

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 HOUSE BILL 3944

By: Kane

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5 AS INTRODUCED

6 An Act relating to public finance; amending 62 O.S.
7 2021, Sections 34.3.1, 34.38, 34.40, 34.42, as last
amended by Section 3, Chapter 199, O.S.L. 2025,
8 34.43, 34.49, 34.52, 34.80, and 45.10 (62 O.S. Supp.
9 2025, Section 34.42), which relate to the reporting
and procedural requirements of the State Finance Act;
10 eliminating obsolete references; updating references;
modifying elements of and submission date for certain
budget documents; expanding limitations for expending
lump sum appropriations; limiting allotments and
reporting to fiscal years; permitting designation of
11 allotment request officers; simplifying information
technology budget reporting requirements; modifying
procedures related to mid-year budget transfer
12 requests; clarifying deposit of cancelled warrants
related to federal funds; simplifying certain metrics
reporting requirements; 62 O.S. 2021, Section 34.6,
13 as amended by Section 2, Chapter 14, 2nd
Extraordinary Session, O.S.L. 2022, Section 34.36, as
14 amended by Section 2, Chapter 199, O.S.L. 2025,
Section 34.36.1, 34.56, 34.95, 34.401, and 45.5 (62
15 O.S. Supp. 2025, Sections 34.6, 34.36, 34.36.1,
34.56, 34.95, 34.401, and 45.5), which relate to the
16 powers and duties of the Director of Management and
Enterprise Services and other officials with regard
17 to the State Finance Act; eliminating certain
reporting and certification requirements; updating
18 references to legislative entities; vesting surviving
authority of the Special Agency Account Board;
authorizing the utilization of certain information;
19 limiting certain procedural requirement to certain
period; authorizing certain assistance and training
20 of agencies; and providing an effective date.
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24 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

1 SECTION 1. AMENDATORY 62 O.S. 2021, Section 34.3.1, is
2 amended to read as follows:

3 Section 34.3.1. A. The Department of Central Services, Office
4 of Personnel Management, and Oklahoma State Employees Benefits
5 Council ~~and the State and Education Employees Group Insurance Board~~
6 are consolidated into the Office of Management and Enterprise
7 Services. The Director of the Office of Management and Enterprise
8 Services shall assume all executive-level responsibilities for each
9 agency and shall function as and possess the powers of the agency
10 director for each consolidated agency as enumerated by existing
11 statute. For the purposes of this section the term "consolidated
12 agencies" shall mean the Department of Central Services, Office of
13 Personnel Management, and Oklahoma State Employees Benefits Council
14 ~~and the State and Education Employees Group Insurance Board~~. Any
15 funds appropriated to, in the possession of or allocated to any of
16 the consolidated agencies shall be deemed to be funds of the Office
17 of Management and Enterprise Services.

18 B. Upon request of the Director of the Office of Management and
19 Enterprise Services, the personnel of the consolidated agencies
20 shall deliver to the Office of Management and Enterprise Services
21 all books, papers, records and property of the consolidated
22 agencies.

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1 C. All functions, powers, duties and obligations previously
2 assigned to each of the consolidated agencies are hereby transferred
3 to the Office of Management and Enterprise Services.

4 D. All rules, regulations, acts, orders, determinations and
5 decisions of the consolidated agencies pertaining to the functions
6 and powers herein transferred and assigned to the Office of
7 Management and Enterprise Services, in force at the time of such
8 transfer, assignment, assumption or devolution shall continue in
9 force and effect as rules, regulations, acts, orders, determinations
10 and decisions of the consolidated agencies until duly modified or
11 abrogated by the appropriate body or until otherwise provided by
12 law.

13 SECTION 2. AMENDATORY 62 O.S. 2021, Section 34.6, as
14 amended by Section 2, Chapter 14, 2nd Extraordinary Session, O.S.L.
15 2022 (62 O.S. Supp. 2025, Section 34.6), is amended to read as
16 follows:

17 Section 34.6. A. The Director of the Office of Management and
18 Enterprise Services shall have the power and duty under the
19 direction of the Governor to:

20 1. Prepare the budget document and assist in the drafting of
21 legislation to make it effective;

22 2. Make field surveys and studies of governmental agencies,
23 looking toward economy and greater efficiency;

24 3. Make allotments to control expenditures;

1 4. Authorize transfers of appropriation authorized by law;
2 5. Study accounting and other reports rendered by the Division
3 of Central Accounting and Reporting;

4 6. Enter into agreements with the United States Secretary of
5 the Treasury for the purpose of implementing federal law;

6 7. Aid the Governor in the economical management of state
7 affairs; and

8 8. Adopt such rules and regulations concerning the exercise of
9 powers and duties as the Director shall deem appropriate, in
10 accordance with the Administrative Procedures Act.

11 B. In addition to other duties, the Director of the Office of
12 Management and Enterprise Services shall, upon request, advise and
13 consult with members of the Legislature and legislative committees
14 concerning revenue and expenditures of state agencies.

