fund to be reimbursed upon the filing of claims showing the purposes for which the funds were expended. The Division of Central Accounting and Reporting shall make cash allocations of revenue in accordance with Section 23, Article 10, Constitution of Oklahoma, to each of the constituent institutions, considering the total allocation made by the Regents from the lump sum legislative appropriations as the total appropriation for each institution, in lieu of legislative appropriations. All institutional income available for educational and general purposes, as defined in the uniform budget and accounting classifications recommended by the National Committee on Standard Reports, and including income defined by law as revolving fund income, shall operate as a continuing nonfiscal appropriation which may be spent for any educational and general purposes for which appropriated funds may be spent, if allocated and allotted as provided in this section; provided that the obligations as they are incurred may not exceed the unencumbered balance of cash on hand in accordance with Section 23, Article 10, Constitution of the State of Oklahoma.

D. At least thirty (30) days prior to the beginning of each fiscal year, each of the constituent institutions shall file with the Regents its request for appropriation allotments for each of the purposes for which expenditures are to be made. Such requests shall be broken down to conform to the uniform budget or accounting classifications recommended by the National Committee on Standard Reports. Each institution's request for appropriation allotments shall show the amount required to finance each item of the request for the entire year and for each quarter or each six-months period within the fiscal year, as required by the Budget Director.

E. The Regents, or their designated official or employee who has been authorized to approve itemize allotment requests, shall consider the allotment requests for the purpose of making a determination of: (1) that the current financial requirements of the institution concerned justify the allotment to be made; (2) that the accounting classification is sufficient to reflect the purpose for which expenditures are to be made and that such classification is in accordance with the budget classifications adopted by the Budget Director and the Regents, which shall conform as nearly as possible to the account classification recommended by the National Committee on Standard Reports for Institutions of Higher Education; (3) that

the realization of estimated revenues determined by the Budget Director is sufficient to allow the commitments to be made.

F. In allotting appropriations and other funds, and approving subsequent allotments which may be required by each institution, the Regents shall follow the same general procedure set forth in this act for other agencies of the state not under the control of said Regents, except as otherwise provided in this section. All forms and account classifications shall be mutually agreed upon by the Budget Director and the State Regents. The Regents shall file approved requests of constituent institutions with the Division of Central Accounting and Reporting and such approved requests shall be entered on the records of the state in the same manner as is provided in this act for other agencies of the state. The State Regents and the Budget Director shall approve any request from the administrative head of a constituent institution for amendment of the approved schedule of positions and salaries, or transfers between items, so long as the currently approved allotment for such purposes is not exceeded; and each such amendment shall be filed with the Budget Director, in such detail as he may require, prior to the date on which the first payroll or other disbursement affected by such amendment is submitted for payment.

G. In the event that the realization of estimated revenues at any time during the fiscal year indicates that the total revenue for that fiscal year to any state fund will be insufficient at the end of the fiscal year to meet the total appropriations from that fund, the State Budget Director shall notify the Oklahoma State Regents of Higher Education as to the amount of reduction necessary against the consolidated, or lump sum appropriations, made to the Regents. The Regents in making itemized allotments during the fiscal year, may reserve an amount sufficient to meet a reasonable failure of revenue until receipt of notice from the Budget Director that the realization of estimated revenues indicates that the total appropriation may be allotted for expenditure. Upon receipt of notice from the Budget Director of a necessary reduction in the consolidated, or lump sum appropriation, to meet a failure in revenue, the Regents of Higher Education shall immediately take action to control the approval of subsequent allotment requests sufficient to make the aggregate reduction in allotments of all constituent institutions under their control equal the amount of reduction ordered against the lump sum appropriation made by the Legislature. Such reductions against the lump sum appropriation shall not exceed the percentage reduction ordered against other agencies of the state in accordance with Section 23, Article 10, Oklahoma Constitution.

