

OKLAHOMA STATE SENATE
CONFERENCE
COMMITTEE REPORT

May 20, 2019

Mr. President:

Mr. Speaker:

The Conference Committee, to which was referred

SB 1


By: Treat, et al of the Senate and McCall and Lepak of the House

Title: Public finance; creating the Legislative Office of Fiscal Transparency; specifying purpose and duties. Emergency.

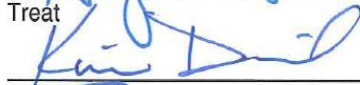
_____ together with Engrossed House Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the House recede from all Amendments.
2. That the attached Conference Committee Substitute be adopted.


Respectfully submitted,
SENATE CONFEREES




Treat



David



Thompson



Paxton

Floyd

Matthews

Senate Action _____ Date _____ House Action _____ Date _____

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1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 CONFERENCE COMMITTEE SUBSTITUTE
4 FOR ENGROSSED

5 SENATE BILL NO. 1

By: Treat, Allen and Montgomery
of the Senate

6 and

7 McCall and Lepak of the
8 House

9
10 CONFERENCE COMMITTEE SUBSTITUTE

11 An Act relating to public finance; creating the
12 Legislative Office of Fiscal Transparency (LOFT);
13 specifying purpose and duties; providing for payment
14 of expenses of Office; creating oversight committee;
15 providing for membership, co-chairs, quorum and
16 meetings thereof; specifying certain powers and
17 duties of oversight committee; providing procedures
18 for conduct of performance evaluations and
19 independent comprehensive performance audits;
20 defining term; specifying duty of state agencies and
21 institutions; providing for confidentiality of
22 certain records; requiring certain reports and
23 recommendations; repealing Section 1, Chapter 325,
24 O.S.L. 2017, Sections 2, 3, 4 and 5, Chapter 325,
O.S.L. 2017, as amended by Sections 1, 2, 3 and 4,
Chapter 298, O.S.L. 2018 (62 O.S. Supp. 2018,
Sections 8001, 8002, 8003, 8004 and 8005), which
relate to the Agency Performance and Accountability
Commission; providing for codification; and declaring
an emergency.

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

1 SECTION 1. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 8011 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 A. There is hereby created within the Legislature the
5 Legislative Office of Fiscal Transparency (LOFT). The purpose of
6 the Office shall be to assist the Legislature in performing its
7 constitutional and statutory function of ensuring that government
8 funds are expended in a fiscally responsible manner.

9 B. The operations of the Office shall be overseen by the
10 committee created in Section 3 of this act. The committee shall
11 employ an Executive Director and such other staff as it may deem
12 necessary to carry out its duties as set forth in this act.

13 C. All expenses of the Office shall be paid by the Legislative
14 Service Bureau, subject to the approval of the President Pro Tempore
15 of the Senate and the Speaker of the House of Representatives.
16 Employees of the Office shall be employed by the Legislative Service
17 Bureau.

18 SECTION 2. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 8012 of Title 62, unless there
20 is created a duplication in numbering, reads as follows:

21 A. The Legislative Office of Fiscal Transparency shall:

22 1. Gather information regarding the proposed budgets of
23 executive branch agencies each fiscal year;

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1 2. Analyze the information and evaluate the extent to which the
2 agency budget does or does not fulfill the agency's primary duties
3 and responsibilities under applicable provisions of federal, state
4 or other law;

5 3. Analyze and forecast all revenues available to the agency
6 from appropriations, fees, dedicated revenue or any other source;

7 4. Compare the agency budget information to the comparable
8 information contained in that agency's budget requests from prior
9 fiscal years; and

10 5. Conduct such investigations regarding the operations of the
11 agency as required in order to fulfill the duties imposed upon the
12 Office by law or as otherwise directed by the oversight committee.

13 The oversight committee, subject to the direction of the
14 President Pro Tempore of the Senate and the Speaker of the House of
15 Representatives, shall ensure that the functions performed by the
16 Office pursuant to the provisions of this subsection do not
17 duplicate those of the Senate Committee on Appropriations and the
18 House Committee on Appropriations and Budget and their respective
19 staffs.

20 B. The Office shall further conduct performance evaluations and
21 may conduct independent comprehensive performance audits. The
22 oversight committee created in Section 3 of this act may
23 periodically identify specific executive branch agencies, or
24 programs, activities or functions within executive branch agencies,

1 for which the Office shall conduct a performance evaluation or
2 independent comprehensive performance audit.

3 C. As used in this act, "performance evaluation" means an
4 examination of a program, activity or function of an executive
5 branch agency, conducted in accordance with applicable government
6 auditing standards or auditing and evaluation standards of other
7 appropriate authoritative bodies. The term includes, but is not
8 limited to, an examination of issues related to:

9 1. Economy, efficiency or effectiveness of the agency or
10 program, including any revenue sources used to fund or support the
11 agency or program;

12 2. Structure or design of the agency or program to accomplish
13 its goals and objectives;

14 3. Adequacy of the agency or program to meet the needs or
15 policy goals identified by the Legislature;

16 4. Alternative methods of providing agency or program services
17 or products;

18 5. Goals, objectives and performance measures used by the
19 agency to monitor and report agency or program accomplishments;

20 6. The accuracy or adequacy of public documents, reports or
21 requests prepared by or in relation to the agency or program;

22 7. Compliance with appropriate policies, rules or laws related
23 to the agency or program; and

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1 8. Any other issues related to such agencies or programs as
2 directed by the oversight committee.

