

STATE OF OKLAHOMA

2nd Session of the 49th Legislature (2004)

CONFERENCE COMMITTEE
SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 1995

By: Mitchell and Bonny of the
House

and

Morgan and Robinson of the
Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to public finance; amending 62 O.S. 2001, Sections 41.5a, 41.5a-1, 41.5e, as amended by Section 1 of Enrolled House Bill No. 2197 of the 2nd Session of the 49th Oklahoma Legislature, 41.5f, 41.5g, 41.5h, 41.5i, 41.5j, 41.5 l, 41.5p and 41.5s, which relate to the Oklahoma Budget Law of 1947; deleting duty of the Information Services Division; expanding prohibition; making certain information confidential; deleting obsolete language; expanding requirements and scope of a long range plan; making the Office of State Finance responsible for certain duties; modifying distribution of certain report; clarifying name of certain systems; expanding reimbursement requirement for the Information Services Division; clarifying procedure for installation of certain communication equipment; modifying duties of the Information Services Division; requiring approval and plans for certain purchases; modifying certain revolving fund; authorizing creation of certain continuing funds; requiring use of certain web site; modifying duties of the State Governmental Internet Applications Review Board; repealing 62 O.S. 2001, Section 41.5o, which relates to converting state computer systems; and providing an effective date.

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

SECTION 1. AMENDATORY 62 O.S. 2001, Section 41.5a, is amended to read as follows:

Section 41.5a A. The Information Services Division shall:

1. Coordinate data processing planning through analysis of each agency's long-term data processing plans;
2. Develop a state-wide data processing plan with annual modifications to include as a minimum:

- a. individual agency plans,
 - b. information systems plans for the state-wide electronic data processing function,
 - c. major development projects proposed for the current year and the next three (3) years, and
 - d. an explanation of revisions to previous plans;
3. Establish minimum mandatory standards for:
- a. information systems planning,
 - b. systems development methodology,
 - c. documentation,
 - d. hardware requirements and compatibility,
 - e. operating systems compatibility,
 - f. software and hardware acquisition,
 - g. data security and internal controls,
 - h. data base compatibility, and
 - i. contingency planning and disaster recovery.

Such standards shall, upon adoption, be the minimum requirements applicable to all agencies. These standards shall be compatible with the standards established for the Oklahoma Government Telecommunications Network created in Section ~~4~~ 41.5m of this ~~act~~ title. Individual agency standards may be more specific than state-wide requirements but shall in no case be less than the minimum mandatory standards. Where standards required of an individual agency of the state by agencies of the federal government are more strict than the state minimum standards, such federal requirements shall be applicable;

4. Develop and maintain applications for agencies not having the capacity to do so;

5. Operate a data processing service center to provide operations and hardware support for agencies requiring such services and for state-wide systems;

6. Maintain a directory of application systems, systems software, hardware, internal and external data processing studies and training courses in use by all agencies of the state; and facilitate the utilization of such resources by any agency having requirements which are found to be available within any agency of the state;

7. Assist agencies in the acquisition and utilization of data processing systems and hardware to effectuate the maximum benefit for the provision of services and accomplishment of the duties and responsibilities of agencies of the state;

~~8. In conjunction with the Office of Personnel Management, establish training guidelines for electronic data processing personnel, assist agencies in placing personnel in appropriate courses offered by other agencies of the state, and sponsor training courses for attendance by data processing personnel of all agencies;~~

~~9.~~ Coordinate for the executive branch of state government agency data processing activities, encourage joint projects and common systems, and linking of agency systems through the review of agency plans, development of a state-wide plan and its integration with the budget process to ensure that developments and/or acquisitions are consistent with state-wide objectives and that proposed systems are justified and cost effective;

~~10.~~ 9. Develop performance reporting guidelines for data processing facilities and conduct an annual review to compare agency plans and budgets with results and expenditures;

~~11.~~ 10. Establish operations review procedures for data processing installations operated by agencies of the state for independent assessment of productivity, efficiency, and cost effectiveness;

~~12.~~ 11. Establish service center user charges for billing costs to agencies based on the use of all resources; and

~~13.~~ 12. Provide system development and consultant support to state agencies on a contractual, cost reimbursement basis.