15 C. ~~The Director of the Office of Management and Enterprise~~
16 ~~Services shall publish daily reports of all expenditures of funds~~
17 ~~from the Coronavirus Aid, Relief, and Economic Security (CARES) Act~~
18 ~~on the Oklahoma Checkbook page on the state website.~~

19 D. The Director of the Office of Management and Enterprise
20 Services shall report weekly on the status of all grant agreements,
21 as provided for in Section 1 of this act.

22 E. D. The Director of the Office of Management and Enterprise
23 Services shall report quarterly to the chairs of the Joint Committee
24 on Pandemic Relief Funding and make available to the public on the

1 state's website, a quarterly report of all expenditures of federal
2 funds drawn down from the American Rescue Plan Act 2021 (ARPA),
3 Public Law 117-2.

4 F. E. The Director of the Office of Management and Enterprise
5 Services shall provide technical assistance to agencies seeking to
6 comply with state law and federal guidelines as a recipient of
7 federal funds. Technical assistance shall include, but not be
8 limited to, procurement and competitive bidding requirements
9 assistance, capital expenditure assistance, model templates, model
10 agreements, grants management software or other advice, recommended
11 reporting, and accounting of federal funds, to all state agencies
12 who request technical assistance.

13 SECTION 3. AMENDATORY 62 O.S. 2021, Section 34.36, as
14 amended by Section 2, Chapter 199, O.S.L. 2025 (62 O.S. Supp. 2025,
15 Section 34.36), is amended to read as follows:

16 Section 34.36. A. On the first day of ~~October~~ November
17 preceding each regular session of the Legislature, each state
18 agency, including those created or established pursuant to
19 constitutional provisions, shall report to the Director of the
20 Office of Management and Enterprise Services and the ~~Chair and Vice~~
21 ~~Chair of the Legislative Oversight Committee on State Budget~~
22 ~~Performance~~ directors of the divisions in each body of the
23 Legislature assigned oversight of state budget performance, an
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1 itemized request showing the amount needed for the ensuing fiscal
2 year beginning with the first day of July.

3 B. The forms which must be used in making these reports shall
4 be approved by the Director of the Office of Management and
5 Enterprise Services and the ~~Legislative Oversight Committee on State~~
6 ~~Budget Performance~~ directors of the divisions in each body of the
7 Legislature assigned oversight of state budget performance.

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

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

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

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

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

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

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

23 6. A description of the tactics which are intended to
24 accomplish each objective;

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

3 8. ~~A ranking of these programs by priority;~~

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

7 10. 9. Revenues expected to be generated by each program, if
8 any; and

9 11. 10. With respect to appropriated state agencies, a detailed
10 listing of all employees and resources dedicated to the provision of
11 financial services including but not limited to procurement,
12 payroll, accounts receivable and accounts payable. The provisions
13 of this paragraph shall not be applicable to the Oklahoma State
14 Regents for Higher Education or to any institutions within The
15 Oklahoma State System of Higher Education; and

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

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

1 fiscal years and request for funds for the ensuing fiscal year and
2 an estimate of the revenues from all sources to be received by the
3 agency during the ensuing fiscal year and the following two (2)
4 fiscal years.

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~~ directors of the divisions in
8 each body of the Legislature assigned oversight of state budget
9 performance, no later than the fifth day of ~~October~~ November a
10 complete list of all spending agencies which have failed to submit
11 budgets by ~~October~~ November 1.

12 G. ~~The reports required by this section shall include an~~
13 ~~itemized listing of outstanding capital lease debt and estimated~~
14 ~~capital lease needs for the ensuing fiscal year and the following~~
15 ~~two (2) fiscal years, and shall be provided on forms prescribed by~~
16 ~~the Director of the Office of Management and Enterprise Services.~~

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

1 ~~1.~~ Not later than January 1, the Director of the Office of
2 Management and Enterprise Services shall publish a shared services
3 cost-performance assessment report documenting the amount of each
4 state agency's cost for providing shared services. The lowest
5 ranking state agencies shall enter into a contract with the Office
6 of Management and Enterprise Services for the provision of shared
7 financial services, provided that the Director of the Office of
8 Management and Enterprise Services determines that implementation of
9 such a contract would be feasible and documents that the contractual
10 agreement will result in cost savings or efficiencies to the state.
11 Contracts required by this subsection shall be entered into at the
12 start of the next fiscal year. When a state agency is contracted
13 with the Office of Management and Enterprise Services for the
14 provision of shared financial services, the agency may discontinue
15 using shared services when documentation showing that the agency can
16 provide the services at a lower cost to the state is provided to and
17 approved by the Director of the Office of Management and Enterprise
18 Services. As used in this subsection, "shared services" means
19 process, resource utilization or action as defined by administrative
20 rule. On a yearly basis the Director of the Office of Management
21 and Enterprise Services shall compile and publish a report
22 documenting the cost savings resulting from shared services
23 contracts. The provisions of this subsection shall not be
24 applicable to the Oklahoma State Regents for Higher Education or to

1 any institutions within The Oklahoma State System of Higher
2 Education.

