

e. wheelchair lift

\$ 25.00

C. All revenues received shall be deposited to the Department of Labor Revolving Fund. It is the intent of the Legislature that fees charged pursuant to the Elevator Safety Act be adjusted to provide sufficient income, but not substantially more than sufficient income, to ensure elevator safety as provided by the Elevator Safety Act. Accordingly, the Commissioner of Labor shall make an annual study of the revenues to and expenditures from the Department of Labor Revolving Fund related to elevator safety and shall prepare a report indicating what fee adjustments, if any, shall be recommended. The report shall be submitted by September 1 each year to the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services, the Chair of the Appropriations Committee of the Senate, and the Chair of the Appropriations and Budget Committee of the House of Representatives, and shall be filed with the Department of Labor.

D. Licenses and certifications issued in accordance with the provisions of the Elevator Safety Act shall be renewed according to the following schedule:

1. Elevator contractor, elevator inspector, elevator mechanic licenses and elevator apprentice registration shall be renewed annually prior to the last day of the calendar month in which the license or registration was initially issued;

2. Any such license, registration or certificate required by the Elevator Safety Act not renewed by the last day of the calendar month in which renewal is required shall be subject to a late fee as provided by this act;

3. Any elevator contractor, elevator inspector, elevator mechanic license or apprentice registration having been expired for a period of not less than thirty (30) days nor more than three hundred sixty-five (365) days shall be subject to a reinstatement fee as provided for in the Elevator Safety Act; and

4. Any elevator contractor, elevator inspector, elevator mechanic license or apprentice registration being expired for a period of one (1) year or longer from the last day of the month in which renewal was required shall be considered void and the licensee shall be subject to all requirements for new issuance.

SECTION 294. AMENDATORY 59 O.S. 2011, Section 3118, is amended to read as follows:

Section 3118. There is hereby created in the State Treasury a revolving fund for the Commission on Consumer Credit to be designated the "Consumer Credit Counseling Revolving Fund". The fund shall consist of fees received by the Administrator of Consumer Credit from deferred deposit lenders for consumer credit counseling services pursuant to the provisions of Section 3119 of this title. The revolving fund shall be a continuing fund not subject to fiscal year limitations and shall be under the administrative direction of the Administrator. Monies accruing to the credit of this fund are hereby appropriated and may be budgeted and expended by the Administrator upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services for approval and payment.

SECTION 295. AMENDATORY 59 O.S. 2011, Section 5009, is amended to read as follows:

Section 5009. There is established in the State Treasury a revolving fund to be known as the "Commercial Pet Breeders Enforcement Fund". The fund shall:

1. Be a continuing fund, not subject to fiscal year limitations, and shall consist of all fees, fines, penalties, and other monies paid, donated, received, recovered, or collected under the provisions of the Commercial Pet Breeders Act; and

2. Be available to the Board solely for the payment of all expenses incurred in issuing, processing, inspecting, or supervising the issuance of commercial pet breeder licenses, and enforcement of the Commercial Pet Breeders Act. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services for approval and payment.

SECTION 296. AMENDATORY 60 O.S. 2011, Section 383, is amended to read as follows:

Section 383. Except to the extent that such authority is otherwise specifically vested in some other state officer, board, commission, or agency, the Governor of the State of Oklahoma is

hereby authorized to accept, upon behalf of this state, any gift, testamentary or otherwise, of any property presented to this state or to any state institution, department, or agency. Except as otherwise provided in Sections 391 through 396 of this title, and except for gifts of cash or the equivalent of cash, delivery of such property, possession thereof, and any muniments of title thereto shall be made to and receipted for by the Director of ~~Public Affairs~~ the Office of Management and Enterprise Services. Gifts of cash or the equivalent of cash shall be made to and receipted for by the Director of ~~State Finance~~ the Office of Management and Enterprise Services.

SECTION 297. AMENDATORY 60 O.S. 2011, Section 384, is amended to read as follows:

Section 384. Any property involved in a gift, testamentary or otherwise, given to the State of Oklahoma or some state officer, board, commission, or agency for the use or benefit of a specified state institution, department, or agency, whether one or more, when accepted by the Governor and delivered to the ~~Office of Public Affairs or the Office of State Finance~~ Office of Management and Enterprise Services as provided for in Section 383 of this title, shall be allotted by said ~~Office of Public Affairs or Office of State Finance~~ Office of Management and Enterprise Services to such state institution, department, or agency, in accordance, as nearly as possible, with the terms of the gift.

SECTION 298. AMENDATORY 60 O.S. 2011, Section 385, is amended to read as follows:

Section 385. Any property involved in any gift, testamentary or otherwise, given to the State of Oklahoma for a particular purpose or purposes, as distinguished from public purposes generally, when accepted by the Governor and delivered to the ~~Office of Public Affairs~~ Office of Management and Enterprise Services, as provided for in Section 383 of this title, shall be allotted by said ~~Office of Public Affairs~~ Office of Management and Enterprise Services to the state institution, department, or agency, or the state institutions, departments, or agencies, if any, which, under the applicable statutes, are charged with the performance of the specific purpose or purposes to which such gift is limited or dedicated.

SECTION 299. AMENDATORY 60 O.S. 2011, Section 386, is amended to read as follows:

Section 386. Except as may be otherwise provided in Sections 391 through 396 of this title, any real property involved in any gift, testamentary or otherwise, given to this state for public purposes generally or without designation of any particular purpose to which the same is to be devoted, when accepted by the Governor and delivered to the ~~Office of Public Affairs~~ Office of Management and Enterprise Services, as provided for in Section 383 of this title, and which may be occupied and used advantageously, as determined by the ~~Office of Public Affairs~~ Office of Management and Enterprise Services, by a particular state institution, department, or agency in performing its assigned duties or functions, and any tangible personal property involved in any gift, testamentary or otherwise, given to this state for public purposes generally or without designation of any particular purpose to which the same is to be devoted, when accepted by the Governor and delivered to the ~~Office of Public Affairs~~ Office of Management and Enterprise Services, as provided for in Section 383 of this title, which is determined to be, by the ~~Office of Public Affairs~~ Office of Management and Enterprise Services, especially suited to the special needs of a particular state institution, department, or agency, or may be used advantageously by a particular state institution, department, or agency in performing its assigned duties or functions, shall be allotted by the ~~Office of Public Affairs~~ Office of Management and Enterprise Services to such state institution, department, or agency. Any such real property which is not occupied and used, or the occupancy and use of which is terminated by the state institution, department, or agency to which it has been so allotted and which may be occupied and used advantageously, as determined by the ~~Office of Public Affairs~~ Office of Management and Enterprise Services, by some other particular state institution, department, or agency in performing its assigned duties or functions, and any such tangible personal property which is not used, or the use of which is terminated, by the state institution, department, or agency to which it has been so allotted and which is determined to be, by the ~~Office of Public Affairs~~ Office of Management and Enterprise Services, especially suited to the special needs of a particular state institution, department, or agency, or may be used advantageously by some other particular state institution, department, or agency in performing its assigned duties or functions, shall be allotted by the ~~Office of Public Affairs~~ Office of Management and Enterprise Services to such other state institution, department, or agency.

SECTION 300. AMENDATORY 60 O.S. 2011, Section 387, is amended to read as follows:

Section 387. Except as may be otherwise provided in Sections 391 through 396 of this title, any real property involved in any gift, testamentary or otherwise, given to this state for public purposes generally or without designation of any particular purpose to which the same shall be devoted, when accepted by the Governor and delivered to the ~~Department of Central Services~~ Office of Management and Enterprise Services, as provided for in Section 383 of this title, which may not be occupied and used advantageously, as determined by the ~~Department of Central Services~~ Office of Management and Enterprise Services, by any particular state institution, department, or agency as contemplated by Section 386 of this title, and any tangible personal property involved in any gift, testamentary or otherwise, given to this state for public purposes generally or without designation of any particular purpose to which the same shall be devoted, when accepted by the Governor and delivered to the ~~Department of Central Services~~ Office of Management and Enterprise Services, as provided for in Section 383 of this title, which is determined to be, by the ~~Department of Central Services~~ Office of Management and Enterprise Services, not especially suited to the special needs of any particular state institution, department, or agency, or may not be used advantageously by any particular state institution, department, or agency in performing its assigned duties or functions, as contemplated by Section 386 of this title, shall be sold by the ~~Department of Central Services~~ Office of Management and Enterprise Services as required by law. If, in the judgment of the ~~Department of Central Services~~ Office of Management and Enterprise Services, any such real property which is or becomes subject to sale may not be sold immediately to advantage, it may be leased or otherwise rented, until such time as, in the opinion of said ~~Department~~ Office, it may be sold to advantage.

SECTION 301. AMENDATORY 60 O.S. 2011, Section 389, is amended to read as follows:

Section 389. Except as may be otherwise provided in Sections 391 through 396 of this title, any cash or the equivalent thereof involved in any gift, testamentary or otherwise, given to this state for public purposes generally or without designation to any particular purpose to which the same shall be devoted, when accepted by the Governor and delivered to the ~~Office of State Finance~~ Office of Management and Enterprise Services, as provided for in Section

383 of this title, together with all income, interest, rentals, or otherwise, from any property delivered to the ~~Office of Public Affairs~~ Office of Management and Enterprise Services pursuant to the provisions of Section 383 and Sections 386 through 388 of this title, and all cash derived from sales, or other conversions into cash, of such other property as provided for in Sections 386 through 388 of this title, shall be deposited in the State Treasury to the credit of the General Revenue Fund for the fiscal year in which it is received.

SECTION 302. AMENDATORY 61 O.S. 2011, Section 1, as amended by Section 1 of Enrolled Senate Bill No. 1053 of the 2nd Sessions of the 53rd Oklahoma Legislature, is amended to read as follows:

Section 1. A. Prior to an award of a contract exceeding Fifty Thousand Dollars (\$50,000.00) for construction or repair of a public or private building, structure, or improvement on public real property, the person that receives the award shall:

1. Furnish a bond with good and sufficient sureties payable to the state in a sum not less than the total sum of the contract; or

2. Cause an irrevocable letter of credit, containing terms the ~~Department of Central Services~~ Office of Management and Enterprise Services prescribes, to be issued for the benefit of the state by a financial institution insured by the Federal Deposit Insurance Corporation in a sum not less than the total sum of the contract.

B. The bond or irrevocable letter of credit shall ensure the proper and prompt completion of the work in accordance with the contract and shall ensure that the contractor shall pay all indebtedness the contractor incurs for the contractor's subcontractors and all suppliers of labor, material, rental of machinery or equipment, and repair of and parts for equipment the contract requires the contractor to furnish.

C. For a contract not exceeding Fifty Thousand Dollars (\$50,000.00), in lieu of a bond or irrevocable letter of credit, the contractor shall submit an affidavit of the payment of all indebtedness incurred by the contractor, the contractor's subcontractors, and all suppliers of labor, material, rented machinery or equipment, and repair of and parts for equipment used or consumed in the performance of the contract. The execution of the affidavit with knowledge that any of the contents of the

affidavit are false, upon conviction, shall constitute perjury, punishable as provided for by law.

SECTION 303. AMENDATORY 61 O.S. 2011, Section 11, is amended to read as follows:

Section 11. A. Unless otherwise provided for by law, all plans and specifications for the erection of public buildings by this state, or any agency or political subdivision thereof, or for any building erected through the use of public funds shall provide facilities for the handicapped. Such facilities shall conform with the codes and standards adopted by the State Fire Marshal and amended by the Division's promulgated rules. Elevators shall be constructed and installed in said public buildings to the extent deemed feasible and financially reasonable by the contracting authority of the state or such political subdivision. Said codes and standards shall be on file in the Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services.

B. After May 24, 1973, any building or facility which would have been subject to the provisions of this section but for the fact that it was constructed prior to May 24, 1973, shall be subject to the requirements of this section if additions are made to such building or facility in any twelve-month period which increase the total floor area of such building or facility by twenty-five percent (25%) or more or if alterations or structural repairs are made to such building or facility in any twelve-month period which affect twenty-five percent (25%) or more of the total floor area of such building or facility.

SECTION 304. AMENDATORY 61 O.S. 2011, Section 12, is amended to read as follows:

Section 12. All plans and specifications for the erection of public buildings subject to Section 11 of this title shall be submitted prior to bidding and awarding of contract to the governing body of the political entity controlling the funds involved. Such plans and specifications shall be checked for compliance with Section 11 of this title, and no construction contract for any public building shall be awarded unless and until said plans and specifications are approved as being in compliance with Section 11 of this title by the appropriate governmental agency. If public buildings are to be financed by state funds, the Construction and Properties Division of the ~~Department of Central Services~~ Office of

Management and Enterprise Services shall approve said plans and specifications. In the case of public buildings to be financed by county funds or funds controlled by some other political subdivision of the state, the agency whose approval is required shall be the governing body of such subdivision.

SECTION 305. AMENDATORY 61 O.S. 2011, Section 60, is amended to read as follows:

Section 60. All state agencies, boards, commissions, offices, institutions, and other governmental bodies of this state, and all individuals representing such entities, except the Department of Transportation, the Oklahoma Turnpike Authority, and CompSource Oklahoma provided CompSource Oklahoma is operating pursuant to a pilot program authorized by Sections ~~±~~ 3316 and ~~±~~ 3317 of ~~this act~~ Title 74 of the Oklahoma Statutes, shall use construction manager, consultant and construction contract forms that the State Construction Administrator of the Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services requires to award and execute contracts for designs to construct, renovate, alter, repair, maintain, or improve real property or fixtures of real property of the state. The Administrator may authorize, in writing, exceptions to the use of construction manager, consultant and construction contract forms for specific projects.

SECTION 306. AMENDATORY 61 O.S. 2011, Section 61, is amended to read as follows:

Section 61. As used in Sections 61 through 65 of this title:

1. "Administrator" means the State Construction Administrator of the Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services;

2. "Chief administrative officer" means an individual responsible for directing the administration of a state agency. The term does not mean one or all of the individuals that make policy for a state agency;

3. "Construction manager" means an individual, firm, corporation, association, partnership, copartnership, or any other legal entity possessing the qualifications to provide services of construction management which include, but are not necessarily limited to, design review, scheduling, cost control, value

engineering, constructability evaluation, preparation and coordination of bid packages, and construction administration;

4. ~~"Department" means the Department of Central Services;~~

5. "Consultant" means an individual or legal entity possessing the qualifications to provide licensed architectural, registered engineering, or registered land surveying services or other individuals or legal entities possessing specialized credentials and qualifications as may be needed to plan or design for any construction or a public work improvement project;

6. 5. "Director" means the Director of the ~~Department of Central Services~~ Office of Management and Enterprise Services;

7. 6. "Division" means the Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services;

7. "Office" means the Office of Management and Enterprise Services;

8. "Project" means plans or designs for a public work improvement, except the transportation facilities under the jurisdiction of the Department of Transportation or the Oklahoma Transportation Turnpike Authority:

- a. to construct, renovate, alter, repair, maintain, or improve real property or fixtures of real property, and
- b. that does not constitute "construction" as defined by the Public Building Construction and Planning Act; and

9. "State agency" means an agency, office, officer, bureau, board, counsel, court, commission, institution, unit, division, body or house of the executive or judicial branches of state government, whether elected or appointed, excluding only political subdivisions of the state.

SECTION 307. AMENDATORY 61 O.S. 2011, Section 62, is amended to read as follows:

Section 62. A. The Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services shall maintain a file of all persons and entities

interested in and capable of performing construction management and consultant services for state agencies. The file shall include registration forms and information submitted by construction managers and consultants pursuant to rules promulgated by the ~~Department of Central Services~~ Office of Management and Enterprise Services. Pursuant to rules promulgated by the ~~Department Office~~, the Division shall determine whether a construction manager or consultant qualifies for registration and shall notify the construction manager or consultant within twenty (20) days of receipt of a request for registration. Construction managers and consultants shall re-register for each successive calendar year with the Division.

B. The requisitioning state agency shall define the scope of a proposed project. The scope shall identify project components, phases, and timetables and shall include detailed project descriptions. The state agency may request the Division to assist with scope development. The state agency shall send the scope and a requisition for construction management or consultant services, signed by the chief administrative officer, to the Division. The Division shall review the scope and approve it before the state agency issues a solicitation.

C. The state agency shall issue a solicitation to construction managers or consultants capable of providing the services the state agency desires. The solicitation shall, at a minimum, contain:

1. Description and scope of the project;
2. Estimated construction cost or available funds, anticipated starting date, and completion date the state agency desires for the project;
3. Certification of funds available for the construction manager or consultant fee, including federal, state or other participation;
4. Closing date for construction manager or consultant to give notice of interest to the state agency; and
5. Additional data the state agency requires from the construction manager or consultant. The closing date for submission of construction manager or consultant notice of interest for consideration shall be within thirty (30) days of the date of the notice the state agency issues.

D. After the closing date, the State Construction Administrator of the Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services shall provide information from the construction managers' or consultants' files to the state agency. Should there be an inadequate expression of interest in the project, the state agency and Division personnel shall confer to add construction managers or consultants for consideration.

E. The state agency shall review the information the Division provides and shall select no less than three and no more than five construction managers or consultants per contract for interviews. The review shall include consideration of factors from the information the Division supplies including, but not limited to:

1. Professional qualifications for the type of work contemplated;
2. Capacity for completing the project in the specified time period; and
3. Past performance on projects of a similar nature.

F. The Division shall advise the state agency of the methods to be used to conduct an evaluation, interview, selection, contract negotiation, and fee negotiation processes pursuant to rules promulgated by the ~~Department of Central Services~~ Division Office of Management and Enterprise Services.

G. 1. Upon completion of contract negotiation with the highest qualified construction manager or consultant, which contract shall include a fair and reasonable fee, the Division shall approve and award the contract.