B. No agency of the executive branch of the state shall use state funds for or enter into any agreement for the acquisition of computer hardware ~~or~~, software, or contracts for information technology services and equipment exceeding Two Thousand Five Hundred Dollars (\$2,500.00) in value without written authorization of the Director of State Finance. The provisions of this subsection shall not be applicable to any member of The Oklahoma State System of Higher Education, any public elementary or secondary schools of the state, or any technology center school district as defined in Section 14-108 of Title 70 of the Oklahoma Statutes.

C. The provisions of this act shall not require the disclosure, directly or indirectly, of any information of a state agency which is declared to be confidential or privileged by state or federal statute or the disclosure of which is restricted by agreement with the United States or one of its agencies, nor the disclosure of data processing system details that may permit the access to confidential information or any information affecting personal security or physical security of the assets of this state.

SECTION 2. AMENDATORY 62 O.S. 2001, Section 41.5a-1, is amended to read as follows:

Section 41.5a-1 ~~A.~~ The Information Services Division shall, at the end of each month, render a statement of charges to all state agencies to which it has furnished processing services for the direct costs of the Division's Data Service Center. In total, such charges shall not exceed the direct costs of the Division's Data Service Center. Systems analysts and programming services costs shall be recovered directly from the agency for which the service was rendered, as agreed to by that agency, and shall not be prorated to agencies not receiving such services. All amounts so collected

shall be deposited in the State Treasury to the credit of the General Revenue Fund.

~~B. Any unobligated balance in the Department of Transportation Data Processing Planning Revolving Fund at the close of the fiscal year ending June 30, 1985, shall be transferred by the Director of State Finance to the General Revenue Fund. Any obligated balance in the Department of Transportation Data Processing Planning Revolving Fund shall be transferred to the Office of State Finance as the Data Service Center Temporary Revolving Fund effective July 1, 1985, and monies in said fund shall lapse November 15, 1985.~~

SECTION 3. AMENDATORY 62 O.S. 2001, Section 41.5e, as amended by Section 1 of Enrolled House Bill No. 2197 of the 2nd Session of the 49th Oklahoma Legislature, is amended to read as follows:

Section 41.5e A. All agencies of the executive branch of this state presently using or contemplating the use of electronic data processing applications, including but not limited to, the use of mainframe computers, minicomputers or microcomputers, word processing equipment, ~~or~~ office automation systems, Internet, eGovernment, or contracts for information technology services and equipment, shall annually submit to the Information Services Division a long-range plan, summarizing the agency's detailed plan, for not less than the ensuing three (3) fiscal years, which shall include as a minimum:

1. An overview of major projects and objectives;
2. Estimated resource requirements including personnel, hardware, and software;
3. Key project dates;
4. Project priorities;
5. Estimated project costs and benefits;
6. Revisions to previous plans;

7. Specific segments which will be included in the agency budget request for the next ensuing fiscal year;

8. An assurance of compliance with state standards on accessibility of information technology for individuals with disabilities developed in accordance with Section ~~2~~ 41.5t of this act title; and.

9. Such other information as the Information Services Division may require for analysis and consolidation into a statewide plan for electronic data processing.

B. No agency of the executive branch of this state shall enter into any agreement for the acquisition, development, or enhancement of application systems software or for the acquisition of electronic data processing equipment, peripheral devices, including Internet and eGovernment, whether or not connected to such equipment, unless the cost of such acquisition, development, or enhancement has been included in said agency's plan. The Information Services Division upon review of an agency's data processing and telecommunication plan shall submit in writing to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate its findings and recommendations on all proposed new and expanded programs and expenditures for personnel and the purchase or acquisition of equipment, hardware and software or accessories thereto, including but not limited to leases, rentals or lease-purchase, indicating that the associated cost meet or comply with Section 41.5a of this title.

C. The provisions of this section shall not apply to the telecommunications network known as OneNet whether said network is governed or operated by the Oklahoma State Regents for Higher Education or any other state entity assigned responsibility for OneNet.

SECTION 4. AMENDATORY 62 O.S. 2001, Section 41.5f, is amended to read as follows:

Section 41.5f A. ~~The Oklahoma Integrated Central Systems Management Division~~ Office of State Finance shall:

1. Develop and/or acquire application software, including such modifications as may be required, to implement modern automated systems in the ~~Office of Public Affairs~~ Department of Central Services, the Office of Personnel Management, and the Office of State Finance. Such systems ~~may~~ include applications for accounting, budgeting, payroll/personnel, and purchasing;

2. Coordinate the ~~phased~~ initial implementation of the application systems with the three central service agencies of the state and coordinate the phased implementation of the application systems with the executive branch of state government;

3. Develop procedures manuals and the related training necessary to implement the application systems;

4. Maintain and enhance, as necessary, the application systems of the ~~Oklahoma~~ Integrated Central Systems; and

5. Ensure the integrity of information in the ~~Oklahoma~~ Integrated Central Systems through data security measures, internal controls, and appropriate data base management.