3 SECTION 4. AMENDATORY 62 O.S. 2021, Section 34.36.1, is
4 amended to read as follows:

5 Section 34.36.1. A. Each state agency that is required to
6 provide an itemized budget request pursuant to the provisions of
7 Section 34.36 of Title 62 of the Oklahoma Statutes shall provide to
8 the Director of the Office of Management and Enterprise Services a
9 ~~written~~ report, in a form approved by the Director, containing the
10 following information:

11 1. The amount of federal funds received by the agency;

12 2. The source or sources of federal funds received by the
13 agency;

14 3. A description of any action required to be taken by the
15 agency as a condition for the receipt or continued receipt of
16 federal funds; and

17 4. A description of any action prohibited to be taken by the
18 agency as a condition for the receipt or continued receipt of
19 federal funds.

20 B. The report shall be submitted with the budget information
21 required by Section 34.36 of Title 62 of the Oklahoma Statutes by
22 the date required by that section.

23 C. The Director of the Office of Management and Enterprise
24 Services shall post the information contained in each agency's

1 report on the website created pursuant to Section 46 of Title 62 of
2 the Oklahoma Statutes.

3 SECTION 5. AMENDATORY 62 O.S. 2021, Section 34.38, is
4 amended to read as follows:

5 Section 34.38. ~~The budget shall be submitted to the Legislature~~
6 and shall be in two parts:

7 1. ~~A budget message:~~

- 8 a. ~~outlining the fiscal policy of the state for the~~
9 ~~fiscal year and describing the important features of~~
10 ~~the budget,~~
- 11 b. ~~giving a summary of the budget setting forth aggregate~~
12 ~~figures of proposed revenues and expenditures and the~~
13 ~~balanced relations between the proposed revenues and~~
14 ~~expenditures and the total expected income and other~~
15 ~~means of financing the budget compared with the~~
16 ~~corresponding figures for the preceding fiscal year,~~
- 17 c. ~~including explanatory schedules classifying proposed~~
18 ~~expenditures by organization units, objects and funds,~~
- 19 d. ~~giving estimated statements of assets and liabilities~~
20 ~~as of the close of the preceding fiscal year and of~~
21 ~~the budget year, and~~
- 22 e. ~~explaining any proposed major increases in revenue~~
23 ~~from any existing source or any new source of revenue~~
24 ~~proposed, and~~

1 f. giving any further information or making any
2 suggestions; and

3 2. The detailed budget estimates of revenues and expenditures
4 for each fund as provided for in the Oklahoma State Finance Act
5 showing the recommendations of the Governor on each, compared with
6 the figures for the preceding fiscal year and giving an explanation
7 of each major change in the recommendations from the revenues and
8 expenditures in the previous fiscal year.

9 The budget shall be submitted to the Legislature containing the
10 following:

11 1. An outline of the fiscal policy of the state for the fiscal
12 year and a description of the important features of the budget;
13 2. A summary of the budget setting forth aggregate figures of
14 proposed revenues and expenditures and the balanced relations
15 between the proposed revenues and expenditures and the total
16 expected income and other means of financing the budget compared
17 with the corresponding figures for the preceding fiscal year, giving
18 estimated statements of assets and liabilities as of the close of
19 the preceding fiscal year, and giving any further information or
20 making any suggestions;

21 3. A balanced budget presented by agency based on the revenue
22 certified at the most recent Board of Equalization meeting, plus any
23 additional revenues detailed in the proposed budget; and

1 4. The detailed budget estimates of revenues and expenditures
2 showing the recommendations of the Governor on each, compared with
3 the figures for the preceding fiscal year and giving an explanation
4 of each major change in the recommendations from the revenues and
5 expenditures in the previous fiscal year.

6 SECTION 6. AMENDATORY 62 O.S. 2021, Section 34.40, is
7 amended to read as follows:

8 Section 34.40. A. When lump sum appropriations are made ~~for~~
9 ~~personal services, or for maintenance and operations, or for~~
10 ~~maintenance and operations including personal services,~~ no monies so
11 appropriated shall be available for payments for such expenses until
12 a schedule of positions and salaries and the amounts to be available
13 for the expenses shall have been approved by the Director of the
14 Office of Management and Enterprise Services and posted to the state
15 accounting system. The provisions of this subsection shall not
16 apply to such appropriations for the Legislature or judiciary, for
17 expenses of holding elections, or for temporary services or day
18 labor.

19 B. Any such approved schedule of positions and salaries may be
20 amended with the approval of the Director of the Office of
21 Management and Enterprise Services.

22 C. The request officer for each agency shall show the
23 classification of the expenditures for their agency, and such
24 classification shall follow the uniform budget and accounting

1 classifications adopted for similar spending agencies, except for
2 items peculiar to certain departments or institutions.