2. If the Division and the first-choice construction manager or consultant cannot reach an agreement, the negotiations shall terminate and negotiations with the second-choice construction manager or consultant shall commence. If the Division and the second-choice construction manager or consultant cannot reach an agreement, the negotiations shall terminate and negotiations with the third-choice construction manager or consultant shall commence. If the Division and the third-choice construction manager or consultant cannot reach an agreement, then all negotiations shall terminate. Should the Division be unable to negotiate a

satisfactory contract with any of the three selected construction managers or consultants, the Division shall select additional construction managers or consultants in order of their competency and qualifications and shall continue negotiations in accordance with the provisions of this section until an agreement is reached.

H. Any plans developed pursuant to the process for selection of a contractor for construction of a facility authorized pursuant to Section 183 of Title 73 of the Oklahoma Statutes shall become the property of the State of Oklahoma as a condition of the award of the final contract for construction of the facility.

I. In the selection of a construction manager or consultant, all political subdivisions of this state shall follow these procedures:

The subdivision shall select a construction manager or consultant based upon the professional qualifications and technical experience of the construction manager or consultant. The subdivision shall negotiate a contract with the highest qualified construction manager or consultant, provided that a fee can be negotiated that is fair and reasonable to both parties. In the event a reasonable fee cannot be negotiated with the selected construction manager or consultant, the subdivision may negotiate with other construction managers or consultants in order of their qualifications.

SECTION 308. AMENDATORY 61 O.S. 2011, Section 62.2, is amended to read as follows:

Section 62.2 ~~The Construction and Properties Division of the Department of Central Services~~ Office of Management and Enterprise Services may enter into contracts with construction managers and consultants registered with the Division for the purpose of providing minor services to state agencies. The contracts shall provide for services on an as-needed basis and shall not exceed One Hundred Thousand Dollars (\$100,000.00) per construction manager or consultant during one (1) year. The requisitioning state agency shall reimburse the Division for the fee of the construction manager or consultant that provides the services.

SECTION 309. AMENDATORY 61 O.S. 2011, Section 63, is amended to read as follows:

Section 63. All drawings, plans, specifications, reports, and models made by a construction manager or consultant for a state agency shall be the property of this state, and shall be delivered to the Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services. The construction manager or consultant receiving payment for plans paid for in whole or in part with state funds shall file such plans with the Division for inclusion in a library system to be maintained by the Division. Any state agency shall have access for review to any plans or specifications filed with the Division.

SECTION 310. AMENDATORY 61 O.S. 2011, Section 65, is amended to read as follows:

Section 65. A. In addition to the conditions prescribed pursuant to subsections C and D of this section, the provisions of Section 62 of this title shall not apply whenever the Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services with concurrence of the chief administrative officer of the public agency affected declares that an emergency exists. The construction manager or consultant shall be selected by the State Construction Administrator of the Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services. The resulting construction manager or consultant contract shall not exceed Fifteen Thousand Dollars (\$15,000.00). The reasons for the emergency shall be recorded in the official records of the Division.

B. Emergency as used in this section shall be limited to conditions resulting from any of the following:

1. A sudden unexpected happening or unforeseen occurrence if it is impossible for the provisions of Section 62 of this title to be observed because of the time factor and if the public health or safety is endangered; and

2. A condition or situation which, if allowed to continue, would lead to economic loss to the state or to further damage of state property.

C. The provisions of Section 62 of this title shall not apply to the process for construction of a correctional facility whenever the State Board of Corrections informs the Division that an emergency condition threatens the security of the state correctional system, including inmate population growth, and the condition

requires expeditious treatment for the review, approval and bid process as it relates to construction or expansion of correctional facilities. The Division and the Department of Corrections are authorized to implement an expedited competitive bid process for the contracting of construction managers or consultants and construction of new or expanded correctional facilities that adequately respond to the emergency. The State Board of Corrections shall provide written notification to the Governor, the Speaker of the House of Representatives and to the President Pro Tempore of the Senate of the emergency conditions.

D. The provisions of Section 62 of this title shall not apply to CompSource Oklahoma if CompSource Oklahoma is operating pursuant to a pilot program authorized by Sections 1 3316 and 2 3317 of ~~this act~~ Title 74 of the Oklahoma Statutes.

SECTION 311. AMENDATORY 61 O.S. 2011, Section 102, is amended to read as follows:

Section 102. As used in the Public Competitive Bidding Act of 1974:

1. "Administrator" means the State Construction Administrator of the Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services;

2. "Awarding public agency" means the public agency which solicits and receives sealed bids on a particular public construction contract;

3. "Bidding documents" means the bid notice, instruction to bidders, plans and specifications, bidding form, bidding instructions, general conditions, special conditions and all other written instruments prepared by or on behalf of an awarding public agency for use by prospective bidders on a public construction contract;

4. "Chief administrative officer" means an individual responsible for directing the administration of a public agency. The term does not mean one or all of the individuals that make policy for a public agency;

5. "Public agency" means the State of Oklahoma, and any county, city, town, school district or other political subdivision of the state, any public trust, any public entity specifically created by

the statutes of the State of Oklahoma or as a result of statutory authorization therefor, and any department, agency, board, bureau, commission, committee or authority of any of the foregoing public entities;

6. "Public construction contract" or "contract" means any contract, exceeding Fifty Thousand Dollars (\$50,000.00) in amount, awarded by any public agency for the purpose of making any public improvements or constructing any public building or making repairs to or performing maintenance on the same except where the improvements, construction of any building or repairs to the same are improvements or buildings leased to a person or other legal entity exclusively for private and not for public use and no public tax revenues shall be expended on or for the contract unless the public tax revenues used for the project are authorized by a majority of the voters of the applicable public agency voting at an election held for that purpose and the public tax revenues do not exceed twenty-five percent (25%) of the total project cost. The amount of public tax dollars committed to the project will not exceed a fixed amount established by resolution of the governing body prior to or concurrent with approval of the project;

7. "Public improvement" means any beneficial or valuable change or addition, betterment, enhancement or amelioration of or upon any real property, or interest therein, belonging to a public agency, intended to enhance its value, beauty or utility or to adapt it to new or further purposes. The term does not include the direct purchase of materials, equipment or supplies by a public agency, or any personal property, including property as defined in paragraphs 1 and 4 of subsection B of Section 430.1 of Title 62 of the Oklahoma Statutes; and

8. "Retainage" means the difference between the amount earned by the contractor on a public construction contract, with the work being accepted by the public agency, and the amount paid on said contract by the public agency.

SECTION 312. AMENDATORY 61 O.S. 2011, Section 103, is amended to read as follows:

Section 103. A. Unless otherwise provided by law, all public construction contracts exceeding Fifty Thousand Dollars (\$50,000.00) shall be let and awarded to the lowest responsible bidder, by open competitive bidding after solicitation for sealed bids, in accordance with the provisions of the Public Competitive Bidding Act

of 1974. No work shall be commenced until a written contract is executed and all required bonds and insurance have been provided by the contractor to the awarding public agency.

B. Except as provided in subsection D of this section, other construction contracts for the purpose of making any public improvements or constructing any public building or making repairs to the same for Fifty Thousand Dollars (\$50,000.00) or less shall be let and awarded to the lowest responsible bidder by receipt of written bids or awarded on the basis of competitive quotes to the lowest responsible qualified contractor. Work may be commenced in accordance with the purchasing policies of the public agency.

C. Except as provided in subsection D of this section, other construction contracts for less than Five Thousand Dollars (\$5,000.00) may be negotiated with a qualified contractor. Work may be commenced in accordance with the purchasing policies of the public agency.

D. The provisions of this subsection shall apply to public construction for minor maintenance or minor repair work to public school district property. Other construction contracts for less than Twenty-five Thousand Dollars (\$25,000.00) may be negotiated with a qualified contractor. Construction contracts equal to or greater than Twenty-five Thousand Dollars (\$25,000.00) but less than Fifty Thousand Dollars (\$50,000.00) shall be let and awarded to the lowest responsible bidder by receipt of written bids. No work shall be commenced on any construction contract until a written contract is executed and proof of insurance has been provided by the contractor to the awarding public agency.

E. The Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services may award contracts using best value competitive proposals. As used in this subsection, "best value" means an optional contract award system which can evaluate and rank submitted competitive performance proposals to identify the proposal with the greatest value to the state. The ~~Department of Central Services~~ Office of Management and Enterprise Services, pursuant to the Administrative Procedures Act, shall promulgate rules necessary to implement the provisions of this subsection.

SECTION 313. AMENDATORY 61 O.S. 2011, Section 107, is amended to read as follows:

Section 107. A. A bidder on a public construction contract exceeding Fifty Thousand Dollars (\$50,000.00) shall accompany the bid with:

1. A certified check, cashier's check or bid bond equal to five percent (5%) of the bid, which shall be deposited with the awarding public agency as a guaranty; or

2. An irrevocable letter of credit containing terms the Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services prescribes, issued by a financial institution insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation for the benefit of the state, on behalf of the awarding public agency, in an amount equal to five percent (5%) of the bid. The awarding public agency shall deposit the irrevocable letter of credit with the Division.

B. The cost of republication of the notice to bidders, actual expenses incurred by reason of the bidder's default and the difference between the low bid of the defaulting bidder and the amount of the bid of the bidder to whom the contract is subsequently awarded, but not to exceed the amount of the certified check, cashier's check, bid bond or irrevocable letter of credit may, at the discretion of the awarding public agency, be forfeited to the awarding public agency in the event the apparently successful bidder fails to execute the contract or fails to provide the required bonds or irrevocable letters of credit and insurance to the awarding public agency.

C. The public agency shall, upon receipt of notice from the awarding public agency, return a certified or cashier's check, bid bond, or irrevocable letter of credit to the successful bidder on execution and delivery of the contract and required bonds or irrevocable letters of credit and insurance. Checks of unsuccessful bidders shall be returned to them in accordance with the terms of the bid solicitation.

D. Nothing contained herein shall be construed so as to prevent the awarding public agency or the courts from exonerating the bidder and other parties to the bid security document from liability upon a timely showing that the bidder committed what the courts have determined under the common law to be an excusable bidding error and for that reason it would not be equitable to enforce the bid security.

SECTION 314. AMENDATORY 61 O.S. 2011, Section 113, is amended to read as follows:

Section 113. A. Except as otherwise provided by law, within the period of time, not to exceed sixty (60) days, specified in the bid notice by the awarding public agency, a contract embodying the terms set forth in the bidding documents shall be executed by the awarding public agency and the successful bidder. No bidder shall obtain any property right in a contract awarded under the provisions of the Public Competitive Bidding Act of 1974 until the contract has been fully executed by both the bidder and the awarding public agency.

B. Except as otherwise provided by law, within the period of time specified in subsection A of this section, the following shall be provided by the contractor to the awarding public agency for contracts exceeding Fifty Thousand Dollars (\$50,000.00):

1. A bond or irrevocable letter of credit complying with the provisions of Section 1 of this title;

2. A bond in a sum equal to the contract price, with adequate surety, or an irrevocable letter of credit containing terms prescribed by the Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services issued by a financial institution insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation for the benefit of the state, on behalf of the awarding public agency, in a sum equal to the contract price, to ensure the proper and prompt completion of the work in accordance with the provisions of the contract and bidding documents;

3. A bond in a sum equal to the contract price or an irrevocable letter of credit containing terms as prescribed by the Division issued by a financial institution insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation for the benefit of the state, on behalf of the awarding public agency, in a sum equal to the contract price, to protect the awarding public agency against defective workmanship and materials for a period of one (1) year after acceptance of the project; and

4. Public liability and workers' compensation insurance during construction in reasonable amounts. A public agency may require the

contractor to name the public agency and its architects or engineers, or both, as an additional assured under the public liability insurance, which requirement, if made, shall be specifically set forth in the bidding documents.

C. A single irrevocable letter of credit may be used to satisfy paragraphs 1, 2 and 3 of subsection B of this section, provided such single irrevocable letter of credit meets all applicable requirements of subsection B of this section.

If the contractor needs additional time in which to obtain the bond required pursuant to subsection B of this section, the contractor may request and the awarding agency may allow the contractor an additional sixty (60) days in which to obtain the bond.

D. 1. After the award of a contract, but prior to its execution, an awarding public agency, upon discovery of an administrative error in the award process that would void an otherwise valid award, may suspend the time of execution of the contract. The agency may rescind the award and readvertise for bids, or may direct correction of the error and award the contract to the lowest responsible bidder, whichever shall be in the best interests of the state.

2. If the awarding public agency has a governing body, the agency shall, at the next regularly scheduled public business meeting of the governing body of the agency, upon the record, present to the governing body that an error has been made in the award process and shall state the nature of the error. The governing body, upon presentation of the facts of the error, may rescind the award and readvertise for bids, or may direct correction of the error and award the contract to the lowest responsible bidder, whichever shall be in the best interests of the state.

E. No public agency shall require for any public construction project, nor shall any general contractor submit a project bid based on acquiring or participating in, any wrap-up, wrap-around, or controlled insurance program. For the purposes of this subsection, "wrap-up, wrap-around, or controlled insurance program" means any insurance program that has the effect of disabling or rendering inapplicable any workers' compensation, commercial general liability, builders' risk, completed operations, or excess liability insurance coverage carried by a subcontractor that is engaged or to be engaged on a public construction project unless this is a cost

savings to the public or the need exists for a specialized or complex insurance program and shall not apply to contracts less than Seventy-five Million Dollars (\$75,000,000.00).

F. This act shall not apply to the public construction projects of constitutional agencies which had authorized a wrap-up, wrap-around, or controlled insurance program on or before April 11, 2000.

SECTION 315. AMENDATORY 61 O.S. 2011, Section 121, is amended to read as follows:

Section 121. A. Change orders or addenda to public construction contracts of One Million Dollars (\$1,000,000.00) or less shall not exceed a fifteen percent (15%) cumulative increase in the original contract amount.

B. Change orders or addenda to public construction contracts of over One Million Dollars (\$1,000,000.00) shall not exceed the greater of One Hundred Fifty Thousand Dollars (\$150,000.00) or a ten percent (10%) cumulative increase in the original contract amount.

C. Change orders or cumulative change orders which exceed the limits of subsection A or B of this section shall require a readvertising for bids on the incomplete portions of the contract.

D. If the awarding public agency does not have a governing body, the chief administrative officer of the awarding public agency shall approve change orders. The State Construction Administrator of the Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services, or the Administrator's designee, shall sign and execute all contracts and change orders, as they relate to state agencies.

E. If the awarding public agency has a governing body, all change orders shall be formally approved by the governing body of the awarding public agency and the reasons for approval recorded in the permanent records of the governing body. The governing body of a municipality or technology center may delegate approval of change orders up to Forty Thousand Dollars (\$40,000.00) or ten percent (10%) of any contract, whichever is less, to the chief administrative officer of the municipality or technology center or their designee, with any approved change orders reported to the governing body at the next regularly scheduled meeting.

F. The governing body of the Oklahoma Tourism and Recreation Department is authorized, upon approval of a majority of all of the members of the Oklahoma Tourism and Recreation Commission, to delegate to the Director of the agency the authority to approve change orders on a construction contract provided that the individual change order does not exceed Twenty-five Thousand Dollars (\$25,000.00) in expenditure and complies with the limits established by this section. The Administrator of the Division shall sign and execute all contracts and change orders.

G. The Transportation Commission may, by rule, authorize the Director of the Department of Transportation to approve change orders in an amount of not to exceed Five Hundred Thousand Dollars (\$500,000.00). Change orders approved by the Director shall be presented to the Transportation Commission during the next regular meeting and the reasons therefor recorded in the permanent records. The Oklahoma Turnpike Authority may authorize the Director of the Authority to approve change orders in an amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000.00). Change orders approved by the Director of the Authority shall be presented to the Authority during the next regular meeting and the reasons for the orders recorded in permanent records.

H. All change orders for the Department of Transportation or the Authority shall contain a unit price and total for each of the following items:

1. All materials with cost per item;
2. Itemization of all labor with number of hours per operation and cost per hour;
3. Itemization of all equipment with the type of equipment, number of each type, cost per hour for each type, and number of hours of actual operation for each type;
4. Itemization of insurance cost, bond cost, social security, taxes, workers' compensation, employee fringe benefits and overhead cost; and
5. Profit for the contractor.

I. 1. If a construction contract contains unit pricing, and the change order pertains to the unit price, the change order will not be subject to subsection A or B of this section.

2. When the unit price change does not exceed Ten Thousand Dollars (\$10,000.00), the unit price change order computation may be based on an acceptable unit price basis in lieu of cost itemization as required in paragraphs 1, 2, 3, 4 and 5 of subsection H of this section.

J. Alternates or add items bid with the original bid and contained in the awarded contract as options of the awarding public agency shall not be construed as change orders under the provisions of the Public Competitive Bidding Act of 1974.

SECTION 316. AMENDATORY 61 O.S. 2011, Section 125, is amended to read as follows:

Section 125. The Director of ~~State Finance~~ the Office of Management and Enterprise Services shall prescribe the accounting procedure to be followed to pay costs and payments to contractors on public construction contracts with state agencies. The Director of ~~State Finance~~ the Office of Management and Enterprise Services is directed to include any procedures necessary to provide accountability for state funds and funds furnished by an agency of the United States Government.

SECTION 317. AMENDATORY 61 O.S. 2011, Section 130, is amended to read as follows:

Section 130. A. The provisions of the Public Competitive Bidding Act of 1974 with reference to notice and bids shall not apply to an emergency if:

1. The governing body of a public agency declares by a two-thirds (2/3) majority vote of all of the members of the governing body that an emergency exists;

2. The Transportation Commission and the Oklahoma Tourism and Recreation Commission, by majority vote of all the members of each Commission, declare that an emergency exists; or

3. The chief administrative officer of a public agency without a governing body declares that an emergency exists.

B. The governing body of a public agency may, upon approval of two-thirds (2/3) majority of all of the members of the governing body, delegate to the chief administrative officer of a public

agency the authority to declare an emergency whereby the provisions of the Public Competitive Bidding Act of 1974 with reference to notice and bids shall not apply to contracts less than Thirty-five Thousand Dollars (\$35,000.00) in amount; provided, such authority of the Department of Transportation and the Oklahoma Turnpike Authority shall not extend to any contract exceeding Five Hundred Thousand Dollars (\$500,000.00) in amount.

