

An Act

ENROLLED SENATE
BILL NO. 494

By: Daniels of the Senate

and

Pae of the House

An Act relating to state government; amending 62 O.S. 2021, Sections 34.21, 34.36, 34.42, as amended by Section 1, Chapter 113, O.S.L. 2024, and 45.2 (62 O.S. Supp. 2024, Section 34.42), which relate to the authorization for use of state funds, estimate of funds needed, budget work programs, and definitions; removing certain language relating to CompSource Oklahoma; amending 74 O.S. 2021, Sections 18c, 62.3, 63, 78a, and 78b, which relate to employment of attorneys and authority of boards or officials, duties of director and agency compliance, general powers and authority of Office of Management and Enterprise Services, requisition of motor vehicles, and state agencies and notice of disposal of vehicles; removing certain language relating to CompSource Oklahoma; amending 85A O.S. 2021, Section 17, which relates to physician advisory committee; removing certain references to CompSource Oklahoma; repealing 36 O.S. 2021, Section 902.3, which relates to workers' compensation; repealing 74 O.S. 2021, Sections 3316 and 3317, which relate to CompSource Oklahoma; and providing an effective date.

SUBJECT: CompSource Oklahoma

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

SECTION 1. AMENDATORY 62 O.S. 2021, Section 34.21, is amended to read as follows:

Section 34.21. A. No agency of the executive branch of the state shall use state funds for or enter into any agreement for the acquisition, development or enhancement of a communication or telecommunication system including voice, data, radio, video, Internet, eGovernment, as referenced in Sections 34.24 and 34.25 of this title, printers, scanners, copiers, facsimile systems and associated supplies, service costs, maintenance costs, or any other costs or fees associated with the acquisition of the system or equipment, without written authorization of the Chief Information Officer or a designee. The Chief Information Officer or a designee shall verify that any acquisition, development or enhancement is compatible with the operation of the Oklahoma Government Telecommunications Network.

B. No agency of the executive branch of the state shall enter into any agreement for the acquisition, development or enhancement of a communication or telecommunication system or service including voice, data, radio, video, Internet, eGovernment, printers, scanners, copiers, and facsimile systems, unless the cost of such addition, change, improvement or development has been included in the statewide communications plan of the Information Services Division of the Office of Management and Enterprise Services, as said plan may have been amended or revised.

C. State agencies may enter into interagency contracts to share communications and telecommunications resources for mutually beneficial purposes. The contract shall clearly state how its purpose contributes to the development or enhancement or cost reduction of a state network which includes voice, data, radio, video, Internet, eGovernment, or facsimile systems. The contract shall be approved by the Information Services Division before any payments are made.

D. The provisions of subsections A, B and C of this section shall not apply to the telecommunications network known as OneNet whether said network is governed or operated by the Oklahoma State Regents for Higher Education or any other state entity assigned responsibility for OneNet.

~~E. The provisions of this section shall not apply to CompSource Oklahoma.~~

~~F.~~ No state agency shall use state funds or enter into any agreement for the acquisition, development or enhancement of a public safety communication system unless the request is consistent with the Statewide Communications Interoperability Plan and the public safety communications standards issued by the Oklahoma Office of Homeland Security. Agencies interested in acquiring, developing or enhancing a public safety communications system shall submit a proposal to the Oklahoma Office of Homeland Security. The Oklahoma Office of Homeland Security shall issue a proposal review which summarizes whether the proposal is consistent with the Statewide Communications Interoperability Plan and the technology standards issued. The proposal review shall be submitted to the requesting agency and to the Chief Information Officer.

SECTION 2. AMENDATORY 62 O.S. 2021, 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 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.

SECTION 3. AMENDATORY 62 O.S. 2021, Section 34.42, as amended by Section 1, Chapter 113, O.S.L. 2024 (62 O.S. Supp. 2024, Section 34.42), is amended to read as follows:

Section 34.42. A. On or before the first day of June in each year, or as soon thereafter as possible, all agencies shall file agency budgets with the Director of the Office of Management and Enterprise Services. Copies of all agency budgets shall also be made available electronically to the staff of the Joint Legislative Committee on Budget and Program Oversight.

