

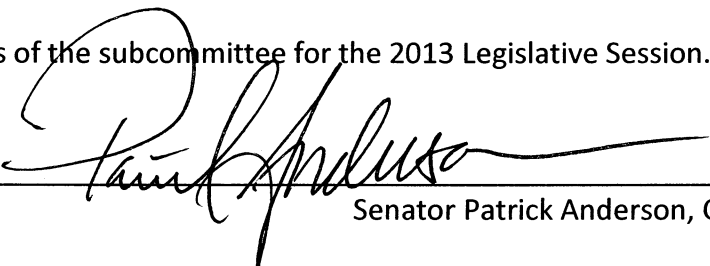
OKLAHOMA STATE SENATE

Report on the Select Agencies Subcommittee

Senator Patrick Anderson, Chair
Senator David Holt, Vice-Chair

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2013

This report details the activities and findings of the subcommittee for the 2013 Legislative Session. Included are two appendixes.



Senator Patrick Anderson, Chair

Introduction and Purpose

After being dormant for many sessions, Senate leadership decided to reinstitute the Appropriation Subcommittee on Select Agencies. The purpose of the subcommittee was to review certain non-appropriated agencies including analyzing their purpose, structure, and budget, and a fee comparison with similar agencies in surrounding states. Most of the documents requested from the agencies matched documents also requested from appropriated agencies so the subcommittee members could better compare and contrast the different issues facing non-appropriated agencies. These documents were also posted to the Senate website allowing continuity among all the agencies reviewed by the Senate Appropriation Committee.

Membership

The agencies assigned to the subcommittee were the same agencies that had been assigned the last time the subcommittee was in existence, with a few changes: the Oklahoma Board of Private Vocational Schools was added, but the Medical Technology and Research Authority, the Oklahoma Workforce Development Board, and the Soybean Commission were removed since they either no longer existed or were no longer stand alone agencies. The list of assigned agencies is available in the attached spreadsheet. The Senators assigned to the subcommittee are as follows:

- Senator Patrick Anderson, Chair
- Senator David Holt, Vice-Chair
- Senator Bill Brown
- Senator Harry Coates
- Senator Nathan Dahm
- Senator Tom Ivester
- Senator Charles Wyrick

Meetings

The Select Agencies Subcommittee began meeting on February 6th and continued to meet most Wednesdays until the final meeting on April 24th. The only Wednesdays the subcommittee did not meet were due to deadlines related to the full Appropriations Committee. All agencies assigned to the subcommittee were reviewed with each agency allowed to give a brief presentation followed by questions from the members. The only agency that did not present (nor submit documents) was the Marginally Producing Oil & Gas Wells Commission. This was due to legislation passed during session which abolished the agency and transferred the powers and duties to the Committee for Sustaining Oklahoma's Energy Resources which will be under the supervision of the Oklahoma Energy Resources Board (SB 767, 2013).

Findings

Although the agencies included covered areas from the Athletic Commission to the Department of Wildlife Conservation, there were a few common threads from most agencies.

- The mandated IT consolidation for all state agencies has either been cost neutral or usually a cost burden for the agencies, with some agencies expressing much frustration with slowed

service or lost data due to the conversion. However, the underlying hope was still for future efficiency that would lead to cost savings.