C. Upon approval of a two-thirds (2/3) majority vote, the Oklahoma Conservation Commission may delegate to the Executive Director the authority to declare an emergency and set a monetary limit for the declaration. The provisions of this subsection may only be used for the purpose of responding to an emergency involving the reclamation of abandoned coal mines or the repair of damaged upstream floodwater retarding structures.

D. An emergency declared by the Board of Corrections pursuant to subsection C of Section 65 of this title shall exempt the Department of Corrections from the limits which would otherwise be imposed pursuant to subsection B of this section for the contracting and construction of new or expanded correctional facilities.

E. The chief administrative officer of a public agency with a governing body shall notify the governing body within ten (10) days of the declaration of an emergency if the governing body did not approve the emergency. The notification shall contain a statement of the reasons for the action, and shall be recorded in the official minutes of the governing body.

F. Emergency as used in this section shall be limited to conditions resulting from a sudden unexpected happening or unforeseen occurrence or condition whereby the public health or safety is endangered.

G. The chief administrative officer of a public agency shall report an emergency within ten (10) days of the emergency declaration and include the official minutes of the governing body of the public agency, if applicable, to the State Construction Administrator of the Construction and Properties Division of the Department of Central Services Office of Management and Enterprise Services who shall compile an annual report detailing all emergencies declared pursuant to this section during the previous calendar year. The report shall be submitted to the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives.

SECTION 318. AMENDATORY 61 O.S. 2011, Section 202, is amended to read as follows:

Section 202. As used in the Public Building Construction and Planning Act:

1. "Administrator" means the State Construction Administrator of the Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services;

2. "Construction" means the process of planning, acquiring, designing, building, equipping, altering, repairing, improving, maintaining, or demolishing any structure or appurtenance thereto including facilities, utilities, or other improvements to any real property but not including highways, bridges, airports, railroads, tunnels, sewers not related to a structure or appurtenance thereto, or dams;

3. "Construction administration" means a series of actions required of the State Construction Administrator, of other state agency employees, or, under a construction administration contract or contract provision, to ensure the full, timely, and proper performance of all phases of a construction project by all contractors, suppliers, and other persons having responsibility for project work and any guarantees or warranties pertaining thereto;

4. "Construction management" means a project delivery method based on an agreement whereby the owner acquires from a construction entity a series of services that include, but are not necessarily limited to, design review, scheduling, cost control, value engineering, constructability evaluation, preparation and coordination of bid packages, and construction administration; "construction management" includes:

- a. "agency construction management" whereby the construction entity provides services to the owner without taking on financial risks for the execution of the actual construction, and
- b. "at-risk construction management" whereby the construction entity, after providing agency services during the pre-construction period, takes on the financial obligation to carry out construction under a specified cost agreement;

5. "Consultant" means an individual or legal entity possessing the qualifications to provide licensed architectural, registered engineering, or registered land surveying services or possessing specialized credentials and qualifications as may be needed to plan or design for any construction or public work improvement project;

6. "Design-build" means a project delivery method whereby this state acquires both design and construction services in the same contract from a single legal entity, referred to as the design-builder, without the bid component of the traditional design-bid-build process;

7. ~~"Department" means the Department of Central Services;~~

~~8. "Director" means the Director of the Department of Central Services~~ Office of Management and Enterprise Services;

~~9. 8. "Division" means the Construction and Properties Division of the Department of Central Services~~ Office of Management and Enterprise Services;

~~10. 9. "Energy performance index or indices" (EPI) means a number describing the energy requirements at the building boundary of a structure, per square foot of floor space or per cubic foot of occupied volume, as appropriate under defined internal and external ambient conditions over an entire seasonal cycle. As experience develops on the energy performance achieved with state construction, the indices (EPI) will serve as a measure of structure performance with respect to energy consumption;~~

~~11. 10. "Life cycle costs" means the cost of owning, operating, and maintaining the structure over the life of the structure. This may be expressed as an annual cost for each year of the facility's use;~~

11. "Office" means the Office of Management and Enterprise Services;

12. "Procurement" means buying, purchasing, renting, leasing, or otherwise acquiring or disposing of supplies, services, or construction;

13. "Public improvement" means any beneficial or valuable change or addition, betterment, enhancement or amelioration of or

upon any real property, or interest therein, belonging to a public agency, intended to enhance its value, beauty or utility or to adapt it to new or further purposes. The term does not include the direct purchase of materials, provided that the materials are not purchased in increments for an amount of less than Twenty-five Thousand Dollars (\$25,000.00) and used for the purposes of completing a single project, equipment or supplies by a public agency, or any personal property as defined in paragraphs 1 and 4 of subsection B of Section 430.1 of Title 62 of the Oklahoma Statutes;

14. "Shared savings financing" means the financing of energy conservation measures and maintenance services through a private firm which may own any purchased equipment for the duration of a contract. Such contract shall specify that the private firm will be recompensed either out of a negotiated portion of the savings resulting from the conservation measures and maintenance services provided by the private firm or, in the case of a cogeneration project, through the payment of a rate for energy lower than would otherwise have been paid for the same energy from current sources; and

15. "State agency" means an agency, board, commission, counsel, court, office, officer, bureau, institution, unit, division, body, or house of the executive or judicial branches of government of this state, whether elected or appointed, excluding only political subdivisions.

SECTION 319. AMENDATORY 61 O.S. 2011, Section 202.1, is amended to read as follows:

Section 202.1 A. The design-build and construction management project delivery methods shall not be used without the written approval of the Director of ~~Central Services~~ the Office of Management and Enterprise Services, or the Director's designee, when those projects are constructed for a state agency or by an act of the Legislature specifying design-build or at-risk construction management for a project. In all instances where the design-build project or at-risk construction management delivery method is authorized, construction administration shall be performed by the State Construction Administrator, the Administrator's designee or designees, or otherwise by contract or contract provision approved by the Director of ~~Central Services~~ the Office of Management and Enterprise Services for construction administration by another party.

B. Municipalities, counties, public trusts, or any other political subdivision in this state shall not be required to get approval of any other state agency in order to use design-build construction management or at-risk construction management as a construction management delivery method. However, municipalities, counties, public trusts, and any other political subdivision shall be subject to all other provisions of the Public Building Construction and Planning Act.

C. The design-build and construction management project delivery methods shall not be used for any project unless the project meets the criteria established by the administrative rules promulgated as required by this act. Such methods shall not be used unless there is a need for compressed construction time as required to respond to a natural disaster or other emergency situation affecting public health and safety, or all of the following criteria for designation are met:

1. The project benefits the public;
2. There is a need for cost control; and
3. The need exists for specialized or complex construction methods due to the unique nature of the project.

D. The use of design-build and construction management project delivery methods shall not interfere or inhibit the opportunity for subcontractors to openly and freely compete for subcontracts pursuant to the Public Competitive Bidding Act of 1974.

E. The provisions of subsections A and B of this section shall not apply to projects by contract pursuant to an interagency agreement under Section 581 of Title 74 of the Oklahoma Statutes or to projects a state agency performs solely with the staff of the agency.

F. The State Construction Administrator shall file an annual report to the legislature summarizing cost information for each construction management project completed the preceding year.

G. The ~~Department of Central Services~~ Office of Management and Enterprise Services shall, pursuant to the Administrative Procedures Act, promulgate rules to effect procedures, processes and design-build/construction management fee guidelines necessary to the fulfillment of its responsibilities under this section.

H. As used in the Public Building Construction and Planning Act, public trusts shall not include state beneficiary public trusts.

SECTION 320. AMENDATORY 61 O.S. 2011, Section 203, is amended to read as follows:

Section 203. There is hereby created within the ~~Department of Central Services~~ Office of Management and Enterprise Services the Construction and Properties Division. There is hereby created within the Division the position of State Construction Administrator who shall be the chief administrative officer of the Division. The Administrator shall be a registered professional engineer or a licensed architect who shall be appointed by and serve at the pleasure of the Director. The Director shall employ or contract with experts and consultants as are necessary to perform the duties of the Division.

SECTION 321. AMENDATORY 61 O.S. 2011, Section 204, is amended to read as follows:

Section 204. A. The Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services shall:

1. Maintain a comprehensive master plan for utilization and construction of buildings for state agencies, capital improvements, and utilization of land owned by this state;
2. Review and approve all construction plans and specifications to ensure compliance with good construction practices and space standards, costs of project, proposed construction timetables, and agency need for the project, except as otherwise provided in subsection B of this section;
3. Inspect prior to acceptance and final payment all completed projects for which the Division issued bid solicitations to ensure compliance with the plans and specifications of the project;
4. Provide assistance to state agencies when a state agency desires to hire a consultant or construction manager for a project. Except as provided by subsection B of this section, the Division shall award and execute contracts to consultants and construction

managers that provide services to state agencies for construction projects;

5. Develop and issue solicitations for award of state agency contracts for construction. The Division shall have final approval authority for contracts and contract documents. Neither the Division nor any state agency shall, for performance of work that requires that a contractor be licensed by this state, issue a solicitation to, or make a contract with, a contractor not licensed by this state;

6. Review inspections performed by consultants and construction managers during construction, primary inspections when consultants or construction managers are not used, and final inspections after completion;

7. Recommend standards, including, but not limited to, building codes, space utilization, material testing, indexes of efficiency, economy, and effectiveness, pursuant to rules the Director promulgates;

8. Monitor construction projects to ensure maximum efficiency in the expenditure of state funds for construction;

9. Report fraud or waste in any construction project by written notification with documentation for the report to the Attorney General. The Attorney General shall take appropriate action to protect the interest of the state; and

10. Prequalify as good and sufficient insurance carriers, bonding companies and surety companies to meet provisions of Sections 1 and 134 of this title. The Director shall promulgate rules to establish criteria to determine whether a carrier or company is good and sufficient. The prequalification requirement and process shall not violate the provisions of Section 135 of this title.

B. When a state agency has a licensed architect or licensed engineer, as a full-time employee, to review construction plans and specifications, the review and approval of all construction plans and specifications required pursuant to paragraph 2 of subsection A of this section shall not apply to:

1. The common schools subject to the jurisdiction of the State Department of Education;

2. The Department of Transportation with respect to highways, bridges and dams;

3. The Oklahoma State System of Higher Education;

4. The Military Department of the State of Oklahoma;

5. The Oklahoma Tourism and Recreation Department; and

6. The Department of Human Services.

SECTION 322. AMENDATORY 61 O.S. 2011, Section 205, is amended to read as follows:

Section 205. Employees of the ~~Department of Central Services~~ Office of Management and Enterprise Services designated by the Director of the Department Office shall have access to state agency records that relate to state construction projects. The Director may authorize review or audit of the records.

SECTION 323. AMENDATORY 61 O.S. 2011, Section 207.2, is amended to read as follows:

Section 207.2 A. Except as provided by subsection B of this section, no state agency shall employ, either temporary or full-time, any person engaged in the practice of architecture, engineering or land surveying for the purpose of planning or performing any construction upon any real property belonging to the agency or to the state, or upon any real property of which this state will assume possession or ownership by contract, option to purchase agreement, lease, or otherwise. The term "practice of architecture" shall be defined as those activities of an architect as provided for in Section 46.3 of Title 59 of the Oklahoma Statutes. The terms "practice of engineering" or the "practice of land surveying" shall be defined as such terms are defined by Section 475.2 of Title 59 of the Oklahoma Statutes.

B. The provisions of subsection A of this section shall not apply to:

1. The Department of Human Services;

2. The Oklahoma Tourism and Recreation Department;

3. The State Department of Health insofar as the monitoring of permitted health care facility construction for licensing purposes;

4. The Oklahoma Historical Society insofar as the monitoring of historical site preservation and authenticity;

5. ~~The Department of Central Services~~ Office of Management and Enterprise Services;

6. The State Department of Education and the public schools subject to its jurisdiction;

7. The Department of Transportation;

8. The Oklahoma State System of Higher Education;

9. The Military Department of the State of Oklahoma;

10. The Oklahoma Municipal Power Authority;

11. The Department of Public Safety gun range; and

12. CompSource Oklahoma if CompSource Oklahoma is operating pursuant to a pilot program authorized by Sections ~~1~~ 3316 and ~~2~~ 3317 of ~~this act~~ Title 74 of the Oklahoma Statutes.

SECTION 324. AMENDATORY 61 O.S. 2011, Section 208, is amended to read as follows:

Section 208. A. The Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services shall approve state agency selection of, and award contracts to, construction managers and design consultants pursuant to the provisions of Section 62 of this title.

B. The negotiation of construction manager and design consultant contracts and fees shall be performed by the Division.

C. The Division shall award and administer construction contracts for state agencies pursuant to the provisions of the Public Competitive Bidding Act of 1974.

D. 1. When all bids for a public construction contract exceed an agency's estimate and available funding, the State Construction Administrator may enter into negotiations with the lowest

responsible bidder for the purpose of modifying the project scope and reducing the construction cost, provided that:

- a. the unexpected higher construction costs resulted from unforeseen economic conditions or otherwise sudden price volatility in the construction industry,
- b. the project was appropriately planned, and cost estimates were developed using standards of care acceptable to the Division, and
- c. further delay caused by redesigning and rebidding the project would jeopardize the using agency's mission or result in the loss of a planned funding source.

2. To request consideration for negotiations pursuant to this subsection, the using agency, within ten (10) days of the bid opening date, shall make a written request to the Director of the ~~Department of Central Services~~ Office of Management and Enterprise Services to enter into negotiations pursuant to paragraph 1 of this subsection. If approved by the Director, the State Construction Administrator shall consult with the using agency, consultant and low bidder on methods to reduce the project scope or other cost-saving measures.

3. If a suitable revised scope and contract amount is agreed upon by the using agency, low bidder and State Construction Administrator, the Division may award the public construction contract to the low bidder.

4. The State Construction Administrator shall negotiate a fair and reasonable fee with the project's consultant, if applicable, to make any necessary revisions to the contract documents. The cost of this additional consulting work shall be paid from the agency's available funds.

5. Approval and final award of the contract for the construction negotiated pursuant to this subsection shall occur no later than one hundred twenty (120) days from the opening bid.

SECTION 325. AMENDATORY 61 O.S. 2011, Section 208.1, is amended to read as follows:

Section 208.1 The Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise

Services may collect a reasonable fee for the purpose of providing or contracting for architectural, engineering, and land surveying services to state agencies and from persons requesting plans and notification of solicitations issued by the Division. The Division may collect a reasonable fee for contract management for a construction project. All fees collected in accordance with the provisions of this section shall be deposited in the "State Construction Revolving Fund" created in Section 208.2 of this title.

SECTION 326. AMENDATORY 61 O.S. 2011, Section 208.2, is amended to read as follows:

Section 208.2 There is hereby created in the State Treasury a revolving fund for the Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services, to be designated the "State Construction Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all fees collected by the Division in accordance with the provisions of this section or as otherwise provided by law. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Division. The fund shall be used to defray Division operating costs and expenses the Department incurs to support Division operations. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 327. AMENDATORY 61 O.S. 2011, Section 209, is amended to read as follows:

Section 209. The Director of ~~Central Services~~ the Office of Management and Enterprise Services shall promulgate rules:

1. For state agencies to perform minor construction projects;
2. Specifying building codes pursuant to the Oklahoma Uniform Building Code Commission Act for construction projects;
3. Permitting state agencies who have the expertise, upon written application to the Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services, to perform any part of the responsibilities of the Division pursuant to the provisions of the Public Building Construction and Planning Act for a specific project;

4. Specifying procedures and guidelines for the implementation of shared savings financing by state agencies;

5. Specifying energy conservation performance guidelines, for conducting a life cycle cost analysis of alternative architectural and engineering designs and alternative major items of energy-consuming equipment to be retrofitted in existing state-owned or leased structures and for developing energy performance indices to evaluate the efficiency of energy utilization for completing designs in the construction of state-financed and leased structures;

6. The time, manner, authentication, and form of making requisitions to the Division;

7. The form and manner of submission for bids or proposals and the manner of accepting and opening bids or proposals that may include online bids pursuant to the Oklahoma Online Bidding Act;

8. The manner for a state agency to acquire services for construction projects not exceeding the amount for which competitive bids are required pursuant to Section 102 of this title;

9. Conditions under which any of the rules herein authorized may be waived;

10. The form of any document the Director requires;

11. Specifying provisions the Division of a state agency shall follow to adhere to acquisition, contract, contract management and other provisions of this title; and

12. Specifying the process a state agency shall follow to establish the scope of work, schedule and cost estimate for all publicly bid construction projects involving construction or renovation of buildings. This requirement shall not apply to project planning work performed by a state agency which employs an architect pursuant to other provisions of this act.

SECTION 328. AMENDATORY 61 O.S. 2011, Section 210, is amended to read as follows:

Section 210. A. Shared savings contracts shall be developed in accordance with a model contract to be developed by the Construction and Properties Division of the ~~Department of Central Services~~ Office

of Management and Enterprise Services. The model contract shall include:

1. The methodology for calculating baseline energy costs;
2. A procedure for revising these costs should the state institute additional energy conservation features or structure use change;
3. A requirement for a performance bond guaranteeing that the structure will be restored to the original condition in the event of default;
4. A provision for early buy out;
5. A clause specifying who will be responsible for maintaining the equipment; and
6. A provision allowing the disposal of equipment at the end of the contract.

No state agency or department shall substantially alter the provisions described in the model without the permission of the Division.

B. Contracts subject to this section shall be awarded pursuant to the provisions of subsection A of Section 208 of this title.

SECTION 329. AMENDATORY 61 O.S. 2011, Section 211, is amended to read as follows:

Section 211. On and after July 1, 1987, when any state agency or department must replace or supplement major items of energy-consuming equipment in existing state-owned or leased structures or any self-contained unit of any structure with other major items of energy-consuming equipment, the selection of such items shall be made on the basis of a life cycle cost analysis of alternatives in accordance with rules and regulations promulgated by the Director of the ~~Department of Central Services~~ Office of Management and Enterprise Services.

