

EHB 2387

1 THE STATE SENATE
2 Monday, April 10, 2006

3 ENGROSSED

4 House Bill No. 2387

5 ENGROSSED HOUSE BILL NO. 2387 - By: BENGE of the House and
6 CRUTCHFIELD of the Senate.

7 An Act relating to public finance; amending 62 O.S. 2001,
8 Section 41.47, as amended by Section 3, Chapter 301, O.S.L.
9 2003 (62 O.S. Supp. 2005, Section 41.47), which relates to
10 Program Budgeting Pilot Initiative; modifying name of
11 certain committee; modifying purpose; modifying duties;
12 providing for certain oversight; providing for submission of
13 certain findings; providing for an appropriation; amending
14 Section 2, Chapter 301, O.S.L. 2003 (62 O.S. Supp. 2005,
15 Section 41.29-1), which relates to utilization of certain
16 information by Office of State Finance; deleting evaluation
17 report requirements; deleting utilization of report
18 requirements by certain committees; deleting certain
19 directive; providing for noncodification; and providing an
20 effective date.

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

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

25 Section 41.47 A. There is hereby established the ~~Legislative~~
26 ~~Oversight Committee on State Budget Performance~~ Fiscal Analysis
27 Investigation and Review Committee, hereafter referred to as the
28 FAIR Committee. The purposes of this committee shall include
29 ~~oversight of directing the implementation of a system of program~~
30 ~~performance-based budgeting for implementation by~~ performance review

1 and oversight of budgetary expenditures within selected state
2 agencies or selected state agency programs.

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

5 1. ~~Development of agency budget request forms and instructions~~
6 ~~in conjunction with the Office of State Finance~~ Selection of the
7 types or kinds of studies or audits to be performed for the purposes
8 of aiding in the development of legislative and procedural changes
9 to further improve the budgetary, financial, accounting, reporting,
10 personnel, and purchasing processes and systems of the state, state
11 agencies, or state agency programs;

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

16 3. ~~Direction of program evaluation and management studies;~~

17 4. ~~Oversight~~ Issuing requests for proposals in regards to the
18 selection of such studies or audits;

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

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

1 ~~7. 6.~~ Review of the executive budget, agency strategic plans
2 and the estimate of needs of each state agency and institution.

3 ~~Reports may be issued by the Committee as it deems appropriate; and~~

4 ~~8.~~ Implementation of an ongoing evaluation review procedure of
5 existing programs based on zero-base budgeting techniques pursuant
6 to the Oklahoma Program Performance Budgeting and Accountability
7 Act. The committee in cooperation with the Office of State Finance
8 shall establish a schedule to review strategic plans and existing
9 programs for each agency a minimum of once every four (4) years.

10 ~~The committee shall issue an evaluation report for each agency once~~
11 ~~every four (4) years which will include but not be limited to the~~
12 ~~following information:~~

13 a. ~~a review of the agency's programs, performance and~~
14 ~~management,~~

15 b. ~~whether the agency has demonstrated that there is a~~
16 ~~need for the services and programs which justifies the~~
17 ~~agency's continued existence,~~

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

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

1 7. Review of the completed studies and audits; and

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

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

11 D. The Chair and ~~Vice Chair~~ Vice-chair of the FAIR Committee
12 shall rotate every two (2) years between the Senate and the House of
13 Representatives beginning with a Senate member serving as Chair in
14 ~~2003~~ 2006. ~~The Committee shall meet at least four (4) times per~~
15 ~~year and at other times as called by the Chair. The Legislative~~
16 ~~Oversight Committee on State Budget Performance shall function as a~~
17 ~~committee of the Legislature when the Legislature is in session and~~
18 ~~is not in session.~~ Each member of the FAIR Committee shall serve
19 until a successor is appointed.

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

22 ~~F. The Committee may make use of all available teleconferencing~~
23 ~~technology to facilitate meetings of the Committee when the~~

1 ~~Legislature is not in session. The Committee shall take any~~
2 ~~appropriate action to make such teleconferenced meetings comply with~~
3 ~~the provisions of the Oklahoma Open Meeting Act, Section 301 et seq.~~
4 ~~of Title 25 of the Oklahoma Statutes.~~

5 ~~G. The Committee shall periodically meet in different~~
6 ~~geographical regions of the state to enhance the Committee's~~
7 ~~understanding of local conditions and to help educate the public as~~
8 ~~to the fiscal condition of the state.~~

9 SECTION 2. NEW LAW A new section of law not to be
10 codified in the Oklahoma Statutes reads as follows:

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

14 SECTION 3. AMENDATORY Section 2, Chapter 301, O.S.L.
15 2003 (62 O.S. Supp. 2005, Section 41.29-1), is amended to read as
16 follows:

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

20 ~~1. Utilize~~ utilize information collected by the Office of State
21 Finance pursuant to Section 41.29 of ~~Title 62 of the Oklahoma~~
22 ~~Statutes~~ this title and any reports issued by the ~~Legislative~~
23 ~~Oversight Committee on State Budget Performance~~ Fiscal Analysis

1 Investigation and Review Committee to evaluate management programs,
2 operations and fiscal needs of state agencies, boards, commissions,
3 departments, divisions, offices, bureaus, institutions and other
4 spending agencies, including those created or established pursuant
5 to constitutional provisions; ~~and~~

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

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

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

22 ~~C. No action shall be taken on a measure making an~~
23 ~~appropriation unless the evaluation report described by paragraph 2~~

1 ~~of subsection A of this section with respect to the entity to which~~
2 ~~the appropriation is made has first been filed with the applicable~~
3 ~~clerk.~~

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

5 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 4-5-06 - DO
6 PASS.