



Oklahoma



House of Representatives

**FY-05
Legislative
Appropriations**

Legislative Appropriations

Oklahoma House of Representatives

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August, 2004

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PREFACE AND ACKNOWLEDGMENTS

The primary purpose of this document is to serve as a reference to House members, staff and other interested parties in summarizing the Fiscal Year 2005 Legislative Budget Process. As the final report on appropriations of the 2004 Legislative Session, this document contains specific information relating to the issues addressed by the Legislature in constructing the FY-05 budget for the State of Oklahoma.

This report contains a host of detailed information pertaining to past and present decisions affecting FY-05 appropriations. It is hoped that the content and format are presented in a manner that is useful to members of the House, their constituents and the overall appropriations process. A ten-year appropriation history of each state appropriated agency is included as a final summary for the readers' review.

Each member of the Fiscal Staff is to be commended for making contributions in preparing information for this report, as well as for their professional and dedicated work throughout the 2004 legislative session. Significant contributions to the process were also made by the Legal and Research Divisions. Special thanks are also due to Barbara Porter, Assistant to the Appropriations and Budget Committee.

Important to the final work product were Marlene Wynn for putting this document together, Janice Buchanan for supervision and editing, Mark Tygret for contributions on the graphs and charts and Stu Ostler for the wonderful photograph that graces the cover.

Greg Sawyer
Fiscal Director
House of Representatives

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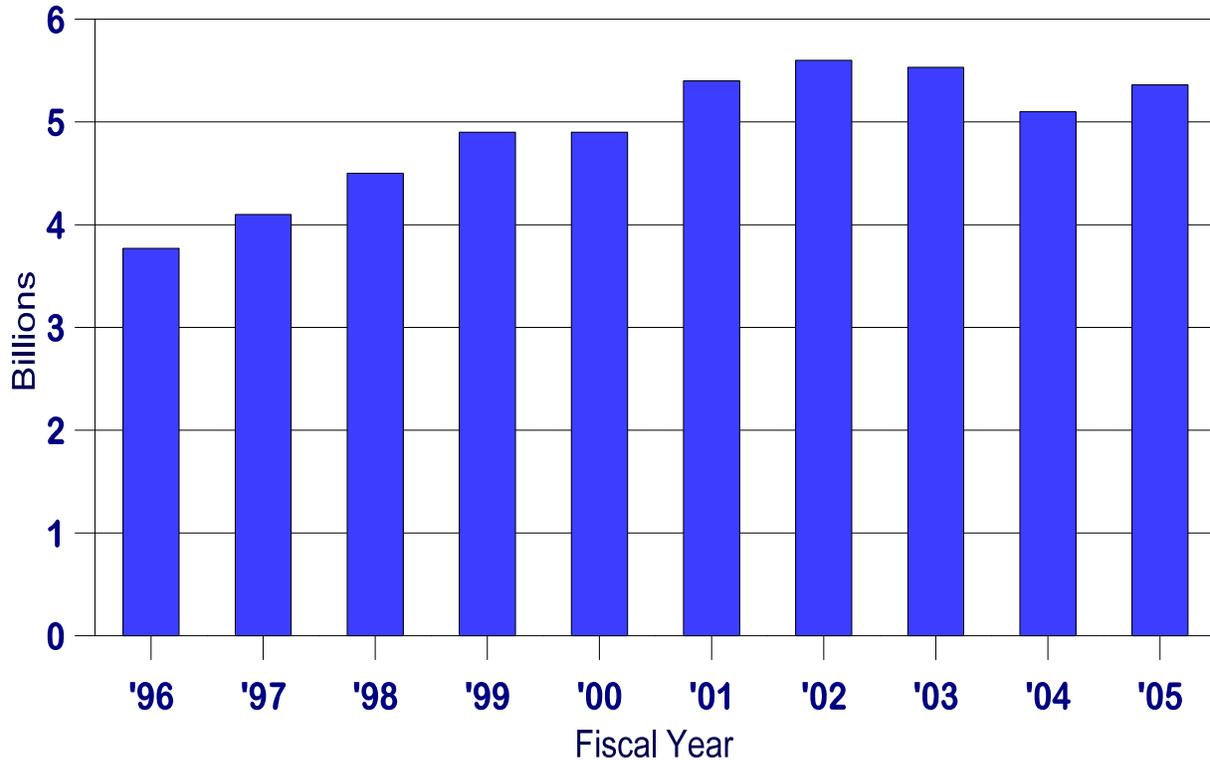
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TEN YEAR APPROPRIATION HISTORY

TOTAL APPROPRIATION LEVEL

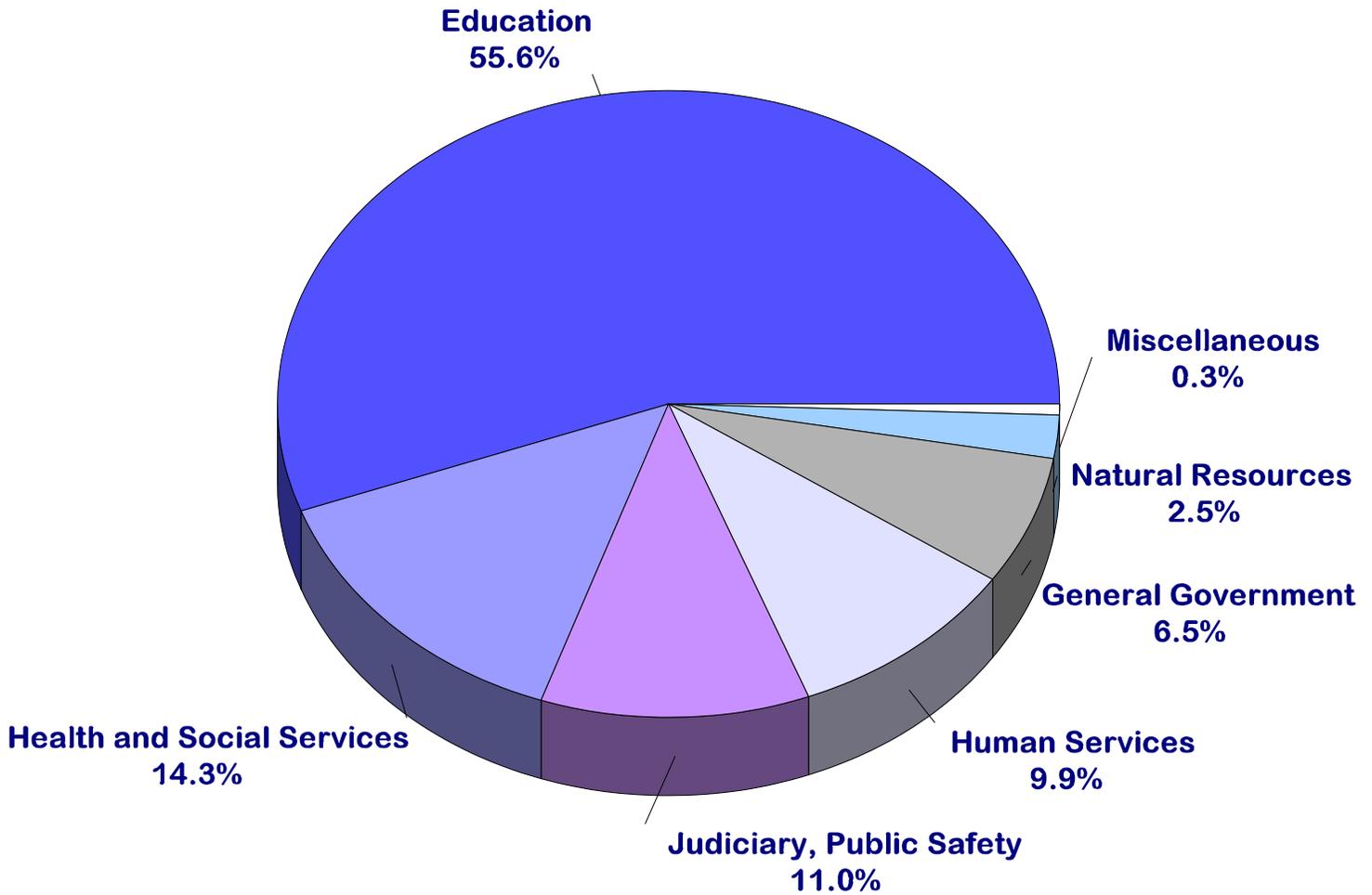


FY-96	\$3,772,109,630	FY-01	\$5,350,656,390
FY-97	\$4,104,977,667	FY-02	\$5,611,514,760
FY-98	\$4,498,606,699	FY-03(Orig.)	\$5,532,095,223
FY-99	\$4,877,234,307	FY-04	\$5,106,597,024
FY-00	\$4,937,170,096	FY-05	\$5,358,101,676

Notes:

1. These figures include appropriations, pension systems, capital and special projects. Figures exclude supplemental appropriations.
2. Totals also include the Tobacco Settlement Fund, the Common Education Technology Revolving Fund, the Education Reform Revolving Fund, the Higher Education Scholarship Revolving Fund and the Higher Education Capital Revolving Fund.

DISTRIBUTION OF FY-05 APPROPRIATIONS BY SUBCOMMITTEE



Total Appropriations = \$5,358,101,676

**Excludes supplemental appropriations and reappropriations.
Includes capital and onetime expenditures.**

FY-05 APPROPRIATIONS OVERVIEW

Fiscal Environment

Having weathered the storms of revenue shortfalls and subsequent program cuts over the past two years, members of the 2nd Session of the 49th Oklahoma Legislature seized the opportunity to avoid further FY-04 budget reductions and looked ahead to a brighter fiscal prospect for FY-05. This optimism primarily was based on slight improvements in general revenue collections, significant recovery in gross production revenue resulting from higher natural gas prices, an infusion of one-time funding to the state Medicaid program through an enhanced Federal Medical Assistance Percentage (FMAP) rate, and a \$117 million one-time grant of federal funds resulting from the passage of the federal Jobs and Growth Tax Relief Reconciliation Act of 2003. March data provided by the Office of State Finance (OSF) showed an increase of \$375 million in FY-04 revenue collections over the previous year thus guaranteeing no additional FY-04 cuts, but lawmakers still faced formidable fiscal issues for consideration during the course of the FY-05 appropriation process.

Strategic Budget Plan

To meet the challenge of maintaining important state programs, House members worked diligently to prioritize issues and define revenue sources to fund education first, address increased enrollment in Medicaid and other social service programs, and consider the pay and health benefit concerns of teachers and state employees. Through the early establishment of goals and subsequent adoption of a strategic plan formulated to achieve these goals, the House of Representatives assumed the leadership role in the appropriation process and provided a blueprint to fund state agencies at levels sufficient to sustain current programs and to address escalating service demands in vital areas of education, public safety, and health care.

General Appropriations Bill

During the first few weeks of the Session, members of the House and Senate successfully passed a comprehensive budget package in the General Appropriation (GA) Bill. **HB 2007** was crafted to fund state government at current and anticipated service levels for FY-05. This unprecedented action by lawmakers was accomplished through extensive zero-based budget work conducted by appropriation and budget subcommittees during the interim. With the Governor's signature on March 22, 2004, the GA bill cleared the way for funding common education first at a \$2.0 billion level, funded 100% of the flexible health benefit premium for school teachers, designated \$15 million in supplemental funding for emergency needs, and restored the Rural Economic Action Plan (REAP) grant funding to \$15.5 million.

Education

The Legislature reaffirmed its commitment and gave the highest priority to Education by funding Common Education at a \$2 billion level, restoring \$17.3 million in ad valorem funds for schools (**SB 1071**), providing 100% of flexible health benefit coverage for teachers (**HB 1571**, **HB 2662**, and **SB 1106**), and establishing an increased minimum salary schedule designed to bring Oklahoma teacher salaries to the regional average starting in FY-06 (**SB 1272**).

Under provisions of the GA bill, Higher Education received an \$800 million funding level, of which \$15.1 million was directed to the Oklahoma Higher Learning Access Program (OHLAP). Members of the Legislature later authorized issuance of \$50 million in bonds for the purpose of meeting the state's matching contribution for endowed chairs (**HB 1904**). The State Regents project this issuance will eliminate the current backlog of endowments funded by private benefactors.

Employee Compensation

For the first time in three years, the Legislature authorized a state employee pay raise in **HB 2005**. Healthier state revenue collections and expectation of economic recovery enabled lawmakers to grant a \$1,400 annual salary increase effective January 1, 2005, with an additional \$700 per year increase beginning July 1, 2005. State troopers also were provided a pay increase in **SB 1137**. Besides raising the entry level pay for the Highway Patrol, Capitol Patrol, Lake Patrol, and communication personnel in the Department of Public Safety, bill provisions compressed the number of pay grade steps, allowing troopers to reach the maximum pay grade in 7 rather than 14 years.

Turning attention to retired state employees, the Legislature passed a 4% Cost of Living Adjustment (COLA) for the Firefighters Pension and Retirement System, the Police Pension and Retirement System, the Law Enforcement Retirement System and the Judicial Uniform Retirement System. **SB 1134** also provides COLA for the Teacher's Retirement System and the Oklahoma Public Employees Retirement System ranging from 2.5% to 4.5% based upon years of service and monthly benefit.

Gaming

Following the Governor's lead, legislation was passed in **SB 1252** allowing horse racing tracks to offer electronic and mechanical gambling like that available at Indian casinos in Oklahoma for state voter consideration at the general election on November 2. Estimates vary on how much revenue the proposal will generate if approved. A portion of the adjusted gross revenues generated by the tracks would be apportioned to the Oklahoma Higher Learning Trust Fund (12%) and the Education Reform Revolving Fund (88%). This same distribution applies to adjusted gross revenues generated under the model compact (government agreement) which Tribal Nations may enter to conduct gaming on Indian lands in Oklahoma.

Tax Adjustments

HB 2660 sends to a vote of the people a proposed tobacco tax increase to fund expansion of public health services and several tax reductions. If approved, proceeds from the tax increase, estimated

at about \$150 million, would leverage a projected \$260 million in federal funds for a total of \$410 million dedicated to improving health care in Oklahoma. The revenue generated from the tax proposal and subsequent federal matching dollars would be used for a variety of state health initiatives including a program that establishes a voucher system allowing lower-income working Oklahomans to purchase private health insurance, increased reimbursements to hospitals across the state for uncompensated trauma care, construction of a cancer center, and offset of the pending reduction in federal Medicaid participation rates.

HB 2660 also calls for approximately \$220 million in proposed tax cuts including the elimination of the capital gains tax on Oklahoma-based property, permanent reduction of the top marginal income-tax rate from 7% to 6.65%, and a boost in the income exemption for public and private sector benefits from \$5,500 to \$7,500.

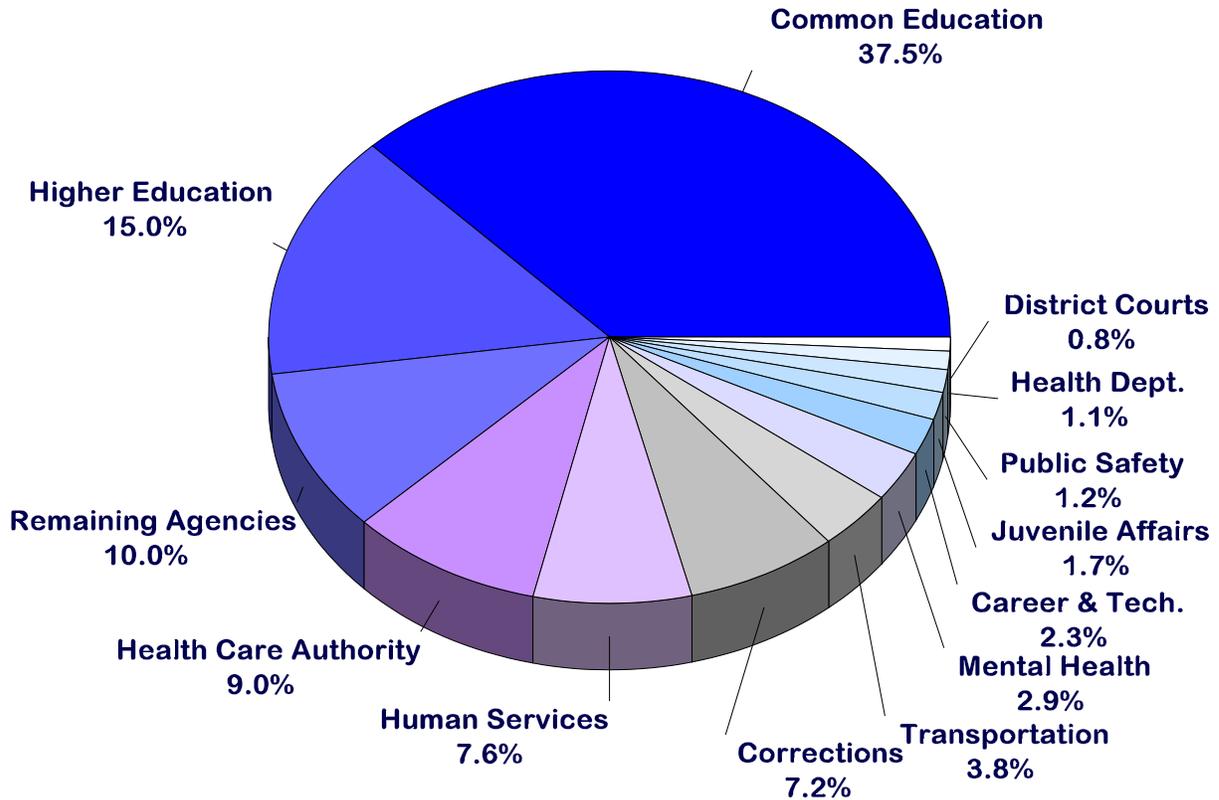
Fiscal Outlook

As this legislative session draws to a close and term limits impact composition of the 50th Oklahoma Legislature, thoughts turn to the future challenges confronting lawmakers in developing the FY-06 budget. Some Legislators are concerned about the amount of one-time revenue sources comprising the FY-05 budget. Rising enrollments and costs associated with Medicaid and other health care or social service programs, continuing obligations to fund teacher and state employee pay and benefit plans, debt service on additional bond issues, and possible losses in revenue resulting from either tax cuts, job losses, or decreases in gross production revenues fuel the uncertainty of the upcoming fiscal year. Early estimates indicate as much as \$500 million in growth or new revenue is required to sustain state government at current service levels in FY-06.

Generating an additional \$500 million in revenue for FY-06 is no small task, given current economic conditions and unemployment statistics for Oklahoma. FY-06 obligations could mandate as much as a 12% growth rate in General Revenue. The State typically experiences annual General Revenue growth of 3 to 5% during more robust economic times. Creation of new middle and upper-income jobs and identification of new revenue sources will be vital to the 50th Oklahoma Legislature's ability to preserve current government service levels for all state citizens.

The following pages describe each agency's FY-05 appropriation in detail. A description of policy issues which played a role in the appropriations decision or will have an impact on the agency's FY-04 budget also is presented for the reader's review. Finally, a ten year appropriations history for each agency is graphically depicted.

DISTRIBUTION OF FY-05 APPROPRIATIONS TWELVE LARGEST AGENCIES

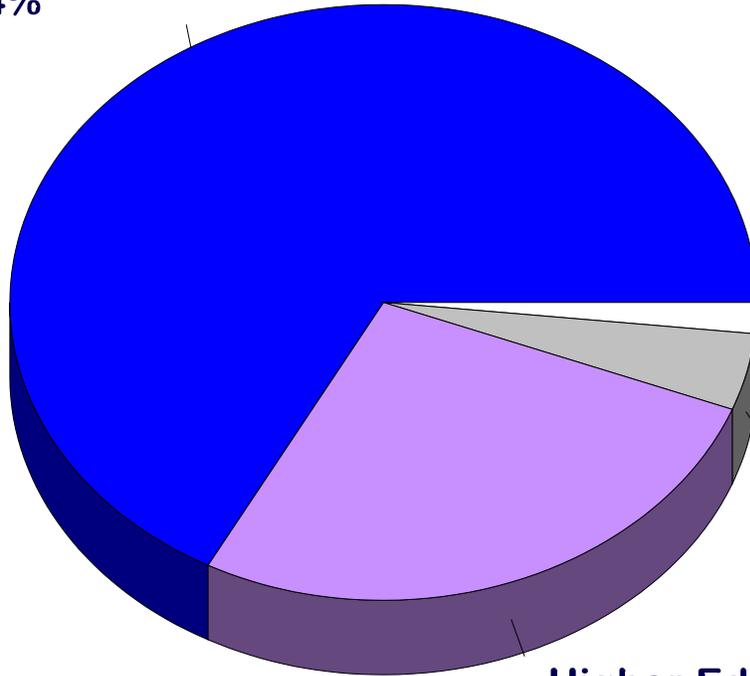


Common Education	\$2,007,663,450
Higher Education	802,136,296
Health Care Authority	482,256,505
Human Services	408,330,849
Corrections	384,286,568
Transportation	200,875,804
Mental Health	155,447,428
Career and Technology	123,887,358
Juvenile Affairs	92,858,160
Public Safety	65,062,004
Health Department	57,563,226
District Courts	43,043,226
Subtotal (90% of Total)	\$4,823,410,874
Remaining State Agencies	<u>534,690,802</u>
Total Appropriations	\$5,358,101,676

Excludes supplemental appropriations and reappropriations.
Includes capital and onetime expenditures.

EDUCATION SUBCOMMITTEE DISTRIBUTION OF FY-05 APPROPRIATIONS

Common Education
67.4%



Other
1.5%

Career & Tech
4.2%

Higher Education
26.9%

Common Education	\$2,007,663,450
Higher Education	802,136,296
Career and Technology	123,887,358
Other	
OCAST	11,669,647
Department of Libraries	6,212,118
School of Science and Math	6,572,319
Physician Manpower Training	5,024,607
Arts Council	3,923,871
Land Office Commission	4,747,965
Educational Television Authority	4,201,753
Teacher Preparation Commission	1,998,168
Private Vocational Schools	<u>155,456</u>
Subcommittee Total	\$2,978,193,008

**Excludes supplemental appropriations and reappropriations.
Includes capital and onetime expenditures.**

OKLAHOMA ARTS COUNCIL

Betty Price, Executive Director

Agency #055

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$3,864,077	17.0
FY-05 Adjustments		
a. Increase State Employee Benefits	14,794	
b. Grant Increases	<u>45,000</u>	
Total Adjustments	\$59,794	0.0
FY-05 Appropriation and FTE Authorization	\$3,923,871	17.0
Percent Change from FY-04 to FY-05	1.5%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. The agency received an increase of \$45,000 for additional Community Programs grants.

III. POLICY ISSUES

None

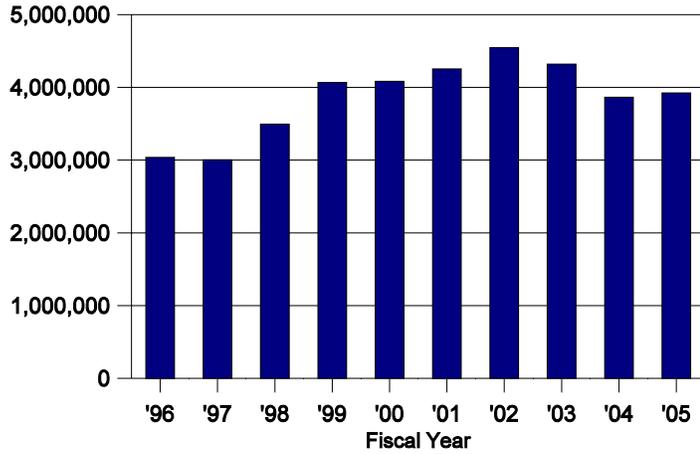
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$3,864,077	\$3,878,871	0.4%
Special Cash	0	45,000	N/A
Interagency Transfers	175,085	175,085	0.0%
Federal Funds	586,500	633,100	7.9%
Total	\$4,625,662	\$4,732,056	2.3%

V. BUDGET REFERENCES

HB 2007, Section 23; HB 2010, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$3,038,037	FY-01	\$4,255,497
FY-97	\$3,006,037	FY-02	\$4,545,772
FY-98	\$3,495,267	FY-03(Orig.)	\$4,318,483
FY-99	\$4,069,644	FY-04	\$3,864,077
FY-00	\$4,083,091	FY-05	\$3,923,871

Note:

1. FY-98 through FY-02 reflect increased support for local project assistance.

STATE BOARD OF CAREER AND TECHNOLOGY EDUCATION

Phil Berkenbile, Director

Agency #800

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$117,822,607	406.0
FY-05 Adjustments		
a. Increase State Employee Benefits	272,480	
b. Certified Flexible Health Benefits	3,754,274	
c. Support Flexible Health Benefits	1,894,212	
d. Operational Increases	<u>143,785</u>	
Total Adjustments	\$6,064,751	0.0
FY-05 Appropriation and FTE Authorization	\$123,887,358	406.0
Percent Change from FY-04 to FY-05	5.1%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Funding for flexible health benefits for certified personnel increased from the state paying 58% to the state paying 100% of the HealthChoice Hi Option premium rate.
- c. Funding for the flexible health benefits for support personnel increased to meet the number of eligible staff.
- d. The agency received an increase of \$143,785 for operations.
- e. Bond debt service in the amount of \$875,000 was redirected to increase funding to comprehensive schools programs.

III. POLICY ISSUES

- a. **HB 1571, HB 2662, SB 1106 and SB 1272** provide a consecutive four-year increase in the Minimum Salary Schedule for teachers beginning FY-06; narrowly defines fringe benefits as being a portion of the employee’s retirement contribution paid for by the district; amounts paid as fringe benefits for FY-04 must be paid as salary beginning in FY-05; the state will pay 100% of the insurance premium rate for the Health Choice Hi-Option plan for certified personnel, excluding superintendents, if participating in an OSEEGIB plan or the district is self-insured and limits the district’s responsibility to 100% of the premium rate for the Health Choice Hi-Option plan; in addition, the funds that the district used for its required 17% of the flexible health benefit must now be used for instructional costs or for counselors, librarians, psychologists,

psychometrists, speech-language pathologists and certified or registered nurses, new or existing; and, any funds that a district paid as all or part of the employee's 25% contribution will now have to use those funds as increased total compensation for certified personnel.

- b. **HB 2294** authorizes a board of education to reimburse meal and lodging expenses of school district students and sponsors involved in authorized school-sponsored co-curricular activities based on a written policy which all districts must develop and adopt. Reimbursement may come from the general fund if the policy provides that option.
- c. **HB 2421** exempts Career and Technology student organizations from sales tax on sales of tangible personal property or services to the student organizations under the direction and supervision of the Oklahoma Department of Career and Technology Education.
- d. **HR 1054** requests the State Board of Career and Technology Education adopt a resolution to undertake of formal study of funding mechanisms and issues relating to the funding for career and technology programs in the public comprehensive high schools.

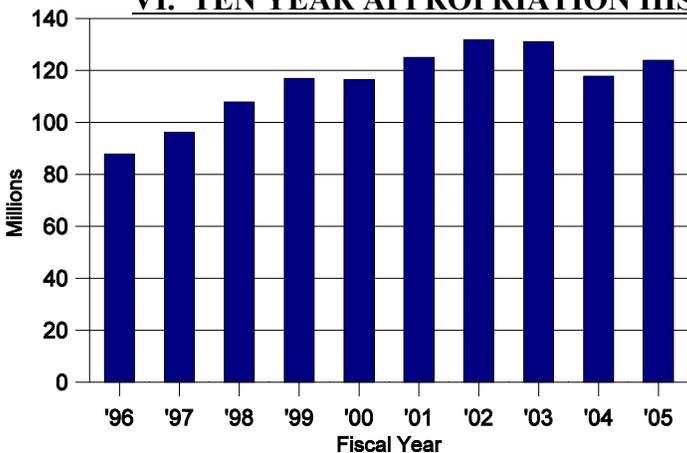
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$117,822,607	\$123,787,358	5.1%
Special Cash	0	100,000	N/A
Revolving Funds	6,240,830	6,075,837	(2.6)%
Federal Funds	26,591,115	25,210,752	(5.2)%
Total	\$150,654,552	\$155,173,947	3.0%

V. BUDGET REFERENCES

HB 2007, Sections 20 through 22; SB 921, Sections 1 through 7

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$87,760,898	FY-01	\$125,023,744
FY-97	\$96,177,115	FY-02	\$131,846,398
FY-98	\$107,875,417	FY-03(Orig.)	\$131,196,667
FY-99	\$116,939,996	FY-04	\$117,822,607
FY-00	\$116,516,706	FY-05	\$123,887,358

STATE BOARD OF EDUCATION

Sandy Garrett, State Superintendent

Agency #265

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$1,950,625,265	396.0
FY-05 Adjustments		
a. Increase State Employee Benefits	377,989	
b. Certified Flexible Health Benefits	50,089,590	
c. Support Flexible Health Benefits	2,150,271	
d. National Board Certification	1,419,650	
e. Formula Funding Study	120,000	
f. Task Force on Administrative Costs	30,000	
g. Staff Development	63,785	
h. Advanced Placement	1,000,000	
i. Teacher Consultant Stipends	500,000	
j. School Lunch Matching	568,000	
k. Alternative and High Challenge	250,000	
l. Adult Education Matching	184,000	
m. Community Education	40,000	
n. Parent Training Programs	250,000	
o. Charter Schools Fund	50,000	
p. VISION	<u>(55,100)</u>	
Total Adjustments	\$57,038,185	0.0
FY-05 Appropriation and FTE Authorization	\$2,007,663,450	396.0
Percent Change from FY-04 to FY-05	2.9%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees; state agency \$72,694 and Early Intervention/SoonerStart \$205,295.
- b. Funding for flexible health benefits for certified personnel increased from the state paying 58% to the state paying 100% of the Health Choice Hi-Option premium rate.

- c. Funding for the flexible health benefits for support personnel increased to meet the number of eligible staff.
- d. Education Leadership Oklahoma (National Board Certification) received an increase of \$335,100 for teacher application costs and \$620,000 for the yearly \$5,000 bonus for successful graduates of the program. The total appropriation for this program is \$5,527,582.
- e. This appropriation of \$120,000 will complete a study on the adequacy of formula funding for all public schools.
- f. This increase of \$30,000 will assist the Task Force on Administrative Costs complete its mission.
- g. Staff development efforts were increased to expand the A+ Schools Arts Program.
- h. Advanced Placement Program grants were increased but the Program remains 28.5% or \$1,119,746 below the FY-02 funding level.
- i. Teacher Consultant Stipends were renewed for FY-05 but are 49.3% or \$486,173 below the FY-02 funding level.
- j. This appropriation represents the School Lunch Match required by the federal government.
- k. Alternative and High Challenge Programs funding was increased by \$250,000 but remains 11.4% or \$2,228,141 below the FY-02 funding level.
- l. This appropriation represents the Adult Education Match required by the federal government.
- m. The Community Education program was funded with \$40,000 to reinstate the community education consortium. This consortium provides coordination, statistical data and information.
- n. Parent Training Programs were increased with this \$250,000 appropriation but remain 45% or \$1,266,464 below the FY-02 funding level.
- o. An appropriation of \$50,000 was directed to the Charter Schools Fund.
- p. The Virtual Internet School in Oklahoma Network (VISION) Program was reduced by \$55,100.

III. POLICY ISSUES

- a. **HB 2294** authorizes a board of education to reimburse meal and lodging expenses of school district students and sponsors involved in authorized school-sponsored co-curricular activities based on a written policy which all districts must develop and adopt. Reimbursement may come from the general fund if the policy provides this option.
- b. **HB 2332** updates the financial processes allowed for school districts to conduct their business and budgeting activities and excludes using federal funds when calculating a districts's general fund balance. Bill provisions allow the general fund balance penalty to be forgiven if it occurred solely from a sales tax levied by a county for school support for FY-04 and FY-05, and make it unlawful for a treasurer, school district officer or a board of education to make expenditures in excess of revenue estimates.

- c. **HB 1571, HB 2662, SB 1106 and SB 1272** provide a consecutive four-year increase in the Minimum Salary Schedule for teachers beginning FY-06. Bill provisions narrowly define fringe benefits as being a portion of the employee's retirement contribution paid for by the district and stipulate that amounts paid as fringe benefits for FY-04 must be paid as salary beginning in FY-05. Under these measures, the State pays 100% of the insurance premium rate for the Health Choice Hi-Option plan for certified personnel, excluding superintendents, if participating in an OSEEGIB plan or the district is self-insured and the district's responsibility is limited to 100% of the premium rate for the Health Choice Hi-Option plan. In addition, the funds that the district previously used for its required 17% of the flexible health benefit must now be used for instructional costs or for counselors, librarians, psychologists, psychometrists, speech-language pathologists and certified or registered nurses, new or existing; and, any funds that a district paid as all or part of the employee's 25% contribution will now have to be used as increased total compensation for certified personnel.
- d. **SB 713** requires a school district notify a charter school of its non-renewal eight months (rather than 60 days) prior to expiration of the contract. Bill provisions change first year allocation of funds from the district's average expenditure for the preceding year to current year's ADM funding. The bill also creates the Charter Schools Incentive Fund to provide financial assistance for start-up costs, renovation and remodeling needs, and authorizes the State Department of Education to allocate funds on a per-pupil basis for matching federal monies for State Charter Facilities Incentive Grants Program.
- e. **SB 912 and SB 1071** appropriate \$17.3 million to be transferred to the Oklahoma Tax Commission's Ad Valorem Reimbursement Fund for reimbursement to the school districts (through the counties) which claim lost revenue due to tax exemptions granted for new or expanded manufacturing or research and development facilities.
- f. **SB 1114** extends the general fund balance penalty waiver for districts receiving higher than expected revenues from gross production and creates the Task Force on School District General Fund Carryover Standards until December 31, 2004.
- g. **SB 1207** authorizes an annual bonus of \$5,000 for school psychologists designated as Nationally Certified by the National School Psychology Certification Board, and any speech-language pathologist or audiologist who holds a Certificate of Clinical Competence awarded by the American Speech-Language Hearing Association, if funds are available. The bill also creates the Oklahoma School Psychologist, Speech-Language Pathologist and Audiologist National Certification Revolving Fund.
- h. **SB 1252**, State Question No. 712 on the November 2, 2004 General Election ballot, will allow private pari-mutual horse racing tracks to have electronic gaming devices similar to those in tribal casinos. A portion of the adjusted gross revenues generated by the tracks would be apportioned to the Oklahoma Higher Education Learning Trust Fund (OHLAP) (12%) and the Education Reform Revolving Fund (88%). This same distribution applies to adjusted gross revenues generated under the model compact which Tribal Nations may enter to conduct enhanced gaming on Indian lands in Oklahoma.

IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue	\$1,396,994,368	\$1,553,573,898	11.2%
Special Cash	1,760,137	1,676,340	(4.8)%
Education Reform Rev. Fund	524,248,646	416,260,946	(20.6)%
Common Education Technology Revolving Fund ¹	26,292,114	34,032,209	29.4%
Mineral Leasing - FY-05	0	1,900,000	N/A
Mineral Leasing - FY-04	1,330,000	0	(100.0)%
Mineral Leasing - FY-03	0	220,057	N/A
Revolving Funds	1,322,140	1,212,077	(8.3)%
Federal Funds	544,985,474	609,063,555	11.8%
Total	\$2,496,932,879	\$2,617,939,082	4.8%

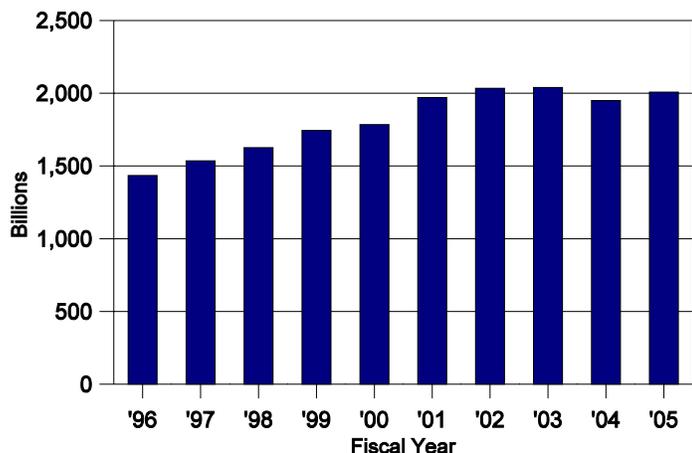
Note:

1. This fund's revenue source is gross production which is experiencing higher than historical natural gas prices.

V. BUDGET REFERENCE

HB 2007, Sections 2 through 11; HB 2012 sections 1 through 36; and SB 1080, Sections 1 through 3

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$1,435,336,213	FY-01	\$1,971,371,430
FY-97	\$1,535,699,774	FY-02	\$2,034,909,788
FY-98	\$1,626,290,254	FY-03(Orig.)	\$2,040,028,941
FY-99	\$1,741,031,635	FY-04	\$1,950,625,265
FY-00	\$1,784,826,960	FY-05	\$2,007,663,450

OKLAHOMA EDUCATIONAL TELEVISION AUTHORITY

John McCarroll, Director

Agency #266

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$3,448,064	84.0
FY-05 Adjustments		
a. Increase State Employee Benefits	58,689	
b. Digital Broadcasting Requirements	<u>695,000</u>	
Total Adjustments	\$753,689	0.0
FY-05 Appropriation and FTE Authorization	\$4,201,753	84.0
Percent Change from FY-04 to FY-05	21.9%	0.0%

I. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. The agency received an increase of \$695,000 for the further compliance with FCC requirements relating to the operation of digital TV transmission.