SECTION 330. AMENDATORY 61 O.S. 2011, Section 212, is amended to read as follows:

Section 212. A. For purposes of this section:

1. "Performance-based efficiency contract" means a contract for the design, development, financing, installation, construction, and service of any improvement, repair, alteration or betterment of any public building or facility; or any equipment, fixture or furnishing to be added to or used in any such building or facility; or any maintenance or operational strategy that is designed and implemented that will reduce utility consumption or lower operating costs, and may include, but is not limited to, one or more of the following:

- a. utility services,
- b. heating, ventilating or air conditioning system modifications or replacements and automated control systems,
- c. replacement or modifications of lighting fixtures,
- d. indoor air quality improvements to increase air quality that conform to the applicable state or local building code requirements when done in conjunction with other cost-saving measures,
- e. any additional building infrastructure improvement, cost saving, life safety or any other improvement that provides long-term operating cost reductions and is in compliance with state and local codes, or
- f. any facility operation and support programs that reduce operating cost; and

2. "Qualified provider" means a person or business experienced or trained in the design, analysis, construction and/or installation of energy conservation and facility management measures. A qualified provider must employ a professional engineer registered in the State of Oklahoma.

B. In addition to any other legally permissible alternatives of entering into contracts, the ~~Department of Central Services Office~~ Office of Management and Enterprise Services Construction and Properties Division may enter into performance-based efficiency contracts on behalf of all state agencies with a qualified provider pursuant to the provisions of this section.

A qualified provider to whom the contract is awarded shall be required to provide to the Division a sufficient bond for its faithful performance of the contract. In addition, the Division may require performance bonds covering the annual amount of guaranteed savings over the contract term. The ~~Department of Central Services~~ Office of Management and Enterprise Services may enter into an installment contract, lease purchase agreement or other contractual obligation for the purpose of financing performance-based efficiency projects for a term not to exceed twenty (20) years or the useful life of the project.

The qualified provider must guarantee the contract's cost savings each year during the term of the agreement. The savings must be sufficient to offset the annual costs of the contract. The contract shall provide for reimbursement to the state agency undertaking the project annually for any shortfall of guaranteed savings. Savings must be measured, verified and documented each year of the term and may be utilized to meet the annual debt service.

The contracts authorized by this section shall include procedures for modifying the contract should the Division determine it necessary.

This section shall constitute the sole authority necessary to enter into performance-based efficiency contracts, without regard to compliance with other laws which may specify additional procedural requirements for execution of contracts.

SECTION 331. AMENDATORY 61 O.S. 2011, Section 213, is amended to read as follows:

Section 213. A. The purpose of this section is to promote effective energy and environmental standards for the construction, renovation, and maintenance of public buildings in this state which will improve the capacity of the state to design, build, and operate high-performance buildings thus creating new jobs, contributing to economic growth, and increasing energy independence. To accomplish the objectives of this section, the state shall adopt construction standards for public buildings that:

1. Optimize the energy performance of public buildings in the state;

2. Increase the demand for environmentally preferable building materials, finishes, and furnishings;

3. Reduce the dependence of the state on imported sources of energy through buildings that conserve energy and utilize local and renewable energy sources;

4. Protect and restore the natural resources of the state by avoiding development of inappropriate building sites;

5. Reduce the burden on municipal water supply and treatment by reducing potable water consumption;

6. Reduce waste generation and manage waste through recycling and diversion from landfill disposal;

7. Establish life-cycle cost analysis as the appropriate and most efficient analysis to determine the optimal performance level of a building project;

8. Ensure that the systems of each building project are designed, installed, and tested to perform according to the design intent and operational needs of the building through third-party postconstruction review and verification; and

9. Authorize the ~~Department of Central Services~~ Office of Management and Enterprise Services to pursue ENERGY STAR designation from the United States Environmental Protection Agency to further demonstrate the energy independence of a public building project.

B. For purposes of this section:

1. "High-performance certification program" means a public building design, construction, and renovation standard which meets either the standards of the United States Green Building Council's Leadership in Energy and Environmental Design Rating System (LEED) or the standards of the Green Building Initiative's Green Globes Rating System, and which:

- a. is quantifiable, measurable, and verifiable as certified by an independent third party,
- b. reduces the operating costs of public buildings by reducing the consumption of energy, water, and other resources,

- c. results in the recovery of the increased initial capital costs attributable to compliance with the program over a time period by reducing long-term energy, maintenance, and operating costs,
  - d. improves the indoor environmental quality of public buildings for a healthier work environment,
  - e. encourages the use of products harvested, created, or mined within Oklahoma, regardless of product certification status, and
  - f. protects the environment of Oklahoma;
2. a. "Public building" means a facility that:
- (1) is constructed or renovated in whole or in part with state funds or with funds guaranteed or insured by a state agency and the state funds constitute at least fifty percent (50%) of the project cost,
  - (2) contains ten thousand (10,000) or more gross square feet,
  - (3) includes a heating, ventilation, or air conditioning system, and
  - (4) has not entered the design phase prior to July 1, 2008.
- b. A public building shall not include:
- (1) a building constructed or renovated with funds from a public school in the state as defined in Section 1-106 of Title 70 of the Oklahoma Statutes, and
  - (2) a building constructed or renovated where the primary purpose of the building project is for the storage of archived documents;
3. "State agency" means any agency, board, commission, counsel, court, office, officer, bureau, institution, unit division, body, or

house of the executive or judicial branches of state government, whether elected or appointed. State agency shall include institutions within The Oklahoma State System of Higher Education. State agency shall not mean a public school district or technology center school district; and

4. "Substantial renovation" means any renovation of a public building the cost of which exceeds fifty percent (50%) of the replacement value of the facility.

C. ~~The Department of Central Services~~ Office of Management and Enterprise Services shall adopt and update from time to time a high-performance certification program.

D. A state agency designing, constructing, or controlling the substantial renovation of a public building shall carry out the design, construction, or substantial renovation so as to achieve the highest performance certification attainable as certified by an independent third party pursuant to the high-performance certification program adopted by the ~~Department~~ Office pursuant to subsection C of this section. For purposes of this subsection, a certification is attainable if the increased initial costs of achieving the certification, including the time value of money, can be recouped from decreased operational costs within five (5) years.

E. If the state agency estimates that the increased initial costs of achieving certification will exceed five percent (5%) of the total cost of the design, construction, or substantial renovation project, the ~~Department of Central Services~~ Office of Management and Enterprise Services shall specifically examine the estimate before authorizing the design, construction or substantial renovation.

F. If a public building undergoing substantial renovation cannot achieve a high-performance certification due to either the historical nature of the building or because the increased costs of renovating the public building cannot be recouped from decreased operational costs within five (5) years, an accredited professional shall assert in writing that, as much as possible, the substantial renovation was executed in a manner that is consistent with the standards in the high-performance certification program adopted by the ~~Department of Central Services~~ Office of Management and Enterprise Services.

G. Any facility that is designed or newly constructed with state funds with less than five thousand (5,000) gross square feet that except for the size would be a public building subject to the high-performance certification program, any minor renovation of a public building, and any controlled maintenance of a public building shall, as much as possible, be executed in a manner that is consistent with the standards in the high-performance certification program adopted by the ~~Department of Central Services~~ Office of Management and Enterprise Services.

H. A public building may be exempted from complying with this section upon a determination by the ~~Department of Central Services~~ Office of Management and Enterprise Services that extenuating circumstances exist such as to preclude compliance with the high-performance certification program.

I. The ~~Department of Central Services~~ Office of Management and Enterprise Services shall identify and seek to have any public building which has been designed, constructed, or renovated in accordance with the standards of the high-performance certification program designated as an ENERGY STAR building by the United States Environmental Protection Agency.

J. The ~~Department of Central Services~~ Office of Management and Enterprise Services shall develop and implement a process to monitor and evaluate the energy and environmental benefits associated with designing, constructing, or renovating a public building in accordance with the standards of the high-performance certification program. The ~~Department~~ Office shall issue an annual report regarding program guidelines, monitoring and evaluation procedures, and the energy and environmental benefits related to the implementation of the high-performance certification program.

SECTION 332. AMENDATORY 61 O.S. 2011, Section 220, is amended to read as follows:

Section 220. A. Any political subdivision or board of education of a school district may use construction management as a project delivery method for the building, altering, repairing, improving, maintaining or demolishing any structure or appurtenance thereto, or any other improvement to real property owned by that political subdivision or school district. For purposes of this section "construction management" shall be defined as set forth in Section 202 of this title and shall include both agency construction management and at-risk construction management.

B. A political subdivision or school district shall select a construction manager based on the professional qualifications and technical experience of the construction manager. Selection criteria shall include the experience of the candidate, past performance, and certification of the company or individuals within the company of their knowledge of recognized standards of construction, construction management and project management. Only firms recognized as qualified construction managers by the Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services pursuant to Section 62 of this title, may be considered for selection as a construction manager by a political subdivision or school district.

C. The construction management project delivery method may only be used for public construction contracts when the construction project meets the criteria established by Section 202.1 of this title, except that a political subdivision or school district shall not be required to obtain permission from the Director of ~~Central Services~~ the Office of Management and Enterprise Services.

D. When bids for a public construction project have been received from general contractors pursuant to the Public Competitive Bidding Act of 1974 and the lowest responsible bid is within the awarding agency's available funding, the awarding agency shall not reject all bids and award the project to a construction manager.

E. Construction management contracts, for both agency construction management and at-risk construction management, entered into by a political subdivision or school district pursuant to this section shall not be considered a public construction contract pursuant to Section 102 of Title 61 of the Oklahoma Statutes and shall not be subject to competitive bidding requirements as set forth in the Public Competitive Bidding Act of 1974.

F. All construction contracts or subcontracts for work to be performed for any political subdivision or school district pursuant to a construction management project delivery method shall be awarded in accordance with the provisions of the Public Competitive Bidding Act of 1974. If a construction manager at-risk wishes to self-perform portions of the construction work to be performed, the construction manager at-risk may self-perform portions of the work provided the construction manager at-risk competitively bids the work under the same terms and conditions as the other bidders and the construction manager at-risk is the lowest responsible bidder

for the construction subcontract. No work shall commence until the school district executes a written contract and the contractor and subcontractors submit bonds and proofs of insurance as required by the appropriate contract.

SECTION 333. AMENDATORY 62 O.S. 2011, Section 34.2, is amended to read as follows:

Section 34.2 A. Agencies responsible for the collection of monies deposited to the credit of the General Revenue Fund and each of the Special Revenue Funds shall be subject to the provisions of this act. Upon request of the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services, these agencies shall provide the ~~Office of State Finance~~ Director of the Office of Management and Enterprise Services an itemized estimate of funds expected to accrue to the General Revenue Fund and each of the Special Revenue Funds for the ensuing fiscal year in the manner and form established by the Director, in accordance with the duties assigned to the State Board of Equalization in Section 23 of Article X of the Oklahoma Constitution. Each of these agencies ~~must~~ shall also provide to the Director, as requested, a written explanation of the methodology and relevant assumptions used in developing the revenue estimates submitted, a statement of the prior year's actual revenue collections and a projection of the current year's revenue collections. No expenditure shall be made from any General Revenue Fund or Special Revenue Fund until such fund has been assigned to an agency by law or by the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services.

B. In addition to providing the information listed above, the Oklahoma Tax Commission shall also provide to the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services a comprehensive economic report no later than two weeks prior to each of the meetings of the State Board of Equalization pursuant to paragraphs 1 and 3 of Section 23 of Article X of the Constitution of the State of Oklahoma. Each report shall include a summary of recent national and state economic performance and a forecast of national and state economic performance for both the current and the upcoming fiscal years. These reports shall be considered a basis upon which the itemized revenue estimates of the Commission are developed. The report shall include an analysis of the relative accuracy of the economic forecasts on which the previous and current fiscal years' revenue estimates were based.

C. The Tax Commission shall also provide all estimates, explanations, statements, projections, reports and other documents required by this section to the President Pro Tempore of the Senate and the Speaker of the House of Representatives at the same time that such documents are provided to the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services.

SECTION 334. AMENDATORY 62 O.S. 2011, Section 34.4, is amended to read as follows:

Section 34.4 There is hereby created in the State Treasury a Revolving Fund for the ~~Office of State Finance~~ Office of Management and Enterprise Services. The revolving fund shall consist of any monies received for rental of machine metered time, sale of scrap cards and paper, and any other miscellaneous receipts. The revolving fund herein created may be expended for the same purposes and in the same manner as appropriated funds.

SECTION 335. AMENDATORY 62 O.S. 2011, Section 34.5, is amended to read as follows:

Section 34.5 The Governor shall appoint a Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services, by and with the consent of the Senate, who shall hold office at the pleasure of the Governor and shall continue to serve until a successor is duly appointed and is qualified.

SECTION 336. AMENDATORY 62 O.S. 2011, Section 34.6, is amended to read as follows:

Section 34.6 The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall have the power and duty under the direction of the Governor to:

1. Prepare the budget document and assist in the drafting of legislation to make it effective;
2. Make field surveys and studies of governmental agencies, looking toward economy and greater efficiency;
3. Make allotments to control expenditures;
4. Authorize transfers of appropriation authorized by law;

5. Study accounting and other reports rendered by the Central Accounting and Reporting Division;

6. Enter into agreements with the United States Secretary of the Treasury for the purpose of implementing federal law; and

7. Aid the Governor in the economical management of state affairs; ~~and~~

~~8. Assume the responsibilities of the Director of the Department of Central Services, Office of Personnel Management, Oklahoma State Employees Benefits Council and the State and Education Employees Group Insurance Board.~~

B. In addition to other duties, the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall, upon request, advise and consult with members of the Legislature and legislative committees concerning revenue and expenditures of state agencies.

SECTION 337. AMENDATORY 62 O.S. 2011, Section 34.7, is amended to read as follows:

Section 34.7 The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services, with the approval of the Governor, shall employ and make the appointment of such experts and assistants as may be necessary to execute the purposes of the Oklahoma State Finance Act. No appointments to positions shall be made in excess of those positions authorized by the Legislature for the Division of the Budget, the Division of Central Accounting and Reporting and the Information Services Division.

SECTION 338. AMENDATORY 62 O.S. 2011, Section 34.8, is amended to read as follows:

Section 34.8 The position of Public Information Officer within the ~~Office of State Finance~~ Office of Management and Enterprise Services shall be subject to the provisions of the Merit System of Personnel Administration prescribed by the Oklahoma Personnel Act, Section 840-1.1 et seq. of Title 74 of the Oklahoma Statutes, and the rules promulgated thereunder.

SECTION 339. AMENDATORY 62 O.S. 2011, Section 34.9, is amended to read as follows:

Section 34.9 The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services is hereby authorized and directed to classify funds in the State Treasury and to prescribe the manner of issuance of checks or warrants against each class of funds to accomplish the purpose for which each such fund was created. The State Treasurer shall be, and is, required to keep fund accounts in accordance with such classification. The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall group funds of a similar nature in a series of classes. Accounting entities otherwise designated as funds, by other provisions of law, may be retained, deactivated, merged with other such entities or identified as accounts within funds as the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services determines to be appropriate for purposes of the modernization and maintenance of the fund structure of the state.

SECTION 340. AMENDATORY 62 O.S. 2011, Section 34.10, is amended to read as follows:

Section 34.10 The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall cause to be prepared a comprehensive annual financial report, in accordance with generally accepted accounting principles for governments, and shall further have the general purpose financial statements included in the comprehensive annual financial report audited in accordance with generally accepted auditing standards. The Director is hereby authorized to establish procedures and guidelines which are consistent with those issued by the Government Accounting Standards Board, and which shall be followed by state agencies, colleges and universities and other entities who are included in the report, for purposes of establishing consistent application of accounting principles and to ensure the timeliness of the report.

SECTION 341. AMENDATORY 62 O.S. 2011, Section 34.11, is amended to read as follows:

Section 34.11 The Division of Central Accounting and Reporting shall be responsible for accounting and auditing duties and the auditing and settlement of purchase orders, contracts, claims, payrolls, and other obligations.

The Division of Central Accounting and Reporting shall prepare uniform budget and accounting classifications for all state agencies and shall implement appropriate accounting methods and systems in

state agencies. The Division of Central Accounting and Reporting shall:

1. Settle all claims payable by this state;
2. Verify distribution of all taxes and other dues collected for local governments;
3. Superintend the recovery of all debts due state government;
4. Keep the central budget and proprietary accounts of the state government;
5. Prepare and issue financial and accounting reports, at least quarterly;
6. Prescribe all forms, systems, and procedure for administering accounting for the several departments and establishments;
7. At the request of a state agency, assist in establishing standards, policies and procedures that ensure a strong and effective system of internal controls and regular monitoring of them;
8. Certify each and every requisition by a duly accredited disbursing officer for an advance of funds from the State Treasury to the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services for approval; and
9. Establish a pre-audit system of settling claims for the entire government of this state and for state agencies in which vouchers supporting proposed payments are submitted to the ~~Office of State Finance~~ Office of Management and Enterprise Services for audit and settlement.

SECTION 342. AMENDATORY 62 O.S. 2011, Section 34.11.1, is amended to read as follows:

Section 34.11.1 A. There is hereby created the position of Chief Information Officer who shall be appointed by the Governor. The Chief Information Officer, in addition to having authority over the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services, shall also serve as Secretary of Information Technology and Telecommunications or

successor cabinet position and shall have jurisdictional areas of responsibility related to information technology and telecommunications systems of all state agencies as provided for in the Oklahoma Information Services Act. The salary of the Chief Information Officer shall not be less than One Hundred Thirty Thousand Dollars (\$130,000.00) or more than One Hundred Sixty Thousand Dollars (\$160,000.00). The first Chief Information Officer shall be appointed no later than January 1, 2010.

