



Oklahoma
State
Senate

Legislative Brief

June 2011

State Government Consolidation

The 2011 Legislature passed several measures designed to consolidate and streamline agencies and operations of state government. HB 2140 combined a number of state agencies under the authority of the Office of State Finance, and HB 1304 established procedures by which executive branch information technology assets and personnel may be transferred to the Chief Information Officer.

Background

Governor Mary Fallin called for various measures relating to government modernization and agency consolidation in her first State of the State address and her proposed budget for FY 2012. Her proposals included:

- A shared service model for common agency functions, such as financial systems and payroll;
- A freeze on information technology expenditures;
- An electronic funds transfer and purchasing card system for the state's largest vendors;
- Combining various agencies with similar functions, such as the Construction Industries Board/Department of Labor, Human Rights Commission/Attorney General, Merit Protection Commission/Office of Personnel Management, Scenic Rivers Commission/Conservation Commission, Oklahoma Center for the Advancement of Science and Technology/Department of Commerce/ABLE Commission/Tax Commission/Bureau of Narcotics and Dangerous Drugs Control, Department of Environmental Quality/Mining Commission and the Employees Benefits Council/Oklahoma State and Education Employees Group Insurance Board.

In the 2009 session, the Legislature created the position of Chief Information Officer within the Office of State Finance in comprehensive legislation designed to require an overall information technology plan for the executive branch of state government (other than higher education). The 2011 legislation added to and amended the 2009 provisions to grant more authority to the Chief Information Officer.

Agency Consolidations

HB 2140, the State Government Administrative Process Consolidation and Reorganization Reform Act of 2011, was introduced by Senate President Pro Tempore Brian Bingman and House Speaker Kris Steele. While not identical to Governor Fallin's proposal for agency consolidation, it originally would have added six separate agencies to the Office of State Finance. As it proceeded through the legislative process, provisions relating to the Merit Protection Commission and the Oklahoma Department of Libraries were deleted. The final version, signed by Governor Fallin on May 24, 2011, consolidated the Department of Central Services, Office of Personnel Management, Employees

Benefits Council and Oklahoma State and Education Employees Group Insurance Board with the Office of State Finance. It is anticipated that the consolidation process will continue into the 2012 session, with the Director of State Finance required to demonstrate a 15% overall cost reduction as a result of the consolidation and making recommendations on further streamlining of the consolidated agencies.

Two other related measures were also enacted by the Legislature and approved by the Governor. SB 763, by Senator Clark Jolley and Representative Dan Sullivan, restructured the Oklahoma Human Rights Commission as the Office of Civil Rights Enforcement within the Office of the Attorney General, as recommended by Governor Fallin. HB 2172, by Senator David Myers and Representative Earl Sears, transferred the Oklahoma Indian Affairs Commission to a new position of Oklahoma Native American Liaison within the Office of the Governor.

Information Technology Operations

HB 1304 was introduced by Senator Clark Jolley and Representative David Derby and created the Information Technology Consolidation and Coordination Act. Provisions include the following:

- A moratorium on information technology purchases without prior approval of the Chief Information Officer (CIO);
- A requirement for each agency to provide the CIO with a list of its IT assets and positions which are integral to agency-specific applications or functions, and for the CIO to identify assets and positions not integral to agency-specific applications, the transfer of which would result in cost savings;
- Procedures for the transfer of assets and positions which would result in a cost savings to the state;
- Procedures for the Office of State Finance to provide shared services at no cost to receiving agencies and receive appropriations in an amount less than the current appropriation;
- Requirements for all state agencies to use the Data Service Center, CORE system and other central systems and services;
- Procedures for exemptions or deadline extensions if compliance would cause a violation of state or federal law or regulations, loss of federal funds or additional costs, or an impediment to unique agency function performance;
- Requirements for maintenance or increase of security standards;
- Requirements for periodic reports on the comprehensive plan, savings realized and assets and positions transferred; and
- Conforming amendments to current law.

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