III. POLICY ISSUES

None

IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$3,448,064	\$4,201,753	21.9%
Reappropriation	270,848	0	(100.0)%
Federal Grants ¹	1,889,177	519,293	(72.5)%
Revolving Funds	4,253,962	4,155,228	(2.3)%
Total	\$9,862,051	\$8,876,274	(10.0)%

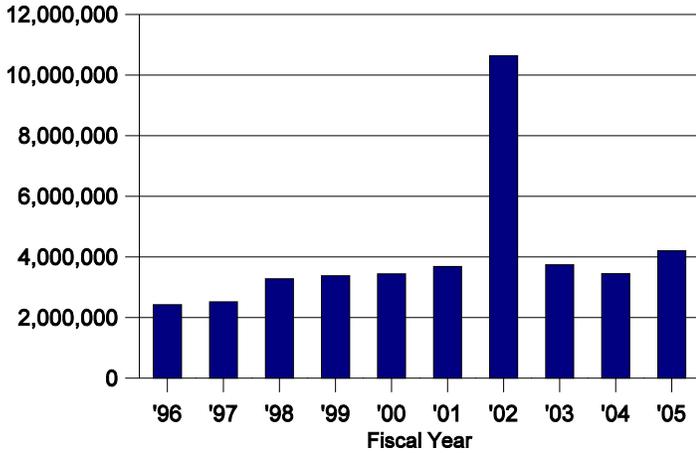
Note:

1. Federal grants have been reduced with successful implementation of certain phases of digital television broadcasting.

V. BUDGET REFERENCES

HB 2007, Section 24; HB 2014, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$2,422,367	FY-01	\$3,685,817
FY-97	\$2,518,361	FY-02	\$10,638,732
FY-98	\$3,283,681	FY-03(Orig.)	\$3,741,795
FY-99	\$3,385,382	FY-04	\$3,448,064
FY-00	\$3,441,158	FY-05	\$4,201,753

Note:

1. The increase for FY-02 and subsequent decrease for FY-03 represents an investment for new equipment for conversion to digital transmission.

STATE REGENTS FOR HIGHER EDUCATION

Paul Risser, Chancellor

Agency #605

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$768,130,523	N/A
FY-05 Adjustments		
a. Increase State Employee Benefits	241,674	
b. Debt Service Obligation	423,597	
c. OHLAP Increase	4,100,000	
d. Nigh Scholarships	100,000	
e. Tuition Equalization Grants	1,000,000	
f. Mandatory Costs	24,255,502	
g. Operational Increase	585,000	
h. Cooperative Extension Services	<u>3,300,000</u>	
Total Adjustments	\$34,005,773	N/A
FY-05 Appropriation and FTE Authorization	\$802,136,296	N/A
Percent Change from FY-04 to FY-05	4.4%	N/A

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Cash reserve funds for outstanding obligation of the Oklahoma Capital Improvement Authority (OCIA) were replaced by surety policies in 2003. Cash reserves were placed into the appropriate sinking funds for each outstanding issue and used for the retirement of the principal during FY-04, thus reducing payment requirements to the sinking fund. Required payments to the sinking fund will be increased in FY-05 by \$183,597 on multiple capital improvements within the state system and by \$240,000 for renovation of Quartz Mountain as cash reserves are exhausted.
- c. The Oklahoma Higher Learning Access Program (OHLAP) was increased by \$4,100,000 for a total funding level of \$15,022,787. If State Question No. 712 (tribal/electronic gaming) passes a vote of the people on the November 2, 2004 general election, an additional amount of approximately \$4.2 million will be directed to the OHLAP Program from gaming revenues.
- d. The George Nigh Scholarship Program received an increase of \$100,000.

- e. The State Regents are authorized to transfer \$1,000,000 to the Oklahoma Tuition Equalization Grant Trust Fund.
- f. The State System of Higher Education received an increase of \$24,255,502 to assist with mandatory cost for universities and colleges throughout the State.
- g. This increase in operations funding will be directed to the following programs: Political Communications Center at the O.U. School of Journalism \$85,000; Food and Agriculture Product Development Center at O.S.U. \$200,000; and, Sutton Program at the O.U. College of Arts and Sciences.
- h. An increase of \$3.3 million was provided for the operational costs of the Cooperative Extension Services provided through O.S.U.

III. POLICY ISSUES

- a. **HB 1904** authorizes the Oklahoma Capital Improvement Authority to issue bond obligations up to \$50.0 million, and for no longer than ten years, to provide the state's matching obligation for the backlog of endowed chairs, professorships, lectureships and artists-in-residence. Private monies must have been received prior to providing the state match. The State Regents are responsible for the debt service of these obligations, to be paid from state appropriated funds, however, interest revenue may also be used for payment of debt service.
- b. **HB 2226** creates the Alternative Retirement Plan for Comprehensive Universities Act. This Act authorizes the comprehensive universities' boards of regents to establish an alternate retirement plan in lieu of the Oklahoma Teachers' Retirement System (OTRS). There is a onetime employee opt-out opportunity; and, for each current participant in OTRS who opts-out, the university must continue to contribute a surcharge to OTRS in an amount to amortize the unfunded accrued liability of the currently employed ex-participant. The university must also pay an initial employer surcharge of 2.5% of the total compensation of those employees participating and non-participating in OTRS for approximately thirty years.
- c. **HB 2624** redesignates the Higher Education Center in Duncan as a branch campus of Cameron University which will have administrative responsibility and provides for governance by the Board of Regents for the University of Oklahoma.
- d. **HB 2630** states legislative intent that State Regents' residency policies for tuition, fees, scholarships and financial aid insure that military dependents whose families are stationed out-of-state are charged in-state residency fees if they established Oklahoma residency prior to enrollment in the Oklahoma State System of Higher Education.
- e. **HB 2660**, State Question No. 713 on the November 2, 2004 general election ballot, increases the cigarette and tobacco products tax. Increased revenue and matching federal monies will fund expansion of several public health services, including construction of a cancer research and treatment center on the O.U. Health Sciences Center campus.

- f. **HCR 1068** authorizes the Board of Regents of Oklahoma Colleges, on behalf of East Central University, to issue revenue bonds not to exceed \$5.0 million for the construction of the Fine Arts Center on the campus of East Central University in Ada.
- g. **SB 924** designates OU-Tulsa as an constituent agency of the University of Oklahoma.
- h. **SB 1252**, State Question No. 712 on the November 2, 2004 general election ballot, will allow private pari-mutual horse racing tracks to have electronic gaming devices similar to those in tribal casinos. A portion of the adjusted gross revenues generated by the tracks would be apportioned to the Oklahoma Higher Education Learning Trust Fund (OHLAP) (12%) and the Education Reform Revolving Fund (88%). This same distribution applies to adjusted gross revenues generated under the model compact which Tribal Nations may enter to conduct gaming on Indian lands in Oklahoma.
- i. **SCR 39** authorizes the Board of Regents of the University of Oklahoma, on behalf of Cameron University, to issue revenue bonds not to exceed \$15.0 million to construct and equip the Living/Learning Center.
- j. **SCR 41** authorizes the Board of Regents of Oklahoma Colleges, on behalf of the University of Central Oklahoma, to issue revenue bonds not to exceed \$18.0 million for renovation and construction of improvements to Wantland Stadium-Sports Complex.
- k. **SCR 54** authorizes the Board of Regents of the University of Oklahoma, on behalf of the University of Oklahoma, to issue revenue bonds not to exceed \$100.0 million for acquiring, constructing, renovating, remodeling, expanding, furnishing, equipping, landscaping and exterior amenities for Norman Campus research, technology and student housing projects.
- l. **SCR 70** creates the Task Force on Reading Curriculum and Instruction. The Task Force is charged with the responsibility of evaluating teacher preparation programs, assessing prospective teachers, including techniques of the five essential components of reading, studying the implementation and evaluation of the Reading Sufficiency Act, determining the impact of the “Literacy First” professional development institute on reading and, issuing a report of all findings on or before December 31, 2004.
- m. **SCR 79** authorizes the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges, on behalf of Oklahoma State University College of Osteopathic Medicine, to issue revenue bonds not to exceed \$35.0 million, to construct a building dedicated to expanding telemedicine to rural areas of the state, if State Question No. 713 (tax increases on cigarettes and tobacco products) passes a vote on November 2, 2004.
- n. **SCR 80** authorizes the Board of Regents of the University of Oklahoma, on behalf of the University of Oklahoma Health Sciences Center, to issue revenue bonds not to exceed \$75.0 million to construct a comprehensive cancer center, if State Question No. 713 (tax increases on cigarettes and tobacco products) passes a vote on November 2, 2004.

IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$694,305,131	\$638,018,492	(8.1)%
Constitutional Reserve Fund	21,199,498	0	(100.0)%
Special Cash	0	96,053,386	N/A
Higher Education Capital Revolving Fund ¹	26,292,114	34,032,209	29.4%
Tuition Scholarship Revolving Fund ¹	26,292,114	34,032,209	29.4%
Oklahoma Building Bonds 1992 Series A	11,484	0	(100.0)%
Oklahoma Building Bonds 1992 Series B	30,182	0	(100.0)%
Tuition and Fees	432,655,043	505,455,878	16.8%
Total	\$1,200,785,566	\$1,307,592,174	8.9%

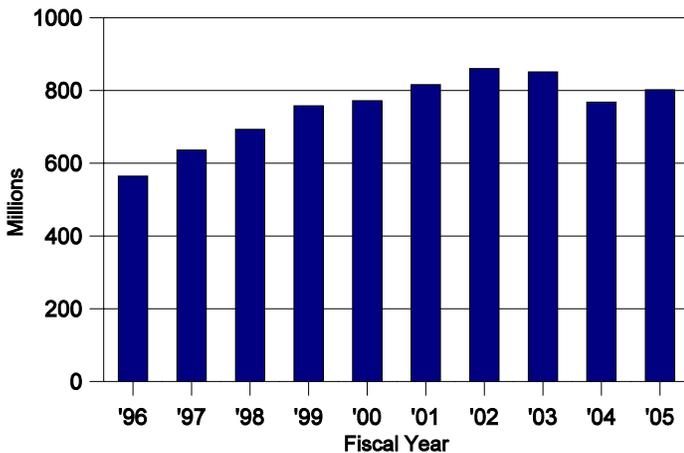
Note:

1. This fund’s revenue source is gross production which is experiencing higher than historical natural gas prices.

V. BUDGET REFERENCES

HB 2007, Sections 12 through 19; SB 923, Sections 1 through 5

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$564,806,579	FY-01	\$816,172,157
FY-97	\$636,206,579	FY-02	\$860,475,547
FY-98	\$693,299,391	FY-03(Orig.)	\$851,255,610
FY-99	\$757,862,120	FY-04	\$768,130,523
FY-00	\$772,165,329	FY-05	\$802,136,296

COMMISSIONERS OF THE LAND OFFICE

Clifton Scott, Secretary

Agency #410

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$4,095,100	63.0
FY-05 Adjustments		
a. Increase State Employee Benefits	66,865	
b. Operational Increases	<u>586,000</u>	
Total Adjustments	\$652,865	0.0
FY-05 Appropriation and FTE Authorization	\$4,747,965	63.0
Percent Change from FY-04 to FY-05	15.9%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. The agency received an increase of \$586,000 for operations and reorganization as follows: conversion of temporary employees to 6.0 unclassified positions \$84,000; soil conservation improvements \$150,000; real estate brokerage for Texhoma acquisitions \$200,000; and, data base development for accounting \$100,000, GIS \$10,000 and equipment \$42,000. Yearly maintenance is projected to cost \$28,000 for both data bases.

III. POLICY ISSUES

- a. **HB 2004** expands the number of non-classified positions within the agency.
- b. **HB 2542** authorizes the Commissioners of the Land Office to invest no more than 3% of the value of the permanent school funds in real property owned or acquired by the State or the Oklahoma Tourism and Recreation Commission. Any investment relating to Texhoma State Park, Lake Texhoma Lodge or real property in the area is subject to provisions relating to certain current employees' future employment or receipt of a severance package. Proceeds are to be reinvested in the area, existing private concessionaires are to be consulted and included in development, and Lake Texhoma Association headquarters must be allowed to remain at the current location and the real property must be granted to the Association.
- c. **HB 2681** authorizes the Commission to exchange trust property for other real property of equal or greater value. The bill allows the Commission to select realtors through a competitive bid process to secure tenants for commercial properties.

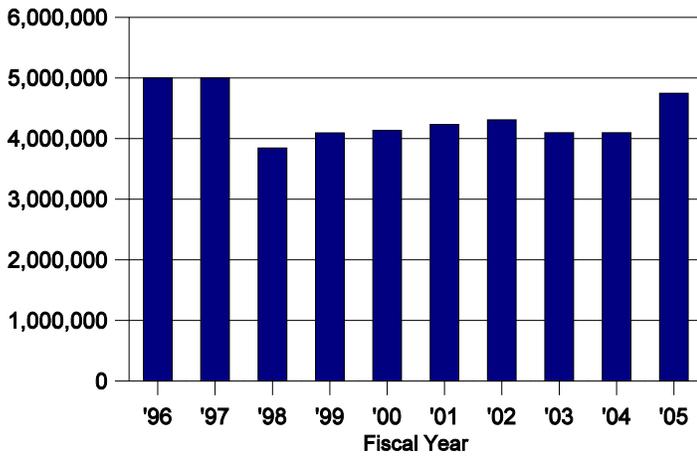
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
Commissioners of the Land Office Fund	\$4,095,100	\$4,747,965	15.9%
Total	\$4,095,100	\$4,747,965	15.9%

V. BUDGET REFERENCES

HB 2007, Section 25; SB 925, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$5,000,000	FY-01	\$4,233,763
FY-97	\$5,000,000	FY-02	\$4,310,632
FY-98	\$3,847,105	FY-03(Orig.)	\$4,095,100
FY-99	\$4,092,947	FY-04	\$4,095,100
FY-00	\$4,135,788	FY-05	\$4,747,965

Note:

1. In FY-98, the agency experienced a major restructuring that involved cuts in operations and personnel.

OKLAHOMA DEPARTMENT OF LIBRARIES

Susan McVey, Director

Agency #430

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$6,166,270	82.8
FY-05 Adjustments		
a. Increase State Employee Benefits	45,848	
Total Adjustments	\$45,848	0.0
FY-05 Appropriation and FTE Authorization	\$6,212,118	82.8
Percent Change from FY-04 to FY-05	0.7%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

None

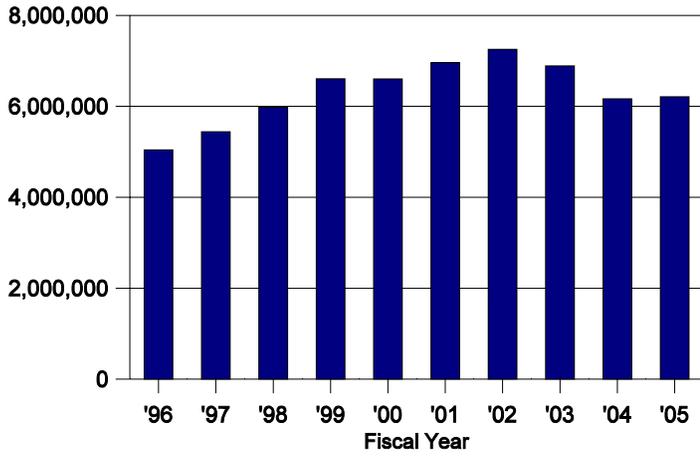
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$6,166,270	\$6,212,118	0.7%
Revolving Funds	324,692	375,000	15.5%
Federal Funds	2,760,814	2,726,710	(1.2)%
Total	\$9,251,776	\$9,313,828	0.7%

V. BUDGET REFERENCES

HB 2007, Section 26; SB 927, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$5,041,625	FY-01	\$6,960,586
FY-97	\$5,441,625	FY-02	\$7,254,115
FY-98	\$5,982,193	FY-03(Orig.)	\$6,891,409
FY-99	\$6,607,487	FY-04	\$6,166,270
FY-00	\$6,602,568	FY-05	\$6,212,118

PHYSICIAN MANPOWER TRAINING COMMISSION

Rick Ernest, Director

Agency #619

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$5,017,536	7.0
FY-05 Adjustments		
a. Increase State Employee Benefits	<u>7,071</u>	
Total Adjustments	\$7,071	0.0
FY-05 Appropriation and FTE Authorization	\$5,024,607	7.0
Percent Change from FY-04 to FY-05	0.1%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

- a. **SB 908** increases a scholarship grant from \$6,000 up to \$15,000 per academic year.

IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$5,017,536	\$4,624,607	(7.8)%
Special Cash	0	400,000	N/A
Community Residency Fund ¹	304,000	237,500	(21.9)%
PMTTC Revolving Fund	244,156	231,025	(5.4)%
Nursing Student Assistance Fund	305,000	320,950	5.2%
Loan Repayment Program	0	15,000	N/A
Total	\$5,870,692	\$5,829,082	(0.7)%

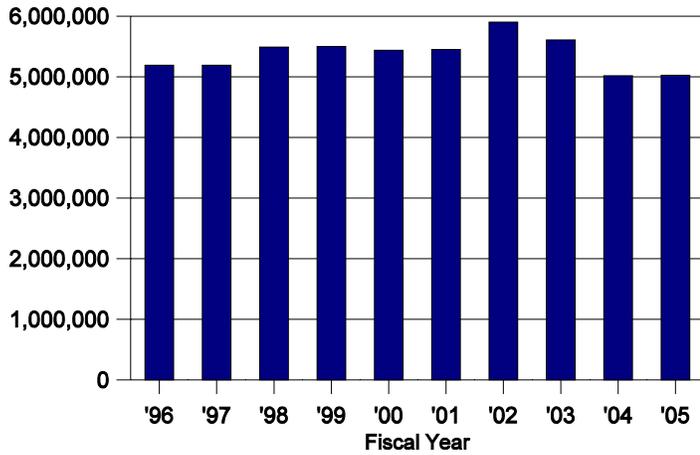
Note:

1. The decrease noted in this table is due to the agency funding fewer physicians in rural areas of the State.

V. BUDGET REFERENCES

HB 2007, Section 27; HB 2016, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$5,190,508	FY-01	\$5,449,660
FY-97	\$5,190,508	FY-02	\$5,901,708
FY-98	\$5,490,245	FY-03(Orig.)	\$5,606,623
FY-99	\$5,499,743	FY-04	\$5,017,536
FY-00	\$5,438,784	FY-05	\$5,024,607

BOARD OF PRIVATE VOCATIONAL SCHOOLS

Dennis Rea, Director

Agency #563

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$152,989	3.0
FY-05 Adjustments		
a. Increase State Employee Benefits	2,467	
Total Adjustments	\$2,467	0.0
FY-05 Appropriation and FTE Authorization	\$155,456	3.0
Percent Change from FY-04 to FY-05	1.6%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

- a. **HB 2400** increases the penalty from \$500 up to \$1,000 for private school licensure which does not meet the required standards. The bill raises the new license fee from \$1,000 to \$1,200 and creates a schedule of renewal fees based on a school's tuition income. All fees, penalties and fines collected will be deposited to the newly created Oklahoma Board of Private Vocational Schools Revolving Fund.
- b. **SB 917** creates the Oklahoma Board of Private Vocational Schools Revolving Fund which requires legislative authorization to be expended.

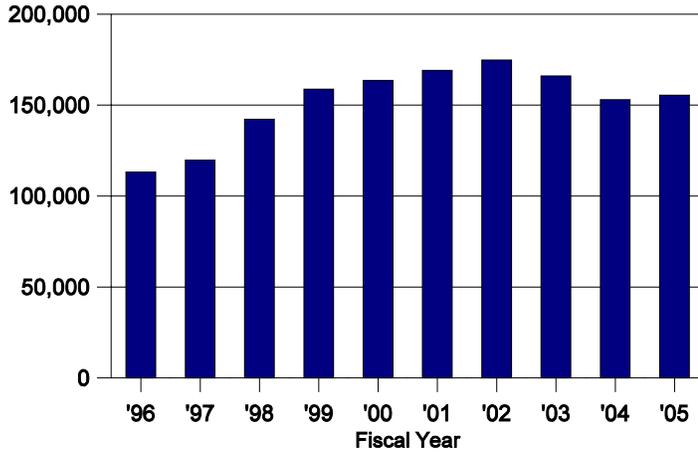
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$152,989	\$155,456	1.6%
Total	\$152,989	\$155,456	1.6%

V. BUDGET REFERENCES

HB 2007, Section 28; HB 2018, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$113,226	FY-01	\$169,117
FY-97	\$119,817	FY-02	\$174,760
FY-98	\$142,283	FY-03(Orig.)	\$166,022
FY-99	\$158,790	FY-04	\$152,989
FY-00	\$163,601	FY-05	\$155,456

OKLAHOMA SCHOOL OF SCIENCE AND MATHEMATICS

Edna Manning, President

Agency #629

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$6,204,693	77.0
FY-05 Adjustments		
a. Increase State Employee Benefits	80,743	
b. Debt Service Obligation	136,883	
c. Regional Outreach Programs	100,000	
d. Operational Expenses	<u>50,000</u>	
Total Adjustments	\$367,626	0.0
FY-05 Appropriation and FTE Authorization	\$6,572,319	77.0
Percent Change from FY-04 to FY-05	5.9%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Cash reserve funds for outstanding obligations of the Oklahoma Capital Improvement Authority (OCIA) were replaced by surety policies in 2003. Cash reserves were placed into the appropriate sinking funds for each outstanding issue and used for the retirement of the principal during FY-04, thus reducing payment requirements to the sinking fund. Required payments to the sinking fund will be increased in FY-05 by \$136,883 for the library and science buildings as cash reserves are exhausted.
- c. An increase of \$100,000 was appropriated to begin operations of the Ponca City Regional Outreach program.
- d. An additional of \$50,000 was appropriated for operating expenses of the school.

III. POLICY ISSUES

None

IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$6,204,693	\$6,572,319	5.9%
Agency Transfer ¹	200,000	0	(100.0)%
Revolving Funds	10,000	12,000	20.0%
Total	\$6,414,693	\$6,584,319	2.6%

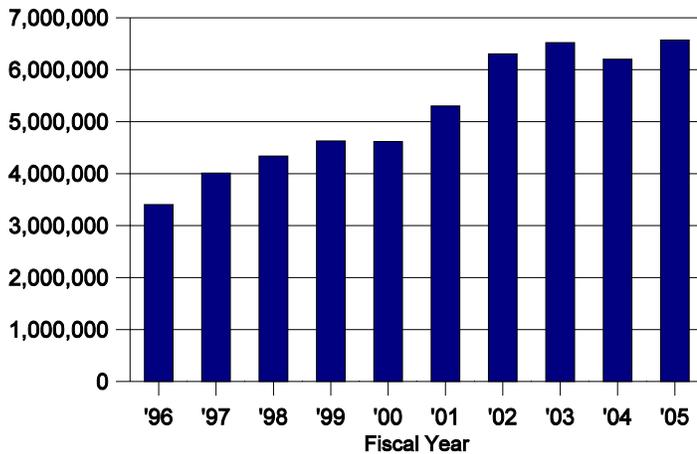
Note:

1. From Physicians Manpower Training Commission for operations.

V. BUDGET REFERENCES

HB 2007, Section 29; SB 929, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$3,406,437	FY-01	\$5,304,070
FY-97	\$4,010,557	FY-02	\$6,302,098
FY-98	\$4,339,053	FY-03(Orig.)	\$6,522,429
FY-99	\$4,628,895	FY-04	\$6,204,693
FY-00	\$4,618,734	FY-05	\$6,572,319

**OKLAHOMA CENTER FOR THE ADVANCEMENT OF
SCIENCE AND TECHNOLOGY**

Sheri Stickley, Interim Executive Director

Agency #628

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$11,014,880	24.0
FY-05 Adjustments		
a. Increase State Employee Benefits	29,767	
b. Applied Research	250,000	
c. Technology Transfer	<u>375,000</u>	
Total Adjustments	\$654,767	0.0
FY-05 Appropriation and FTE Authorization	\$11,669,647	24.0
Percent Change from FY-04 to FY-05	5.9%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. An increase of \$250,000 was appropriated for additional applied research grants.
- c. Technology transfer funding was increased by \$250,000 to replace the federal funding reduction to the Manufacturer’s Alliance and \$125,000 for nanotechnology research.

III. POLICY ISSUES

- a. **SB 1206** expands the Oklahoma Science and Technology Research and Development Board to include the Governor’s appointed Cabinet Secretary of Agriculture and the president of one of the regional universities.
- b. **SB 1537** expands OCAST’s goals to include growth of nanotechnology and sensors industries.

IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$11,014,880	\$11,294,647	2.5%
Special Cash	0	375,000	N/A
Research Support Revolving Fund	15,000,000	12,158,009	(18.9)%
Federal Funds ¹	224,751	100,000	(55.5)%
Total	\$26,239,631	\$23,927,656	(8.8)%

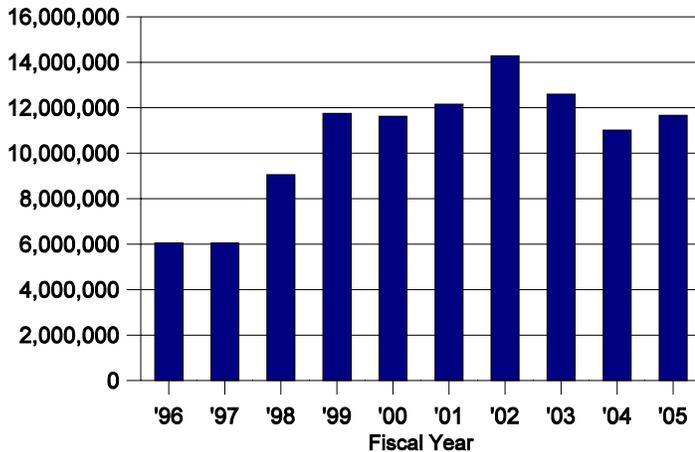
Note:

1. A grant from the Department of Energy expired.

V. BUDGET REFERENCES

HB 2007, Section 30; SB 931, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$6,050,851	FY-01	\$12,158,041
FY-97	\$6,050,851	FY-02	\$14,286,952
FY-98	\$9,059,272	FY-03(Orig.)	\$12,597,604
FY-99	\$11,748,532	FY-04	\$11,014,880
FY-00	\$11,624,513	FY-05	\$11,669,647

Notes:

1. FY-98 figure represents a substantial increase to the Applied Research Program.
2. FY-02 includes \$1,000,000 to create the Institute of Technology as required by SB 694.

OKLAHOMA COMMISSION FOR TEACHER PREPARATION

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$1,986,006	9.0
FY-05 Adjustments		
a. Increase State Employee Benefits	<u>12,162</u>	
Total Adjustments	\$12,162	0.0
FY-05 Appropriation and FTE Authorization	\$1,998,168	9.0
Percent Change from FY-04 to FY-05	0.6%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

None

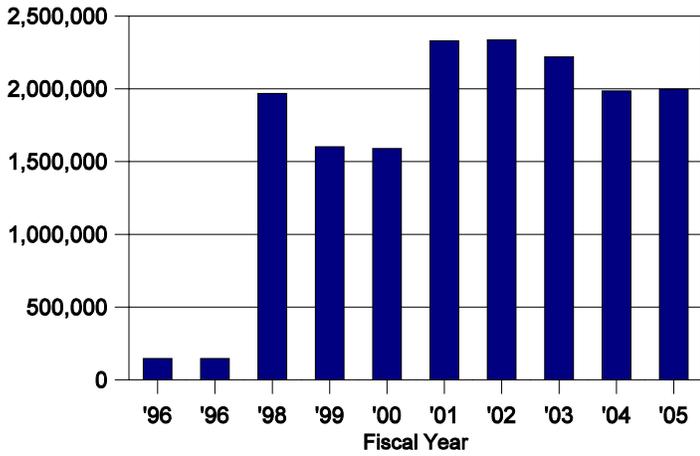
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$1,986,006	\$1,998,168	0.6%
Interagency Transfers	3,200,185	3,535,285	10.5%
Revolving Funds	2,369,169	2,066,864	(12.8)%
Total	\$7,555,360	\$7,600,317	0.6%

V. BUDGET REFERENCES

HB 2007, Section 31; HB 2020, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY

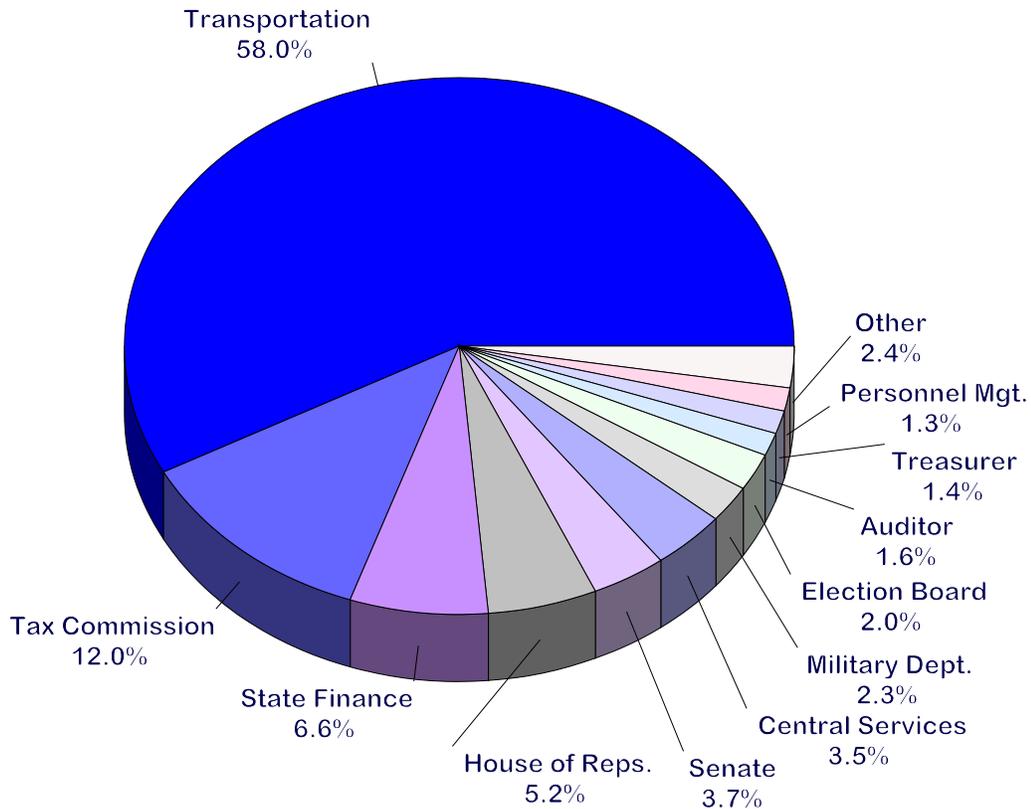


FY-96	\$146,715	FY-01	\$2,330,425
FY-97	\$146,715	FY-02	\$2,336,374
FY-98	\$1,969,114	FY-03(Orig.)	\$2,219,555
FY-99	\$1,602,743	FY-04	\$1,986,006
FY-00	\$1,589,601	FY-05	\$1,998,168

Note:

1. FY-98 figure represents development and implementation costs associated with teacher assessments, program accreditation and professional development institutes.

GENERAL GOVERNMENT AND TRANSPORTATION SUBCOMMITTEE DISTRIBUTION OF FY-05 APPROPRIATIONS



Transportation	\$200,875,804
Tax Commission	41,462,019
Office of State Finance	22,866,800
House of Representatives	18,080,670
Senate	12,769,707
Department of Central Services	12,234,432
Military Department	8,062,531
Election Board	7,072,129
Auditor and Inspector	5,523,603
Treasurer	4,926,592
Office of Personnel Management	4,497,011
Other	
Governor	2,522,709
Legislative Services Bureau	2,303,193
Emergency Management	680,972
Lieutenant Governor	523,259
Space Industry Authority	518,323
Merit Protection Commission	512,154
Ethics Commission	480,747
Secretary of State	456,927
Bond Advisor	188,096
Subcommittee Total	\$346,557,67

**Excludes supplemental appropriations and reappropriations.
Includes capital and onetime expenditures.**

STATE AUDITOR AND INSPECTOR

Jeff McMahan, State Auditor and Inspector

Agency #300

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$5,226,966	169.0
FY-05 Adjustments		
a. Increase State Employee Benefits	146,637	
b. Information Technology Upgrades	<u>150,000</u>	
Total Adjustments	\$296,637	0.0
FY-05 Appropriation and FTE Authorization	\$5,523,603	169.0
Percent Change from FY-04 to FY-05	5.7%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Funds were appropriated for the improvement and upgrade of the agency’s information technology systems, particularly in those areas of compatibility with the systems of those entities undergoing audits and for the acquisition of forensic software applications.

III. POLICY ISSUES

- a. **HB 1577** directs the agency to provide copies of completed performance audits to the Governor and Legislative leaders and provides a framework for payment by the audited agency based on monthly progress of the audit and may be deducted from the examined agency’s monthly allocation.

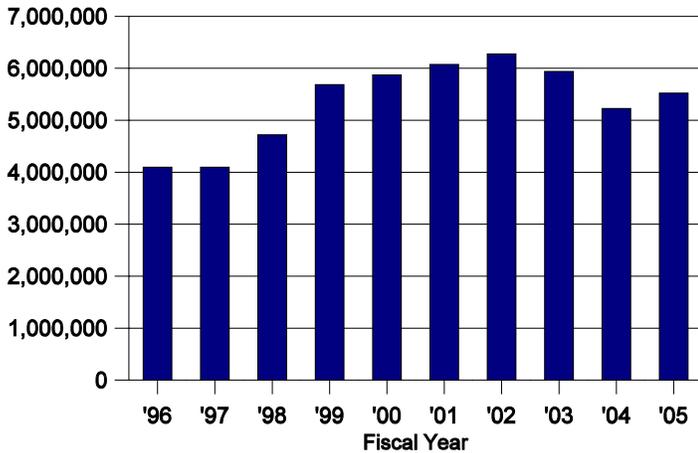
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$5,226,966	\$5,373,603	2.8%
Special Cash Fund	0	150,000	N/A
Revolving Fund	5,800,000	5,900,000	1.7%
Total	\$11,026,966	\$11,423,603	3.6%

V. BUDGET REFERENCES

HB 2023, Sections 1 through 4; SB 933, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$4,096,576	FY-01	\$6,075,964
FY-97	\$4,096,576	FY-02	\$6,277,121
FY-98	\$4,722,559	FY-03(Orig.)	\$5,939,515
FY-99	\$5,685,449	FY-04	\$5,226,966
FY-00	\$5,871,807	FY-05	\$5,523,603

OFFICE OF THE STATE BOND ADVISOR

James Joseph, State Bond Advisor

Agency #582

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$163,527	5.0
FY-05 Adjustments		
a. Increase State Employee Benefits	3,569	
b. Bond Rating Expenses	<u>21,000</u>	
Total Adjustments	\$24,569	0.0
FY-05 Appropriation and FTE Authorization	\$188,096	5.0
Percent Change from FY-04 to FY-05	15.0%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Funds were appropriated to provide the agency with adequate resources for maintaining and, if possible, improving the credit rating of the state with the major credit rating agencies (Moody's, Standard and Poor's, Fitch). The maintenance of credit ratings includes occasional personal visits with the rating agencies as well as periodic financial and debt market activity reporting.