B. Any person appointed to the position of Chief Information Officer shall meet the following eligibility requirements:

1. A baccalaureate degree in Computer Information Systems, Information Systems or Technology Management, Business Administration, Finance, or other similar degree;

2. A minimum of ten (10) years of professional experience with responsibilities for management and support of information systems and information technology, including seven (7) years of direct management of a major information technology operation;

3. Familiarity with local and wide-area network design, implementation, and operation;

4. Experience with data and voice convergence service offerings;

5. Experience in developing technology budgets;

6. Experience in developing requests for proposal and administering the bid process;

7. Experience managing professional staff, teams, and consultants;

8. Knowledge of telecommunications operations;

9. Ability to develop and set strategic direction for information technology and telecommunications and to manage daily development and operations functions;

10. An effective communicator who is able to build consensus;

11. Ability to analyze and resolve complex issues, both logical and interpersonal;

12. Effective verbal and written communications skills and effective presentation skills, geared toward coordination and education;

13. Ability to negotiate and defuse conflict; and

14. A self-motivator, independent, cooperative, flexible and creative.

C. The salary and any other expenses for the Chief Information Officer shall be budgeted as a separate line item through the ~~Office of State Finance~~ Office of Management and Enterprise Services. The operating expenses of the Information Services Division shall be set by the Chief Information Officer and shall be budgeted as a separate line item through the ~~Office of State Finance~~ Office of Management and Enterprise Services. The ~~Office of State Finance~~ Office of Management and Enterprise Services shall provide adequate office space, equipment and support necessary to enable the Chief Information Officer to carry out the information technology and telecommunications duties and responsibilities of the Officer and the Information Services Division.

D. 1. Within twelve (12) months of appointment, the first Chief Information Officer shall complete an assessment of the implementation of the transfer, coordination, and modernization of all information technology and telecommunication systems of all state agencies in the state as provided for in the Oklahoma Information Services Act. The assessment shall include the information technology and telecommunications systems of all institutions within The Oklahoma State System of Higher Education, the Oklahoma State Regents for Higher Education and the telecommunications network known as OneNet.

2. Within twelve (12) months of appointment, the first Chief Information Officer shall issue a report setting out a plan of action which will include the following:

- a. define the shared service model organization structure and the reporting relationship of the recommended organization,
- b. the implementation of an information technology and telecommunications shared services model that defines the statewide infrastructure environment needed by

most state agencies that is not specific to individual agencies and the shared applications that are utilized across multiple agencies,

- c. define the services that shall be in the shared services model under the control of the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services,
- d. define the roadmap to implement the proposed shared services model. The roadmap shall include recommendations on the transfer, coordination, and modernization of all information technology and telecommunication systems of all the state agencies in the state,
- e. recommendations on the reallocation of information technology and telecommunication resources and personnel,
- f. recommendations on maximizing the benefits to the state by the alignment and operation of the communications and data transfer network assets known as OneNet,
- g. a cost benefit analysis to support the recommendations on the reallocation of information technology and telecommunication resources and personnel,
- h. a calculation of the net savings realized through the reallocation and consolidation of information technology and telecommunication resources and personnel after compensating for the cost of contracting with a private consultant as authorized in paragraph 4 of this subsection, implementing the plan of action, and ongoing costs of the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services, and
- i. the information required in subsection B of Section ~~5~~ 35.5 of this ~~act~~ title.

3. The plan of action report shall be presented to the Governor, Speaker of the House of Representatives, and the President Pro Tempore of the State Senate.

4. The Chief Information Officer may contract with a private consultant or consultants to assist in the assessment and development of the plan of action report as required in this subsection.

E. Beginning on the effective date of appointment, the Chief Information Officer shall be authorized to employ personnel, fix the duties and compensation of the personnel, not otherwise prescribed by law, and otherwise direct the work of the personnel in performing the function and accomplishing the purposes of the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services.

F. Beginning on the effective date of the appointment of the first Chief Information Officer, the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall be responsible for the following duties:

1. Formulate and implement the information technology strategy for all state agencies;

2. Define, design, and implement a shared services statewide infrastructure and application environment for information technology and telecommunications for all state agencies;

3. Direct the development and operation of a scalable telecommunications infrastructure that supports data and voice communications reliability, integrity, and security;

4. Supervise the applications development process for those applications that are utilized across multiple agencies;

5. Provide direction for the professional development of information technology staff of state agencies and oversee the professional development of the staff of the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services;

6. Evaluate all technology and telecommunication investment choices for all state agencies;

7. Create a plan to ensure alignment of current systems, tools, and processes with the strategic information technology plan for all state agencies;

8. Set direction and provide oversight for the support and continuous upgrading of the current information technology and telecommunication infrastructure in the state in support of enhanced reliability, user service levels, and security;

9. Direct the development, implementation, and management of appropriate standards, policies and procedures to ensure the success of state information technology and telecommunication initiatives;

10. Recruit, hire and transfer the required technical staff in the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services to support the services provided by the Division and the execution of the strategic information technology plan;

11. Establish, maintain, and enforce information technology and telecommunication standards;

12. Delegate, coordinate, and review all work to ensure quality and efficient operation of the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services;

13. Create and implement a communication plan that disseminates pertinent information to state agencies on standards, policies, procedures, service levels, project status, and other important information to customers of the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services and provide for agency feedback and performance evaluation by customers of the Division;

14. Develop and implement training programs for state agencies using the shared services of the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services and recommend training programs to state agencies on information technology and telecommunication systems, products and procedures;

15. Provide counseling, performance evaluation, training, motivation, discipline, and assign duties for employees of the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services;

16. Approve the purchasing of all information technology and telecommunication products and services for all state agencies;

17. Develop and enforce an overall infrastructure architecture strategy and associated roadmaps for desktop, network, server, storage, and statewide management systems for state agencies;

18. Effectively manage the design, implementation and support of complex, highly available infrastructure to ensure optimal performance, on-time delivery of features, and new products, and scalable growth;

19. Define and implement a governance model for requesting services and monitoring service level metrics for all shared services; and

20. Create the budget for the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services to be submitted to the Legislature each year.

G. Upon receiving approval of the State Governmental Technology Applications Review Board, the Chief Information Officer shall implement the plan of action as set forth in subsection D of this section; provided, the plan of action for the Department of Human Services shall not be implemented until July 1, 2011. The State Governmental Technology Applications Review Board shall provide ongoing oversight of the implementation of the plan of action. Any proposed amendments to the plan of action shall be approved by the Board prior to adoption. The net savings realized through the reallocation and consolidation of information technology and telecommunication resources and personnel after compensating for the up-front costs and ongoing costs of the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services which are identified and reported in the plan of action shall be realized no later than July 1, 2012, and shall at a minimum be not less than fifteen percent (15%) of the overall statewide information technology and telecommunications expenditures made by all state agencies during the fiscal year ending June 30, 2009.

H. Beginning on the effective date of appointment, the Chief Information Officer shall act as the Information Technology and Telecommunications Purchasing Director for all state agencies and shall be responsible for the procurement of all information technology and telecommunication software, hardware, equipment,

peripheral devices, maintenance, consulting services, high technology systems, and other related information technology, data processing, telecommunication and related peripherals and services for all state agencies. The Chief Information Officer shall establish, implement, and enforce policies and procedures for the procurement of information technology and telecommunication software, hardware, equipment, peripheral devices, maintenance, consulting services, high technology systems, and other related information technology, data processing, telecommunication and related peripherals and services by purchase, lease-purchase, lease with option to purchase, lease and rental for all state agencies. The procurement policies and procedures established by the Chief Information Officer shall be consistent with The Oklahoma Central Purchasing Act.

I. The Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services and the Chief Information Officer shall be subject to The Oklahoma Central Purchasing Act for the approval and purchase of equipment and products not related to information and telecommunications technology, equipment, software, products and related peripherals and services and shall also be subject to the requirements of the Public Competitive Bidding Act of 1974, the Oklahoma Lighting Energy Conservation Act and the Public Building Construction and Planning Act when procuring data processing, information technology, telecommunication, and related peripherals and services and when constructing information technology and telecommunication facilities, telecommunication networks and supporting infrastructure. The Chief Information Officer shall be authorized to delegate all or some of the procurement of information technology and telecommunication products and services and construction of facilities and telecommunication networks to another state entity if the Chief Information Officer determines it to be cost-effective and in the best interest of the state. The Chief Information Officer shall have authority to designate information technology and telecommunication contracts as statewide contracts and mandatory statewide contracts pursuant to Section 85.5 of Title 74 of the Oklahoma Statutes. Any contract entered into by a state agency for which the Chief Information Officer has not acted as the Information Technology and Telecommunications Purchasing Director as required in this subsection or subsection H of this section, shall be deemed to be unenforceable and the ~~Office of State Finance~~ Office of Management and Enterprise Services shall not process any claim associated with the provisions thereof.

J. The Chief Information Officer shall establish and implement charges and a system to assess the charges to state agencies for their use of shared information technology and telecommunication services subject to the approval of the State Governmental Technology Applications Review Board.

K. The Chief Information Officer shall establish, implement, and enforce policies and procedure for the development and procurement of an interoperable radio communications system for state agencies. The Chief Information Officer shall work with local governmental entities in developing the interoperable radio communications system.

L. The Chief Information Officer shall develop and implement a plan to utilize open source technology and products for the information technology and telecommunication systems of all state agencies.

M. All state agencies and authorities of this state and all officers and employees of those entities shall work and cooperate with and lend assistance to the Chief Information Officer and the Information Services Division of the Office of State Finance Office of Management and Enterprise Services and provide any and all information requested by the Chief Information Officer.

N. The Chief Information Officer shall prepare an annual report detailing the ongoing net saving attributable to the reallocation and consolidation of information technology and telecommunication resources and personnel and shall submit the report to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate.

O. For purposes of the Oklahoma Information Services Act, unless otherwise provided for, "state agencies" shall include any office, officer, bureau, board, commission, counsel, unit, division, body, authority or institution of the executive branch of state government, whether elected or appointed; provided, except with respect to the provisions of subsection D of this section, the term "state agencies" shall not include institutions within The Oklahoma State System of Higher Education, the Oklahoma State Regents for Higher Education and the telecommunications network known as OneNet.

SECTION 343. AMENDATORY 62 O.S. 2011, Section 34.11.6, is amended to read as follows:

Section 34.11.6 A. There is hereby established the "Oklahoma State Government Payroll Processing One-Stop Initiative".

B. The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall promulgate procedures by which state agencies shall enter into a shared-services arrangement with the ~~Office of State Finance~~ Office of Management and Enterprise Services for the provision of payroll processing services.

C. State agencies shall comply with procedures promulgated pursuant to the terms of this section.

SECTION 344. AMENDATORY 62 O.S. 2011, Section 34.11.9, is amended to read as follows:

Section 34.11.9 A. There is hereby established the Oklahoma State Government Business Licensing One-Stop Program.

B. The Chief Information Officer shall promulgate procedures by which state agencies shall enter into an arrangement with the ~~Office of State Finance~~ Office of Management and Enterprise Services for the provision of a real-time licensing and permitting one-stop web-based offering.

C. Real-time licensing and permitting services shall be made available to the public through the website "Business.ok.gov" and shall be offered through the 2nd Century Entrepreneurship Center business licensing framework.

D. The 2nd Century Entrepreneurship Center and all corresponding assets and personnel are hereby transferred from the Oklahoma Department of Commerce to the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services.

E. The Chief Information Officer may grant an exemption from the requirements of this section to state agencies which offer licensing and permitting procedures requiring documentation that cannot be provided through a web-based portal.

F. State agencies shall comply with procedures promulgated pursuant to the terms of this section.

SECTION 345. AMENDATORY 62 O.S. 2011, Section 34.12, is amended to read as follows:

Section 34.12 A. The Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall:

1. Coordinate information technology planning through analysis of the long-term information technology plans for each agency;

2. Develop a statewide information technology plan with annual modifications to include, but not be limited to, individual agency plans and information systems plans for the statewide electronic information technology function;

3. Establish and enforce minimum mandatory standards for:

- a. information systems planning,
- b. systems development methodology,
- c. documentation,
- d. hardware requirements and compatibility,
- e. operating systems compatibility,
- f. acquisition of software, hardware and technology-related services,
- g. information security and internal controls,
- h. data base compatibility,
- i. contingency planning and disaster recovery, and
- j. imaging systems, copiers, facsimile systems, printers, scanning systems and any associated supplies.

The standards shall, upon adoption, be the minimum requirements applicable to all agencies. These standards shall be compatible with the standards established for the Oklahoma Government Telecommunications Network. Individual agency standards may be more specific than statewide requirements but shall in no case be less than the minimum mandatory standards. Where standards required of an individual agency of the state by agencies of the federal

government are more strict than the state minimum standards, such federal requirements shall be applicable;

4. Develop and maintain applications for agencies not having the capacity to do so;

5. Operate an information technology service center to provide operations and hardware support for agencies requiring such services and for statewide systems;

6. Maintain a directory of the following which have a value of Five Hundred Dollars (\$500.00) or more: application systems, systems software, hardware, internal and external information technology, communication or telecommunication equipment owned, leased, or rented for use in communication services for state government, including communication services provided as part of any other total system to be used by the state or any of its agencies, and studies and training courses in use by all agencies of the state; and facilitate the utilization of the resources by any agency having requirements which are found to be available within any agency of the state;

7. Assist agencies in the acquisition and utilization of information technology systems and hardware to effectuate the maximum benefit for the provision of services and accomplishment of the duties and responsibilities of agencies of the state;

8. Coordinate for the executive branch of state government agency information technology activities, encourage joint projects and common systems, linking of agency systems through the review of agency plans, review and approval of all statewide contracts for software, hardware and information technology consulting services and development of a statewide plan and its integration with the budget process to ensure that developments or acquisitions are consistent with statewide objectives and that proposed systems are justified and cost effective;

9. Develop performance reporting guidelines for information technology facilities and conduct an annual review to compare agency plans and budgets with results and expenditures;

10. Establish operations review procedures for information technology installations operated by agencies of the state for independent assessment of productivity, efficiency, cost effectiveness, and security;

11. Establish service center user charges for billing costs to agencies based on the use of all resources;

12. Provide system development and consultant support to state agencies on a contractual, cost reimbursement basis; and

13. In conjunction with the Oklahoma Office of Homeland Security, enforce the minimum information security and internal control standards established by the Information Services Division. An enforcement team consisting of the Chief Information Officer of the Information Services Division or a designee, a representative of the Oklahoma Office of Homeland Security, and a representative of the Oklahoma State Bureau of Investigation shall enforce the minimum information security and internal control standards. If the enforcement team determines that an agency is not in compliance with the minimum information security and internal control standards, the Chief Information Officer shall take immediate action to mitigate the noncompliance, including the removal of the agency from the infrastructure of the state until the agency becomes compliant, taking control of the information technology function of the agency until the agency is compliant, and transferring the administration and management of the information technology function of the agency to the Information Services Division or another state agency.

B. No agency of the executive branch of the state shall use state funds for or enter into any agreement for the acquisition of any category of computer hardware, software or any contract for information technology services and equipment exceeding Ten Thousand Dollars (\$10,000.00) in value, which shall include the acquisition amount, service costs, maintenance costs, or any other costs or fees associated with the acquisition of the services or equipment, without written authorization of the Chief Information Officer. If written authorization is not obtained prior to incurring an expenditure or entering into any agreement as required in this subsection or as required in Section 4 35.4 of this ~~act~~ title, the ~~Office of State Finance~~ Office of Management and Enterprise Services shall not process any claim associated with the expenditure and the provisions of any agreement shall not be enforceable. The provisions of this subsection shall not be applicable to any member of The Oklahoma State System of Higher Education, any public elementary or secondary schools of the state, any technology center school district as defined in Section 14-108 of Title 70 of the Oklahoma Statutes, or CompSource Oklahoma if CompSource Oklahoma is

operating pursuant to a pilot program authorized by Sections 3316 and 3317 of Title 74 of the Oklahoma Statutes.

C. The Chief Information Officer and Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services and all agencies of the executive branch of the state shall not be required to disclose, directly or indirectly, any information of a state agency which is declared to be confidential or privileged by state or federal statute or the disclosure of which is restricted by agreement with the United States or one of its agencies, nor disclose information technology system details that may permit the access to confidential information or any information affecting personal security, personal identity, or physical security of state assets.

SECTION 346. AMENDATORY 62 O.S. 2011, Section 34.13, is amended to read as follows:

Section 34.13 The Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall, at the end of each month, render a statement of charges to all state agencies to which it has furnished processing services for the direct costs of the Data Service Center of the Division. In total, the charges shall not exceed the direct costs of the Data Service Center of the Division. Systems analysts and programming services costs shall be recovered directly from the agency for which the service was rendered, as agreed to by that agency, and shall not be prorated to agencies not receiving such services. All amounts so collected shall be deposited in the State Treasury to the credit of the General Revenue Fund.

SECTION 347. AMENDATORY 62 O.S. 2011, Section 34.15, is amended to read as follows:

Section 34.15 The Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services is authorized to:

1. Define the requirements for a facility that can be used by any state agency to:
  - a. install backup information technology equipment, or

- b. install information technology equipment acquired as the result of the primary processing facilities being unavailable for an extended period of time;

2. Enter into a multiyear agreement for a private facility that meets the defined requirements; and

3. Advise state agencies when the facility is available for their use.

SECTION 348. AMENDATORY 62 O.S. 2011, Section 34.16, is amended to read as follows:

Section 34.16 A. No later than July 1 of each year, all agencies of the executive branch of this state presently using or contemplating the use of telecommunications and electronic information technology applications, including, but not limited to, the use of mainframe computers, minicomputers or microcomputers, word processing equipment, office automation systems, Internet, eGovernment, broadband, Wi-Fi or wireless networking, radio, including the interoperable radio communications system for state agencies, Global Positioning Systems (GPS), or contracts for information technology services and equipment, shall annually submit to the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services a one-year operations plan, which shall include as a minimum:

1. An overview of major projects and objectives;

2. Cost per defined category of hardware, software, services and personnel;

3. An assurance of compliance with state standards on accessibility of information technology for individuals with disabilities developed in accordance with Section ~~41.54~~ 34.28 of this title; and

4. Such other information as the Information Services Division may require for analysis and consolidation into a statewide telecommunications and electronic information technology plan.