3 D. The Director of the Office of Management and Enterprise
4 Services shall not have authority to fix the amount of any agency
5 salary or eliminate any position listed on such schedule. However,
6 the Director shall not approve the schedule of positions and
7 salaries when the total amount of funds requested to be allotted
8 fails to reserve a sufficient balance to finance the operations of
9 the agency for the remainder of that fiscal year, considering any
10 possible failure in the revenue estimated to be collected for that
11 fiscal year.

12 E. The Director of the Office of Management and Enterprise
13 Services shall not have the authority to curtail the operation of
14 any particular part of the program, but shall order a reduction in
15 the total program only where insufficient revenues are anticipated
16 to carry on the program for the period concerned.

17 SECTION 7. AMENDATORY 62 O.S. 2021, Section 34.42, as
18 last amended by Section 3, Chapter 199, O.S.L. 2025 (62 O.S. Supp.
19 2025, Section 34.42), is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

10 SECTION 8. AMENDATORY 62 O.S. 2021, Section 34.43, is
11 amended to read as follows:

12 Section 34.43. A. All agencies of the state shall submit to
13 the Director Chief Information Officer of the Office of Management
14 and Enterprise Services in all agency their detailed information
15 technology budgets, in addition to other required information,
16 whether such reports relate to past, present or future expenditures,
17 an itemization of the amount attributable to each of the following
18 expenses:

19 1. The number of persons, total amount of all salaries, the
20 total amount of travel and subsistence expense and the total amount
21 of personnel expense for:

22 a. data processing directors,
23 b. systems analysts,
24 c. programmers,

1 d. electronic data processing operators,
2 e. punch card machine operators,
3 f. data processing control personnel,
4 g. data processing clerical personnel, and
5 h. other data processing personnel;

6 2. Rental of data processing equipment;

7 3. Purchase of data processing equipment;

8 4. Maintenance of data processing equipment, if not included in
9 rental expense;

10 5. Data processing supplies;

11 6. Data processing planning;

12 7. Data processing conversion from one system to another;

13 8. Rental and purchase of non-data processing equipment and
14 supplies utilized in a data processing operation;

15 9. Shipment of data processing equipment;

16 10. Rental of communication lines for transmission of data
17 processing information;

18 11. Data processing education;

19 12. Rental of software packages;

20 13. Contracting for development of systems; and

21 14. Other data processing expense for approval.

22 B. All disbursements made from treasury funds by any state
23 agency for the above-named expenses shall be budgeted to and
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1 | disbursed from a special allotment account to be created by the
2 | Director of the Office of Management and Enterprise Services.

3 | C. This section shall not preclude agencies from programming
4 | and expending intra-agency data processing costs for cost allocation
5 | purposes.

6 | SECTION 9. AMENDATORY 62 O.S. 2021, Section 34.49, is
7 | amended to read as follows:

8 | Section 34.49. A. Appropriations and/or federal funds shall be
9 | allotted for each agency as provided by the language of the
10 | legislative appropriation and other applicable state law. ~~Items may~~
11 | ~~be allotted on a monthly, quarterly, semiannual or annual basis upon~~
12 | ~~the written request of the agency and the approval of the Director~~
13 | ~~of the Office of Management and Enterprise Services.~~

14 | B. The request officer for each agency shall present the
15 | proposed classification of the expenditures for that agency in such
16 | manner as may be required by the Office of Management and Enterprise
17 | Services.

18 | C. ~~Each agency shall be required to identify those items that~~
19 | ~~are for capital purposes in keeping with the definition of capital~~
20 | ~~projects promulgated by the Long Range Capital Planning Commission.~~
21 | ~~Requests for capital appropriations and an agency's original budget~~
22 | ~~request shall be for capital projects that have been submitted to~~
23 | ~~the Long Range Capital Planning Commission for review.~~

1 D. The Director of the Office of Management and Enterprise
2 Services shall review the requested allotments with respect to the
3 agency budget with each agency. The Director may require the agency
4 to change such allotments before approving them, if it is deemed
5 necessary, reserving a sufficient balance in the appropriation to
6 finance the operations of the agency for the remainder of any fiscal
7 year.

8 E. D. At the end of any fiscal year, the entire amount
9 appropriated to any agency must be allotted to the agency by the
10 Director of the Office of Management and Enterprise Services, except
11 where the estimated budget resources during any fiscal year are
12 insufficient to pay all of the appropriations of the state in full
13 for such year. The Director of the Office of Management and
14 Enterprise Services shall not allot to any agency during any fiscal
15 year, an amount which will be in excess of the amount of revenue
16 collected and allocated to appropriations made to such agency.

17 F. E. In the event of a failure of revenue, the Director of the
18 Office of Management and Enterprise Services shall control the
19 allotment to prevent obligations being incurred in excess of the
20 revenue to be collected. However, within each state fund where a
21 revenue failure occurs, the Director of the Office of Management and
22 Enterprise Services shall make all reductions apply to each state
23 agency or special appropriation made by the State Legislature, in
24 the ratio that its total appropriation for that fiscal year bears to

1 the total of all appropriations for that fiscal year, as provided in
2 Section 23 of Article X of the Oklahoma Constitution.