B. The required instructions, content and format of agency budgets shall be developed by the staff of the Budget Division of the Office of Management and Enterprise Services.

C. 1. The agency budget shall include a description of all funds available to the agency for expenditure and set out allotments requested by the agency by quarter and the entire fiscal year.

2. The agency budget shall be accompanied by an organizational chart of the agency, a statement of agency mission and program objectives.

3. The agency budget shall delineate agency spending by such categories and with at least as much detail as is specified in the legislative appropriation and as prescribed by the Director of the Office of Management and Enterprise Services.

4. Agency budgets shall be signed by the executive officer of each agency.

5. The executive officer shall certify that the agency is in complete compliance with the requirements of Section 34.11.3 of this title and Section 3-114 of Title 65 of the Oklahoma Statutes.

D. A "request officer" shall be designated by each state agency for the purpose of making program and allotment requests.

E. Executive officers of agencies shall cooperate with the Office of Management and Enterprise Services staff and Joint Committee staff in developing program budgeting categories.

F. All funds available or expected to be made available to any agency, including nonfiscal appropriations, shall not be available for expenditure until the request officer of the agency has complied with the applicable provisions of the Oklahoma State Finance Act and has received approval of such request for funds from the Director of the Office of Management and Enterprise Services.

~~G. 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.~~

SECTION 4. AMENDATORY 62 O.S. 2021, Section 45.2, is amended to read as follows:

Section 45.2. In this act, "state agency" means a department, board, commission, or other entity of state government within the Executive Department of the State of Oklahoma, including institutions of higher education, that:

1. Was created by the Constitution or a state statute with an ongoing mission and responsibilities;

2. Is not the Office of the Governor or Lieutenant Governor;
and

3. Is not a committee created under state law whose primary function is to advise an agency; ~~and~~

~~4. Is not CompSource Oklahoma, provided CompSource Oklahoma is operating pursuant to a pilot program authorized pursuant to Sections 1 and 2 of this act.~~

SECTION 5. AMENDATORY 74 O.S. 2021, Section 18c, is amended to read as follows:

Section 18c. A. 1. Except as otherwise provided by this subsection, no state officer, board or commission shall have authority to employ or appoint attorneys to advise or represent said officer, board or commission in any matter.

2. The provisions of this subsection shall not apply to the Corporation Commission, the Council on Law Enforcement Education and Training, the Consumer Credit Commission, the Board of Managers of the State Insurance Fund, the Oklahoma Tax Commission, the Commissioners of the Land Office, the Oklahoma Public Welfare Commission also known as the Commission for Human Services, the State Board of Corrections, the Oklahoma Health Care Authority, the Department of Public Safety, the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Alcoholic Beverage Laws Enforcement Commission, the Transportation Commission, the Oklahoma Energy Resources Board, the Oklahoma Merit Protection Commission, the Office of Management and Enterprise Services, the Oklahoma Water Resources Board, the Department of Labor, the Department of Agriculture, Food, and Forestry, the Northeast Oklahoma Public Facilities Authority, the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Public Employees Retirement System, the Uniform Retirement System for Justices and Judges, the Oklahoma Conservation Commission, the Office of Juvenile Affairs, the State Board of Pharmacy and the Oklahoma Department of Veterans Affairs.

3. The provisions of paragraph 2 of this subsection shall not be construed to authorize the Office of Juvenile Affairs to employ any attorneys that are not specifically authorized by law.

4. All the legal duties of such officer, board or commission shall devolve upon and are hereby vested in the Attorney General; provided that:

- a. the Governor shall have authority to employ special counsel to protect the rights or interest of the state as provided in Section 6 of this title, and
- b. liquidation agents of banks shall have the authority to employ local counsel, with the consent of the Bank Commissioner and the Attorney General and the approval of the district court.

