

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 54th Legislature (2014)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2908

By: Brumbaugh

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9 COMMITTEE SUBSTITUTE

10 An Act relating to public finance; amending 62 O.S.
11 2011, Section 34.36, as last amended by Section 2,
12 Chapter 237, O.S.L. 2013 (62 O.S. Supp. 2013, Section
13 34.36), which relates to estimate of needs; modifying
14 provisions related to shared services; requiring
15 report; modifying duties imposed upon Office of
16 Management and Enterprise Services; defining term;
17 providing an effective date; and declaring an
18 emergency.

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

20 SECTION 1. AMENDATORY 62 O.S. 2011, Section 34.36, as
21 last amended by Section 2, Chapter 237, O.S.L. 2013 (62 O.S. Supp.
22 2013, Section 34.36), is amended to read as follows:

23 Section 34.36 A. On the first day of October preceding each
24 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 Management and

1 Enterprise Services and the Chair and Vice Chair of the Legislative
2 Oversight Committee on State Budget Performance an itemized request
3 showing the amount needed for the ensuing fiscal year beginning with
4 the first day of July.

5 B. The forms which must be used in making these reports shall
6 be approved by the Director of the Office of Management and
7 Enterprise Services and the Legislative Oversight Committee on State
8 Budget Performance.

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

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

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

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

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

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

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

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

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

5 8. A ranking of these programs by priority;

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

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

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

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

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

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

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

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

23 I. The provisions of this section shall not apply to CompSource
24 Oklahoma if CompSource Oklahoma is operating pursuant to a pilot

1 program authorized by Sections 3316 and 3317 of Title 74 of the
2 Oklahoma Statutes.

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

1 process, resource utilization or action as defined by administrative
2 rule. On a yearly basis the Director of the Office of Management
3 and Enterprise Services shall compile and publish a report
4 documenting the cost savings resulting from shared services
5 contracts. The provisions of this subsection shall not be
6 applicable to the Oklahoma State Regents for Higher Education or to
7 any institutions within The Oklahoma State System of Higher
8 Education.

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

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

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15 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT MODERNIZATION, dated
16 02/06/2014 - DO PASS, As Amended.
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