III. POLICY ISSUES

- a. **HB 2164** adds the categories of Metropolitan Area Housing Pool and Rural Area Housing Pool to the available private activity bond allocation structure for the issuance of tax-exempt private activity bonds. Apportionment of the state allocation, as determined by the federal government, was modified to accommodate the additional pools.

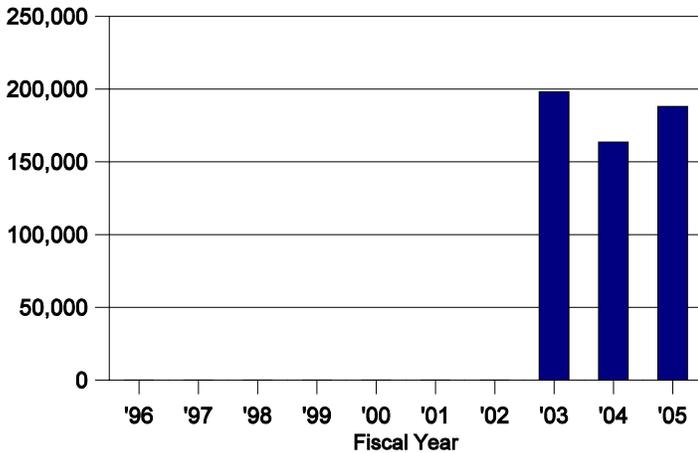
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$163,527	\$167,096	2.2%
Special Cash Fund	0	21,000	N/A
Revolving Fund	165,000	155,000	(6.1)%
Total	\$328,527	\$343,096	4.4%

V. BUDGET REFERENCES

HB 2007, Section 34; SB 935, Sections 1 through 3

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$0	FY-01	\$0
FY-97	\$0	FY-02	\$0
FY-98	\$0	FY-03(Orig.)	\$198,111
FY-99	\$0	FY-04	\$163,527
FY-00	\$0	FY-05	\$188,096

Note:

1. The new agency of the Office of the State Bond Advisor was created in FY-03. This Office previously had been a program within the Department of Central Services

DEPARTMENT OF CENTRAL SERVICES

Pamela Warren, Director

Agency #580

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$9,547,361	390.0
FY-05 Adjustments		
a. Increase State Employee Benefits	72,511	
b. Operational Adjustment/HVAC Computer Upgrade	163,527	
c. Debt Service on Obligations	837,033	
d. Elimination of Asbestos Program	(900,000)	
e. Public Employee Relations Board	14,000	
f. Restoration of Greer Fund Authorization	<u>2,500,000</u>	
Total Adjustments	\$2,687,071	0.0
FY-05 Appropriation and FTE Authorization	\$12,234,432	390.0
Percent Change from FY-04 to FY-05	28.1%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Funds were appropriated for the renovation and upgrade of the computer system that controls the heating, ventilation and air conditioning (HVAC) system for the State Capitol Building. Improvements will include enhanced security features and failure notification.
- c. Cash reserve funds for outstanding obligation of the Oklahoma Capitol Improvement Authority (OCIA) were replaced by surety policies in 2003. Cash reserves were placed into the appropriate sinking funds for each outstanding issue and used for the retirement of principal during FY-04, thus reducing payment requirements to the sinking funds. Required payments to the sinking fund will be increased in FY-05 by \$837,033 as the cash reserves are exhausted.
- d. **SB 955** repeals 74 O.S. 2001, Section 61.6, which directs the agency to perform asbestos abatement services for state and school district facilities. The volume of abatement has declined in recent years and the necessity of retaining full time employees for the services was no longer cost-effective. Elimination of the program within the agency will requires approximately \$309,135 in FY-05 to fund employee severance costs and final completion of existing projects. The net savings to the State through the elimination of the program will total \$900,000 in FY-05.

- e. Funds were appropriated to assist the Public Employee Relations Board to carry out the provisions of SB 1529, which permits certain municipal employees to seek collective bargaining arrangements. Funds will be used for travel, hearings and election related expenses.
- f. The Legislature authorized a one-time use of \$2,500,000 from the Public Building and Greer fund in FY-04 as a means to offset budget reductions. In FY-05 funds from the General Revenue Fund and Public Building Fund were restored to the agency.

III. POLICY ISSUES

- a. **HB 2197** directs the agency to work in conjunction with the Information Services Division of the Office of State Finance to assure state compliance regarding accessibility of information technology for individuals with disabilities as defined by federal law by adopting standards, reviewing procedures for accessibility and provide any necessary training.
- b. **SB 900** authorizes the surplus property agent to participate in programs where the federal government offers surplus military equipment, including weapons, protective clothing and transportation devices.
- c. **SB 1135** removes the limit on the amount of goods or services that may be purchased by agencies using a state purchasing card when purchasing under a statewide contract.

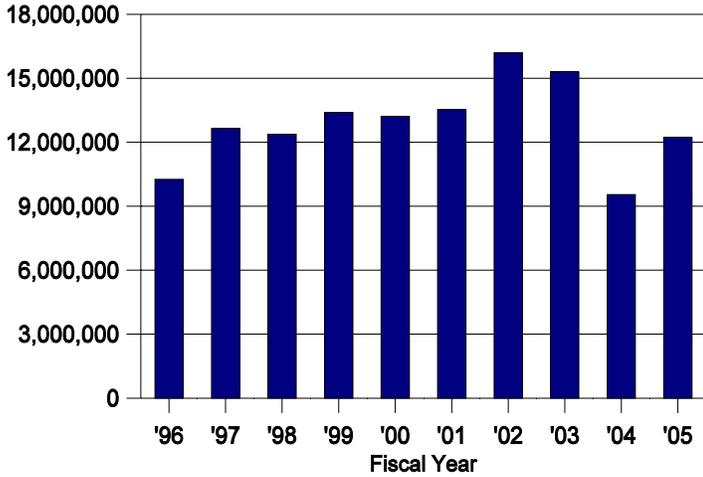
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$8,389,216	\$10,343,799	23.3%
Federal Tax Relief Fund	0	300,000	N/A
Special Cash	0	14,000	N/A
Public Building Fund	1,158,145	1,576,633	36.1%
Public Building and Greer Fund	2,500,000	0	(100.0)%
Carryover	1,408,006	862,536	(38.7)%
Revolving Funds	51,094,994	52,355,050	2.5%
Total	\$64,550,361	\$65,452,018	1.4%

V. BUDGET REFERENCES

HB 2007, Sections 37, 38 and 40; SB 954, Sections 1 through 7; SB 955, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$10,260,727	FY-01	\$13,528,930
FY-97	\$12,641,377	FY-02	\$16,194,148
FY-98	\$12,374,236	FY-03(Orig.)	\$15,301,061
FY-99	\$13,401,583	FY-04	\$9,547,361
FY-00	\$13,224,437	FY-05	\$12,234,432

Notes:

1. FY-02 includes Constitutional Reserve (Rainy Day) Fund appropriations for the maintenance and repair of bathrooms in the Jim Thorpe Building
2. FY-03 includes the transfer of the State Capitol Park from the Tourism Department and Constitutional Reserve (Rainy Day) Fund appropriations for the continued maintenance and repair of the bathrooms in the Jim Thorpe Building.

STATE ELECTION BOARD

Michael Clingman, Secretary

Agency #270

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$8,195,395	N/A
FY-05 Adjustments		
a. Increase State Employee Benefits	81,734	
b. Reimburse Presidential Primary Costs	795,000	
c. Remove Onetime HAVA Federal Match	<u>(2,000,000)</u>	
Total Adjustments	(\$1,123,266)	N/A
FY-05 Appropriation and FTE Authorization	\$7,072,129	N/A
Percent Change from FY-04 to FY-05	(13.7)%	N/A

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Funds were appropriated to replace election management funds used by the agency to hold the President Preferential Primary election in February, 2004. The reimbursement was necessary to ensure adequate resources for the 2004 primary, runoff primary and general elections.
- c. Onetime funds were provided in FY-04 to match federal funding of up to \$37,000,000 to implement the provisions of the federal Help America Vote Act of 2002. The \$2,000,000 in state funds equals the maximum eligible match, thus continued funding was no longer necessary.

III. POLICY ISSUES

- a. **HB 2663** sets forth the procedures to be used for any special elections resulting from a legislator who is not eligible to complete a term of office because of the limitation provided in Article V of the Oklahoma Constitution.
- b. **HB 2677** moves the beginning date of the candidacy filing period from the third Monday in June to the first Monday. The filing period remains a three day duration.

- c. **SB 1346** provides many of procedures required under the federal Help America Vote Act of 2002, including procedures for voter identification at polling places, the use and treatment of provisional ballots when a voter's eligibility to vote is in question and the treatment of absentee ballots.

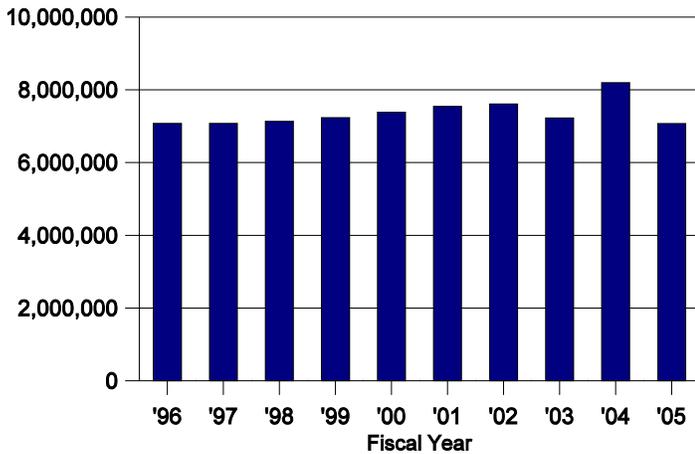
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$6,195,395	\$5,622,129	(9.3)%
Federal Tax Relief Fund	0	1,450,000	N/A
Special Cash Fund	2,000,000	0	(100.0)%
Revolving Funds	250,000	265,000	6.0%
Total	\$8,445,395	\$7,337,129	(13.1)%

V. BUDGET REFERENCES

HB 2007, Sections 42 and 43; HB 2025, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$7,074,657	FY-01	\$7,545,503
FY-97	\$7,074,657	FY-02	\$7,607,768
FY-98	\$7,136,067	FY-03(Orig.)	\$7,227,380
FY-99	\$7,233,451	FY-04	\$8,195,395
FY-00	\$7,384,036	FY-05	\$7,072,129

DEPARTMENT OF EMERGENCY MANAGEMENT

Albert Ashwood, Director

Agency #309

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$666,226	32.0
FY-05 Adjustments		
a. Increase State Employee Benefits	14,746	
Total Adjustments	\$14,746	0.0
FY-05 Appropriation and FTE Authorization	\$680,972	32.0
Percent Change from FY-04 to FY-05	2.2%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

None

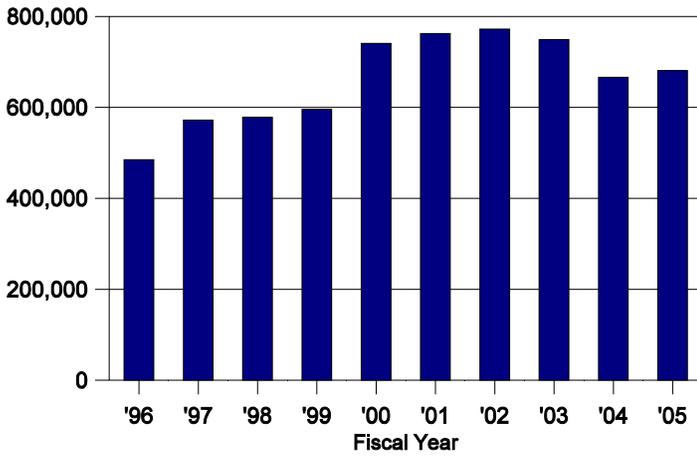
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$666,226	\$680,972	2.2%
Revolving Funds	3,445,521	3,445,521	0.0%
Total	\$4,111,747	\$4,126,493	0.4%

V. BUDGET REFERENCES

HB 2007, Section 41; SB 956, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$485,063	FY-01	\$762,369
FY-97	\$572,240	FY-02	\$772,373
FY-98	\$578,037	FY-03(Orig.)	\$749,202
FY-99	\$595,969	FY-04	\$666,226
FY-00	\$740,561	FY-05	\$680,972

Notes:

1. The Office of Volunteerism was transferred to the Department of Emergency Management from the Secretary of State in FY-97.
2. The FY-00 increase reflects an increase in appropriations to offset a reduction in federal funds.

ETHICS COMMISSION

Marilyn Hughes, Director Agency #296

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$447,124	7.0
FY-05 Adjustments		
a. Increase State Employee Benefits	9,623	
b. Replacement of Prior Year Reductions	60,000	
c. Removal of Onetime Legal Costs	<u>(36,000)</u>	
Total Adjustments	\$33,623	0.0
FY-05 Appropriation and FTE Authorization	\$480,747	7.0
Percent Change from FY-04 to FY-05	7.5%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Funds were appropriated to provide resources for the processing of filings for the 2004 election cycle and to continue improvements to the electronic filing system.
- c. Onetime funding was provided in FY-04 to address attorney fees and costs related to a federal court judgement against the Commission in Oklahomans for Life, Inc. v. Luton, et al. The FY-05 base budget was adjusted to reflect the removal of the onetime funding.

III. POLICY ISSUES

- a. **HB 2664** levies an annual \$100.00 fee for registered lobbyists and a \$50.00 fee for registered political action committees. Revenue from the levies will be deposited in the Ethics Commission fund, with FY-05 revenue estimated to be approximately \$62,000.

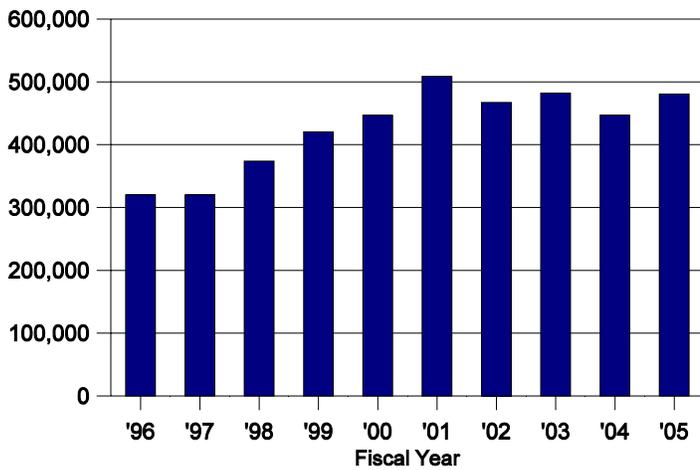
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$447,124	\$480,747	7.5%
Revolving Funds	50,000	200,000	300.0%
Total	\$497,124	\$680,747	36.9%

V. BUDGET REFERENCES

HB 2007, Section 44; SB 1070, Section 1; SB 958, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$320,284	FY-01	\$508,730
FY-97	\$320,284	FY-02	\$467,321
FY-98	\$373,733	FY-03 (Orig.)	\$482,321
FY-99	\$420,350	FY-04	\$447,124
FY-00	\$446,511	FY-05	\$480,747

OFFICE OF STATE FINANCE

Scott Meacham, Director

Agency #090

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$20,080,825	N/A
FY-05 Adjustments		
a. Increase State Employee Benefits	124,710	
b. CORE Systems Project	3,700,000	
c. CORE IT Personnel Transfer from OPM	169,000	
d. Removal of Prior Year CORE Funding	<u>(1,207,735)</u>	
Total Adjustments	\$2,785,975	N/A
FY-05 Appropriation and FTE Authorization	\$22,866,800	N/A
Percent Change from FY-04 to FY-05	13.9%	N/A

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Funding was provided for continued development of the Communications, Operations, Reporting and Enterprise (CORE) Business System, an integrated accounting and reporting system for state government. Funds will be used for the implementation of the budget and purchasing modules and for "help desk" staffing and operations.
- c. As the CORE System becomes fully operational, three (3) data systems employees from the Office of Personnel Management will be transferred to the agency to operate and maintain the human resources component of the system.
- d. Onetime funding for implementation costs of the CORE System in FY-04 was removed from the agency's base appropriation level.

III. POLICY ISSUES

- a. **HB 2197** directs the Information Services Division to work in conjunction with the Department of Central Services to assure state compliance regarding accessibility of information technology for individuals with disabilities as defined by federal law by adopting standards, reviewing procedures for accessibility and provide any necessary training.

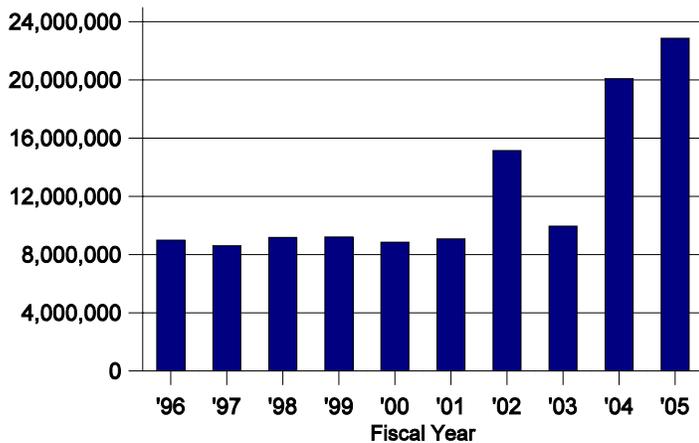
IV. BUDGET RESOURCES

	FY-04	FY-05	% Change
General Revenue Fund	\$7,580,825	\$12,874,535	69.8%
Special Cash	12,500,000	7,578,234	(39.4)%
Other Cash Funds	0	2,414,031	N/A
Revolving Funds	9,500,000	9,750,000	2.6%
Carryover	300,000	300,000	0.0%
Total	\$29,880,825	\$32,916,800	10.2%

V. BUDGET REFERENCES

HB 2026, Sections 1 through 9

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$8,996,648	FY-01	\$9,075,805
FY-97	\$8,611,590	FY-02	\$15,147,572
FY-98	\$9,168,379	FY-03(Orig.)	\$9,953,190
FY-99	\$9,213,499	FY-04	\$20,080,825
FY-00	\$8,850,901	FY-05	\$22,866,800

Note:

1. FY-02 includes \$5,766,100 in onetime appropriations for the CORE Business System Upgrade and the VISION Program.
2. FY-04 includes funds for the required payments on the CORE System.

GOVERNOR

Honorable Brad Henry, Governor

Agency #305

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$2,477,659	N/A
FY-05 Adjustments		
a. Increase State Employee Benefits	45,049	
Total Adjustments	\$45,049	N/A
FY-05 Appropriation and FTE Authorization	\$2,522,708	N/A
Percent Change from FY-04 to FY-05	1.8%	N/A

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

None

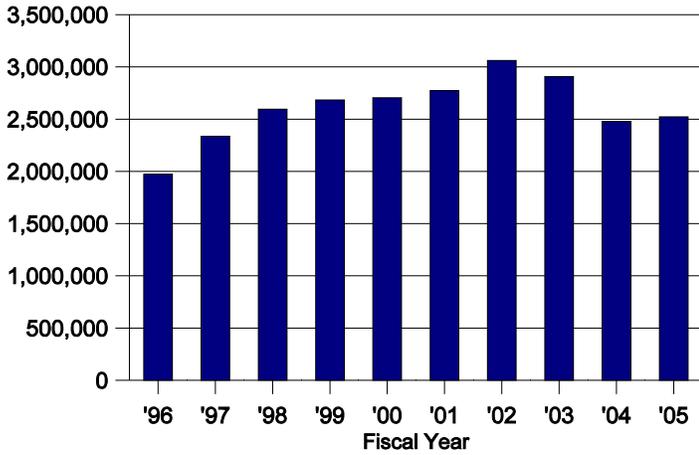
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$2,477,659	\$2,522,709	1.8%
Total	\$2,477,659	\$2,522,709	1.8%

V. BUDGET REFERENCES

HB 2007, Section 46

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$1,971,300	FY-01	\$2,772,408
FY-97	\$2,335,567	FY-02	\$3,059,715
FY-98	\$2,595,876	FY-03(Orig.)	\$2,906,729
FY-99	\$2,683,149	FY-04	\$2,477,659
FY-00	\$2,704,712	FY-05	\$2,522,708

Note:

1. FY-97 includes additional funding for the operation of the Governor's Mansion.

HOUSE OF REPRESENTATIVES

Honorable Larry Adair, Speaker

Agency #422

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$17,437,944	N/A
FY-05 Adjustments		
a. Increase State Employee Benefits	292,726	
b. IT Server Upgrades/Digital Conversion	<u>350,000</u>	
Total Adjustments	\$642,726	N/A
FY-05 Appropriation and FTE Authorization	\$18,080,670	N/A
Percent Change from FY-04 to FY-05	3.7%	N/A

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Funds were appropriated for:
 - Improvements and upgrades to the Legislative Service Bureau’s information technology system security, particularly in areas considered vulnerable to virus infiltration (joint effort with the State Senate).
 - Conversion of the photography system to a fully digital environment (joint effort with the Legislative Service Bureau and the Senate).
 - \$250,000 for costs related to the investigation and hearings related to the potential impeachment of a state official.

III. POLICY ISSUES

None

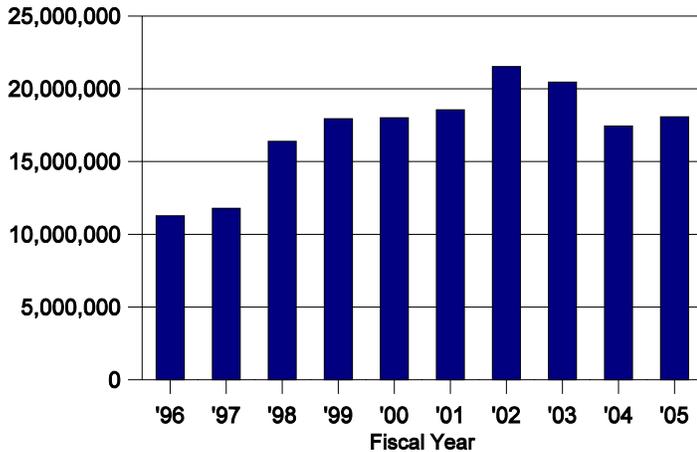
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$17,437,944	\$17,730,670	1.7%
Special Cash Fund	\$0	\$350,000	N/A
Total	\$17,437,944	\$18,080,670	3.7%

V. BUDGET REFERENCES

HB 2007, Section 47; HB 2070, Section 1; HB 2030, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$11,281,117	FY-01	\$18,556,604
FY-97	\$11,789,152	FY-02	\$21,534,490
FY-98	\$16,385,799	FY-03(Orig.)	\$20,457,766
FY-99	\$17,943,958	FY-04	\$17,437,944
FY-00	\$18,009,339	FY-05	\$18,080,670

Notes:

1. FY-98 includes funding for responsibilities transferred from the Legislative Service Bureau, including bill processing, bill tracking, data processing, special studies and consulting. Also included is funding for increases in mileage and per diem allowances.
2. The FY-02 increase represents additional funds for the production and distribution of the Oklahoma Statutes.

LEGISLATIVE SERVICE BUREAU

Joanne Hager, Administrator

Agency #423

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$2,060,969	N/A
FY-05 Adjustments		
a. Increase State Employee Benefits	42,224	
b. Digital Conversion	<u>200,000</u>	
Total Adjustments	\$242,224	N/A
FY-05 Appropriation and FTE Authorization	\$2,303,193	N/A
Percent Change from FY-04 to FY-05	11.8%	N/A

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Funds were appropriated for the total conversion of the Capitol photography shop to a digital format, including cameras, processing, printing and distribution.

III. POLICY ISSUES

None

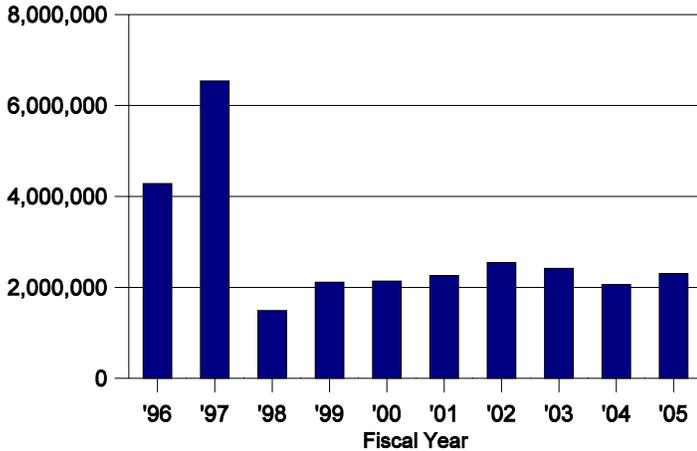
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$2,060,968	\$1,703,193	(17.4)%
Special Cash Fund	\$0	\$200,000	N/A
Federal Tax Relief Fund	\$0	\$400,000	N/A
Total	\$2,060,968	\$2,303,193	11.8%

V. BUDGET REFERENCES

HB 2007, Sections 48 through 50; SB 944, Section 1; HB 2032, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$4,286,151	FY-01	\$2,261,478
FY-97	\$6,539,703	FY-02	\$2,545,135
FY-98	\$1,492,220	FY-03(Orig.)	\$2,417,878
FY-99	\$2,117,344	FY-04	\$2,060,968
FY-00	\$2,138,400	FY-05	\$2,303,193

Notes:

1. FY-97 includes funds appropriated for upgrades to the legislative bill drafting and tracking computer systems.
2. FY-98 appropriations are reduced as a result of the transfer of several agency functions to the House of Representatives and State Senate.
3. FY-99 reflects the transfer of the Criminal Justice Resource Center from the Department of Public Safety.

LIEUTENANT GOVERNOR

Honorable Mary Fallin, Lieutenant Governor

Agency #440

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$467,494	N/A
FY-05 Adjustments		
a. Increase State Employee Benefits	8,339	
b. Replacement of Prior Year Carryover Funding	<u>47,426</u>	
Total Adjustments	\$55,765	N/A
FY-05 Appropriation and FTE Authorization	\$523,259	N/A
Percent Change from FY-04 to FY-05	11.9%	N/A

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Funds were appropriated to replace carryover funds used by the agency in FY-03 and FY-04. The agency has relied on the use of significant carryover to supplement the appropriation. The use of carryover in FY-04 effectively exhausted the balance available in FY-05.

III. POLICY ISSUES

None

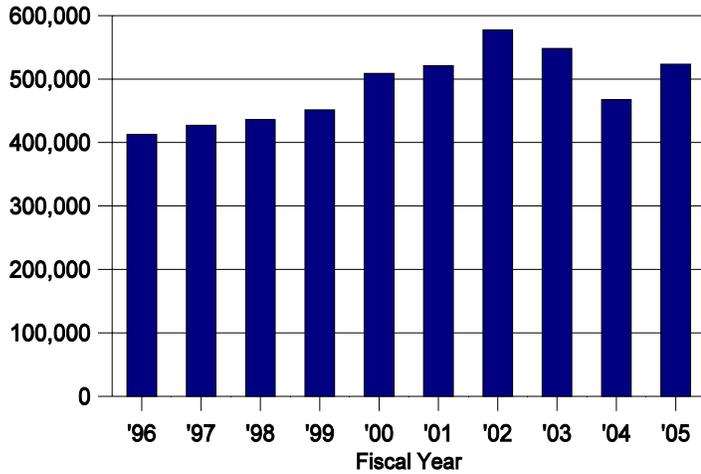
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$467,494	\$523,257	11.9%
Revolving Funds	25,000	30,000	20.0%
Total	\$492,494	\$553,257	12.3%

V. BUDGET REFERENCES

HB 2007, Section 51; HB 2034, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$412,444	FY-01	\$521,101
FY-97	\$427,367	FY-02	\$577,318
FY-98	\$435,910	FY-03(Orig.)	\$548,452
FY-99	\$451,560	FY-04	\$467,494
FY-00	\$508,829	FY-05	\$523,259

MERIT PROTECTION COMMISSION

Susan Bussey, Executive Director

Agency #298

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$504,885	11.0
FY-05 Adjustments		
a. Increase State Employee Benefits	<u>7,269</u>	
Total Adjustments	\$7,269	0.0
FY-05 Appropriation and FTE Authorization	\$512,154	11.0
Percent Change from FY-04 to FY-05	1.4%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

a Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

None

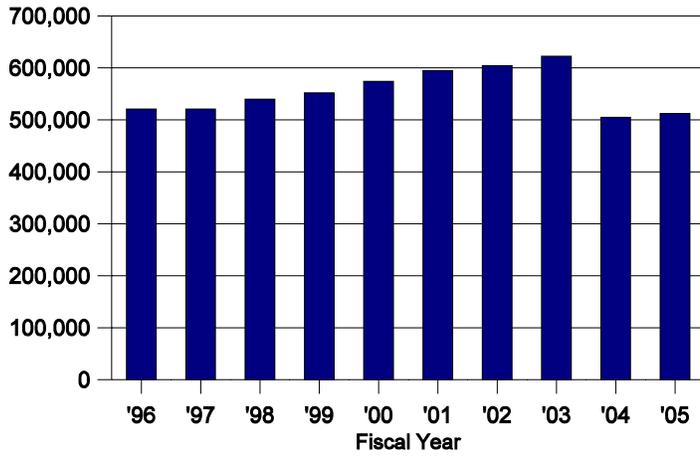
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$504,885	\$512,154	1.4%
Revolving Funds	30,000	45,000	50.0%
Total	\$534,885	\$557,154	4.2%

V. BUDGET REFERENCES

HB 2007, Section 52; SB 960, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$520,743	FY-01	\$595,046
FY-97	\$520,743	FY-02	\$604,407
FY-98	\$539,967	FY-03(Orig.)	\$592,319
FY-99	\$552,162	FY-04	\$504,885
FY-00	\$574,180	FY-05	\$512,154

MILITARY DEPARTMENT

Brigadier General Harry M. Wyatt, III, Adjutant General Agency #025

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$7,021,379	484.0
FY-05 Adjustments		
a. Increase State Employee Benefits	141,152	
b. Armory Bond Issue Debt Service	225,000	
c. Thunderbird Youth Academy Expansion	<u>675,000</u>	
Total Adjustments	\$1,041,152	0.0
FY-05 Appropriation and FTE Authorization	\$8,062,531	484.0
Percent Change from FY-04 to FY-05	14.8%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. **HB 2001** authorizes the Oklahoma Capitol Improvement Authority (OCIA) to issue revenue bonds in the approximate amount of \$6,000,000 for the repair and renovation of armory roofs, windows, parking facilities and other improvements. The agency will make lease payments to OCIA for the duration of the bonds. The proceeds of the issue will be matched with as much as \$12,000,000 in federal funds to complete the renovation of armories in Oklahoma. Funds were appropriated for the lease payment requirements anticipated in FY-05.
- c. The National Guard Bureau has offered as much as \$1,000,000 for the expansion of the Thunderbird Youth Academy program in Pryor. This funding requires a state match provided by this appropriation. With the expansion of the program the number of at-risk students that may attend the academy will increase from the current average of 220 to over 400. Thunderbird Youth Academy accepts non-adjudicated high school aged youth for a twenty-two week voluntary program which emphasizes education and life skills training in a structured, military style setting. The academy has been identified by the National Guard Bureau as the top program of its kind in the nation.

III. POLICY ISSUES

- a. **HB 2317** authorizes the Adjutant General to transfer any armory facility or agency property to a municipality, county, state agency or other public entity when the facility is deemed no longer needed by the agency and the public entity has identified a use for the facility. Such facilities will revert back to agency if the public entity does not use the property for a public use.

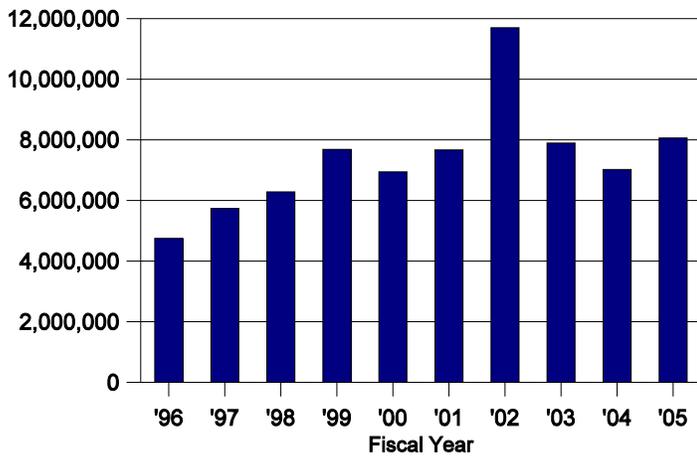
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$7,021,379	\$8,062,531	14.8%
Federal Funds	39,000,000	39,500,000	1.3%
Revolving Funds	50,000	60,000	20.0%
Total	\$46,071,379	\$47,622,531	3.4%

V. BUDGET REFERENCES

HB 2007, Section 53; SB 962, Sections 1 through 5

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$4,755,182	FY-01	\$7,666,836
FY-97	\$5,736,570	FY-02	\$11,700,375
FY-98	\$6,281,543	FY-03(Orig.)	\$7,895,866
FY-99	\$7,687,397	FY-04	\$7,021,379
FY-00	\$6,945,322	FY-05	\$8,062,531

Notes:

1. FY-97 figure includes \$400,000 capital appropriation and \$652,845 to replace the loss of federal funding of youth programs.
2. FY-02 increase includes \$3.8 million for armory roofs.

OFFICE OF PERSONNEL MANAGEMENT

Oscar Jackson, Jr., Director

Agency #548

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$4,602,700	118.5
FY-05 Adjustments		
a. Increase State Employee Benefits	63,311	
b. CORE IT Personnel Transfer from OPM	<u>(169,000)</u>	
Total Adjustments	(\$105,689)	0.0
FY-05 Appropriation and FTE Authorization	\$4,497,011	118.5
Percent Change from FY-04 to FY-05	(2.3)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. As the Communications, Operations, Reporting and Enterprise (CORE) Business System becomes fully operational, three (3) data systems employees from the agency will be transferred to the Office of State Finance to operate and maintain the human resources component of the system.

III. POLICY ISSUES

None

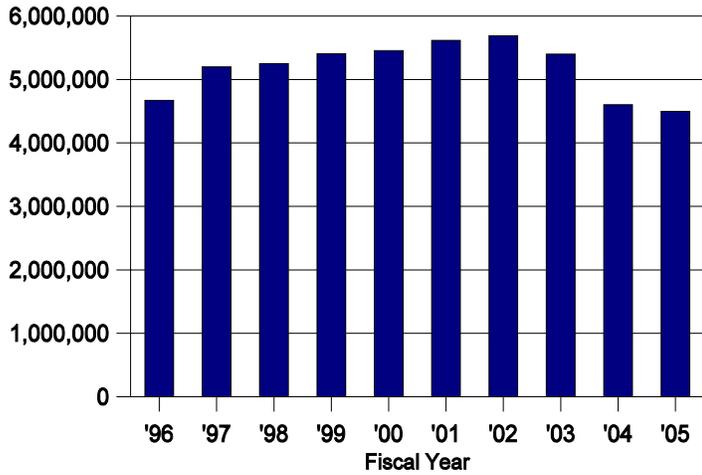
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$4,602,700	\$4,497,011	(2.3)%
Carryover	500,000	250,000	(50.0)%
Revolving Funds	250,000	650,000	160.0%
Total	\$5,352,700	\$5,397,011	0.8%

V. BUDGET REFERENCES

HB 2007, Section 54; SB 964, Sections 1 through 3

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$4,671,694	FY-01	\$5,617,759
FY-97	\$5,199,412	FY-02	\$5,689,734
FY-98	\$5,250,432	FY-03(Orig.)	\$5,399,774
FY-99	\$5,405,165	FY-04	\$4,602,700
FY-00	\$5,454,225	FY-05	\$4,497,011

SECRETARY OF STATE

Susan Savage, Secretary of State

Agency #625

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$429,494	40.0
FY-05 Adjustments		
a. Increase State Employee Benefits	27,433	
Total Adjustments	\$27,433	0.0
FY-05 Appropriation and FTE Authorization	\$456,927	40.0
Percent Change from FY-04 to FY-05	6.4%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

- a. **SB 1267** moves the filing location for notaries public from the county clerks to the Office of the Secretary of State and modifies the filing fee from \$5.00 to \$10.00. Fee collections, estimated to total approximately \$185,000, will be deposited in the Secretary of State Revolving Fund.