B. The Director of State Finance shall make all policy decisions required to implement the ~~Oklahoma~~ Integrated Central Systems in accordance with this section after consultation with other affected agencies.

C. The Director of State Finance may enter into contracts for services, equipment, software, or supplies needed to carry out the provisions of this section.

D. The Director of State Finance shall submit a quarterly report to the Joint Legislative Committee on ~~Fiscal Operations~~ Budget and Program Oversight. The report shall include a schedule for completion of the project, a description of activities currently under way and work completed in the previous quarter, and an account

of expenditures in the previous quarter. ~~The first such report shall be submitted on or before October 1, 1987.~~

SECTION 5. AMENDATORY 62 O.S. 2001, Section 41.5g, is amended to read as follows:

Section 41.5g A. The Director of State Finance shall, by appropriate notification, advise agencies of the state when applications of the ~~Oklahoma Financial Information System~~ Integrated Central Systems are available for their use. Thereafter, each agency of the state shall submit transactions to the Office of State Finance, the Office of Personnel Management, and the ~~Office of Public Affairs~~ Department of Central Services in the manner and format required to effectuate the utilization of the ~~Oklahoma Financial Information System~~ Integrated Central Systems for all transactions for which an application is available.

~~Provided that nothing~~ B. Nothing in this section shall be construed as to administratively place agencies currently exempt from any provisions of the Budget Act of 1947, the Central Purchasing Act, or the Oklahoma Personnel Act under the purview of such provisions.

SECTION 6. AMENDATORY 62 O.S. 2001, Section 41.5h, is amended to read as follows:

Section 41.5h A. The Information Services Division of the Office of State Finance is directed, authorized and empowered to establish criteria for and manage the installation, maintenance and administration of a central communication or intercommunication system for and upon behalf of this state, ~~the~~. The installation shall fulfill communication or intercommunications requirements of this state and its agencies located in the Capitol and those buildings situated on the Capitol grounds, known as the "Capitol Complex" in Oklahoma City, Oklahoma, and the state owned building known as the "Tulsa Capitol Building" in Tulsa, Oklahoma.

B. The Division shall render a statement of charges at the end of each month to all state agencies to which it has furnished communications services for the direct cost sustained, provided that:

1. A ~~pro-rata~~ pro rata formula is to be established in writing after giving consideration to the type of service furnished, the number and kinds of instruments used, the cost of operation and special installations required in each such agency in relation to the total cost of local service. The formula, once determined, is not to be redetermined more often than once every six (6) months nor to be changed after any such redetermination before the expiration of six (6) months; and

2. The Division is to be reimbursed by the state or any of its agencies for actual cost incurred for equipment installation or modification or for toll charges for use of telephone, telegraph, teletype, data communications, Internet, eGovernment, or other form or forms of communication or intercommunication incurred by the state or by any agency.

C. No telephone, teletype, switchboard, line, cable system, data communication system, Internet, eGovernment, as referenced in Sections 41.5p and 41.5q of this title, or systems of communication or intercommunication are to be installed in any building or buildings owned, rented, leased or otherwise held by this state or its agencies at locations described in subsection A of this section without written order of the Director of State Finance. Provided, however, that acquisition and installation of such equipment in the ~~House of Representatives~~ Legislature shall be subject to the final approval of the Speaker of the House of Representatives or the President Pro Tempore of the Senate as appropriate.