- Many of the agencies expressed concern that the fees they use to operate require legislative approval in order to be changed. However, the fees that they pay to other state agencies (Attorney General, Office of Management and Enterprise Services, etc.) seem to change at will. This can be problematic since the non-appropriated agencies cannot adjust their fees very quickly in order to account for the higher operating burden placed on them from other state agency fees.
- Over half of the agencies reviewed are required to pay 10% of their budget into the General Revenue fund. In 2012, these agencies contributed a total of at least **\$17,161,034.45** to the General Revenue Fund. It was explained the original purpose for this was to cover the expense of utilizing state services for their operations. However, as referenced above, agencies providing those services now charge fees. Arguably, this means the fees charged by the non-appropriated agencies are higher than necessary for operations. In a sense, the persons or entities doing business with the non-appropriated agencies are paying 10 percent higher than they should.
- In spite of the 10% burden placed on many of the non-appropriated agencies, when the fees from the agencies were compared to fees charged by similar agencies in the surrounding states, the fee amounts were usually either in the mid-range to low end of the spectrum. Many times the agency from Oklahoma had the lowest fee amounts.
- It was also noted that many of the agencies had proportionately larger carryover amounts than appropriated agencies usually carry. This is understandable since these balances would have to cover any emergencies or loss of revenues of the agency instead of asking or depending on a supplemental appropriation from the Legislature.

Future Actions or Recommendations

As the subcommittee reviewed all the agencies, it was questioned whether some of the agencies could be combined or removed from being a state agency. Agencies that could possibly be combined include:

- Motor Vehicle Commission and the Used Motor Vehicle & Parts Commission
- Liquefied Petroleum Gas Board as a function of the Corporation Commission
- Council of Judicial Complaints as a function of either the Supreme Court or the Attorney General's office

Agencies that may no longer need to be a state agency are those that operate off of voluntary participation and usually market a certain product or industry. These include:

- Oklahoma Peanut Commission
- Sheep and Wool Commission
- Wheat Commission

- Oklahoma Energy Resources Board

Some of the agencies reviewed operate only with federal funds even though they are considered a state agency. It may not be necessary to review these agencies every year:

- Oklahoma Employment Security Commission
- Oklahoma Housing Finance Agency
- Oklahoma Student Loan Authority

A few of the agencies have no FTE since the duties of the agencies are performed by an employee of another agency. These agencies would also not need to be reviewed every year:

- Anatomical Board (performed by an employee of the OU Health Science Center)
- State Board of Registration for Foresters (performed by an employee of the Department of Agriculture)

The Oklahoma Municipal Power Authority operates independently and is a state agency by statutory reference only. It would not need to remain as an agency reviewed by the subcommittee.

The Oklahoma State Board of Podiatric Medical Examiners has actually become a function of the Board of Medical Licensure. The Board of Medical Licensure should probably replace them as an agency reviewed by the subcommittee.

Finally, the subcommittee was titled "Select Agencies" since not every non-appropriated agency was assigned to it. Future leadership may want to consider what other non-appropriated agencies could be assigned to the subcommittee if some of the current agencies are removed.

Conclusion

The subcommittee successfully reminded the non-appropriated agencies that they are still accountable to the taxpayers of Oklahoma. And in this first review, several common threads were identified. Future sessions will allow for further exploration and potential legislative reform.

