

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 SUBCOMMITTEE RECOMMENDATION  
4 FOR ENGROSSED

5 SENATE BILL NO. 1030

6 By: Mazzei, Standridge and Yen  
7 of the Senate

8 and

9 Brumbaugh of the House

10 SUBCOMMITTEE RECOMMENDATION

11 An Act relating to public finance; providing short  
12 title; amending 62 O.S. 2011, Sections 34.2, as  
13 amended by Section 333, Chapter 304, O.S.L. 2012,  
14 34.36, as last amended by Section 2, Chapter 168,  
15 O.S.L. 2015, 34.95, as amended by Section 410,  
16 Chapter 304, O.S.L. 2012 and 49, as amended by  
17 Section 429, Chapter 304, O.S.L. 2012 (62 O.S. Supp.  
18 2015, Sections 34.2, 34.36, 34.95 and 49), which  
19 relate to revenue and budget estimates; requiring  
20 certain agencies to include additional years as part  
21 of specified revenue estimate and expanding related  
22 reporting requirements; requiring Oklahoma Tax  
23 Commission to include additional years as part of  
24 specified report; requiring appropriated agencies to  
include additional years in certain estimate of needs  
and expected revenues and report related to capital  
leases; requiring certain committees establish budget  
performance measurements; requiring submission of  
certain analysis reports; modifying contents of  
multi-year trend analysis and requiring distribution  
thereof; providing for noncodification; and declaring  
an emergency.

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

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

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

5 SECTION 2. AMENDATORY 62 O.S. 2011, Section 34.2, as  
6 amended by Section 333, Chapter 304, O.S.L. 2012 (62 O.S. Supp.  
7 2015, Section 34.2), is amended to read as follows:

8 Section 34.2. A. Agencies responsible for the collection of  
9 monies deposited to the credit of the General Revenue Fund and each  
10 of the Special Revenue Funds shall be subject to the provisions of  
11 this act. Upon request of the Director of the Office of Management  
12 and Enterprise Services, these agencies shall provide the Director  
13 of the Office of Management and Enterprise Services an itemized  
14 estimate of funds expected to accrue to the General Revenue Fund and  
15 each of the Special Revenue Funds for the ensuing fiscal year in the  
16 manner and form established by the Director, in accordance with the  
17 duties assigned to the State Board of Equalization in Section 23 of  
18 Article X of the Oklahoma Constitution. Each of these agencies  
19 shall also provide to the Director, as requested, a written  
20 explanation of the methodology and relevant assumptions used in  
21 developing the current and future revenue estimates submitted, a  
22 statement of ~~the~~ the:

- 23 1. The prior year's actual revenue collections ~~and a~~;
- 24 2. A projection of the current year's revenue collections; and

1        3. Estimated revenue collections for the ensuing fiscal year  
2 and the following two (2) fiscal years. No expenditure shall be  
3 made from any General Revenue Fund or Special Revenue Fund until  
4 such fund has been assigned to an agency by law or by the Director  
5 of the Office of Management and Enterprise Services.

6        B. In addition to providing the information listed above, the  
7 Oklahoma Tax Commission shall also provide to the Director of the  
8 Office of Management and Enterprise Services a comprehensive  
9 economic report no later than two weeks prior to each of the  
10 meetings of the State Board of Equalization pursuant to paragraphs 1  
11 and 3 of Section 23 of Article X of the Constitution of the State of  
12 Oklahoma. Each report shall include a summary of recent national  
13 and state economic performance and a forecast of national and state  
14 economic performance for ~~both~~ the current fiscal year, the ensuing  
15 fiscal year and the ~~upcoming~~ following two (2) fiscal years. These  
16 reports shall be considered a basis upon which the itemized revenue  
17 estimates of the Commission are developed. The report shall include  
18 an analysis of the relative accuracy of the economic forecasts on  
19 which the previous and current fiscal years' revenue estimates were  
20 based.