~~D. The employees of the Centrex Unit of the Communications Division of the Office of Public Affairs, and the funds, records, equipment, furniture and fixtures, files and supplies, of whatsoever~~

~~kind and character now utilized by the Centrex Unit shall be and are ordered transferred to the Information Services Division of the Office of State Finance.~~

~~E. No employee transferred pursuant to subsection D of this section shall be required to accept a lesser grade of salary than presently received plus any salary adjustments provided by the Legislature for state employees, and no entrance examination shall be required for continued employment in the same or similar positions with the Office of State Finance.~~

SECTION 7. AMENDATORY 62 O.S. 2001, Section 41.5i, is amended to read as follows:

Section 41.5i In addition to the powers and duties as defined elsewhere in this title, the Information Services Division of the Office of State Finance shall:

1. Coordinate statewide planning for communication and telecommunications needs of state government, including, but not limited to, voice, data, radio, video, Internet, eGovernment, and facsimile transmissions through analysis of each agency's long-term communication and telecommunications plans;

2. Develop and integrate a statewide communications plan to address the design requirements and networks necessary to serve agency needs, which will consist of as a minimum:

- a. an inventory of communication or telecommunication equipment owned, leased or rented for use in communication services for state government, including communication services provided as part of any other total system to be used by the state or any of its agencies,
- b. current budget plans, expenditures and resources necessary to operate any and all systems included in the above inventory,

- c. major development projects proposed for the current fiscal year and the next three (3) fiscal years and the anticipated results and benefits to be achieved, and
 - d. an explanation of revisions to previous plans;
3. Establish minimum mandatory standards and protocols for:
- a. communication networks and equipment,
 - b. wide area and local area systems,
 - c. integration of equipment, systems and joint usage,
 - d. Internet and eGovernment,
 - e. operating systems or methods to be used to meet communications requirements efficiently and effectively,
 - ~~e.~~ f. rendering of aid between state government and its political subdivisions with respect to organizing of communications systems, and
 - ~~f.~~ g. an economical and cost-effective utilization of communication services.

Such standards and protocols shall be compatible with the standards and protocols established for the Oklahoma Government Telecommunications Network created in Section ~~4~~ 41.5m of this ~~act~~ title;

4. Serve as a focal point for all statewide projects involving current communications vendors where the focus of such authority can substantially enhance the state communications plan or the savings which can be achieved thereunder;

5. Provide, when requested by political subdivisions of the state, for the organizing of communications or telecommunications systems and service between the state and its political subdivisions and enter into agreements to effect the purposes of this section;

6. Cooperate with any federal, state or local emergency management agency in providing for emergency communications and telecommunication services;

7. Apply for, receive, and hold, or assist agencies in applying for, receiving or holding such authorizations, licenses and allocations of channels and frequencies to carry out the purposes of this section;

8. Accomplish such other purposes as may be necessary or incidental to the administration of its authority or functions pursuant to law; and

9. Provide support for telecommunication networks of state agencies through analysis of each agency's telecommunications needs and requirements and promotion of the use of the Oklahoma Government Telecommunications Network created in Section ~~4~~ 41.5m of this ~~act~~ title.

SECTION 8. AMENDATORY 62 O.S. 2001, Section 41.5j, is amended to read as follows:

Section 41.5j A. No agency of the executive branch of the state shall use state funds for or enter into any agreement for the acquisition, development or enhancement of a communication or telecommunication system including voice, data, radio, video, Internet, eGovernment, and facsimile systems, without written authorization of the Director of State Finance. The Director of State Finance shall verify that any such acquisition, development or enhancement is compatible with the operation of the Oklahoma Government Telecommunications Network created in Section 41.5m of this title.

B. Not later than September 1 of each year, all agencies of the state presently using or contemplating the use of voice, data, radio, video, Internet, eGovernment, and facsimile communication or telecommunication systems shall submit to the Information Services Division of the Office of State Finance a long-range plan

summarizing the agency's detailed plan, for not less than the current fiscal year and the ensuing three (3) fiscal years.

Agencies may submit to the Information Services Division of the Office of State Finance revisions or amendments to its long-range plan as deemed necessary by the agencies. The plan shall include at a minimum:

1. An inventory of communication or telecommunication equipment owned, leased or rented for use in all communication services for state government, including communication services provided as part of any other total system to be used by the state or any of its agencies;

2. Current budget plans, expenditures and resources necessary to operate any and all systems included in the above inventory;

3. Major development projects proposed for the current fiscal year and the next three (3) fiscal years and the anticipated results and benefits to be achieved;

4. An explanation of revisions to previous plans;

5. Key project dates; and

6. Specific segments which will be included in the agency budget request for the ensuing fiscal year.

C. No agency of the executive branch of the state shall enter into any agreement for the acquisition, development or enhancement of a communication or telecommunication system or service including voice, data, radio, video, Internet, eGovernment, and facsimile systems, unless the cost of such addition, change, improvement or development has been included in the statewide communications plan of the Information Services Division, as said plan may have been amended or revised.