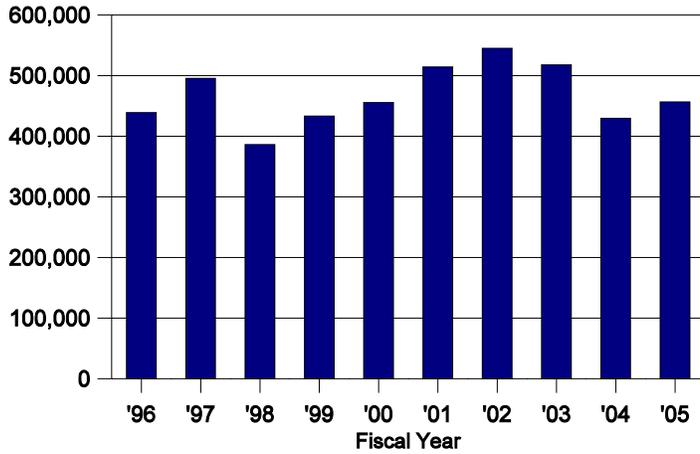
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$429,494	\$456,927	6.4%
Carryover	400,000	520,000	30.0%
Revolving Funds	2,950,000	2,235,000	(24.2)%
Total	\$3,779,494	\$3,211,927	(15.0)%

V. BUDGET REFERENCES

HB 2007, Section 55; HB 2036, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$439,180	FY-01	\$514,267
FY-97	\$495,557	FY-02	\$545,124
FY-98	\$386,417	FY-03 (Orig)	\$517,868
FY-99	\$433,371	FY-04	\$429,494
FY-00	\$455,582	FY-05	\$456,927

Note:

1. In FY-97 the Office of Volunteerism was transferred to the Department of Civil Emergency Management.

SENATE

Honorable Cal Hobson, President Pro-Tempore

Agency #421

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$12,147,920	N/A
FY-05 Adjustments		
a. Increase State Employee Benefits	271,787	
b. IT Serve Upgrades/Digital Conversion	<u>350,000</u>	
Total Adjustments	\$621,787	N/A
FY-05 Appropriation and FTE Authorization	\$12,769,707	N/A
Percent Change from FY-04 to FY-05	5.1%	N/A

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Funds were appropriated for:
 - Improvements and upgrades to the Legislative Service Bureau’s information technology system security, particularly in areas considered vulnerable to virus infiltration (joint effort with the House of Representatives).
 - Conversion of the photography system to a fully digital environment (joint effort with the Legislative Service Bureau and the House of Representatives).
 - \$250,000 for costs related to possible hearings related to the potential impeachment of a state official.

III. POLICY ISSUES

None

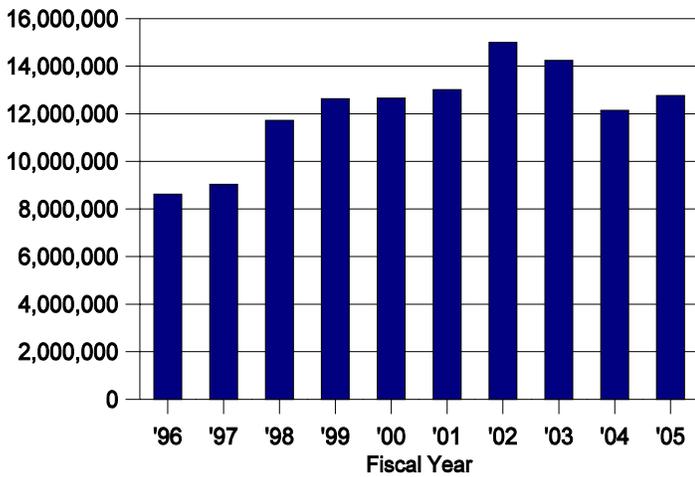
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$12,147,920	\$12,419,707	2.2%
Special Cash Fund	\$0	\$350,000	N/A
Total	\$12,147,920	\$12,769,707	5.1%

V. BUDGET REFERENCES

HB 2007, Section 56; HB 2038, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$8,627,026	FY-01	\$13,017,287
FY-97	\$9,040,700	FY-02	\$15,001,727
FY-98	\$11,728,725	FY-03(Orig.)	\$14,251,641
FY-99	\$12,638,823	FY-04	\$12,147,920
FY-00	\$12,665,972	FY-05	\$12,769,707

Note:

1. FY-98 funding includes the transfer of responsibilities and funding from the Legislative Service Bureau.

OKLAHOMA SPACE INDUSTRY DEVELOPMENT AUTHORITY

William Khourie, Executive Director

Agency #346

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$515,852	5.0
FY-05 Adjustments		
a. Increase State Employee Benefits	2,471	
Total Adjustments	\$2,471	0.0
FY-05 Appropriation and FTE Authorization	\$518,323	5.0
Percent Change from FY-04 to FY-05	0.5%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

- a. **HB 1894** extends the investment credit for qualified space transportation vehicle providers through tax year 2008 and adds the in-lieu financial institution tax to those taxes from which the transferable credit may be claimed.
- b. The environmental and safety studies required by the federal government as a part of the licensing process are scheduled to be completed before September 1, 2004.

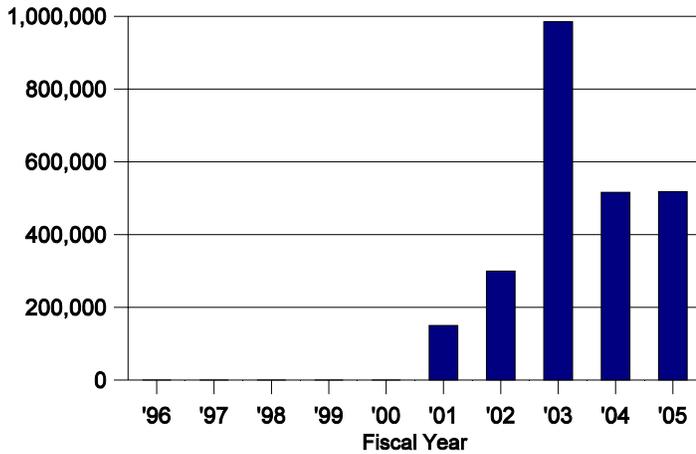
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$515,851	\$518,323	0.5%
Revolving Funds	400,000	350,000	(12.5)%
Total	\$915,851	\$868,323	(5.2)%

V. BUDGET REFERENCES

HB 2007, Section 57; HB 2041, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	N/A	FY-01	\$150,000
FY-97	N/A	FY-02	\$300,000
FY-98	N/A	FY-03(Orig.)	\$985,000
FY-99	N/A	FY-04	\$515,851
FY-00	N/A	FY-05	\$518,323

Notes:

1. The Space Industry Development Authority was created in FY-01.
2. Onetime appropriations were made in FY-03 for the environmental impact and safety studies required by the federal government as part of the licensing process.

TAX COMMISSION

Thomas E. Kemp, Jr., Chairman

Agency #695

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$44,601,406	1304.0
FY-05 Adjustments		
a. Increase State Employee Benefits	860,613	
b. Cigarette/Tobacco Tax Compliance Project	300,000	
c. MV/IRP/IFTA Transfer to Corporation Commission	(3,700,000)	
d. Gross Production Forecasting System	(500,000)	
e. Weigh Station Enforcement Transfer to ODOT	<u>(100,000)</u>	
Total Adjustments	(\$3,139,387)	0.0
FY-05 Appropriation and FTE Authorization	\$41,462,019	1,304.0
Percent Change from FY-04 to FY-05	(7.0)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Funds were appropriated to enhance enforcement capabilities related to the taxation and collection of cigarette and tobacco taxes. Activities will include an increase in inspections and audits and enforcement against non-stamped cigarettes. The agency projects that enhanced enforcement will result in increased FY-05 revenue collections of approximately \$5,300,000.
- c. **SB 141** affects the transfer of the motor vehicle enforcement division, the International Registration Plan (IRP) Section for motor carriers and the International Fuel Tax Agreement (IFTA) Sections from the agency to the Corporation Commission. The Motor Vehicle Enforcement Section transfer will involve 38 full-time-equivalent employees (FTE) and approximately \$1,900,000 in support costs to the Corporation Commission. The IRP and IFTA Section will affect 47 FTE and approximately \$1,898, 310 in support costs.

The transfer will be accomplished in two phases: Phase I - the Motor Vehicle Enforcement Section will be transferred effective July 1, 2004. Phase II - IRP and IFTA will be transferred with a completion date of July 1, 2005.

In the transition period the Corporation Commission will gradually assume complete administration and management over the IRP and IFTA programs. The Tax Commission and Corporation Commission will enter into a contract whereby funds will be paid to the Tax Commission by the Corporation Commission in exchange for the Tax Commission's agreement to continue to operate the IRP and IFTA sections.

- d. Funds were appropriated in FY-04 for the onetime expense of enhancing the estimating and forecasting systems for the gross production of natural gas. The appropriations base was adjusted by removing the \$500,000 onetime appropriation.
- e. **SB 141** affects the transfer of responsibility for the construction, equipment, operation and administration of weigh stations on the state highways from the agency to the Department of Transportation. The transfer of existing funds used for this purpose will be combined with an appropriation to the Department of Transportation to accomplish the transfer.

III. POLICY ISSUES

- a. **SB 967** included an appropriation of \$350,000 to the agency for the purpose of funding an architectural and engineering study of a possible new building to consolidate the divisions of the agency. The Governor exercised a line-item veto of the funding.
- b. **HB 1994** reorganizes the catalogue of special license plates by establishing five categories of plates:
 - Reduced Fee Plates - including physically disabled, political subdivision and tax-exempt plates;
 - Recognition of Services Plates - includes military, law enforcement, veterans and Oklahoma City bombing victim and survivor plates;
 - Demonstration of Support Plates - includes civic and fraternal organization and charitable organization plates;
 - Personalized or Vanity Plates - includes personalized, military multi-decoration and vintage decal plates, and
 - Fund Raising Plates - includes university supporter, wildlife, firefighter, medical research, children's issue and historical plates.
 - The base fee for most special plates was increased by \$3.00 to reflect the increases in design, production and distribution costs.
- c. **HB 2132** provides for the optional three year registration of boats and motors.
- d. **HB 2474** requires every tobacco product manufacturer whose cigarettes are sold in this state to provide a certification to the Oklahoma Tax Commission and Attorney General, no later than April 30 of each year the tobacco product manufacturer either:
 - is a participating manufacturer, or

- is in full compliance with the provisions of Sections 600.21 through 600.23 of Title 37 of the Oklahoma Statutes, including any required escrow funds related to manufacturers who are not participating in the Master Settlement Agreement.

The requirements are designed to maintain the highest degree of compliance with the Master Settlement Agreement and the procedures to be followed by non-participating manufacturers.

- e. The agency received an FY-04 supplemental appropriation of \$7,050,000 for the purposes of implementing an integrated collection and compliance system and for employing temporary personnel for the processing of income tax returns. The integrated collection system will include information technology improvements and the addition of personnel in audit and collection functions. Much of the activity is to be programmed in the FY-05 budget. The improved system is expected to increase FY-05 revenue by \$19,500,000.

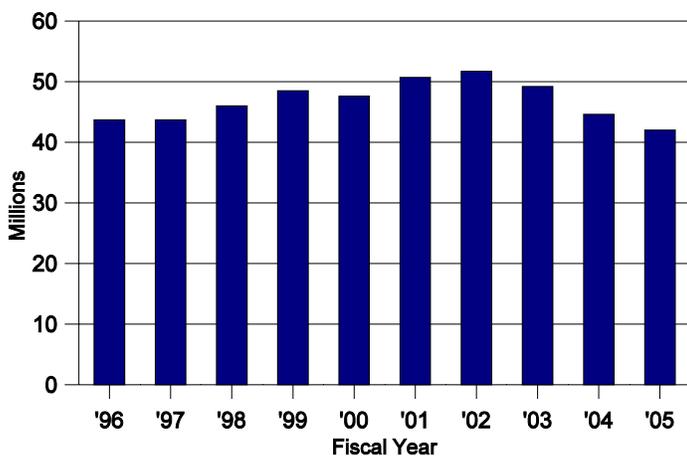
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$44,601,406	\$41,462,019	(7.0)%
Federal Funds	100,000	100,000	0.0%
Revolving Funds	51,000,000	53,750,000	5.4%
Total	\$95,701,406	\$95,312,019	(0.4)%

V. BUDGET REFERENCES

SB 966, Sections 1 through 4; SB 967, Section 3

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$43,722,844	FY-01	\$50,680,269
FY-97	\$43,722,844	FY-02	\$51,748,599
FY-98	\$46,029,438	FY-03(Orig.)	\$49,161,169
FY-99	\$48,507,129	FY-04	\$44,601,406
FY-00	\$47,587,292	FY-05	\$41,462,019

DEPARTMENT OF TRANSPORTATION

Gary Ridley, Director

Agency #345

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$192,185,387	3125.0
FY-05 Adjustments		
a. Increase State Employee Benefits	8,590,417	
b. Weigh Station Enforcement Transfer from Tax Commission	<u>100,000</u>	
Total Adjustments	\$8,690,417	0.0
FY-05 Appropriation and FTE Authorization	\$200,875,804	3,125.0
Percent Change from FY-04 to FY-05	4.5%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. FY-05 revenue certification for the State Transportation Fund increased by \$8,590,417 over the amount certified for FY-04, resulting in an increase in funding to the agency for FY-05. The State Transportation Fund consists of significant portions of motor fuel taxes. Funds will be utilized to offset increased employee benefit costs, increased debt service requirements in FY-05 on outstanding Capital Improvement Program (CIP) obligations and road maintenance programs.
- c. **SB 141** affects the transfer of responsibility for the construction, equipment, operation and administration of weigh stations on the state highways from the Tax Commission to the agency. The transfer of existing funds used for this purpose will be combined with an appropriation to the Department of Transportation to accomplish the transfer.

III. POLICY ISSUES

- a. **HB 2551** authorizes the Oklahoma Transportation Authority to transfer a one and one-half mile portion of the north end of the Indian Nation Turnpike near Henryetta to the agency along with \$5,000,000 for the maintenance of the roadway and to construct any necessary interchanges.

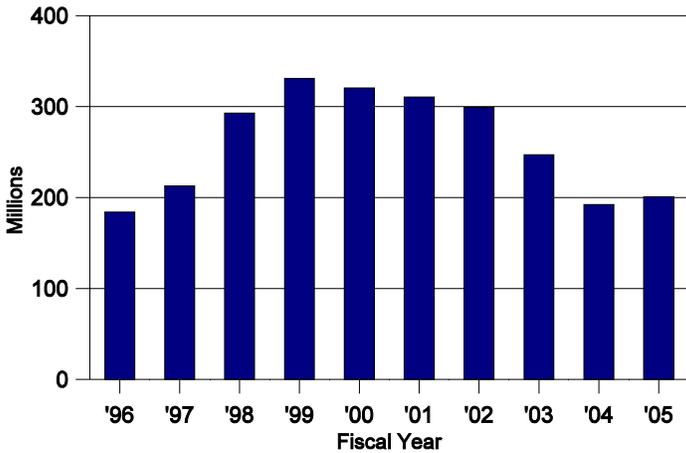
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
Transportation Fund	\$192,185,387	\$200,775,804	4.5%
General Revenue Fund	0	100,000	N/A
Revolving Funds	62,831,073	63,426,240	0.9%
Federal Funds	454,031,787	466,823,726	2.8%
Total	\$709,048,247	\$731,125,770	3.1%

V. BUDGET REFERENCES

HB 2007, Sections 60 through 62; SB 967, Section 5; SB 968, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$184,055,562	FY-01	\$310,537,259
FY-97	\$212,815,071	FY-02	\$299,154,666
FY-98	\$292,775,410	FY-03(Orig.)	\$247,008,202
FY-99	\$331,375,377	FY-04	\$192,185,387
FY-00	\$320,316,334	FY-05	\$200,875,804

Note:

1. FY-98 reflects the passage of HB 1629, the Roads Program, a five-year funding program for highway construction.

TREASURER

Robert Butkin, State Treasurer

Agency #740

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$4,377,639	90.0
FY-05 Adjustments		
a. Increase State Employee Benefits	48,953	
b. Revenue Structure Improvement Project	<u>500,000</u>	
Total Adjustments	\$548,953	0.0
FY-05 Appropriation and FTE Authorization	\$4,926,592	90.0
Percent Change from FY-04 to FY-05	12.5%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Funds were appropriated to finance this first phase of a project designed to review and improve the State’s purchasing efforts. A consultant will be hired by the agency to analyze the State’s purchasing efforts (rules, laws, products and practices) and develop a plan to reduce the cost of procurement for all state government. Many other states have found success with similar efforts and have drastically improved their procurement processes while saving millions of dollars.

III. POLICY ISSUES

- a. **SB 1483** provides the framework for the inclusion of property related to the demutualization, the conversion from a mutual organization to a stock company, or related reorganization of an insurance company in the unclaimed property program. The inclusion will result in increased state revenue of an estimated \$2,500,000.
- b. **SB 1489** authorizes the Treasurer to invest in short-term bond funds as part of the state portfolio.
- c. Balancing of the vault accounts resulted in a transfer of \$131,699 to the Special Cash Fund.

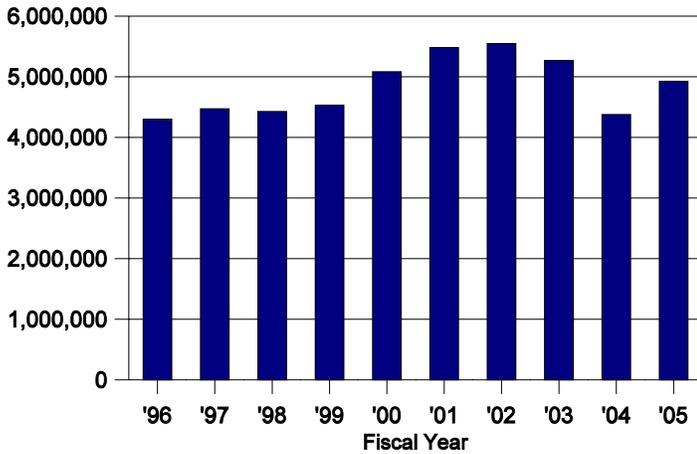
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$4,377,639	\$4,326,592	(1.2)%
Special Cash	0	500,000	N/A
Federal Tax Relief Fund	0	100,000	N/A
Carryover	95,000	250,000	163.2%
Revolving Funds	2,975,500	3,135,200	5.4%
Total	\$7,448,139	\$8,311,792	11.6%

V. BUDGET REFERENCES

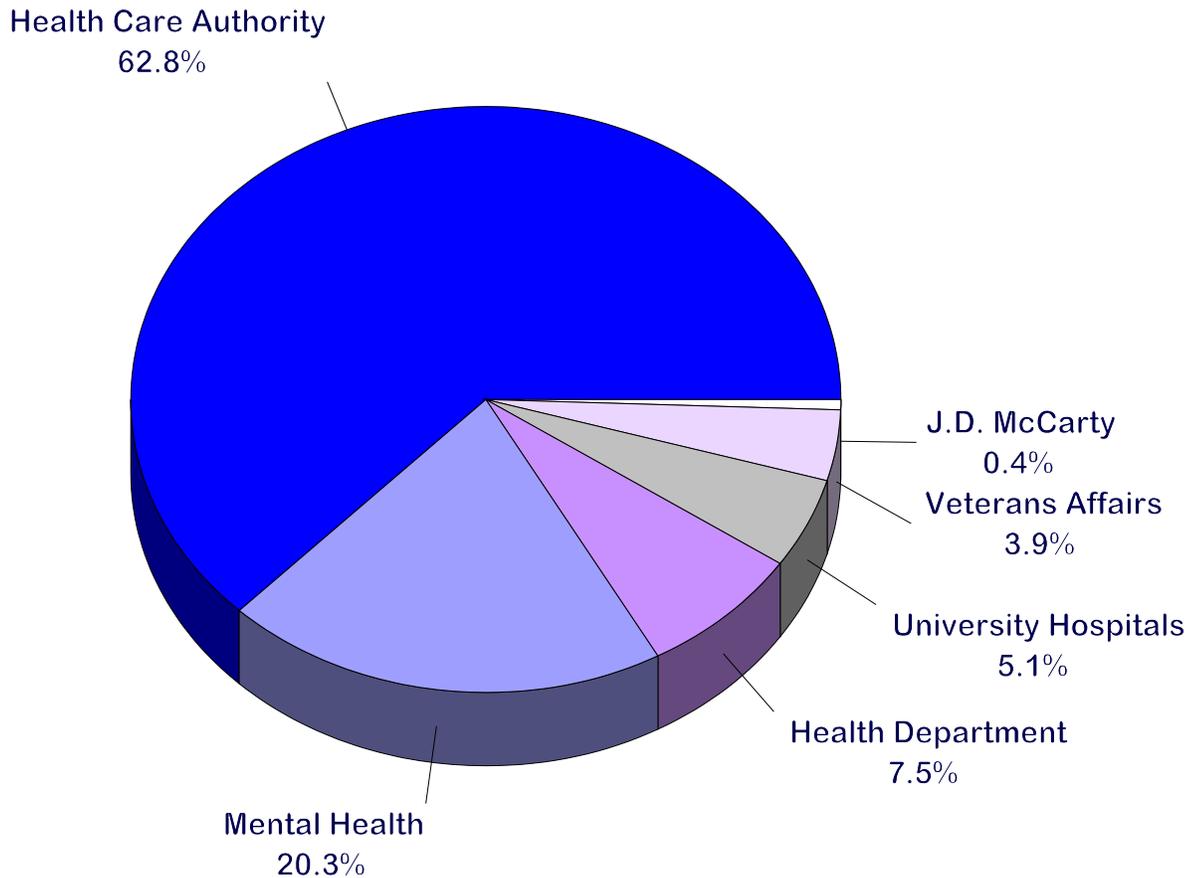
SB 970, Sections 1, 2, 6 and 7

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$4,301,152	FY-01	\$5,482,722
FY-97	\$4,472,433	FY-02	\$5,547,465
FY-98	\$4,427,153	FY-03(Orig.)	\$5,270,092
FY-99	\$4,532,558	FY-04	\$4,377,639
FY-00	\$5,083,878	FY-05	\$4,926,592

HEALTH AND SOCIAL SERVICES SUBCOMMITTEE DISTRIBUTION OF FY-05 APPROPRIATIONS



Health Care Authority	\$482,256,505
Mental Health and Substance Abuse	155,447,428
Health Department	57,563,226
University Hospitals Authority	39,029,342
Department of Veterans Affairs	30,091,172
J.D. McCarty Center	<u>3,162,767</u>
Subcommittee Total	\$767,550,440

**Excludes supplemental appropriations and reappropriations.
Includes capital and onetime expenditures.**

OKLAHOMA HEALTH CARE AUTHORITY

Mike Fogarty, Chief Operating Officer

Agency #807

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$439,000,000	290.5
a. SoonerCare Transition		<u>99.0</u>
FY-04 Appropriation and Revised FTE Authorization	\$439,000,000	389.5
FY-05 Adjustments		
Annualizations		
b. Transfer HMO Medicaid Match to ODMHSAS	(2,100,000)	
c. Increase State Employee Benefits	203,505	
d. Federal Financial Participation (FFP) Match	2,434,000	
e. Enhanced Eligibility for the Working Poor	1,896,000	
f. Medicare A & B Premiums	1,181,000	
Maintenance		
g. Remove Onetime Equipment Cost	(465,000)	
h. Restore Onetime Carryover	2,202,000	
i. SoonerCare Choice FY-05 Growth	34,855,000	
j. Medicaid Contract Increases	3,000	
k. OU College of Pharmacy Contract	547,000	
Mandates and Compliance		
l. Breast and Cervical Cancer Treatment	<u>2,500,000</u>	_____
Total Adjustments	\$43,256,505	0.0
FY-05 Appropriation and FTE Authorization	\$482,256,505	389.5
Percent Change from FY-04 to FY-05	9.9%	34.1%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. These full-time employees (FTEs) were authorized by the Contingency Review Board in December, 2003 to provide sufficient personnel for the transitioning of 190,000 Medicaid recipients from the SoonerCare Plus to the SoonerCare Choice programs. This change was necessary when an HMO provider declined to bid for the 2004 calendar year.

- b. This transfer was necessary to provide the Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS) the state match for those clients that had previously been served by the SoonerCare Plus program.
- c. Appropriations were made for increases in various benefits provided state employees.
- d. Each year, the Centers for Medicare and Medicaid Services (CMS) and other federal agencies adjust the federal financial participation calculation to coincide with such factors as inflation and each state's economic status. Effective October 1, 2004, Oklahoma will be required to provide more funds to match Oklahoma's Federal Financial Participation Rate (FFPR). This appropriation will annualize the costs associated with the increased state matching requirement due to the FFPR reduction from 70.24% to 70.18%.
- e. Federal law requires that those individuals which are no longer eligible for Medicaid, because their current income exceeds the qualifying amount for Temporary Assistance for Needy Families (TANF), must continue to receive Medicaid services for an additional six months to help prevent their returning to TANF eligibility. These funds are required to provide the state match for the continuation of this program.
- f. During FY-04, the Legislature provided the agency with partial funding to cover anticipated costs associated with Medicare Part A & B premium increases. A funding adjustment is necessary to annualize the cost increases.
- g. The SoonerCare transition during FY-04 required onetime expenditures for furniture and computer equipment for the new personnel. This appropriation was removed from the agency's base level funding.
- h. The agency used FY-03 carryover to cover ongoing expenses in FY-04. This appropriation replaces funds that will not be available from carryover in FY-04.
- i. This funding will maintain provider rate increases, restore benefits, and meet increased enrollment in Medicaid clients in SoonerCare Choice during FY-04. The appropriation also is necessary to meet projected growth in enrollment and increased prescription drug costs for FY-05.
- j. These additional funds will cover the costs of the audits required by statute. The audits are conducted by the State Auditor and Inspector's office.
- k. The SoonerCare transition placed a significant workload increase on the Health Care Authority and the OU College of Pharmacy. These funds will be used to meet the contractual obligations of the Health Care Authority to provide additional services through the Therapy Management Initiative, and to address increases in the number of prior authorizations requested for prescriptions, quarterly reporting and calculation requirements of the Supplemental Drug Rebate program, and increases in telephone calls from Medicaid recipients and pharmacists.

1. The Breast and Cervical Cancer Treatment program was authorized in **SB 741** during the 2001 Legislative Session; however, revenue shortfalls delayed funding for the program until FY-05.

III. POLICY ISSUES

- a. **HB 2108** caps the Nursing Facilities Quality of Care (QOC) Fee at the rate in effect on July 15, 2004, unless specifically authorized by the Legislature. Bill provisions further require that programs receiving revenues collected from the QOC fee be exempt from budgetary cuts, reductions, or eliminations. HB 2108 also eliminates obsolete language related to the SoonerCare Plus program.
- b. **HB 2552** creates the Belle Maxine Hilliard Breast and Cervical Cancer Treatment Revolving Fund for the Oklahoma Health Care Authority (OHCA) and requires any monies expended from this revolving fund be spent for the purposes of treating breast and cervical cancer in association with the Oklahoma Breast Cancer Act.
- c. **HB 2660** sends a proposal to levy a tax on tobacco products to a vote of the people. If approved, specific apportionments from this tax increase would be used for specific health related programs including replacement of funds for Health Care Authority programs. Other programs that would benefit from the tobacco tax are: increased provider rates for emergency room physicians, the Katie Beckett Waiver, the Health Employee and Economic Improvement Act (HEEIA) program to provide health insurance for uninsured workers, the statewide trauma system, the OU Cancer Center, the OSU College of Osteopathic Medicine, inpatient adolescent substance abuse centers, smoking cessation programs, ambulance service provider rates, and breast and cervical cancer treatment.
- d. **HB 2667** amends Section 1-702b of Title 63 by extending the date for the submission of written verification of the percentage of net revenues for Medicare and/or Medicaid with allowances for the cost of uncompensated care as relates to hospitals, specialty hospitals, and ambulatory surgical centers until after July 1, 2006. Bill provisions further direct fees collected by the Commissioner of Health be deposited into the Uncompensated Care Equalization Revolving Fund and create the Uncompensated Care Equalization Committee.
- e. **SB 978** appropriates an additional \$2,000,000 to OHCA and directs that \$2,500,000 of the money appropriated in HB 2007 be utilized for breast and cervical cancer treatment.
- f. **SB 1372** allows pharmacists to certify that a brand name drug is medically necessary for the well-being of a patient.
- g. **SB 1546** amends the Oklahoma Medicaid Program Reform Act of 2003 by modifying negotiation provisions for a waiver from the Centers for Medicare and Medicaid Services (CMS). SB 1546 authorizes OHCA to develop and implement a pilot premium assistance plan to assist small business and/or their eligible employees to purchase employer sponsored insurance or “buy-in” to a state-sponsored benefit plan and creates the Health Employee and Economy Improvement Act (HEEIA) Revolving Fund.

- h. **SB 1547** creates the Oklahoma Long-Term Care Partnership Act and requires OHCA in cooperation with the Insurance Commissioner, upon the approval of the Centers for Medicare and Medicaid Services (CMS) and the repeal by the U.S. Congress of portions of the Omnibus Budget Reconciliation Act (OBRA) of 1993 related to the consideration of assets when determining the eligibility of individuals for Medicaid, to develop and implement the Oklahoma Long-Term Care Partnership Program. Eligibility requirements for the program shall be developed by OHCA within certain minimum categories and provides for an effective date sixty days from the date of Congressional repeal of the restriction to asset protection contained in the OBRA of 1993. The bill also directs the OHCA and the Insurance Commission to promulgate appropriate rules.

- i. **SB 1554** creates the Oklahoma Trauma Systems Improvement and Development Act, requires the Oklahoma State Department of Health (OSDH) to promulgate rules establishing minimum standards for implementing and improving a trauma system on a statewide basis, and establishes the Trauma Systems Improvement and Development Advisory Council and Regional Trauma Advisory Boards. SB 1554 also establishes a Medical Audit Committee, creates a transfer and referral center for Oklahoma City and Tulsa areas, and modifies the Trauma Care Assistance Revolving Fund to allow for the reimbursement of physicians. This bill allows the Commissioner of Health to annually transfer funds of the Trauma Care Assistance Revolving Fund to OHCA to obtain federal matching funds for the payment of trauma care costs of Medicaid patients.

- j. **SB 1622** amends the Nursing Home Care Act by stipulating that as funds are appropriated or new funds are available; the OHCA shall develop and implement a new methodology for calculating state Medicaid program reimbursements to nursing facilities. The new methodology shall divide payments into at least two components and one of these components must include allowable costs for direct care. The other component shall be a facility-specific rate and both rates should be updated each year.

IV. BUDGET RESOURCES

	FY-04	FY-05	% Change
General Revenue Fund	\$414,000,000	\$415,848,200	0.4%
Constitutional Reserve Funds	15,000,000	0	(100.0)%
Federal Tax Relief Fund	0	50,000,000	N/A
Tobacco Settlement Funds	10,000,000	16,408,305	64.1%
Federal Funds	2,161,638,736	2,504,778,140	15.9%
Total	\$2,600,638,736	\$2,987,034,645	14.9%

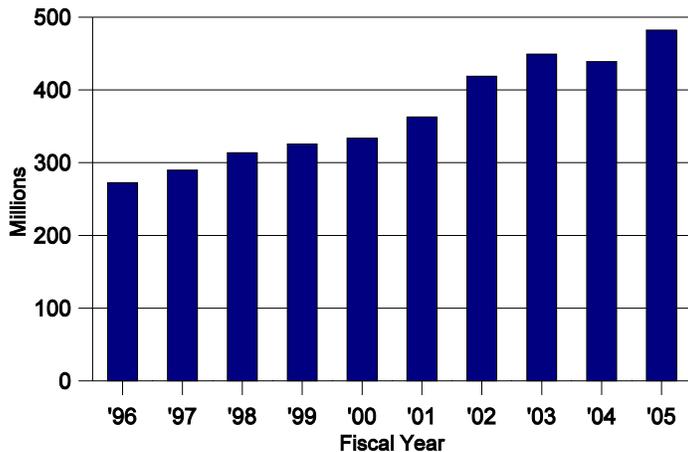
Note:

- In FY-04 the Tobacco Settlement Funds were appropriated to both OHCA (\$10,000,000) and the Department of Human Services (\$17,340,990). Due to a reduction in Tobacco Settlement Funds, only \$16,408,305 is available for FY-05.

V. BUDGET REFERENCES

HB 2007, Sections 66 through 68; SB 978, Sections 1 through 10

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$272,521,974	FY-01	\$362,804,698
FY-97	\$289,835,926	FY-02	\$418,679,264
FY-98	\$313,650,147	FY-03(Orig.)	\$449,126,375
FY-99	\$325,846,050	FY-04	\$439,000,000
FY-00	\$333,797,217	FY-05	\$482,256,505

Note:

- Revenue shortfalls and one-time transfers resulted in an actual appropriation of \$413,559,746 for FY-03.

HEALTH DEPARTMENT

Dr. Michael Crutcher, Commissioner

Agency #340

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$53,649,633	2,556.3
FY-05 Adjustments		
a. Increase State Employee Benefits	944,167	
b. Long Term Care	600,000	
c. Trauma System Infrastructure	600,000	
d. Community Health Centers	100,000	
e. Health Dept. Bond Payments	180,000	
f. Metropolitan Tulsa Urban League	3,500	
g. Sickle Cell Research	3,500	
h. Ki Bois Community Action Foundation	47,426	
i. Flu Vaccine	500,000	
j. County Health Departments	900,000	
k. EODDS Contract	35,000	
l. Transfer of OU Health Science Employees	<u>0</u>	<u>18.0</u>
Total Adjustments	\$3,913,593	18.0
FY-05 Appropriation and FTE Authorization	\$57,563,226	2,574.3
Percent Change from FY-04 to FY-05	7.3%	0.7%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. The Legislature appropriated these funds to replace federal funding to maintain adequate inspection of nursing facilities and to investigate complaints in long-term care facilities.
- c. As authorized in **SB 1554**, this appropriation will fund the Medical Audit Committee and the transfer and referral centers for Oklahoma City and Tulsa as a part of a statewide trauma system.

- d. This appropriation will be used to provide additional uncompensated care funding to Federally Qualified Health Centers (FQHC) and increase access to health services for low-income Oklahomans.
- e. Funds were appropriated to provide debt service for construction of the new county health department in Sayre and for remodeling the County Health Department in Durant.
- f. The Legislature appropriated funds to replace budget cuts to the programs sponsored by the Metropolitan Tulsa Urban League. These programs prepare minority students in 4 focus areas, English, Math, Science, and Reading Comprehension, to pass the PSAT, ACT, and SAT tests.
- g. Funding was provided to replace a portion of the revenue shortfall and budget cuts in the Sickle Cell Research program.
- h. This funding will allow the Ki Bois Community Action Foundation to prepare a federal grant application and comprehensive proposal for the development of a Federally Qualified Health Center (FQHC) in Eastern Oklahoma.
- i. The Legislature provided funds to purchase additional flu vaccine for the immunization of elderly clients throughout the State.
- j. This appropriation restores a portion of the budget cuts to county health departments and will be used to retain personnel and restore services in rural areas.
- k. The Eastern Oklahoma Donated Dental Services (EODDS) is a newly formed organization providing free dental services for the low-income elderly in the (918) area code. These funds are intended to pay for lab work, dentures, x-rays, and materials used in conjunction with the donated dental services in the same fashion as the Dentist for the Disabled and Elderly in Need of Treatment (D-DENT) program.
- l. Eighteen employees were transferred from the OU Health Sciences Center to continue conducting surveys for the Health Department through a federal grant with the Centers for Disease Control. The salaries and benefits of these employees are paid with federal funds.

