

1 ENGROSSED HOUSE
2 BILL NO. 1221

By: West (Kevin), Crosswhite
Hader, and Adams of the
House

3
4 and

5 Frix of the Senate
6

7 An Act relating to public finance; creating the State
8 Accounts for Federal Expenditures Act (SAFE Act);
9 defining certain terms; creating State Accounts for
10 Federal Expenditures Accounts (SAFE Accounts);
11 determining what said accounts shall be used for;
12 requiring certain notice to be provided to certain
13 persons; requiring agencies to present certain
14 information in budget performance reviews; requiring
15 approval of agency use of certain funds; requiring
16 the creation of SAFE Accounts after certain
17 approvals; requiring agencies to notify the federal
18 government of certain actions; requiring certain
19 notice to be provided to certain persons; requiring
20 certain formal hearings; requiring approval of agency
21 use of certain funds; requiring the creation of SAFE
22 Accounts after certain approvals; exempting certain
23 types of funds; requiring the creation of SAFE
24 Accounts after certain federal action; allowing for
immediate use by certain programs; requiring agencies
to submit certain information; allowing for approval
of certain funds; amending 62 O.S. 2021, Section
34.36, which relates to estimates of funds needed;
requiring agencies to submit certain information;
amending 62 O.S. 2021, Section 34.95, which relates
to certain reports; requiring agencies to present on
specific federal funds; providing for codification;
providing an effective date; and declaring an
emergency.

23 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:
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1 SECTION 1. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 5001 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 This act shall be known and may be cited as the "State Accounts
5 for Federal Expenditures Act" (SAFE Act).

6 SECTION 2. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 5002 of Title 62, unless there
8 is created a duplication in numbering, reads as follows:

9 As used in the State Accounts for Federal Expenditures Act:

10 1. "Agency" means any agency, board, bureau, commission, or
11 other entity organized within the executive department of state
12 government;

13 2. "Block grant" means a funding mechanism used by the federal
14 government that is not based on a program or an application; and

15 3. "Competitive grant" means a grant an agency applies for to
16 receive federal funding that is not necessarily associated with a
17 federal program the agency already operates.

18 SECTION 3. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 5003 of Title 62, unless there
20 is created a duplication in numbering, reads as follows:

21 There is hereby created in the State Treasury "State Accounts
22 for Federal Expenditures" (SAFE Accounts). These accounts shall be
23 used by agencies for funds received under competitive grant awards,
24 direct monetary payments to the agency not associated with an

1 established federal program the agency operates, and block grants.
2 These accounts shall not be used for existing federal programs
3 agencies operate as of January 1, 2025, unless the program is a
4 competitive grant the agency must reapply for funds after November
5 1, 2025.

6 SECTION 4. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 5004 of Title 62, unless there
8 is created a duplication in numbering, reads as follows:

9 A. Beginning November 1, 2025, all agencies applying for
10 competitive grants through *Grants.gov*, or any of its successors,
11 shall submit to the Speaker of the Oklahoma House of
12 Representatives, the President Pro Tempore of the Oklahoma State
13 Senate, the Governor, the House Appropriations and Budget Chair, the
14 Senate Appropriations Chair, and the Secretary of Finance notice of
15 the application that includes, but is not limited to, the
16 application deadline, when the agency expects to hear it will be
17 receiving funds under the grant, what federal department, agency, or
18 other federal entity is awarding the grant, the amount of the grant,
19 the purpose of the grant, and for how many years the agency will
20 receive funding under the grant if it is awarded.

21 B. Beginning with the FY-2027 Budget Performance Reviews as
22 described in Section 34.95 of Title 62 of the Oklahoma Statutes,
23 agencies shall present information on the competitive grants they
24 have applied for or are applying for regardless of whether the

1 agency has submitted notice to the persons mentioned in subsection A
2 of this section. Such information shall be contained in the
3 agency's Budget Performance Review document and presentation.

4 C. No agency shall draw down funds for a competitive grant
5 unless it has received approval by the Legislature. Approval shall
6 be satisfied by a concurrent resolution. Upon approval, a SAFE
7 Account shall be created by the Office of Management and Enterprise
8 Services. Once the account has been created, if the agency is
9 awarded the grant, the agency shall be authorized to draw down on
10 federal funds as the requirements of the grant have been met. In
11 the event the competitive grant is not approved by the Legislature,
12 the agency shall notify the federal government and withdraw its
13 application for the funding.

14 D. Provisions of this section shall not apply to the Oklahoma
15 Department of Transportation if either:

16 1. Such competitive grant is used to advance a project or
17 projects listed on the 8 Year Construction Work Plan; or

18 2. Such competitive grant is provided by the Federal Railroad
19 Administration and administration by the Department is limited to a
20 rail company or companies that fall under the regulatory purview of
21 the Federal Railroad Administration.

22 SECTION 5. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 5005 of Title 62, unless there
24 is created a duplication in numbering, reads as follows:

1 A. Beginning November 1, 2025, in the event the federal
2 government, through legislation, directs funds to be granted to
3 state agencies as a form of monetary relief for states due to poor
4 economic conditions, these funds shall be placed in SAFE Accounts
5 except for the exemptions provided in subsection E of this section.

