

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

HOUSE BILL 2387

By: Bengé

AS INTRODUCED

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; modifying membership of committee; providing for staggered terms; providing for an appropriation; repealing 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; providing for noncodification; providing an effective date; and declaring an emergency.

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~~ eleven (11) members who are Oklahoma residents. The terms of the members of the Committee shall be staggered.

1. Four members shall be appointed by the President Pro Tempore of the Senate, ~~three~~ as follows:

- a. two legislative members for a term of two (2) years,
- b. a representative of a small business with less than ten employees for a term of three (3) years, and
- c. a representative of a trade association for a term of four (4) years.

2. Five members shall be appointed by the Speaker of the House of Representatives, ~~two members~~ as follows:

- a. two legislative members for a term of two (2) years,
- b. a representative of a large corporation with over five hundred employees for a term of three (3) years,
- c. a representative of The Oklahoma State System of Higher Education from either a public or private institution, who serves in a teaching capacity in one of the following areas: business, economics, political science, or public administration for a term of four (4) years, and
- d. a representative, who formerly served in the capacity of one of the following: the director or head of a state agency, the chief financial officer of a state agency, or the chief of staff of a state agency for a term of five (5) years.

3. One legislative member to serve a term of two (2) years shall be appointed by the minority leader of the Senate ~~and two members.~~

4. One legislative member to serve a term of two (2) years shall be 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 legislative members beginning with a Senate member serving as Chair in ~~2003~~ 2006. The FAIR 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 PROBE 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 FAIR Committee may make use of all available teleconferencing technology to facilitate meetings of the FAIR 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. REPEALER Section 2, Chapter 301, O.S.L. 2003 (62 O.S. Supp. 2005, Section 41.29-1), is hereby repealed.

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

SECTION 5. 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.

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