SECTION 6. AMENDATORY 70 O.S. 1991, Section 3210, is amended to read as follows:

Section 3210. (a) All appropriations made by the Legislature for state educational institutions of the State System shall be made to the State Regents in consolidated form, indicating the amount appropriated from the General Revenue Fund and each special fund, without reference to the amount appropriated to any particular institution. On April 1 of each year, or as soon thereafter as possible, but not later than June 15 of each year, the State Regents

shall certify to the Director of State Finance such portions of the consolidated appropriation as they shall have allocated to each institution from the General Revenue Fund and each special fund for the next fiscal year and the amount of the allocation for each institution which is to be reserved for the purpose authorized by subsection B of Section 41.14 of Title 62 of the Oklahoma Statutes. The Director of State Finance shall allocate the revenue deposited in the State Treasury to the credit of the General Revenue Fund to a cash account for each institution or special appropriation, and to any unallocated portion of such consolidated appropriations, on a percentage basis in the same manner as provided by law for allocations of cash to Legislative appropriations for other departments and institutions.

(b) The State Regents may make additional allocations from the consolidated appropriation to any institution during the year but they shall not decrease the amount allocated to any institution during the year. Where an additional allocation is made to an institution, the Director of State Finance shall make such adjustment by decreasing the consolidated appropriation balance and increasing the appropriation of the institution or institutions to which the additional allocation is made. At the same time he shall make an adjustment between the cash accounts by reducing the consolidated cash account and increasing the institution's cash account, giving the institution or institutions credit in cash for that portion of revenue which has already been allocated to that portion of the consolidated appropriation transferred, thereby transferring the percentage of cash which belongs to the additional allocation made from the consolidated appropriation. Thereafter, the Director of State Finance shall increase the revenue allocations to each of the educational institutions which have received additional allocations so that such allocations shall take into consideration the original allocation plus the additional allocation from the consolidated appropriation. The State Regents may make additional allocations each month of the fiscal year but such allocations for all institutions shall be certified to the Director of State Finance at the same time and shall not take effect until the first day of the month following the month in which such additional allocations are certified to the Director of State Finance. The cash allocated to all of the institutions shall never exceed the amount of revenue which would have been allocated to the consolidated appropriation had such consolidated appropriation never been divided. The division of cash among the several institutions shall be considered a division of the revenue which would have been allocated to the consolidated account.

(c) Both the cash allocations and the appropriation allotments shall be considered cumulative in that the balance unexpended or unencumbered at the end of any month of the fiscal year shall add to the amount allocated during the subsequent months so that the fiscal year shall be considered as a unit.

(d) The appropriations allocated by the State Regents to each institution for the year on June 15 shall be set up in the same manner as other departments and institutions for contractual purposes except as otherwise provided in this section.

(e) Financial documents arising from the appropriation allocations to each institution shall be filed with the Director of State Finance in the same manner and at the same time as is now provided by law.

(f) Nothing contained in this section shall be construed to change existing laws relating to the apportionment of cash to Section 13 or New College Funds for each of the institutions which under present laws receive monies from such sources. Provided, that nothing herein shall be construed to give the State Regents authority to take money from the revolving fund of one institution and give it to another institution. Revolving funds of all of the constituent institutions shall operate as a continuing appropriation under the law creating each such revolving fund which allocates the revenue collected by each such institution to the revolving fund of that institution. None of such institutions shall incur obligations against such revolving fund in excess of the unencumbered balance of surplus cash on hand. Such revolving funds shall be nonfiscal year appropriations, and shall be disbursed by warrants issued by the State Treasurer.

(g) No expenditure from any of the revolving funds of the various institutions shall be made for any purpose, except that for which said portion of said fund was specifically collected; provided, that when any portion of any of such revolving funds shall not be needed for the purpose for which the same was collected, the State Regents may, upon the request of the Board of Regents of any institution, authorize such Board of Regents to expend such unneeded balance of such revolving fund for any other purpose which, in the opinion of the State Regents, shall be necessary or desirable in the conduct of such institution.

(h) The Director of State Finance shall make monthly reports to the institutions and agencies comprising the State System indicating, by classification of funds, the amounts allotted by the State Regents, the cumulative expenditures at the end of each month, the unexpended balances, the encumbrances outstanding, and the unencumbered balances at the end of the month.

(i) The State Regents shall direct the disposition of such funds as the Legislature shall appropriate, which funds shall be allocated to the state educational institutions entitled thereto under the provisions of, and in accordance with, the Enabling Act and the Constitution of the State of Oklahoma, for the support of such state educational institutions.

