

ENROLLED HOUSE
BILL NO. 2015

By: Miller of the House

and

Johnson (Mike) of the
Senate

An Act relating to public finance; enacting the Oklahoma State Finance Act; amending 62 O.S. 2001, Section 2, which relates to county tax accounts; clarifying language; making language gender neutral; amending 62 O.S. 2001, Section 7.2, as amended by Section 1, Chapter 105, O.S.L. 2002 (62 O.S. Supp. 2008, Section 7.2), which relates to the Special Agency Account Board; updating citations and references; amending 62 O.S. 2001, Section 7.3, which relates to state agency accounts; updating references; amending 62 O.S. 2001, Section 7.5, which relates to classification of funds; updating references; amending 62 O.S. 2001, Section 7.6, which relates to the Payroll Fund; updating references; clarifying language; amending 62 O.S. 2001, Section 7.10, as last amended by Section 1 of Enrolled Senate Bill No. 384 of the 1st Session of the 52nd Oklahoma Legislature, which relates to voluntary payroll deductions; clarifying language; updating citation; amending 62 O.S. 2001, Section 7.13, which relates to annual financial reports; updating references; amending 62 O.S. 2001, Section 9.1, which relates to allocation of state revenues; clarifying language; specifying scope of limitation on certain appropriations; amending 62 O.S. 2001, Section 9.10, which relates to appropriations to public entities; updating reference; amending 62 O.S. 2001, Sections 10.1 and 10.3, which relate to General Revenue Cash-flow Reserve Fund; updating references and citations; amending 62 O.S. 2001, Sections 41.2, 41.3, 41.4, 41.4a, 41.4b, 41.4c, 41.4d, 41.5, 41.5g, as amended by Section 2, Chapter 148, O.S.L. 2007, 41.6, 41.7b,

41.7c, 41.8, 41.9, 41.10, 41.11, 41.13, 41.13a, 41.14, 41.15, 41.16, 41.16a, 41.17, 41.18, 41.19, 41.21, as amended by Section 1, Chapter 150, O.S.L. 2002, 41.23, 41.26, 41.27, 41.29, as last amended by Section 2, Chapter 311, O.S.L. 2008, 41.29e, as last amended by Section 5, Chapter 355, O.S.L. 2007, 41.30, 41.31, 41.32, 41.33, as amended by Section 3, Chapter 311, O.S.L. 2008, 41.34, as amended by Section 4, Chapter 311, O.S.L. 2008, 41.39, 41.40, 41.41, 41.42 and 41.46 (62 O.S. Supp. 2008, Sections 41.5g, 41.21, 41.29, 41.29e, 41.33 and 41.34), which relate to the Oklahoma Budget Law of 1947; updating references and citations; making language gender neutral; updating and clarifying language; deleting division within the Office of State Finance; adding and deleting definitions; deleting obsolete language; modifying duties of the Division of Central Accounting and Reporting within the Office of State Finance; deleting requirement of a printed budget presentation to the Legislature; modifying procedure for payment of certain services and operations; providing exemptions; authorizing the Director of the Office of State Finance to specify form of agency budgets; clarifying limitation on revenue allocations; clarifying procedure for allotting certain monies; modifying procedures concerning budget transfers; clarifying certain budget procedures involving the Oklahoma State Regents for Higher Education; clarifying procedures for payrolls; clarifying procedures for paying claims; modifying surety bond requirement; amending 74 O.S. 2001, Section 34, which relates to replacement warrants; updating references; clarifying procedures for lost or destroyed warrants; amending 74 O.S. 2001, Section 86.1, which relates to payment of vendor invoices; updating reference; updating language; deleting obsolete language; clarifying duties, responsibilities, and procedures by deleting present language and restating the language in new law; repealing 62 O.S. 2001, Sections 41.1 and 41.37, which relate to the Oklahoma Budget Law of 1947; providing for codification; providing for recodification; providing an effective date; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 34 of Title 62, unless there is created a duplication in numbering, reads as follows:

Section 34 et seq. of Title 62 of the Oklahoma Statutes shall be known and may be cited as the "Oklahoma State Finance Act".

SECTION 2. AMENDATORY 62 O.S. 2001, Section 2, is amended to read as follows:

Section 2. A. The official tax accounts with the several counties of the state shall be kept by the State Auditor and Inspector, which said accounts shall exhibit the true amount of each class and year's taxes charged to each of the several counties, together with the amounts received from each county, and the balance due therefrom; provided, that all taxes of each of the several counties that shall be delinquent for four (4) or more years may be consolidated by classes into one account.

B. As a means of accurately establishing the ad valorem tax accounts herein provided for, it is hereby made the duty of the State Board of Equalization to certify annually to the State Auditor and Inspector, within five (5) days after the same shall have been ascertained by such Board for the year, the state equalized value of all property assessed ad valorem in each of the counties of the state, the rate of levy for the year, together with the amount of ad valorem taxes assessed against the property in each of the several counties of the state for the year.

C. For the purpose of maintaining an accurate check and balance on the accounts between the state and the several counties, it shall be the duty of the county clerk of each county to make and file with the State Auditor and Inspector on or before the third Monday following the close of the semiannual periods ending June 30th, and December 31st, of each year, a certified report and statement in writing showing by years and by classes the amount of all taxes due the state, or its fund or funds under its management at close of such periods, together with the dates and amounts of all payments into the State Treasury during such periods, which said statement when so filed with the State Auditor and Inspector shall become a permanent and official record ~~of his office.~~

D. It shall be the duty of the State Auditor and Inspector, and ~~he~~ the State Auditor and Inspector is hereby given full power and authority to reconcile and adjust all tax accounts with the several counties and to require a proper accounting for all revenue laid and levied, or required to be laid and levied, against all properties and subjects selected for taxation by the state in the respective counties, together with the amount thereof collected for or on behalf of the state by any county or any officer thereof.

SECTION 3. AMENDATORY 62 O.S. 2001, Section 41.7b, is amended to read as follows:

Section 41.7b A. ~~In accordance with duties assigned to the State Board of Equalization in Section 23 of Article X of the Constitution of the State of Oklahoma, agencies~~ Agencies responsible for the collection of monies deposited to the credit of the General Revenue Fund and each of the Special Revenue Funds shall, ~~upon~~ be subject to the provisions of this act. Upon request of the Director of the Office of State Finance, these agencies shall provide the Office of State Finance Director in the manner and form established by the Director, an itemized estimate of funds expected to accrue to the General Revenue Fund and each of the Special Revenue Funds for the ensuing fiscal year in the manner and form established by the Director, in accordance with the duties assigned to the State Board of Equalization in Section 23 of Article X of the Oklahoma Constitution. Each of these agencies must also provide to the ~~Director of State Finance,~~ as requested, a written explanation of the methodology and relevant assumptions used in developing the revenue estimates submitted ~~in compliance with this section,~~ a statement of the prior year year's actual revenue collections and a projection of the current year year's revenue collections. No expenditure shall be made from any General Revenue Fund or Special Revenue Fund until such fund has been assigned to an agency by law or by the Director of the Office of State Finance.

B. In addition to providing the information listed above, the Oklahoma Tax Commission shall also provide to the Director of the Office of State Finance a comprehensive economic report no later than two weeks prior to each of the meetings of the State Board of Equalization pursuant to paragraphs 1 and 3 of Section 23 of Article X of the Constitution of the State of Oklahoma. ~~The~~ Each report shall include a summary of recent national and state economic performance and a forecast of national and state economic performance for both the current and the upcoming fiscal ~~year~~ years. ~~This report~~ These reports shall be considered a basis upon which the

itemized revenue estimates of the Commission are developed. The report shall include an analysis of the relative accuracy of the economic ~~forecast~~ forecasts on which the previous and current fiscal years' revenue estimates were based.

C. The Tax Commission shall also provide all estimates, explanations, statements, projections, reports and other documents required by this section to the President Pro Tempore of the Senate and the Speaker of the House of Representatives at the same time that such documents are provided to the Director of the Office of State Finance.

SECTION 4. AMENDATORY 62 O.S. 2001, Section 41.3, is amended to read as follows:

Section 41.3 A. There is hereby created in the Executive Department, the Office of State Finance which shall consist of a Division of the Budget, a Division of Central Accounting and Reporting, ~~and an Information Services Division, and an Oklahoma Financial Information System Management Division~~ all under the administrative control of the Director of the Office of State Finance and directly responsible to ~~him~~ the Director.

~~The terms "State Budget Director" or "Budget Director" appearing in the Oklahoma Statutes shall mean "Director of State Finance".~~

~~The terms "State Budget Office", "Division of the Budget", "Division of Central Accounting and Reporting", "Information Services Division", or "Oklahoma Financial Information System Management Division" appearing in the Oklahoma Statutes shall mean the Office of State Finance or the divisions thereof.~~

B. The term "state agency" or "agency", when used in the Oklahoma State Finance Act, shall mean any agency, board, bureau, commission, or other entity organized within the executive department of state government.

C. The term "authorization", when used in the Oklahoma State Finance Act, shall mean the legislative authorization for an agency to expend a certain amount of money from a specified fund or funds during a specified period of time.

SECTION 5. AMENDATORY 62 O.S. 2001, Section 41.40, is amended to read as follows:

Section 41.40 There is hereby created in the State Treasury a Revolving Fund for the ~~State Budget Office~~ of State Finance. The ~~said~~ revolving fund shall consist of any monies received for rental of machine metered time, sale of scrap cards and paper, and any other miscellaneous receipts. The revolving fund herein created may be expended for the same purposes and in the same manner as appropriated funds.

SECTION 6. AMENDATORY 62 O.S. 2001, Section 41.2, is amended to read as follows:

Section 41.2 The Governor shall appoint a Director of the Office of State Finance, by and with the consent of the Senate, who shall hold office at the pleasure of the Governor and shall continue to serve until ~~his~~ a successor is duly appointed and is qualified.

SECTION 7. AMENDATORY 62 O.S. 2001, Section 41.4, is amended to read as follows:

Section 41.4 A. The Director of the Office of State Finance shall have the power, ~~and it shall be his~~ duty under the direction of the Governor to: ~~(1) to prepare~~

1. Prepare the budget document and assist in the drafting of legislation to make it effective, ~~(2) to make;~~

2. Make field surveys and studies of governmental agencies, looking toward economy and greater efficiency, ~~(3) to make;~~

3. Make allotments to control expenditures, ~~(4) to authorize;~~

4. Authorize transfers of appropriation authorized by law, ~~(5) to study;~~

5. Study accounting and other reports rendered by the Central Accounting and Reporting Division, ~~(6) to enter;~~

6. Enter into agreements with the United States Secretary of the Treasury for the purpose of implementing ~~the Cash Management Improvement Act of 1990 (Public Law 101-453), and (7) to aid federal~~ law; and

7. Aid the Governor in the economical management of state affairs.

B. In addition to ~~his~~ other duties, the Director of the Office of State Finance shall, upon request, advise and consult with members of the Legislature and legislative committees concerning ~~income~~ revenue and expenditures of state agencies.

SECTION 8. AMENDATORY 62 O.S. 2001, Section 41.23, is amended to read as follows:

Section 41.23 The ~~Budget~~ Director of the Office of State Finance, with the approval of the Governor, shall employ and make the appointment of such experts and assistants as may be necessary to execute the purposes of ~~this act~~ the Oklahoma State Finance Act. No appointments to positions shall be made in excess of ~~the position~~ those positions authorized by ~~act of the~~ the Legislature for the Division of the Budget ~~and~~, the Division of Central Accounting and Reporting ~~and the Information Services Division~~.

SECTION 9. AMENDATORY 62 O.S. 2001, Section 41.42, is amended to read as follows:

Section 41.42 ~~Effective July 1, 1986, the~~ The position of Public Information Officer within the Office of State Finance shall ~~become~~ be subject to the provisions of the Merit System of Personnel Administration prescribed by the Oklahoma Personnel Act, Section ~~840-1~~ 840-1.1 et seq. of Title 74 of the Oklahoma Statutes, and the rules promulgated thereunder. ~~The incumbent employee shall be granted permanent status in the classified service without regard to qualifications or examinations, in the class to which the position is allocated by the Office of Personnel Management.~~

SECTION 10. AMENDATORY 62 O.S. 2001, Section 7.5, is amended to read as follows:

Section 7.5 The Director of the Office of State Finance is hereby authorized and directed to classify funds in the State Treasury and to prescribe the manner of issuance of checks or warrants against each class of funds to accomplish the purpose for which each such fund was created, ~~and the~~. The State Treasurer shall be, and is, required to keep ~~his~~ fund accounts in accordance with such classification. The Director of the Office of State Finance shall group funds of a similar nature in a series of classes. Accounting entities otherwise designated as funds, by other provisions of law, may be+ retained, deactivated, merged with other such entities or identified as accounts within funds as the Director of the Office of State Finance determines to be appropriate

for purposes of the modernization and maintenance of the fund structure of the state.

SECTION 11. AMENDATORY 62 O.S. 2001, Section 7.13, is amended to read as follows:

Section 7.13 The Director of the Office of State Finance shall cause to be prepared a comprehensive annual financial report, in accordance with generally accepted accounting principles for governments, and shall further have the general purpose financial statements included in the comprehensive annual financial report audited in accordance with generally accepted auditing standards. ~~The Director of State Finance~~ is hereby authorized to establish procedures and guidelines which are consistent with those issued by the Government Accounting Standards Board, and which shall be followed by state agencies, colleges and universities and other entities who are included in the report, for purposes of establishing consistent application of accounting principles and to ensure the timeliness of the report.