B. At the request of any state officer, board or commission, except the Corporation Commission, the ~~Board of Managers of the CompSource Oklahoma~~, Oklahoma Tax Commission and the Commissioners of the Land Office, the Grand River Dam Authority, the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Alcoholic Beverage Laws Enforcement Commission, the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Public Employees Retirement System, the Uniform Retirement System for Justices and Judges and the Interstate Oil and Gas Compact Commission, the Attorney General shall defend any action in which they may be sued in their official capacity. At the request of any such state officer, board or commission, the Attorney General shall have authority to institute suits in the name of the State of Oklahoma on their relation, if after investigation the Attorney General is convinced there is sufficient legal merit to justify the action.

~~C.~~ Any officer, board or commission which has the authority to employ or appoint attorneys may request that the Attorney General defend any action arising pursuant to the provisions of The Governmental Tort Claims Act.

~~D.~~ C. Nothing in this section shall be construed to repeal or affect the provisions of the statutes of this state pertaining to attorneys and legal advisors of the several commissions and departments of state specified in subsection B of this section, and all acts and parts of acts pertaining thereto shall be and remain in full force and effect.

SECTION 6. AMENDATORY 74 O.S. 2021, Section 62.3, is amended to read as follows:

Section 62.3. A. The Director of the Office of Management and Enterprise Services shall promulgate rules for use by state agencies and the Office of Management and Enterprise Services to dispose of surplus property. The rules shall include standards for recordkeeping, methods for removal or disposal of surplus property, and acquisition by state agencies and authorized entities of surplus property, and for Office management of surplus property programs.

B. A state agency selling, trading, redistributing or otherwise disposing of surplus property shall comply with the rules promulgated by the Director.

C. The Office shall make surplus property available to state agencies and authorized entities, which shall include political subdivisions, school districts, and nonprofit entities of this state.

D. The provisions of the Oklahoma Surplus Property Act shall not apply to institutions of higher education in this state, the Oklahoma Historical Society, the University Hospitals Authority or University Hospitals Trust or the Northeast Oklahoma Public Facilities Authority. The Grand River Dam Authority shall be exempt from the provisions of the Oklahoma Surplus Property Act for any surplus property disposed of prior to November 1, 2006. ~~CompSource Oklahoma shall be exempt from the provisions of the Oklahoma Surplus Property Act if CompSource Oklahoma is operating pursuant to a pilot program authorized by Sections 3316 and 3317 of this title.~~

E. Notwithstanding the provisions of the Oklahoma Surplus Property Act, the Oklahoma State Bureau of Investigation may, pursuant to rules promulgated by the Oklahoma State Bureau of Investigation Commission for that purpose, donate any surplus property, as defined in Section 62.2 of this title, to any law enforcement agency of any political subdivision of the State of Oklahoma. The use of such donated equipment shall be limited to valid and authorized law enforcement efforts by the receiving agency.

SECTION 7. AMENDATORY 74 O.S. 2021, Section 63, is amended to read as follows:

Section 63. A. The Office of Management and Enterprise Services shall have power to promulgate rules not inconsistent with the laws of this state.

B. The Office of Management and Enterprise Services shall have charge of the construction, repair, maintenance, insurance, and operation of all buildings owned, used, or occupied by or on behalf of the state including buildings owned by the Oklahoma Capitol Improvement Authority where such services are carried out by contract with the Authority, except as otherwise provided by law. Whenever feasible, the Office of Management and Enterprise Services may utilize the Construction Division of the Department of Corrections for the construction and repair of buildings for the Department of Corrections.

C. The Director of the Office of Management and Enterprise Services shall have authority to purchase all material and perform all other duties necessary in the construction, repair, and maintenance of all buildings under its management or control, shall make all necessary contracts by or on behalf of the state for any buildings or rooms rented for the use of the state or any of the officers thereof, and shall have charge of the arrangement and allotment of space in such buildings among the different state officers except as otherwise provided by law.

