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

Paxton

David

Floyd

Matthews

Senate Action __________ Date __________ House Action __________ Date __________
SB 1 CCR (A)
HOUSE CONFEREES

Dunnington, Jason
Fugate, Andy
Kiger, Lundy
O'Donnell, Terry
Taylor, Zack

Echols, Jon
Kannady, Chris
McCall, Charles
Pfeiffer, John
West, Josh
STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

CONFERENCE COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL NO. 1

By: Treat, Allen and Montgomery
of the Senate

and

McCall and Lepak of the
House

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to public finance; creating the
Legislative Office of Fiscal Transparency (LOFT);
specifying purpose and duties; providing for payment
of expenses of Office; creating oversight committee;
providing for membership, co-chairs, quorum and
meetings thereof; specifying certain powers and
duties of oversight committee; providing procedures
for conduct of performance evaluations and
independent comprehensive performance audits;
defining term; specifying duty of state agencies and
institutions; providing for confidentiality of
certain records; requiring certain reports and
recommendations; repealing Section 1, Chapter 325,
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.

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

Req. No. 2277
SECTION 1. NEW LAW  A new section of law to be codified in the Oklahoma Statutes as Section 8011 of Title 62, unless there is created a duplication in numbering, reads as follows:

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

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

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

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

A. The Legislative Office of Fiscal Transparency shall:

1. Gather information regarding the proposed budgets of executive branch agencies each fiscal year;
2. Analyze the information and evaluate the extent to which the agency budget does or does not fulfill the agency's primary duties and responsibilities under applicable provisions of federal, state or other law;

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

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

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

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

B. The Office shall further conduct performance evaluations and may conduct independent comprehensive performance audits. The oversight committee created in Section 3 of this act may periodically identify specific executive branch agencies, or programs, activities or functions within executive branch agencies,
for which the Office shall conduct a performance evaluation or
independent comprehensive performance audit.

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

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

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

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

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

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

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

7. Compliance with appropriate policies, rules or laws related
to the agency or program; and
8. Any other issues related to such agencies or programs as
directed by the oversight committee.

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

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

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

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

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

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

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

A. There is hereby created within the Legislature a committee
to oversee the operations of the Legislative Office of Fiscal
Transparency. The committee shall consist of fourteen (14) members, as follows:

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

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

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

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

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

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

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

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

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

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

SECTION 6. REPEALER Section 1, Chapter 325, 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), are hereby repealed.

SECTION 7. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby
declared to exist. by reason whereof this act shall take effect and be in full force from and after its passage and approval.