05/17/2011 11:08:32 AM

HOUSE OF REPRESENTATIVES
CONFERENCE COMMITTEE REPORT

Mr. President:
Mr. Speaker:

The Conference Committee, to which was referred

HB1207

By: Murphey of the House and Sykes of the Senate

Title: State government; Oklahoma Innovation, Efficiency and Accountability Act of 2011; effective date.

Together with Engrossed Senate Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the Senate recede from its Amendments No. 1 and 2 and that the attached Conference Committee Substitute be adopted.

Respectfully submitted,

House Action _____ Date _____ Senate Action _____ Date _____

HOUSE CONFEREES

Banz _____

Brumbaugh _____

Cockroft _____

Dorman _____

Faught _____

Hamilton _____

Hilliard _____

Moore _____

Murphey _____

Quinn _____

Stiles _____

Walker _____

Watson _____

House Action _____ Date _____ Senate Action _____ Date _____

HB1207 CCR A

SENATE CONFEREES

Ballenger
Branan
Brinkley
Burrage
Crain
Ford
Halligan
Ivester
Jolley
Justice
Marlatt
Mazzei
Myers
Newberry
Nichols
Paddack
Rice
Stanislawski
Sykes
Wilson
Wyrick

House Action _____ Date _____ Senate Action _____ Date _____

House Action _____ Date _____ Senate Action _____ Date _____

STATE OF OKLAHOMA

1st Session of the 53rd Legislature (2011)

CONFERENCE COMMITTEE
SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 1207 By: Murphey, Cockroft and Cooksey of the House

and

Sykes of the Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to state government; enacting the Oklahoma Innovation, Efficiency and Accountability Act of 2011; amending Section 5, Chapter 322, O.S.L. 2009 (62 O.S. Supp. 2010, Section 41.5p-1), which relates to certain licenses and permits; authorizing electronic signatures under certain circumstances; providing exception; imposing requirement on Office of State Finance with respect to federal funds disbursed pursuant to the American Recovery and Reinvestment Act of 2009; prescribing formats for information; prescribing list of expenditures and search functionality; prescribing required information; amending 62 O.S. 2001, Section 41.29, as renumbered by Section 64, Chapter 441, O.S.L. 2009, and as last amended by Section 44, Chapter 2, O.S.L. 2010 (62 O.S. Supp. 2010, Section 34.36), which relates to certain itemized requests; modifying required content with respect to employee engaged in financial services; requiring publication of report; specifying content of report; providing exemption from certain requirements to the Oklahoma State Regents for Higher Education and to institutions within The Oklahoma State System of Higher Education; amending 62 O.S. 2001, Section 7.6, as renumbered by Section 64, Chapter 441, O.S.L. 2009, and as last amended by Section 48, Chapter 2, O.S.L. 2010 (62

O.S. Supp. 2010, Section 34.69), which relates to the Payroll Fund; modifying provisions related to employee payroll conversion banks; requiring submission of certain audits and reports in electronic format; requiring website availability; establishing the State Government Conferences Web-based Transparency pilot program; requiring State Superintendent of Public Instruction to publish certain information on website; providing for certain contracts and agreements related to certain food, lodging and other expenses; imposing maximum on daily rate; providing for e-commerce practices; requiring report of savings; providing for codification; providing for noncodification; and providing for recodification.

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

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "Oklahoma Innovation, Efficiency and Accountability Act of 2011".

SECTION 2. AMENDATORY Section 5, Chapter 322, O.S.L. 2009 (62 O.S. Supp. 2010, Section 41.5p-1), is amended to read as follows:

Section 41.5p-1 A. Except as otherwise provided by this section, as of July 1, 2010, each state agency, board, commission or other entity organized within the executive department of state government responsible for licensing or permitting shall utilize the portal system to allow for ~~the~~ a link to a web-based application and renewal application for any license or permit issued by that agency.

Access to the online renewal systems shall be featured prominently on the portal system.

B. Each entity responsible for licensing or permitting shall make available to the Office of State Finance on a yearly basis a report describing the number of licenses issued, license renewals and permits issued as well as an estimate of the amount of savings incurred by the entity as a result of the online licensing and permitting process.