D. The Office of Management and Enterprise Services shall not have any authority or responsibility for buildings, rooms or space under the management or control of the University Hospitals Authority.

E. The Office of Management and Enterprise Services shall have the custody and control of all state property, and all other property managed or used by the state, except military stores and such property under the control of the State Banking Department and the two houses of the State Legislature, shall procure all necessary insurance thereon against loss and shall allot the use of the property to the several offices of the state, and prescribe where the property shall be kept for public use.

F. The Office of Management and Enterprise Services shall keep an accurate account of all property purchased for the state or any of the departments or officers thereof, except that purchased for and by the two houses of the State Legislature. The two houses shall have the exclusive use, care, and custody of their respective chambers, committee rooms, furniture, and property, and shall keep their respective records of said furniture and property.

G. The Office of Management and Enterprise Services shall not have any authority or responsibility for property purchased for or under the management or control of the University Hospitals Authority except as expressly provided by law.

~~H. The Office of Management and Enterprise Services shall not have any authority or responsibility for property purchased for or under the management or control of CompSource Oklahoma if CompSource Oklahoma is operating pursuant to a pilot program authorized by Sections 3316 and 3317 of this title.~~

SECTION 8. AMENDATORY 74 O.S. 2021, Section 78a, is amended to read as follows:

Section 78a. A. State agencies with authority to own motor vehicles shall submit a requisition to the Director of the Office of Management and Enterprise Services prior to acquisition of a motor vehicle. The requisition shall state the type of vehicle, the intended purpose of the vehicle, a statement that the agency has actual need for the vehicle, the supplier of the vehicle, that the state agency has sufficient funds to acquire and maintain the vehicle and cite the statutory authority of the state agency to acquire a vehicle.

B. The Director of the Office of Management and Enterprise Services shall review the requisition and approve or deny the request of the state agency within fifteen (15) days of receipt.

C. The provisions of subsections A and B of this section shall not apply to the Department of Public Safety, the Commissioners of the Land Office, the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control or the Oklahoma Military Department.

~~D. The provisions of subsections A and B 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 this title.~~

SECTION 9. AMENDATORY 74 O.S. 2021, Section 78b, is amended to read as follows:

Section 78b. A. A state agency shall notify the Fleet Management Division of the Office of Management and Enterprise Services not less than thirty (30) days prior to any vehicle disposal by the state agency.

B. A state agency shall not dispose of a passenger car, truck, pickup, or other vehicle the state agency owns until it has been in use for sixty thousand (60,000) miles or at least twenty-four (24) months have elapsed since the day the claim was approved for the payment thereof, unless the vehicle has damage and repairs that will exceed Two Thousand Five Hundred Dollars (\$2,500.00), or the Director of the Fleet Management Division of the Office of Management and Enterprise Services provides written authorization for disposal.

~~C. The provisions of subsections A and B of this section shall not apply to the Commissioners of the Land Office, the Military Department of the State of Oklahoma or CompSource Oklahoma if CompSource Oklahoma is operating pursuant to a pilot program authorized by Sections 3316 and 3317 of this title.~~

SECTION 10. AMENDATORY 85A O.S. 2021, Section 17, is amended to read as follows:

Section 17. A. There is hereby created a Physician Advisory Committee comprised of nine (9) members to be appointed as follows:

1. The Governor shall appoint three members, one of whom shall be licensed in this state as a doctor of medicine and surgery, one of whom shall be engaged in the practice of family medicine in a rural community of the state, and one of whom shall be an osteopathic physician;

2. The President Pro Tempore of the Senate shall appoint three members, one of whom shall be licensed in this state as a doctor of medicine and orthopedic surgery, one of whom shall be licensed in this state either as a doctor of medicine or a doctor of osteopathy and a neurosurgeon, and one of whom shall be licensed in this state as a podiatric physician; and

3. The Speaker of the House of Representatives shall appoint three members, one of whom shall be licensed in this state as an osteopathic physician, one of whom shall be licensed in this state either as a doctor of medicine or a doctor of osteopathy and shall be engaged in the practice of occupational medicine, and one of whom shall be licensed in this state as a chiropractic physician.