B. No agency of the executive branch of this state shall enter into any agreement for the acquisition, development, or enhancement of application systems software or for the acquisition of electronic information technology equipment or peripheral devices, including

Internet and eGovernment, broadband, Wi-Fi or wireless networking, radio, including the interoperable radio communications system for state agencies, Global Positioning Systems (GPS), whether or not connected to such equipment, unless the cost of such acquisition, development, or enhancement has been included in the plan for the agency. The Information Services Division upon review of an information technology and telecommunication plan for the agency, shall submit in either printed or electronic form to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate its findings and recommendations on all proposed new and expanded programs and expenditures for personnel and the purchase or acquisition of equipment, hardware, software, accessories, or services thereto, including but not limited to leases, rentals or lease-purchase, indicating that the associated cost meet or comply with Section ~~41.5a~~ 34.12 of this title.

C. The provisions of this section shall not apply to the telecommunications network known as OneNet whether said network is governed or operated by the Oklahoma State Regents for Higher Education or any other state entity assigned responsibility for OneNet.

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

SECTION 349. AMENDATORY 62 O.S. 2011, Section 34.17, is amended to read as follows:

Section 34.17 A. ~~The Office of State Finance~~ Office of Management and Enterprise Services shall:

1. Develop and/or acquire hardware and application software, including such modifications as may be required, to implement modern automated systems in the ~~Department of Central Services, the Office of Personnel Management, and the Office of State Finance~~ Office of Management and Enterprise Services. Such systems include applications for accounting, budgeting, payroll/personnel, and purchasing;

2. Coordinate the initial implementation of the application systems with the three central service agencies of the state and coordinate the phased implementation of the application systems with all branches of state government;

3. Develop procedures manuals and the related training necessary to implement the application systems;

4. Maintain and enhance, as necessary, the application systems of the Integrated Central Systems; and

5. Ensure the integrity of information in the Integrated Central Systems through data security measures, internal controls, and appropriate data base management.

B. The Director of ~~State Finance~~ the Office of Management and Enterprise Services shall make all policy decisions required to implement the Integrated Central Systems in accordance with this section after consultation with other affected agencies.

C. The Director of ~~State Finance~~ the Office of Management and Enterprise Services may enter into contracts for services, equipment, software, or supplies needed to carry out the provisions of this section.

D. With respect to Phase II Core, the provisions of this section shall not apply to CompSource Oklahoma if CompSource Oklahoma is operating pursuant to a pilot program authorized by Sections 3316 and 3317 of Title 74 of the Oklahoma Statutes.

SECTION 350. AMENDATORY 62 O.S. 2011, Section 34.18, is amended to read as follows:

Section 34.18 Each agency of the state shall submit transactions to the ~~Office of State Finance, the Office of Personnel Management, and the Department of Central Services~~ Office of Management and Enterprise Services in the manner and format required to effectuate the utilization of the Integrated Central Systems for all transactions for which an application is available.

Provided, that nothing in this section shall be construed as to administratively place agencies currently exempt from any provisions of the Oklahoma State Finance Act, The Oklahoma Central Purchasing Act, or the Oklahoma Personnel Act under the purview of such provisions.

SECTION 351. AMENDATORY 62 O.S. 2011, Section 34.19, is amended to read as follows:

Section 34.19 A. The Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services is directed, authorized and empowered to enter into contracts for, to establish criteria for and manage the installation, maintenance and administration of a central communication or intercommunication system for and upon behalf of this state. The installation shall fulfill communication or intercommunications requirements of this state and its agencies located in the Capitol and those buildings situated on the Capitol grounds, known as the "Capitol Complex" in Oklahoma City, Oklahoma, the state-owned building known as the "Tulsa Capitol Building" in Tulsa, Oklahoma, buildings which house state agencies located within four (4) miles of the Capitol Complex, and any location used for the administration of the information technology and telecommunication infrastructure and security for the state.

B. The Information Services Division shall render a statement of charges at the end of each month to all state agencies to which it has furnished communications services for the direct cost sustained, provided that:

1. A pro rata formula is to be established in writing after giving consideration to the type of service furnished, the number and kinds of instruments used, the cost of operation and special installations required in each such agency in relation to the total cost of local service. The formula, once determined, is not to be redetermined more often than once every six (6) months nor to be changed after any such redetermination before the expiration of six (6) months; and

2. The Information Services Division is to be reimbursed by the state or any of its agencies for actual cost incurred for equipment installation or modification or for toll charges for use of telephone, telegraph, teletype, data communications, Internet, eGovernment, as referenced in Sections ~~41.5p~~ 34.24 and ~~41.5q~~ 34.25 of this title, or other form or forms of communication or intercommunication incurred by the state or by any agency.

C. No telephone, teletype, switchboard, line, cable system, data communication system, Internet, eGovernment, or systems of communication or intercommunication are to be installed in any building or buildings owned, rented, leased or otherwise held by this state or its agencies at locations described in subsection A of this section without written order of the Chief Information Officer or a designee. Provided, however, that acquisition and installation

of such equipment in the Legislature shall be subject to the final approval of the Speaker of the House of Representatives or the President Pro Tempore of the Senate as appropriate.

SECTION 352. AMENDATORY 62 O.S. 2011, Section 34.20, is amended to read as follows:

Section 34.20 In addition to the powers and duties as defined elsewhere in this title, the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall:

1. Coordinate statewide planning and approve statewide contracts for communication and telecommunications needs of state agencies, including, but not limited to, voice, data, radio including the interoperable radio communications system for state agencies, video, broadband, Wi-Fi or wireless networking, Global Positioning Systems (GPS), Internet, eGovernment, as referenced in Sections ~~41.5p~~ 34.24 and ~~41.5q~~ 34.25 of this title, and facsimile transmissions through analysis of the telecommunications and information technology plan of each agency;

2. In coordination with the Oklahoma Office of Homeland Security, establish minimum mandatory standards and protocols for:

- a. communication networks and equipment,
- b. wide area and local area systems,
- c. integration of equipment, systems and joint usage,
- d. Internet and eGovernment,
- e. operating systems or methods to be used to meet communications requirements efficiently, effectively, and securely,
- f. rendering of aid between state government and its political subdivisions with respect to organizing of communications systems, and
- g. an economical and cost-effective utilization of communication services.

The standards and protocols shall be compatible with the standards and protocols established for the Oklahoma Government Telecommunications Network;

3. Serve as a focal point for all statewide projects and approve all statewide contracts for state agencies involving current communications vendors where the focus of such authority can substantially enhance the state communications plan or the savings which can be achieved thereunder;

4. Provide, when requested by political subdivisions of the state, for the organizing of communications or telecommunications systems and service between the state and its political subdivisions and enter into agreements to effect the purposes of this section;

5. Cooperate with any federal, state or local emergency management agency in providing for emergency communications and telecommunication services;

6. Apply for, receive, and hold, or assist agencies in applying for, receiving or holding such authorizations, licenses and allocations of channels and frequencies to carry out the purposes of this section;

7. Accomplish such other purposes as may be necessary or incidental to the administration of its authority or functions pursuant to law; and

8. Provide support for telecommunication networks of state agencies through analysis of the telecommunications needs and requirements of each agency and promotion of the use of the Oklahoma Government Telecommunications Network.

SECTION 353. AMENDATORY 62 O.S. 2011, Section 34.21, is amended to read as follows:

Section 34.21 A. No agency of the executive branch of the state shall use state funds for or enter into any agreement for the acquisition, development or enhancement of a communication or telecommunication system including voice, data, radio, video, Internet, eGovernment, as referenced in Sections ~~41.5p~~ 34.24 and ~~41.5q~~ 34.25 of this title, printers, scanners, copiers, facsimile systems and associated supplies exceeding Ten Thousand Dollars (\$10,000.00) in value, which shall include the acquisition amount, service costs, maintenance costs, or any other costs or fees

associated with the acquisition of the system or equipment, without written authorization of the Chief Information Officer or a designee. The Chief Information Officer or a designee shall verify that any acquisition, development or enhancement is compatible with the operation of the Oklahoma Government Telecommunications Network.

B. No agency of the executive branch of the state shall enter into any agreement for the acquisition, development or enhancement of a communication or telecommunication system or service including voice, data, radio, video, Internet, eGovernment, printers, scanners, copiers, and facsimile systems, unless the cost of such addition, change, improvement or development has been included in the statewide communications plan of the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services, as said plan may have been amended or revised.

C. State agencies may enter into interagency contracts to share communications and telecommunications resources for mutually beneficial purposes. The contract shall clearly state how its purpose contributes to the development or enhancement or cost reduction of a state network which includes voice, data, radio, video, Internet, eGovernment, or facsimile systems. The contract shall be approved by the Information Services Division before any payments are made.

D. The provisions of subsections A, B and C of this section shall not apply to the telecommunications network known as OneNet whether said network is governed or operated by the Oklahoma State Regents for Higher Education or any other state entity assigned responsibility for OneNet.

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

F. No state agency shall use state funds or enter into any agreement for the acquisition, development or enhancement of a public safety communication system unless the request is consistent with the Statewide Communications Interoperability Plan and the public safety communications standards issued by the Oklahoma Office of Homeland Security. Agencies interested in acquiring, developing or enhancing a public safety communications system shall submit a proposal to the Oklahoma Office of Homeland Security. The Oklahoma Office of Homeland Security shall issue a proposal review which

summarizes whether the proposal is consistent with the Statewide Communications Interoperability Plan and the technology standards issued. The proposal review shall be submitted to the requesting agency and to the Chief Information Officer.

SECTION 354. AMENDATORY 62 O.S. 2011, Section 34.22, is amended to read as follows:

Section 34.22 There is hereby created in the State Treasury a revolving fund for the ~~Office of State Finance~~ Office of Management and Enterprise Services to be designated the "Telecommunications Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of appropriations made by the Legislature and reimbursements for providing telecommunications services as defined in Sections ~~41.5h~~ 34.19, ~~41.5i~~ 34.20, ~~41.5j~~ 34.21 and ~~41.5p~~ 34.24 of this title. All monies accruing to such fund are hereby appropriated and may be budgeted and expended by the ~~Office of State Finance~~ Office of Management and Enterprise Services for the purpose of providing telecommunications, Internet, and eGovernment services, as referenced in Sections ~~41.5p~~ 34.24 and ~~41.5q~~ 34.25 of this title, the construction and maintenance of information technology facilities and services, and other related services. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 355. AMENDATORY 62 O.S. 2011, Section 34.23, is amended to read as follows:

Section 34.23 A. There is hereby created a wide area telecommunications network to be known and referred to as the "Oklahoma Government Telecommunications Network (OGTN)". The OGTN shall consist of the telecommunications systems and networks of educational entities and agencies of state government.

B. Notwithstanding the provisions of subsection A of this section:

1. The Oklahoma State Regents for Higher Education may continue to operate, maintain and enhance the State Regents Educational Telecommunications Network, subject to the provisions of the Oklahoma Information Services Act. The Oklahoma State Regents for Higher Education shall submit all plans for the enhancement of the State Regents Educational Telecommunications Network to the

Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services for review and approval within the context of the statewide telecommunications network provided for in subsection C of this section and shall participate with the Information Services Division in joint efforts to provide services for the OGTN; and

2. The Department of Public Safety may continue to operate, maintain and enhance the statewide law enforcement data communications network provided for in Section 2-124 of Title 47 of the Oklahoma Statutes, subject to the provisions of the Oklahoma Information Services Act. The Department of Public Safety shall submit all plans for the enhancement of the statewide law enforcement data communications network to the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services for review and approval and shall participate with the Information Services Division in joint efforts to provide services for the OGTN.

C. The Information Services Division shall be responsible for developing, operating and maintaining the OGTN. The purposes of the OGTN shall include the following:

1. Development of a comprehensive, unified statewide telecommunications network to effectively, efficiently, and securely meet the communication needs of educational entities and agencies of state government;

2. Effective and efficient utilization of existing telecommunications systems operated by educational entities and agencies of state government; and

3. Elimination and prevention of unnecessarily duplicative telecommunications systems operated by educational entities and agencies of state government.

D. In developing, operating and maintaining the OGTN, the Information Services Division shall:

1. Develop a statewide master plan for meeting the communications needs of educational entities and of agencies of state government. To facilitate the development of a statewide master plan as provided for in this paragraph:

- a. the Oklahoma State Regents for Higher Education shall submit a report annually to the Chief Information Officer identifying the telecommunications plans of each member of The Oklahoma State System of Higher Education. For purposes of developing such report, each member shall cooperate with and submit to the State Regents a plan of its telecommunications needs, including, but not limited to, Internet, eGovernment, as referenced in Sections ~~41.5p~~ 34.24 and ~~41.5q~~ 34.25 of this title, any interactive video plans, the purchase of informational data bases, software for manipulation of bibliographic records, and the use of telecommunications equipment or services,
- b. the State Superintendent of Public Instruction shall submit a report annually to the Chief Information Officer identifying the telecommunications plans of the public common school system of the state. For purposes of developing such report, the respective public elementary and secondary schools shall cooperate with and submit to the State Superintendent a plan of their telecommunications needs, including, but not limited to, Internet, eGovernment, any interactive video plans, the purchase of informational data bases, software for manipulation of bibliographic records, and the use of telecommunications equipment or services,
- c. the Director of the Oklahoma Department of Career and Technology Education shall submit a report annually to the Chief Information Officer identifying the telecommunications plans of technology center school districts. For purposes of developing such report, each technology center school district as defined in Section 14-108 of Title 70 of the Oklahoma Statutes shall cooperate with and submit to the Director of the Oklahoma Department of Career and Technology Education a plan of its telecommunications needs, including, but not limited to, Internet, eGovernment, any interactive video plans, the purchase of informational data bases, software for manipulation of bibliographic records, and the use of telecommunications equipment or services,

- d. the chief administrative officer of each state agency of the executive branch shall submit a plan annually to the Chief Information Officer identifying the telecommunications needs of the state agency, including, but not limited to, Internet, eGovernment, any interactive video plans, the purchase of informational data bases, software for manipulation of bibliographic records, and the use of telecommunications equipment or services, and
  
- e. the Director of the Oklahoma Department of Libraries shall submit a report annually to the Chief Information Officer identifying the telecommunications plans of public libraries and public library systems. For purposes of developing such report, the chief administrative officer of any public library or public library system not otherwise required to submit a plan of its telecommunications needs pursuant to the provisions of this paragraph shall cooperate with and submit annually to the Director of the Oklahoma Department of Libraries a plan of its telecommunications needs, including, but not limited to, Internet, eGovernment, any interactive video plans, the purchase of informational data bases, software for manipulation of bibliographic records and the use of telecommunications equipment or services. To assure inclusion in the report of the plans of the telecommunications needs of any library that is a part of any member of The Oklahoma State System of Higher Education, a public elementary or secondary school, or technology center school district, all such plans relating to libraries received by the Oklahoma State Regents for Higher Education, the State Superintendent of Higher Education, and the State Director of the Oklahoma Department of Career and Technology Education shall be submitted to the Director of the Oklahoma Department of Libraries by the respective recipients thereof as soon as practicable after receipt. The Director of the Oklahoma Department of Libraries shall certify to the Information Services Division that such plans are consistent with the plan developed by the Oklahoma Library Technology Network or explain any inconsistencies therewith;

2. Identify the most cost-effective means of meeting the telecommunications needs of educational entities and of agencies of state government;

3. Develop minimum mandatory standards and protocols for equipment, facilities and services of the OGTN;

4. Evaluate the advantages and disadvantages of utilizing equipment, facilities, and services of both private entities and those owned and operated by the state; and

5. Recommend a fee structure to provide for the operation and maintenance of the OGTN.

SECTION 356. AMENDATORY 62 O.S. 2011, Section 34.24, is amended to read as follows:

Section 34.24 A. In order to be at the forefront of electronic commerce and provide constituents, agencies and out-of-state users with state-of-the-art electronic commerce and Internet tools, the State of Oklahoma recognizes the need for a state portal system connecting state agency websites and information systems.

B. The Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall manage the installation, maintenance and administration of the state portal system.

C. For purposes of this section and Section ~~41.5s~~ 34.27 of this title, a "portal system" shall mean a system that hosts and connects to a collection of online government and public services and serves as the single point of access to state government services, information, and transaction processing with a common enterprise wide user interface allowing navigation among the services.

SECTION 357. AMENDATORY 62 O.S. 2011, Section 34.24.1, is amended to read as follows:

Section 34.24.1 A. Except as otherwise provided by this section, as of July 1, 2010, each state agency, board, commission or other entity organized within the executive department of state government responsible for licensing or permitting shall utilize the portal system to allow for a link to a web-based application and renewal application for any license or permit issued by that agency.

Access to the online renewal systems shall be featured prominently on the portal system.

B. Each entity responsible for licensing or permitting shall make available to the ~~Office of State Finance~~ Office of Management and Enterprise Services on a yearly basis a report describing the number of licenses issued, license renewals and permits issued as well as an estimate of the amount of savings incurred by the entity as a result of the online licensing and permitting process.

C. The ~~Office of State Finance~~ Office of Management and Enterprise Services shall make available to the public a copy of each report submitted in accordance with the requirements of subsection B of this section by placing the report on the website defined in Section 46 of this title.

D. The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services may exempt a specific license or permit from the requirements of this section should he find compelling evidence that the issuance of the license or permit requires the provision of information that cannot be provided through an online licensing or permitting process and when the failure of the applicant to provide the information would create a significant risk to the integrity of the license or permit. The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall document any exemptions issued pursuant to the provisions of this subsection and describe the compelling evidence justifying the need for the exemptions in a report to be provided to the Governor, Speaker of the Oklahoma House of Representatives and Speaker Pro Tempore of the State Senate. The exception provided for in this subsection shall not apply to license renewals pursuant to the Oklahoma Vehicle License and Registration Act of Title 47 of the Oklahoma Statutes.

E. The state agencies may accept an electronic signature in the application process for any license or permit; provided, the use of an electronic signature shall not create a significant risk to the integrity of the license or permit.