3 G. F. An allotment may be approved for any item for the entire
4 year ~~or may be approved on a monthly, quarterly, or semiannual~~
5 ~~basis~~, but in no case shall the aggregate of such allotments for any
6 agency exceed the total appropriation made available to such agency
7 for the fiscal year to which they apply. Each agency's request for
8 appropriation allotments shall show the amount required to finance
9 each item of the request for the entire ~~year and on a quarterly~~
10 ~~basis within each~~ fiscal year.

11 H. G. The Director of the Office of Management and Enterprise
12 Services shall review each allotment request for the purpose of
13 determining whether:

14 1. The itemized requests are ~~in accordance with~~ not in excess
15 of the agency budget;

16 2. The accounting classification is sufficient to reflect the
17 purposes for which the expenditures are to be made;

18 3. The current financial requirements of the agency justify the
19 ~~monthly or quarterly~~ allotment, reserving a sufficient balance to
20 finance the ~~remaining months or quarters~~ remainder of the budget
21 year; and

22 4. The realization of the estimated revenues is sufficient to
23 allow the allotments to be made.

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1 H. The Legislature shall be exempt from submitting any
2 agency budget or allotment request.

3 SECTION 10. AMENDATORY 62 O.S. 2021, Section 34.52, is
4 amended to read as follows:

5 Section 34.52. A. The administrative head of any agency or the
6 request officer may request that any current item of appropriation,
7 ~~allotment, or budget category~~ be transferred to any other budget
8 category within the same agency.

9 B. The administrative head shall make a request for budget
10 transfer to the Director of the Office of Management and Enterprise
11 Services in writing and file a revised agency budget.

12 C. Copies of the request for budget transfer and corresponding
13 agency budget revisions shall also be filed with the ~~Joint~~
14 ~~Legislative Committee on Budget and Program Oversight as created by~~
15 ~~Section 34.96 of this title chairs of the committees in each body of~~
16 ~~the Legislature overseeing appropriations and the directors of the~~
17 ~~divisions in each body of the Legislature assigned oversight of~~
18 ~~state budget performance.~~

19 D. The Director of the Office of Management and Enterprise
20 Services shall approve the request for transfer unless both the
21 Chair and Vice Chair of the Joint Legislative Committee on Budget
22 and Program Oversight provide written notification to the Director
23 of the Office of Management and Enterprise Services within twelve
24 (12) calendar days of receipt of transfer request that the transfer

1 subverts the intention and objectives of the Legislature in
2 establishing the original appropriation, or unless the transfer does
3 not meet the requirements of this section or Section 34.49 of this
4 title. Notification of noncompliance with legislative intent shall
5 be transmitted to the Director of the Office of Management and
6 Enterprise Services within twelve (12) calendar days of receipt of
7 the transfer request. The Director of the Office of Management and
8 Enterprise Services shall give written notice of approval or
9 disapproval of each budget transfer to the agency, ~~the Governor and~~
10 ~~the Chair and Vice Chair of the Joint Legislative Committee on~~
11 ~~Budget and Program Oversight~~ chairs of the committees in each body
12 of the Legislature overseeing appropriations and the directors of
13 the divisions in each body of the Legislature assigned oversight of
14 state budget performance within eighteen (18) calendar days of
15 receiving the request.

16 E. Transfers shall be subject to the following limitations:

17 1. The amount to be transferred, together with all previous

18 transfers, shall not exceed twenty-five percent (25%) of the total
19 appropriation of the least of the items of appropriation, ~~allotment~~
20 ~~or agency budget~~ involved in the transfer; and

21 2. If the amount to be transferred, and all previous transfers,

22 is greater than twenty-five percent (25%) of the least items of
23 appropriation, ~~allotment or agency budget~~ involved in the transfer
24 request, the agency may make an application to the Director of the

1 Office of Management and Enterprise Services, and the ~~Chair and Vice~~
2 ~~Chair of the Joint Legislative Committee on Budget and Program~~
3 ~~Oversight chairs of the committees in each body of the Legislature~~
4 ~~overseeing appropriations, and the directors of the divisions in~~
5 ~~each body of the Legislature assigned oversight of state budget~~
6 ~~performance.~~ If the agency obtains written approval from the
7 ~~Director of the Office of Management and Enterprise Services and the~~
8 ~~Chair and Vice Chair of the Joint Legislative Committee Budget and~~
9 ~~Program Oversight, an additional fifteen percent (15%) may be~~
10 ~~transferred chairs of the committees in each body of the Legislature~~
11 ~~overseeing appropriations, the Director of the Office of Management~~
12 ~~and Enterprise Services shall approve the request for transfer.~~