Any member serving on the effective date of this section shall serve the remainder of his or her term. Thereafter, each position will be filled by the appointing official for a term of three (3) years. Members shall be subject to reappointment, with any new appointee to serve out the remainder of the unexpired term of the Committee member so replaced.

B. The Committee shall:

1. Assist and advise the Workers' Compensation Commission regarding utilization review as it relates to the medical practice and treatment of work-related injuries. Such utilization review shall include a review of reasonable and necessary medical treatment; abusive practices; needless treatments, testing, or procedures; or a pattern of billing in excess of or in violation of the Schedule of Medical Fees. The Physician Advisory Committee shall review and make findings and recommendations to the Commission with respect to charges of inappropriate or unnecessary treatment or procedures, abusive practices, or excessive billing disclosed through utilization review;

2. Assist the Commission in reviewing medical practices of health care providers, including evaluations of permanent disability provided by health care providers. The Committee shall review and make findings and recommendations to the Commission with respect to charges of abusive practices by health care providers providing medical services or evaluations of permanent partial disability through the workers' compensation system;

3. After public hearing, review and make recommendations for acceptable deviations from the American Medical Association's "Guides to the Evaluation of Permanent Impairment";

4. After public hearing, adopt Physician Advisory Committee Guidelines (PACG) and protocols for only medical treatment not addressed by the latest edition of the Official Disability Guidelines;

5. After public hearing, adopt Physician Advisory Committee Guidelines for the prescription and dispensing of any controlled substance included in Schedule II of the Uniform Controlled Dangerous Substances Act if not addressed by the current edition of the Official Disability Guidelines;

6. Review utilization on cases or of providers when requested by any employer, injured employee or insurer. The Committee may issue a public or private censure to any provider for utilization which is excessive or inadequate, or recommend the Commission order treatment within the treatment guidelines;

7. Provide general recommendations to the Commission on the issues of injury causation and apportionment;

8. Conduct educational seminars for the Commission, employers, employees, and other interested parties;

9. Assist the Commission in accessing medical information from scientific literature; and

10. Report its progress annually to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives.

C. The Commission shall recognize the latest edition of the Official Disability Guidelines as the primary standard of reference, at the time of treatment, in determining the frequency and extent of services presumed to be medically necessary and appropriate for compensable injuries under this act, or in resolving such matters in the event a dispute arises.

D. Members of the Physician Advisory Committee shall receive no compensation for serving on the Committee but shall be reimbursed by the Commission for their necessary travel expenses incurred in the performance of their duties in accordance with the State Travel Reimbursement Act.

E. Meetings of the Physician Advisory Committee shall be called by the Commission but held at least quarterly. The presence of a majority of the members shall constitute a quorum. No action shall be taken by the Physician Advisory Committee without the affirmative vote of at least a majority of the members.

F. The Commission shall provide office supplies and personnel of the Commission to assist the Committee in the performance of its duties.

G. Upon written request, the Insurance Commissioner, CompSource ~~Oklahoma~~ Mutual Insurance Company, and every approved self-insured employer in Oklahoma shall provide the Committee with data necessary to the performance of its duties.

H. Any health care provider acting in good faith and within the scope of the provider's duties as a member of the Physician Advisory Committee shall be immune from civil liability for making any report or other information available to the judges of the Commission or to the Commission or for assisting in the origination, investigation, or preparation of the report or other information so provided.

SECTION 11. REPEALER 36 O.S. 2021, Section 902.3, is hereby repealed.

SECTION 12. REPEALER 74 O.S. 2021, Sections 3316 and 3317, are hereby repealed.

SECTION 13. This act shall become effective November 1, 2025.

Passed the Senate the 12th day of March, 2025.

Presiding Officer of the Senate

Passed the House of Representatives the 5th day of May, 2025.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____