III. POLICY ISSUES

- a. **HB 2007**, Section 144, provides onetime supplemental funding of \$114,000 to obtain 4:1 matching federal grant funds for the purchase of prescription drugs for HIV/AIDS patients through the Ryan White Drug Program.
- b. **HB 1835** modifies the goals of the Oklahoma Task Force to Eliminate Health Disparities by including involvement of the Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS). Bill provisions will allow the Task Force to address issues such as mental illness and addictive disorders.

- c. **HB 1866** amends the Utilization of Unused Prescription Medications Act by requiring the Board of Pharmacy by January 1, 2005 to implement a statewide program consistent with public health and safety through which unused prescription drugs, other than prescription drugs defined as controlled dangerous substances, may be distributed to low income and elderly clients. Bill provisions expand the scope of the program to include nonprofit health care clinics or pharmacies under contract with the county health department or the Oklahoma State Department of Health (OSDH). The Board of Pharmacy will implement this program, promulgate rules, and provide technical assistance for any pharmacies interested in participating in this program.
- d. **HB 1867** makes it unlawful for any person to sell, give or furnish in any manner to another person who is under eighteen years of age any material or device used in the smoking, chewing or other method of consumption of tobacco. Bill provisions allow the Alcoholic Beverage Laws Enforcement (ABLE) Commission to impose an administrative fine of not more than \$100 for each offense.
- e. **HB 2042** appropriates \$465,000 to OSDH, specifies budget limits, requires expenditures for certain programs, and states the Legislative intent regarding the reimbursement contracts for uncompensated care costs at FQHC.
- f. **HB 2093** re-creates the Long-Term Care Facility Advisory Board and extends the termination date of the Board until July 1, 2010.
- g. **HB 2139** amends Title 74, Section 192, regarding the inspection of city and county jails by OSDH. Amendments specify the minimum number of jailers or dispatchers necessary for facilities housing twenty or fewer prisoners.
- h. **HB 2282** amends the Nursing Home Care Act by prohibiting OSDH from assessing any monetary penalty or licensure deficiencies related to nursing facilities, assisted living centers, or other long-term care facilities for employing a nurse aide, who is not certified, until after October 31, 2005, if the facility has been unable to comply with the requirements and has applied for a temporary waiver. HB 2282 also requires operators of public bathing places or swimming pools to obtain an annual license from the State Commissioner of Health. This legislation further authorizes the Commissioner to suspend or revoke a public bathing license under specific conditions, allows OSDH to promulgate rules regarding public bathing places, and permits the collection of fees for inspection of public bathing places, when the facility has been declared a public nuisance.
- i. **HB 2299** increases fines for first, second, and third convictions, when the privilege to operate a motor vehicle has been canceled, denied, suspended, or revoked and requires that any funds generated from fines will be deposited in the Trauma Care Assistance Revolving Fund..
- j. **HB 2305** creates the 19 member State Advisory Council on Pain Management. Bill provisions require OSDH publish notification of meetings, provide staffing and meeting space for the advisory council, promulgate rules based on recommendations of the advisory council, and establish rules requiring all nursing facilities to include “pain” as an item to be assessed at the same time vital signs are taken and noted in the patient’s charts, on or after July 1, 2005.

- k. **HB 2306** creates the “Danielle Martinez Act” and an advisory council on cord blood donations, consisting of ten members. The advisory council is charged with making recommendations related to the development of a level cord blood/stem cell donor program in Oklahoma to the Legislature by November 1, 2004.
- l. **HB 2600** creates the “Trauma Care Assistance Revolving Fund” and provides that any increase of fees and/or fines from driver license reinstatement fees and from felony drug crime fines be deposited in the Fund.
- m. **HB 2660** sends a proposal to levy a tax on tobacco products to a vote of the people. If approved, specific apportionments from this tax increase would be used for specific health related programs including replacement of funds for Health Care Authority programs. Other programs that would benefit from the tobacco tax are: increased provider rates for emergency room physicians, the Katie Beckett Waiver, the Health Employee and Economic Improvement Act (HEEIA) program to provide health insurance for uninsured workers, the statewide trauma system, the OU Cancer Center, the OSU College of Osteopathic Medicine, inpatient adolescent substance abuse centers, smoking cessation programs, ambulance service provider rates, and breast and cervical cancer treatment.
- n. **HB 2667** amends Section 1-702b of Title 63 by extending the date for the submission of written verification of the percentage of net revenues for Medicare and/or Medicaid with allowances for the cost of uncompensated care as relates to hospitals, specialty hospitals, and ambulatory surgical centers until after July 1, 2006. Bill provisions direct that fees collected by the Commissioner of Health be deposited into the Uncompensated Care Equalization Revolving Fund and create the Uncompensated Care Equalization Committee.
- o. **HB 2723** amends the Long-term Care Certificate of Need Act by modifying the requirements for obtaining a certificate of need for long-term care facilities. Bill provisions define “history of noncompliance” for long-term care facilities, allow the use of monthly occupancy reports submitted to the Oklahoma Health Care Authority (OHCA) for certificate of need applications, eliminates the requirement for a certificate of need for certain ownership changes, increases in the number of licensed beds or management agreements, and establish a maximum filing fee of \$3,000 on an application for an acquisition and a maximum fee of \$1,000 for the plan review for a ten-bed expansion. HB 2723 will allow an exemption from a certificate of need issued by the State Commissioner of Health if: (1) the increase is no more than 10 beds or 10% of the facilities licensed beds, whichever is greater; (2) the total capital cost of the increase is less than \$1,000,000 or the facility’s occupancy rate averaged ninety-three percent or more during the 12 months preceding the filing of the exemption; (3) the construction of a long-term care facility to replace or relocate all or part of the licensed bed capacity of an existing facility if, the project involves no increase in licensed beds, construction within certain distances of facilities being replaced and the new facility ensures a continuity of services; or (4) the change in management or ownership meets certain specific criteria.
- p. **SB 972** appropriates \$35,000 to OSDH for contractual services with the Eastern Oklahoma Donated Dental Services (EODDS), a newly formed organization providing free dental services for the low-income elderly in the (918) area code.

- q. **SB 973** amends Section 1 of HB 2600 by replacing “or” with “and,” as was the original intent of the legislation, to require the existing penalties remain in effect in addition to the new fee specifically for the Trauma Care Assistance Revolving Fund.
- r. **SB 1095** entitles OSDH to receive reimbursement for the cost of providing administrative support to the Commission from the Professional Boxing Licensing Revolving Fund.
- s. **SB 1256** amends the Prevention of Youth Access to Tobacco Act. Bill provisions provide for suspension of certain licenses for three or more violations by an employee, modify the contents of signs required to be posted at places of business selling tobacco products, modify the places where cigarette vending machines may be located, prohibit the sale of cigarettes and other tobacco products in a manner that permits direct access to products, allow peace officers to enforce and conduct compliance checks, and allow the use of persons under a certain age to conduct compliance checks.
- t. **SB 1406** amends Title 63, Section 1-106 regarding the powers and duties of the Commissioner of Health by allowing investigations, inquiries, and studies concerning the causes of injuries.
- u. **SB 1554** creates the Oklahoma Trauma Systems Improvement and Development Act. Bill provisions require the OSDH to promulgate rules establishing minimum standards for implementing a trauma system on a statewide basis and establish the Trauma Systems Improvement and Development Advisory Council and Regional Trauma Advisory Boards. SB 1554 also establishes a Medical Audit Committee, creates a transfer and referral center for Oklahoma City and Tulsa areas, and modifies the Trauma Care Assistance Revolving Fund to allow for the reimbursement of physicians. This bill allows the Commissioner of Health to annually transfer funds of the Trauma Care Assistance Revolving Fund to OHCA to obtain federal matching funds for the payment of trauma care costs of Medicaid patients.
- v. **SB 1569** creates the Joint Legislative Task Force on Patient Safety. This 16 member task force will consist of six members of the Oklahoma State Senate, six members of the Oklahoma House of Representatives, the director of the Board of Medical Licensure and Supervision, the Director of the Oklahoma Board of Osteopathic Examiners, the Director of the Oklahoma Board of Nursing, and the Director of a statewide association representing hospitals. SB 1569 also amends Title 63, Section 1-1709.1 by adding the clinical practices of accredited allopathic and osteopathic state medical schools to the definition of a “health care facility.”
- w. **SB 1609** amends the Oklahoma Breast Cancer Act and the Oklahoma Breast Cancer Prevention and Treatment Advisory Committee by including “cervical cancer.” This change will allow cervical cancer patients to receive testing and treatment services provided to breast cancer patients through the Oklahoma Health Care Authority and OSDH.

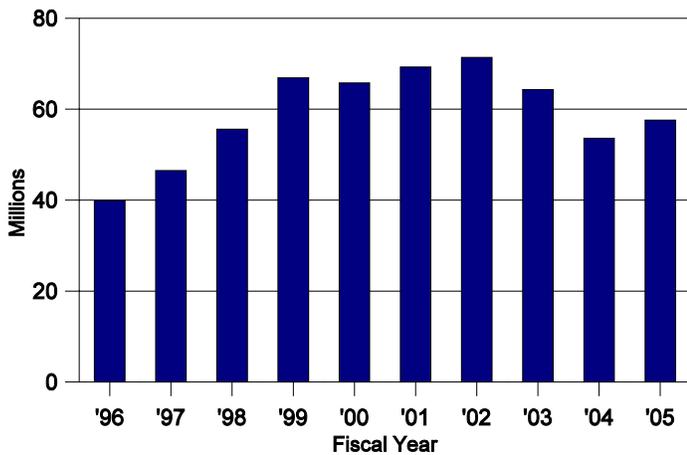
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$53,649,633	\$57,063,226	6.4%
Special Cash	0	500,000	N/A
Revolving Funds	37,374,583	37,612,558	0.6%
Federal Funds	154,651,217	157,465,247	1.8%
Total	\$245,675,433	\$252,641,031	2.8%

V. BUDGET REFERENCES

HB 2007, Sections 69 and 144; HB 2042, Sections 1 through 14; SB 972, Sections 1 through 5

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$39,915,695	FY-01	\$69,300,271
FY-97	\$46,553,053	FY-02	\$71,436,628
FY-98	\$55,618,457	FY-03(Orig.)	\$64,292,965
FY-99	\$66,858,510	FY-04	\$53,649,633
FY-00	\$65,788,803	FY-05	\$57,563,226

Notes:

1. FY-97, FY-98 and FY-99 saw an increase in funding for services for children and pregnant women through the Children’s First program.
2. Revenue shortfalls resulted in an actual appropriation of \$59,402,967 for FY-03.

**J.D. McCARTY CENTER FOR CHILDREN WITH
DEVELOPMENTAL DISABILITIES**

Curtis Peters, Director

Agency #670

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$2,457,898	182.0
FY-05 Adjustments		
a. Increase State Employee Benefits	110,356	
b. Debt Service Obligation	294,513	
c. Sixth Group Home	<u>300,000</u>	<u>18.0</u>
Total Adjustments	\$704,869	18.0
FY-05 Appropriation and FTE Authorization	\$3,162,767	200.0
Percent Change from FY-04 to FY-05	28.7%	9.9%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Cash reserve funds for outstanding obligation of the Oklahoma Capital Improvement Authority (OCIA) were replaced by surety policies in 2003. Cash reserves were placed into appropriate sinking funds for each outstanding issue and used for the retirement of principal during FY-04 thus reducing payments requirements to the sinking funds. Required payments to the sinking fund will be increased in FY-05 by \$294,513 as the cash reserves are exhausted for constructing the new J.D. McCarty facility.
- c. This appropriation will fund the construction of a sixth group home. An additional 18 FTE will be needed to operate this portion of the facility. Salaries for these employees will be covered by increased revenue generated by the ability to serve more children and to receive additional federal reimbursements for such services.

III. POLICY ISSUES

- a. **HB 2007**, Section 145, provides onetime supplemental funds of \$300,000 for a portion of the construction cost for a sixth group home at the new facility. The cost of the sixth group home will be met by a combination of this supplemental, the increased per diem rate for Medicaid eligible clients, and the \$300,000 appropriated in FY-05. The routine Medicaid reimbursement rate increased by \$121.85 to a total of \$609.36 per client per day.

- b. **HB 2556** allows the J. D. McCarty Center for Children with Developmental Disabilities to sell surplus property and fixtures from its current facility and be exempt from the provisions of the Oklahoma Surplus Property Act, for purposes of moving to their new facility. HB 2556 also requires all proceeds from the sale of the surplus property and fixtures to be deposited in the agency's revolving fund and increases the number of commissioners on the Oklahoma Cerebral Palsy Commission from three (3) to five (5) members.

IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$2,457,898	\$3,162,767	28.7%
Revolving Funds	5,397,314	8,707,233	61.3%
Total	\$7,855,212	\$11,870,000	51.1%

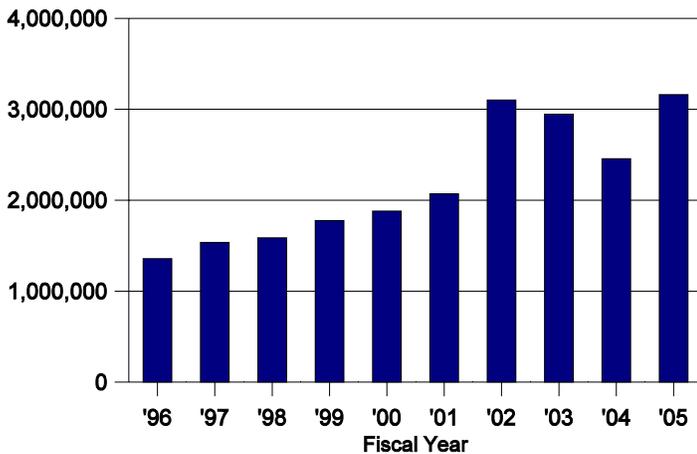
Note:

1. The increase in FY-05 revolving funds is due to the increased Medicaid per diem rate, the increased capacity of the new facility, and the sale of surplus property from the old facility.

V. BUDGET REFERENCES

HB 2007, Sections 70 and 145; SB 980, Sections 1 through 5

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$1,357,824	FY-01	\$2,070,083
FY-97	\$1,535,667	FY-02	\$3,101,630
FY-98	\$1,587,182	FY-03(Orig.)	\$2,946,549
FY-99	\$1,775,568	FY-04	\$2,457,898
FY-00	\$1,881,252	FY-05	\$3,162,767

Notes:

1. The FY-02 increase represents funds for debt service obligations against the bond issue used to finance the Center's new facility.
2. Revenue shortfalls resulted in an actual appropriation of \$2,715,245 for FY-03.

DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

Dr. Terry Cline, Commissioner

Agency #452

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$145,018,006	2,651.0
FY-05 Adjustments		
a. Increase State Employee Benefits	1,450,272	
b. Medicaid Match from OHCA for HMO Services	2,100,000	
c. Program for Assertive Community Treatment	750,000	
d. Core Mental Health Operations and Services	2,500,000	
e. Children’s Systems of Care Services	1,000,000	
f. Children’s Behavioral Health Programs	500,000	
g. Debt Service Obligation	138,440	
h. Drug Court Expansion	1,000,000	
i. Residential Care Rate Increase	116,000	
j. Transition House in Norman	7,000	
k. Muskogee County Council of Youth Services	64,855	
l. Eagle Ridge in Guthrie	25,000	
m. Broadway House in Ardmore	50,000	
n. Mental Health Services of Southern Oklahoma	100,000	
o. Creeks Mental Health Services	127,855	
p.. Oklahoma Forensic Center	<u>500,000</u>	
Total Adjustments	\$10,429,422	0.0
FY-05 Appropriation and FTE Authorization	\$155,447,428	2,651.0
Percent Change from FY-04 to FY-05	7.2%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. This funding was transferred from the Oklahoma Health Care Authority (OHCA) to provide the Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS) with

the state match for those clients that had previously been served by the SoonerCare Plus program.

- c. This funding allows for the expansion of the Program for Assertive Community Treatment (PACT) in Oklahoma by the addition of two teams.
- d. This appropriation is designated to partially restore funding for “best practice” mental health services and reduce the waiting list of those individuals needing these treatments and medications.
- e. The Legislature appropriated these funds to provide the state match for a federal grant for the Children’s System of Care program.
- f. Many Oklahoma children require specialized mental health services in the treatment of behavioral health issues resulting from violent events or very traumatic environments. This funding will provide mental health trauma services to children who have witnessed violence.
- g. Cash reserve funds for outstanding obligations of the Oklahoma Capital Improvement Authority (OCIA) were replaced by surety policies in 2003. Cash reserves were placed into the appropriate sinking funds for each outstanding issue and used for the retirement of principal during FY-04 thus reducing payments requirements to the sinking funds. Required payments to the sinking fund will be increased in FY-05 by \$138,440 as the cash reserves are exhausted for construction of the Alcohol and Drug Treatment facility in Vinita.
- h. A portion of this appropriation provides funding for treatment services and partial administrative costs at five new drug courts. The balance of these funds will allow for the expansion of the treatment capacity available in Oklahoma, Tulsa, and Comanche counties. Approximately 448 new drug court treatment slots will be available during FY-05.
- i. This funding will increase the reimbursement rate from \$8.66 to \$9.00 per day for residential care facilities that provide services in the continuum of care for persons with severe mental illness.
- j. This appropriation provides additional services through the Transition House, an adult transitional living center located in Norman.
- k. The Legislature appropriated funds to provide substance abuse treatment services for adolescents through the Muskogee County Council of Youth Services.
- l. This appropriation will provide additional substance abuse treatment for women through the Eagle Ridge program in Guthrie.
- m. Increased funds were provided for the contract with Mental Health Services of Southern Oklahoma (MHSSO).
- n. Broadway House is a half-way house providing substance abuse treatment. These funds will provide additional services to clients in southern Oklahoma.

- o. Increased funds will support additional mental health and substance abuse services through a contract with Creoks Mental Health Services.
- p. The Legislature authorized the issuance of \$18,900,000 in bonds in **SB 975** for the construction of a new Oklahoma Forensic Center in Vinita. This appropriation will provide debt service on the bonds for six months.

III. POLICY ISSUES

- a. **HB 2044** appropriates \$1,100,000 for drug court expansion and contractual services with Mental Health Services of Southern Oklahoma, sets budgetary and FTE limits, establishes the residential care per diem rate, and specifies the Legislative intent for PACT team expenditures.
- b. **SB 974** exempts appropriations made in SB 975 from FY-05 budget limits established in HB 2044.
- c. **SB 975** appropriates \$500,000 to ODMHSAS for six months of debt service and authorizes the issuance of Capitol Improvement Authority bonds not to exceed \$18,900,000 for the purpose of constructing a new 200-bed Oklahoma Forensic Center in Vinita.
- d. **SB 1246** requires ODMHSAS to promulgate rules concerning the granting and structure of therapeutic visits and requires Forensic Review Board approval for such visits.
- e. **SB 1256** amends the Prevention of Youth Access to Tobacco Act, provides for suspension of certain licenses for three or more violations by an employee, modifies the contents of signs required to be posted at places of business selling tobacco products, modifies the places where cigarette vending machines may be located, prohibits the sale of cigarettes and other tobacco products in a manner that permits direct access to products, allows peace officers to enforce and conduct compliance checks, and allows the use of persons under a certain age to conduct compliance check.
- f. **SB 1583** modifies the definition of mental retardation to conform to federal standards and clarifies the evaluation process in determining whether or not an individual is competent to stand trial or can become competent within a reasonable period of time. SB 1583 creates an Office of Public Guardian (OPG) in the Department of Human Services (DHS) to receive court-ordered individuals that are incompetent because they are mentally retarded. The OPG will be responsible for finding a proper and secure placement for such individuals. Individuals which are found incompetent to stand trial because they require mental health treatment still will be placed with the ODMHSAS for treatment to attain competency within a reasonable period of time.

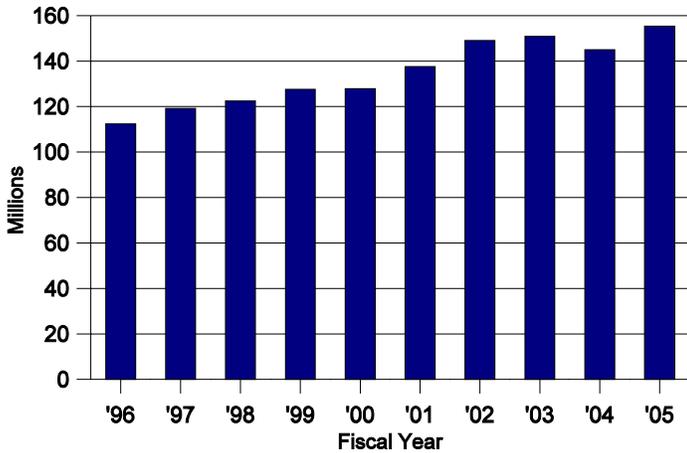
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$145,018,006	\$154,947,428	6.8%
Special Cash Fund	0	500,000	N/A
Carryover	4,091,817	4,000,000	(2.2)%
Revolving Funds	22,809,563	27,271,210	19.6%
Federal Funds	32,136,557	37,379,628	16.3%
Total	\$204,055,943	\$224,098,266	9.8%

V. BUDGET REFERENCES

HB 2007, Section 71; HB 2044, Sections 1 through 9; SB 974, Sections 1 through 3; SB 975, Sections 1 through 3

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$112,359,946	FY-01	\$137,561,733
FY-97	\$119,225,738	FY-02	\$149,135,211
FY-98	\$122,491,410	FY-03(Orig.)	\$150,924,452
FY-99	\$127,593,452	FY-04	\$145,018,006
FY-00	\$127,852,286	FY-05	\$155,447,428

Note:

1. Revenue shortfalls resulted in an actual appropriation of \$139,167,043 for FY-03.

UNIVERSITY HOSPITALS AUTHORITY

Dean Gandy, Director

Agency #825

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$34,598,585	10.0
FY-05 Adjustments		
a. Enhanced Trauma Care Rates	1,700,521	
b. OU Physicians Trauma Center	1,365,118	
c. Partial Restoration of Hospital GME	<u>1,365,118</u>	
Total Adjustments	\$4,430,757	0.0
FY-05 Appropriation and FTE Authorization	\$39,029,342	10.0
Percent Change from FY-04 to FY-05	12.8%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. By applying to the Center for Medicare and Medicaid Services (CMS) through the Oklahoma Health Care Authority (OHCA) for the ability to increase reimbursement rates to Level I trauma centers, this appropriation will be used as the state match to provide a total of approximately \$5.7 million to the OU Medical Center for the treatment of Medicaid clients.
- b. The Legislature appropriated these funds to meet expenses of the salaries and benefits of the OU physicians employed at the OU Medical Center trauma center.
- c. The Graduate Medical Education (GME) program for hospitals was reduced by \$1,701,365 to partially offset a reduction in revenue certification in FY-04. This appropriation was made to restore a portion of the budget cut to the Hospital GME program.

III. POLICY ISSUES

- a. **HB 2007**, Section 146, provides a supplemental appropriation of \$2,137,467 to fund the OU Medical Center trauma center and sustain operation as a Level I trauma center through June 30, 2004.
- b. **HB 2600** creates the “Trauma Care Assistance Revolving Fund” and provides that any increase of fees and/or fines from driver license reinstatement fees and from felony drug crime fines be deposited in the Fund.

- c. **SCR 77** authorizes the University Hospital Trust to demolish structures on property, for which they currently hold title, in order to facilitate the construction of a new children’s ambulatory clinic.

IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$34,598,585	\$39,029,342	12.8%
Federal Funds	108,575,885	70,799,864	(34.8)%
Total	\$143,174,470	\$109,829,206	(23.3)%

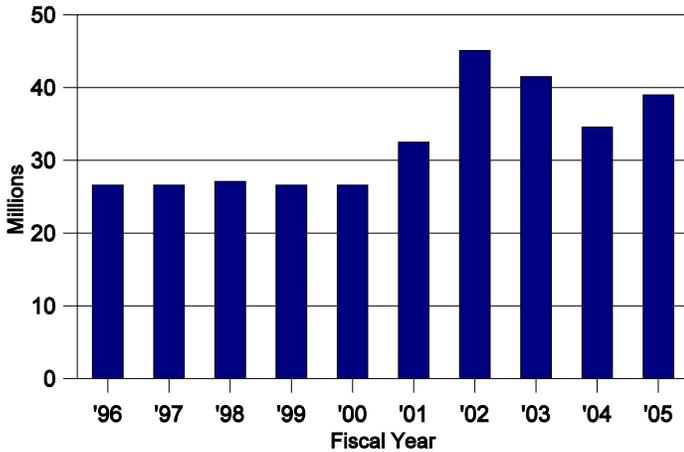
Note:

The enhanced Federal Medical Assistance Percentage (FMAP) rate during FY-04 generated a higher than normal level of federal funding.

V. BUDGET REFERENCES

HB 2007, Sections 72 and 146; SB 982, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$26,576,556	FY-01	\$32,497,970
FY-97	\$26,576,556	FY-02	\$45,149,895
FY-98	\$27,146,689	FY-03(Orig.)	\$41,499,895
FY-99	\$26,576,556	FY-04	\$34,598,585
FY-00	\$26,576,556	FY-05	\$39,029,342

Notes:

1. The FY-02 figure reflects an increase in funding for GME.
2. Revenue shortfalls resulted in an actual appropriation of \$38,242,153 for FY-03.

DEPARTMENT OF VETERANS AFFAIRS

Phillip Driskill, Director

Agency #650

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$26,943,202	1,998.0
FY-05 Adjustments		
a. Increase State Employee Benefits	1,297,915	
b. Debt Service Obligation	242,734	
c. Lawton Veterans Center	<u>1,607,321</u>	
Total Adjustments	\$3,147,970	0.0
FY-05 Appropriation and FTE Authorization	\$30,091,172	1,998.0
Percent Change from FY-04 to FY-05	11.7%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Cash reserve funds for outstanding obligation of the Oklahoma Capital Improvement Authority (OCIA) were replaced by surety policies in 2003. Cash reserves were placed into the appropriate sinking funds for each outstanding issue and used for the retirement of principal during FY-04 thus reducing payments requirements to the sinking funds. Required payments to the sinking fund will be increased in FY-05 by \$242,734 as the cash reserves are exhausted for the Alzheimer’s Wing at Claremore.
- c. This appropriation was made by the Legislature to adequately fund the operations of the Lawton Veterans Center.

III. POLICY ISSUES

None

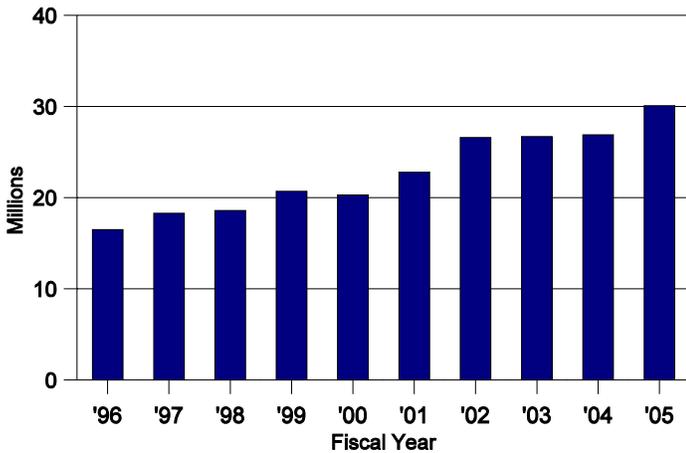
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$24,943,202	\$30,091,172	20.6%
Special Cash	2,000,000	0	(100.0)%
Revolving Funds	27,235,597	29,087,683	6.8%
Federal Funds	25,561,903	29,642,253	16.0%
Total	\$79,740,702	\$88,821,108	11.4%

V. BUDGET REFERENCES

HB 2007, Section 73; HB 2046, Sections 1 through 5

VI. TEN YEAR APPROPRIATION HISTORY

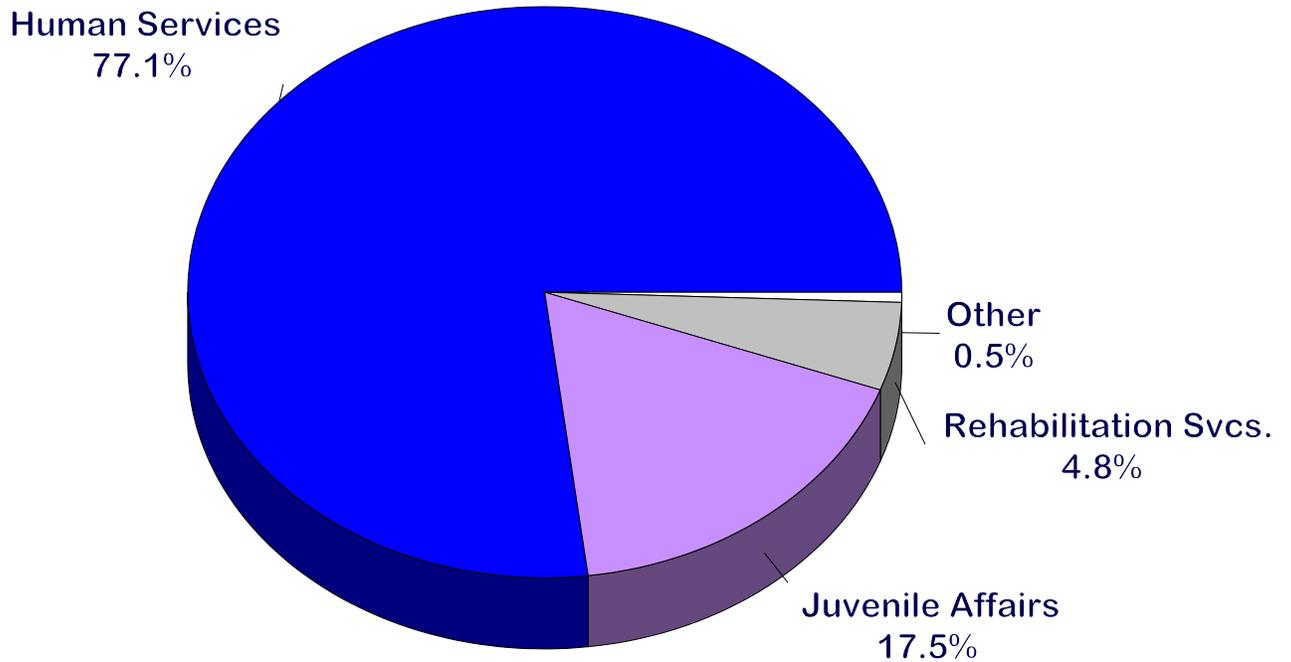


FY-96	\$16,526,798	FY-01	\$22,791,233
FY-97	\$18,297,269	FY-02	\$26,570,641
FY-98	\$18,625,135	FY-03(Orig.)	\$26,687,506
FY-99	\$20,654,195	FY-04	\$26,943,202
FY-00	\$20,316,847	FY-05	\$30,091,172

Notes:

1. The appropriation was decreased for FY-00 due to the transfer of the George Nigh Rehabilitation Institute to the State Regents for Higher Education.
2. Revenue shortfalls resulted in an actual appropriation of \$24,592,537 for FY-03.

HUMAN SERVICES SUBCOMMITTEE DISTRIBUTION OF FY-05 APPROPRIATIONS



Department of Human Services	\$408,330,849
Office of Juvenile Affairs	92,858,160
Rehabilitation Services	25,479,628
<u>Other</u>	
Children and Youth	1,569,789
Human Rights Commission	662,762
Office of Handicapped Concerns	362,128
Indian Affairs Commission	<u>248,942</u>
Subcommittee Total	\$529,512,258

**Excludes supplemental appropriations and reappropriations.
Includes capital and onetime expenditures.**

OKLAHOMA COMMISSION ON CHILDREN AND YOUTH

Janice Hendryx, Director

Agency #127

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$1,550,000	25.5
FY-05 Adjustments		
a. Increase State Employee Benefits	19,789	
Total Adjustments	\$19,789	0.0
FY-05 Appropriation and FTE Authorization	\$1,569,789	25.5
Percent Change from FY-04 to FY-05	1.3%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

- a. **SJR 48** directs the Oklahoma Commission on Children and Youth (OCCY) to take the lead and work with the Department of Human Services, the Department of Mental Health and Substance Abuse Services, and the Department of Corrections to study the living conditions of children of incarcerated women.
- b. **HB 2612** changes how the Office of Juvenile Affairs board members are appointed. Bill provisions no longer require OCCY to submit three names to the Governor when a vacancy occurs on the Board of the Office of Juvenile Affairs.
- c. **HB 2375** specifies that OCCY may recommend a facility be closed or that the state cancel a contract with a facility. Bill provisions add members to the Child Death Review Board and the Board of Child Abuse Examination, affect the rule making of the Board of Child Abuse Examination, and change the process for developing local child death review boards.

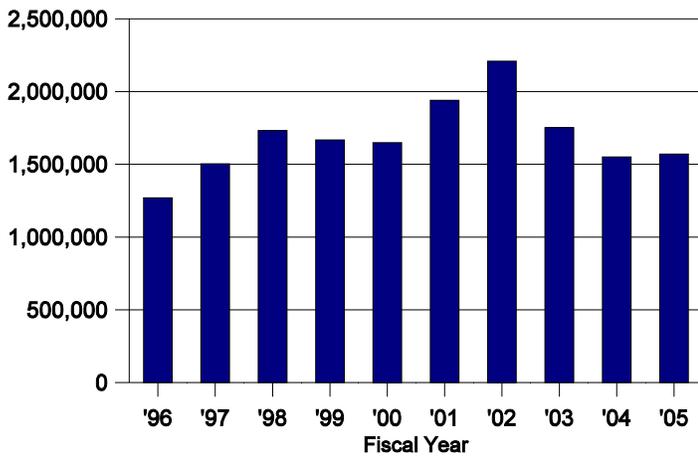
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$1,550,000	\$1,569,789	1.3%
Carryover	310,000	76,000	(75.5)%
Federal Funds	1,276,102	1,250,348	(2.0)%
Revolving Funds	140,000	170,000	21.4%
Total	\$3,276,102	\$3,066,137	(6.4)%

V. BUDGET REFERENCES

HB 2007, Section 74; SB 989, Sections 1 through 3

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$1,269,539	FY-01	\$1,940,308
FY-97	\$1,503,318	FY-02	\$2,209,406
FY-98	\$1,733,063	FY-03(Orig.)	\$1,751,885
FY-99	\$1,667,706	FY-04	\$1,550,000
FY-00	\$1,649,688	FY-05	\$1,569,789

Notes:

1. FY-97 amounts include expansion of Court Appointed Special Advocates to all Judicial Districts.
2. A significant portion of the FY-03 reduction is a result of the Court Appointed Special Advocates Program moving to the Office of the Attorney General.