SECTION 12. AMENDATORY 62 O.S. 2001, Section 41.5, is amended to read as follows:

Section 41.5 ~~On July 1, 1947, the~~ The Division of Central Accounting and Reporting shall take over the ~~be responsible for~~ accounting and auditing duties ~~now performed by the claim auditing and bookkeeping sections of the Office of Public Affairs,~~ and the auditing and settlement of purchase orders, contracts, claims, payrolls, and other obligations ~~now performed by the Pre-Audit Division and the Bookkeeping and Accounting Division of the present State Auditor and Inspector.~~

~~By July 1, 1947, the~~ The Division of Central Accounting and Reporting shall prepare uniform budget and accounting classifications for all state departments, boards, commissions, institutions, and agencies now delegated to the Governor and there shall also be transferred to this division the work of installing modern and shall implement appropriate accounting methods and systems in the state departments and institutions now delegated to the State Auditor and Inspector state agencies. ~~The positions now authorized for this work in the several offices and the equipment now used by the personnel of these offices, on July 1, 1947, shall be transferred to the Division of Central Accounting and Reporting within the Executive Department.~~ The Division of Central Accounting and Reporting shall:

1. Settle all claims payable by this state; ~~and~~
2. Verify distribution of all taxes and other dues collected for local governments; ~~and~~
3. Superintend the recovery of all debts due state government; ~~and~~
4. Keep the central budget and proprietary accounts of the state government; ~~and~~
5. Prepare and issue financial and accounting reports, at least quarterly; ~~and~~
6. Prescribe all forms, systems, and procedure for administering accounting for the several departments and establishments; ~~and~~
7. At the request of a state agency, assist in establishing standards, policies and procedures that ensure a strong and effective system of internal controls and regular monitoring of them;
8. ~~Certify to the Director of State Finance for his approval, each and every requisition by a duly accredited disbursing officer for an advance of funds from the State Treasury to the Director of the Office of State Finance for approval; and~~
- ~~9.~~ 9. Establish a pre-audit system of settling claims, ~~either for the entire government of this state, or and for any bureaus or departments thereof, according to~~ state agencies in which system vouchers supporting proposed payments ~~shall be~~ are submitted to the ~~Director Office~~ Office of State Finance for audit and settlement.

SECTION 13. AMENDATORY 62 O.S. 2001, Section 41.5g, as amended by Section 2, Chapter 148, O.S.L. 2007 (62 O.S. Supp. 2007, Section 41.5g), is amended to read as follows:

Section 41.5g ~~The Director of State Finance shall, by appropriate notification, advise agencies of the state when applications of the Integrated Central Systems are available for their use. Thereafter, each~~ Each agency of the state shall submit transactions to the Office of State Finance, the Office of Personnel Management, and the Department of Central Services in the manner and

format required to effectuate the utilization of the Integrated Central Systems for all transactions for which an application is available.

Provided, that nothing in this section shall be construed as to administratively place agencies currently exempt from any provisions of the ~~Budget Act of 1947~~ Oklahoma State Finance Act, the Central Purchasing Act, or the Oklahoma Personnel Act under the purview of such provisions.

SECTION 14. AMENDATORY 62 O.S. 2001, Section 41.31, is amended to read as follows:

Section 41.31 It shall be the duty of the ~~Budget~~ Director of the Office of State Finance, after making a complete detailed study of each ~~department, institution, board, commission and state~~ agency, to prepare the budget under the supervision and direction of the Governor.

SECTION 15. AMENDATORY 62 O.S. 2001, Section 41.30, is amended to read as follows:

Section 41.30 ~~The departments, institutions, boards, commissions and agencies of the state, upon request~~ Each state agency shall immediately furnish the Budget Director in such form as he may require, of the Office of State Finance any information desired by him in his relation with concerning their respective affairs or activities, upon request and in such form as directed.

SECTION 16. AMENDATORY 62 O.S. 2001, Section 41.29, as last amended by Section 2, Chapter 311, O.S.L. 2008 (62 O.S. Supp. 2008, Section 41.29), is amended to read as follows:

Section 41.29 A. ~~Except as provided for in subsection B of this section, on~~ On the first day of October preceding each regular session of the Legislature, each ~~of the several state departments, bureaus, divisions, officers, commissions, and institutions~~ agency, including those created or established pursuant to constitutional provisions, ~~and other spending agencies~~ shall report to the Director of the Office of State Finance and the Chair and Vice Chair of the Legislative Oversight Committee on State Budget Performance, ~~in an electronic format for such purpose,~~ an itemized request showing the amount needed for the ensuing fiscal year beginning with the first day of July.

B. The ~~electronic format forms~~ forms which must be used in making these reports shall be approved by the Director of the Office of State Finance and the Legislative Oversight Committee on State Budget Performance~~7.~~

C. ~~The forms shall be uniform, and shall clearly designate the kind of information to be given on the reports. Information.~~

D. The information provided shall include, but not be limited to:

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

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

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

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

5. A quantification of the need for the program;

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

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

8. A ranking of these programs by priority;

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

10. Revenues expected to be generated by each program, if any.

~~Spending~~ E. These appropriated agencies shall make an itemized estimate of needs and request for funds for the ensuing fiscal year and an estimate of the revenues from all sources to be received by the agency during the ensuing fiscal year.

F. The Director of the Office of State Finance shall submit to the Governor and the Legislative Oversight Committee on State Budget Performance no later than the fifth day of October a complete list of all spending agencies which ~~fail~~ have failed to submit budgets by October 1, ~~pursuant to the provisions of this section.~~

~~B.—1.~~ G. The reports required by this section shall include an itemized listing of outstanding capital lease debt and estimated capital lease needs for the ensuing fiscal year, and shall be provided on ~~official~~ forms ~~furnished~~ prescribed by the Director of the Office of State Finance ~~for this purpose.~~

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

SECTION 17. AMENDATORY 62 O.S. 2001, Section 41.34, as amended by Section 4, Chapter 311, O.S.L. 2008 (62 O.S. Supp. 2008, Section 41.34), is amended to read as follows:

Section 41.34 Immediately after the beginning of each regular session of the Legislature, the Governor shall submit to the presiding officer of each house, ~~electronic~~ copies of the budget based upon the investigations and conclusions of the Office of State Finance. Such budget document shall contain a complete and itemized plan of all proposed expenditures for each agency or undertaking classified according to the various cabinet areas designated by the Governor or otherwise created by law. Such expenditures shall be further classified by function, character and object, and in the event such proposed expenditures exceed the estimate made by the State Board of Equalization, the Governor shall accompany the budget document with a proposal of new revenue raising measures sufficient to effect a balanced budget for ~~each year in~~ the ensuing fiscal year.

SECTION 18. AMENDATORY 62 O.S. 2001, Section 41.33, as amended by Section 3, Chapter 311, O.S.L. 2008 (62 O.S. Supp. 2008, Section 41.33), is amended to read as follows:

Section 41.33 The budget shall be submitted to the Legislature ~~electronically. Such budget~~ and shall be in two parts:

1. A budget message:
 - a. outlining the fiscal policy of the state for the ~~biennium~~ fiscal year and describing the important features of the budget ~~plan~~,
 - b. giving a summary of the budget setting forth aggregate figures of proposed revenues and expenditures and the balanced relations between the proposed revenues and expenditures and the total expected income and other means of financing the budget compared with the corresponding figures for the preceding ~~biennium~~ fiscal year,
 - c. including explanatory schedules classifying proposed expenditures by organization units, objects and funds,
 - d. giving estimated statements of assets and liabilities as of the close of the preceding ~~biennium~~ fiscal year and of the budget ~~biennium~~ year, and
 - e. explaining any proposed major increases in revenue from any existing source or any new source of revenue proposed, and
 - f. giving any further information or making any suggestions; and

2. The detailed budget estimates of revenues and expenditures for each fund as provided for in ~~Section 41.1 et seq. of this title~~ the Oklahoma State Finance Act showing the recommendations of the Governor on each, compared with the figures for ~~each of the~~ preceding fiscal years ~~of the preceding biennium year~~ and giving an explanation of each major change in the recommendations from the revenues and expenditures in the previous ~~biennium~~ fiscal year.

SECTION 19. AMENDATORY 62 O.S. 2001, Section 9.10, is amended to read as follows:

Section 9.10 Except as otherwise specifically provided by law, the total amount of appropriations to a ~~public entity~~ state agency contained in a bill shall be reduced by the amount that any monies

designated or limited for a specified purpose have been disapproved by the Governor pursuant to Section 12 of Article ~~6~~ VI of the Oklahoma Constitution. Any such monies shall remain in the fund from which they were appropriated.

SECTION 20. AMENDATORY 62 O.S. 2001, Section 41.11, is amended to read as follows:

Section 41.11 A. ~~When, in any act,~~ lump sum appropriations are made for personal ~~service services~~, or for maintenance and ~~operation operations~~, or for maintenance and ~~operation operations~~ including personal ~~service services~~, ~~other than such appropriations for the Legislature, judiciary, or for expenses of holding elections,~~ no monies so appropriated shall be available for payments for personal ~~service, or maintenance and operation, or maintenance and operation including personal service,~~ except specified appropriations for temporary services or day labor such expenses until a schedule of positions and salaries and the amounts to be available for the expenses ~~of maintenance and operation~~ shall have been approved by the Director of the Budget Office of State Finance and a ~~certificate of such approval filed with the request officer of the spending agency concerned and the Division of Central Accounting and Reporting~~ posted to the state accounting system. The provisions of this subsection shall not apply to such appropriations for the Legislature or judiciary, for expenses of holding elections, or for temporary services or day labor.

B. Any such approved schedule of positions and salaries may be amended, ~~however,~~ with the approval of the Director of the Budget and the filing of a certificate thereof as provided above Office of State Finance.

C. The request officer for each ~~spending~~ agency shall show ~~on the forms provided, how he proposes to classify the classification of the expenditures for that spending their~~ their agency, and such classification shall follow, ~~(except for items peculiar to certain departments or institutions),~~ the uniform budget and accounting classifications adopted for similar spending agencies, except for items peculiar to certain departments or institutions.

D. The ~~Budget~~ Director of the Office of State Finance shall not have authority to fix the amount of any agency salary or eliminate any position listed on such schedule. However, ~~he~~ the Director shall not approve ~~said segregation the~~ the schedule ~~in the event of~~ positions and salaries when the total amount of funds requested to

be allotted fails to reserve a sufficient balance ~~of the lump sum appropriation~~ to finance the operations of the ~~spending~~ agency concerned for the remainder of that fiscal year, considering any possible failure in the revenue estimated to be collected for that fiscal year.

E. The Budget Director of the Office of State Finance shall not have the authority to curtail the operation of any particular part of the program, but shall order a reduction in the total program only where insufficient revenues are anticipated to carry on the program for the period concerned.

SECTION 21. AMENDATORY 62 O.S. 2001, Section 41.6, is amended to read as follows:

Section 41.6 ~~Appropriations made by the Legislature for the fiscal year beginning July 1, 1947 and thereafter,~~ shall not be available for contractual or expenditure purposes until allotted as provided in ~~this act~~ the Oklahoma State Finance Act. Appropriations made by the Legislature to each state ~~department, board, commission, institution or agency,~~ are hereby declared to be maximum, conditional and proportionate appropriations, ~~the~~. The purpose being of this section is to make appropriations payable in full in the amounts named only in the event that the estimated budget resources within each state fund during each fiscal year are sufficient to pay all of the appropriations for such fiscal year in full. The It is also the purpose of this provision is to insure ensure that there shall be no overdraft or deficit created in the several funds of the state at the end of any fiscal year, and the Budget Director of the Office of State Finance is directed and required so to administer this act the Oklahoma State Finance Act to prevent such overdraft or deficit.

SECTION 22. AMENDATORY 62 O.S. 2001, Section 41.7c, is amended to read as follows:

Section 41.7c A. On or before the first day of June in each year, or as soon thereafter as possible, all agencies shall ~~be required to file budget work programs~~ agency budgets with the Director of the Office of State Finance. Copies of all agency ~~budget work programs~~ budgets shall also be made available electronically to the staff of the Joint Legislative Committee on Budget and Program Oversight.

B. The required instructions, content and format of ~~budget work programs~~ agency budgets shall be developed by the staff of the Budget Division of the Office of State Finance.

C. 1. The ~~work programs~~ agency budget shall include a description of all funds available to the agency for expenditure and ~~setting~~ set out allotments requested by the agency by quarter and the entire fiscal year.

2. The ~~work program~~ agency budget shall be accompanied by an organizational chart of the agency, a statement of agency mission and program objectives.

3. The ~~work program~~ agency budget shall ~~show budgeted~~ delineate agency spending by ~~major program category at the activity level and may identify budgeted spending by subprogram category at the subactivity level.~~ Major program categories identified in the ~~budget work program shall conform to the major program categories as provided by law such categories and with at least as much detail as is specified in the legislative appropriation and as prescribed by the Director of the Office of State Finance.~~ Budget work programs

4. Agency budgets shall be signed by the executive officer of each agency. ~~Such program and allotment requests may be made by the~~

D. A "request officer" ~~who~~ shall be designated by each state agency for ~~that~~ the purpose of making program and allotment requests.

E. Executive officers of agencies shall cooperate with the Office of State Finance staff and Joint Committee staff in developing program budgeting categories.

F. All funds available or expected to be made available to any agency, including nonfiscal appropriations, shall not be available for expenditure until the request officer of the agency has complied with the applicable provisions of ~~Sections 41.1 through 41.41 of this title~~ the Oklahoma State Finance Act and has received approval of such request for funds from the Director of the Office of State Finance.

