SENATE FLOOR VERSION
February 8, 2017
AS AMENDED

SENATE BILL NO. 435 By: Sparks

[public finance - budget estimates - effective date]

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

SECTION 1. AMENDATORY 62 O.S. 2011, Section 34.36, as last amended by Section 3, Chapter 304, O.S.L. 2016 (62 O.S. Supp. 2016, 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 Management and Enterprise Services 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 Management and Enterprise Services 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 performance-informed 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;

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

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; and

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

E. These appropriated agencies shall make an itemized estimate of needs for the ensuing fiscal year and the following two (2) fiscal years 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 and the following two (2) fiscal years.

F. The Director of the Office of Management and Enterprise Services 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 the following two (2) fiscal years, and shall be provided on forms prescribed by the Director of the Office of Management and Enterprise Services.

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 Management and Enterprise Services shall publish a shared services cost-performance assessment report documenting the amount of each state agency's cost for providing shared services. The lowest ranking state agencies shall enter into a contract with the Office of Management and Enterprise Services for the provision of shared financial services, provided that the Director of the Office of Management and Enterprise Services determines that implementation of such a contract would be feasible and documents that the contractual agreement will result in cost savings or efficiencies to the state. Contracts required by this subsection shall be entered into at the start of the next fiscal year. When a state agency is contracted with the Office of Management and Enterprise Services for the provision of shared financial services, the agency may discontinue using shared services when documentation showing that the agency can provide the services at a lower cost to the state is provided to and approved by the Director of the Office of Management and Enterprise Services. As used in this subsection, "shared services" means process, resource utilization or action as defined by administrative rule. On a yearly basis the Director of the Office of Management and Enterprise Services 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.

K. In addition to the requirements of subsection A of this section, for the fiscal year which begins on July 1, 2018, and for each fiscal year thereafter, each appropriated agency shall develop and annually update an eight-year plan of action. The plan shall reflect any known changes in state, federal or local policy. The plan shall provide detailed estimates of the expenditures required to accomplish the agency mission over the following eight-year period, including but not limited to expenditures for administration and staffing, equipment and supplies and other relevant program costs. In addition, the plan shall provide an estimate of changes in the number of clients, individuals or entities to be served over the eight-year time period.

SECTION 2. This act shall become effective November 1, 2017.

COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
February 8, 2017 - DO PASS AS AMENDED