OFFICE OF HANDICAPPED CONCERNS

Steve Stokes, Director

Agency #326

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$356,000	8.0
FY-05 Adjustments		
a. Increase State Employee Benefits	6,128	
Total Adjustments	\$6,128	0.0
FY-05 Appropriation and FTE Authorization	\$362,128	8.0
Percent Change from FY-04 to FY-05	1.7%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

None

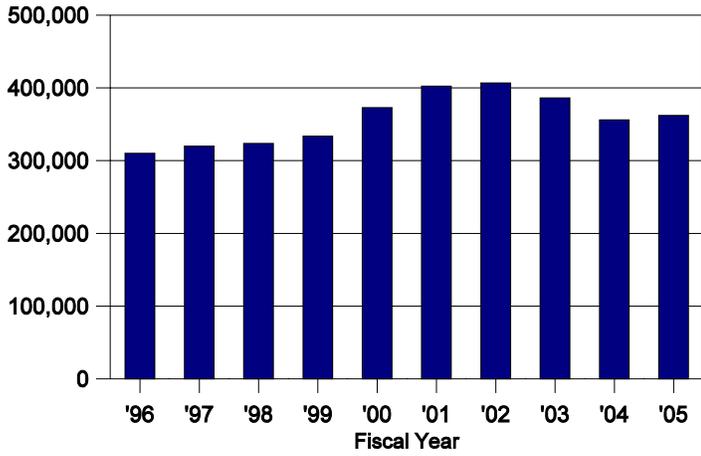
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$356,000	\$362,128	1.7%
Carryover	\$0	10,000	N/A
Federal Funds	125,000	125,000	0.0%
Total	\$481,000	\$497,128	3.4%

V. BUDGET REFERENCES

HB 2007, Section 75; SB 991, Sections 1 through 5; SB 992, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$310,126	FY-01	\$402,233
FY-97	\$320,160	FY-02	\$406,608
FY-98	\$323,517	FY-03(Orig.)	\$386,278
FY-99	\$333,870	FY-04	\$356,000
FY-00	\$372,968	FY-05	\$362,128

HUMAN RIGHTS COMMISSION

Kenneth Kendricks, Director

Agency #355

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$650,000	28.0
FY-05 Adjustments		
a. Increase State Employee Benefits	<u>12,762</u>	
Total Adjustments	\$12,762	0.0
FY-05 Appropriation and FTE Authorization	\$662,762	28.0
Percent Change from FY-04 to FY-05	2.0%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

None

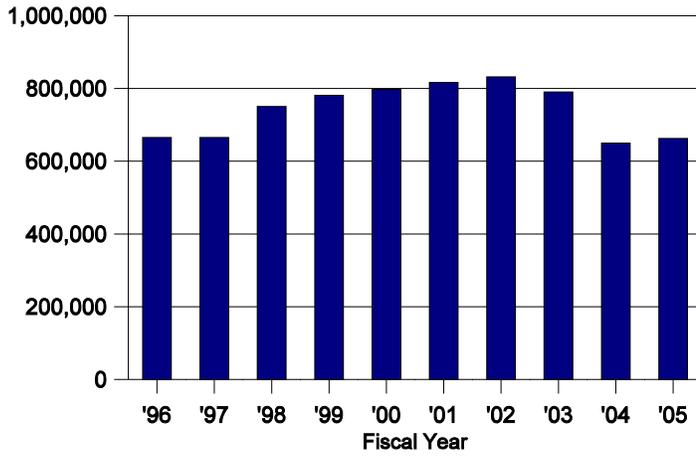
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$650,000	\$662,762	2.0%
Federal Funds	559,000	650,000	16.3%
Total	\$1,209,000	\$1,312,762	8.6%

V. BUDGET REFERENCES

HB 2007, Section 76; SB 993, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$665,373	FY-01	\$816,753
FY-97	\$665,373	FY-02	\$831,973
FY-98	\$750,543	FY-03(Orig.)	\$790,374
FY-99	\$781,430	FY-04	\$650,000
FY-00	\$797,678	FY-05	\$662,762

DEPARTMENT OF HUMAN SERVICES

Howard Hendrick, Director

Agency #830

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$387,455,619	7,751.0
FY-05 Adjustments		
a. Increase State Employee Benefits	4,221,230	
b. Child Care Subsidy	10,000,000	
c. Developmental Disabilities Services	1,700,000	
d. Office of Public Guardian	300,000	4.0
e. Partnership for School Readiness	2,000,000	
f. Prader Willi Disease	250,000	
g. Level E Girls' Group Home Funding	104,000	
h. Therapeutic Foster Care Providers' Rate Increase	590,000	
i. Foster Care Family Rate Increase	710,000	
j. Partial Funding to Offset Expected FY-05 Shortfall	<u>1,000,000</u>	_____
Total Adjustments	\$20,875,230	4.0
FY-05 Appropriation and FTE Authorization	\$408,330,849	7,755.0
Percent Change from FY-04 to FY-05	5.4%	0.1%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. The current child care subsidy rate structure to eligible families will remain in place for the lowest income families and will result in a slight increase for high income families for FY-05.
- c. Increased funding will be used to address persons presently on the Developmental Disabilities Services waiting list in need of such services.
- d. Additional appropriations will enable the Department of Human Services (DHS) to address issues in SB 1583 related to persons classified as mentally retarded and incompetent to stand trial for criminal offenses in such a capacity. Provides staffing for the Office of Public Guardian.

- e. This appropriation will be matched dollar for dollar by the private sector entities to promote early childhood school readiness programs in communities across the state.
- f. Appropriations were made to provide services to persons with Prader-Willi syndrome, a genetic birth defect that results in mental retardation and an uncontrollable eating disorder.
- g. Increased appropriations allow the expansion of the Level E Group Home in Chickasha by four additional beds.
- h. Increases the amount provided to therapeutic foster care providers by \$4.61 per child per day from \$65.90 per child per day to \$70.51.
- i. Additional funding will allow the regular foster care family rate to increase by 50 cents per child per day.
- j. This appropriation will allow DHS to partially address expected increases in certain program expenditures due to the continued growth within such programs. An example of this would be the Advantage Program which allows many elderly persons to remain in their homes, rather than being placed within a nursing home.

III. POLICY ISSUES

- a. **HB 2048**, the DHS reconciliation funding bill, included language in Section 12 outlining how DHS was to use its carryover funds. This language in Section 12 was vetoed by the Governor.
- b. **HB 2300** creates the Oklahoma Consumer-Directed Personal Assistance and Support Services (Oklahoma CD-PASS) Act. The bill creates a CD-PASS Demonstration Program within the Aging Services Division of the Department of Human Services, requires the Aging Services Division to develop guidelines, eligibility criteria, program performance standards, etc. to evaluate the program, and allows the demonstration program to be expanded statewide if the results meet specified outcomes. The intent of the Act is to provide clients with more choice regarding who provides them personal assistance and an enhanced role in the management of such services. Bill provisions grant the Commission for Human Services and the Oklahoma Health Care Authority Board to promulgate any rules necessary to implement the provisions of the Act.
- b. **SB 1109** adds organizations that contract with the Oklahoma Health Care Authority as Intermediary Services Organizations to provide federal fiscal and supportive services to CD-PASS waiver program participants. Bill provisions exempt individuals, agencies, or organizations that provide or supports the provision of personal care services to an individual who performs individual employer responsibilities of hiring, training, directing, and managing a personal care attendant as part of the Oklahoma Health Care Authority Consumer-Directed Personal Assistance Supports and Services (CD-PASS) waiver program from provisions of the Home Care Act only for those paraprofessional direct care services provided under Oklahoma Health Care Authority contracts, but not from criminal history background checks required for

other paraprofessional direct care providers. Additionally, personal care attendants hired by a consumer under the CD-PASS program will be exempt from certification as a home health aide. SB 1109 states that the State Board of Health shall not promulgate rules related to the Home Care Act in regard to restricting in-home assessments of home and community-based waiver clients in the state Medicaid program. Bill provisions further include personal care attendants hired by a consumer under the CD-PASS program in the list of persons that it is unlawful for the caregiver to solicit or accept anything of value greater than one dollar.

- c. **SB 1111** clarifies the types of child care programs to which the Oklahoma Child Care Facilities Licensing Act applies. Bill provisions outline the procedures to be followed by DHS in regard to complaints or violations of the Act.
- d. **SB 1210** amends Section 118.4 of Title 43 by clarifying that the assignment of child support to the Department of Human Services shall have first priority over any prior or subsequent assignment. Bill provisions allow child support benefits to be assigned to an attorney for the purpose of providing legal representation in such matters, so long as such assignment is consistent with the Oklahoma Rules of Professional Conduct and does not exceed 50% of the net amount of the child support collected and remitted to the obligee. This amendment changes the law back to the way it was before 2003. The net effect of the change is that it allows families to receive a larger share or percentage of past child support collected and remitted.
- e. **SB 1232** grants the Director of DHS the ability to select up to 4% of the agency's FTEs to be in the unclassified services, and specifies that employees retained in the unclassified service shall be employees at will. Bill provisions further allow any classified employee occupying a position selected by the Director to either elect to become unclassified or remain in classified status and states that all future appointees to such a position shall be in the unclassified service.
- f. **SB 1583** modifies the definition of mental retardation to conform to federal standards and clarifies the evaluation process in determining whether or not an individual is competent to stand trial or can become competent within a reasonable period of time. SB 1538 creates an Office of Public Guardian (OPG) in DHS to receive court-ordered individuals that are incompetent because they are mentally retarded and the OPG will be responsible for finding a proper and secure placement for the individuals. Those individuals which are found incompetent to stand trial because they require mental health treatment still will be placed with the Oklahoma Department of Mental Health and Substance Abuse Services for treatment to attain competency within a reasonable period of time.
- g. **SB 1600** amends the Uniform Interstate Family Support Act to clarify various provisions of the Act. Bill provisions incorporate 2001 changes advocated by the Uniform Commissioners on Uniform State Laws in the area of welfare reform. According to the DHS, these amendments make no substantive or fundamental changes in the welfare reform law. The changes are generally procedural maintaining the basic principle of one order for one state regarding child support.

- h. **SCR 38** states that the Commission for Human Services, subject to the availability of funds, is authorized to enter into lease-purchase agreements to construct, acquire and/or renovate adequate facilities to serve as group homes for persons with developmental disabilities in Garfield and Garvin Counties.

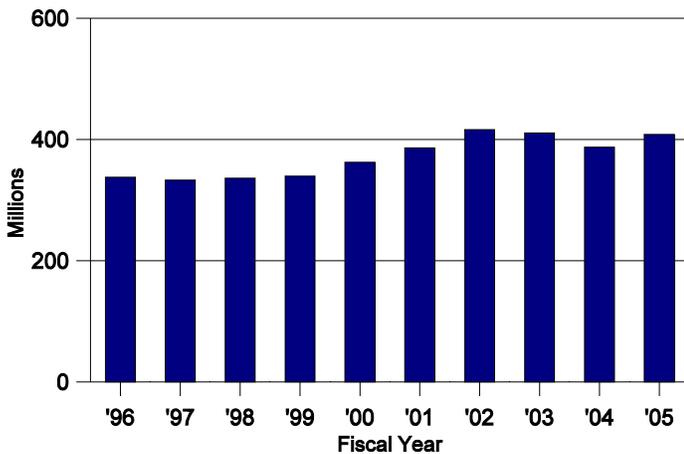
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$370,114,269	\$373,609,095	0.9%
Tobacco Settlement Funds	17,340,990	0	(100.0)%
Jobs and Growth Tax Relief Fund	0	33,367,754	N/A
Special Cash Fund	0	1,354,000	N/A
Carryover	30,387,245	22,492,687	(26.0)%
Title XIX and Reimbursements	121,807,552	128,821,773	5.8%
Federal Funds	805,929,813	893,069,342	10.8%
Total	\$1,345,579,869	\$1,452,714,651	8.0%

V. BUDGET REFERENCES

HB 2007, Sections 77 through 79; HB 2048, Sections 1 through 11 and Section 13 through 17

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$337,765,839	FY-01	\$386,227,781
FY-97	\$332,975,784	FY-02	\$416,396,819
FY-98	\$336,227,588	FY-03(Orig.)	\$410,923,039
FY-99	\$339,685,593	FY-04	\$387,455,619
FY-00	\$362,713,658	FY-05	\$408,330,849

INDIAN AFFAIRS COMMISSION

Barbara Warner, Director

Agency #360

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$244,000	6.0
FY-05 Adjustments		
a. Increase State Employee Benefits	4,942	
Total Adjustments	\$4,942	0.0
FY-05 Appropriation and FTE Authorization	\$248,942	6.0
Percent Change from FY-04 to FY-05	2.0%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

None

IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$244,000	\$248,942	2.0%
Carryover	39,950	39,328	(1.6)%
Revolving Funds	0	10,081	N/A
Total	\$283,950	\$298,351	5.1%

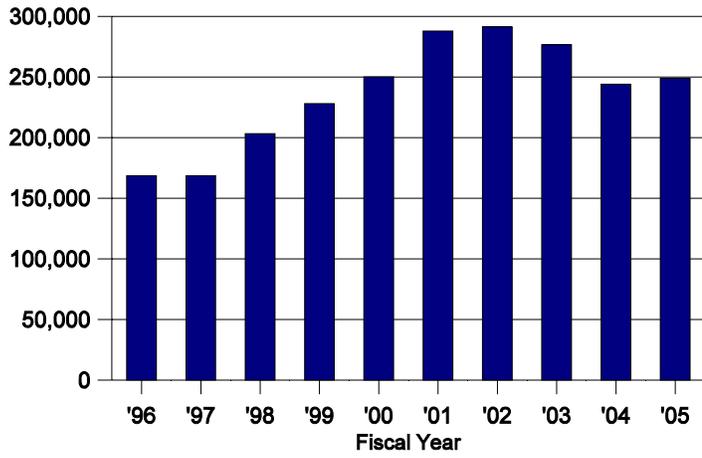
Note:

- 1. Revolving Fund revenues for Indian Affairs periodically are deposited from Federal Oil Overcharge receipts.

V. BUDGET REFERENCES

HB 2007, Section 80; SB 995, Sections 1 though 6; SB 996, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$168,672	FY-01	\$287,843
FY-97	\$168,672	FY-02	\$291,247
FY-98	\$203,302	FY-03(Orig.)	\$276,685
FY-99	\$228,009	FY-04	\$244,000
FY-00	\$250,161	FY-05	\$248,942

OFFICE OF JUVENILE AFFAIRS

Richard DeLaughter, Director

Agency #400

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$90,000,000	1,206.5
FY-05 Adjustments		
a. Increase State Employee Benefits	758,160	
b. Behavior Management Unit	300,000	
c. Audit Costs	50,000	
d. Emergency Youth Shelters	250,000	
e. Detention Center Rate Increase	500,000	
f. Partial Funding to Offset Previous Fiscal Year's Budget Cuts	<u>1,000,000</u>	
Total Adjustments	\$2,858,160	0.0
FY-05 Appropriation and FTE Authorization	\$92,858,160	1,206.5
Percent Change from FY-04 to FY-05	3.2%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Funds were appropriated to establish a Behavior Management Unit within Rader to manage those juveniles needing greater therapeutic services than currently available.
- c. Funding was provided to pay the State Auditor's Office for expenses incurred in auditing OJA's contracting practices and procedures.
- d. Increased appropriations allow OJA to provide additional resources to emergency youth shelters in communities across the State.
- e. The Legislature increased the per bed expenditures per day to detention centers in communities across the State.
- f. Since FY-02, OJA has taken nearly \$20 million in budget cuts, including \$12.3 million in cuts for FY-04. The one million dollars will partially offset previous fiscal year budget cuts.

III. POLICY ISSUES

- a. **HB 2375** enacts amendments to the Oklahoma Juvenile Code, as it pertains to the Youth Gang Intervention and Deterrence Act. Amendments rename the Act the “Youth Gang Intervention and Prevention Act” and specify that the Act is aimed at youth determined to have the highest risk of involvement with gangs or delinquent behaviors or who live in at-risk neighborhoods and communities. The bill requires the Office of Juvenile Affairs (OJA) to implement and evaluate programs under the Act and specifies that any contract executed with a vendor under the Act shall require the entity to prepare and submit to OJA an outcome based performance report. Bill provisions require OJA to submit an annual report providing summary information on implementation of the Act to the Speaker, President Pro Tempore , and Governor by January 15 of each year.
- b. **HB 2612** amends the Oklahoma Juvenile Code, as it pertains to the composition of the Board of Juvenile Affairs. Bill provisions require that the residences of future Board appointees conform to each of the five Congressional districts and that two appointments shall be at large. The bill further requires the Governor to observe urban, rural, gender, and race considerations in making future appointments and reduces terms of Board members from six years to four.
- c. **SB 649** reduces the population size of counties which can establish juvenile bureaus from 100,000 persons to 80,000. This legislation has the practical effect of allowing Canadian County to establish a juvenile bureau at county expense. Juvenile bureaus provide court intake and probation supervision in cases involving alleged delinquent youth and youth in need of supervision. Canadian County will be able to join Oklahoma, Tulsa, and Comanche Counties, as the only counties with juvenile bureaus. OJA provides these functions in every other county and provides custody and parole services statewide.
- d. **SB 1400** replaces penalties for county curfew violations committed by juveniles upon a second offense from up to thirty days’ in county jail to thirty hours of community service and up to \$100 in fines.
- e. **SB 1552** creates new law codifying the Interstate Compact for Juveniles Act which has the effect of ratifying proposals for Interstate Compact reform. The bill establishes an Interstate Commission on Juveniles and specifies procedures for interstate adherence to procedures for return of such juveniles who illegally leave the State. Bill provisions further establish a mechanism for penalties for states that willfully violate the Compact after having signed it, and require the establishment of a State Council for Interstate Juvenile Supervision, which must include membership from the legislative, judicial, and executive branches of state government and from victims’ groups.

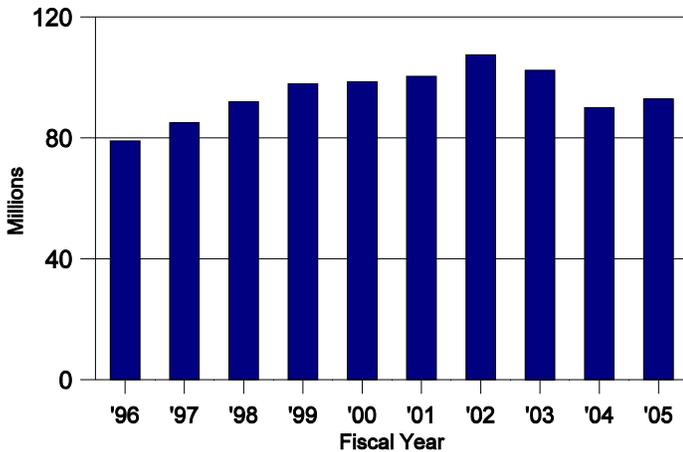
V. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$90,000,000	\$91,008,160	1.1%
Federal Tax Relief Fund	0	300,000	N/A
Special Cash	0	1,550,000	N/A
Carryover	510,074	688,049	34.9%
Revolving Funds	2,520,167	2,569,090	1.9%
Federal Funds	16,576,786	16,761,974	1.1%
Total	\$109,607,027	\$112,877,273	3.0%

V. BUDGET REFERENCES

HB 2007, Sections 81 and 82; HB 2051, Sections 1 through 8; SB 988, Sections 1 through 5; SB 990, Sections 1 through 5; SB 985, Sections 1 through 5

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$78,501,069	FY-01	\$100,422,925
FY-97	\$84,776,594	FY-02	\$107,466,872
FY-98	\$92,076,144	FY-03(Orig.)	\$102,368,528
FY-99	\$97,824,095	FY-04	\$90,000,000
FY-00	\$98,610,847	FY-05	\$92,858,160

DEPARTMENT OF REHABILITATION SERVICES

Linda Parker, Director

Agency #805

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$24,750,000	813.0
FY-05 Adjustments		
a. Increase State Employee Benefits	326,552	
b. Debt Service Adjustment	273,076	
c. State Schools Salary Adjustment	<u>130,000</u>	
Total Adjustments	\$729,628	0.0
FY-05 Appropriation and FTE Authorization	\$25,479,628	813.0
Percent Change from FY-04 to FY-05	2.9%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Cash reserve funds for outstanding obligation of the Oklahoma Capitol Improvement Authority (OCIA) were replaced by surety policies in 2003. Cash reserves were placed into the appropriate sinking funds for each outstanding issue and used for retirement of principal during FY-04, thus reducing payment requirements to the sinking funds. Required payments to the sinking fund will be increased in FY-05 by \$273,076 as the cash reserves are exhausted for improvements to the School of the Blind and School of the Deaf.
- c. The Legislature equalized the teachers' salaries at the School of the Blind and the School of the Deaf in relation to the state school salary structure.

III. POLICY ISSUES

- a. **SB 1280** allows the Commission for Rehabilitation Services to create a trust into which all real property held by the Commission for the benefit of the Schools for the Blind and Deaf shall be transferred. Bill provisions outline how the trust will be operated, including stating that the corpus of the trust may be disbursed only upon legislative approval or the trust dissolved only upon legislative approval and requires the Department of Central Services to provide necessary assistance to the Department in regard to the trust.

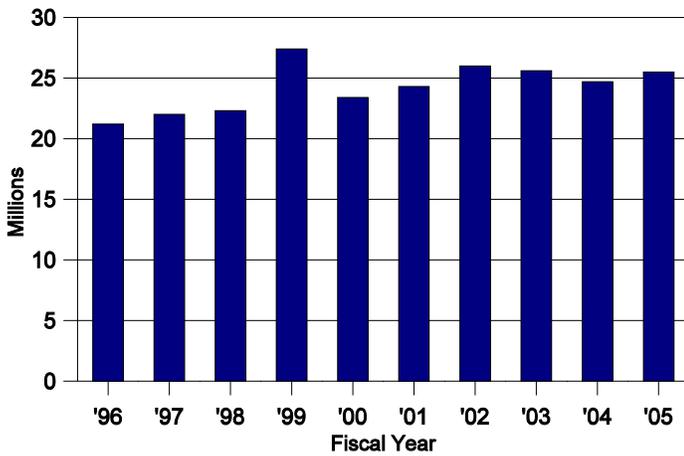
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$24,750,000	\$24,979,628	0.9%
Federal Tax Relief Fund	0	500,000	N/A
Federal Funds	80,750,000	91,220,372	13.0%
Total	\$105,500,000	\$116,700,000	10.6%

V. BUDGET REFERENCES

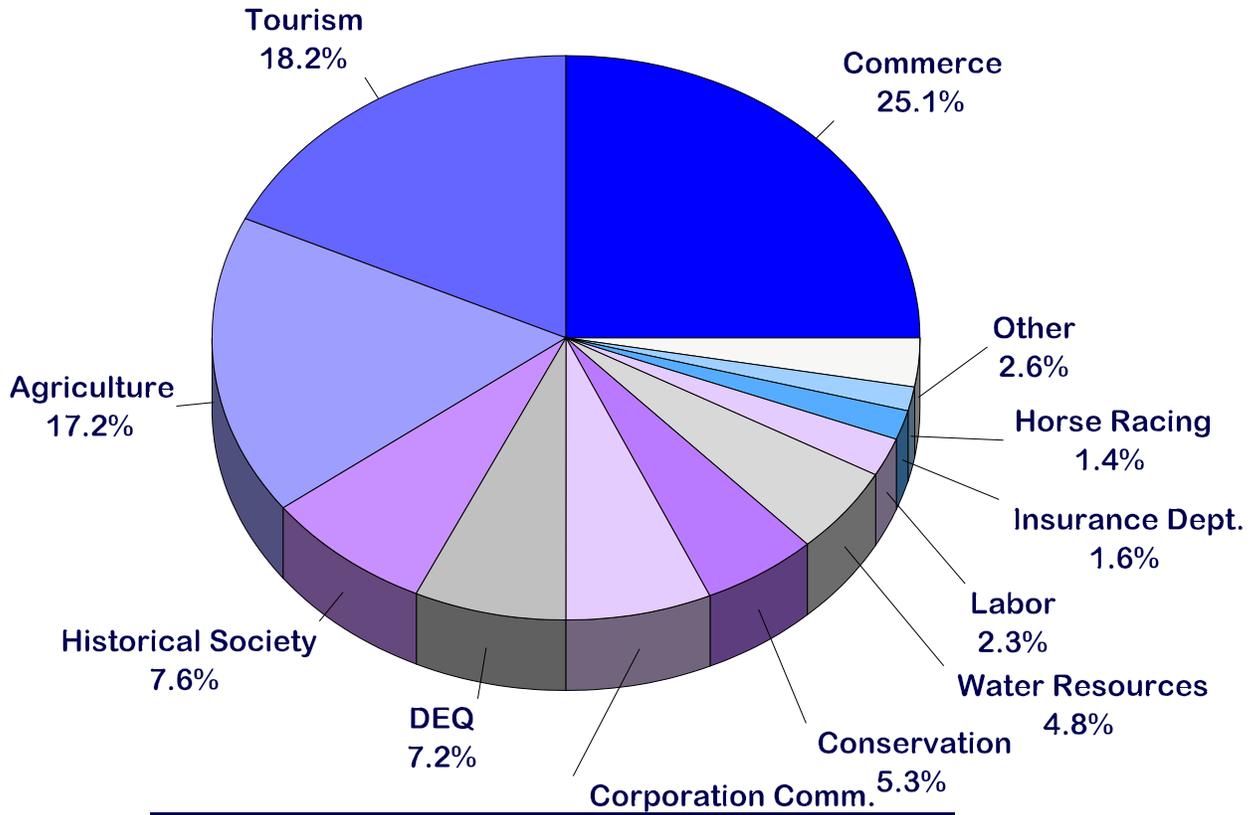
HB 2007, Sections 83 and 84; HB 2053, Sections 1 through 10

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$21,218,385	FY-01	\$24,283,206
FY-97	\$21,895,133	FY-02	\$25,953,544
FY-98	\$22,774,247	FY-03(Orig.)	\$25,576,817
FY-99	\$27,398,751	FY-04	\$24,750,000
FY-00	\$23,403,864	FY-05	\$25,479,628

NATURAL RESOURCES AND REGULATORY SERVICES SUBCOMMITTEE DISTRIBUTION OF FY-05 APPROPRIATIONS



	6.6%
Commerce Department	\$33,337,845
Tourism and Recreation	24,162,640
Agriculture Department	22,846,177
Historical Society	10,142,253
Environmental Quality	9,495,264
Corporation Commission	8,767,056
Conservation Commission	7,117,658
Water Resources Board	6,440,345
Department of Labor	3,061,658
Insurance Department	2,136,301
Horse Racing Commission	1,858,182
Other	
Will Rogers Memorial	882,678
Department of Mines	815,510
Comm. on Consumer Credit	616,513
Centennial Commission	536,453
J. M. Davis Memorial	330,983
Scenic Rivers Commission	333,158
Subcommittee Total	\$132,880,674

**Excludes supplemental appropriations and reappropriations.
Includes capital and onetime expenditures.**

DEPARTMENT OF AGRICULTURE, FOOD AND FORESTRY

Terry Peach, Commissioner

Agency #040

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$22,610,776	515.0
FY-05 Adjustments		
a. Shift General Revenue Appropriations to Rural Economic Action Plan (REAP) Gross Production Tax	(1,384,853)	
b. Base Adjustment	(792,000)	
c. Increase State Employee Benefits	357,254	
d. Animal Control Officers	100,000	
e. Restore Vehicle Replacement Schedule	200,000	
f. Restore 80/20 Grant Match Program	800,000	
g. Sustainable Agriculture Program	50,000	
h. Youth Expo FFA Scholarships	50,000	
i. Ag Enhancement and Diversification	250,000	
j. Sunrise Ag News Program OSU	170,000	
k. Made in Oklahoma Program Increase	75,000	
l. Rural Development Foundation (vetoed)	350,000	
m. Tick Eradication	<u>10,000</u>	
Total Adjustments	\$235,401	0.0
FY-05 Appropriation and FTE Authorization	\$22,846,177	515.0
Percent Change from FY-04 to FY-05	1.0%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. **HB 2054**, Section 2, authorizes the Department to access \$1,384,853 from the Rural Economic Action Plan Water Projects Fund from the Gross Production Tax. The funds will be transferred to the agency's revolving fund and will be used for operations.
- b. This adjustment represents onetime funding of projects in FY-04 which was removed from the agency's FY-05 base appropriation level.
- c. Appropriations were made for increases in various benefits provided state employees.

- d. The Legislature provided funds to hire two additional animal control officers. The officers will be hired to help eliminate feral hogs, a growing egret nesting problem and to offset increasing fuel costs associated with travel and helicopter surveillance.
- e. This appropriation will allow the agency to resume a vehicle replacement schedule. The Department has not been able to regularly replace vehicles since the middle of FY-02 when a general revenue shortfall forced the agency to cancel the program. The funds will be used to replace 12 to 15 vehicles which have mileage in excess of 100,000 miles.
- f. These funds will restore the 80/20 rural fire protection matching grant program for FY-05. Last year these funds were reallocated to Department administration in an effort to avoid additional reductions in force and furloughs beyond the amounts agreed to when the agency budget was cut by 23.7%.
- g. The Legislature appropriated funds to re-institute the Environmental and Sustainable Agriculture program. The program works toward the goal of sustaining Oklahoma agriculture by meeting the identified needs of and supporting the creativity of Oklahoma's under-served farmers and ranchers. The program was suspended during FY-04 to accommodate budget cuts.
- h. The Department received funds for the Youth Expo FFA Scholarship program. The Oklahoma Youth Expo has been the host to the Oklahoma Jr. Agriculture Program's State Championship for 87 years. In 2003 the program awarded over \$750,000 in awards and scholarships to 4-H and FFA members throughout the state. The Oklahoma Youth Expo is held in the spring of each year at the Oklahoma State Fairgrounds.
- i. The Legislature restored the Agriculture Enhancement and Diversification Program. This program provides funds in the form of loans or grants for the purpose of expanding the State's value added processing sector and encouraging farm diversification. Funds, provided on a cost-share basis, must be used for marketing and utilization, cooperative marketing, farm diversification and basic and applied research.
- j. The appropriation will replace funds cut by Oklahoma State University for the Sunrise Ag News program. The funds are intended to maintain the program at current levels.
- k. The Department received an increased appropriation for the Made in Oklahoma Program. The Made in Oklahoma Program promotes, through cooperative marketing and promotion, agriculture products made in the State. The FY-05 program funding level will total \$330,000 with this appropriation.
- l. An appropriation was provided for the Rural Development Foundation. The Foundation provides economic and community development funds to rural communities. The Governor vetoed this program and administratively transferred the funds to the Oklahoma Department of Commerce.
- m. The tick eradication program was increased by \$10,000 in order to meet the demands of the program which is operated by the Kiamichi Economic Development District Organization of southeast Oklahoma.

III. POLICY ISSUES

- a. The \$3 million Boll Weevil Eradication bond program from 1999 will be paid off within the first two months of FY-05. The Department was allowed to retain the balance of the annual debt service payment from the bonds (\$343,117) to hire at least seven firefighters within the Forestry Division, a veterinarian and an agriculture field inspector. All of the positions were maintained as vacant and unfunded during FY-04 due to budget cuts.
- b. Fifty-five Thousand Dollars in savings from onetime programs in FY-04 were reallocated to the dry fire hydrant program for FY-05. The dry fire hydrant program was suspended in FY-04 due to budget cuts. An additional \$50,000 in savings from onetime programs in FY-04 were reallocated to a Legume Research Project for FY-05. Finally, funds appropriated to the Department for a sheep research program conducted by Langston University during FY-04 were reduced from \$150,000 to \$100,000.
- c. **HB 2402** raises pesticide applicator license fees. The fee changes in the bill is estimated to generate approximately \$164,000 per year when fully implemented. The Department indicated that the income will be used to purchase computers and equipment related to the analysis of pesticides in the Oklahoma City lab and field offices.
- d. **HB 2218** authorizes income tax credit for purchase of poultry litter. For taxable years beginning after December 31, 2004, and ending on or before December 31, 2005, the credit will be available to the purchaser of the poultry litter and will equal \$5.00 per ton purchased and transported. The total of the credits authorized can not exceed \$375,000 annually. The bill requires that the poultry litter be purchased from an Oklahoma-based poultry operation registered with the State Board of Agriculture and located within an environmentally sensitive and nutrient-limited watershed area. The litter can be used or spread in a watershed that is not environmentally sensitive and nutrient-limited.
- e. **HB 2186** authorizes the Oklahoma Department of Agriculture, Food, and Forestry to enter into cooperative agreements with the United States Department of Agriculture to certify or establish an inspection service for the purpose of grading fruits, nuts, and vegetables. The bill authorizes the Department to employ personnel to oversee and supervise the inspection service but precludes the Department from hiring personnel to actually conduct the inspection services. Finally, the bill provides that inspection service activities conducted under a cooperative agreement are to be self-financed through fees.
- f. **SB 1300** authorizes the Oklahoma Department of Agriculture, Food, and Forestry to be the official agency of the State on matters pertaining to animal identification. The Department is authorized to promulgate rules for the implementation and administration of the Oklahoma Animal Identification Program provided that the federal government initiates or passes rules or laws requiring implementation of a national animal identification or premises registration program. The bill also allows the Department to initiate the program if another state establishes requirements for animal identification or premises registration affecting the importation of livestock from Oklahoma. Bill provisions allow the agency to charge fees to cover the program costs.
- g. **HB 2372** provides an income tax credit to volunteer firefighters who receive training through the Volunteer Firefighters Practice program operated by Oklahoma State University. The

income tax credits are \$250 per year for 12 credit hours and \$400 per year for 30 credit hours of training. The bill creates a nine member Oklahoma Council on Firefighter Training to identify firefighter training needs, interact with the division of Homeland Security Preparedness and Awareness and administer the incentive and recognition programs established for firefighters.

- h. **SB 998** increases the amount of funds CompSource Oklahoma can charge state agencies to cover the costs of the Volunteer Firefighter Group Insurance Pool by \$50,000, from \$270,338 to \$320,338. According to CompSource Oklahoma, the number of volunteer firefighters enrolled in the program is expected to be 7,770 by the end of FY-04, and will rise to 8,713 by the end of FY-05. The statute limits the amount CompSource can charge per firefighter to \$55.00. The entire cost of the program is expected to be \$479,215 by the end of FY-05, which will be funded with the premiums established in this bill and a \$169,000 appropriation through the Oklahoma Department of Agriculture, Food and Forestry contained in HB 2054.

IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$17,610,776	\$17,846,177	1.3%
Federal Tax Relief Fund	0	5,000,000	N/A
Special Cash	5,000,000	0	(100.0)%
REAP Gross Production Tax	0	1,384,853	N/A
Revolving and Carryover Funds ¹	5,838,716	7,094,703	21.5%
Federal Funds ²	7,814,169	7,478,466	(4.3)%
Total	\$36,263,661	\$38,804,199	7.0%

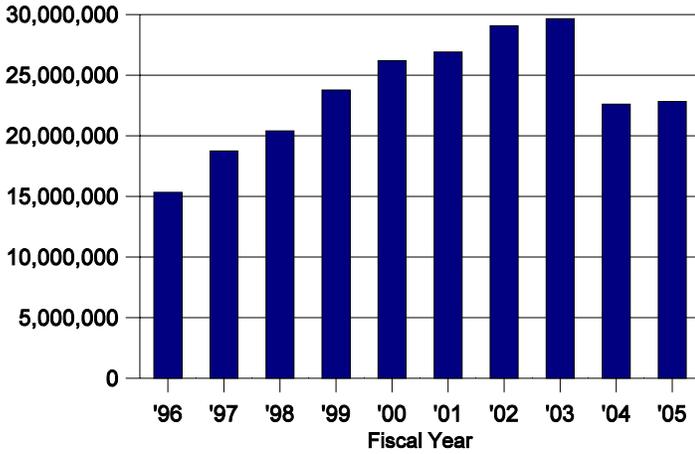
Notes:

- 1. Revolving funds include \$413,297 in FY-05 from the Oklahoma Conservation Commission’s Federal 319 Program to fund a poultry-litter waste to energy and fertilizer project.
- 2. Federal funds received by the agency are deposited into the agency revolving fund.

V. BUDGET REFERENCES

HB 2007, Sections 85 and 86; HB 2054

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$15,343,176	FY-01	\$26,908,940
FY-97	\$18,752,231	FY-02	\$29,076,961
FY-98	\$20,046,235	FY-03(Orig.)	\$29,648,836
FY-99	\$23,772,700	FY-04	\$22,610,776
FY-00	\$26,194,047	FY-05	\$22,846,177

Notes:

1. FY-97 increase represents an increase in support for rural fire operations throughout the state.
2. FY-99 increase represents an increase in support for forestry operations throughout the state.