SECTION 23. AMENDATORY 62 O.S. 2001, Section 41.41, is amended to read as follows:

Section 41.41 A. All ~~departments, institutions, boards, commissions~~ and agencies of the state shall submit to the State Director of the Office of State Finance in all ~~budget and work program reports~~ agency budgets, in addition to other required information, whether such reports relate to past, present or future expenditures, an itemization of the amount attributable to each of the following expenses:

1. The number of persons, total amount of all salaries, the total amount of travel and subsistence expense and the total amount of personnel expense for:

- a. data processing directors,
- b. systems analysts,
- c. programmers,
- d. electronic data processing operators,
- e. punch card machine operators,
- f. data processing control personnel,
- g. data processing clerical personnel, and
- h. other data processing personnel;

2. Rental of data processing equipment;

3. Purchase of data processing equipment;

4. Maintenance of data processing equipment, if not included in rental expense;

5. Data processing supplies;

6. Data processing planning;

7. Data processing conversion from one system to another;

8. Rental and purchase of non-data processing equipment and supplies utilized in a data processing operation;

9. Shipment of data processing equipment;

10. Rental of communication lines for transmission of data processing information;

11. Data processing education;

12. Rental of software packages;

13. Contracting for development of systems; and

14. Other data processing expense.

B. All disbursements made from treasury funds by any state ~~department, institution, board, commission or~~ agency for the above-named expenses shall be budgeted to and disbursed from a special allotment account to be created by the ~~State~~ Director of the Office of State Finance.

C. This section shall not preclude agencies from programming and expending intra-agency data processing costs for cost allocation purposes.

SECTION 24. AMENDATORY 62 O.S. 2001, Section 41.32, is amended to read as follows:

Section 41.32 In any year in which a Governor-elect assumes office, the budget shall be the budget of the new Governor and shall be submitted to the Legislature by ~~him~~ the new Governor. The Division of the Budget shall render to the Governor-elect all possible assistance in the preparation of the budget. The Governor and ~~the departments, institutions or~~ agencies of the state shall furnish the Governor-elect estimates and other budget information, in order that the Governor-elect may discharge effectively his or her budget responsibilities upon assuming office.

SECTION 25. AMENDATORY 62 O.S. 2001, Section 41.39, is amended to read as follows:

Section 41.39 ~~The Division of the Budget~~ Office of State Finance is hereby authorized to provide the Governor-elect and Lieutenant Governor-elect with such reasonable and necessary services as the Governor-elect or Lieutenant Governor-elect may request in the performance of ~~his~~ their duties prior to taking office and in preparation for assuming the duties of office. ~~The Division of the Budget~~ Office of State Finance is further authorized

to allocate from the funds appropriated to ~~said Division~~ the Office of State Finance the sum of Thirty Thousand Dollars (\$30,000.00), or so much thereof as may be necessary for use by the Governor-elect, if not incumbent, and the sum of Ten Thousand Dollars (\$10,000.00), or so much thereof as may be necessary for use by the Lieutenant Governor-elect, if not incumbent, for expenses of personal services, office expense, supplies, materials, travel and other necessary expenses incurred by such Governor-elect or Lieutenant Governor-elect in the performance of his or her duties prior to taking office and in preparation for assuming the duties of office.

SECTION 26. AMENDATORY 62 O.S. 2001, Section 9.1, is amended to read as follows:

Section 9.1 A. ~~Effective February 10, 1947, and thereafter,~~ ~~revenues~~ Revenues deposited in the State Treasury to the credit of the General Revenue Fund or of any special fund which derives its revenue in whole or part from state taxes or fees shall be allocated monthly to each ~~department, institution, board, commission~~ state agency or special appropriation on a percentage basis, in that ratio that the total appropriation for each such ~~department, institution, board, commission~~ state agency or special appropriation from each fund for that fiscal year bears to the total of all appropriations from each fund for that fiscal year. Appropriation allocations to the State Board of Education for the financial support of public schools shall be effective August 1 of the fiscal year in which they apply.

B. A cash account shall be maintained by the agency of the state charged with the allocation of revenues for each ~~department, board, commission, institution,~~ agency or special appropriation which receives appropriations from the general fund or any special fund, and no check or warrant shall be issued in excess of the unexpended balance of said cash account at the time such check or warrant is issued.

C. Cash allocations to each cash account shall be cumulative and shall be available for the payment of any claim incurred within the appropriations for which such cash was allocated, including claims incurred against nonfiscal year appropriations which are available for contracts for thirty (30) months from date such acts are passed.

D. Revenue allocations shall be made to nonfiscal appropriations ~~during~~. During the applicable fiscal year such

appropriations first shall become available for expenditure and for. Such appropriations may be expended only in that fiscal year only. This limitation applies equally to those revenue allocations made to such appropriation.

E. ~~Appropriation acts~~ Measures passed by the Legislature appropriating revenues from the General Revenue Fund, which are supplemental to the original budget in effect on July 1 of any fiscal year, shall be considered supplemental appropriations and shall receive revenue allocations for the first time in the month in which such acts become effective in compliance with Section 23, of Article 10, X of the Oklahoma Constitution of the State of Oklahoma.

F. Supplemental appropriations from the General Revenue Fund passed by the Legislature in excess of the Board of Equalization's estimate for that fiscal year shall be null and void.

SECTION 27. AMENDATORY 62 O.S. 2001, Section 41.15, is amended to read as follows:

Section 41.15 ~~Effective July 1, 1947 and thereafter, the A. The~~ Division of Central Accounting and Reporting shall allocate all revenues ~~thereafter deposited~~ to the credit of any fund in the State Treasury except the Public Building Fund, in accordance with the provisions of Section 23, of Article 10, X of the Oklahoma Constitution of Oklahoma, as amended on March 11, 1941, and House Bill No. 30, Regular Session of the Twenty First Legislature.

B. ~~The Budget~~ Director of the Office of State Finance may require that appropriations for capital ~~outlay~~ expenditures be financed by a separate cash account so that allocations of cash to any agency for purposes of constructing buildings, making improvements, purchasing equipment, ~~etc.~~ or other capital expenditures, may not be used to finance the current operations of the ~~institution, department, or agency.~~

C. Appropriations which are nonfiscal for contractual and expenditure purposes, shall be considered fiscal for revenue purposes, but may be allotted for expenditure at any time within thirty (30) months from date such acts are ~~passed~~ enacted. Revenue which accrues to the credit of the Public Building Fund in the State Treasury ~~which derives its revenue under the provisions of Title 74, Section 98, O.S. 1951,~~ shall be allocated to the appropriations from the Public Building Fund in consecutive order. The Governor shall designate the order of payment of the appropriations from the Public

Building Fund. The ~~Budget~~ Director of the Office of State Finance shall allocate the collections sufficient to pay the first appropriation designated by the Governor, before ~~he~~ the Director allocates any amount to the second and so on, until all appropriations are provided for. The contracting agency receiving such appropriation shall not contract the same until revenue has been allocated as provided in ~~this act~~ the Oklahoma State Finance Act.

SECTION 28. AMENDATORY 62 O.S. 2001, Section 41.8, is amended to read as follows:

Section 41.8 Federal funds received by any agency of the state shall be deposited in the State Treasury and disbursed upon warrants issued by the State Treasurer ~~and~~. These funds shall be subject to the other fiscal controls imposed by ~~this act~~ the Oklahoma State Finance Act, except where federal laws and/or regulations of ~~the a~~ federal agency which makes such funds available to the State requires such federal funds to be granted, deposited, allocated or expended through channels other than those required by the provisions of ~~this act~~ the Oklahoma State Finance Act.

SECTION 29. AMENDATORY 62 O.S. 2001, Section 41.9, is amended to read as follows:

Section 41.9 ~~Effective July 1, 1947, and thereafter,~~ appropriations A. Appropriations and/or federal funds, shall be allotted for each ~~spending~~ agency by the use of a method which shall be known as the line item method of allotting appropriations whereby items requested may be allotted on either a monthly, quarterly, semiannual or annual basis upon the written request of the agency concerned and the approval of the Budget Director as provided by the language of the legislative appropriation and other applicable state law. Items may be allotted on a monthly, quarterly, semiannual or annual basis upon the written request of the agency and the approval of the Director of the Office of State Finance.

B. The request officer for each ~~spending~~ agency shall ~~show on the forms provided,~~ present the proposed classification of the expenditures for that ~~spending~~ agency in such manner as may be required by the Office of State Finance.

C. Each agency shall be required to identify those items that are for capital purposes in keeping with the definition of capital projects promulgated by the Long-Range Capital Planning Commission.

Requests for capital appropriations and an agency's original budget request shall be for capital projects that have been submitted to the Long-Range Capital Planning Commission for review.

D. ~~The Budget Director of the Office of State Finance shall review the requested allotments with respect to the work program agency budget with each spending agency and shall, if the Director deems it necessary,~~ The Director may require said spending the agency to revise, alter or change such allotments before approving the same them, if it is deemed necessary, reserving a sufficient balance in the appropriation to finance the operations of the ~~spending~~ agency for the remainder of any fiscal year.

E. At the end of any fiscal year, the entire amount appropriated to any ~~spending~~ agency must be allotted to the agency by the ~~Budget Director of the Office of State Finance,~~ except where the estimated budget resources during any fiscal year are insufficient to pay all of the appropriations of the state in full for such year ~~in full~~. ~~The Budget Director of the Office of State Finance shall not allot to any spending agency during any fiscal year, an amount which will be in excess of the amount of revenue collected and allocated to appropriations made to such spending agency.~~

F. In the event of a failure of revenue, the ~~Budget Director of the Office of State Finance shall control the allotment authorizations to prevent obligations being incurred in excess of the revenue to be collected. However, the Budget Director shall make all reductions within each state fund where a revenue failure occurs,~~ the Director of the Office of State Finance shall make all reductions apply to each department, institution, board, commission state agency or special appropriation made by the State Legislature, in the ratio that its total appropriation for that fiscal year bears to the total of all appropriations for that fiscal year, as provided in Section 237 of Article 10, X of the Oklahoma Constitution of Oklahoma.

~~Appropriation~~ G. An allotment may be approved for any item for the entire year or may be approved on a monthly, quarterly, or semiannual basis, but in no case shall the aggregate of such allotments for any ~~spending~~ agency exceed the total appropriation made available to such ~~spending~~ agency for the fiscal year to which they apply. Each ~~spending~~ agency's request for appropriation allotments shall show the amount required to finance each item of the request for the entire year and ~~for each quarter beginning July~~

~~1st, October 1st, January 1st and April 1st, on a quarterly basis~~ within each fiscal year.

H. ~~The Budget Director of the Office of State Finance shall consider the review each allotment request for the purpose of making a determination of~~ determining whether: (1) ~~That such~~

1. ~~The itemized requests are in accordance with the agency budget plan approved by the Legislature;~~ (2) ~~that the~~

2. ~~The accounting classification is sufficient to reflect the purposes for which the~~ expenditures are to be made; (3) ~~that the~~

3. ~~The current financial requirements of the spending agency concerned, justifies justify the monthly or quarterly allotment to be made for each quarter, reserving a sufficient balance in the appropriation to finance the remaining months or quarters;~~ (4) ~~that the and~~

4. ~~The realization of the estimated revenues is sufficient to allow the commitments~~ allotments to be made.

I. ~~The Legislature shall be exempt from submitting any program of work or quarterly agency budget or allotment request.~~

SECTION 30. AMENDATORY 62 O.S. 2001, Section 41.13, is amended to read as follows:

Section 41.13 A. ~~All departments, institutions, or agencies of the state which are operating either partially or entirely from revenues derived from sources other than legislative appropriations, or authorizations shall file requests for allotments under the same provisions herein stated as are required for those agencies that receive direct legislative appropriations which distinctly specify the amount appropriated.~~

B. ~~The Budget Director of the Office of State Finance shall approve such requests for allotments on a line item basis pursuant to the language of the legislative appropriation and other applicable state law, if the estimated revenues accruing to such fund are sufficient to finance such allotments within the period for which the items are approved, and if the account classification is sufficient to show clearly shows the purposes for which the money is to be expended, except that.~~ However, obligations as they are incurred may not exceed the unencumbered balance of surplus cash on

hand in accordance with Section 23, of Article 10, X of the Oklahoma Constitution of the State of Oklahoma.

C. ~~The Budget Director of the Office of State Finance may require a more detailed breakdown of accounts before he approves approving such requests if the request fails to show sufficient information for the Division of Central Accounting and Reporting.~~

D. ~~This section shall apply to such spending agencies as the State Highway Department, Fish and Game Department, Oklahoma Employment Security Commission and other spending agencies operating under similar financial arrangements, including federal funds received by any spending agency of the state receiving federal funds, but shall not apply to donated funds, trust funds or funds of an agency relationship.~~

SECTION 31. AMENDATORY 62 O.S. 2001, Section 41.10, is amended to read as follows:

Section 41.10 ~~The Budget~~ A. If an allotment request is approved by the Director of the Office of State Finance, it shall, if he approves the requested allotments, transmit a copy as approved be transmitted to the request officer of the spending agency concerned and also a copy to the Division of Central Accounting and Reporting.

B. Legislative appropriations which serve as or authorizations are the legal basis for expending the state's monies, and against which allotments. Allotments shall be made, shall be set up against these legislative appropriations or authorizations and shall be entered on the records of the Division of Central Accounting and Reporting in such accounts as may be required by the Director of the Office of State Finance.

C. The allotments approved by the Budget Director against such appropriations, of the Office of State Finance shall be the portion of the appropriation set aside to cover encumbrances and expenditures for a designated purpose during a monthly, quarterly, semiannual or annual period. The allotments authorized by the Budget Director shall be filed with the Division of Central Accounting and Reporting and shall be set up on the records of the Division of Central Accounting and Reporting in such accounts as may be required by the Budget Director.

D. The Division of Central Accounting and Reporting shall not approve claims for payment in excess of the amount allotted for each account approved by the ~~Budget~~ Director of the Office of State Finance.

E. After the first allotments for each agency of the state have been authorized by the ~~Budget~~ Director ~~for each agency of the state of the Office of State Finance~~, subsequent allotments may be authorized upon the request of ~~the~~ an agency concerned and with the approval of the ~~Budget~~ Director of the Office of State Finance.