F. Nothing in this section shall apply to driver license renewal applications.

SECTION 358. AMENDATORY 62 O.S. 2011, Section 34.25, is amended to read as follows:

Section 34.25 A. Subject to review and adoption as outlined in Section ~~41.5~~ 34.27 of this title, a state agency, board, commission, or authority is hereby authorized to charge a convenience fee for any electronic or online transaction. A convenience fee shall apply to electronic or online transactions only and shall not apply when accessing information provided through state government websites. If a state entity sets a convenience fee for electronic or online transactions, the fee shall be reviewed by the State Governmental Internet Applications Review Board as provided for in Section ~~41.5~~ 34.27 of this title. Each state entity shall keep a record of how the convenience fee has been determined and shall file the record with the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services. A state agency, board, commission, or authority may periodically adjust a convenience fee as needed upon review and adoption as provided for in Section ~~41.5~~ 34.27 of this title.

B. For purposes of this section, "convenience fee" shall mean a charge that is necessary to process an electronic or online transaction with a state agency, board, commission or authority. The fee shall be limited to bank processing fees and financial transaction fees, the cost of providing for secure transaction, portal fees, and fees necessary to compensate for increased bandwidth incurred as a result of providing for an online transaction.

SECTION 359. AMENDATORY 62 O.S. 2011, Section 34.26, is amended to read as follows:

Section 34.26 A. Any state agency, board, commission, or authority which establishes an electronic portal system shall use an open-systems concept for the portal system which has been approved by the Information ~~Service~~ Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services.

B. No state agency, board, commission, or authority shall enter into an agreement for development of, enhancement to, or maintenance of an electronic portal system without the written authorization of the Information Services Division.

C. For purposes of this section, an "open-systems concept" shall mean a system that implements sufficient open specifications for interfaces, services, and supporting formats to enable properly engineered components to be utilized across a wide range of systems

with minimal changes, to interoperate with other components on local and remote systems, and to interact with users in a style that facilitates portability. An open-systems concept is characterized by the following:

1. Well-defined, widely used, and nonproprietary interfaces or protocols;
2. Use of standards which are developed and adopted by industry recognized standards-making bodies;
3. A definition of all aspects of system interfaces to facilitate new or additional system capabilities for a wide range of applications; and
4. An explicit provision for expansion or upgrading through the incorporation of additional or higher performance elements with minimal impact on the system.

SECTION 360. AMENDATORY 62 O.S. 2011, Section 34.27, is amended to read as follows:

Section 34.27 There is hereby established the State Governmental Technology Applications Review Board. The Board shall review and make recommendations to the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services concerning state governmental Internet-based electronic or online transactions or applications being provided by state agencies, boards, commissions, or authorities for use by the public, provide oversight for implementation of the plan of action developed by the Chief Information Officer and advise the Chief Information Officer.

B. The State Governmental Technology Applications Review Board shall be composed of the following members:

1. The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services or a designee;
2. Four representatives from different state agencies, boards, commissions, or authorities to be appointed by the Governor, at least one of which shall be employed by a law enforcement agency;
3. Two members who are not state government employees to be appointed by the Speaker of the House of Representatives; and

4. Two members who are not state government employees to be appointed by the President Pro Tempore of the Senate.

C. Members of the Board shall serve for terms of two (2) years. The Board shall select a chair from among its members.

D. Members of the Board shall not receive compensation for serving on the Board, but shall be reimbursed for travel expenses incurred in the performance of their duties by their respective agencies or appointing authority in accordance with the State Travel Reimbursement Act.

E. The Board shall have the duty and responsibility of:

1. Reviewing a schedule of convenience fees, as is defined in Section 34.25 of this title, and all convenience fees and changes in fees charged by state agencies, boards, commissions, or authorities for electronic or online transactions, and making recommendations pertaining to convenience fees to the Information Services Division prior to its adoption by rule of such fees, changes to fees, or fee schedule;

2. Monitoring all portal systems and applications for portal systems created by state agencies, boards, commissions, or authorities, reviewing portal systems applications approved or denied by the Information ~~Service~~ Services Division of the Office of ~~State Finance Management and Enterprise Services~~, and making recommendations to the Legislature and Governor to encourage greater use of the open-systems concept as is defined in Section 34.26 of this title;

3. Approving the plan of action developed by the Chief Information Officer as provided for in Section 34.11.1 of this title, providing ongoing oversight of implementation of the plan of action by the Chief Information Officer and approving any amendments to the plan of action;

4. Approving charges to state agencies established by the Chief Information Officer pursuant to Section 34.11.1 of this title for their use of shared information technology and telecommunications services;

5. Functioning in an advisory capacity to the Chief Information Officer; and

6. Developing performance metrics for quantifying the value of goods or services provided by state agencies and for considering if goods and services provided by a state agency could be modernized through the implementation of new technology to provide better quality goods or services that would result in cost savings or best value.

SECTION 361. AMENDATORY 62 O.S. 2011, Section 34.28, is amended to read as follows:

Section 34.28 A. The Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall work ~~in conjunction with the Department of Central Services~~ to assure state compliance regarding accessibility of information technology for individuals with disabilities based on the provisions of Section 508 of the Workforce Investment Act of 1998.

B. When developing, procuring, maintaining or using information technology, or when administering contracts or grants that include the procurement, development, upgrading, or replacement of information technology each state agency shall ensure, unless an undue burden would be imposed on the agency, that the information technology allows employees, program participants, and members of the general public access to use of information and data that is comparable to the access by individuals without disabilities.

C. To assure accessibility, the Information Services Division ~~and the Department of Central Services~~ shall:

1. Adopt accessibility standards that address all technical standard categories of Section 508 of the Workforce Investment Act of 1998 to be used by each state agency in the procurement of information technology, and in the development and implementation of custom-designed information technology systems, Web sites, and other emerging information technology systems;

2. Establish and implement a review procedure to be used to evaluate the accessibility of custom-designed information technology systems proposed by a state agency prior to expenditure of state funds;

3. Review and evaluate accessibility of information technology commonly purchased by state agencies, and provide accessibility

reports on such products to those responsible for purchasing decisions;

4. Provide in partnership with Oklahoma Able Tech, the state assistive technology program located at Oklahoma State University, training and technical assistance for state agencies to assure procurement of information technology that meets adopted accessibility standards;

5. Consult with the State Department of Rehabilitation Services and individuals with disabilities in accessibility reviews of information technology and in the delivery of training and technical assistance;

6. Establish complaint procedures, consistent with Section 508 of the Workforce Development Act of 1998, to be used by an individual who alleges that a state agency fails to comply with the provisions of this section;

7. Work with and seek advice from the Electronic and Information Technology Accessibility Advisory Council, created in Section ~~41.5e.2~~ 34.30 of this title in developing accessibility standards and complaint procedures as required in this section; and

8. Require state agencies to submit evidence of assurance of compliance with state standards on accessibility of information technology for individuals with disabilities developed in accordance with this section. For executive branch state agencies that are required to submit an annual operating plan pursuant to Section ~~41.5e~~ 34.16 of this title evidence of compliance shall be included in that report.

D. ~~The Chief Information Officer and the Director of the Department of Central Services~~ Office of Management and Enterprise Services shall promulgate rules, as necessary, to implement the provisions of this section.

SECTION 362. AMENDATORY 62 O.S. 2011, Section 34.30, is amended to read as follows:

Section 34.30 A. There is hereby re-created, to continue until July 1, 2014, the Electronic and Information Technology Accessibility Advisory Council. The Advisory Council shall study and make recommendations concerning the accessibility for the disabled to publicly produced and provided electronic and

information technology and to provide advice and assistance to the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services on the development of accessibility standards and complaint procedures as provided for in Section ~~41.5t~~ 34.28 of this title.

B. The Advisory Council shall be composed of the following members:

1. Two members of the House of Representatives, appointed by the Speaker of the House of Representatives;

2. Two members of the Senate, appointed by the President Pro Tempore of the Senate;

3. The Chief Information Officer, or a designee;

4. The Director of the ~~Department of Central Services~~ Office of Management and Enterprise Services, or a designee;

5. The Director of the State Department of Rehabilitation Services, or a designee;

6. The Superintendent of Public Instruction, or a designee;

7. The Director of the Oklahoma Department of Career and Technology Education, or a designee;

8. The Director of the Library for the Blind and Physically Handicapped with the State Department of Rehabilitation Services, or a designee;

9. The Director of the Office of Disability Concerns, or a designee;

10. A representative of OneNet, the state telecommunications network within the Oklahoma State Regents for Higher Education;

11. The Director for Oklahoma Able Tech, the state assistive technology program located at Oklahoma State University;

12. A representative of state agency web managers appointed by the Governor from a list submitted by a state agency web manager group;

13. A representative of an association representing education technology administrators appointed by the Speaker of the House of Representatives;

14. A representative of an association of distance learning education professionals appointed by the President Pro Tempore of the Senate;

15. Two representatives of corporations or vendors of information or electronic technology hardware or software who are knowledgeable or have experience in the field of assistive technology appointed by the Governor;

16. A representative of a corporation or vendor specializing in assistive technology appointed by the Governor; and

17. Four representatives who are individuals with a disability, one who is blind or visually impaired, one who is deaf or hard of hearing, one with a mobility disability, and one with a cognitive disability and all of whom are users of information or electronic technology appointed by the Governor.

C. Members who were serving on the Electronic and Information Technology Accessibility Task Force as of July 1, 2004, shall automatically be appointed to serve on the Electronic and Information Technology Accessibility Advisory Council after July 1, 2004.

D. The Advisory Council shall:

1. Make recommendation on action, including legislative action, needed to ensure that all electronic and information technology produced, procured, or developed by state agencies are accessible to the disabled;

2. Identify disability accessibility standards that are emerging or fully adopted by national standard organizations;

3. Review and make recommendations on disability accessibility initiatives and legislation undertaken in other states; and

4. Provide advice and assistance to the Information Services Division of the ~~Office of State Finance and the Department of Central Services~~ Office of Management and Enterprise Services on the

development of accessibility standards and complaint procedures as provided for in Section ~~41.5~~ 34.28 of this title.

E. The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall each designate a cochair from among the members of the Advisory Council.

F. A majority of the members of the Advisory Council shall constitute a quorum. A majority of the members present at a meeting may act for the Advisory Council.

G. Meetings of the Advisory Council shall be called by either cochair.

H. Proceedings of all meetings of the Advisory Council shall comply with the provisions of the Oklahoma Open Meeting Act.

I. The Advisory Council may divide into subcommittees in furtherance of its purpose.

J. Staff of the Oklahoma Able Tech, the state assistive technology program located at Oklahoma State University, shall serve as primary staff for the Advisory Council. Appropriate personnel from the Information Services Division ~~and the Department of Central Services~~ shall also assist with the work of the Advisory Council.

K. The Advisory Council may use the expertise and services of the staffs of the Oklahoma House of Representatives and State Senate and may, as necessary, seek the advice and services of experts in the field as well as other necessary professional and clerical staff.

L. All departments, officers, agencies, and employees of this state shall cooperate with the Advisory Council in fulfilling its duties and responsibilities including, but not limited to, providing any information, records, or reports requested by the Advisory Council.

M. Members of the Advisory Council shall receive no compensation for their service, but shall receive travel reimbursement as follows:

1. Legislative members of the Advisory Council shall be reimbursed for necessary travel expenses incurred in the performance

of their duties in accordance with the provisions of Section 456 of Title 74 of the Oklahoma Statutes; and

2. Nonlegislative members of the Advisory Council shall be reimbursed by their appointing authorities or respective agencies for necessary travel expenses incurred in the performance of their duties in accordance with the State Travel Reimbursement Act.

SECTION 363. AMENDATORY 62 O.S. 2011, Section 34.31, is amended to read as follows:

Section 34.31 A. No state agency, as defined by Section 250.3 of Title 75 of the Oklahoma Statutes, the Purchasing Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services nor the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services, unless otherwise provided by federal law, shall enter into a contract for the acquisition of customized computer software developed or modified exclusively for the agency or the state, unless the vendor agrees to place into escrow with an independent third party the source code for the software and/or modifications.

B. The vendor must agree to place the source code for the software and any upgrades supplied to an agency in escrow with a third party acceptable to the agency and to enter into a customary source code escrow agreement which includes a provision that entitles the agency to receive everything held in escrow upon the occurrence of any of the following:

1. A bona fide material default of the obligations of the vendor under the agreement with the agency;

2. An assignment by the vendor for the benefit of its creditors;

3. A failure by the vendor to pay, or an admission by the vendor of its inability to pay, its debts as they mature;

4. The filing of a petition in bankruptcy by or against the vendor when such petition is not dismissed within sixty (60) days of the filing date;

5. The appointment of a receiver, liquidator or trustee appointed for any substantial part of the vendor's property;

6. The inability or unwillingness of the vendor to provide the maintenance and support services in accordance with the agreement with the agency; or

7. The ceasing of a vendor of maintenance and support of the software.

The fees of any third-party escrow agent subject to this section shall be borne by the vendor.

C. The State Purchasing Director or a procurement officer of a state agency shall not process any state agency request for the customization, modernization, or development of computer software unless the proposed vendor provides documentation that complies with subsections A and B of this section.

D. The State Purchasing Director shall provide advice and assistance, as may be required, in order for state agencies to comply with the provisions of this section.

E. As used in this section:

1. "State agency" shall include all state agencies, whether subject to The Oklahoma Central Purchasing Act or not, except the Oklahoma Lottery Commission; and

2. "Source code" means the programming instruction for a computer program in its original form, created by a programmer with a text editor or a visual programming tool and saved in a file.

SECTION 364. AMENDATORY 62 O.S. 2011, Section 34.32, is amended to read as follows:

Section 34.32 A. ~~The Information Services Division of the Office of State Finance~~ Office of Management and Enterprise Services shall create a standard security risk assessment for state agency information technology systems that complies with the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) Information Technology - Code of Practice for Security Management (ISO/IEC 17799).

B. Each state agency that has an information technology system shall annually conduct an information security risk assessment to identify vulnerabilities associated with the information system. A final report of the information security risk assessment shall be

submitted by each state agency to the Information Services Division by the first day of December of each year. The final information security risk assessment report shall identify, prioritize, and document information security vulnerabilities for each of the state agencies assessed. Failure to comply with the requirements of this subsection may result in funding being withheld from the agency. State agencies shall use either the standard security risk assessment created by the Information Services Division or a third-party risk assessment meeting the ISO/IEC 17799 standards and using the National Institute of Standards and Technology Special Publication 800-30 (NIST SP800-30) process and approved by the Information Services Division. The Information Services Division shall approve not less than two firms which state agencies may choose from to conduct the information security risk assessment.

C. The Information Services Division shall report the results of the state agency assessments required pursuant to this section to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate by the first day of January of each year.

SECTION 365. AMENDATORY 62 O.S. 2011, Section 34.33, is amended to read as follows:

Section 34.33 ~~The Office of State Finance~~ Office of Management and Enterprise Services is authorized to enter into a multi-year agreement to acquire land, develop, design, construct and furnish facilities necessary for the administration of the state's information technology and telecommunications infrastructure and security. Such action shall not be subject to The Oklahoma Central Purchasing Act. The area of the facility authorized by this section dedicated for computer-ready space shall not exceed ten percent (10%) of the total square footage of the entire facility, but under no circumstances shall exceed nine thousand (9,000) square feet. ~~The Office of State Finance~~ Office of Management and Enterprise Services is authorized to use existing and future funds from fees, appropriations and federal funds, as necessary, to finance such facilities.

SECTION 366. AMENDATORY 62 O.S. 2011, Section 34.34, is amended to read as follows:

Section 34.34 It shall be the duty of the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services, after making a complete detailed study of each state

agency, to prepare the budget under the supervision and direction of the Governor.

SECTION 367. AMENDATORY 62 O.S. 2011, Section 34.35, is amended to read as follows:

Section 34.35 Each state agency shall immediately furnish the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services any information concerning their respective affairs or activities, upon request and in such form as directed.

SECTION 368. AMENDATORY 62 O.S. 2011, Section 34.36, is amended to read as follows:

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

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

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

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

1. A budget analysis of existing and proposed programs utilizing zero-based budgeting techniques. Such analysis shall be included as a part of the estimate of funds needed;

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

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

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

5. A quantification of the need for the program;

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

7. A list of quantifiable program outcomes which measure the efficiency and effectiveness of each program;

8. A ranking of these programs by priority;

9. Actual program expenditures for the current fiscal year and prior fiscal years and the number of personnel required to accomplish each program;

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

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

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

E. These appropriated agencies shall make an itemized estimate of needs and request for funds for the ensuing fiscal year and an estimate of the revenues from all sources to be received by the agency during the ensuing fiscal year.

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

G. The reports required by this section shall include an itemized listing of outstanding capital lease debt and estimated capital lease needs for the ensuing fiscal year, and shall be provided on forms prescribed by the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services.

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

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

J. Not later than January 1, the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall publish a financial services cost-performance assessment which shall document each appropriated state agency's cost for providing financial services including but not limited to procurement, payroll, accounts receivable and accounts payable. Appropriated state agencies ranking in the bottom ten percent (10%) of the cost-performance assessment shall enter into a contract with the ~~Office of State Finance~~ Office of Management and Enterprise Services for the provision of shared financial services, provided that the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services determines and documents that the contractual agreement will result in cost savings to the appropriated state agency. Contracts required by this subsection shall be entered into at the start of the next fiscal year. On a yearly basis the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall compile and publish a report documenting the cost savings resulting from shared services contracts. The provisions of this subsection shall not be applicable to the Oklahoma State Regents for Higher Education or to any institutions within The Oklahoma State System of Higher Education.

SECTION 369. AMENDATORY 62 O.S. 2011, Section 34.37, is amended to read as follows:

Section 34.37 Immediately after the beginning of each regular session of the Legislature, the Governor shall submit to the presiding officer of each house, copies of the budget based upon the investigations and conclusions of the ~~Office of State Finance~~ Office of Management and Enterprise Services. Such budget document shall contain a complete and itemized plan of all proposed expenditures for each agency or undertaking classified according to the various cabinet areas designated by the Governor or otherwise created by law. Such expenditures shall be further classified by function, character and object, and in the event such proposed expenditures exceed the estimate made by the State Board of Equalization, the Governor shall accompany the budget document with a proposal of new revenue raising measures sufficient to effect a balanced budget for the ensuing fiscal year.

