

1 STATE OF OKLAHOMA

2 1st Session of the 51st Legislature (2007)

3 COMMITTEE SUBSTITUTE

4 FOR

HOUSE BILL NO. 1767

By: Blackwell

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7 COMMITTEE SUBSTITUTE

8 An Act relating to schools; amending 70 O.S. 2001,
9 Section 3903, which relates to the allocation and
10 allotment system for The State System of Higher
11 Education; updating statutory language; changing
12 Oklahoma State Regents for Higher Education budget
13 preparation timeframe; deleting certain process for
14 allocating funds for the Regents budget; providing
15 for appropriation of funds for the Regents budget;
16 providing an effective date; and declaring an
17 emergency.

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

19 SECTION 1. AMENDATORY 70 O.S. 2001, Section 3903, is
20 amended to read as follows:

21 Section 3903. ~~(a)~~ A. The Oklahoma State System of Higher
22 Education shall operate an allotment system similar to the procedure
23 set out in the Oklahoma Budget Law of 1947, Sections 41.1 et seq. of
24 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

1 the constituent institutions and agencies comprising the State
2 System. The account classification for the State System shall
3 conform as nearly as possible with the classification of accounts
4 recommended by the publications of the National Association of
5 College and University Business Officers. The State Regents shall
6 allocate to each institution and agency in the State System, from
7 the consolidated or lump-sum appropriation made by the Legislature,
8 an amount sufficient to meet the needs and functions of the
9 institution or agency for the entire year. Upon such allocation,
10 monies appropriated for educational and general purposes shall be
11 transferred to the Educational and General Operations Revolving Fund
12 of the institution or agency and monies appropriated for capital
13 improvement purposes shall be transferred to the Capital Improvement
14 Revolving Fund of the institution or agency. The amount allocated
15 to an institution or agency for each fiscal year shall be made in a
16 lump sum without regard to uniform budget or accounting
17 classifications, but shall not be available for expenditure until
18 subsequently allotted by the State Regents.

19 ~~(b)~~ B. The State Regents, with the approval of the Director of
20 State Finance, may allot money to any ~~such~~ institution or agency to
21 establish and operate a petty cash fund at the institution or
22 agency; ~~said~~. The petty cash fund shall only be reimbursed upon the
23 filing of claims showing the purposes for which the money was
24 expended. No single expenditure from any petty cash fund so

1 established and operated shall exceed Five Hundred Dollars
2 (\$500.00). Splitting of invoices for the purpose of avoiding this
3 limitation is prohibited. Except for payments to sports officials,
4 research participants, refunds to students, competition judges, and
5 temporary farm crews employed at Oklahoma Agricultural Experiment
6 Stations, expenditures from ~~such~~ the fund for personal services,
7 travel reimbursement, or professional services are prohibited.
8 Further, the exemption for payments to sports officials and refunds
9 to students is limited to only those institutions which have
10 previously been authorized to participate in both the "Alternate
11 Claims Processing", by the Director of State Finance, and "Remote
12 Warrant Printing", by the State Treasurer. The Oklahoma State
13 Regents for Higher Education shall publish uniform guidelines
14 applicable to all institutions of higher education for expenditures
15 from petty cash funds, which shall be strictly adhered to.

16 ~~(e)~~ C. Governing boards of control are integral parts of
17 institutions under their respective jurisdiction; ~~therefore.~~
18 Therefore, the expenses of boards in carrying out their respective
19 duties shall be paid from the operating budgets of the institutions
20 and other budget agencies under their jurisdiction. In cases where
21 a board is the governing board for two or more institutions and/or
22 other budget agencies, the board shall prorate its operating
23 expenses among the institutions and/or other budget agencies so
24 governed. Prior to the beginning of the fiscal year, each board

1 shall prepare a budget, setting out in detail its necessary expenses
2 for the entire fiscal year and shall, not later than July 1, file a
3 copy of its budget with the President Pro Tempore of the Senate, the
4 Speaker of the House of Representatives, the Director of State
5 Finance and the Legislative Service Bureau. ~~Said~~ The budget shall
6 include all full-time-equivalent positions in each activity or
7 division and an itemization of all sources of income used for
8 operations and programs. Each board shall revise its budget, if
9 necessary, and provide ~~said~~ revisions to the President Pro Tempore
10 of the Senate, the Speaker of the House of Representatives, the
11 Director of State Finance, and the Legislative Service Bureau not
12 later than January 1 of each year. In cases where a board has
13 jurisdiction over two or more institutions or budget agencies, it
14 shall, not later than July 1, notify the President of each
15 institution as to the amount of its pro rata share of the ~~board's~~
16 expense budget of the board that will be assessed against the
17 institution and/or other budget agency during the fiscal year.