F. The ~~Budget~~ Director of the Office of State Finance may authorize new accounts in addition to those requested in the original allotment request, or may increase the amount allotted for a monthly, quarterly, semiannual or annual period. A balance remaining in any of the allotment accounts at the end of any monthly, quarterly, or semi-annual period, shall be available for expenditure the subsequent period; however, subsequent allotment requests and the ~~Budget~~ Director's approval should take into consideration any unencumbered or unexpended balance remaining at the time such subsequent requests are approved.

SECTION 32. AMENDATORY 62 O.S. 2001, Section 41.46, is amended to read as follows:

Section 41.46 A. The administrative head of any agency or the request officer ~~as defined in Section 41.7c of this title~~, may request that any current item of appropriation, ~~appropriation~~ allotment, ~~program or budget~~ category ~~or work program~~ be transferred to any other ~~program~~ budget category within the same agency.

B. The administrative head shall make a request for ~~program~~ budget transfer to the Director of the Office of State Finance in writing and file a revised agency budget ~~work program~~.

C. Copies of the request for ~~program~~ budget transfer and corresponding agency budget ~~work program~~ revisions shall also be filed with the Joint Legislative Committee on Budget and Program Oversight as created by Section 41.47 of this title.

D. The Director of the Office of State Finance shall approve the request for transfer unless both the Chair and Vice Chair of the Joint Legislative Committee on Budget and Program Oversight provide written notification to the Director of State Finance within twelve (12) calendar days of receipt of transfer request that the transfer

subverts the intention and objectives of the Legislature in establishing the original appropriation, or unless the transfer does not meet the requirements of this section or Section 41.9 of this title. Notification of noncompliance with legislative intent shall be transmitted to the Director of State Finance within twelve (12) calendar days of receipt of the transfer request. The Director of State Finance shall give written notice of approval or disapproval of each ~~program~~ budget transfer to the agency, the Governor and the Chair and Vice Chair of the Joint Legislative Committee on Budget and Program Oversight within eighteen (18) calendar days of receiving the request.

E. Transfers shall be subject to the following limitations:

1. The amount to be transferred, together with all previous transfers, shall not exceed twenty-five percent (25%) of the total appropriation of the least of the items of appropriation, ~~appropriation~~ allotment or ~~work program~~ agency budget involved in the transfer; and

2. If the amount to be transferred, and all previous transfers, is greater than twenty-five percent (25%) of the least items of appropriation, ~~appropriation~~ allotment or ~~work program~~ agency budget involved in the transfer request, ~~upon written application the~~ agency may make an application to the Director of the Office of State Finance, and the Chair and Vice Chair of the Joint Legislative Committee on Budget and Program Oversight and with. If the agency obtains written approval by from the Contingency Review Board Director of the Office of State Finance and the Chair and Vice Chair of the Joint Legislative Committee Budget and Program Oversight, an additional fifteen percent (15%) may be transferred.

SECTION 33. AMENDATORY 62 O.S. 2001, Section 41.14, is amended to read as follows:

Section 41.14 A. 1. The Oklahoma State System of Higher Education, established by Article XIII-A of the Oklahoma Constitution ~~of this state~~, shall operate an allotment system similar to the procedure set out in ~~this act~~ the Oklahoma State Finance Act for other agencies of the state except that the Oklahoma State Regents for Higher Education shall be substituted for the ~~State Budget~~ Director of the Office of State Finance in connection with approving allotment requests of the constituent institutions comprising The Oklahoma State System of Higher Education.

2. The account classification for the State System of Higher Education shall conform as nearly as possible with the classification of accounts recommended by the National Committee on Standard Reports for Institutions of Higher Education.

3. The Board of Regents shall allocate to each institution under its control from the consolidated, or lump sum appropriation made by the Legislature, an amount sufficient to meet the needs and functions of each institution for the entire year ~~as is now provided by law, or may hereafter be provided by law.~~

4. The amount allocated to each institution for each fiscal year in accordance with Article XIII-A, of the Oklahoma Constitution, shall be made in a lump sum without regard to uniform budget or accounting classifications, but shall not be available for expenditure until subsequently allotted by the Regents in accordance with the uniform budget and accounting classifications recommended by the National Committee on Standard Reports.

B. The Oklahoma State Regents for Higher Education may reduce the allocation of funds which could otherwise be made to an institution within The Oklahoma State System of Higher Education in order to make payments for leases within the lease financing program authorized by Section 4 3206.5 of this act Title 70 of the Oklahoma Statutes.

C. 1. The Regents, with the approval of the ~~Budget~~ Director of the Office of State Finance, may allot money to any constituent institution ~~under said Regents~~ to set up and operate a petty cash fund at said institution, ~~said.~~ Such petty cash fund shall be reimbursed upon the filing of claims showing the purposes for which the funds were expended.

2. The Division of Central Accounting and Reporting shall make cash allocations of revenue in accordance with Section 23, of Article 10, X of the Oklahoma Constitution of Oklahoma, to each of the constituent institutions, ~~considering the total allocation.~~ These cash allocations shall be based on the allocations made by the Regents to each institution from the lump sum legislative appropriations as and such allocation shall be the total appropriation for each institution, in lieu of legislative appropriations. ~~All~~

3. After these funds have been allocated and allotted as provided in this section, all institutional income shall operate as

a continuing nonfiscal appropriation which may be spent for any educational and general purposes for which appropriated funds may be spent. "Institutional income" for such purposes shall mean all income available for educational and general purposes, as defined in the uniform budget and accounting classifications recommended by the National Committee on Standard Reports, and including income defined by law as revolving fund income, shall operate as a continuing nonfiscal appropriation which may be spent for any educational and general purposes for which appropriated funds may be spent, if allocated and allotted as provided in this section; provided. Expenditures shall be limited to the extent that the obligations as they are incurred may not exceed the unencumbered balance of cash on hand in accordance with Section 23, of Article 10, X of the Oklahoma Constitution of the State of Oklahoma.

D. 1. At least thirty (30) days prior to the beginning of each fiscal year, each of the constituent institutions shall file with the Regents its request for appropriation allotments for each of the purposes for which expenditures are to be made.

2. Such requests shall be broken down to conform to the uniform budget or accounting classifications recommended by the National Committee on Standard Reports.

3. Each institution's request for appropriation allotments shall show the amount required to finance each item of the request for the entire year and for each quarter or each six-months period within the fiscal year, as required by the ~~Budget~~ Director of the Office of State Finance.

E. The Regents, or ~~their designated~~ the official or employee who has been authorized to approve ~~itemize~~ itemized allotment requests, shall consider the allotment requests for the purpose of making a determination ~~of whether:~~ (1) that the

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

2. The accounting classification is sufficient to reflect the purpose for which expenditures are to be made and that such classification is in accordance with the budget classifications adopted by the ~~Budget~~ Director of the Office of State Finance and the Regents, which shall conform as nearly as possible to the account classification recommended by the National Committee on

Standard Reports for Institutions of Higher Education; ~~(3) that the~~
and

3. The realization of estimated revenues determined by the ~~Budget~~ Director of the Office of State Finance is sufficient to allow the commitments to be made.

F. 1. In allotting appropriations and other funds, and approving subsequent allotments which may be required by each institution, the Regents shall follow the same general procedure set forth in ~~this act~~ the Oklahoma State Finance Act for other agencies of the state not under the control of said Regents, except as otherwise provided in this section.

2. All forms and account classifications shall be mutually agreed upon by the ~~Budget~~ Director of the Office of State Finance and the State Regents.

3. The Regents shall file approved requests of constituent institutions with the Division of Central Accounting and Reporting and such ~~approved~~ requests shall be entered on the records of the ~~state~~ Office of State Finance in the same manner as is provided in ~~this act~~ the Oklahoma State Finance Act for other agencies of the state.

4. The State Regents and the ~~Budget~~ Director of the Office of State Finance shall approve any request from the administrative head of a constituent institution for amendment of the approved schedule of positions and salaries, or transfers between items, so long as the currently approved allotment for such purposes is not exceeded, ~~and each.~~ Each such amendment shall be filed with the ~~Budget Director~~ Office of State Finance, in such detail as ~~he~~ may require be required, prior to the date on which the first payroll or other disbursement affected by such amendment or transfer is submitted for payment.

G. 1. In the event that the realization of estimated revenues at any time during the fiscal year indicates that the total revenue for that fiscal year to any state fund will be insufficient at the end of the fiscal year to meet the total appropriations from that fund, the ~~State Budget~~ Director of the Office of State Finance shall notify the Oklahoma State Regents ~~of~~ for Higher Education as to the amount of reduction necessary against the consolidated, or lump sum appropriations, made to the Regents.

2. The Regents, in making itemized allotments during the fiscal year, may reserve an amount sufficient to meet a reasonable failure of revenue until receipt of notice from the ~~Budget~~ Director of the Office of State Finance that the realization of estimated revenues indicates that the total appropriation may be allotted for expenditure. Upon receipt of notice from the ~~Budget~~ Director of the Office of State Finance of a necessary reduction in the consolidated, or lump sum appropriation, to meet a failure in revenue, the Regents ~~of~~ for Higher Education shall immediately take action to control the approval of subsequent allotment requests sufficient to make the aggregate reduction in allotments of all constituent institutions under their control equal the amount of reduction ordered against the lump sum appropriation made by the Legislature. Such reductions against the lump sum appropriation shall not exceed the percentage reduction ordered against other agencies of the state in accordance with Section 23, Article 10, Oklahoma Constitution.

SECTION 34. AMENDATORY 62 O.S. 2001, Section 10.1, is amended to read as follows:

Section 10.1 There is hereby created in the State Treasury a division of the State General Revenue Fund which shall be designated the "General Revenue Cash-flow Reserve Fund". The purpose of the General Revenue Cash-flow Reserve Fund is to make cash available for the July cash allocation and so that, insofar as possible, each monthly cash allocation thereafter can equal one-twelfth (1/12) of the annual appropriation from the General Revenue Fund.

1. Each year the Director of the Office of State Finance may transfer monies from the then current fiscal year General Revenue Fund to the General Revenue Cash-flow Reserve Fund for the succeeding fiscal year when the apportionment to the General Revenue Fund is in excess of amounts required for the allocations necessary to fund appropriations made by the Legislature for the then current fiscal year. The amount to be transferred shall not exceed ten percent (10%) of the amount certified by the State Board of Equalization as available for appropriation from the General Revenue Fund for the next succeeding fiscal year.

2. Any monies transferred to the General Revenue Cash-flow Reserve Fund pursuant to paragraph 1 of this section, shall be transferred by the Director of the Office of State Finance as nonrevenue receipts to the State General Revenue Fund in the amounts necessary to make cash available for the July cash allocation and so

that, insofar as possible, each monthly cash allocation thereafter can equal one-twelfth (1/12) of the annual appropriation.

3. On the second Monday of June of each year, the Director of the Office of State Finance shall close the preceding fiscal year General Revenue Cash-flow Reserve Fund by transfer to the then current fiscal year General Revenue Fund.

4. Any monies in the prior year General Revenue Cash-flow Reserve Fund which are not necessary for the current year cash-flow needs shall be subject to legislative appropriation.

SECTION 35. AMENDATORY 62 O.S. 2001, Section 10.3, is amended to read as follows:

Section 10.3 A. The Director of the Office of State Finance may transfer monies from any treasury fund to the General Revenue Cash-flow Reserve Fund as required to satisfy monthly allocations scheduled from the General Revenue Fund for the then current fiscal year. Funds from which any monies are so transferred shall be repaid before any transfers are made from the General Revenue Fund to the General Revenue Cash-flow Reserve Fund for the subsequent fiscal year.

B. The Director of the Office of State Finance may transfer monies to any treasury fund from the General Revenue Cash-flow Reserve Fund as required to satisfy cash-flow requirements of ~~Public Law 101-453, the federal Cash Management Improvement Act, as amended, 31 U.S.C., Sections 3335, 6501 and 6503.~~ Funds to which any monies are so transferred shall be repaid within the same month. If insufficient funds exist in the General Revenue Cash-flow Reserve Fund for this purpose, the General Revenue Fund for the then current fiscal year may be used with the same repayment stipulations.

SECTION 36. AMENDATORY 62 O.S. 2001, Section 7.2, as amended by Section 1, Chapter 105, O.S.L. 2002 (62 O.S. Supp. 2008, Section 7.2), is amended to read as follows:

Section 7.2 A. There is hereby re-created, to continue until July 1, 2008, in accordance with the provisions of the Oklahoma Sunset Law, ~~Section 3901 et seq. of Title 74 of the Oklahoma Statutes,~~ a Special Agency Account Board, to consist of the Director of the Office of State Finance, the State Treasurer and the Director of the Legislative Service Bureau. The Board shall have the authority to approve the establishment of agency special accounts in

the official depository of the State Treasury. In the case of institutions of higher education, the Special Agency Account Board, acting in conjunction with the Oklahoma State Regents for Higher Education, shall establish special agency accounts as appropriate which shall be consistent with provisions of the ~~Oklahoma Budget Law of 1947, Section 41.1 et seq. of this title~~ Oklahoma State Finance Act, as it relates to institutions in The Oklahoma State System of Higher Education.

B. The Board, created by this section, shall adopt procedures including application forms, justification and other pertinent information as to the basis for a state agency application for the establishment of agency special accounts.