C. The Office of State Finance shall make available to the public a copy of each report submitted in accordance with the requirements of subsection B of this section by placing the report on the website defined in Section 46 of ~~Title 62 of the Oklahoma Statutes~~ this title.

D. The Director of the Office of State Finance may exempt a specific license or permit from the requirements of this section should he find compelling evidence that the issuance of the license or permit requires the provision of information that cannot be provided through an online licensing or permitting process and when the failure of the applicant to provide the information would create a significant risk to the integrity of the license or permit. The Director of the Office of State Finance shall document any exemptions issued pursuant to the provisions of this subsection and describe the compelling evidence justifying the need for the exemptions in a report to be provided to the Governor, Speaker of

the Oklahoma House of Representatives and Speaker Pro Tempore of the State Senate. The exception provided for in this subsection shall not apply to license renewals pursuant to the Oklahoma Vehicle License and Registration Act of Title 47 of the Oklahoma Statutes.

E. The state agencies may accept an electronic signature in the application process for any license or permit; provided, the use of an electronic signature shall not create a significant risk to the integrity of the license or permit.

F. Nothing in this section shall apply to driver license renewal applications.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 34.100 of Title 62, unless there is created a duplication in numbering, reads as follows:

The Office of State Finance shall maintain a website providing public access to the documentation of the disbursement by state agencies of federal funds received pursuant to the federal American Recovery and Reinvestment Act of 2009. The website shall provide a list of all stimulus fund expenditures regardless of amount. The entire list of stimulus fund expenditures shall be available for export in standardized formats including but not limited to eXtensible Markup Language (XML) and Comma Separated Value (CSV) formats. The list of expenditures shall include searchable functionality including but not limited to the ability to search the expenditures by the name of the entity receiving funding, name of

entity processing funding and name of entity benefiting from funding. This site shall include the name and principal location of the entity and/or recipients of the funds regardless of amount, the amount of funds expended, the funding or expending agency, and a descriptive purpose of the funding action or expenditure. The State Auditor and Inspector shall not be responsible for maintaining the website described in this section.

SECTION 4. AMENDATORY 62 O.S. 2001, Section 41.29, as renumbered by Section 64, Chapter 441, O.S.L. 2009, and as last amended by Section 44, Chapter 2, O.S.L. 2010 (62 O.S. Supp. 2010, Section 34.36), is amended to read as follows:

Section 34.36 A. On the first day of October preceding each regular session of the Legislature, each state agency, including those created or established pursuant to constitutional provisions, 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 an itemized request showing the amount needed for the ensuing fiscal year beginning with the first day of July.

B. The 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.

C. The forms shall be uniform, and shall clearly designate the information to be given.

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; and

11. With respect to appropriated state agencies, a detailed listing of all employees and resources dedicated to the provision of financial services including but not limited to procurement, payroll, accounts receivable and accounts payable. The provisions of this paragraph shall not be applicable to the Oklahoma State Regents for Higher Education or to any institutions within The Oklahoma State System of Higher Education.

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 have failed to submit budgets by October 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 forms prescribed by the Director of the Office of State Finance.

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.

I. The provisions of this section shall not apply to CompSource Oklahoma if CompSource Oklahoma is operating pursuant to a pilot program authorized by Sections 3316 and 3317 of Title 74 of the Oklahoma Statutes.

J. Not later than January 1, the Director of the Office of State Finance shall publish a financial services cost performance assessment which shall document each appropriated state agency's cost for providing financial services including but not limited to procurement, payroll, accounts receivable and accounts payable. Appropriated state agencies ranking in the bottom ten percent (10%) of the cost performance assessment shall enter into a contract with the Office of State Finance for the provision of shared financial services provided that the Director of the Office of State Finance determines and documents that the contractual agreement will result in cost savings to the appropriated state agency. Contracts required by this subsection shall be entered into at the start of the next fiscal year. On a yearly basis the Director of the Office of State Finance shall compile and publish a report documenting the cost savings resulting from shared services contracts. The

provisions of this subsection shall not be applicable to the Oklahoma State Regents for Higher Education or to any institutions within The Oklahoma State System of Higher Education.

