

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 SENATE BILL 1869

By: Johnson (Mike)

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5
6 AS INTRODUCED

7 An Act relating to public finance; amending 62 O.S.
8 2001, Sections 41.7c, 41.29, as amended by Section 1,
9 Chapter 301, O.S.L. 2003, Section 2, Chapter 301,
10 O.S.L. 2003, 41.46, 45.3, as amended by Section 5,
11 Chapter 301, O.S.L. 2003, 45.5 and 45.6 (62 O.S.
12 Supp. 2007, Sections 41.29, 41.29-1 and 45.3), which
13 relate to state budget procedures; deleting
14 provisions relating to Joint Legislative Committee on
15 Budget and Program Oversight and Legislative
16 Oversight Committee on State Budget Performance;
17 modifying entities with which certain documents and
18 notice must be filed; modifying persons required to
19 cooperate; modifying entities required to approve and
20 furnish certain forms; modifying duties of certain
21 legislative committees; deleting provision
22 prohibiting action on appropriation measures under
23 certain circumstances; deleting obsolete language;
24 modifying entities authorized to hold certain
hearings; repealing 62 O.S. 2001, Section 41.47, as
amended by Section 3, Chapter 301, O.S.L. 2003 (62
O.S. Supp. 2007, Section 41.47), which relates to the
Joint Legislative Committee on Budget and Program
Oversight; providing an effective date; and declaring
an emergency.

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

22 SECTION 1. AMENDATORY 62 O.S. 2001, Section 41.7c, is
23 amended to read as follows:
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1 Section 41.7c A. On or before the first day of June in each
2 year, or as soon thereafter as possible, all agencies shall be
3 required to file budget work programs with the Director of the
4 Office of State Finance. Copies of all agency budget work programs
5 shall also be made available electronically to the staff of the
6 ~~Joint Legislative Committee on Budget and Program Oversight~~
7 committees of the Senate and House to which bills appropriating
8 state funds to that agency are normally assigned.

9 B. The required instructions, content and format of budget work
10 programs shall be developed by the staff of the Budget Division of
11 the Office of State Finance. The work programs shall include a
12 description of all funds available to the agency for expenditure and
13 setting out allotments requested by the agency by quarter and the
14 entire fiscal year. The work program shall be accompanied by an
15 organizational chart of the agency, a statement of agency mission
16 and program objectives. The work program shall show budgeted
17 spending by major program category at the activity level and may
18 identify budgeted spending by subprogram category at the subactivity
19 level. Major program categories identified in the budget work
20 program shall conform to the major program categories as provided by
21 law. Budget work programs shall be signed by the executive officer
22 of each agency. Such program and allotment requests may be made by
23 the "request officer" who shall be designated by each agency for
24 that purpose. Executive officers of agencies shall cooperate with

1 the Office of State Finance staff and ~~Joint Committee~~ Senate and
2 House staff in developing program budgeting categories. All funds
3 available or expected to be made available to any agency, including
4 nonfiscal appropriations, shall not be available for expenditure
5 until the request officer of the agency has complied with the
6 applicable provisions of Sections 41.1 through 41.41 of this title
7 and has received approval of such request for funds from the
8 Director of State Finance.

9 SECTION 2. AMENDATORY 62 O.S. 2001, Section 41.29, as
10 amended by Section 1, Chapter 301, O.S.L. 2003 (62 O.S. Supp. 2007,
11 Section 41.29), is amended to read as follows:

12 Section 41.29 A. Except as provided for in subsection B of
13 this section, on the first day of October preceding each regular
14 session of the Legislature, each of the several state departments,
15 bureaus, divisions, officers, commissions, and institutions,
16 including those created or established pursuant to constitutional
17 provisions, and other spending agencies shall report to the Director
18 of State Finance and the Chair and Vice Chair of the ~~Legislative~~
19 ~~Oversight Committee on State Budget Performance~~ committees of the
20 Senate and House to which bills appropriating state funds to that
21 entity are normally assigned, on official forms furnished for such
22 purpose an itemized request showing the amount needed for the
23 ensuing fiscal year beginning with the first day of July. The
24 official forms which must be used in making these reports shall be

1 approved and furnished by the Director of State Finance ~~and the~~
2 ~~Legislative Oversight Committee on State Budget Performance~~, shall
3 be uniform, and shall clearly designate the kind of information to
4 be given on the reports. Information provided shall include, but
5 not be limited to:

6 1. A budget analysis of existing and proposed programs
7 utilizing zero-based budgeting techniques. Such analysis shall be
8 included as a part of the estimate of funds needed;

9 2. A statement listing any other state, federal or local
10 agencies which administer a similar or cooperating program and an
11 outline of the interaction among such agencies;

12 3. A statement of the statutory authority for the missions and
13 quantified objectives of each program;