C. The Board may approve agency special accounts for money received by state agencies for the following purposes:

1. Benefit programs for individuals, including, but not limited to, unemployment compensation, workers' compensation and state retirement programs;

2. Revenues produced by activities or facilities ancillary to the operation of a state agency which receive no money, directly or indirectly, from or through that state agency, including, but not limited to, revenues from the sales of food at retail level, sales at canteens, sales at student unions, sales at student bookstores, receipts from athletic programs and receipts from housing. Provided, however, that a state institution of higher learning may purchase necessary equipment and instructional supplies and office supplies from a student bookstore, or, subject to authorization by the Oklahoma State Regents for Higher Education, may rent building space for institutional use in a building operated by an organization or entity whose existence is ancillary to the operation of a state agency, and whose cost was financed in whole or in part with revenue-type bonds; provided, further, that the cost of such office supplies or space rental shall not exceed the cost of similar supplies or rentals available commercially;

3. Gifts, devises and bequests with an agency as beneficiary, unless otherwise provided by statute;

4. Evidence funds for law enforcement agencies;

5. Student loan funds and scholarship funds;

6. Funds held in escrow;

7. Land Commission funds;

8. Funds for which the state agency acts as custodian, including, but not limited to, fees from employee earnings approved by the governing board of the agency, funds of student organizations including student activity fees collected by an educational institution as a separate item in enrollment procedures, professional organizations, patients and inmates;

9. Funds used by the Oklahoma Tax Commission to pay for the filing of liens with the Federal Aviation Administration;

10. Temporary accounts for funds arising from new or amended legislation not otherwise provided for in statute or for other emergency situations. Such accounts are to be utilized only pending legislative action directing custody of such funds;

11. Payment of liability claims against the state;

12. Activities of the various Armory Boards of the Oklahoma Military Department to receive and dispense funds derived by the Armory Boards pursuant to Sections 232.6 and 232.7 of Title 44 of the Oklahoma Statutes; and

13. Payment of expenses incurred in connection with the acceptance of payments made with nationally recognized credit cards.

D. The State Treasurer is authorized to accept deposit of money made directly to agency special accounts approved by the Board. All money received by a state agency, as described in Section ~~7-1~~ 34.57 of this title, shall be deposited in State Treasury funds or accounts and no money shall be deposited in banks or other depositories unless the bank accounts are maintained by the State Treasurer or are for the deposit of authorized petty cash funds.

E. Money deposited in agency special accounts shall be disbursed on vouchers issued by the state agency concerned to accomplish the purpose for which the money was intended.

F. Funds and revenues of the Grand River Dam Authority are exempt from the requirements of this section.

G. Funds and revenues of the Oklahoma Municipal Power Authority are exempt from the requirements of this section.

H. Monies used for investment purposes by the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Police Pension and Retirement System, the Uniform Retirement System for Justices and Judges, the Oklahoma Law Enforcement Retirement System, the Oklahoma Public Employees Retirement System, the Teachers' Retirement System of Oklahoma, the State Insurance Fund, the State and Education Employees Group Insurance Board, the Commissioners of the Land Office, and the Oklahoma State Regents for Higher Education for its Endowment Trust Fund are exempt from the requirements of this section, and shall be placed with the respective custodian bank or trust company.

SECTION 37. AMENDATORY 62 O.S. 2001, Section 7.3, is amended to read as follows:

Section 7.3 A. Each state agency shall furnish to the Director of the Office of State Finance, in such form as the Director shall prescribe, detailed information showing the income, disbursements, and transfers for each agency clearing account and each agency's special account. Income, disbursements and transfers shall be identified in accordance with code designations as provided in the accounting procedures of the Office of State Finance.

B. The Director of the Office of State Finance may approve any modification in the code designations of income, disbursements and transfers that he or she finds expedient.

C. The State Treasurer shall not honor vouchers disbursing and transferring monies from agency clearing accounts or special accounts, when he or she has been notified by the Director of the Office of State Finance that an agency is not in compliance with the provisions of subsection A of this section.

SECTION 38. AMENDATORY 62 O.S. 2001, Section 41.13a, is amended to read as follows:

Section 41.13a No state agency ~~or entity~~ shall commit or expend any funds from federal block grant funds created after ~~the effective date of this act~~ June 9, 1995, including, but not limited to, employment, job training, vocational education, vocational rehabilitation, adult education or literacy programs without:

1. Prior authorization;
2. Appropriation of the funds by the Legislature as provided in Section 23 of Article ~~10~~ X of the Oklahoma Constitution; or
3. Other formal expression of legislative intent.

SECTION 39. AMENDATORY 62 O.S. 2001, Section 41.16, is amended to read as follows:

Section 41.16 Encumbrance requirements for payments from funds of the state shall include the following:

~~A. 1.~~ Whenever ~~departments, institutions, boards, commissions or~~ agencies of this state enter into contracts for, or on behalf of the state for the purchase of ~~goods, wares or merchandise, or for construction of buildings, roads, bridges or any other thing for which labor and materials must be furnished by outside vendors~~ tangible or intangible property, or for services or labor, such agreement shall be evidenced by written contracts or purchase orders, and must be transmitted to the Director of the Office of State Finance within a reasonable time from the date of the awarding of the contract or purchase order, as determined by the Director ~~of State Finance from the date of awarding of such contract or purchase order~~;

~~B. 2.~~ The Director of the Office of State Finance shall charge such contracts, or purchase orders ~~or agreements~~, against the proper ~~appropriation allotment~~ account as an outstanding order until it is liquidated by payment of a claim, or claims, against said contracts or purchase orders, or by cancellation of the contract or purchase order;

~~C. 3.~~ The Director of the Office of State Finance shall have the ~~authority, and is hereby given the power to authorize departments, institutions, boards, commissions or~~ agencies of the state to make purchases ~~not requiring~~ without the submission of competitive bids ~~pursuant to Section~~ as otherwise required by Sections 85.7 and 85.12 of Title 74 of the Oklahoma Statutes, ~~or excluded from the purview of the Central Purchasing Act pursuant to Section 85.12 of Title 74 of the Oklahoma Statutes~~, for or on behalf of the state whenever the Director ~~of State Finance~~ determines that it is in the best interests of the state ~~are served thereby~~. The administrative head of any agency shall be personally liable for

obligations incurred in excess of the authorization granted by the Director ~~of State Finance~~;

~~D.~~ 4. The Director ~~of the Office~~ of State Finance shall never authorize payment of claims ~~for the purchase of goods, wares and merchandise, or claims for contractual services,~~ for any agency of the state unless ~~it is~~ they are supported by ~~(1)~~:

- a. contracts or purchase orders of the ~~State Board of Public Affairs~~ Department of Central Services, or ~~(2)~~
- b. institutional purchase orders or contracts, or ~~(3)~~
- c. departmental purchase orders or contracts, or ~~(4)~~
- d. authorizations for purchases granted by the Director ~~of State Finance~~ as provided by ~~subsection C~~ paragraph 3 of this section;

5. Any invoice or claim dated prior to the date of any of the above-mentioned encumbrance documents shall be rejected by the ~~Director~~ Office of State Finance;

6. Any encumbrance document that is outstanding on the records in the Office of State Finance ~~for a period of one (1) year when its funding source or sources lapse shall be canceled, encumbrances for capital outlay excepted.~~ unless another current funding source is assigned; and

7. The Commissioners of the Land Office shall be authorized to make payment of fees to its custodial bank and investment managers from the proceeds of total realized investment gains and such payments may be made from a special fund hereby created in the State Treasury for this purpose. Total payments for this purpose in a fiscal year shall not exceed one-half percent (0.5%) of the market value of the funds under the Commissioners' management on June 30 of the previous fiscal year.

SECTION 40. AMENDATORY 62 O.S. 2001, Section 41.18, is amended to read as follows:

Section 41.18 A. The State Treasurer shall be the disbursing agency of the state and shall draw either checks or warrants payable at the State Treasury, in payment of all claims, including payrolls,

against the state which shall be ~~by law directed to be~~ paid out of the Treasury, as follows:

1. Each check or warrant shall specify the date of its issue and the name of the person to whom payable. ~~Each; and~~

2. For each check, or warrant, issued by the State Treasurer, there shall be a record which shall specify ~~on its face~~ the gross amount, the amount of withholding, if any, and the net amount payable to the payee.

B. At the end of each month the State Treasurer shall report to the Director of the Office of State Finance in such form as the ~~Director of State Finance~~ shall prescribe, all checks or warrants issued during the month. ~~Effective July 1, 1947, and thereafter,~~ ~~checks~~

C. Checks or warrants issued by the State Treasurer shall be registered on the records of the State Treasurer in such manner as shall be prescribed by the ~~Budget~~ Director of the Office of State Finance; provided, that each check or warrant shall indicate thereon the fund against which the same shall be charged. The purpose of this section is to permit checks or warrants to be registered in the order in which they are drawn upon the State Treasury; ~~provided,~~ ~~such checks or warrants indicate the treasury fund against which the same is charged.~~

SECTION 41. AMENDATORY 62 O.S. 2001, Section 41.21, as amended by Section 1, Chapter 150, O.S.L. 2002 (62 O.S. Supp. 2008, Section 41.21), is amended to read as follows:

Section 41.21 A. Except as otherwise provided ~~by subsections B, C, D, E, F, G, H, K and L of this section~~ in the Oklahoma State Finance Act, procedures for ~~effecting payment of~~ paying claims or payrolls shall include the following:

1. All miscellaneous claims and payroll claims ~~which are to be used to authorize~~ for the payment of money from the State Treasury, shall be filed with the Director of the Office of State Finance for audit and settlement prior to being filed for payment with the State Treasurer; ~~provided, the~~

2. The Director of the Office of State Finance may establish alternative procedures for the settlement of claims ~~through the Office of State Finance~~ whenever such procedures are ~~deemed~~ more

advantageous ~~and~~ so long as they are consistent with the requirements of Section 41.1 et seq. of this title. state law;

3. Such alternative procedures may include, but are not limited to, shall be at the discretion of the Director of the Office of State Finance and may include, but are not limited to:

- a. a procedure to permit consolidated payment to vendors for claims involving more than one agency of the state when audit and settlement of such claims, as hereinafter provided, can in all respects be accomplished,
- b. procedures based upon valid statistical sampling models for preaudit of claims, ~~except for payroll claims and travel claims,~~ against contracts, purchase orders and other commitments before entering such claims against the ~~appropriation allotment~~ accounts, and
- c. policies, procedures and performance criteria for the participation of agencies or departments, not authorized in ~~subsections B through H of~~ by this section, to engage in an alternative system for the settlement of claims ~~through the Office of State Finance;~~ and

~~2.~~ 4. The Director of the Office of State Finance may use a numeric or alphanumeric designation to cross-reference claims or payrolls to check warrant numbers, transfer entry or optional settlement mode used in the payment thereof.

B. After claims or payrolls or both have been properly audited and recorded against the respective contracts, purchase orders, other commitments and ~~appropriation allotment~~ accounts, the Division of Central Accounting and Reporting shall certify such claims or payrolls to the State Treasurer for payment.

C. It shall be the responsibility of the Division of Central Accounting and Reporting to determine that:

- ~~a. that all~~

1. All material legal requirements concerning the expenditure of monies involved in each claim or payroll have been complied with,
~~and;~~

~~b. — that funds~~

2. Funds have been properly and legally allotted for the payment of the claim or payroll; ~~and that a~~

3. A sufficient balance exists for the payment of same.

~~Sufficient space shall be provided on each claim and payroll for the Director of State Finance to indicate that the claim or payroll has been approved for payment by the Division of Central Accounting and Reporting.~~

D. The Director of the Office of State Finance shall authorize or bonded employees in the Division of Central Accounting and Reporting to execute the signed approval of each claim or payroll which authorized by the Director shall be certified certify to the State Treasurer that the claim or payroll has been approved for payment.

~~B. The Department of Human Services is authorized to establish an encumbrance and preaudit system for settlement of claims relating to public assistance, social service benefits and medical benefits to or for persons eligible under applicable federal laws and rules, Oklahoma Statutes, and policies established by the Oklahoma Commission for Human Services. The following programs shall be eligible for this procedure:~~

- ~~1. Aid to Families with Dependent Children;~~
- ~~2. Aid to Aged, Blind and Disabled;~~
- ~~3. Medical Assistance;~~
- ~~4. Day Care;~~
- ~~5. Refugee Resettlement;~~
- ~~6. Low Income Heating and Energy Assistance;~~
- ~~7. General Assistance;~~

~~8. Crippled Children;~~

~~9. Social Services under Title XX of the U.S. Social Security Act, 42 U.S.C., Section 301 et seq.;~~

~~10. Adoption Subsidies;~~

~~11. Foster Care;~~

~~12. Medical Examination;~~

~~13. Area Agencies on Aging;~~

~~14. Any contract for service for which the Department of Central Services has approved as qualifying for a fixed and uniform rate pursuant to Section 85.7 of Title 74 of the Oklahoma Statutes;~~

~~15. Sheltered Workshops;~~

~~16. Contracted Group Homes;~~

~~17. Rehabilitative Client Interpreters;~~

~~18. Rehabilitative Client Drivers; and~~

~~19. Maternal and Child Health Services Block Grant.~~

~~The Department of Human Services shall provide to the Director of State Finance, for approval prior to inclusion in this procedure, detailed listings of the type of payments to be made for each of these programs. The Department of Human Services shall provide the Director of State Finance a daily report of the dollar amount of claims settled and checks or warrants written, the dollar amount of checks or warrants canceled, and the dollar amount of checks or warrants canceled by statutes.~~

~~C. The State Department of Rehabilitation Services is authorized to establish an encumbrance and preaudit system for settlement of claims relating to social service benefits and medical benefits to or for persons eligible under applicable federal laws and regulations, Oklahoma Statutes, and policies established by the Commission for Rehabilitation Services for the following programs:~~

~~1. Vocational and other rehabilitation;~~

~~2. Educational services;~~

~~3. Disability Determination Services; and~~

~~4. Visual Services.~~

~~The State Department of Rehabilitation Services shall provide to the Director of State Finance, for approval prior to inclusion in this procedure, detailed listings of the type of payments to be made for each of these programs. The State Department of Rehabilitation Services shall provide the Director of State Finance a daily report of the dollar amount of claims settled and checks or warrants written, the dollar amount of checks or warrants canceled, and the dollar amount of checks or warrants canceled by statutes.~~

~~D. The Oklahoma State Regents for Higher Education and the Director of State Finance shall jointly establish a system for the settlement of claims, except for payroll, by entities of The Oklahoma State System of Higher Education. The settlement system shall include policy, procedures, and performance criteria for participation. The State Regents are authorized to approve or disapprove the participation of any institution or other entity of the State System in the claims settlement system.~~

E. 1. The Director of the Office of State Finance shall be authorized to establish necessary agency disbursing funds to efficiently accommodate the cash flow requirements of applicable federal regulations, bond indebtedness and other directives deemed appropriate by the Director of State Finance.