SECTION 7. AMENDATORY 70 O.S. 1991, Section 3903, is amended to read as follows:

Section 3903. (a) The Oklahoma State System of Higher Education shall operate an allotment system similar to the procedure set out in the Oklahoma Budget Law of 1947, Sections 41.1 et seq. of Title 62 of the Oklahoma Statutes, for other agencies of the state except that the State Regents shall be substituted for the Director of State Finance in connection with approving allotment requests of the constituent institutions and agencies comprising the State System. The account classification for the State System shall

conform as nearly as possible with the classification of accounts recommended by the publications of the National Association of College and University Business Officers. The State Regents shall allocate to each institution and agency in the State System, from the consolidated or lump-sum appropriation made by the Legislature, an amount sufficient to meet the needs and functions of the institution or agency for the entire year. Upon such allocation, monies appropriated for educational and general purposes shall be transferred to the Educational and General Operations Revolving Fund of the institution or agency and monies appropriated for capital improvement purposes shall be transferred to the Capital Improvement Revolving Fund of the institution or agency. The amount allocated to an institution or agency for each fiscal year shall be made in a lump sum without regard to uniform budget or accounting classifications, but shall not be available for expenditure until subsequently allotted by the State Regents.

(b) The State Regents, with the approval of the Director of State Finance, may allot money to any such institution or agency to establish and operate a petty cash fund at the institution or agency; said fund shall only be reimbursed upon the filing of claims showing the purposes for which the money was expended. No single expenditure from any petty cash fund so established and operated shall exceed ~~Three Hundred Dollars (\$300.00)~~ Five Hundred Dollars (\$500.00). Splitting of invoices for the purpose of avoiding this limitation is prohibited. Except for payments to sports officials, research participants, refunds to students, competition judges, and temporary farm crews employed at Oklahoma Agricultural Experiment Stations, expenditures from such fund for personal services, travel reimbursement, or professional services are prohibited. Further, the exemption for payments to sports officials and refunds to students is limited to only those institutions which have previously been authorized to participate in both the "Alternate Claims Processing", by the Director of State Finance, and "Remote Warrant Printing", by the State Treasurer. The Oklahoma State Regents for Higher Education shall publish uniform guidelines applicable to all institutions of higher education for expenditures from petty cash funds, which shall be strictly adhered to.

(c) Governing boards of control are integral parts of institutions under their respective jurisdiction; therefore, the expenses of boards in carrying out their respective duties shall be paid from the operating budgets of the institutions and other budget agencies under their jurisdiction. In cases where a board is the governing board for two or more institutions and/or other budget agencies, the board shall prorate its operating expenses among the institutions and/or other budget agencies so governed. Prior to the beginning of the fiscal year, each board shall prepare a budget, setting out in detail its necessary expenses for the entire fiscal year and shall, not later than July 1, file a copy of its budget with the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Director of State Finance and the Legislative Service Bureau. Said budget shall include all full-time-equivalent positions in each activity or division and an itemization of all sources of income used for operations and programs. Each board shall revise its budget, if necessary, and provide said revisions to the President Pro Tempore of the Senate,

the Speaker of the House of Representatives, the Director of State Finance, and the Legislative Service Bureau not later than January 1 of each year. In cases where a board has jurisdiction over two or more institutions or budget agencies, it shall, not later than July 1, notify the President of each institution as to the amount of its pro rata share of the board's expense budget that will be assessed against the institution and/or other budget agency during the fiscal year.

(d) Prior to the beginning of the fiscal year, the coordinating board of the Oklahoma State Regents for Higher Education shall prepare a budget setting out in detail its necessary expenses for the entire fiscal year, and, not later than July 1, shall file a copy of its budget with the Director of State Finance and the Legislative Service Bureau. The State Regents shall allocate the money required to fund its budget prior to making distribution of appropriated monies to the various institutions of The Oklahoma State System of Higher Education.