SECTION 5. AMENDATORY 62 O.S. 2001, Section 7.6, as renumbered by Section 64, Chapter 441, O.S.L. 2009, and as last amended by Section 48, Chapter 2, O.S.L. 2010 (62 O.S. Supp. 2010, Section 34.69), is amended to read as follows:

Section 34.69 A. 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 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 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 account affected thereby.

B. As of July 1, 2010, the Office of State Finance shall make available and each executive state agency shall make available to all state employees a centralized web-based system to access their personal employment and compensation-related information. The provisions of this subsection as it pertains to executive agencies may be waived by the Director of State Finance in the event that

lack of timely access prevents employees from utilizing the centralized system. As used in subsections B, C and D of this section, "executive state agency" shall mean any state agency, authority, board, commission or other entity organized within the executive department of state government. Executive state agency shall not mean any government entity organized or created within the legislative or judicial departments of state government.

C. Except for institutions within The Oklahoma State System for Higher Education, executive state agencies converting to a multi-monthly payroll system shall consult with the Office of State Finance on the timing of the agency's conversion.

1. All state employees hired during the six (6) months prior to an executive state agency's conversion to a multi-monthly payroll shall be placed on either the biweekly payroll system or supplemental payroll upon the date of hire.

2. In the six (6) months prior to an executive state agency's conversion to multi-monthly payroll, the executive state agency shall offer either multi-monthly or supplemental payroll to any employee who chooses to participate. The provisions of this paragraph shall not apply to employees placed on the multi-monthly payroll pursuant to paragraph 1 of this subsection.

D. Six (6) months prior to an executive state agency converting to the multi-monthly payroll system, it shall create employee payroll conversion banks for the purpose of providing a one-time

payroll payment to an employee for the gap in payroll payments created by the conversion to the multi-monthly system.

1. Each executive state agency shall allow its employees to accumulate funds up to a maximum of eighty (80) hours for the conversion bank from the following sources:

a. earned compensatory time, if the agency normally provides its employees compensatory time,

b. earned annual leave, ~~and~~

c. earned sick leave up to a maximum of forty (40) hours, and

d. shared leave as approved by the appointing authority.

2. During the six-month period leading up to an executive state agency's conversion to the multi-monthly payroll system, all executive state agencies shall inform, in writing or by electronic means, all their employees of their leave and compensatory time balances on a monthly basis.

E. The Office of State Finance in coordination with the Office of Personnel Management shall establish procedures concerning the conversion.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 212B of Title 74, unless there is created a duplication in numbering, reads as follows:

Copies of any audit, performance audit, agreed-upon procedure report, or other attestation engagement report produced by a person

other than the State Auditor and Inspector that is required to be filed with the State Auditor and Inspector pursuant to Section 212A of Title 74 of the Oklahoma Statutes, shall be submitted in electronic, read-only format. The State Auditor and Inspector shall make such reports available to the public at no charge on the State Auditor and Inspector's website.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 85.7g of Title 74, unless there is created a duplication in numbering, reads as follows:

A. There is hereby established the "State Government Conferences Web-based Transparency pilot program".

B. The Superintendent of Public Instruction of the State Department of Education is directed to publish on a website a listing of all expenses paid by the Department of Education for the payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in conferences, meetings, or training sessions.

C. The Superintendent of Public Instruction is authorized to directly enter into contracts and agreements for the payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in conferences, meetings, or training sessions. The Superintendent may establish accounts as necessary for the collection and distribution of funds, including funds of sponsors and registration fees, related to such

conferences, meetings, and training sessions. Any expenses incurred may be paid directly to the contracting agency or business establishment.

D. The cost of food for persons attending any conferences, meetings, and training sessions that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

E. The Superintendent of Public Instruction shall allow for reimbursements and deposits occurring under the provisions of this act to take place through commonly accepted e-commerce practices.

F. On a regular basis the Superintendent of Public Instruction shall publish a report stating savings realized as a result of the State Government Conferences Web-based Transparency pilot program.

SECTION 8. RECODIFICATION Section 5, Chapter 322, O.S.L. 2009 (62 O.S. Supp. 2010, Section 41.5p-1), as amended by Section 2 of this act, shall be recodified as Section 34.24.1 of Title 62 of the Oklahoma Statutes, unless there is created a duplication in numbering.

53-1-7754 MAH 05/09/11