3 D. As used in this act, "independent comprehensive performance
4 audit (ICPA)" includes, but is not limited to, a review and analysis
5 of the economy, efficiency, effectiveness and compliance of the
6 policies, management, fiscal affairs and operations of state
7 agencies, divisions, programs and accounts. The results of an ICPA
8 may be used by the Legislature to implement the best budgeting and
9 policy-making practices for government services to run in the most
10 cost-effective way. The Office may, at the direction of the
11 oversight committee and subject to the approval of the President Pro
12 Tempore of the Senate and the Speaker of the House of
13 Representatives, contract with a private company, nonprofit
14 organization or academic institution to assist with an independent
15 comprehensive performance audit or for professional consulting and
16 administrative support services. The Office may, but shall not be
17 required to, contract with the Office of the State Auditor and
18 Inspector to conduct any ICPA. The Office shall develop the scope
19 of services for a request for proposals issued, for professional
20 services necessary to complete each ICPA. Prior to entering into
21 any contract, the Office shall obtain no less than three separate
22 bids for the auditing services, unless the Office determines that
23 fewer than three entities meet the qualifications to bid to perform
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1 such services as set forth by the Office. The cost of the contract
2 shall be paid by the Legislative Services Bureau.

3 An independent comprehensive performance audit shall address but
4 not be limited to the following topics:

5 1. Policies which shall include constitutional mandates, if
6 any, statutory mandates, statutory authorizations, administrative
7 rules or policies of the affected agency reflected in internal
8 agency documents or agency practices;

9 2. All sources of funding received by the agency, inclusive of
10 federal funds, state appropriations, state-dedicated revenues, fee
11 revenue sources, the use of agency revolving funds or any other fund
12 or revenue source which is used to pay the expenses of the agency;

13 3. Management of the agency which shall include, but not be
14 limited to, its governance, capacity, divisions, programs, accounts,
15 information technology systems and policies and agency operations
16 which include objective analysis of the roles and functions of the
17 department; and

18 4. A schedule for implementation of agency-specific
19 recommendations.

20 SECTION 3. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 8013 of Title 62, unless there
22 is created a duplication in numbering, reads as follows:

23 A. There is hereby created within the Legislature a committee
24 to oversee the operations of the Legislative Office of Fiscal

1 Transparency. The committee shall consist of fourteen (14) members,
2 as follows:

3 1. Seven members of the Senate, at least two of whom shall be
4 members of the minority party, to be appointed by the President Pro
5 Tempore of the Senate; and

6 2. Seven members of the House of Representatives, at least two
7 of whom shall be members of the minority party, to be appointed by
8 the Speaker of the House of Representatives.

9 B. The President Pro Tempore of the Senate and the Speaker of
10 the House of Representatives shall each designate a co-chair of the
11 oversight committee from among the members from their respective
12 houses.

13 C. A quorum of the oversight committee shall consist of at
14 least eight members; provided, any action by the oversight committee
15 shall require the vote of at least four members from each house of
16 the Legislature. The agenda for each meeting shall be set by the
17 co-chairs and shall be made available to the public, by posting on
18 the Senate and House websites, at least twenty-four (24) hours prior
19 to the time of the meeting. Meetings of the oversight committee
20 shall be governed by joint rules of the Legislature. Members of the
21 oversight committee shall receive reimbursement from the Legislative
22 Service Bureau for actual and necessary expenses incurred in
23 connection with their duties as members of the oversight committee
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1 in accordance with other provisions of law relating to travel
2 reimbursement for members of the Legislature.

3 D. The members and co-chairs of the oversight committee shall
4 be appointed no later than July 1, 2019, and the oversight committee
5 shall hold its first meeting no later than August 1, 2019.

6 SECTION 4. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 8014 of Title 62, unless there
8 is created a duplication in numbering, reads as follows:

9 A. Each agency or institution of the state shall, upon request,
10 furnish and make available to the Legislative Office of Fiscal
11 Transparency all records, documents, materials, personnel,
12 information or other resources as the Office deems necessary to
13 conduct performance evaluations as required by this act. Any
14 record, document, material or other information made confidential by
15 law shall be provided to the Office, which shall also maintain such
16 confidentiality. All records, documents, materials or other
17 information of the Office shall be deemed to be a record of the
18 Legislature.

19 B. Each state agency and other affected persons shall cooperate
20 with the oversight committee and the Office in the providing of any
21 information requested. The oversight committee shall have the power
22 to conduct hearings, administer oaths, issue subpoenas and compel
23 the attendance of witnesses and the production of information as
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1 provided in Sections 773 and 775 of Title 74 of the Oklahoma
2 Statutes.

3 SECTION 5. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 8015 of Title 62, unless there
5 is created a duplication in numbering, reads as follows:

6 The Legislative Office of Fiscal Transparency shall prepare and
7 submit to the oversight committee a report of its findings for each
8 performance evaluation or independent comprehensive performance
9 audit conducted. Such reports shall be available to the public,
10 other than with respect to any information or material made
11 confidential by law. The oversight committee may make
12 recommendations to the agency evaluated, or to the Legislature and
13 the Governor, for further action as it deems necessary, and may
14 direct the Office to monitor and report on implementation of such
15 recommendations.

16 SECTION 6. REPEALER Section 1, Chapter 325, O.S.L. 2017,
17 Sections 2, 3, 4 and 5, Chapter 325, O.S.L. 2017, as amended by
18 Sections 1, 2, 3 and 4, Chapter 298, O.S.L. 2018 (62 O.S. Supp.
19 2018, Sections 8001, 8002, 8003, 8004 and 8005), are hereby
20 repealed.

21 SECTION 7. It being immediately necessary for the preservation
22 of the public peace, health or 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.

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