D. State agencies may enter into interagency contracts to share communications and telecommunications resources for mutually beneficial purposes. The contract shall clearly state how its purpose contributes to the development or enhancement or cost

reduction of a state network which includes voice, data, radio, video, Internet, eGovernment, or facsimile systems. The contract shall be approved by the Information Services Division before any payments are made.

E. The provisions of this section shall not apply to the telecommunications network known as OneNet whether said network is governed or operated by the Oklahoma State Regents for Higher Education or any other state entity assigned responsibility for OneNet.

SECTION 9. AMENDATORY 62 O.S. 2001, Section 41.5 l, is amended to read as follows:

Section 41.5 l There is hereby created in the State Treasury a revolving fund for the Office of State Finance to be designated the "~~Centrex~~ Telecommunications Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of appropriations made by the Legislature and reimbursements for providing telecommunications services as defined in Sections 41.5i, 41.5j and 41.5p of this title. All monies accruing to such fund are hereby appropriated and may be budgeted and expended by the Office of State Finance for the purpose of providing telecommunications, Internet, eGovernment, and other related services. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment. If necessary, the Director of State Finance may establish separate continuing funds to track the different categories of revenues and expenditures.

SECTION 10. AMENDATORY 62 O.S. 2001, Section 41.5p, is amended to read as follows:

Section 41.5p A. In order to be at the forefront of electronic commerce and provide constituents, agencies and out-of-state users with state-of-the-art electronic commerce and Internet tools, the

State of Oklahoma recognizes the need for a state portal system connecting state agency websites and information systems. All executive branch agencies, boards, commissions, and authorities shall use the official web site of the state.

B. For purposes of this section and Section 4 41.5s of this ~~act~~ title, a "portal system" shall mean a system that hosts and connects to a collection of ~~on-line~~ online government and public services and serves as the single point of access to state government services, information, and transaction processing with a common enterprise wide user interface allowing navigation among the services.

SECTION 11. AMENDATORY 62 O.S. 2001, Section 41.5s, is amended to read as follows:

Section 41.5s A. There is hereby established the State Governmental Internet Applications Review Board. The Board shall review and make recommendations to the Office of State Finance concerning state governmental Internet-based electronic/~~on-line~~ online transactions or applications being provided by state agencies, boards, commissions, or authorities for use by the public.

B. The State Governmental Internet Applications Review Board shall be composed of the following members:

1. The Director of the Office of State Finance or a designee;
2. Four representatives from different state agencies, boards, commissions, or authorities to be appointed by the Governor;
3. One member who is not a member of the Legislature or a state government employee to be appointed by the Speaker of the House of Representatives; and
4. One member who is not a member of the Legislature or a state government employee to be appointed by the President Pro Tempore of the Senate.

C. Members of the Board shall serve for terms of two (2) years. The Board shall select a chair from among its members.

D. Members of the Board shall not receive compensation for serving on the Board, but shall be reimbursed for travel expenses incurred in the performance of their duties by their respective agencies or appointing authority in accordance with the State Travel Reimbursement Act.

E. The Board shall have the duty and responsibility of:

~~1. Reviewing all forms created by state agencies, boards, commissions, or authorities which are to be used by the public for state governmental Internet-based electronic/on-line transactions or applications;~~

~~2. Reviewing a schedule of convenience fees, as is defined in Section ~~2~~ 41.5g of this ~~act~~ title, and all convenience fees and changes in fees charged by state agencies, boards, commissions, or authorities for electronic/~~on-line~~ online transactions, and making recommendations pertaining to convenience fees to the Office of State Finance prior to its adoption ~~by rule~~ of such fees, changes to fees, or fee schedule; and~~

~~3. 2. Monitoring all portal systems and applications for portal systems created by state agencies, boards, commissions, or authorities, reviewing portal systems applications approved or denied by the Information Service Division of the Office of State Finance, and making recommendations to the Legislature and Governor to encourage greater use of the open-systems concept as is defined in Section ~~3~~ 41.5r of this ~~act~~ title.~~

SECTION 12. REPEALER 62 O.S. 2001, Section 41.5o, is hereby repealed.

SECTION 13. This act shall become effective November 1, 2004.

49-2-9193 SCE 05/19/04