(e) The Division of Central Accounting and Reporting shall make cash allocations of revenue in accordance with Section 23 of Article X of the Oklahoma Constitution, to each institution and agency, considering the total allocation made by the State Regents from the lump-sum legislative appropriation as the total appropriation for the institution or agency, in lieu of legislative appropriations. All income available to an institution or agency for educational and general purposes, as defined in the uniform budget and accounting classifications recommended by the publications of the National Association of College and University Business Officers, and including income defined by law as revolving fund income, shall operate as a continuing nonfiscal appropriation which may be expended for any educational and general purpose for which appropriated funds may be expended, if allocated and allotted in accordance with the Oklahoma Budget Law of 1947, as provided in this section; provided that no obligation shall be incurred in excess of the unencumbered balance of cash on hand.

(f) At least thirty (30) days prior to the beginning of each fiscal year, each of the constituent institutions and agencies shall file with the State Regents its request for appropriation allotments for each of the purposes for which expenditures are to be made. Such requests shall be in conformity with the uniform budget or accounting classifications recommended by the publications of the National Association of College and University Business Officers. Each request for appropriation allotments shall show the amount required to finance each item of the request for the entire year and for each quarter or each six-month period within the fiscal year, as required by the Director of State Finance. The State Regents, or their designated official or employee who has been authorized to approve itemized allotment requests, shall consider the allotment requests for the purpose of making a determination that: (1) the current financial requirements of the institution or agency concerned justify the allotment to be made; (2) the accounting classification is sufficient to reflect the purpose for which expenditures are to be made and that such classification is in accordance with the budget classifications adopted by the Director of State Finance and the State Regents, which shall conform as

nearly as possible to the account classification recommended by the publications of the National Association of College and University Business Officers; and (3) the realization of estimated revenues determined by the Director of State Finance is sufficient to allow the commitments to be made. In allotting appropriations and other funds, and approving subsequent allotments, which may be required by each institution and agency the State Regents shall follow the same general procedure as other agencies of the state not under the control of the State Regents, except as otherwise provided in this section. All forms and account classifications shall be mutually agreed upon by the Director of State Finance and the State Regents. The State Regents shall file approved requests of constituent institutions and agencies with the Division of Central Accounting and Reporting. The State Regents and the Director of State Finance shall approve any request from the administrative head of a constituent institution or agency for amendment of the approved schedule of positions and salaries or transfers between items, so long as the currently approved allotment for such purposes is not exceeded and each such amendment shall be filed with the Director of State Finance, in such detail as he may require, prior to the date on which the first payroll or other disbursement affected by such amendments is submitted for payment. In the event that the realization of estimated revenues at any time during the fiscal year indicates that the total revenue from that fiscal year to any state fund will be insufficient at the end of the fiscal year to meet the total appropriations from that fund, the Director of State Finance shall notify the State Regents as to the amount of reduction necessary against the consolidated, or lump-sum appropriation, made to the State Regents.

(g) The State Regents in making itemized allotments during the fiscal year, may reserve an amount sufficient to meet a reasonable failure of revenue until receipt of notice from the Director of State Finance that the realization of estimated revenues indicates that the total appropriations may be allotted for expenditure. Upon receipt of notice from the Director of State Finance of a necessary reduction in the consolidated, or lump-sum appropriation, to meet a failure in revenue, the State Regents shall immediately take action to control the approval of subsequent allotment requests sufficient to make the aggregate reduction in allotments of all constituent institutions under their control equal the amount of reduction ordered against the lump-sum appropriation made by the Legislature. Such reductions against the lump-sum appropriation shall not exceed the percentage reduction ordered against other agencies of the state, in accordance with Section 23 of Article X of the Oklahoma Constitution.

SECTION 8. AMENDATORY Section 2, Chapter 367, O.S.L. 1992, as renumbered by Section 54, Chapter 242, O.S.L. 1994 (74 O.S. Supp. 1998, Section 840-2.7), is amended to read as follows:

Section 840-2.7 Beginning July 1, 1993, all state agencies, boards, commissions, departments and offices, excluding ~~state institutions of higher education~~ entities within The Oklahoma State System of Higher Education, shall utilize the central payroll system administered by the state Office of Personnel Management. This

provision shall not prohibit state institutions of higher education from utilizing the central payroll system at their discretion.

SECTION 9. This act shall become effective July 1, 1999.

SECTION 10. 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 Senate the 21st day of May, 1999.

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President of the Senate

Passed the House of Representatives the 25th day of May, 1999.

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Speaker of the House of Representatives