

ENROLLED HOUSE
BILL NO. 2387

By: Bengé of the House

and

Crutchfield of the Senate

An Act relating to public finance; amending 62 O.S. 2001, Section 41.47, as amended by Section 3, Chapter 301, O.S.L. 2003 (62 O.S. Supp. 2005, Section 41.47), which relates to Program Budgeting Pilot Initiative; modifying name of certain committee; modifying purpose; modifying duties; providing for certain oversight; providing for submission of certain findings; providing for an appropriation; amending Section 2, Chapter 301, O.S.L. 2003 (62 O.S. Supp. 2005, Section 41.29-1), which relates to utilization of certain information by Office of State Finance; deleting evaluation report requirements; deleting utilization of report requirements by certain committees; deleting certain directive; providing for noncodification; and providing an effective date.

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

SECTION 1. AMENDATORY 62 O.S. 2001, Section 41.47, as amended by Section 3, Chapter 301, O.S.L. 2003 (62 O.S. Supp. 2005, Section 41.47), is amended to read as follows:

Section 41.47 A. There is hereby established the ~~Legislative Oversight Committee on State Budget Performance~~ Fiscal Analysis Investigation and Review Committee, hereafter referred to as the FAIR Committee. The purposes of this committee shall include ~~oversight of directing the implementation of a system of program performance-based budgeting for implementation by performance review and oversight of budgetary expenditures within selected state agencies or selected state agency programs.~~

B. The FAIR Committee's duties shall ~~also~~ include, but not be limited to:

1. ~~Development of agency budget request forms and instructions in conjunction with the Office of State Finance~~ Selection of the types or kinds of studies or audits to be performed for the purposes of aiding 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, state agencies, or state agency programs;

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 Issuing requests for proposals in regards to the selection of such studies or audits;~~

~~3. Selecting and approving the private or public sector entities to perform studies or audits;~~

~~4. Overseeing such studies and audits. Pursuant to this section, studies or audits may include, but are not limited to:~~

~~a. a review of the programs of the agency, performance and management,~~

~~b. determining whether the agency has demonstrated that there is a need for the services and programs which justifies the continued existence of the agency,~~

~~c. determining whether the agency is the most appropriate provider of the programs and services furnished by the agency,~~

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

~~a. (1) agency reorganization actions,~~

~~b. (2) executive orders calling for reduction of full-time-equivalents or hiring freezes, and~~

~~c. (3) transfer of funds by the executive branch;~~

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

~~6. Study of the management, operations, programs and fiscal needs of the agencies and institutions of Oklahoma state government pursuant to the Oklahoma Program Performance Budgeting and Accountability Act;~~

~~7. 6. Review of the executive budget, agency strategic plans and the estimate of needs of each state agency and institution. Reports may be issued by the Committee as it deems appropriate; and~~

~~8. Implementation of an ongoing evaluation review procedure of existing programs based on zero-base budgeting techniques pursuant to the Oklahoma Program Performance Budgeting and Accountability Act. The committee in cooperation with the Office of State Finance shall establish a schedule to review strategic plans and existing programs for each agency a minimum of once every four (4) years. The committee shall issue an evaluation report for each agency once every four (4) years which will include but not be limited to the following information:~~

- ~~a. a review of the agency's programs, performance and management,~~
- ~~b. whether the agency has demonstrated that there is a need for the services and programs which justifies the agency's continued existence,~~
- ~~c. whether the agency is the most appropriate provider of the programs and services furnished by the agency.~~

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

7. Review of the completed studies and audits; and

8. Submission of any findings or recommendations from the studies or audits deemed appropriate to the Governor, President Pro Tempore of the State Senate, and the Speaker of the Oklahoma House of Representatives.

~~D. C.~~ The FAIR Committee shall be composed of three members appointed by the President Pro Tempore of the Senate, three members appointed by the Speaker of the House of Representatives, two members by the minority leader of the Senate and two members appointed by the minority leader of the House of Representatives.

~~D.~~ The Chair and ~~Vice-Chair~~ Vice-chair of the FAIR Committee shall rotate every two (2) years between the Senate and the House of Representatives beginning with a Senate member serving as Chair in ~~2003~~ 2006. ~~The Committee shall meet at least four (4) times per year and at other times as called by the Chair. The Legislative Oversight Committee on State Budget Performance shall function as a committee of the Legislature when the Legislature is in session and is not in session.~~ Each member of the FAIR Committee shall serve until a successor is appointed.

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

~~F. The Committee may make use of all available teleconferencing technology to facilitate meetings of the 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. The Committee shall periodically meet in different geographical regions of the state to enhance the 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 not to be codified in the Oklahoma Statutes reads as follows:

General appropriations funding for the purposes of administering the FAIR Committee shall come in the form of a new line-item category added to the budget of the Legislative Service Bureau.

SECTION 3. AMENDATORY Section 2, Chapter 301, O.S.L. 2003 (62 O.S. Supp. 2005, Section 41.29-1), is amended to read as follows:

Section 41.29-1 ~~A.~~ The Appropriations and Budget Committee of the Oklahoma House of Representatives and the Appropriations Committee of the State Senate shall~~;~~

~~1. Utilize~~ utilize information collected by the Office of State Finance pursuant to Section 41.29 of Title ~~62 of the Oklahoma Statutes~~ this title and any reports issued by the ~~Legislative Oversight Committee on State Budget Performance~~ Fiscal Analysis Investigation and Review Committee to evaluate management programs, operations and fiscal needs of state agencies, boards, commissions, departments, divisions, offices, bureaus, institutions and other spending agencies, including those created or established pursuant to constitutional provisions~~;~~ and

~~2. File an evaluation report no later than March 1 of each fiscal year with the Chief Clerk of the Oklahoma House of Representatives and the Clerk of the State Senate which shall include, but not be limited to, the following information:~~

- ~~a. a review of the agency's programs, performance and management,~~
- ~~b. whether the agency has demonstrated a public need for the services and programs justifying the agency's continued existence, and~~
- ~~c. whether the agency is the most appropriate provider of the programs and services furnished by the agency.~~

~~B. The Appropriations and Budget Committee of the Oklahoma House of Representatives and the Appropriations Committee of the State Senate shall utilize information contained in the evaluation report in determining final appropriations for state agencies and in any future adjustments in funding levels.~~

~~C. No action shall be taken on a measure making an appropriation unless the evaluation report described by paragraph 2 of subsection A of this section with respect to the entity to which the appropriation is made has first been filed with the applicable clerk.~~

SECTION 4. This act shall become effective July 1, 2006.

Passed the House of Representatives the 15th day of March, 2006.

Presiding Officer of the House of
Representatives

Passed the Senate the 26th day of April, 2006.

Presiding Officer of the Senate