2. Agencies operating such disbursing funds are authorized to establish a preaudit and settlement system for claims or payments or both relating to the purposes of the stated directives.

3. The State Treasurer shall establish procedures for the state in accordance with Federal Banking and National Automated Clearing House Association standards and agencies shall be required to utilize automated clearing house procedures established by the State Treasurer ~~provided that no.~~

4. No individual or entity shall be required to have a bank account unless required by federal law or federal regulation.

5. Agencies shall be further required to present these transactions to the Office of State Finance in a summarized format

and shall include any accounting information necessary as determined by the Director of the Office of State Finance including, but not limited to, information related to ~~Public Law 101 453 the Cash Management Improvement Act, 31 U.S.C., Sections 3335, 6501 and 6503~~ federal law.

6. Administrative expenditures shall not be eligible for these procedures.

7. The efficiency of the payment system shall be considered when the interest earnings of the state are not diminished.

F. The Director of the Office of State Finance shall be authorized to process payments for federal tax withholding without claim forms. The Director ~~of State Finance~~ shall establish a separate fund for the purpose of accumulating federal income tax withholding from payrolls and remitting same to the United States Treasury.

~~G. The Department of Education and the Oklahoma Department of Career and Technology Education are authorized to establish a preaudit and settlement system for claims and/or payments of state funded assistance to school districts and institutions within The Oklahoma State System of Higher Education. The payment system shall be neutral as to interest income to the state and the school districts.~~

~~H. 1. The Director of the Office of State Finance shall be authorized to process, without claim forms, interest payments to the U.S. Treasury as required by ~~Public Law 101 453, the Cash Management Improvement Act, 31 U.S.C., Sections 3335, 6501 and 6503~~ federal law.~~

~~2. Agencies are responsible for the accrual of such interest liability of the state and shall provide payment to the Office of State Finance in the amount and method prescribed by the Director of the Office of State Finance.~~

~~3. Any liability of the U.S. Treasury as determined by ~~Public Law 101 453, the Cash Management Improvement Act, 31 U.S.C., Sections 3335, 6501 and 6503~~ federal law shall be deposited in the State Treasury and transferred by the Director of the Office of State Finance to the General Revenue Fund of the state subsequent to final determination and necessary audit resolution.~~

~~I. The State Treasurer shall write checks or warrants in payment of claims and payrolls certified to the State Treasurer for payment by the Division of Central Accounting and Reporting or the Department of Human Services or institutions within The Oklahoma State System of Higher Education. The State Treasurer, within such limitations as the State Treasurer may prescribe, may authorize the Director of State Finance, the Department of Human Services, or an institution within The Oklahoma State System of Higher Education to write the checks or warrants for payment of claims and payrolls that have been certified by the respective agency. The Director of State Finance, the Department of Human Services, and The Oklahoma State System of Higher Education institutions shall provide the State Treasurer a register of each payment for each check or warrant written. Provided, in lieu of checks or warrants:~~

~~1. The Director of State Finance may, with the concurrence of the State Treasurer, establish a procedure to effect the settlement of interagency claims by transfer entry; and~~

~~2. At the discretion of the State Treasurer, payment of claims and payrolls may be made by the electronic transfer of funds.~~

~~Such optional settlement modes may be implemented when the authorized officer or officers of the state are satisfied such modes will substantially operate to the benefit of the state and without sacrifice to the security and integrity of the monies and records of the state.~~

~~J. The Director of State Finance is authorized to use a numeric or alphanumeric designation to cross reference claims or payrolls to check warrant numbers, transfer entry or optional settlement mode used in the payment thereof.~~

~~K. The Department of Human Services and the Director of State Finance shall jointly establish a system for the settlement of claims, except for payroll, by the Department of Human Services. The settlement system shall include policy, procedures and performance criteria for participation.~~

~~L. The Department of Transportation may establish a preaudit and settlement system for claims and payments of state-funded contractor estimates and right of way payments. Provided, however, that nothing herein shall modify or alter condemnation proceedings as provided by law.~~

SECTION 42. AMENDATORY 74 O.S. 2001, Section 86.1, is amended to read as follows:

Section 86.1 A. To facilitate the payment of vendor invoices and contract estimates, the State Budget Director of the Office of State Finance shall design prescribe a uniform jacket document to be used by all departments, institutions and agencies of the state, whereon. The document shall be provided provide summarized information relative to the enclosed referenced invoices or contract estimates, together with a space for the approval of the head of the department, institution or agency approving said vendor invoices or contract estimates for payment.

B. Vendor invoices and contract estimates shall be accepted by the state in lieu of the claim form previously required in the same manner as commercial invoices are paid.

C. Vendor invoices and contract estimates shall be filed with the ~~department, institution or~~ agency receiving the merchandise or services in the same manner as invoices are filed with commercial firms.

D. Upon receipt of invoices or contract estimates, the head of the department, institution or agency, or his the agency's authorized agent, may approve said documents for payment by executing a certificate as confirmation of delivery or acceptance of the goods or services. Whereupon, the authorized official of said agency may approve said approved invoices or contract estimates for payment by enclosing the invoice or contract estimate in a jacket shall be attached to the document provided for such purpose and affixing his the head of the agency approving such invoices of contract estimates for payment shall affix the approval in the space provided on the jacket document. The provisions of this section shall become effective July 1, 1949, and thereafter commercial

E. Commercial invoices shall be accepted in lieu of the standard notarized claim prescribed by the state.

SECTION 43. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 34.66 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The State Treasurer shall write checks or warrants in payment of claims and payrolls certified to the State Treasurer for payment by the Division of Central Accounting and Reporting or:

1. The Department of Human Services;
2. The Department of Rehabilitative Services;
3. The State Department of Health;
4. The Department of Transportation;
5. The State Department of Education;
6. The Oklahoma Department of Career and Technology Education;
and
7. The institutions within The Oklahoma State System of Higher Education.

B. The State Treasurer, within such limitations as the State Treasurer may prescribe, may authorize the Director of the Office of State Finance and the entities specified in subsection A of this section to issue the checks or warrants for payment of claims and payrolls that have been certified by the respective agency.

C. The Director of the Office of State Finance and the entities specified in subsection A of this section shall provide the State Treasurer a register of each payment for each check or warrant issued.

D. In lieu of checks or warrants:

1. The Director of the Office of State Finance may, with the concurrence of the State Treasurer, settle interagency claims by transfer entry; and
2. At the discretion of the State Treasurer, pay claims and payrolls by the electronic transfer of funds.

SECTION 44. AMENDATORY 62 O.S. 2001, Section 41.17, is amended to read as follows:

Section 41.17 A. The State Budget Director of the Office of State Finance is hereby authorized to revise and prescribe the blank claim forms and electronic systems to process claims and payroll forms to be used by the various agencies of the state. Any agency of the state may file a claim against more than one item of the

current ~~appropriation~~ allotments within ~~the same fund~~ funds by indicating on the claim or payroll ~~in the space provided,~~ the allotment account, or accounts to be charged and ~~the State Budget.~~ The Director shall approve and charge the same such claim to the account, or accounts, indicated after proper audit and approval of the claim or payroll. ~~Payroll forms~~

B. These payroll systems are hereby authorized for use in claiming amounts due individually to all employees within a department, board, commission, institution or an agency of the state when the bonded executive head or bonded employee of such spending agency certifies on the payroll form that the amount shown after each named employee is the amount due for the period of time shown on the payroll form. Each payroll form record shall show in separate columns the total earnings, the amount of each type of withholding and the net amount due each employee. Withholdings may be reserved by the ~~Budget~~ Director of the Office of State Finance to be paid to the proper governmental agency entity by subsequent lump sum payments.

SECTION 45. AMENDATORY 62 O.S. 2001, Section 41.26, is amended to read as follows:

Section 41.26 ~~Individual claims and/or payrolls listing amounts claimed by more than one person which are used as the basis for the payment of money from the State Treasury from any fund shall be approved only by the elected or appointed head of any state department, board, commission, institution or agency, or their designated administrative employees. Provided, the~~

A. The elected or appointed executives of any state agency or their designated administrative employees shall approve individual claims of the agency which are used as the basis for the payment of money from the State Treasury from any fund. These individuals shall be known as the "agency approving officers".

B. Payrolls shall show the amount to be paid to each named person for the period of time shown.

C. The number of persons authorized to make such approval shall not exceed ~~two~~ five people for any one state department, board, commission, institution or agency without the special approval of the Director of the Office of State Finance, and in no case shall the number of such persons exceed five.

D. ~~All officials and employees authorized to approve claims or payrolls, if not already under bond for such purpose, agency approving officers shall execute a bond issued by a surety company licensed to do business in this state, payable to the state in the amount required by the Director of the Office of State Finance but not to exceed Twenty five Thousand Dollars (\$25,000.00), unless otherwise provided by law, less than Fifty Thousand Dollars (\$50,000.00) and conditioned for the faithful performance of their duties, with some surety company authorized to do business in this state,~~ as surety, which bond shall be approved by the Director of the Office of State Finance and filed in the office of the Secretary of State.

E. After state claims and/or payrolls have been approved by the ~~above officials and employees~~ agency approving officers, they shall be filed with the Director of the Office of State Finance for auditing and settlement.

SECTION 46. AMENDATORY 62 O.S. 2001, Section 7.6, is amended to read as follows:

Section 7.6 There is hereby created in the State Treasury a Payroll Fund which shall be used by the Director of the Office of State Finance and the State Treasurer to issue a consolidated payroll for each ~~state department, board, commission, institution or~~ agency of the state. Payrolls of state agencies shall be charged against the Payroll Fund created herein. Each state agency shall prepare summary distributions of the amounts of payrolls to be charged against each fund within the State Treasury and the Director ~~of State Finance~~ shall transfer monies from each fund in the State Treasury to the Payroll Fund amounts as shown on payroll distribution summaries, and shall charge such amounts to the ~~appropriation allotment~~ account affected thereby.

SECTION 47. AMENDATORY 62 O.S. 2001, Section 7.10, as last amended by Section 1 of Enrolled Senate Bill No. 384 of the 1st Session of the 52nd Oklahoma Legislature, is amended to read as follows:

Section 7.10 A. 1. Upon the request of a state employee, a state agency, ~~board, or commission~~ shall make voluntary payroll deductions for the employee to any credit union, bank, or savings association having an office in this state.

2. If the governing body of any county, municipality, or school district provides for voluntary payroll deductions to a credit union serving the employees of the county, municipality, or school district, it shall provide voluntary payroll deductions to any credit union, bank, or savings association having an office in this state which has a minimum participation of twenty percent (20%) of the employees of the county, municipality, or school district.

B. Upon the request of a state employee and pursuant to procedures established by the Administrator of the Office of Personnel Management, a state agency, ~~board, or commission~~ shall make payroll deductions for:

1. The payment of any insurance premiums due a private insurance organization with a minimum participation of five hundred (500) state employees for life, accident, and health insurance which is supplemental to that provided for by the state;

2. The payment of any insurance premiums due a private insurance organization or service company which is regulated by the State Insurance Commissioner and with a minimum participation of five hundred (500) state employees for legal services;

3. Premiums or payments for retirement plans with a minimum participation of five hundred (500) state employees for retirement plans which are supplemental to that provided for by the state;

4. Salary adjustment agreements included in a flexible benefits plan as authorized by the State Employees Flexible Benefits Act;

5. Membership dues utilized for benefits, goods or services provided by the Oklahoma Public Employees Association to the organization's membership or any other statewide association limited to state employee membership with a minimum membership of two thousand (2,000) dues-paying members. For purposes of this paragraph, state agencies shall accept online or electronically submitted forms from the Oklahoma Public Employees Association and other state employee associations. The Office of Personnel Management shall develop and implement a verification process for online or electronically submitted forms which may include the use of electronic signature technology or other process as determined appropriate;

6. Contributions to ~~its~~ any foundation organized pursuant to 26 U.S.C., Section 501(c)(3) ~~in~~ of the Oklahoma Public Employees

Association or any other statewide association limited to state employee membership with a minimum membership of two thousand (2,000) dues-paying members;

7. Payments to a college savings account administered under the Oklahoma College Savings Plan Act pursuant to Section 3970.1 et seq. of Title 70 of the Oklahoma Statutes;

8. Subscriptions to the Oklahoma Today magazine published by the State of Oklahoma through the Oklahoma Tourism and Recreation Department; and

9. The payment of any insurance premiums due a private insurance organization, which is regulated by the State Insurance Commission, for an Oklahoma Long-Term Care Partnership Program approved policy pursuant to the Oklahoma Long-Term Care Partnership Act.

C. The administrative costs of processing payroll deductions or administering salary adjustment agreements for insurance premiums as provided for in subsection B of this section shall be a charge of two percent (2%) of the gross annual premiums for insurance plans. The administrative costs of processing payroll deductions or administering salary adjustment agreements for payments for retirement plans as provided for in subsection B of this section shall be one percent (1%) of the gross annual payments for retirement plans. These charges shall be collected monthly from the private insurance or retirement plan organization by the Office of Personnel Management and shall be deposited to the credit of the General Revenue Fund. Provided that these costs shall not be collected from state employees or state agencies unless otherwise directed in ~~Section 1 et seq. of this title~~ the Oklahoma State Finance Act.

D. Any statewide association granted a payroll deduction prior to January 1, 2008, shall be exempt from the minimum state employee membership requirement.