6 B. Once informed by the federal government that an agency is
7 eligible to receive new funding sources, the agency shall submit to
8 the Speaker of the Oklahoma House of Representatives, the President
9 Pro Tempore of the Oklahoma State Senate, the Governor, the House
10 Appropriations and Budget Chair, the Senate Appropriations Chair,
11 and the Secretary of Finance notice of the new funding source that
12 includes, but is not limited to, the amount of funds the agency is
13 to receive, what date or dates it is expected to receive or draw
14 down those funds, what timeline it has to obligate and expend the
15 funds, and the purpose of the funds.

16 C. The Legislature shall hold formal hearings where the agency
17 or agencies present this information. No agency shall draw down
18 funds from federal legislation providing monetary relief unless it
19 has had a formal hearing and received approval by the Legislature.
20 Approval shall be satisfied by concurrent resolution.

21 D. Upon approval, a SAFE Account shall be created by the Office
22 of Management and Enterprise Services. Once the account has been
23 created, the agency shall be authorized to draw down the federal
24 funds in the manner determined by federal statute or federal rules.

1 In the event the Legislature does not approve of the use of these
2 funds, the agency shall notify the federal government in the manner
3 as required by the federal act.

4 E. Upon the effective date of this act, nothing in this section
5 shall apply to either temporary increases in existing federal
6 programs already managed by state agencies, or federal unemployment
7 dollars managed by the Oklahoma Employment Security Commission.

8 SECTION 6. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 5006 of Title 62, unless there
10 is created a duplication in numbering, reads as follows:

11 A. Beginning July 1, 2025, if the federal government, through
12 legislation, directs that all federal funds to states are
13 appropriated as block grants instead of program-specific funding,
14 these funds shall be placed in SAFE Accounts created by the Office
15 of Management and Enterprise Services for the correct agency or
16 agencies that utilize the funds.

17 B. For federal programs that are already in existence, agencies
18 shall be able to access these funds immediately in order to prevent
19 a stop in service to the people of Oklahoma.

20 C. For both current and new programs, agencies shall submit
21 information as required under Section 34.36 of Title 62 of the
22 Oklahoma Statutes. Agencies shall also present such information as
23 required in Section 34.95 of Title 62 of the Oklahoma Statutes.

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1 D. The Legislature may formally disapprove of an agency's use
2 of block grant funding through a concurrent resolution. If such
3 disapproval occurs, the agency shall inform its corresponding
4 federal entity of the disapproval and withdraw from receiving such
5 funds. If no action is taken by the Legislature on block grant
6 funding, it is deemed approved and agencies shall use said funds in
7 accordance with governing federal and state laws.

8 SECTION 7. AMENDATORY 62 O.S. 2021, Section 34.36, is
9 amended to read as follows:

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

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

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

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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;

13 13. What competitive grants an agency has received or applied
14 for;

15 14. What federal funds an agency has received or expects to
16 receive as part of a piece of federal legislation that is not
17 associated with a federal program the agency already operates; and

18 15. What block grant money an agency receives and how said
19 funds are expended.

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

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

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

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

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

1 J. 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 8. AMENDATORY 62 O.S. 2021, Section 34.95, is
4 amended to read as follows:

5 Section 34.95. A. The Appropriations and Budget Committee of
6 the Oklahoma House of Representatives and the Appropriations
7 Committee of the State Senate shall:

8 1. Utilize information collected by the Office of Management
9 and Enterprise Services pursuant to Section 34.36 of this title and
10 any reports issued by the Legislative Oversight Committee on State
11 Budget Performance to evaluate management programs, operations and
12 fiscal needs of state agencies, boards, commissions, departments,
13 divisions, offices, bureaus, institutions and other spending
14 agencies, including those created or established pursuant to
15 constitutional provisions; and

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

20 a. a review of the agency's programs, performance and
21 management,

22 b. whether the agency has demonstrated a public need for
23 the services and programs justifying the agency's
24 continued existence, ~~and~~

1 c. whether the agency is the most appropriate provider of
2 the programs and services furnished by the agency, and
3 d. what federal funds an agency receives or is expecting
4 to receive and whether those funds are from
5 competitive grants, federal legislation, or block
6 grants.

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

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

17 D. Each subcommittee of the Appropriations Committee of the
18 Oklahoma State Senate and the Appropriations and Budget Committee of
19 the Oklahoma House of Representatives shall establish budget
20 performance measurements for each spending agency under its
21 jurisdiction. The performance measurements shall be developed in
22 order to allow the Legislature and the Governor to obtain
23 measureable data to determine if the agency is performing its duties
24 in the most cost-effective manner possible.

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

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

9 SECTION 9. This act shall become effective July 1, 2025.

10 SECTION 10. It being immediately necessary for the preservation
11 of the public peace, health or safety, an emergency is hereby
12 declared to exist, by reason whereof this act shall take effect and
13 be in full force from and after its passage and approval.

14 Passed the House of Representatives the 24th day of March, 2025.

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Presiding Officer of the House
of Representatives

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19 Passed the Senate the _____ day of _____, 2025.

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Presiding Officer of the Senate

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