Appendix A

<u>Agencies</u>	<u>10% to GR?</u>	<u>Amount paid to GR in FY'12</u>	<u>Amount paid to other agencies</u>
Anatomical Board	N/A	N/A	N/A
Grand River Dam Authority (GRDA)	No	N/A	N/A*
Interstate Oil Compact Commission (IOCC)	No	N/A	N/A
Oklahoma Board of Private Vocational Schools (OBPVS)	No	N/A	N/A
Oklahoma Municipal Power Authority (OMPA)	No	N/A	\$15,692.00
Oklahoma State Board of Examiners for Long Term Care Administrators	Yes	\$27,662.86	\$55,887.90
CompSource Oklahoma	No	N/A	N/A
Council on Judicial Complaints (COJC)	No	N/A	N/A
Oklahoma Board of Architects, Landscape Architects, & Registered Interior Designers	Yes	\$53,665.00	\$9,262.70
Oklahoma Board of Chiropractic Examiners	Yes	\$20,801.30	\$2,364.16
Oklahoma Board of Examiners for Speech-Language Pathology and Audiology	Yes	\$17,310.33	\$9,694.28
Oklahoma Board of Examiners in Optometry	Yes	\$33,235.08	\$6,126.16
Oklahoma Board of Nursing	Yes	\$326,563.87	\$168,850.47
Oklahoma Board of Osteopathic Examiners	Yes	\$70,564.63	\$40,895.02
Oklahoma Board of Veterinary Medical Examiners	Yes	\$51,660.00	\$82,026.00
Oklahoma Department of Securities	75-80%	\$15,006,510.00	\$42,031.05
Oklahoma Department of Wildlife Conservation	No	N/A	\$191,940.21
Oklahoma Employment Security Commission (OESC)	No	N/A	N/A
Oklahoma Energy Resources Board (OERB)	No	N/A	N/A
Oklahoma Funeral Board	Yes	\$34,096.00	\$49,716.08
Oklahoma Housing Finance Agency (OHFA)	No	N/A	N/A
Oklahoma Industrial Finance Authority (OIFA)	No	N/A	\$71,157.00
Oklahoma Liquefied Petroleum Gas Board (LPGAS)	Yes	\$76,899.00	\$109,309.55
Oklahoma Motor Vehicle Commission (OMVC)	Yes	\$51,822.20	\$26,600.00
Oklahoma Peanut Commission	?	\$0.00	\$830.00
Oklahoma Real Estate Commission (OREC)	Yes	\$97,750.80	\$80,735.06
Oklahoma Sheep and Wool Commission	No	N/A	N/A
Oklahoma State Athletic Commission	Sometimes	N/A	\$30,030.04
Oklahoma State Banking Department	10-20%	\$644,230.82	\$91,752.45
Oklahoma State Board of Cosmetology	Yes	\$120,342.66	\$46,833.62
Oklahoma State Board of Dentistry	Yes	Not reported	Not reported
Oklahoma State Board of Examiners of Psychologists	Yes	\$20,000.00	\$27,500.00
Oklahoma State Board of Licensed Social Workers	Yes	\$22,171.73	\$41,506.83
Oklahoma State Board of Licensure for Professional Engineers and Land Surveyors	Yes	\$134,012.00	\$65,000.00
Oklahoma State Board of Pharmacy	Yes	\$163,253.00	\$91,843.00
Oklahoma State Board of Podiatric Medical Examiners	Yes	\$1,185.00	\$154.86
Oklahoma Student Loan Authority (OSLA)	No	N/A	N/A
Oklahoma Turnpike Authority (OTA)	No	N/A	N/A
Oklahoma Wheat Commission	No	N/A	\$6,971.47
Oklahoma Accountancy Board (OAB)	Yes	\$111,263.00	\$141,603.00
State Board of Registration for Foresters	Yes	\$0.00	N/A
Used Motor Vehicle and Parts Commission	Yes	\$76,035.17	\$61,809.63
Total		\$17,161,034.45	\$1,568,122.54

* GRDA paid \$21,326,916.84 to other state entities for various services, sales.