13 SECTION 11. AMENDATORY 62 O.S. 2021, Section 34.56, is
14 amended to read as follows:

15 Section 34.56. A. There is hereby re-created, to continue
16 until July 1, 2008, in accordance with the provisions of the
17 Oklahoma Sunset Law, a Special Agency Account Board, to consist of
18 the Director of the Office of Management and Enterprise Services,
19 the State Treasurer and the Director of the Legislative Service
20 Bureau. The Board shall have the authority to approve the
21 establishment of agency special accounts in the official depository
22 of the State Treasury. In the case of institutions of higher
23 education, the Special Agency Account Board, acting in conjunction
24 with the Oklahoma State Regents for Higher Education, shall

1 establish special agency accounts as appropriate which shall be
2 consistent with provisions of the Oklahoma State Finance Act, as it
3 relates to institutions in The Oklahoma State System of Higher
4 Education. Following the sunset of the Special Agency Account
5 Board, all authority vested in the Board shall transfer to the
6 Director of the Office of Management and Enterprise Services.

7 B. The Board, created by this section, shall adopt procedures
8 including application forms, justification and other pertinent
9 information as to the basis for a state agency application for the
10 establishment of agency special accounts.

11 C. The Board may approve agency special accounts for money
12 received by state agencies for the following purposes:

13 1. Benefit programs for individuals, including, but not limited
14 to, unemployment compensation, workers' compensation and state
15 retirement programs;

16 2. Revenues produced by activities or facilities ancillary to
17 the operation of a state agency which receive no money, directly or
18 indirectly, from or through that state agency, including, but not
19 limited to, revenues from the sales of food at retail level, sales
20 at canteens, sales at student unions, sales at student bookstores,
21 receipts from athletic programs and receipts from housing.

22 Provided, however, that a state institution of higher learning may
23 purchase necessary equipment and instructional supplies and office
24 supplies from a student bookstore, or, subject to authorization by

1 the Oklahoma State Regents for Higher Education, may rent building
2 space for institutional use in a building operated by an
3 organization or entity whose existence is ancillary to the operation
4 of a state agency, and whose cost was financed in whole or in part
5 with revenue-type bonds; provided, further, that the cost of such
6 office supplies or space rental shall not exceed the cost of similar
7 supplies or rentals available commercially;

8 3. Gifts, devises and bequests with an agency as beneficiary,
9 unless otherwise provided by statute;

10 4. Evidence funds for law enforcement agencies;

11 5. Student loan funds and scholarship funds;

12 6. Funds held in escrow;

13 7. Land Commission funds;

14 8. Funds for which the state agency acts as custodian,
15 including, but not limited to, fees from employee earnings approved
16 by the governing board of the agency, funds of student organizations
17 including student activity fees collected by an educational
18 institution as a separate item in enrollment procedures,
19 professional organizations, patients and inmates;

20 9. Funds used by the Oklahoma Tax Commission to pay for the
21 filing of liens with the Federal Aviation Administration;

22 10. Temporary accounts for funds arising from new or amended
23 legislation not otherwise provided for in statute or for other

24

1 emergency situations. Such accounts are to be utilized only pending
2 legislative action directing custody of such funds;

3 11. Payment of liability claims against the state;

4 12. Activities of the various Armory Boards of the Oklahoma
5 Military Department to receive and dispense funds derived by the
6 Armory Boards pursuant to Sections 232.6 and 232.7 of Title 44 of
7 the Oklahoma Statutes; and

8 13. Payment of expenses incurred in connection with the
9 acceptance of payments made with nationally recognized credit cards.

10 D. The State Treasurer is authorized to accept deposit of money
11 made directly to agency special accounts approved by the Board. All
12 money received by a state agency, as described in Section 34.57 of
13 this title, shall be deposited in State Treasury funds or accounts
14 and no money shall be deposited in banks or other depositories
15 unless the bank accounts are maintained by the State Treasurer or
16 are for the deposit of authorized petty cash funds.

17 E. Money deposited in agency special accounts shall be
18 disbursed on vouchers issued by the state agency concerned to
19 accomplish the purpose for which the money was intended.

20 F. Funds and revenues of the Grand River Dam Authority are
21 exempt from the requirements of this section.

22 G. Funds and revenues of the Oklahoma Municipal Power Authority
23 are exempt from the requirements of this section.

1 H. Monies used for investment purposes by the Oklahoma
2 Firefighters Pension and Retirement System, the Oklahoma Police
3 Pension and Retirement System, the Uniform Retirement System for
4 Justices and Judges, the Oklahoma Law Enforcement Retirement System,
5 the Oklahoma Public Employees Retirement System, the Teachers'
6 Retirement System of Oklahoma, the State Insurance Fund, the
7 Oklahoma Employees Insurance and Benefits Board, the Commissioners
8 of the Land Office, and the Oklahoma State Regents for Higher
9 Education for its Endowment Trust Fund are exempt from the
10 requirements of this section, and shall be placed with the
11 respective custodian bank or trust company.