E. Approval of a payroll deduction or salary adjustment agreement for any insurance organization, line of coverage or policy shall not be construed as an assumption of liability, for the term of policy or the performance of the insurance organization, by this state, or any of its agencies, ~~boards, commissions, institutions~~ or any officer or employee thereof. Contracts for such insurance shall

be in all respects subject to the insurance laws of this state, and shall be enforceable solely pursuant to such laws.

F. The Oklahoma Employment Security Commission is authorized to deduct from the wages or salary of its employees the employees' contribution to the Oklahoma Employment Security Commission Retirement Plan.

G. Payroll deductions shall be made for premium payments for group insurance for retired members or beneficiaries of any state-supported retirement system upon proper authorization given by the member or beneficiary to the board from which the member or beneficiary is currently receiving retirement benefits.

H. Upon request of instructional personnel employed at either the Oklahoma School for the Blind or the Oklahoma School for the Deaf and pursuant to procedures established by the Administrator of the Office of Personnel Management, the Commission for Rehabilitation Services shall make payroll deductions for membership dues in any statewide educational employee organization or association.

I. Upon the request of a state employee of the Department of Corrections, the Department shall make voluntary payroll deductions for the employee to the Correctional Peace Officer Foundation

SECTION 48. AMENDATORY 62 O.S. 2001, Section 41.4a, is amended to read as follows:

Section 41.4a ~~By November 1, 1983, the~~ The Director of the Office of State Finance shall establish a procedure to expedite issue payment for of a proper invoice for goods or services not later within no less than forty-five (45) days from the date on which the invoice is was received in the appropriate office designated by the agency to which the goods or services were sold and delivered.

SECTION 49. AMENDATORY 62 O.S. 2001, Section 41.4b, is amended to read as follows:

Section 41.4b The Director of the Office of State Finance shall also establish a procedure whereby interest shall be paid from to assess and pay interest for the late payment of an invoice, which interest shall be calculated beginning the thirtieth day after receipt by the designated office of a proper invoice for which

payment has not been mailed, transmitted, or delivered to a vendor by the close of business on the forty-fifth day. Such interest shall be at an annualized rate ~~as reported by the State Treasurer~~ based on an average of the interest rate for thirty-day time deposits of state funds during the last calendar quarter of the last preceding fiscal year, as reported by the State Treasurer.

SECTION 50. AMENDATORY 62 O.S. 2001, Section 41.4c, is amended to read as follows:

Section 41.4c ~~For the purposes described in this joint resolution,~~ a "proper invoice" means one which is complete in all requirements necessary for processing it for payment in accordance with the terms of appropriate contracts and applicable state or federal statutes, ~~including but not limited to such documentation as may be required.~~

SECTION 51. AMENDATORY 62 O.S. 2001, Section 41.4d, is amended to read as follows:

Section 41.4d Any vendor of goods or services purchased by or delivered to an agency of the state ~~who is aggrieved by delay in payment~~ whose payment is delayed beyond the forty-five-day limit and/or who has not been compensated by payment of interest as provided for in this joint resolution the Oklahoma State Finance Act may file ~~such a~~ grievance with the Office of the Governor, ~~by whom it shall be transmitted~~ who shall transmit it to the Director of the Office of State Finance. Upon receipt of such grievance, the ~~Director of State Finance shall act~~ pay the total amount of such invoice with interest as required, within fifteen (15) days, to remedy such grievance by payment with interest as provided for in this joint resolution, or. If the Director determines that the invoice or interest should not be paid, such determination and the reasons therefor shall report be reported to the Governor and the aggrieved vendor why such payment may not be paid.

SECTION 52. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 34.75 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The Department of Human Services may establish an encumbrance and preaudit system for settlement of claims relating to public assistance, social service benefits and medical benefits to or for persons eligible under applicable federal laws and rules, Oklahoma Statutes, and policies established by the Oklahoma

Commission for Human Services. The following programs shall be eligible for this procedure:

1. Aid to Families with Dependent Children;
2. Aid to Aged, Blind and Disabled;
3. Medical Assistance;
4. Day Care;
5. Refugee Resettlement;
6. Low Income Heating and Energy Assistance;
7. General Assistance;
8. Crippled Children;
9. Social Services under Title XX of the U.S. Social Security Act, 42 U.S.C., Section 301 et seq.;
10. Adoption Subsidies;
11. Foster Care;
12. Medical Examination;
13. Area Agencies on Aging;
14. Any contract for service for which the Department of Central Services has approved as qualifying for a fixed and uniform rate pursuant to Section 85.7 of Title 74 of the Oklahoma Statutes;
15. Sheltered Workshops;
16. Contracted Group Homes;
17. Rehabilitative Client Interpreters;
18. Rehabilitative Client Drivers; and
19. Maternal and Child Health Services Block Grant.

B. Prior to inclusion in this procedure, the Department of Human Services shall provide to the Director of the Office of State Finance, for approval, detailed listings of the type of payments to be made for each of these programs specified in subsection A of this section.

C. The Department of Human Services shall provide the Director of the Office of State Finance a daily report of the dollar amount of claims settled and checks or warrants issued, the dollar amount of checks or warrants canceled, and the dollar amount of checks or warrants canceled by statutes.

D. The Department of Human Services and the Director of the Office of State Finance shall jointly establish a system for the settlement of claims, except for payroll, by the Department of Human Services. The settlement system shall include policy, procedures and performance criteria for participation.

SECTION 53. AMENDATORY 62 O.S. 2001, Section 41.16a, is amended to read as follows:

Section 41.16a A. The State Department of Health is authorized to enter into contracts with third party administrators to establish a system for processing claims for payment pursuant to the United States Department of Agriculture Women, Infants and Children Supplemental Nutrition Program.

B. The State Board of Health shall promulgate rules and develop procedures necessary for implementation and administration of the system. ~~The State Department of Health shall implement the system by January 1, 1993.~~

C. The State Board of Health is authorized to develop procedures that allow for the payment of gross vouchers received by a third party administrator adjusted by returned items or any other disallowances.

D. The State Department of Health is authorized to transfer ~~funds from any available federal or revolving or federal~~ funds available to their WIC Disbursing Fund as needed for the purpose of providing cash flow until federal funds are received. Any such funds transferred into the WIC Disbursing Fund shall be transferred back to the original fund source before the end of the fiscal year in which the transfer was made.

SECTION 54. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 34.77 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The State Department of Rehabilitation Services is authorized to establish an encumbrance and preaudit system for settlement of claims relating to social service benefits and medical benefits to or for persons eligible under applicable federal laws and regulations, Oklahoma Statutes, and policies established by the Commission for Rehabilitation Services for the following programs:

1. Vocational and other rehabilitation;
2. Educational services;
3. Disability Determination Services; and
4. Visual Services.

B. Prior to inclusion in this procedure, the State Department of Rehabilitation Services shall provide to the Director of the Office of State Finance, for approval, detailed listings of the type of payments to be made for each of these programs specified in subsection A of this section.

C. The State Department of Rehabilitation Services shall provide the Director of the Office of State Finance a daily report of the dollar amount of claims settled and checks or warrants issued, the dollar amount of checks or warrants canceled, and the dollar amount of checks or warrants canceled by statutes.

SECTION 55. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 34.78 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma State Regents for Higher Education and the Director of the Office of State Finance shall jointly establish a system for the settlement of claims, except for payroll, by institutions of The Oklahoma State System of Higher Education. The settlement system shall include policy, procedures, and performance criteria for participation. The State Regents may approve or disapprove the participation of any institution or other entity of the State System in the claims settlement system.

B. The Department of Education and the Oklahoma Department of Career and Technology Education may establish a preaudit and settlement system for claims and/or payments of state-funded assistance to school districts and institutions within The Oklahoma State System of Higher Education. The payment system shall be neutral as to interest income to the state and the school districts.

SECTION 56. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 34.79 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The Department of Transportation may establish a preaudit and settlement system for claims and payments of state-funded contractor estimates and right-of-way payments.

B. Nothing in this section shall modify or alter condemnation proceedings as provided by law.

SECTION 57. AMENDATORY 62 O.S. 2001, Section 41.19, is amended to read as follows:

~~Section 41.19 A. All bonds and interest coupons redeemed by the State Treasurer and a duplicate of each and every receipt issued for monies received into the State Treasury, shall be delivered immediately to, and receipted for, by the Director of State Finance who shall maintain such documents as a permanent record of his or her office. It shall be the duty of the Director of State Finance to audit such redeemed documents and to apportion and distribute the collections as indicated by the State Treasury receipts to the respective funds and account to which the same shall have accrued, or may belong. All warrants and checks redeemed by the State Treasurer shall be maintained by the State Treasurer in accordance with the provisions of Sections 305 through 317 of Title 67 of the Oklahoma Statutes. In the event that nonpayable warrants are issued pursuant to the provisions of Section 23 of Article X of the Constitution of the State of Oklahoma, it shall be the duty of the Director of State Finance to issue and publish the official call for payment for any warrants that may be outstanding and registered as "nonpayable". Notice of such call shall be published in some newspaper of general circulation, published at the seat of government, and interest on all warrants so called for payment shall cease on or after ten (10) days from the date of the first publication of such notice. The Director of State Finance shall be responsible for the custody of claims certified for payment which call for the disbursement of money from the Treasury. Such claims~~

~~shall be maintained in files accessible to the Division of Central Accounting and Reporting and the employees of the Division of Central Accounting and Reporting shall have authority to inspect such claims for the purpose of making accounting adjustments on the records maintained by the Director of State Finance.~~

~~B.~~ All warrants, checks or orders issued by the State Treasurer against claims submitted through the Director Office of State Finance in payment of obligations of the state which shall for any cause remain outstanding or unpaid for a period of ninety (90) days after funds are available for their payment shall be revoked and canceled.

~~The Director of State Finance shall forthwith make proper entry thereof on B. Such warrants, checks or orders shall be entered into the records of his or her office the Office of State Finance and shall notify both the State Treasurer and the administrative head of the agency certifying the claim for payment of the fact of such entry of cancellation. Thereafter, no such warrants shall be paid except that the holder of any warrant that may be canceled pursuant to the provisions of this section, may, within thirty six (36) months following the month in which the warrant was canceled, present the warrant or an affidavit of loss or destruction, and a request for reissue to the Director of State Finance who shall on the third Monday of each month certify a claim for payment of those verified unpaid requests presented during months past shall be notified that such items have been canceled.~~

C. If, for any reason, a warrant should not be issued to replace a warrant canceled pursuant to the provisions of this section, the administrative head of the agency originally certifying the claim for payment shall, within seven (7) days after notification of the cancellation, advise the Director of the Office of State Finance that a reissue should not be made. ~~Warrants~~

D. Notwithstanding the provisions of subsection B of this section, warrants issued or caused to be issued by the Department of Human Services for public assistance or medical assistance may be reissued at any time within three (3) years after cancellation upon submission of the canceled warrants to the Department, provided the three-year limitation shall not apply to warrants issued prior to May 1, 1992.

~~C.~~ E. No canceled warrants shall be paid, except that the holder of any warrant that may have been canceled pursuant to the

provisions of this section may, within thirty-six (36) months following the month in which the warrant was canceled, present the warrant or an affidavit of loss or destruction, and a request for reissuance to the Director of the Office of State Finance.

F. The Director of the Office of State Finance shall certify a claim as needed for payment of those verified unpaid requests presented, unless the certifying agency has advised that a reissuance should not be made.

G. 1. There is hereby created in the State Treasury a fund to be known as the Canceled Warrant Fund.

2. The Director of the Office of State Finance shall transfer to the Canceled Warrant Fund the total of the payable amounts of the warrants canceled pursuant to the provisions of this section from the funds and accounts against which the canceled warrants had been drawn, ~~and.~~

3. The Office of State Finance shall disburse from the fund such amounts as necessary to pay warrants reissued as provided in this section. ~~The expenditure~~

4. These expenditures shall ~~be remain~~ recorded in the ~~fund~~ funds and account ~~accounts~~ against which the original canceled ~~warrant was~~ warrants were issued and ~~disbursements from the Canceled Warrant Fund~~ they shall not be considered expenses of the state nor shall receipts to the fund be considered revenue to the state. ~~Claims~~

5. Any such claim drawn against the Canceled Warrant Fund shall identify the current holder of record and the warrant number of the canceled warrant, which shall be provided on the warrant record.

~~D.~~ H. The Director of the Office of State Finance shall determine the minimum necessary balance to be maintained in the Canceled Warrant Fund and on the third Monday of October shall transfer the amount in excess of the required minimum balance to the General Revenue Fund of the current year. The minimum balance retained shall be not less than the total amount of the warrants canceled by statute within the past thirty-six (36) months preceding October 1 of each year and which remain eligible for replacement according to the records of the Office of State Finance.

SECTION 58. AMENDATORY 74 O.S. 2001, Section 34, is amended to read as follows:

Section 34. A. The State Treasurer is hereby authorized and empowered to issue a replacement warrant or bond in lieu of any warrant or bond that has been lost or destroyed; provided, that no replacement warrant or bond shall be issued until an affidavit setting forth the facts as to the loss or destruction of said original warrant or bond has been filed with the ~~State Treasurer~~ Director of the Office of State Finance.

B. The Director ~~of State Finance~~ and the State Treasurer shall ~~make such~~ maintain appropriate records in their ~~respective~~ offices ~~as will to prevent,~~ as nearly as reasonably possible, ~~preclude any loss being sustained by the state on account of the issue of from~~ mistakenly issuing any replacement warrant or bond.

C. Such ~~entries~~ records shall include a stop payment order against the original warrant ~~which will, as nearly as possible, to~~ cancel said ~~the~~ original warrant. ~~The~~

D. For such lost or destroyed miscellaneous warrants, the Director of the Office of State Finance shall cancel the original warrant record and process a replacement warrant against the original disbursement claim when possible, or otherwise shall transfer to the Canceled Warrant Fund the payable amount of lost or destroyed warrants on which payment has been stopped pursuant to the provisions of this section from the fund and account against which said warrant had been drawn. Warrants issued to replace lost or destroyed warrants pursuant to the provisions of this section shall be drawn against and issue a replacement from the Canceled Warrant Fund.