14 4. A description of the groups of people served by each program
15 in the agency;

16 5. A quantification of the need for the program;

17 6. A description of the tactics which are intended to
18 accomplish each objective;

19 7. A list of quantifiable program outcomes which measure the
20 efficiency and effectiveness of each program;

21 8. A ranking of these programs by priority;

22 9. Actual program expenditures for the current fiscal year and
23 prior fiscal years and the number of personnel required to
24 accomplish each program; and

1 10. Revenues expected to be generated by each program, if any.
2 Spending agencies shall make an itemized estimate of needs and
3 request for funds for the ensuing fiscal year and an estimate of the
4 revenues from all sources to be received by the agency during the
5 ensuing fiscal year. The Director of State Finance shall submit to
6 the Governor and the ~~Legislative Oversight Committee on State Budget~~
7 Performance Chair and Vice Chair of the committees of the Senate and
8 House to which bills appropriating state funds to that entity are
9 normally assigned, no later than the fifth day of October, a
10 complete list of all spending agencies which fail to submit budgets
11 by October 1, pursuant to the provisions of this section.

12 B. 1. The reports required by this section shall include an
13 itemized listing of outstanding capital lease debt and estimated
14 capital lease needs for the ensuing fiscal year, and shall be
15 provided on official forms furnished by the Director of State
16 Finance for this purpose.

17 2. For the purposes of this section "capital lease" means a
18 lease-purchase agreement which provides an option for the State of
19 Oklahoma or its agencies to purchase property, including personal
20 and real property, which is the subject thereof and/or a lease
21 agreement that provides an option for the State of Oklahoma or its
22 agencies to lease such property, which is the subject thereof, at a
23 nominal annual amount, after a period in which leased property is
24 rented at fair market value.

1 SECTION 3. AMENDATORY Section 2, Chapter 301, O.S.L.
2 2003 (62 O.S. Supp. 2007, Section 41.29-1), is amended to read as
3 follows:

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

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

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

19 a. ~~a review of the agency's programs, performance and~~
20 ~~management,~~

21 b. ~~whether the agency has demonstrated a public need for~~
22 ~~the services and programs justifying the agency's~~
23 ~~continued existence, and~~

24

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

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

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

13 SECTION 4. AMENDATORY 62 O.S. 2001, Section 41.46, is
14 amended to read as follows:

15 Section 41.46 The administrative head of any agency or the
16 request officer as defined in Section 41.7c of this title, may
17 request that any current item of appropriation, appropriation
18 allotment, program category or work program be transferred to any
19 other program category within the same agency. The administrative
20 head shall make a request for program transfer to the Director of
21 State Finance in writing and file a revised budget work program.
22 Copies of the request for program transfer and budget work program
23 revisions shall also be filed with the ~~Joint Legislative Committee~~
24 ~~on Budget and Program Oversight as created by Section 41.47 of this~~

1 ~~title~~ Chair and Vice Chair and the staff of the committees of the
2 Senate and House to which bills appropriating state funds to that
3 entity are normally assigned. The Director of State Finance shall
4 approve the request for transfer unless both the Chair and Vice
5 Chair of the ~~Joint Legislative Committee on Budget and Program~~
6 ~~Oversight~~ committees of the Senate and House to which bills
7 appropriating state funds to that entity are normally assigned
8 provide written notification to the Director of State Finance within
9 twelve (12) calendar days of receipt of transfer request that the
10 transfer subverts the intention and objectives of the Legislature in
11 establishing the original appropriation, or unless the transfer does
12 not meet the requirements of this section or Section 41.9 of this
13 title. Notification of noncompliance with legislative intent shall
14 be transmitted to the Director of State Finance within twelve (12)
15 calendar days of receipt of the transfer request. The Director of
16 State Finance shall give written notice of approval or disapproval
17 of each program transfer to the agency, the Governor and the Chair
18 and Vice Chair of the ~~Joint Legislative Committee on Budget and~~
19 ~~Program Oversight~~ committees of the Senate and House to which bills
20 appropriating state funds to that entity are normally assigned
21 within eighteen (18) calendar days of receiving the request.

22 Transfers shall be subject to the following limitations:

23 1. The amount to be transferred, together with all previous
24 transfers, shall not exceed twenty-five percent (25%) of the total

1 appropriation of the least of the items of appropriation,
2 appropriation allotment or work program involved in the transfer;
3 and

4 2. If the amount to be transferred, and all previous transfers,
5 is greater than twenty-five percent (25%) of the least items of
6 appropriation, appropriation allotment or work program involved in
7 the transfer request, upon written application to the Director of
8 State Finance, and the Chair and Vice Chair of the ~~Joint Legislative~~
9 ~~Committee on Budget and Program Oversight~~ committees of the Senate
10 and House to which bills appropriating state funds to that entity
11 are normally assigned and with written approval by the Contingency
12 Review Board an additional fifteen percent (15%) may be transferred.