Appendix B

<u>Agencies</u>	<u>FY 13 Budget</u>	<u>FTE's</u>	<u>Statutory Authority</u>
Anatomical Board	\$0	0	63 O.S. Sec. 91
Grand River Dam Authority (GRDA)	\$272,187,924	575	82 O.S. Sec. 861
Interstate Oil Compact Commission (IOCC)	\$969,188	3	52 O.S. Sec. 204
Oklahoma Board of Private Vocational Schools (OBPVS)	\$197,000	3	70 O.S. Sec. 21-101
Oklahoma Municipal Power Authority (OMPA)	\$165,644,859	62	11 O.S. Sec. 24-103
Oklahoma State Board of Examiners for Long Term Care Administrators	\$335,616	3	63 O.S. Sec. 330.52
CompSource Oklahoma	\$37,165,224	376	85 O.S. Sec. 131
Council on Judicial Complaints (COJC)	\$378,357	2	20 O.S. Sec. 1652
Oklahoma Board of Architects, Landscape Architects, & Registered Interior Designers	\$939,000	4	59 O.S. Sec. 46.4
Oklahoma Board of Chiropractic Examiners	\$221,580	2	59 O.S. Sec. 161.1, 161.4
Oklahoma Board of Examiners for Speech-Language Pathology and Audiology	\$177,657	2	59 O.S. Sec. 1607
Oklahoma Board of Examiners in Optometry	\$251,000	3	59 O.S. Sec. 582
Oklahoma Board of Nursing	\$3,819,897	27	59 O.S. Sec. 567.4
Oklahoma Board of Osteopathic Examiners	\$589,600	5	59 O.S. Sec. 624
Oklahoma Board of Veterinary Medical Examiners	\$478,000	5	59 O.S. Sec. 698.3
Oklahoma Department of Securities	\$7,360,478	28.8	71 O.S. Sec. 1-101
Oklahoma Department of Wildlife Conservation	\$47,413,797	343	Article 26, Sec. 1;29-3-101
Oklahoma Employment Security Commission (OESC)	\$104,274,180	853	40 O.S. Sec. 4-102
Oklahoma Energy Resources Board (OERB)	\$14,846,017	0**	52 O.S. Sec. 288.3
Oklahoma Funeral Board	\$332,800	3	59 O.S. Sec. 396
Oklahoma Housing Finance Agency (OHFA)	\$444,579,856	114	60 O.S. Sec. 176
Oklahoma Industrial Finance Authority (OIFA)	\$2,298,000	5.16	74 O.S. Sec. 855
Oklahoma Liquefied Petroleum Gas Board (LPGAS)	\$754,000	10	52 O.S. Sec. 420.3
Oklahoma Motor Vehicle Commission (OMVC)	\$450,000	4	47 O.S. Sec. 563
Oklahoma Peanut Commission	\$158,933	1	2 O.S. Sec. 18-52
Oklahoma Real Estate Commission (OREC)	\$1,316,393	18	59 O.S. Sec. 858-201
Oklahoma Sheep and Wool Commission	\$6,000	0	2 O.S. Sec. 18-181
Oklahoma State Athletic Commission	\$476,970	2	3A O.S. Sec. 604.1
Oklahoma State Banking Department	\$6,859,000	45	Article 14, Sec. 1; 6 O.S. Sec. 201
Oklahoma State Board of Cosmetology	\$1,101,064	12	59 O.S. Sec. 199.2
Oklahoma State Board of Dentistry	\$570,000	5	Article 5, Sec. 39; 59 O.S. Sec. 328.7
Oklahoma State Board of Examiners of Psychologists	\$264,000	2	59 O.S. Sec. 1354
Oklahoma State Board of Licensed Social Workers	\$236,741	1	59 O.S. Sec. 1253
Oklahoma State Board of Licensure for Professional Engineers and Land Surveyors	\$1,362,000	10	59 O.S. Sec. 475.3
Oklahoma State Board of Pharmacy	\$1,662,200	10	Article 5, Sec. 39; 59 O.S. Sec. 353.3
Oklahoma State Board of Podiatric Medical Examiners	\$58,775	0	59 O.S. Sec. 137
Oklahoma Student Loan Authority (OSLA)	\$8,237,380	84	70 O.S. Sec. 695.3
Oklahoma Turnpike Authority (OTA)	\$73,153,202	607	69 O.S. Sec. 1703
Oklahoma Wheat Commission	\$2,908,000	3.5	2 O.S. Sec. 18-301
Oklahoma Accountancy Board (OAB)	\$1,205,244	10	59 O.S. Sec. 15.2
State Board of Registration for Foresters	\$1,000	0	59 O.S. Sec. 1203
Used Motor Vehicle and Parts Commission	\$1,071,000	10	47 O.S. Sec. 582

** OERB contracts with all employees therefore none are considered state employees.