

1 ENGROSSED HOUSE  
2 BILL NO. 2311

By: McCall of the House

3 and

4 Schulz of the Senate

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6  
7 An Act relating to public finance; creating the  
8 Agency Spending Review Act; creating the Agency  
9 Spending Review Commission; providing for  
10 appointments to the Commission; providing for staff  
11 support; requiring audit of spending by date certain;  
12 authorizing Commission to contract with private  
13 company; requiring certain report be prepared by date  
14 certain; waiving filing deadlines for certain bills;  
15 providing for codification; and providing an  
16 effective date.

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

20 SECTION 1. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 8001 of Title 62, unless there  
22 is created a duplication in numbering, reads as follows:

23 This act shall be known and may be cited as the "Agency Spending  
24 Review Act".

SECTION 2. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 8002 of Title 62, unless there  
is created a duplication in numbering, reads as follows:

A. There is hereby created the Agency Spending Review  
Commission which shall consist of:

1        1. Three members appointed by the Governor:

2            a. at least one member shall be the president, owner,  
3                    chief executive officer or chief financial officer of  
4                    an Oklahoma-based company, and

5            b. at least one member shall be an auditor who is  
6                    employed as an internal auditor by a company or who is  
7                    employed by a private auditing firm;

8        2. Three members appointed by the President Pro Tempore of the  
9 Oklahoma Senate, at least one of which shall be a business  
10 efficiency expert;

11        3. Three members appointed by the Speaker of the Oklahoma House  
12 of Representatives at least one of which shall be a business  
13 efficiency expert; and

14        4. The Director of the Office of Management and Enterprise  
15 Services or his or her designee who is an employee of the Office of  
16 Management and Enterprise Services which shall be an ex officio and  
17 nonvoting position.

18        B. No person shall be appointed to the Commission who at the  
19 time of his or her appointment is an elected official. Any person  
20 who is appointed to the Commission who subsequently becomes an  
21 elected official during his or her term on the Commission shall be  
22 required to vacate his or her position on the Commission.

23        C. The Legislative Services Bureau shall provide staff and  
24 administrative support to the Commission.

1       SECTION 3.       NEW LAW       A new section of law to be codified  
2 in the Oklahoma Statutes as Section 8003 of Title 62, unless there  
3 is created a duplication in numbering, reads as follows:

4       A. By January 1, 2018, the Agency Spending Review Commission  
5 shall conduct an audit of the spending of government agencies in  
6 order to identify opportunities for savings.

7       B. The Commission shall ensure that each state agency is  
8 individually evaluated at least once every four (4) years in order  
9 to identify agency-specific efficiencies.

10      C. By December 31 of each succeeding year, the Commission shall  
11 issue a report on the status of implementation of these  
12 recommendations.

13      SECTION 4.       NEW LAW       A new section of law to be codified  
14 in the Oklahoma Statutes as Section 8004 of Title 62, unless there  
15 is created a duplication in numbering, reads as follows:

16      A. The Agency Spending Review Commission may contract with a  
17 private company, nonprofit or academic institution to assist with  
18 the spending audits. Prior to the formation of any contract, the  
19 Commission shall obtain no less than three separate bids for the  
20 auditing services. The Commission shall develop a scope of services  
21 for a request for proposals issued pursuant to the Oklahoma Central  
22 Purchasing Act, for professional services necessary to complete  
23 audits pursuant to the Agency Spending Review Act. The cost of the  
24 contract shall be paid by the Legislative Services Bureau.

1       B. By October 1, 2017, the Commission or the Commission's  
2 chosen contractor shall begin conducting the audits authorized by  
3 this act and shall prepare a report by January 15, 2018. The  
4 Commission shall provide the results of each Agency Spending Review  
5 in a written report to the Governor, President Pro Tempore of the  
6 Senate and Speaker of the House of Representatives. The report  
7 shall be made publicly available on the Oklahoma Department of  
8 Commerce website and *documents.ok.gov*.

9       C. Each report shall include the following:

10       1. A comprehensive diagnostic analysis of the state's budget to  
11 identify spending trends and outliers;

12       2. A set of recommendations that prioritizes target areas with  
13 large and substantial expenditures of state general funds and where  
14 the state can become more efficient and thereby provide cost savings  
15 to the state's taxpayers, including, but not limited to, cross-  
16 agency recommendations in the areas of Insurance, Procurement,  
17 Technology and Human Resources as well as agency-specific reviews;

18       3. A review of previous efficiency studies conducted by the  
19 State of Oklahoma and an analysis of the implementation of the  
20 recommendations from those studies;

21       4. An evaluation of the state's budgeting process and  
22 recommendations for improvement opportunities based on leading  
23 private sector and government sector practices; and  
24

5. A schedule for implementation of agency-specific recommendations.

D. Bills and resolutions introduced to implement any specific recommendation of this report shall not be subject to filing deadlines set by the Legislature.

SECTION 5. This act shall become effective October 1, 2017.

Passed the House of Representatives the 20th day of March, 2017.

Presiding Officer of the House  
of Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2017.

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Presiding Officer of the Senate