12 SECTION 12. AMENDATORY 62 O.S. 2021, Section 34.80, is
13 amended to read as follows:

14 Section 34.80. A. All warrants, checks or orders issued by the
15 State Treasurer against claims submitted through the Office of
16 Management and Enterprise Services in payment of obligations of the
17 state which shall for any cause remain outstanding or unpaid for a
18 period of ninety (90) days after funds are available for their
19 payment shall be revoked and canceled.

20 B. Such warrants, checks or orders shall be entered into the
21 records of the Office of Management and Enterprise Services and the
22 State Treasurer and the administrative head of the agency certifying
23 the claim for payment shall be notified that such items have been
24 canceled.

1 C. If, for any reason, a warrant should not be issued to
2 replace a warrant canceled pursuant to the provisions of this
3 section, the administrative head of the agency originally certifying
4 the claim for payment shall, within seven (7) days after
5 notification of the cancellation, advise the Director of the Office
6 of Management and Enterprise Services that a reissue should not be
7 made.

8 D. Notwithstanding the provisions of subsection B of this
9 section, warrants issued or caused to be issued by the Department of
10 Human Services for public assistance or medical assistance may be
11 reissued at any time within three (3) years after cancellation upon
12 submission of the canceled warrants to the Department.

13 E. No canceled warrants shall be paid, except that the holder
14 of any warrant that may have been canceled pursuant to the
15 provisions of this section may, within thirty-six (36) months
16 following the month in which the warrant was canceled, present the
17 warrant or an affidavit of loss or destruction and a request for
18 reissuance to the Director of the Office of Management and
19 Enterprise Services.

20 F. The Director of the Office of Management and Enterprise
21 Services shall certify a claim as needed for payment of those
22 verified unpaid requests presented, unless the certifying agency has
23 advised that a reissuance should not be made.

24

1 G. 1. There is hereby created in the State Treasury a fund to
2 be known as the Canceled Warrant Fund.

3 2. The Director of the Office of Management and Enterprise
4 Services shall transfer to the Canceled Warrant Fund the total of
5 the payable amounts of the warrants canceled pursuant to the
6 provisions of this section from the funds and accounts against which
7 the canceled warrants had been drawn.

8 3. The Office of Management and Enterprise Services shall
9 disburse from the fund such amounts as necessary to pay warrants
10 reissued as provided in this section.

11 4. These expenditures shall remain recorded in the funds and
12 accounts against which the original canceled warrants were issued
13 and they shall not be considered expenses of the state nor shall
14 receipts to the fund be considered revenue to the state.

15 5. Any such claim drawn against the Canceled Warrant Fund shall
16 identify the current holder of record and the warrant number of the
17 canceled warrant, which shall be provided on the warrant record.

18 H. The Director of the Office of Management and Enterprise
19 Services shall determine the minimum necessary balance to be
20 maintained in the Canceled Warrant Fund and on the third Monday of
21 October shall transfer the amount in excess of the required minimum
22 balance to the General Revenue Fund of the current year. The
23 minimum balance retained shall be not less than the total amount of
24 the warrants canceled by statute within the past thirty-six (36)

1 months preceding October 1 of each year and which remain eligible
2 for replacement according to the records of the Office of Management
3 and Enterprise Services. Provided, funds in the Canceled Warrant
4 Fund due to the cancellation of warrants from federal funds or the
5 Crime Victims Compensation Fund shall be transferred to ~~the Crime~~
6 ~~Victims Compensation Fund~~ their originating fund upon cancellation
7 and not to the General Revenue Fund.

8 SECTION 13. AMENDATORY 62 O.S. 2021, Section 34.95, is
9 amended to read as follows:

10 Section 34.95. A. The Appropriations and Budget Committee of
11 the Oklahoma House of Representatives and the Appropriations
12 Committee of the State Senate shall:

13 1. Utilize information collected by the Office of Management
14 and Enterprise Services pursuant to Section 34.36 of this title and
15 ~~any reports issued by the Legislative Oversight Committee on State~~
16 ~~Budget Performance~~ information provided directly from an agency to
17 evaluate management programs, operations and fiscal needs of state
18 agencies, boards, commissions, departments, divisions, offices,
19 bureaus, institutions and other spending agencies, including those
20 created or established pursuant to constitutional provisions; and

21 2. File an evaluation report no later than March 1 of each
22 fiscal year with the Chief Clerk of the Oklahoma House of
23 Representatives and the Clerk of the State Senate which shall
24 include, but not be limited to, the following information:

1 a. a review of the agency's programs, performance and
2 management,
3 b. whether the agency has demonstrated a public need for
4 the services and programs justifying the agency's
5 continued existence, and
6 c. whether the agency is the most appropriate provider of
7 the programs and services furnished by the agency.

8 B. The Appropriations and Budget Committee of the Oklahoma
9 House of Representatives and the Appropriations Committee of the
10 State Senate shall utilize information contained in the evaluation
11 report in determining final appropriations for state agencies and in
12 any future adjustments in funding levels.