CAPITOL COMPLEX AND CENTENNIAL COMMISSION

J. Blake Wade, Executive Director

Agency #007

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$526,503	12.0
FY-05 Adjustments		
a. Increase State Employee Benefits	9,950	
Total Adjustments	\$9,950	0.0
FY-05 Appropriation and FTE Authorization	\$536,453	12.0
Percent Change from FY-04 to FY-05	1.9%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

- a. **SB 1016** authorizes the Oklahoma Capitol Improvement Authority to issue \$5 million of bonds for the purpose of paying off the construction costs of the State Capitol Dome. Total construction cost of the dome was \$21.5 million. Of this amount, \$11.5 million was financed through an initial bank loan secured by over \$15 million of private donations, \$3.75 million was provided from private cash donations, \$1.25 million was appropriated from the Rainy Day Fund in FY-03, and \$5 million was financed from a second bank loan which will be retired with the OCIA bonds authorized by SB 1016. According to the Commission, the bonds will pay off the principal from the second loan but the State still may owe over \$700,000 of accrued interest on the second loan. The Commission projects that the accrued interest may be paid off with additional private donations.

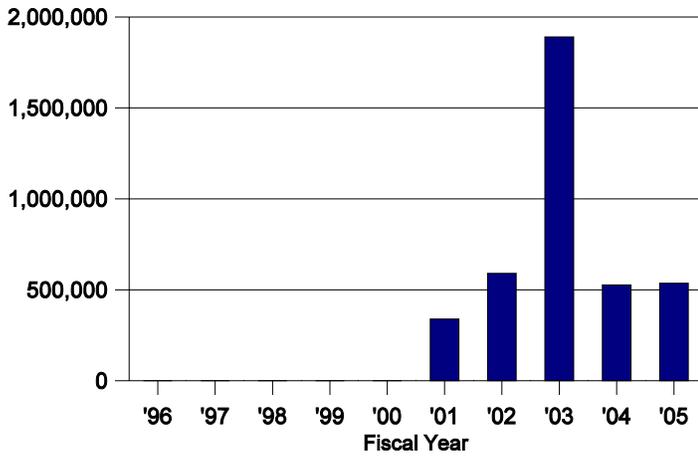
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$526,503	\$536,453	1.9%
Revolving Funds	45,000	50,868	13.0%
Total	\$571,503	\$587,321	2.8%

V. BUDGET REFERENCES

SB 2007, Section 87; SB 1015

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	N/A	FY-01	\$340,000
FY-97	N/A	FY-02	\$590,904
FY-98	N/A	FY-03(Orig.)	\$1,890,904
FY-99	N/A	FY-04	\$526,503
FY-00	N/A	FY-05	\$536,453

Notes:

1. The Capitol Complex and Centennial Commission was created as a separate state agency in FY-02.
2. The FY-03 increase represents a onetime Rainy Day appropriation for completion of the Capitol Dome Project.

DEPARTMENT OF COMMERCE

Kathy Taylor, Executive Director

Agency #160

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$22,008,606	185.0
FY-05 Adjustments		
a. Increase State Employee Benefits	141,482	
b. Rural Economic Development Program	200,000	
c. Main Street Program Expansion	60,000	
d. Oklahoma Alliance for Manufacturing Excellence	250,000	
e. Debt Service Obligation for Native American Cultural Authority	207,158	
f. Rural Development Foundation	350,000	
g. Quality Awards Foundation	25,000	
h. Community Action Association Head Start Audits	50,000	
i. Community Expansion of Nutrition Assistance (CENA)	3,000,000	
j. Community and Economic Development	<u>7,045,599</u>	
Total Adjustments	\$11,329,239	0.0
FY-05 Appropriation and FTE Authorization	\$33,337,845	185.0
Percent Change from FY-04 to FY-05	51.5%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. The Legislature appropriated funds to implement provisions of **HB 2288**, the Rural Action Partnership Program. The bill requires that the State be divided into four regions with each region to be served by a Rural Regional Economic Development Specialist. This appropriation will be combined with \$225,000 of Federal Workforce Investment Act funds and \$200,000 currently in the agency's budget to fully implement the program.
- c. Additional funds were provided to hire a Main Street Specialist. The Oklahoma Main Street Program is a statewide downtown revitalization program providing training, resources and technical assistance to 39 active Main Street communities across Oklahoma. Between FY-03 and FY-04, Pawnee, Tahlequah, Antlers, Mangum, and Talihina were added to the list of Main Street communities.

- d. Funds were appropriated for the Oklahoma Alliance for Manufacturing Excellence. The Alliance coordinates with the Oklahoma Department of Commerce for the purpose of retaining and expanding existing Oklahoma businesses and focuses on small and medium-sized manufacturing operations, distribution centers and regional business service operations.
- e. Cash reserve funds for outstanding obligation of the Oklahoma Capital Improvement Authority (OCIA) were replaced by surety policies in 2003. Cash reserves were placed into the appropriate sinking funds for each outstanding issue and used for the retirement of the principal during FY-04, thus reducing payment requirements to the sinking fund. Required payments to the sinking fund will be increased in FY-05 by \$207,158 as cash reserves are exhausted for construction of the Native American Cultural Center. For FY-05 the Authority will have a \$724,954 budget available for expenditure. Of this amount, \$416,000 is designated for operations and \$308,859 is earmarked for the debt service obligation. The Authority also received a \$121,000 supplemental appropriation to fully fund the debt service for FY-04 in Section 140 of HB 2007.
- f. The agency received funds for the Rural Development Foundation which will be used for the purpose of promoting rural economic and community development. In addition, an administrative transfer of \$350,000 will be made from the Department of Agriculture, Food and Forestry at the Governor's direction, to the agency for the Foundation's benefit.
- g. An increase in appropriations was provided to the Oklahoma Quality Awards Foundation. For FY-05 the Foundation will receive \$75,000. Oklahoma businesses along with the Oklahoma Department of Commerce established the award program in 1993 to recognize Oklahoma organizations for their achievements in quality and business performance and to raise awareness about the importance of performance excellence as a competitive edge. The Oklahoma Quality Award Program is built around the Malcolm Baldrige National Quality Award process and tailored for Oklahoma.
- h. An additional appropriation was provided to the Association of Community Action Agencies to increase the number of on-site head start program evaluations performed during FY-05. The evaluations are performed through contracts with consultants who visit head start programs around the State prior to the scheduled federal audits. The evaluations assist the programs in addressing and correcting problems and deficiencies prior to the federal audit. In FY-04 the Association performed 3 audits and plans on performing 9 or 10 during FY-05.
- i. The Department received funds to implement the Community Expansion of Nutrition Assistance program (CENA). CENA provides nutrition assistance to senior citizen centers that cannot meet federal standards for federal nutrition services. The program was administered by the Department of Human Services between 1997 and 2002 but was discontinued due to state budget cuts. Prior to being discontinued, the program provided over 2.2 million meals in over 340 senior centers statewide.
- j. Additional appropriations were provided for the substate planning districts to perform community and economic development services across the State.

III. POLICY ISSUES

- a. **HB 2288** , the Rural Action Partnership Program, requires that the State be divided into four regions with each region to be served by a Rural Regional Economic Development Specialist. The bill requires the establishment of a toll free hotline to serve as a primary contact for businesses, associations and other organizations for the purpose of providing information and assistance in the establishment of businesses in rural areas of the State. The bill also requires the program to sponsor rural development summits.
- b. **SB 1176** modifies the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act. Bill provisions include the ability for a local governmental entity which constructs public improvements within an enterprise zone to become eligible for the state local government matching payments. The bill requires the Department of Commerce to complete a cost benefit analysis for each proposed project within the created district. The cost benefit analysis will determined the matching payments based on an incremental change in sales tax revenues.
- c. **SB 1018** authorizes community action agencies to receive real or personal property transfers from the state or federal government. The bill will allow community action agencies which renovate old hotels, establish housing additions or develop parks to take control of the property if it is owned by the state or federal government.

SB 1018 also authorizes the Oklahoma Risk Management Administrator to provide insurance coverage for public transit vehicles operated by community action agencies or substate planning districts. The bill will allow agencies that provide Sooner Ride services for the Oklahoma Health Care Authority to reduce their insurance costs for the vehicles they operate.

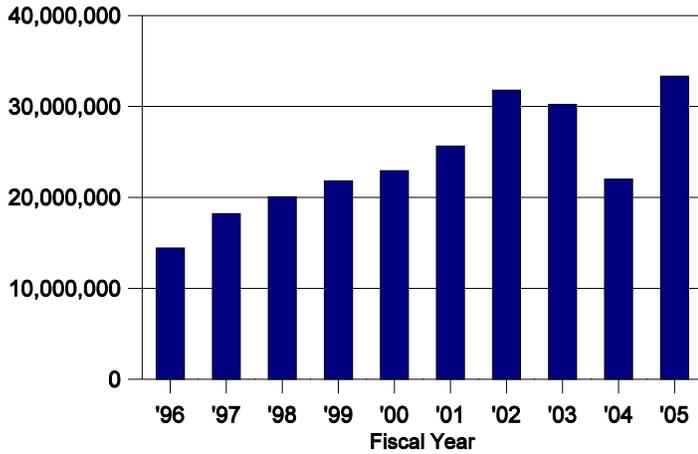
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$22,008,606	\$18,630,677	(15.3)%
Special Cash	0	4,707,168	N/A
Federal Tax Relief Fund	0	10,000,000	N/A
Reappropriation and Redesignation	192,428	0	(100.0)%
Revolving and Carryover Funds	1,344,966	1,792,528	33.3%
Federal Funds	43,018,815	49,460,076	15.0%
Total	\$66,564,815	\$84,590,449	27.1%

V. BUDGET REFERENCES

SB 2007, Sections 88 and 89; SB 1017

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$14,450,472	FY-01	\$25,653,941
FY-97	\$18,203,600	FY-02	\$31,175,324
FY-98	\$20,070,376	FY-03(Orig.)	\$30,241,666
FY-99	\$21,830,694	FY-04	\$22,008,606
FY-00	\$22,934,902	FY-05	\$33,337,845

Notes:

1. The FY-02 figure reflects an increase in community development programs.
2. The FY-05 figure reflects an increase in Community Development Programs and a \$3 million appropriation to CENA.

CONSERVATION COMMISSION

Mike Thralls, Executive Director

Agency #645

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$6,220,557	62.0
FY-05 Adjustments		
a. Increase State Employee Benefits	142,761	
b. Health Benefits Allowance Increase	161,840	
c. Annualize Health Insurance Changes from FY-04	287,500	
d. District Operations	255,000	
e. Priority Watershed	<u>50,000</u>	
Total Adjustments	\$897,101	0.0
FY-05 Appropriation and FTE Authorization	\$7,117,658	62.0
Percent Change from FY-04 to FY-05	14.4%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided to state employees and Conservation District employees.
- b. The Legislature provided additional funds to offset the costs of the FY-05 Health Benefit Allowance increases.
- c. The Commission received funds to annualize the health insurance changes which occurred last year when Conservation District employees health benefit allowance was equalized with the state employee benefit allowance.
- d. This appropriation will restore district operation and maintenance funds which were reduced for a year to accommodate the FY-04 budget cuts. In FY-04, each district received \$1,000 for operations and maintenance. For FY-05, each district will receive \$3,000.
- e. The Commission was provided with funds to match federal EPA 319 Priority Watershed grant funds. This appropriation will be combined with a \$250,000 allocation from the REAP Gross Production Tax to fund Lake Wister (\$122,573), Grand Lake (\$10,722) and Spavinaw Creek (\$116,705) clean up projects. The priority watershed program addresses non-point source pollution problems in watersheds around the State which are determined to be severely impacted by non-point pollution.

III. POLICY ISSUES

- a. **SB 1019**, Section 2, allocates \$500,000 to the Conservation Commission from the REAP apportionment of the Gross Production Tax. Two Hundred Fifty Thousand (\$250,000) of these funds will be combined with a \$50,000 appropriation to fully fund the state match for priority watershed projects at Lake Wister, Grand Lake and Spavinaw Creek. The remaining \$250,000 of the REAP Gross Production Tax allocation will be used to fund the cost share program. Each district will receive a portion of these funds for FY-05.
- b. The Legislature transferred \$50,000 from the Conservation Cost Share Fund to the Conservation Commission Revolving Fund. The transfer was made in response to concerns that the monies deposited into the Cost Share Fund from the REAP Gross Production Tax allocation were being used for non-cost share projects.
- c. **SB 1031**, Section 9, provides that if collections from the REAP Gross Production Tax allocation exceed \$5,076,485 during FY-05 the following Conservation Commission programs will receive funds in the following priority order: Priority One, \$500,000 for watershed rehabilitation; and Priority Four, \$500,000 for either the priority watershed and/or cost share programs.
- d. **SB 1020** creates two revolving funds, the Conservation Commission Revolving Fund and the Tar Creek Mine Reclamation Revolving Fund. The Conservation Commission Revolving Fund is a general operating fund for the Commission. The Tar Creek revolving fund will allow the Commission to accept approximately \$2.5 million of federal grant funds appropriated by Congress for land reclamation projects within the Tar Creek Superfund Site.
- e. **HB 1823** allows employees who transfer from conservation districts to state employment to retain their years of service for the purpose of calculating longevity and leave accrual. The bill also authorizes Conservation Districts to purchase years of service for certain employees for the purposes of retirement upon the availability of funds.
- f. **HB 2457** defines geographic information and GIS systems. The bill adds four members to the GIS Council - the Director of Homeland Security and three members appointed by the Governor as designated. Bill provisions make the Council the oversight entity of the Office of GIS and preclude the Council from awarding contracts or employing staff. The bill also restructures a revolving fund administered by the Conservation Commission for the GIS office, creates an Office of GIS and requires the Director of the Oklahoma Conservation Commission to appoint a director. While no funds were appropriated for a GIS Office the fiscal impact of the bill is estimated to be \$100,000 to \$150,000 per year for staff, supplies, equipment and travel.

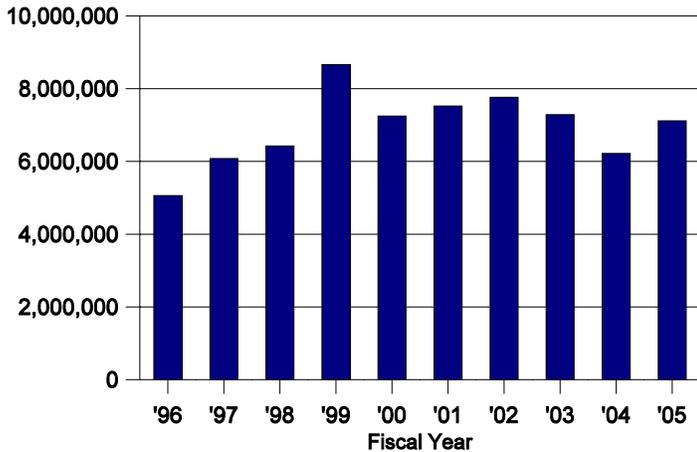
V. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$6,220,557	\$7,117,658	14.4%
REAP Fund from Gross Production Tax	1,260,000	500,000	(60.3)%
Revolving and Carryover Funds	1,680,000	1,184,488	(29.5)%
Federal Funds	16,754,939	13,485,535	(19.5)%
Total	\$25,915,496	\$22,287,681	(14.0)%

V. BUDGET REFERENCES

HB 2007, Section 90; SB 1019

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$5,059,032	FY-01	\$7,522,104
FY-97	\$6,081,236	FY-02	\$7,764,094
FY-98	\$6,425,381	FY-03(Orig.)	\$7,287,094
FY-99	\$8,663,416	FY-04	\$6,220,557
FY-00	\$7,246,731	FY-05	\$7,117,658

Notes:

1. FY-99 figure includes Rainy Day Fund appropriation for cost share program.
2. FY-00 figure does not include \$500,000 Rainy Day Fund appropriation transfer for cost share program.
3. FY-05 figure does not include \$500,000 in REAP Funds from the Gross Production Tax.

COMMISSION ON CONSUMER CREDIT

Don Hardin, Administrator

Agency #635

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$602,747	16.0
FY-05 Adjustments		
a. Increase State Employee Benefits	<u>13,766</u>	
Total Adjustments	\$13,766	0.0
FY-05 Appropriation and FTE Authorization	\$616,513	16.0
Percent Change from FY-04 to FY-05	2.3%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

- a. **HB 2056**, Sections 3 and 4, transfers \$180,000 from the Mortgage Broker Revolving Fund and \$200,000 from the Deferred Deposit Revolving Fund to the Special Cash Fund.
- b. **SB 1565** amends the Deferred Deposit Lending Act. The bill clarifies definitions related to consecutive loans and allows debtors to pay off loans through an installment plan of four payments if the debtor enters into a third consecutive loan. The consumer will pay a processing fee of ten percent (10%) of the principal amount of the loan per loan not to exceed Fifteen Dollars (\$15.00) for administration of the payment plan. The bill further provides that the consumer agrees not to enter into any additional deferred presentment loans during the repayment plan term and for a period of fifteen days after termination of the repayment plan term. Finally, the bill also allows lenders to charge an applicant a fee for database verification not to exceed the actual fee charged to the lender by the database provider.

The legislation provides that each lender pay five cents (\$0.05) for each deferred deposit loan to be deposited into the Oklahoma Deferred Deposit Lending Regulatory Revolving Fund. Funds collected from the fee is to be paid to a third-party, Oklahoma-based consumer credit counseling provider for a program of research and to implement a voluntary consumer counseling and education program specifically designed for consumers using deferred deposit loans. The Department of Consumer Credit indicates that there are between 150,000 to 300,000 deferred deposit loans issued each year. The 5-cent per loan fee will generate between \$7,500 to \$15,000 of income for a contract with a consumer credit counseling company.

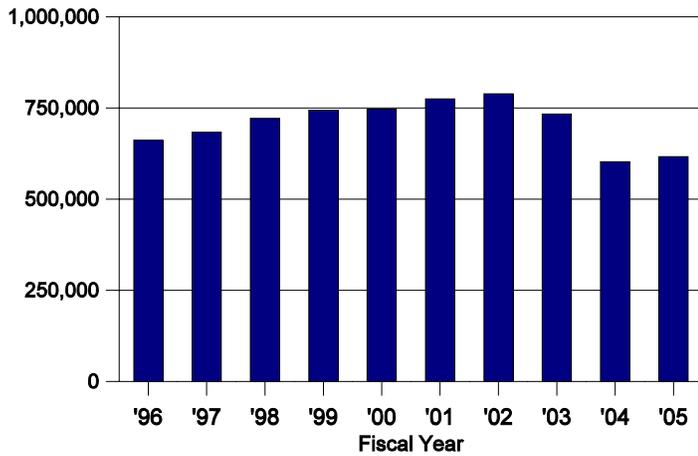
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$602,747	\$616,513	2.3%
Revolving and Carryover Funds	222,871	360,847	61.9%
Total	\$825,618	\$977,360	18.4%

V. BUDGET REFERENCES

HB 2007, Section 91; HB 2056

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$662,013	FY-01	\$774,670
FY-97	\$683,795	FY-02	\$788,942
FY-98	\$721,791	FY-03(Orig.)	\$733,716
FY-99	\$743,934	FY-04	\$602,747
FY-00	\$747,090	FY-05	\$616,513

CORPORATION COMMISSION

Denise Bode, Chairman

Agency #185

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$4,736,959	453.0
FY-05 Adjustments		
a. Increase State Employee Benefits	330,097	
b. One Stop Shop Transportation Program Transfer	<u>3,700,000</u>	<u>85.0</u>
Total Adjustments	\$4,030,097	85.0
FY-05 Appropriation and FTE Authorization	\$8,767,056	538.0
Percent Change from FY-04 to FY-05	85.1%	18.8%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. **SB 141** creates the Trucking One-Stop Shop Act. The Trucking One-Stop Shop Act consolidates the operations of the Motor Vehicle Enforcement Section, the International Registration Plan Section and the International Fuel Tax Agreement Section of the Oklahoma Tax Commission with the Corporation Commission Transportation Division. The Act will be implemented in two phases: Phase I will be implemented by transferring the Motor Vehicle Enforcement Section on July 1, 2004; Phase II will be implemented by transferring the International Registration Plan Section and the International Fuel Tax Agreement Section on July 1, 2005.

SB 967 transfers \$3.7 million from the Tax Commission to the Corporation Commission with an additional transfer of \$100,000 to the Oklahoma Department of Transportation for the operation of weigh stations. Costs include salaries and benefits of employees, travel and operating expenses. The Motor Vehicle Enforcement Section transfer (Phase I) will involve 38 full-time-equivalent employees (FTE) and approximately \$1,900,000. The IRP and IFTA Section (Phase II) will involve 47 FTE and approximately \$1,898, 310.

SB 967 does not go into effect until September 1, 2004, and the appropriations and transfers are exempt from the Corporation Commission budget limits for FY-05. The Corporation Commission and the Tax Commission are negotiating interagency contracts to insure that the transition and transfers occur without a disruption of services.

III. POLICY ISSUES

- a. The overall Commission appropriation and budget was adjusted from **HB 2007**, the General Appropriation Bill for FY-05. The General Revenue appropriation to the Commission was first reduced by \$3 million and replaced by an allocation from the REAP Gross Production Tax funds administered by the Oklahoma Water Resources Board.

The Commission's total appropriation combined with the allocated funds for FY-05 will be \$8,067,056, or \$69,243 more than the FY-04 base amount of \$ 7,997,813. This amount does not include the transfer of \$3.7 million from the Tax Commission for the Trucking One-Stop bill (SB 141 and SB 967).

Additional adjustments and allowances were made to the Commission's FY-05 appropriation as follows:

1.	Operational Adjustments in HB 2007	\$416,411
2.	Reduction of Appropriation	(\$944,333)
3.	Oil and Gas Field Staff (16 FTE)	\$522,165
4.	Scale House Repairs	<u>\$75,000</u>
		\$69,243

1. The Commission's FY-05 appropriation was provided with an operational adjustment to accommodate health benefit changes occurring during FY-05. The adjustment was contained in HB 2007, the General Appropriation Bill.
 2. The Commission's appropriation was reduced by \$944,333, which represents the amount of ongoing appropriations the agency used at the beginning of FY-04 to encourage approximately 47 employees to accept a voluntary-out retirement package.
 3. The reduction was offset by an appropriation of \$522,165, which the Commission will use to hire 16 oil and gas field staff across the State. The FY-04 budget cuts subsequent to the FY-02 and FY-03 general revenue shortfalls caused the Commission to leave the field staff positions vacant. The vacancies occurred, however, at a time when the price of oil and natural gas increases caused an increase in drilling activity across the State.
 4. The reduction was further offset by \$75,000, which the Commission will use to purchase mobile weigh stations for the Transportation Division.
- b. **HB 2058**, Section 7, requires the Director of State Finance to transfer \$250,000 from the Corporation Commission Well Plugging Fund to the Special Cash Fund.

HB 2058, Section 4, requires the Commission to expend \$190,200 for the Tulsa Office and Section 5 of HB 2058 requires the Commission to continue to operate the multicounty field offices located in Bristow, Kingfisher, Duncan and Ada.

HB 2058, Section 11, eliminates the General Administrator position from statute and requires the Commission to have a division director of administration in its place. The salary of the division director will be set by the Commission and may not exceed the salary of other division directors.

- c. **SB 1060** raises the salaries of court reporters from \$29,758 to \$34,900 effective January 1, 2005. Court reporters who are certified shorthand reporters will be paid \$35,600 per year.
- d. **SB 141** creates the Trucking One-Stop Shop Act. Revenue derived from all fines and penalties collected or received by the Corporation Commission pursuant to the provisions of the Act are to be apportioned as follows: the first \$850,000 collected each fiscal year will be remitted to the Oklahoma Tax Commission and apportioned as provided in Section 1104 of Title 47 of the Oklahoma Statutes; One-half of the remaining amount will be deposited to a One-Stop Trucking Fund and One-half of the remaining amount will be deposited to the Weigh Station Improvement Revolving Fund.

The bill also transfers all funds, facilities and equipment used for determining the weight of vehicles operated on the roads or highways of the state to the Department of Transportation from the Tax Commission. The Department is authorized to enter into an agreement with the Corporation Commission to operate such facilities or equipment.

- e. **HB 2616** clarifies the Petroleum Storage Tank (PST) Indemnity Fund statutes and places Corporation Commission rules related to claims processing into statute. The bill allows the PST Indemnity Fund to assist other agencies and political subdivisions of the state with clean ups and authorizes the program to purchase contaminated property and then dispose of it once it is cleaned up. The bill further eliminates the administrative limitations placed on the PST Indemnity Fund and allows those limits to be established by the Legislature through the appropriation process.

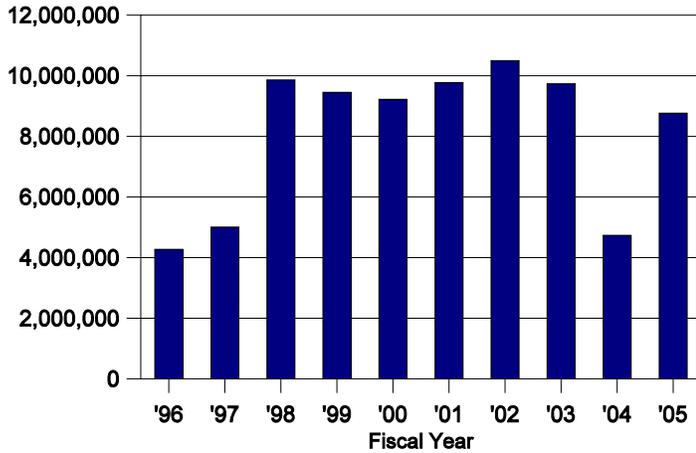
IV. BUDGET RESOURCES

	FY-04	FY-05	% Change
General Revenue Fund	\$4,736,959	\$8,767,056	85.1%
Gross Production Tax REAP Fund	3,260,854	3,000,000	(8.0)%
Revolving and Carryover Funds	17,356,632	18,722,500	7.9%
Federal Funds	1,163,349	850,781	(26.9)%
Total	\$26,517,794	\$31,340,337	18.2%

V. BUDGET REFERENCES

HB 2007, Section 92; HB 2058

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$4,271,557	FY-01	\$9,773,537
FY-97	\$5,009,636	FY-02	\$10,502,244
FY-98	\$9,859,093	FY-03(Orig.)	\$9,735,621
FY-99	\$9,455,793	FY-04	\$4,736,959
FY-00	\$9,222,199	FY-05	\$8,767,056

Notes:

1. FY-98 appropriation increase is due to a General Revenue appropriation which replaced the abolished Conservation Revolving Fund.
2. FY-05 appropriation increase is due to a General Revenue transfer of funds from the Tax Commission for the administration of the Trucking One-Stop Shop Act.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Steven Thompson, Executive Director

Agency #292

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$5,928,921	571.0
FY-05 Adjustments		
a. Increase State Employee Benefits	566,343	
b. Tar Creek Relocation Act	<u>3,000,000</u>	
Total Adjustments	\$3,566,343	0.0
FY-05 Appropriation and FTE Authorization	\$9,495,264	571.0
Percent Change from FY-04 to FY-05	60.2%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. The Legislature authorized funds to implement the provisions of **SB 1490**, the Lead-Impacted Communities Relocation Assistance Act. The bill authorizes the department to contract with certain public trusts which will pay parents or legal guardians of children who are six years old or younger to relocate out of the Tar Creek Superfund Site. The bill allows such trusts to purchase homes from affected families for an amount equal to the average cost of comparable housing elsewhere in the county as well as \$1,000 for moving expenses. Finally, the legislation also allows the trusts to pay up to \$1,000 for moving expenses to affected families who rent their homes.

III. POLICY ISSUES

- a. **HB 2060**, Section 2, reappropriates approximately \$800,000 of a \$4 million appropriation from the Rainy Day Fund. The funds were initially appropriated to match federal EPA funds for various projects related to cleaning up the Tar Creek Superfund Site.
- b. **HB 2060**, Section 5, transfers \$400,000 from the agency’s revolving fund to the Special Cash Fund.
- c. **SB 1107** amends the Oklahoma Waste Tire program. The bill suspends the collection of waste tires from tire dumps or landfills for one year unless an applicant is requested to make such a collection by the Department. Provisions also make funds available through July 1, 2006, to the State Auditor and Inspector for a pilot program to conduct random compliance audits of the Oklahoma Waste Tire Recycling Program.

- d. **SCR 66** creates a 15 member Waste Tire Recycling Indemnity Fund Joint Task Force. The Task Force will review the current funding and structure of the Waste Tire Recycling Indemnity Fund. The work of the Task Force is to be finalized and any written reports or legislative recommendations will be presented to the President Pro Tempore of the Senate and the Speaker of the House of Representatives no later than January 1, 2005.
- e. **SB 1031**, Section 9, provides that if gross production tax collections in the REAP Water Project Fund exceed \$5,076,485 for FY-05 the Department may receive \$400,000 to implement new federal public water supply requirements. The Department is the second of four priorities listed in the section.

IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$5,928,921	\$9,495,264	60.2%
Revolving and Carryover Funds	19,426,000	19,735,053	1.6%
Federal Funds	14,030,000	11,790,919	(16.0)%
Total	\$39,384,921	\$41,021,236	4.2%

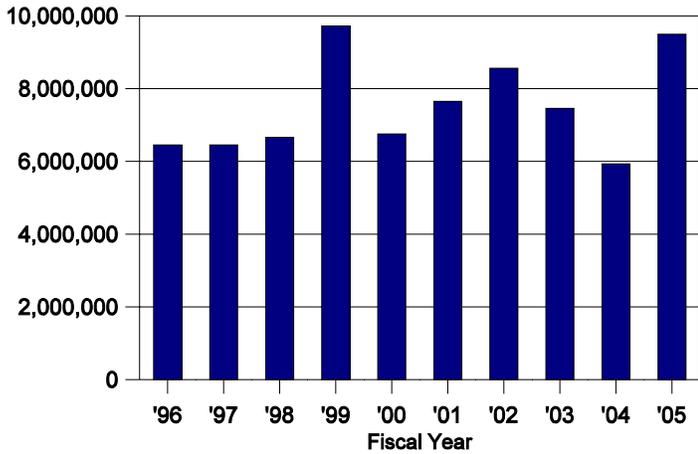
Note:

- 1. The significant increase in FY-05 General Revenue is a result of the \$3.0 million appropriation for implementation of the Tar Creek Relocation Act.

V. BUDGET REFERENCES

HB 2007, Section 93; HB 2060

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$6,450,577	FY-01	\$7,651,276
FY-97	\$6,450,577	FY-02	\$8,556,880
FY-98	\$6,664,675	FY-03(Orig.)	\$7,460,880
FY-99	\$9,725,613	FY-04	\$5,928,921
FY-00	\$6,756,370	FY-05	\$9,495,264

Notes:

1. The increase for FY-99 is due to a Rainy Day Fund appropriation of \$3 million used to match \$29 million of federal superfund monies.
2. The increase for FY-05 is due to an appropriation for the Tar Creek Relocation Act.

OKLAHOMA HISTORICAL SOCIETY

Dr. Bob Blackburn, Executive Director

Agency #350

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$8,537,394	168.0
FY-05 Adjustments		
a. Increase State Employee Benefits	119,067	
b. Debt Service Obligation	647,292	
c. FY-04 Supplemental and Annualization for FY-05	284,000	
d. Museums and Sites	424,500	
e. Oklahoma Humanities Council	10,000	
f. Ft. Towson Museum Operations	<u>120,000</u>	
Total Adjustments	\$1,604,859	0.0
FY-05 Appropriation and FTE Authorization	\$10,142,253	168.0
Percent Change from FY-04 to FY-05	18.8%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Cash reserve funds for outstanding obligation of the Oklahoma Capital Improvement Authority (OCIA) were replaced by surety policies in 2003. Cash reserves were placed into the appropriate sinking funds for each outstanding issue and used for the retirement of the principal during FY-04, thus reducing payment requirements to the sinking fund. Required payments to the sinking fund will be increased in FY-05 by \$647,292 as cash reserves are exhausted for construction of the State History Museum.
- c. The FY-04 budget cuts combined with the FY-02 and FY-03 general revenue shortfalls left the agency in need of operational funds. In order to maintain operations of all museums and sites around the State the agency requested a supplemental appropriation. The Supplemental was not passed during the Session. As a result, the agency used excess project funds from the Tulsa Race Riot Commission to cash flow its operations through the fiscal year. The FY-04 Supplemental and the FY-05 Annualization were added to the agency's FY-05 appropriation level.
- d. The Legislature provided additional funds to restore between approximately 11.0 to 14.0 vacant positions for museums and sites around the State. The vacancies were created and maintained through FY-04 to accommodate the agency's 18.8% appropriation reduction. Additional funds also were provided for the Mickey Mantle museum (\$5,000), the Jazz Hall of Fame (\$36,500), and the Route 66 Museum in Chandler (\$25,000).

- e. Increased appropriations were made available to the Oklahoma Humanities Council. The additional funds will provide the Council with \$26,500 for FY-05. The Humanities Council uses the state funds to provide a variety of history programs throughout the state including a "History Alive!" program for students in 4th through 12th grades. The program features scholars in costume presenting first-person characterizations of men and women who have left their marks on history and literature.
- f. The agency received funds to expand and enhance the museum and area around Ft. Towson. Ft. Towson served as the Choctaw National Capital from 1850 until 1863, and is where General Stand Watie became the last Confederate General to surrender, in June of 1865.

In the fall of 1999 the agency became aware of a wrecked side-paddle wheel steamboat (dated between 1830 and 1840) in the Red River near Ft. Towson. The agency entered into a multi-year archaeological research project on the wreck. The project is being conducted with the assistance of the Texas A&M University's Institute of Nautical Archaeology, Nautical Archaeology Program, and Conservation Research Laboratory.

The state appropriation will be combined with funding from the Oklahoma Department of Transportation as provided in the Transportation Enhancement Program of PL 105-178, the Transportation Equity Act for the 21st Century (TEA-21 program).

III. POLICY ISSUES

- a. The Governor vetoed **SB 1022**, a \$500,000 appropriation to the Historical Society. Of the funds vetoed, \$75,000 was earmarked for the Humanities Council, \$75,000 was provided for a higher education exhibit at the new State History Center and the balance was for repair of roofs at eight museums across the State.
- b. **SB 1347** creates the Arts in Public Places Act. The Act designates the Oklahoma Historical Society as the administering agency and authorizes the creation of a division within the agency. Provisions create an oversight committee to oversee the implementation of the Act and establish job specifications for a Division Director.

The legislation establishes definitions and defines a project as any capital expenditure, including bond issue expenditures, of more than \$250,000 on public buildings, which include any state building and buildings within the state system of higher education but excludes construction on infrastructure projects such as water, sewer and utility systems. Bill provisions require all state agencies and institutions within the system of higher education to allocate an assessment of 1.5% of any bond proceeds on any project to the Oklahoma Historical Society for the purpose of funding the Oklahoma Art in Public Places Act. The bill limits the assessment amount for any one project to no more than \$500,000 and only applies the assessment to all projects after July 1, 2004. The bill divides the assessment into two separate revolving funds whereby 4/5 of the assessment is deposited into the Commissioning of Arts in Public Places Fund and 1/5 of the assessment is deposited into the Administration and Maintenance Fund.

- c. During the 2003 Legislative Session the Oklahoma Capitol Improvement Authority was authorized to issue up to \$18 million worth of bonds to complete the construction of the State History Museum. The legislation authorizing the bonds (SB 117) required debt service payments to begin in FY-06. The OCIA, the Department of Central Services and the Historical Society, however, agreed to make the first debt service payment due on September 1, 2005. The payment is scheduled to be approximately \$655,000. The Historical Society was not appropriated any funds this fiscal year for advanced payments of the debt service. As a result, the agency will need a cash appropriation for FY-06 in order to make the September 1, 2005, payment.

IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$8,537,394	\$10,000,253	17.1%
General Revenue Fund FY-03	0	142,000	N/A
Revolving and Carryover Funds ¹	2,450,000	1,200,000	(51.0)%
Federal Funds ²	339,100	313,700	(7.5)%
Total	\$11,326,494	\$11,655,953	2.9%

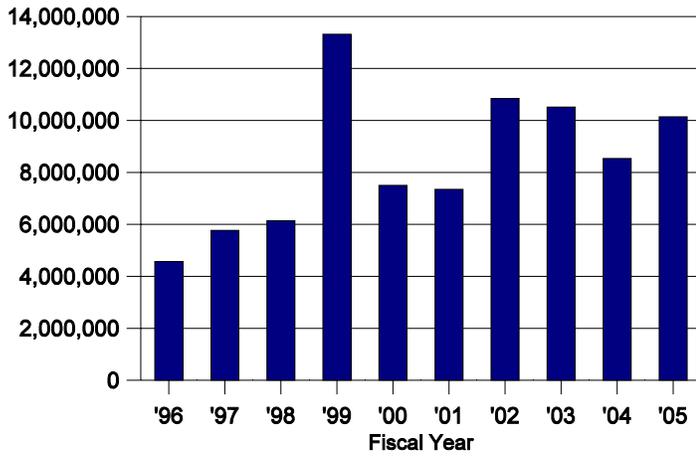
Notes:

1. The change in Revolving Funds represents expenditures for the Tulsa Race Riot Commission.
2. Federal funds do not include Transportation ITEA Funds, which are considered capital expenditures.