SECTION 370. AMENDATORY 62 O.S. 2011, Section 34.40, is amended to read as follows:

Section 34.40 A. When lump sum appropriations are made for personal services, or for maintenance and operations, or for maintenance and operations including personal services, no monies so appropriated shall be available for payments for such expenses until a schedule of positions and salaries and the amounts to be available for the expenses shall have been approved by the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services and posted to the state accounting system. The provisions of this subsection shall not apply to such appropriations for the Legislature or judiciary, for expenses of holding elections, or for temporary services or day labor.

B. Any such approved schedule of positions and salaries may be amended with the approval of the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services.

C. The request officer for each agency shall show the classification of the expenditures for their agency, and such classification shall follow the uniform budget and accounting classifications adopted for similar spending agencies, except for items peculiar to certain departments or institutions.

D. The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall not have authority to fix the amount of any agency salary or eliminate any position listed on such schedule. However, the Director shall not approve the schedule

of positions and salaries when the total amount of funds requested to be allotted fails to reserve a sufficient balance to finance the operations of the agency for the remainder of that fiscal year, considering any possible failure in the revenue estimated to be collected for that fiscal year.

E. The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall not have the authority to curtail the operation of any particular part of the program, but shall order a reduction in the total program only where insufficient revenues are anticipated to carry on the program for the period concerned.

SECTION 371. AMENDATORY 62 O.S. 2011, Section 34.41, is amended to read as follows:

Section 34.41 Appropriations shall not be available for contractual or expenditure purposes until allotted as provided in the Oklahoma State Finance Act. Appropriations made by the Legislature to each state agency are hereby declared to be maximum, conditional and proportionate appropriations. The purpose of this section is to make appropriations payable in full in the amounts named only in the event that the estimated budget resources within each state fund during each fiscal year are sufficient to pay all of the appropriations for such fiscal year in full. It is also the purpose of this provision to ensure that there shall be no overdraft or deficit created in the several funds of the state at the end of any fiscal year, and the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services is directed and required so to administer the Oklahoma State Finance Act to prevent such overdraft or deficit.

SECTION 372. AMENDATORY 62 O.S. 2011, Section 34.42, is amended to read as follows:

Section 34.42 A. On or before the first day of June in each year, or as soon thereafter as possible, all agencies shall file agency budgets with the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services. Copies of all agency budgets shall also be made available electronically to the staff of the Joint Legislative Committee on Budget and Program Oversight.

B. The required instructions, content and format of agency budgets shall be developed by the staff of the Budget Division of

~~the Office of State Finance~~ Office of Management and Enterprise Services.

C. 1. The agency budget shall include a description of all funds available to the agency for expenditure and set out allotments requested by the agency by quarter and the entire fiscal year.

2. The agency budget shall be accompanied by an organizational chart of the agency, a statement of agency mission and program objectives.

3. The agency budget shall delineate agency spending by such categories and with at least as much detail as is specified in the legislative appropriation and as prescribed by the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services.

4. Agency budgets shall be signed by the executive officer of each agency.

D. A "request officer" shall be designated by each state agency for the purpose of making program and allotment requests.

E. Executive officers of agencies shall cooperate with the ~~Office of State Finance~~ Office of Management and Enterprise Services staff and Joint Committee staff in developing program budgeting categories.

F. All funds available or expected to be made available to any agency, including nonfiscal appropriations, shall not be available for expenditure until the request officer of the agency has complied with the applicable provisions of the Oklahoma State Finance Act and has received approval of such request for funds from the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services.

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

SECTION 373. AMENDATORY 62 O.S. 2011, Section 34.43, is amended to read as follows:

Section 34.43 A. All agencies of the state shall submit to the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services in all agency budgets, in addition to other required information, whether such reports relate to past, present or future expenditures, an itemization of the amount attributable to each of the following expenses:

1. The number of persons, total amount of all salaries, the total amount of travel and subsistence expense and the total amount of personnel expense for:

- a. data processing directors,
- b. systems analysts,
- c. programmers,
- d. electronic data processing operators,
- e. punch card machine operators,
- f. data processing control personnel,
- g. data processing clerical personnel, and
- h. other data processing personnel;

2. Rental of data processing equipment;

3. Purchase of data processing equipment;

4. Maintenance of data processing equipment, if not included in rental expense;

5. Data processing supplies;

6. Data processing planning;

7. Data processing conversion from one system to another;

8. Rental and purchase of non-data processing equipment and supplies utilized in a data processing operation;

9. Shipment of data processing equipment;

10. Rental of communication lines for transmission of data processing information;

11. Data processing education;

12. Rental of software packages;

13. Contracting for development of systems; and

14. Other data processing expense.

B. All disbursements made from treasury funds by any state agency for the above-named expenses shall be budgeted to and disbursed from a special allotment account to be created by the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services.

C. This section shall not preclude agencies from programming and expending intra-agency data processing costs for cost allocation purposes.

SECTION 374. AMENDATORY 62 O.S. 2011, Section 34.45, is amended to read as follows:

Section 34.45 ~~The Office of State Finance~~ Office of Management and Enterprise Services is hereby authorized to provide the Governor-elect and Lieutenant Governor-elect with such reasonable and necessary services as the Governor-elect or Lieutenant Governor-elect may request in the performance of their duties prior to taking office and in preparation for assuming the duties of office. The ~~Office of State Finance~~ Office of Management and Enterprise Services is further authorized to allocate from the funds appropriated to the ~~Office of State Finance~~ Office of Management and Enterprise Services the sum of Thirty Thousand Dollars (\$30,000.00), or so much thereof as may be necessary for use by the Governor-elect, if not incumbent, and the sum of Ten Thousand Dollars (\$10,000.00), or so much thereof as may be necessary for use by the Lieutenant Governor-elect, if not incumbent, for expenses of personal services, office expense, supplies, materials, travel and other necessary expenses incurred by such Governor-elect or Lieutenant Governor-elect in the performance of his or her duties prior to taking office and in preparation for assuming the duties of office.

SECTION 375. AMENDATORY 62 O.S. 2011, Section 34.47, is amended to read as follows:

Section 34.47 A. The Division of Central Accounting and Reporting shall allocate all revenues to the credit of any fund in the State Treasury except the Public Building Fund, in accordance with the provisions of Section 23 of Article X of the Oklahoma Constitution.

B. The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services may require that appropriations for capital expenditures be financed by a separate cash account so that allocations of cash to any agency for purposes of constructing buildings, making improvements, purchasing equipment, or other capital expenditures, may not be used to finance the current operations of the agency.

C. Appropriations which are nonfiscal for contractual and expenditure purposes, shall be considered fiscal for revenue purposes, but may be allotted for expenditure at any time within thirty (30) months from date such acts are enacted. Revenue which accrues to the credit of the Public Building Fund in the State Treasury shall be allocated to the appropriations from the Public Building Fund in consecutive order. The Governor shall designate the order of payment of the appropriations from the Public Building Fund. The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall allocate the collections sufficient to pay the first appropriation designated by the Governor, before the Director allocates any amount to the second and so on, until all appropriations are provided for. The contracting agency receiving such appropriation shall not contract the same until revenue has been allocated as provided in the Oklahoma State Finance Act.

SECTION 376. AMENDATORY 62 O.S. 2011, Section 34.49, is amended to read as follows:

Section 34.49 A. Appropriations and/or federal funds shall be allotted for each agency as provided by the language of the legislative appropriation and other applicable state law. Items may be allotted on a monthly, quarterly, semiannual or annual basis upon the written request of the agency and the approval of the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services.

B. The request officer for each agency shall present the proposed classification of the expenditures for that agency in such

manner as may be required by the ~~Office of State Finance~~ Office of Management and Enterprise Services.

C. Each agency shall be required to identify those items that are for capital purposes in keeping with the definition of capital projects promulgated by the Long-Range Capital Planning Commission. Requests for capital appropriations and an agency's original budget request shall be for capital projects that have been submitted to the Long-Range Capital Planning Commission for review.

D. The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall review the requested allotments with respect to the agency budget with each agency. The Director may require the agency to change such allotments before approving them, if it is deemed necessary, reserving a sufficient balance in the appropriation to finance the operations of the agency for the remainder of any fiscal year.

E. At the end of any fiscal year, the entire amount appropriated to any agency must be allotted to the agency by the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services, except where the estimated budget resources during any fiscal year are insufficient to pay all of the appropriations of the state in full for such year. The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall not allot to any agency during any fiscal year, an amount which will be in excess of the amount of revenue collected and allocated to appropriations made to such agency.

F. In the event of a failure of revenue, the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall control the allotment to prevent obligations being incurred in excess of the revenue to be collected. However, within each state fund where a revenue failure occurs, the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall make all reductions apply to each state agency or special appropriation made by the State Legislature, in the ratio that its total appropriation for that fiscal year bears to the total of all appropriations for that fiscal year, as provided in Section 23 of Article X of the Oklahoma Constitution.

G. An allotment may be approved for any item for the entire year or may be approved on a monthly, quarterly, or semiannual basis, but in no case shall the aggregate of such allotments for any agency exceed the total appropriation made available to such agency

for the fiscal year to which they apply. Each agency's request for appropriation allotments shall show the amount required to finance each item of the request for the entire year and on a quarterly basis within each fiscal year.

H. The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall review each allotment request for the purpose of determining whether:

1. The itemized requests are in accordance with the agency budget;
2. The accounting classification is sufficient to reflect the purposes for which the expenditures are to be made;
3. The current financial requirements of the agency justify the monthly or quarterly allotment, reserving a sufficient balance to finance the remaining months or quarters; and
4. The realization of the estimated revenues is sufficient to allow the allotments to be made.

I. The Legislature shall be exempt from submitting any agency budget or allotment request.

SECTION 377. AMENDATORY 62 O.S. 2011, Section 34.50, is amended to read as follows:

Section 34.50 A. All agencies of the state which are operating either partially or entirely from revenues derived from sources other than legislative appropriations or authorizations shall file requests for allotments under the same provisions as are required for those agencies that receive direct legislative appropriations which distinctly specify the amount appropriated.

B. The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall approve such requests for allotments pursuant to the language of the legislative appropriation and other applicable state law, if the estimated revenues accruing to such fund are sufficient to finance such allotments within the period for which the items are approved, and if the account classification clearly shows the purposes for which the money is to be expended. However, obligations as they are incurred may not exceed the unencumbered balance of surplus cash on hand in

accordance with Section 23 of Article X of the Oklahoma Constitution.

C. The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services may require a more detailed breakdown of accounts before approving such requests.

D. This section shall apply to agencies receiving federal funds, but shall not apply to donated funds, trust funds or funds of an agency relationship.

SECTION 378. AMENDATORY 62 O.S. 2011, Section 34.51, is amended to read as follows:

Section 34.51 A. If an allotment request is approved by the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services, it shall be transmitted to the request officer of the agency concerned and to the Division of Central Accounting and Reporting.

B. Legislative appropriations or authorizations are the legal basis for expending the state's monies. Allotments shall be made against these legislative appropriations or authorizations and shall be entered on the records of the Division of Central Accounting and Reporting in such accounts as may be required by the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services.

C. The allotments approved by the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall be the portion of the appropriation set aside to cover encumbrances and expenditures for a designated purpose during a monthly, quarterly, semiannual or annual period.

D. The Division of Central Accounting and Reporting shall not approve claims for payment in excess of the amount allotted for each account approved by the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services.

E. After the first allotments for each agency of the state have been authorized by the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services, subsequent allotments may be authorized upon the request of an agency and with the approval of the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services.

F. The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services may authorize new accounts in addition to those requested in the original allotment request, or may increase the amount allotted for a monthly, quarterly, semiannual or annual period. A balance remaining in any of the allotment accounts at the end of any monthly, quarterly, or semiannual period, shall be available for expenditure the subsequent period; however, subsequent allotment requests and the Director's approval should take into consideration any unencumbered or unexpended balance remaining at the time such subsequent requests are approved.

SECTION 379. AMENDATORY 62 O.S. 2011, Section 34.52, is amended to read as follows:

Section 34.52 A. The administrative head of any agency or the request officer may request that any current item of appropriation, allotment, or budget category be transferred to any other budget category within the same agency.

B. The administrative head shall make a request for budget transfer to the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services in writing and file a revised agency budget.

C. Copies of the request for budget transfer and corresponding agency budget revisions shall also be filed with the Joint Legislative Committee on Budget and Program Oversight as created by Section ~~41.47~~ 34.96 of this title.

D. The Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall approve the request for transfer unless both the Chair and Vice Chair of the Joint Legislative Committee on Budget and Program Oversight provide written notification to the Director of ~~State Finance~~ the Office of Management and Enterprise Services within twelve (12) calendar days of receipt of transfer request that the transfer subverts the intention and objectives of the Legislature in establishing the original appropriation, or unless the transfer does not meet the requirements of this section or Section ~~41.9~~ 34.49 of this title. Notification of noncompliance with legislative intent shall be transmitted to the Director of ~~State Finance~~ the Office of Management and Enterprise Services within twelve (12) calendar days of receipt of the transfer request. The Director of ~~State Finance~~

the Office of Management and Enterprise Services shall give written notice of approval or disapproval of each budget transfer to the agency, the Governor and the Chair and Vice Chair of the Joint Legislative Committee on Budget and Program Oversight within eighteen (18) calendar days of receiving the request.

E. Transfers shall be subject to the following limitations:

1. The amount to be transferred, together with all previous transfers, shall not exceed twenty-five percent (25%) of the total appropriation of the least of the items of appropriation, allotment or agency budget involved in the transfer; and

2. If the amount to be transferred, and all previous transfers, is greater than twenty-five percent (25%) of the least items of appropriation, allotment or agency budget involved in the transfer request, the agency may make an application to the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services, and the Chair and Vice Chair of the Joint Legislative Committee on Budget and Program Oversight. If the agency obtains written approval from the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services and the Chair and Vice Chair of the Joint Legislative Committee Budget and Program Oversight, an additional fifteen percent (15%) may be transferred.

SECTION 380. AMENDATORY 62 O.S. 2011, Section 34.53, is amended to read as follows:

Section 34.53 A. 1. The Oklahoma State System of Higher Education, established by Article XIII-A of the Oklahoma Constitution, shall operate an allotment system similar to the procedure set out in the Oklahoma State Finance Act for other agencies of the state except that the Oklahoma State Regents for Higher Education shall be substituted for the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services in connection with approving allotment requests of the constituent institutions comprising The Oklahoma State System of Higher Education.

2. The account classification for the State System of Higher Education shall conform as nearly as possible with the classification of accounts recommended by the National Committee on Standard Reports for Institutions of Higher Education.

3. The Board of Regents shall allocate to each institution under its control from the consolidated, or lump sum appropriation made by the Legislature, an amount sufficient to meet the needs and functions of each institution for the entire year.

4. The amount allocated to each institution for each fiscal year in accordance with Article XIII-A of the Oklahoma Constitution, shall be made in a lump sum without regard to uniform budget or accounting classifications, but shall not be available for expenditure until subsequently allotted by the Regents in accordance with the uniform budget and accounting classifications recommended by the National Committee on Standard Reports.

B. The Oklahoma State Regents for Higher Education may reduce the allocation of funds which could otherwise be made to an institution within The Oklahoma State System of Higher Education in order to make payments for leases within the lease financing program authorized by Section 3206.5 of Title 70 of the Oklahoma Statutes.

C. 1. The Regents, with the approval of the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services, may allot money to any constituent institution to set up and operate a petty cash fund at said institution. Such petty cash fund shall be reimbursed upon the filing of claims showing the purposes for which the funds were expended.

2. The Division of Central Accounting and Reporting shall make cash allocations of revenue in accordance with Section 23 of Article X of the Oklahoma Constitution, to each of the constituent institutions. These cash allocations shall be based on the allocations made by the Regents to each institution from the lump sum legislative appropriations and such allocation shall be the total appropriation for each institution, in lieu of legislative appropriations.

3. After these funds have been allocated and allotted as provided in this section, all institutional income shall operate as a continuing nonfiscal appropriation which may be spent for any educational and general purposes for which appropriated funds may be spent. "Institutional income" for such purposes shall mean all income available for educational and general purposes, as defined in the uniform budget and accounting classifications recommended by the National Committee on Standard Reports, and including income defined by law as revolving fund income. Expenditures shall be limited to the extent that obligations as they are incurred may not exceed the

unencumbered balance of cash on hand in accordance with Section 23 of Article X of the Oklahoma Constitution.

D. 1. At least thirty (30) days prior to the beginning of each fiscal year, each of the constituent institutions shall file with the Regents its request for appropriation allotments for each of the purposes for which expenditures are to be made.

2. Such requests shall be broken down to conform to the uniform budget or accounting classifications recommended by the National Committee on Standard Reports.

3. Each institution's request for appropriation allotments shall show the amount required to finance each item of the request for the entire year and for each quarter or each six-months period within the fiscal year, as required by the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services.

E. The Regents, or the official or employee who has been authorized to approve itemized allotment requests, shall consider the allotment requests for the purpose of making a determination whether:

1. The current financial requirements of the institution concerned justify the allotment to be made;

2. The accounting classification is sufficient to reflect the purpose for which expenditures are to be made and that such classification is in accordance with the budget classifications adopted by the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services and the Regents, which shall conform as nearly as possible to the account classification recommended by the National Committee on Standard Reports for Institutions of Higher Education; and

3. The realization of estimated revenues determined by the Director of the ~~Office of State Finance~~ Office of Management and Enterprise Services is sufficient to allow the commitments to be made.

F. 1. In allotting appropriations and other funds, and approving subsequent allotments which may be required by each institution, the Regents shall follow the same general procedure set forth in the Oklahoma State Finance Act for other agencies of the