13 C. No action shall be taken on a measure making an
14 appropriation unless the evaluation report described by paragraph 2
15 of subsection A of this section with respect to the entity to which
16 the appropriation is made has first been filed with the applicable
17 clerk.

18 D. Each subcommittee of the Appropriations Committee of the
19 Oklahoma State Senate and the Appropriations and Budget Committee of
20 the Oklahoma House of Representatives shall establish budget
21 performance measurements for each spending agency under its
22 jurisdiction. The performance measurements shall be developed in
23 order to allow the Legislature and the Governor to obtain

1 | measureable data to determine if the agency is performing its duties
2 | in the most cost-effective manner possible.

3 | Each spending agency, whether or not it receives state
4 | appropriations, shall submit analysis reports as required by the
5 | subcommittee in order to enable the subcommittee to make a
6 | determination as to whether the agency has met the established
7 | performance measurements.

8 | Such requirements may be established for the forthcoming fiscal
9 | year and for such additional fiscal years in the future as the
10 | subcommittees deem appropriate.

11 | SECTION 14. AMENDATORY Section 1, Chapter 346, O.S.L.
12 | 2025 (62 O.S. Supp. 2025, Section 34.401), is amended to read as
13 | follows:

14 | Section 34.401. In addition to other duties imposed upon the
15 | Office of Management and Enterprise Services (OMES) by law, for
16 | fiscal years 2026, 2027, and 2028 the Director of the Office of
17 | Management and Enterprise Services shall ensure that the following
18 | procedures are strictly adhered to with respect to the Oklahoma
19 | Department of Mental Health and Substance Abuse Services:

20 | 1. In accordance with paragraph 3 of subsection A of Section
21 | 34.6 of this title, prior to releasing the one-twelfth (1/12)
22 | appropriations disbursement, OMES shall conduct a review of the
23 | agency's budget to actuals to ensure the agency is staying within
24 | budget constraints;

1 2. OMES shall provide a report to the Governor, the Speaker of
2 the Oklahoma House of Representatives, the President Pro Tempore of
3 the Oklahoma State Senate, and the chairs and vice-chairs of the
4 standing committees of the Oklahoma House of Representatives and the
5 Oklahoma State Senate having primary responsibility for the
6 consideration of agency appropriations concerning the status of
7 revenue and expenditures of the agency;

8 3. The Oklahoma Department of Mental Health and Substance Abuse
9 Services shall be prohibited from entering into contracts that do
10 not clearly state a maximum fiscal obligation;

11 4. OMES shall review encumbrances for any multi-year purchase
12 orders or contracts to ensure that only the anticipated amount of
13 funds for the current fiscal year are encumbered; and

14 5. OMES shall prohibit the processing of payments for non-
15 budgeted expenditures.

16 SECTION 15. AMENDATORY 62 O.S. 2021, Section 45.5, is
17 amended to read as follows:

18 Section 45.5. A. The Office of Management and Enterprise
19 Services and the ~~Joint Legislative Committee on Budget and Program~~
20 ~~Oversight~~ divisions in each body of the Legislature assigned
21 oversight of state budget performance shall, as needed, work with
22 each state agency to determine acceptable measures of output,
23 outcome, unit cost, and cost-effectiveness for use in the agency's
24 plan.

1 B. ~~The Office of Management and Enterprise Services is, and are~~
2 authorized to provide corresponding training or other services to
3 state agencies pursuant to this act.

4 SECTION 16. AMENDATORY 62 O.S. 2021, Section 45.10, is
5 amended to read as follows:

6 Section 45.10. A. Pursuant to this act, the Director of the
7 Office of State Finance shall develop processes and procedures to
8 guide state agencies in preparation of performance reporting metrics
9 to be published for each cabinet, state agency and statewide and
10 agency-specific initiatives. These metrics shall account for input,
11 output and outcome measures and provide benchmarks to which the
12 performance measures can be compared for evaluation of performance.
13 Metrics shall include not less than three consistent scales
14 demonstrating that a performance expectation or benchmark has been
15 achieved, partially achieved or not achieved. At least one metric
16 shall demonstrate the cost per person served by the agency.

17 B. State agencies shall provide information as required by the
18 Director to assist in the development of performance reporting
19 metrics and benchmarks.

20 C. Cabinet secretaries and agencies shall provide appropriate
21 benchmarks against which performance should be compared to determine
22 the agencies' success or failure to meet established performance
23 reporting benchmarks.

1 D. Performance metrics showing agency and agency program-level
2 performance shall be published and prominently featured on the state
3 Internet portal and through the direct domain performance.ok.gov.
4 This data shall be updated on a regular basis.

5 E. Performance metrics and standards shall be reviewed and
6 approved annually.

7 F. For the purposes of this section, "performance reporting
8 metrics" shall mean a set of criteria which demonstrates the
9 quantity and quality of work.

10 SECTION 17. This act shall become effective September 1, 2026.

12 60-2-14164 JM 01/14/26