

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

HOUSE BILL 4325

By: Kendrix

AS INTRODUCED

An Act relating to public finance; directing the Office of Management and Enterprise Services to create reporting function to assess whether contract is service-driven or for staff augmentation; directing OMES to amend state accounting manual; requiring permanent file location for invoices for intangible assets; amending 62 O.S. 2021, Section 34.36, as amended by Section 2, Chapter 199, O.S.L. 2025 (62 O.S. Supp. 2025, Section 34.36), which relates to annual estimate of funds needed by state agencies; requiring agencies to report on contractors; providing details to be reported on; directing agency to publicly post final consultant report; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 34.11.11 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The Office of Management and Enterprise Services (OMES) shall create a reporting function within the state's accounting software to assess whether a contract is service-driven or for staff

1 augmentation. As used in this act, "staff augmentation" means a
2 contract under which an individual performs substantially similar
3 duties to a state employee, works under agency supervision, or fills
4 and ongoing operational role.

5 B. OMES shall amend the state accounting manual to require that
6 any invoice for intangible assets include a file path to a permanent
7 file location where the asset will be maintained during post-review.

8 SECTION 2. AMENDATORY 62 O.S. 2021, Section 34.36, as
9 amended by Section 2, Chapter 199, O.S.L. 2025 (62 O.S. Supp. 2025,
10 Section 34.36), is amended to read as follows:

11 Section 34.36. A. On the first day of October preceding each
12 regular session of the Legislature, each state agency, including
13 those created or established pursuant to constitutional provisions,
14 shall report to the Director of the Office of Management and
15 Enterprise Services and the Chair and Vice Chair of the Legislative
16 Oversight Committee on State Budget Performance an itemized request
17 showing the amount needed for the ensuing fiscal year beginning with
18 the first day of July.

19 B. The forms which must be used in making these reports shall
20 be approved by the Director of the Office of Management and
21 Enterprise Services and the Legislative Oversight Committee on State
22 Budget Performance.

23 C. The forms shall be uniform, and shall clearly designate the
24 information to be given.

1 D. The information provided shall include, but not be limited
2 to:

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

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

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

11 4. A description of the groups of people served by each program
12 in the agency;

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

14 6. A description of the tactics which are intended to
15 accomplish each objective;

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

18 8. A ranking of these programs by priority;

19 9. Actual program expenditures for the current fiscal year and
20 prior fiscal years and the number of personnel required to
21 accomplish each program;

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

23 11. With respect to appropriated state agencies, a detailed
24 listing of all employees and resources dedicated to the provision of

1 financial services including, but not limited to, procurement,
2 payroll, accounts receivable and accounts payable. The provisions
3 of this paragraph shall not be applicable to the Oklahoma State
4 Regents for Higher Education or to any institutions within The
5 Oklahoma State System of Higher Education; ~~and~~

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

13 13. A list of all contractors, contract amounts, and contract
14 status. If a contract is incomplete or in pending status, the
15 agency must provide a report on the estimated time of completion.
16 The agency must also list whether the contract is for services or to
17 augment staffing. The report shall include any actions taken in
18 response to any recommendations of a consultant contracted with for
19 services rendered. The agency must also publicly post the final
20 consultant report on the state's purchasing website so that it is
21 linked to the original contract. The report shall also include
22 whether a contractor has been used repeatedly for similar services
23 over multiple fiscal years.

1 E. These appropriated agencies shall make an itemized estimate
2 of needs for the ensuing fiscal year and the following two (2)
3 fiscal years and request for funds for the ensuing fiscal year and
4 an estimate of the revenues from all sources to be received by the
5 agency during the ensuing fiscal year and the following two (2)
6 fiscal years.

7 F. The Director of the Office of Management and Enterprise
8 Services shall submit to the Governor and the Legislative Oversight
9 Committee on State Budget Performance no later than the fifth day of
10 October a complete list of all spending agencies which have failed
11 to submit budgets by October 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 I. 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 3. This act shall become effective November 1, 2026.

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