21        C. The Tax Commission shall also provide all estimates,  
22 explanations, statements, projections, reports and other documents  
23 required by this section to the President Pro Tempore of the Senate  
24 and, members of the Senate Appropriations and Finance Committees,

1 the Speaker of the House of Representatives and members of the House  
2 Appropriations and Budget Committee at the same time that such  
3 documents are provided to the Director of the Office of Management  
4 and Enterprise Services.

5 SECTION 3. AMENDATORY 62 O.S. 2011, Section 34.36, as  
6 last amended by Section 2, Chapter 168, O.S.L. 2015 (62 O.S. Supp.  
7 2015, Section 34.36), is amended to read as follows:

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

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

20 C. The forms shall be uniform, and shall clearly designate the  
21 information to be given.

22 D. The information provided shall include, but not be limited  
23 to:

24

- 1        1. A budget analysis of existing and proposed programs  
2 utilizing performance-informed budgeting techniques. Such analysis  
3 shall be included as a part of the estimate of funds needed;
- 4        2. A statement listing any other state, federal or local  
5 agencies which administer a similar or cooperating program and an  
6 outline of the interaction among such agencies;
- 7        3. A statement of the statutory authority for the missions and  
8 quantified objectives of each program;
- 9        4. A description of the groups of people served by each program  
10 in the agency;
- 11       5. A quantification of the need for the program;
- 12       6. A description of the tactics which are intended to  
13 accomplish each objective;
- 14       7. A list of quantifiable program outcomes which measure the  
15 efficiency and effectiveness of each program;
- 16       8. A ranking of these programs by priority;
- 17       9. Actual program expenditures for the current fiscal year and  
18 prior fiscal years and the number of personnel required to  
19 accomplish each program;
- 20       10. Revenues expected to be generated by each program, if any;
- 21       11. With respect to appropriated state agencies, a detailed  
22 listing of all employees and resources dedicated to the provision of  
23 financial services including but not limited to procurement,  
24 payroll, accounts receivable and accounts payable. The provisions

1 of this paragraph shall not be applicable to the Oklahoma State  
2 Regents for Higher Education or to any institutions within The  
3 Oklahoma State System of Higher Education; and

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

11 E. These appropriated agencies shall make an itemized estimate  
12 of needs for the ensuing fiscal year and the following two (2)  
13 fiscal years and request for funds for the ensuing fiscal year and  
14 an estimate of the revenues from all sources to be received by the  
15 agency during the ensuing fiscal year and the following two (2)  
16 fiscal years.

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

22 G. The reports required by this section shall include an  
23 itemized listing of outstanding capital lease debt and estimated  
24 capital lease needs for the ensuing fiscal year and the following

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

3 H. For the purposes of this section, "capital lease" means a  
4 lease-purchase agreement which provides an option for the State of  
5 Oklahoma or its agencies to purchase property, including personal  
6 and real property, which is the subject thereof and/or a lease  
7 agreement that provides an option for the State of Oklahoma or its  
8 agencies to lease such property, which is the subject thereof, at a  
9 nominal annual amount, after a period in which leased property is  
10 rented at fair market value.

11 I. The provisions of this section shall not apply to CompSource  
12 Oklahoma if CompSource Oklahoma is operating pursuant to a pilot  
13 program authorized by Sections 3316 and 3317 of Title 74 of the  
14 Oklahoma Statutes.

15 J. Not later than January 1, the Director of the Office of  
16 Management and Enterprise Services shall publish a shared services  
17 cost-performance assessment report documenting the amount of each  
18 state agency's cost for providing shared services. The lowest  
19 ranking state agencies shall enter into a contract with the Office  
20 of Management and Enterprise Services for the provision of shared  
21 financial services, provided that the Director of the Office of  
22 Management and Enterprise Services determines that implementation of  
23 such a contract would be feasible and documents that the contractual  
24 agreement will result in cost savings or efficiencies to the state.

