

1 STATE OF OKLAHOMA

2 2nd Session of the 54th Legislature (2014)

3 SENATE BILL 1236

By: Loveless

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5  
6 AS INTRODUCED

7 An Act relating to public finance; amending 62 O.S.  
8 2011, Section 34.36, as last amended by Section 2,  
9 Chapter 237, O.S.L. 2013 (62 O.S. Supp. 2013, Section  
10 34.36), which relates to state agency budget  
11 requests; modifying contents of requests to require  
12 estimate of certain savings; authorizing certain uses  
13 of such funds; requiring certain approval; providing  
14 an effective date; and declaring an emergency.

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

16 SECTION 1. AMENDATORY 62 O.S. 2011, Section 34.36, as  
17 last amended by Section 2, Chapter 237, O.S.L. 2013 (62 O.S. Supp.  
18 2013, Section 34.36), is amended to read as follows:

19 Section 34.36. A. On the first day of October preceding each  
20 regular session of the Legislature, each state agency, including  
21 those created or established pursuant to constitutional provisions,  
22 shall report to the Director of the Office of Management and  
23 Enterprise Services and the Chair and Vice Chair of the Legislative  
24 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.

1 B. The forms which must be used in making these reports shall  
2 be approved by the Director of the Office of Management and  
3 Enterprise Services and the Legislative Oversight Committee on State  
4 Budget Performance.

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

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

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

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

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

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

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

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

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

24 8. A ranking of these programs by priority;

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

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

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

12           12. A certification that following the effective date of this  
13 act and prior to July 1, 2011, no expenditure shall have been made  
14 or funds encumbered for the purchase, lease, lease-purchase or  
15 rental of any computers, software, telecom, information technology  
16 hardware, firmware or information technology services, including  
17 support services without the prior written approval of the State  
18 Comptroller or his or her designee; and

19           13. An estimate of the amount, from all sources, which will be  
20 saved by the agency in the ensuing fiscal year due to the  
21 implementation of the provisions of Title 85A of the Oklahoma  
22 Statutes compared to the then-current fiscal year. Unless otherwise  
23 specifically directed by the Legislature or by law, any such funds  
24 may be used by the agency to increase employee compensation in the

1 ensuing fiscal year. Any such increase shall be subject to approval  
2 by the Human Capital Management Division of the Office of Management  
3 and Enterprise Services to ensure that it is consistent with overall  
4 employee compensation limits and practices of this state.

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

9 F. The Director of the Office of Management and Enterprise  
10 Services shall submit to the Governor and the Legislative Oversight  
11 Committee on State Budget Performance no later than the fifth day of  
12 October a complete list of all spending agencies which have failed  
13 to submit budgets by October 1.

14 G. The reports required by this section shall include an  
15 itemized listing of outstanding capital lease debt and estimated  
16 capital lease needs for the ensuing fiscal year, and shall be  
17 provided on forms prescribed by the Director of the Office of  
18 Management and Enterprise Services.

19 H. For the purposes of this section, "capital lease" means a  
20 lease-purchase agreement which provides an option for the State of  
21 Oklahoma or its agencies to purchase property, including personal  
22 and real property, which is the subject thereof and/or a lease  
23 agreement that provides an option for the State of Oklahoma or its  
24 agencies to lease such property, which is the subject thereof, at a

1 nominal annual amount, after a period in which leased property is  
2 rented at fair market value.

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

7 J. Not later than January 1, the Director of the Office of  
8 Management and Enterprise Services shall publish a financial  
9 services cost-performance assessment which shall document the cost  
10 for each state agency's financial services including but not limited  
11 to procurement, payroll, accounts receivable and accounts payable.  
12 The Office of Management and Enterprise Services shall evaluate the  
13 ten agencies with the lowest rankings. The lowest ranking state  
14 agencies shall enter into a contract with the Office of Management  
15 and Enterprise Services for the provision of shared financial  
16 services, provided that the Director of the Office of Management and  
17 Enterprise Services determines that implementation of such a  
18 contract would be feasible and documents that the contractual  
19 agreement will result in cost savings or efficiencies to the state.  
20 Contracts required by this subsection shall be entered into at the  
21 start of the next fiscal year. When a state agency is contracted  
22 with the Office of Management and Enterprise Services for the  
23 provision of shared financial services, the agency may discontinue  
24 using shared services when documentation showing that the agency can

1 provide the services at a lower cost to the state is provided to and  
2 approved by the Director of the Office of Management and Enterprise  
3 Services. On a yearly basis the Director of the Office of  
4 Management and Enterprise Services shall compile and publish a  
5 report documenting the cost savings resulting from shared services  
6 contracts. The provisions of this subsection shall not be  
7 applicable to the Oklahoma State Regents for Higher Education or to  
8 any institutions within The Oklahoma State System of Higher  
9 Education.

10 SECTION 2. This act shall become effective July 1, 2014.

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

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