13 SECTION 5. AMENDATORY 62 O.S. 2001, Section 45.3, as
14 amended by Section 5, Chapter 301, O.S.L. 2003 (62 O.S. Supp. 2007,
15 Section 45.3), is amended to read as follows:

16 Section 45.3 A. Each state agency shall make a strategic plan
17 for its operations. The ~~first~~ strategic plans will be due October
18 ~~1, 2001, and in of~~ each subsequent even-numbered year. Each state
19 agency plan shall cover five (5) fiscal years beginning with the
20 next odd-numbered fiscal year.

21 B. The Office of State Finance shall determine the elements
22 required to be included in each agency's strategic plan. Unless
23 modified by the Office of State Finance, and except as provided by

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1 subsection C of this section, a plan must include, but is not
2 limited to, the following items:

3 1. A statement of the mission and goals of the state agency;

4 2. A description of the indicators developed under ~~this act~~ the
5 Oklahoma Program Performance Budgeting and Accountability Act and
6 used to measure the output and outcome of the agency and its
7 programs;

8 3. Identification of the groups of people served by the agency,
9 including those having service priorities, or other service measures
10 established by law, and estimates of changes in those groups
11 expected during the term of the plan;

12 4. An analysis of the use of the agency's resources to meet the
13 agency's mission, including future needs, and an estimate of
14 additional resources that may be necessary to achieve said mission;

15 5. An analysis of expected changes in the services provided by
16 the agency because of changes in state or federal law;

17 6. A description of the means and strategies, including cost-
18 containment strategies and efficiency proposals, for meeting the
19 agency's needs, including future needs, and achieving the goals for
20 each area of state government for which the agency provides
21 services;

22 7. A summary of the capital improvement needs of the agency
23 which were provided to the Long-Range Capital Planning Commission as
24 required by Section 901 of this title; and

1 8. Other information that may be required.

2 C. A state agency's plan that does not include an item
3 described by subsection B of this section must include the reason
4 the item does not apply to the agency.

5 D. Each state agency's plan shall be submitted at the same time
6 as the estimate of funds needed developed pursuant to Section 41.29
7 of this title.

8 E. A state agency shall send one copy of the plan each to:

9 1. The Governor;

10 2. The President Pro Tempore of the State Senate;

11 3. The Speaker of the House of Representatives;

12 4. ~~The Legislative Oversight Committee on State Budget~~
13 Performance Chair and Vice Chair of the committees of the Senate and
14 House to which bills appropriating state funds to that entity are
15 normally assigned;

16 5. The Chair and Vice Chair of the Joint Committee on
17 Accountability in Government;

18 6. The Director of the Office of State Finance; and

19 7. The State Auditor and Inspector.

20 F. In this section, "capital improvement" means any building or
21 infrastructure project that will be owned by the state and built
22 with direct appropriations or with the proceeds of state-issued
23 bonds or paid from revenue sources other than general revenue at a
24

1 cost of at least Twenty-five Thousand Dollars (\$25,000.00) and ~~has~~
2 with a useful life of at least five (5) years.

3 SECTION 6. AMENDATORY 62 O.S. 2001, Section 45.5, is
4 amended to read as follows:

5 Section 45.5 A. The Office of State Finance ~~and the Joint~~
6 ~~Legislative Committee on Budget and Program Oversight~~ shall work
7 with each state agency to determine acceptable measures of output,
8 outcome, unit cost, and cost-effectiveness for use in the agency's
9 plan.

10 B. The Office of Personnel Management is authorized to provide
11 training or other services to state agencies pursuant to ~~this act~~
12 the Oklahoma Program Performance Budgeting and Accountability Act.

13 SECTION 7. AMENDATORY 62 O.S. 2001, Section 45.6, is
14 amended to read as follows:

15 Section 45.6 The Office of State Finance or the ~~Joint~~
16 ~~Legislative Committee on Budget and Program Oversight~~ committees of
17 the Senate and House to which bills appropriating state funds to
18 that entity are normally assigned, jointly or separately, may hold
19 hearings on any matter required by the Oklahoma Program Performance
20 Budgeting and Accountability Act.

21 SECTION 8. REPEALER 62 O.S. 2001, Section 41.47, as
22 amended by Section 3, Chapter 301, O.S.L. 2003 (62 O.S. Supp. 2007,
23 Section 41.47), is hereby repealed.

24 SECTION 9. This act shall become effective July 1, 2008.

1 SECTION 10. It being immediately necessary for the preservation
2 of the public peace, health and safety, an emergency is hereby
3 declared to exist, by reason whereof this act shall take effect and
4 be in full force from and after its passage and approval.

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