E. For lost or destroyed payroll warrants, the Director of the Office of State Finance shall issue all payroll replacement warrants pursuant to the provisions of this section from the Canceled Warrant Fund. The Director shall allow the original payroll warrant record to cancel by statute and shall transfer to the Canceled Warrant Fund the payable amount to cover the lost or destroyed warrants on which payment has been stopped pursuant to the provisions of this section from the fund and account against which the warrant had been drawn.

SECTION 59. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 34.82 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. Disbursement information for all bonds and interest coupons redeemed by the State Treasurer shall be delivered to the Director of the Office of State Finance for posting. Deposit information for each and every receipt issued for monies received into the State Treasury shall be receipted for by the Office of State Finance.

B. Such information shall be maintained as a permanent record in the Office of State Finance.

C. The Office of State Finance shall audit such redeemed information and apportion and distribute the collections as indicated by the State Treasury receipts.

D. All warrants and checks redeemed by the State Treasurer shall be maintained by the State Treasurer in accordance with state law.

SECTION 60. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 34.83 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. If nonpayable warrants are issued pursuant to the provisions of Section 23 of Article X of the Oklahoma Constitution, the Director of the Office of State Finance shall issue and publish the official call for payment for any warrants that may be outstanding and registered as "nonpayable".

B. Notice of such call shall be published in some newspaper of general circulation, published at the seat of government, and interest on all warrants so called for payment shall cease on or after ten (10) days from the date of the first publication of such notice.

C. The Director of the Office of State Finance shall be responsible for the custody of claims certified for payment which call for the disbursement of money from the Treasury.

D. Such claims shall be maintained in files accessible to the Division of Central Accounting and Reporting and the employees of the Division of Central Accounting and Reporting shall have authority to inspect such claims for the purpose of making accounting adjustments in the records maintained by the Office of State Finance.

SECTION 61. AMENDATORY 62 O.S. 2001, Section 41.27, is amended to read as follows:

Section 41.27 A. The Governor ~~may, in his~~ shall have discretion, to issue a deficiency certificate or certificates, for the benefit of any ~~department, institution, or~~ agency of the state, if the amount of such deficiency certificate, or certificates, ~~be is~~ is within the limit of the current appropriation for that ~~department, institution, or~~ agency, ~~whereupon the~~ .

B. The State Treasurer shall issue warrants to the extent of such certificate or certificates for the payment of such claims as may be authorized by the Governor, ~~and such~~ .

C. Such warrants shall become a part of the public debt and shall be paid out of any money appropriated by the Legislature and made lawfully available therefor, ~~provided further, that in~~ .

D. In no event shall said deficiency certificate, or certificates, exceed in the aggregate the sum of Five Hundred Thousand Dollars (\$500,000.00), in any fiscal year.

SECTION 62. AMENDATORY 62 O.S. 2001, Section 41.29e, as last amended by Section 5, Chapter 355, O.S.L. 2007 (62 O.S. Supp. 2008, Section 41.29e), is amended to read as follows:

Section 41.29e A. There is hereby created in the State Treasury a revolving fund for the Oklahoma State Regents for Higher Education to be designated the "Oklahoma Student Aid Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of monies received pursuant to the provisions of subparagraph c of paragraph 2 and subparagraph c of paragraph 3 of Section 1004 of Title 68 of the Oklahoma Statutes and any funds previously deposited in the Oklahoma Tuition Scholarship Fund. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Oklahoma State Regents for Higher Education as authorized by the Oklahoma Legislature. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of State Finance for approval and payment.

B. Beginning with fiscal year 2003, monies accruing to the credit of the Oklahoma Student Aid Revolving Fund shall be appropriated for and budgeted and expended for providing student aid

in the form of state tuition aid grants awarded pursuant to the Higher Education Tuition Aid Act and scholarships awarded pursuant to the Oklahoma State Regents' Academic Scholars Program.

SECTION 63. REPEALER 62 O.S. 2001, Sections 41.1 and 41.37, are hereby repealed.

SECTION 64. RECODIFICATION 62 O.S. 2001, Section 2, as amended by Section 2 of this act, shall be recodified as Section 34.1 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.7b, as amended by Section 3 of this act, shall be recodified as Section 34.2 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.3, as amended by Section 4 of this act, shall be recodified as Section 34.3 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.40, as amended by Section 5 of this act, shall be recodified as Section 34.4 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.2, as amended by Section 6 of this act, shall be recodified as Section 34.5 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.4, as amended by Section 7 of this act, shall be recodified as Section 34.6 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.23, as amended by Section 8 of this act, shall be recodified as Section 34.7 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.42, as amended by Section 9 of this act, shall be recodified as Section 34.8 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 7.5, as amended by Section 10 of this act, shall be recodified as Section 34.9 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 7.13, as amended by Section 11 of this act, shall be recodified as Section 34.10 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.5, as amended by Section 12 of this act, shall be recodified as Section 34.11 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.5a, as last amended by Section 1, Chapter 266, O.S.L. 2006 (62 O.S. Supp. 2008, Section 41.5a), shall be recodified as Section 34.12 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.5a-1, as amended by Section 2, Chapter 266, O.S.L. 2006 (62 O.S. Supp. 2008, Section 41.5a-1), shall be recodified as Section 34.13 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

Section 5, Chapter 391, O.S.L. 2005 (62 O.S. Supp. 2008, Section 41.5a-2), shall be recodified as Section 34.14 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

Section 3, Chapter 148, O.S.L. 2007 (62 O.S. Supp. 2008, Section 41.5a-3), shall be recodified as Section 34.15 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.5e, as last amended by Section 3, Chapter 266, O.S.L. 2006 (62 O.S. Supp. 2008, Section 41.5e), shall be recodified as Section 34.16 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.5f, as amended by Section 1, Chapter 148, O.S.L. 2007 (62 O.S. Supp. 2008, Section 41.5f), shall be recodified as Section 34.17 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.5g, as last amended by Section 13 of this act, shall be recodified as Section 34.18 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.5h, as amended by Section 4, Chapter 266, O.S.L. 2006 (62 O.S. Supp. 2008, Section 41.5h), shall be recodified as Section 34.19 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.5i, as last amended by Section 5, Chapter 266, O.S.L. 2006 (62 O.S. Supp. 2008, Section 41.5i), shall be recodified as Section 34.20 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.5j, as amended by Section 6, Chapter 266, O.S.L. 2006 (62 O.S. Supp. 2008, Section 41.5j), shall be recodified as Section 34.21 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.5l, as amended by Section 8, Chapter 266, O.S.L. 2006 (62 O.S. Supp. 2008, Section 41.5l), shall be recodified as Section 34.22 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.5m, as amended by Section 9, Chapter 266, O.S.L. 2006 (62 O.S. Supp. 2008, Section 41.5m), shall be recodified as Section 34.23 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.5p, as amended by Section 10, Chapter 266, O.S.L. 2006 (62 O.S. Supp. 2008, Section 41.5p), shall be recodified as Section 34.24 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.5q, as amended by Section 11, Chapter 266, O.S.L. 2006 (62 O.S. Supp. 2008, Section 41.5q), shall be recodified as Section 34.25 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.5r, shall be recodified as Section 34.26 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.5s, as amended by Section 12, Chapter 266, O.S.L. 2006 (62 O.S. Supp. 2008, Section 41.5s), shall be recodified as Section 34.27 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

Section 2, Chapter 128, O.S.L. 2004, as amended by Section 3, Chapter 391, O.S.L. 2005 (62 O.S. Supp. 2008, Section 41.5t), shall be recodified as Section 34.28 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

Section 3, Chapter 128, O.S.L. 2004, as amended by Section 13, Chapter 266, O.S.L. 2006 (62 O.S. Supp. 2008, Section 41.5t.1), shall be recodified as Section 34.29 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

Section 4, Chapter 128, O.S.L. 2004, as last amended by Section 1, Chapter 330, O.S.L. 2008 (62 O.S. Supp. 2008, Section 41.5t.2), shall be recodified as Section 34.30 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

Section 4, Chapter 391, O.S.L. 2005, as amended by Section 1, Chapter 310, O.S.L. 2006 (62 O.S. Supp. 2008, Section 41.5u), shall be recodified as Section 34.31 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

Section 15, Chapter 266, O.S.L. 2006 (62 O.S. Supp. 2008, Section 41.5v), shall be recodified as Section 34.32 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

Section 1, Chapter 205, O.S.L. 2007 (62 O.S. Supp. 2008, Section 41.5x), shall be recodified as Section 34.33 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.31, as amended by Section 14 of this act, shall be recodified as Section 34.34 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.30, as amended by Section 15 of this act, shall be recodified as Section 34.35 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.29, as last amended by Section 16 of this act, shall be recodified as Section 34.36 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.34, as last amended by Section 17 of this act, shall be recodified as Section 34.37 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.33, as last amended by Section 18 of this act, shall be recodified as Section 34.38 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 9.10, as amended by Section 19 of this act, shall be recodified as Section 34.39 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.11, as amended by Section 20 of this act, shall be recodified as Section 34.40 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.6, as amended by Section 21 of this act, shall be recodified as Section 34.41 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.7c, as amended by Section 22 of this act, shall be recodified as Section 34.42 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.41, as amended by Section 23 of this act, shall be recodified as Section 34.43 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.32, as amended by Section 24 of this act, shall be recodified as Section 34.44 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.39, as amended by Section 25 of this act, shall be recodified as Section 34.45 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 9.1, as amended by Section 26 of this act, shall be recodified as Section 34.46 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.15, as amended by Section 27 of this act, shall be recodified as Section 34.47 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.8, as amended by Section 28 of this act, shall be recodified as Section 34.48 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.9, as amended by Section 29 of this act, shall be recodified as Section 34.49 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.13, as amended by Section 30 of this act, shall be recodified as Section 34.50 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.10, as amended by Section 31 of this act, shall be recodified as Section 34.51 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.46, as amended by Section 32 of this act, shall be recodified as Section 34.52 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.14, as amended by Section 33 of this act, shall be recodified as Section 34.53 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 10.1, as amended by Section 34 of this act, shall be recodified as Section 34.54 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 10.3, as amended by Section 35 of this act, shall be recodified as Section 34.55 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 7.2, as last amended by Section 36 of this act, shall be recodified as Section 34.56 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 7.1, as amended by Section 1, Chapter 123, O.S.L. 2008 (62 O.S. Supp. 2008, Section 7.1), shall be recodified as Section 34.57 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 7.3, as amended by Section 37 of this act, shall be recodified as Section 34.58 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 7.4, shall be recodified as Section 34.59 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 7.5a, shall be recodified as Section 34.60 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.13a, as amended by Section 38 of this act, shall be recodified as Section 34.61 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.16, as amended by Section 39 of this act, shall be recodified as Section 34.62 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.18, as amended by Section 40 of this act, shall be recodified as Section 34.63 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.21, as last amended by Section 41 of this act, shall be recodified as Section 34.64 of Title 62 of the

Oklahoma Statutes, unless there is created a duplication in numbering.

74 O.S. 2001, Section 86.1, as amended by Section 42 of this act, shall be recodified as Section 34.65 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.17, as amended by Section 44 of this act, shall be recodified as Section 34.67 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.26, as amended by Section 45 of this act, shall be recodified as Section 34.68 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 7.6, as amended by Section 46 of this act, shall be recodified as Section 34.69 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 7.10, as last amended by Section 47 of this act, shall be recodified as Section 34.70 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.4a, as amended by Section 48 of this act, shall be recodified as Section 34.71 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.4b, as amended by Section 49 of this act, shall be recodified as Section 34.72 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.4c, as amended by Section 50 of this act, shall be recodified as Section 34.73 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.4d, as amended by Section 51 of this act, shall be recodified as Section 34.74 of Title 62 of the

Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.16a, as amended by Section 53 of this act, shall be recodified as Section 34.76 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.19, as amended by Section 57 of this act, shall be recodified as Section 34.80 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

74 O.S. 2001, Section 34, as amended by Section 58 of this act, shall be recodified as Section 34.81 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.27, as amended by Section 61 of this act, shall be recodified as Section 34.84 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.28, shall be recodified as Section 34.85 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

Section 1, Chapter 132, O.S.L. 2003 (62 O.S. Supp. 2008, Section 9.11), shall be recodified as Section 34.86 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

Section 4, Chapter 355, O.S.L. 2007 (62 O.S. Supp. 2008, Section 10.4), shall be recodified as Section 34.87 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.29a, shall be recodified as Section 34.88 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.29b, as last amended by Section 16, Chapter 322, O.S.L. 2004 (62 O.S. Supp. 2008, Section 41.29b), shall be recodified as Section 34.89 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.29c, shall be recodified as Section 34.90 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.29d, shall be recodified as Section 34.91 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.29e, as last amended by Section 62 of this act, shall be recodified as Section 34.92 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.29f, shall be recodified as Section 34.93 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

Section 6, Chapter 301, O.S.L. 2002 (62 O.S. Supp. 2008, Section 41.29g), shall be recodified as Section 34.94 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

Section 2, Chapter 301, O.S.L. 2003 (62 O.S. Supp. 2008, Section 41.29-1), shall be recodified as Section 34.95 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.47, as amended by Section 3, Chapter 301, O.S.L. 2003 (62 O.S. Supp. 2008, Section 41.47), shall be recodified as Section 34.96 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

62 O.S. 2001, Section 41.24, shall be recodified as Section 212.4 of Title 74 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 65. This act shall become effective July 1, 2009.

SECTION 66. 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.

Passed the House of Representatives the 22nd day of May, 2009.

Presiding Officer of the House of
Representatives

Passed the Senate the 26th day of May, 2009.

Presiding Officer of the Senate