

1 **SENATE FLOOR VERSION**

2 February 17, 2016

3 **AS AMENDED**

4 SENATE BILL NO. 1030

5 By: Mazzei

6
7 **[public finance - revenue and budget estimates -**
8 **requirements - Oklahoma Tax Commission - multi-year**
9 **trend analysis - noncodification -**
10 **emergency]**

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

12 SECTION 1. NEW LAW A new section of law not to be
13 codified in the Oklahoma Statutes reads as follows:

14 This act shall be known as "The Oklahoma Multi-year Revenue and
15 Expenditure Projection Act".

16 SECTION 2. AMENDATORY 62 O.S. 2011, Section 34.2, as
17 amended by Section 333, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
18 2015, Section 34.2), is amended to read as follows:

19 Section 34.2. A. Agencies responsible for the collection of
20 monies deposited to the credit of the General Revenue Fund and each
21 of the Special Revenue Funds shall be subject to the provisions of
22 this act. Upon request of the Director of the Office of Management
23 and Enterprise Services, these agencies shall provide the Director
24 of the Office of Management and Enterprise Services an itemized

1 estimate of funds expected to accrue to the General Revenue Fund and
2 each of the Special Revenue Funds for the ensuing fiscal year in the
3 manner and form established by the Director, in accordance with the
4 duties assigned to the State Board of Equalization in Section 23 of
5 Article X of the Oklahoma Constitution. Each of these agencies
6 shall also provide to the Director, as requested, a written
7 explanation of the methodology and relevant assumptions used in
8 developing the current and future revenue estimates submitted, a
9 statement of ~~the~~:

- 10 1. The prior year's actual revenue collections and a;
- 11 2. A projection of the current year's revenue collections; and
- 12 3. Estimated revenue collections for the ensuing fiscal year
13 and the following two (2) fiscal years. No expenditure shall be
14 made from any General Revenue Fund or Special Revenue Fund until
15 such fund has been assigned to an agency by law or by the Director
16 of the Office of Management and Enterprise Services.

17 B. In addition to providing the information listed above, the
18 Oklahoma Tax Commission shall also provide to the Director of the
19 Office of Management and Enterprise Services a comprehensive
20 economic report no later than two weeks prior to each of the
21 meetings of the State Board of Equalization pursuant to paragraphs 1
22 and 3 of Section 23 of Article X of the Constitution of the State of
23 Oklahoma. Each report shall include a summary of recent national
24 and state economic performance and a forecast of national and state

1 economic performance for ~~both~~ the current fiscal year, the ensuring
2 fiscal year and the ~~upcoming~~ following two (2) fiscal years. These
3 reports shall be considered a basis upon which the itemized revenue
4 estimates of the Commission are developed. The report shall include
5 an analysis of the relative accuracy of the economic forecasts on
6 which the previous and current fiscal years' revenue estimates were
7 based.

8 C. The Tax Commission shall also provide all estimates,
9 explanations, statements, projections, reports and other documents
10 required by this section to the President Pro Tempore of the Senate
11 and, members of the Senate Appropriations and Finance Committees,
12 the Speaker of the House of Representatives and members of the House
13 Appropriations and Budget Committee at the same time that such
14 documents are provided to the Director of the Office of Management
15 and Enterprise Services.

16 SECTION 3. AMENDATORY 62 O.S. 2011, Section 34.36, as
17 last amended by Section 2, Chapter 168, O.S.L. 2015 (62 O.S. Supp.
18 2015, Section 34.36), is amended to read as follows:

19 Section 34.36. A. On the first day of October preceding each
20 regular session of the Legislature, each state agency, including
21 those created or established pursuant to constitutional provisions,
22 shall report to the Director of the Office of Management and
23 Enterprise Services and the Chair and Vice Chair of the Legislative
24 Oversight Committee on State Budget Performance an itemized request

1 showing the amount needed for the ensuing fiscal year beginning with
2 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

4 F. The Director of the Office of Management and Enterprise
5 Services shall submit to the Governor and the Legislative Oversight
6 Committee on State Budget Performance no later than the fifth day of
7 October a complete list of all spending agencies which have failed
8 to submit budgets by October 1.

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

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

22 I. The provisions of this section shall not apply to CompSource
23 Oklahoma if CompSource Oklahoma is operating pursuant to a pilot
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1 program authorized by Sections 3316 and 3317 of Title 74 of the
2 Oklahoma Statutes.

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

1 contracts. The provisions of this subsection shall not be
2 applicable to the Oklahoma State Regents for Higher Education or to
3 any institutions within The Oklahoma State System of Higher
4 Education.

5 SECTION 4. AMENDATORY 62 O.S. 2011, Section 49, as
6 amended by Section 429, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
7 2015, Section 49), is amended to read as follows:

8 Section 49. On or before November 1 of each year, the Office of
9 Management and Enterprise Services shall develop and publish a
10 multi-year trend analysis of the state's budget outlook which
11 includes the current fiscal year, the ensuing fiscal year and the
12 following two (2) fiscal years. The trend analysis shall include
13 projections of revenues and expenditures reflecting the best
14 available information concerning economic activity, population
15 change, policy developments and other factors affecting the state
16 budget. The analysis shall be provided to the President Pro Tempore
17 of the Senate, members of the Senate Appropriations and Finance
18 Committees, the Speaker of the House of Representatives and members
19 of the House Appropriations and Budget Committee.

20 ~~SECTION 5. It being immediately necessary for the preservation~~
21 ~~of the public peace, health and safety, an emergency is hereby~~
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1 ~~declared to exist, by reason whereof this act shall take effect and~~
2 ~~be in full force from and after its passage and approval.~~

3 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
4 February 17, 2016 - DO PASS AS AMENDED
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