

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 56th Legislature (2017)

4 HOUSE BILL 2311

 By: McCall

7 AS INTRODUCED

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

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

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

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

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

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

3 1. Three members appointed by the Governor:

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

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

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

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

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

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

1 C. The Legislative Services Bureau shall provide staff and
2 administrative support to the Commission.

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

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

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

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

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

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

1 audits pursuant to the Agency Spending Review Act. The cost of the
2 contract shall be paid by the Legislative Services Bureau.

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

11 C. Each report shall include the following:

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

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

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

1 4. An evaluation of the state's budgeting process and
2 recommendations for improvement opportunities based on leading
3 private sector and government sector practices; and

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

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

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

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11 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT MODERNIZATION, dated
12 03/01/2017 - DO PASS.
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