18 ~~(d) D.~~ D. Prior to ~~the beginning of the fiscal~~ March 1 of each
19 year, the coordinating board of the Oklahoma State Regents for
20 Higher Education shall prepare a budget setting out in detail its
21 necessary expenses for the entire fiscal year, and, not later than
22 ~~July~~ April 1, shall file a copy of its budget with the Director of
23 State Finance and the Legislative Service Bureau. ~~The State Regents~~
24 ~~shall allocate the money required to fund its budget prior to making~~

1 ~~distribution of appropriated monies to the various institutions of~~
2 ~~The Oklahoma State System of Higher Education~~ expenses of the
3 Regents shall be paid from appropriations made by the Legislature
4 for that purpose.

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

22 ~~(f)~~ F. At least thirty (30) days prior to the beginning of each
23 fiscal year, each of the constituent institutions and agencies shall
24 file with the State Regents its request for appropriation allotments

1 for each of the purposes for which expenditures are to be made.
2 ~~Such requests~~ Requests shall be in conformity with the uniform
3 budget or accounting classifications recommended by the publications
4 of the National Association of College and University Business
5 Officers. Each request for appropriation allotments shall show the
6 amount required to finance each item of the request for the entire
7 year and for each quarter or each six-month period within the fiscal
8 year, as required by the Director of State Finance. The State
9 Regents, or their designated official or employee who has been
10 authorized to approve itemized allotment requests, shall consider
11 the allotment requests for the purpose of making a determination
12 that: ~~(1) the~~

13 1. The current financial requirements of the institution or
14 agency concerned justify the allotment to be made; ~~(2) the~~

15 2. The accounting classification is sufficient to reflect the
16 purpose for which expenditures are to be made and that ~~such~~ the
17 classification is in accordance with the budget classifications
18 adopted by the Director of State Finance and the State Regents,
19 which shall conform as nearly as possible to the account
20 classification recommended by the publications of the National
21 Association of College and University Business Officers; and ~~(3) the~~

22 3. The realization of estimated revenues determined by the
23 Director of State Finance is sufficient to allow the commitments to
24 be made.

1 In allotting appropriations and other funds, and approving
2 subsequent allotments, which may be required by each institution and
3 agency the State Regents shall follow the same general procedure as
4 other agencies of the state not under the control of the State
5 Regents, except as otherwise provided in this section. All forms
6 and account classifications shall be mutually agreed upon by the
7 Director of State Finance and the State Regents. The State Regents
8 shall file approved requests of constituent institutions and
9 agencies with the Division of Central Accounting and Reporting. The
10 State Regents and the Director of State Finance shall approve any
11 request from the administrative head of a constituent institution or
12 agency for amendment of the approved schedule of positions and
13 salaries or transfers between items, so long as the currently
14 approved allotment for ~~such~~ those purposes is not exceeded and each
15 ~~such~~ amendment shall be filed with the Director of State Finance, in
16 ~~such~~ as much detail as ~~he~~ the Director may require, prior to the
17 date on which the first payroll or other disbursement affected by
18 such amendments is submitted for payment. In the event that the
19 realization of estimated revenues at any time during the fiscal year
20 indicates that the total revenue from that fiscal year to any state
21 fund will be insufficient at the end of the fiscal year to meet the
22 total appropriations from that fund, the Director of State Finance
23 shall notify the State Regents as to the amount of reduction

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1 necessary against the consolidated, or lump-sum appropriation, made
2 to the State Regents.

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

19 SECTION 2. This act shall become effective July 1, 2007.

20 SECTION 3. It being immediately necessary for the preservation
21 of the public peace, health and safety, an emergency is hereby
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1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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