1 Contracts required by this subsection shall be entered into at the  
2 start of the next fiscal year. When a state agency is contracted  
3 with the Office of Management and Enterprise Services for the  
4 provision of shared financial services, the agency may discontinue  
5 using shared services when documentation showing that the agency can  
6 provide the services at a lower cost to the state is provided to and  
7 approved by the Director of the Office of Management and Enterprise  
8 Services. As used in this subsection, "shared services" means  
9 process, resource utilization or action as defined by administrative  
10 rule. On a yearly basis the Director of the Office of Management  
11 and Enterprise Services shall compile and publish a report  
12 documenting the cost savings resulting from shared services  
13 contracts. The provisions of this subsection shall not be  
14 applicable to the Oklahoma State Regents for Higher Education or to  
15 any institutions within The Oklahoma State System of Higher  
16 Education.

17 SECTION 4. AMENDATORY 62 O.S. 2011, Section 34.95, as  
18 amended by Section 410, Chapter 304, O.S.L. 2012 (62 O.S. Supp.  
19 2015, Section 34.95), is amended to read as follows:

20 Section 34.95. A. The Appropriations and Budget Committee of  
21 the Oklahoma House of Representatives and the Appropriations  
22 Committee of the State Senate shall:

23 1. Utilize information collected by the Office of Management  
24 and Enterprise Services pursuant to Section 34.36 of this title and



1 any reports issued by the Legislative Oversight Committee on State  
2 Budget Performance to evaluate management programs, operations and  
3 fiscal needs of state agencies, boards, commissions, departments,  
4 divisions, offices, bureaus, institutions and other spending  
5 agencies, including those created or established pursuant to  
6 constitutional provisions; and

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

11 a. a review of the agency's programs, performance and  
12 management,

13 b. whether the agency has demonstrated a public need for  
14 the services and programs justifying the agency's  
15 continued existence, and

16 c. whether the agency is the most appropriate provider of  
17 the programs and services furnished by the agency.

18 B. The Appropriations and Budget Committee of the Oklahoma  
19 House of Representatives and the Appropriations Committee of the  
20 State Senate shall utilize information contained in the evaluation  
21 report in determining final appropriations for state agencies and in  
22 any future adjustments in funding levels.

23 C. No action shall be taken on a measure making an  
24 appropriation unless the evaluation report described by paragraph 2

1 of subsection A of this section with respect to the entity to which  
2 the appropriation is made has first been filed with the applicable  
3 clerk.

4 D. Each subcommittee of the Appropriations Committee of the  
5 Oklahoma State Senate and the Appropriations and Budget Committee of  
6 the Oklahoma House of Representatives shall establish budget  
7 performance measurements for each spending agency under its  
8 jurisdiction. The performance measurements shall be developed in  
9 order to allow the Legislature and the Governor to obtain  
10 measurable data to determine if the agency is performing its duties  
11 in the most cost-effective manner possible.

12 Each spending agency, whether or not it receives state  
13 appropriations, shall submit analysis reports as required by the  
14 subcommittee in order to enable the subcommittee to make a  
15 determination as to whether the agency has met the established  
16 performance measurements.

17 Such requirements may be established for the forthcoming fiscal  
18 year and for such additional fiscal years in the future as the  
19 subcommittees deem appropriate.

20 SECTION 5. AMENDATORY 62 O.S. 2011, Section 49, as  
21 amended by Section 429, Chapter 304, O.S.L. 2012 (62 O.S. Supp.  
22 2015, Section 49), is amended to read as follows:

23 Section 49. On or before November 1 of each year, the Office of  
24 Management and Enterprise Services shall develop and publish a

1 multi-year trend analysis of the state's budget outlook which  
2 includes the current fiscal year, the ensuing fiscal year and the  
3 following two (2) fiscal years. The trend analysis shall include  
4 projections of revenues and expenditures reflecting the best  
5 available information concerning economic activity, population  
6 change, policy developments and other factors affecting the state  
7 budget. The analysis shall be provided to the President Pro Tempore  
8 of the Senate, members of the Senate Appropriations and Finance  
9 Committees, the Speaker of the House of Representatives and members  
10 of the House Appropriations and Budget Committee.

11 SECTION 6. It being immediately necessary for the preservation  
12 of the public peace, health and safety, an emergency is hereby  
13 declared to exist, by reason whereof this act shall take effect and  
14 be in full force from and after its passage and approval.

15  
16  
17  
18  
19  
20  
21  
22  
23  
24

55-2-9541 LRB 03/22/16