V. BUDGET REFERENCES

HB 2007, Section 94; SB 1021

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$4,573,378	FY-01	\$7,347,030
FY-97	\$5,769,097	FY-02	\$10,847,233
FY-98	\$6,134,486	FY-03(Orig.)	\$10,515,233
FY-99	\$13,318,146	FY-04	\$8,537,394
FY-00	\$7,504,120	FY-05	\$10,142,253

Notes:

1. FY-99 figure includes Rainy Day appropriations for the Murrah Memorial and maintenance and repair of historical sites.
2. The FY-02 increase was due to increases in support for museum sites and the new State History Center.

HORSE RACING COMMISSION

Gordon Hare, Director

Agency #353

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$1,761,748	43.0
FY-05 Adjustments		
a. Increase State Employee Benefits	38,434	
b. Equalize Steward Salaries	<u>58,000</u>	
Total Adjustments	\$96,434	0.0
FY-05 Appropriation and FTE Authorization	\$1,858,182	43.0
Percent Change from FY-04 to FY-05	5.5%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. The agency received funds to equalize race steward salaries across the State. Stewards who work at Remington Park historically have been paid more than stewards working at other tracks. According to the Commission, the disparity began in 1990 when stewards were converted from track contract employees to state employees. As a result, stewards at Fair Meadow, Blue Ribbon Downs and Will Rogers Downs were paid approximately \$5.25 to \$6.00 per hour less than those at Remington Park. Stewards work approximately 1,500 to 2,000 hours per year. This adjustment will impact four stewards and two chief stewards.

III. POLICY ISSUES

- a. **SB 1252** creates the State-Tribal Gaming Act. If approved by a vote of the people at the next general election, the bill will allow the Horse Racing Commission to license racetracks to conduct certain electronic games after at least four (4) tribes enter into the model tribal-state compact and that agreement is approved by the U.S. Secretary of the Interior. Under the proposed language, Remington Park would be licensed to operate 650 player gaming terminals during the first two years, expand that number by 50 "in a non-smoking area" in the third year, and add 50 more in a non-smoking area in the fifth year. Blue Ribbon Downs and Will Rogers Downs would each be allowed to operate 250 gambling devices.

This legislation specifies how the revenues from electronic games at the three horse tracks will be distributed. At all three, a portion of the adjusted gross revenues will be remitted to the State of Oklahoma. Of the State's share, 12% would be apportioned to the Oklahoma Higher Learning Access Trust Fund, to provide college scholarships, and 88% would be deposited in the Education Reform Revolving Fund. Some of the adjusted gross revenues will be disbursed to the Oklahoma Breeding Development Fund. This Funds is used "to support the breed

organizations dedicated to the promoting of breeding and racing horses in Oklahoma". Some of the money will underwrite a "benevolence program" that will "provide medical benefits or services to persons associated with the horse racing industry who are in financial need." The bulk of the revenue will be retained by the organization licensee (race track).

Finally, the model compact provides for a split of the revenue derived from the games played on Indian lands to go to the tribe and a portion to the State. A portion of the revenue produced at Indian gaming facilities that are situated within 20 miles of a "fair meet" track will be dedicated to the track and a portion will be earmarked for purses at all tracks in the State.

- b. A new budget category for Gaming Regulation is added to the Horse Racing Commission's appropriation bill in **SB 1005**. The budget limit for the Gaming Regulation category is set at \$350,000 and the Commission's FTE limit is increased by 4.0 to hire new auditors who will monitor and regulate the new gaming program at the tracks. The changes created by this bill will not go into effect unless the State Tribal Gaming Act passes by a vote of the people at the next general election (SB 1252).

The Gaming Regulation budget category will be funded by a new \$50,000 application fee which is included in SB 1005. The fee also applies to licensees who receive funds as a recipient licensee under the Act. The Commission anticipates collecting \$200,000 from this fee since all four licensed horse racing tracks will participate or benefit from the new forms of gaming. The Commission is also authorized to assess a gaming device regulatory fee on organization licensee's to cover the cost of regulating the electronic gaming devices. The assessment is to be proportional to the number of player terminals a licensee is licensed to operate. The bill limits total collections from the assessment to \$150,000 per year. Lastly, the bill requires income from the fees and assessments to be deposited into a new Horse Racing Commission Gaming Regulation Revolving Fund.

According to various reports, the Horse Racing Commission may be required to regulate and account for up to \$70 million of additional wagering revenues at the race tracks. Of this amount, the race tracks may receive approximately \$59 million to be distributed through the various formulas in the State-Tribal Gaming Act for the tracks and horsemen while the State may receive about \$11 million to be distributed according to the formulas in the proposed language.

- b. **HB 2416** clarifies rules related to certain drugs used during horse racing meets. The bill also exempts horse racing licensee's from the smoking in public places act under certain conditions.

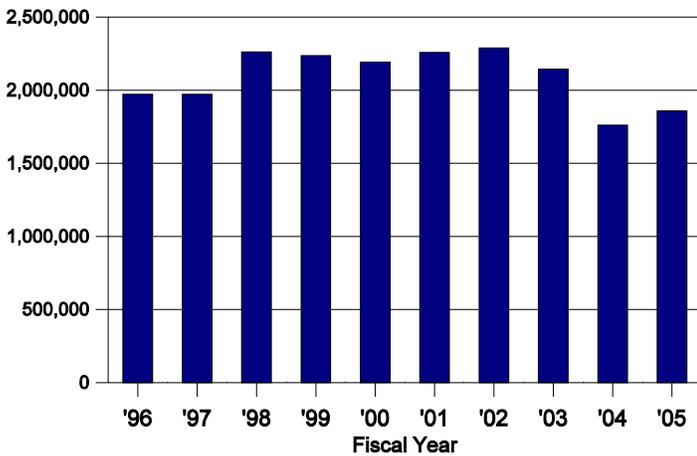
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$1,761,748	\$1,858,182	5.5%
Revolving and Carryover Funds	646,000	679,845	5.2%
Total	\$2,407,748	\$2,538,027	5.4%

V. BUDGET REFERENCES

HB 2007, Section 95; HB 2062; SB 1005 (subject to passage by a vote of the people of the State Tribal Gaming Act - SB 1252).

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$1,972,285	FY-01	\$2,258,390
FY-97	\$1,972,285	FY-02	\$2,290,006
FY-98	\$2,261,354	FY-03(Orig.)	\$2,144,550
FY-99	\$2,236,354	FY-04	\$1,761,748
FY-00	\$2,192,000	FY-05	\$1,858,182

INSURANCE DEPARTMENT

Carroll Fisher, Commissioner

Agency #385

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$2,072,157	143.0
FY-05 Adjustments		
a. Increase State Employee Benefits	64,144	
b. Investigator Positions for Fraud Unit	_____	<u>2.0</u>
Total Adjustments	\$64,144	2.0
FY-05 Appropriation and FTE Authorization	\$2,136,301	145.0
Percent Change from FY-04 to FY-05	3.1%	1.4%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. The Insurance Department indicates that it will add two investigators in Tulsa for the Anti-Fraud Unit. The positions were provided as a result of **HB 2446** which increases the annual fee charged to licensed insurers in the state from \$600 per year per licensee to \$750 per year per licensee. The additional FTE will decrease travel and allow the investigators in Oklahoma City and Tulsa to spend more time reviewing fraud cases. The Department investigates or reviews approximately 500 fraud cases per year.

Of the funds collected under provisions of HB 2446, 60% remains with the Insurance Department, 25% is transferred to the Attorney General's Insurance Fraud Unit Revolving Fund and 15% is transferred to the OSBI Revolving Fund. The current \$600 fee generates \$1,080,000. The \$750 fee will generate approximately \$1,350,000. Of this amount, the Insurance Department receives \$810,000, or \$162,000 more, the Attorney General receives \$337,500, or \$67,500 more, and the OSBI receives \$202,500, or \$40,500 more.

III. POLICY ISSUES

- a. **HB 2064**, Section 3, transfers \$1,045,890 from the Insurance Commissioner Revolving Fund to the Special Cash Fund.
- b. **HB 2385** clarifies the renewal procedures for insurers related to licenses and certificates of authority to operate in the state. The bill adds HMOs to the miscellaneous fee schedule, deletes a \$50 fee for pending company admission packets, and exempts HMOs from certain filing fees. The bill requires domestic insurers to keep biographical data for certain company officials current. HB 2385 clarifies statutes related to annuities and interest rate calculations related to withdrawals and forfeiture and clarifies definitions and license examination procedures. Bill provisions require the Insurance Commissioner to charge a full additional license fee for licensed partnerships to each individual named on the license. Finally, the bill clarifies eligibility definitions for the Health Insurance High Risk Pool and repeals certain licensing requirements for persons who receive certain exclusive agency contracts.
- c. **HB 2322** prohibits lenders from requiring borrowers to purchase homeowner insurance that exceeds the replacement value of the home being insured.
- d. **HB 2141**, the Oklahoma Captive Insurance Company Act, creates a regulatory environment under which such companies can operate. The bill establishes licensing and examination fees as well as a premium tax. Provisions create a revolving fund within the Insurance Department and authorizes deposit of 10% of premium tax collections plus fees and assessments into the Fund for the purpose of operating the regulatory program. The remaining 90% will be distributed to the Firefighters Pension Fund (41.7%), Police Pension Fund (17%), OLERS (6.1%) and the General Revenue Fund (35.2%).

Captive insurance refers to a subsidiary corporation established to provide insurance to a parent company and its affiliates. A captive insurance company represents an option for corporations and groups that want to manage risks by underwriting their own insurance rather than paying premiums to third-party insurers.

- e. **SB 1411** excludes service warranty contracts issued by companies with assets exceeding \$100 million from regulatory oversight. The bill adds a new administrative fee of \$2,500 for certain service warranty companies that have 100% liability insurance coverage for claims.

According to the Department, the legislation will essentially eliminate the enforcement of service warranty companies in the State. The exemption modifications and the new exemption in the bill will lower the number of licensed companies from the current level of approximately 61 to 10 or fewer. The Department reports that since most companies operating in Oklahoma have large parent companies, the overall revenue will drop to approximately \$25,000 per year from the FY-2003 level of approximately \$900,000.

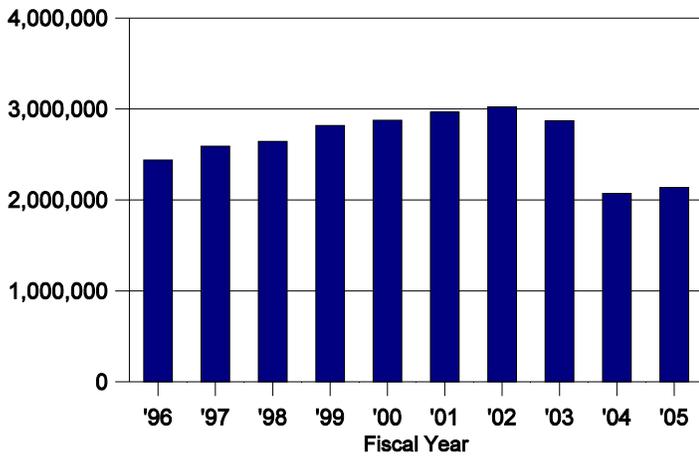
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$2,072,157	\$2,136,301	3.1%
Revolving and Carryover Funds	5,979,635	6,113,582	2.2%
Federal Funds	397,389	461,414	16.1%
Total	\$8,449,181	\$8,711,297	3.1%

V. BUDGET REFERENCES

HB 2007, Section 96; HB 2064

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$2,438,639	FY-01	\$2,965,978
FY-97	\$2,591,203	FY-02	\$3,023,172
FY-98	\$2,644,204	FY-03(Orig.)	\$2,872,013
FY-99	\$2,818,030	FY-04	\$2,072,157
FY-00	\$2,877,952	FY-05	\$2,136,301

J.M. DAVIS MEMORIAL COMMISSION

Duane Kyler, Chief Administrative Officer

Agency #204

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$299,604	10.5
FY-05 Adjustments		
a. Increase State Employee Benefits	6,379	
b. Vehicle Replacement	<u>25,000</u>	
Total Adjustments	\$31,379	0.0
FY-05 Appropriation and FTE Authorization	\$330,983	10.5
Percent Change from FY-04 to FY-05	10.5%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. The agency received funds to replace a vehicle.

III. POLICY ISSUES

None

IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$299,604	\$330,983	10.5%
Revolving Funds	169,396	119,555	(29.4)%
Total	\$469,000	\$450,538	(3.9)%

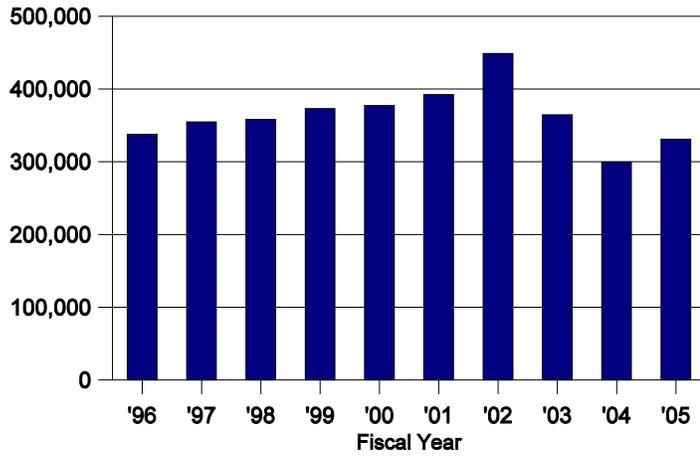
Note:

- 1. The decline in Revolving Funds represents the amount used by the agency to offset the FY-04 appropriation cuts.

V. BUDGET REFERENCES

HB 2007, Section 97; SB 1023

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$337,721	FY-01	\$392,397
FY-97	\$354,782	FY-02	\$448,704
FY-98	\$358,249	FY-03(Orig.)	\$364,704
FY-99	\$373,244	FY-04	\$299,604
FY-00	\$377,308	FY-05	\$330,983

DEPARTMENT OF LABOR

Brenda Reneau-Wynn, Commissioner

Agency #405

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$2,958,570	136.0
FY-05 Adjustments		
a. Increase State Employee Benefits	103,088	
Total Adjustments	\$103,088	0.0
FY-05 Appropriation and FTE Authorization	\$3,061,658	136.0
Percent Change from FY-04 to FY-05	3.5%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

- a. **SB 1494** establishes a new fee schedule for the Boiler and Pressure Vessel Safety Act. The new fees include Prepared and Ready Fees totaling \$150; Authorized Inspector Service Fee of \$300; and a Duplicate License and Certificate Fee of \$100. According to the Department, \$750 of the new fees will be deposited into the General Revenue Fund and \$4,600 will be deposited into the agency's Revolving Fund.

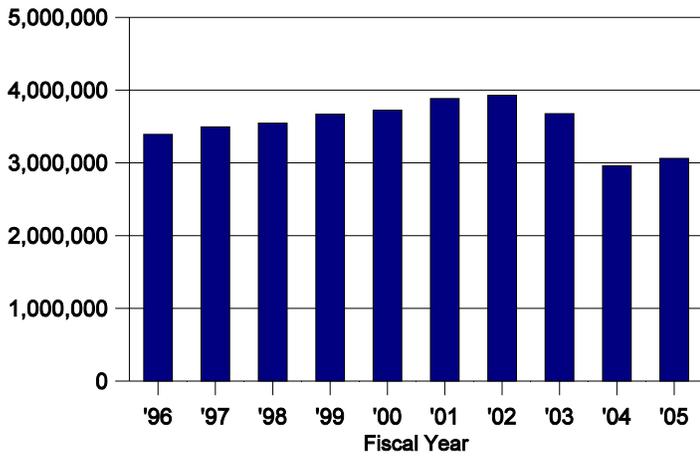
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$1,355,464	\$1,206,391	(11.0)%
Occupational Health and Safety Fund	1,603,106	1,855,267	15.7%
Revolving and Carryover Funds	1,958,280	2,072,921	5.9%
Federal Funds	1,878,322	2,153,052	14.6%
Total	\$6,795,172	\$7,287,631	7.2%

V. BUDGET REFERENCES

HB 2007, Sections 98 through 100; SB 1025

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$3,392,071	FY-01	\$3,882,940
FY-97	\$3,494,659	FY-02	\$3,927,178
FY-98	\$3,547,165	FY-03(Orig.)	\$3,678,570
FY-99	\$3,668,984	FY-04	\$2,958,570
FY-00	\$3,725,830	FY-05	\$3,061,658

DEPARTMENT OF MINES

Mary Ann Pritchard, Director

Agency #125

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$722,124	46.5
FY-05 Adjustments		
a. Increase State Employee Benefits	23,386	
b. Restore Operating Funds	<u>70,000</u>	
Total Adjustments	\$93,386	0.0
FY-05 Appropriation and FTE Authorization	\$815,510	46.5
Percent Change from FY-04 to FY-05	12.9%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. In FY-04, the agency budget was cut by 24.0%. Onetime cash was used from the Revolving Fund to accommodate a portion of the cut. These funds replace the onetime cash for FY-05.

III. POLICY ISSUES

None

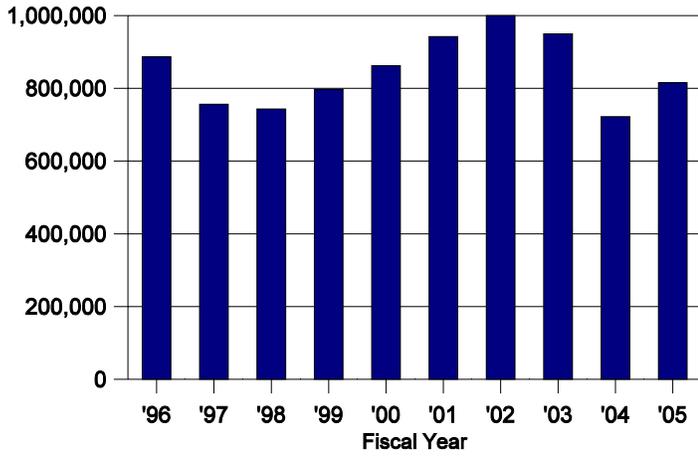
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$472,124	\$565,510	19.8%
Special Cash	250,000	0	(100.0)%
Federal Tax Relief Fund	0	250,000	N/A
Revolving and Carryover Funds	1,007,060	947,605	(5.9)%
Federal Funds	958,935	1,013,349	5.7%
Total	\$2,688,119	\$2,776,464	3.3%

V. BUDGET REFERENCES

HB 2007, Section 101; HB 2066

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$886,513	FY-01	\$942,282
FY-97	\$756,513	FY-02	\$999,823
FY-98	\$742,895	FY-03(Orig.)	\$949,734
FY-99	\$797,566	FY-04	\$722,124
FY-00	\$862,011	FY-05	\$815,510

SCENIC RIVERS COMMISSION

Ed Fite, Administrator

Agency #568

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$258,158	7.0
FY-05 Adjustments		
a. Increase State Employee Benefits	0	
b. Replace Fee Income	55,000	
c. Vehicle Purchase	<u>20,000</u>	
Total Adjustments	\$75,000	0.0
FY-05 Appropriation and FTE Authorization	\$333,158	7.0
Percent Change from FY-04 to FY-05	29.1%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. In FY-04 the agency budget was cut by 27.9%. The Commission was directed to use revenue from a change in its fee structure which was passed during the 2003 Legislative Session (SB 75). The fee structure change, however, did not result in increased income as projected. This appropriation compensates for the lack of income.
- c. The agency received funds to replace a vehicle.

III. POLICY ISSUES

None

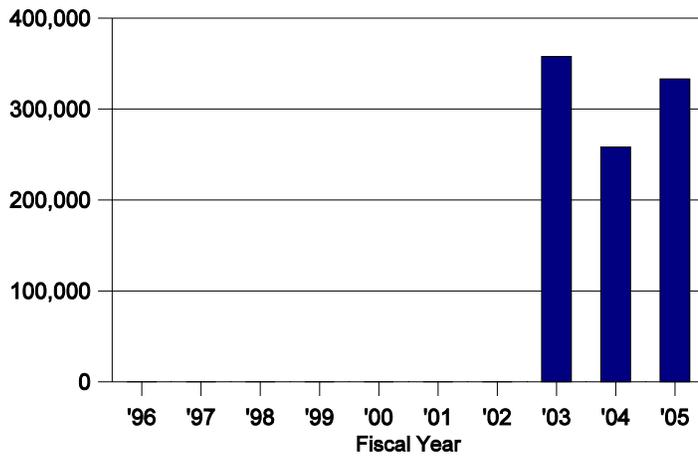
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$258,156	\$333,158	29.1%
Revolving Funds	\$133,500	\$179,216	34.2%
Total	\$391,656	\$512,374	30.8%

V. BUDGET REFERENCES

HB 2007, Section 103; SB 1029

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	N/A	FY-01	N/A
FY-97	N/A	FY-02	N/A
FY-98	N/A	FY-03(Orig.)	\$357,805
FY-99	N/A	FY-04	\$258,156
FY-00	N/A	FY-05	\$333,158

Note:

1. FY-03 was the first direct appropriation to the Commission. It was previously funded through a line item in the Department of Tourism and Recreation appropriation bill.

SECURITIES COMMISSION

Irving Faught, Administrator

Agency #630

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$501,088	32.0
FY-05 Adjustments		
a. Increase State Employee Benefits	(501,088)	(32.0)
Total Adjustments	(501,088)	(32.0)
FY-05 Appropriation and FTE Authorization	\$0	0.0
Percent Change from FY-04 to FY-05	(100.0)%	(100.0)%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. The Securities Commission was converted to a non-appropriated state agency for FY-05. As a result, the General Revenue appropriation was eliminated.

III. POLICY ISSUES

- a. **HB 2068** amends the Securities Commission statutes by clarifying that the Commission's revolving fund is no longer subject to appropriations. The bill also exempts the Commission from paying 10% of its fee income to the General Revenue Fund. The exemption was added because the Commission's statutes currently require a significant portion of its fees to be deposited into the General Revenue Fund. The Commission estimated a deposit of \$10.8 million for FY-05.
- b. **HB 2068**, Section 3, transferred \$900,000 from the Commission Revolving Fund to the Special Cash Fund.

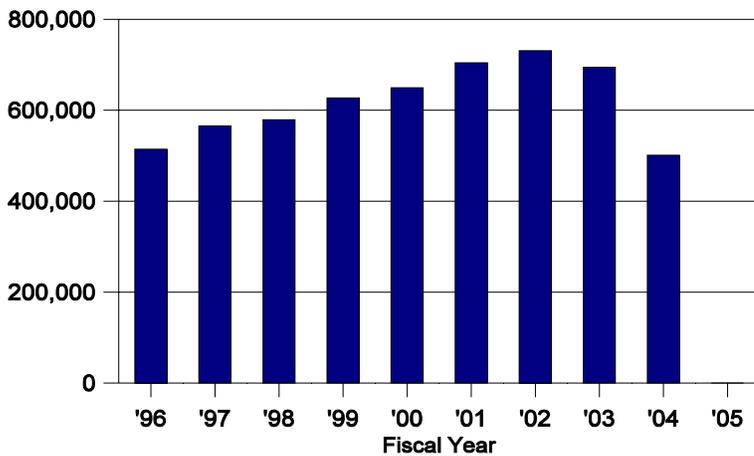
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$501,088	\$0	(100.0)%
Revolving and Carryover Funds	2,052,198	0	(100.0)%
Total	\$2,553,286	\$0	(100.0)%

V. BUDGET REFERENCES

HB 2007, Section 104 (repealed); HB 2068

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$514,471	FY-01	\$704,525
FY-97	\$565,553	FY-02	\$731,174
FY-98	\$578,927	FY-03(Orig.)	\$694,615
FY-99	\$627,123	FY-04	\$501,088
FY-00	\$649,298	FY-05	\$0

DEPARTMENT OF TOURISM AND RECREATION

Ralph McCalmont, Interim Executive Director

Agency #566

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$22,616,482	808.0
FY-05 Adjustments		
a. Increase State Employee Benefits	463,521	
b. Remove Onetime Expenditure	(55,000)	
c. Park Maintenance and Operations	800,000	2.0
d. American Heritage Music Festival	40,000	
e. Park Ranger Salary Increase	100,000	
f. Transfer Shakespeare to Commerce	(120,000)	
g. Tourism Conference	50,000	
h. Operating Adjustments	<u>267,637</u>	_____
Total Adjustments	\$1,546,158	2.0
FY-05 Appropriation and FTE Authorization	\$24,162,640	810.0
Percent Change from FY-04 to FY-05	6.8%	0.2%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. A onetime project in Frontier Country was removed from the agency's base level funding.
- c. The Legislature appropriated funds for major maintenance and repairs at the state parks. The funds are intended to replace appropriation cuts implemented during FY-04 when the agency's budget was reduced by 19.7% as well as to cover operating expenses at Clayton Lake and Hugo State Parks. Tourism officials indicated that if the park budget was not supplemented in FY-05 additional reductions in force and furloughs would be necessary.
- d. Funds were provided for the American Heritage Music Festival. The festival promotes Blue Grass Music and is held in northeast Oklahoma.
- e. The agency received funds to provide Park Rangers with a \$2,000 pay raise above the statewide state employee pay raise for FY-05. The additional compensation was made necessary by an increase in criminal activity occurring in the parks and the inability of the Department to retain qualified Park Rangers throughout the system.
- f. Funding for the Shakespearean Festival was transferred to the Department of Commerce.

- g. Additional funds were provided for the annual Governor’s Tourism Conference.
- h. Increased operating funds were provided in **HB 2007** for the following purposes:

• Oklahoma Today Marketing/Circulation	\$50,000
• Park Employee Education and Training	50,000
• Park Signage and Marketing	50,000
• T&T Rural Events Planning and Promotion	50,000
• T&T Rural Public Relations and Marketing Development	<u>67,637</u>
Total	\$267,637

III. POLICY ISSUES

- a. **HB 2070**, Section 3, requires the department to spend \$400,000 of the Tourism Promotion Tax on increased advertising programs operated by the multicounty organizations. The section limits the availability of funds to those organizations which receive less than 20% of their base funding from the annual multicounty organization appropriation of \$1.25 million. The section also limits the amount of funds available to joint applicants from the \$400,000 of Tourism Promotion Tax to 15% of the total allocation for multicounty organizations.
- b. **HB 2070**, Section 4, continues to make available \$477,674 of appropriations to the agency for repayment of loans issued by the Oklahoma Water Resources Board during FY-04. The loans were for environmental remediation projects at Sequoyah, Texoma and Tenkiller State Parks.
- c. **SB 1608** adds tourism attractions to those entities which the Department of Transportation may enter into contracts with to establish logo signing programs.
- d. **SB 1122** reduces the percentage of tourism attraction visitors that must be from out of state to qualify for tourism promotion inducements and changes the due date of Tourism Promotion Tax reports from the 15th of each month to the 20th of each month for monthly reporting and to January 20th and July 20th for semi-annual reporting.
- e. **HB 2530** allows Park Rangers to retain their jobs if they also serve as local elected or appointed officials.
- f. **HB 2318** authorizes the creation of a not-for-profit state park foundation for the purpose of supporting state parks with private donations. The bill provides limitations on the involvement of Tourism Department employees and Commissioners and the use of public funds.

- g. **HB 2542** allows the Commissioners of the Land Office to invest up to 3% of the permanent fund in land owned or acquired by the state or the Oklahoma Tourism and Recreation Department. In addition, the bill requires a severance package and primacy in employment issues for employees at Texoma State Park and Lodge; requires existing concessioners be given opportunities to participate in improvements, past and present, at Texoma; and, ensures that the Lake Texoma Association headquarters property be granted to the Association.

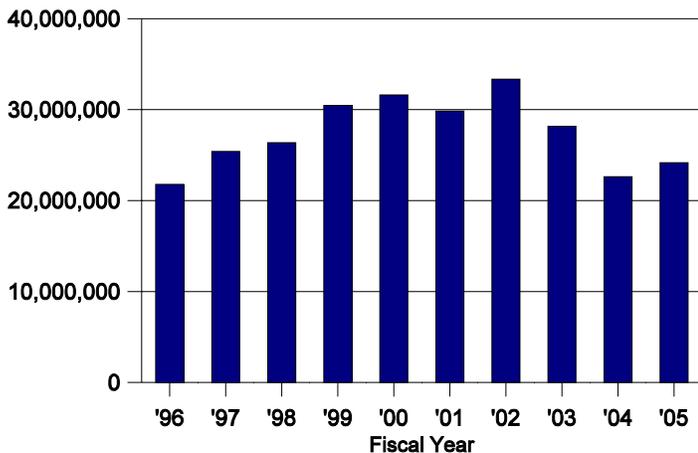
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$22,616,482	\$24,162,640	6.8%
Federal Funds	1,614,007	1,800,000	11.5%
Revolving and Carryover Funds	30,315,422	32,356,624	6.7%
Total	\$54,545,911	\$58,319,264	6.9%

V. BUDGET REFERENCES

HB 2007, Section 105; HB 2070

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$21,790,703	FY-01	\$29,862,485
FY-97	\$25,406,329	FY-02	\$33,350,273
FY-98	\$26,374,039	FY-03(Orig.)	\$28,177,594
FY-99	\$30,476,969	FY-04	\$22,616,482
FY-00	\$31,621,425	FY-05	\$24,162,640

WATER RESOURCES BOARD

Duane Smith, Executive Director

Agency #835

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$6,228,494	91.0
<i>Duties and Operations</i>	\$4,028,476	
<i>REAP Water Project Fund</i>	\$2,200,018	
FY-05 Adjustments		
a. Increase State Employee Benefits	93,851	
b. Oklahoma Rural Water Association	<u>118,000</u>	
Total Adjustments	\$211,851	0.0
FY-05 Appropriation and FTE Authorization	\$6,440,345	91.0
<i>Duties and Operations</i>	\$4,240,345	
<i>REAP Water Project Fund</i>	\$2,200,000	
Percent Change from FY-04 to FY-05	3.4%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. This appropriation replaces onetime REAP Gross Production Tax apportionment funds used during FY-04 for the Oklahoma Rural Water Association.

III. POLICY ISSUES

- a. **SB 1031**, Section 2, authorizes the Water Board to access \$191,632 of REAP Gross Production Tax apportionment funds for water studies. The studies include: \$100,000 for the North Fork of the Red River and \$91,632 for Grand Lake.
- b. **SB 1031**, Section 7, transfers \$600,000 from the REAP Gross Production Tax apportionment funds collected during FY-04 to the Special Cash Fund.
- c. **SB 1031**, Section 9, provides that if collections from the REAP Gross Production Tax apportionment exceed \$5,076,485 during FY-05 the following Water Board program will receive funds as Priority Three on the priority list: \$500,000 for water studies.
- d. **SB 1077** clarifies the REAP Water Projects Fund.
- e. **HB 2284** authorizes flood plain management boards to hire program administrators and requires the Oklahoma Water Resources Board to accredit such administrators.

- f. **HB 2440** extends the moratorium on the sale or exportation of water from three years to five years beginning on the effective date of the bill or until the Water Resources Board conducts and completes a comprehensive study of water in the State.
- g. The agency did not receive an appropriation or allocation by the Legislature for the Arbuckle-Simpson Aquifer Study. However, the agency indicated that the entire \$500,000 from the REAP Gross Production Tax allocation included in **SB 1031**, Section 9, plus approximately \$386,941 of Carryover Funds from past appropriations for the Statewide Water Plan, the Bump Program and the FY-04 Arbuckle-Simpson Study will be applied to the cost of the study in FY-05.

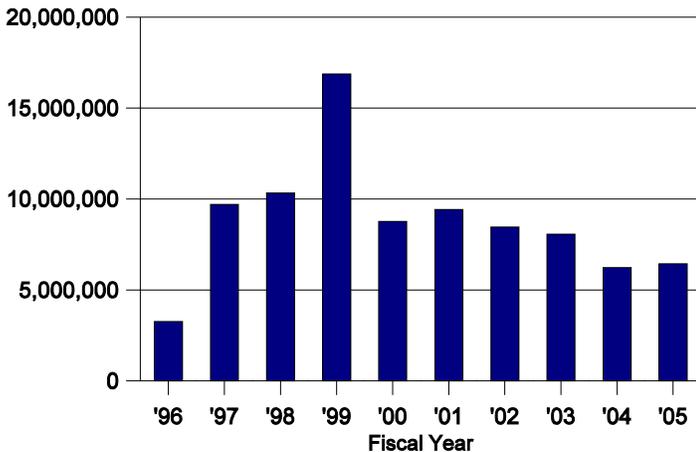
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$6,228,494	\$6,440,345	3.4%
Revolving and Carryover Funds	2,636,412	3,320,458	25.9%
USGS Cooperative Program	251,650	288,050	14.5%
Federal Funds	10,967,447	12,634,642	15.2%
Total	\$20,084,003	\$22,683,495	12.9%

V. BUDGET REFERENCES

HB 2007, Sections 106 and 107; SB 1031

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$3,261,552	FY-01	\$9,418,598
FY-97	\$9,700,453	FY-02	\$8,461,854
FY-98	\$10,338,477	FY-03(Orig.)	\$8,069,143
FY-99	\$16,877,343	FY-04	\$6,228,494
FY-00	\$8,761,689	FY-05	\$6,440,345

Notes:

1. FY-97 includes \$4.5 million appropriation for the Rural Economic Action Plan (HB 1434).
2. FY-99 includes an \$8.5 million Rainy Day Fund appropriation for water quality monitoring, nonpoint source pollution prevention grants, state match for federal Safe Drinking Water funds, and weather modification.

WILL ROGERS MEMORIAL COMMISSION

Michelle Lefevre-Carter, Director

Agency #880

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$792,798	16.5
FY-05 Adjustments		
a. Increase State Employee Benefits	9,880	
b. Central Cooling Tower Replacement	55,000	
c. Vehicle Replacement	<u>25,000</u>	<u> </u>
Total Adjustments	\$89,880	0.0
FY-05 Appropriation and FTE Authorization	\$882,678	16.5
Percent Change from FY-04 to FY-05	11.3%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. The agency received funds to replace an aging central cooling tower.
- c. Increased appropriations will allow the agency to purchase a vehicle.

III. POLICY ISSUES

None

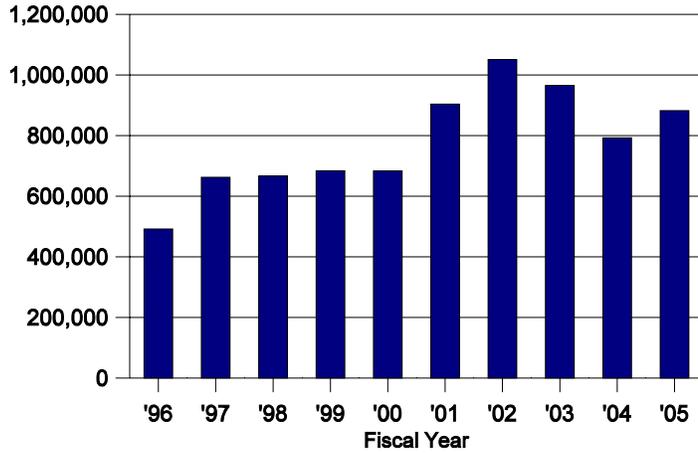
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$792,798	\$882,678	11.3%
Revolving Funds	36,000	36,000	0.0%
Total	\$828,798	\$918,678	10.8%

V. BUDGET REFERENCES

HB 2007, Section 108; SB 1033

VI. TEN YEAR APPROPRIATION HISTORY

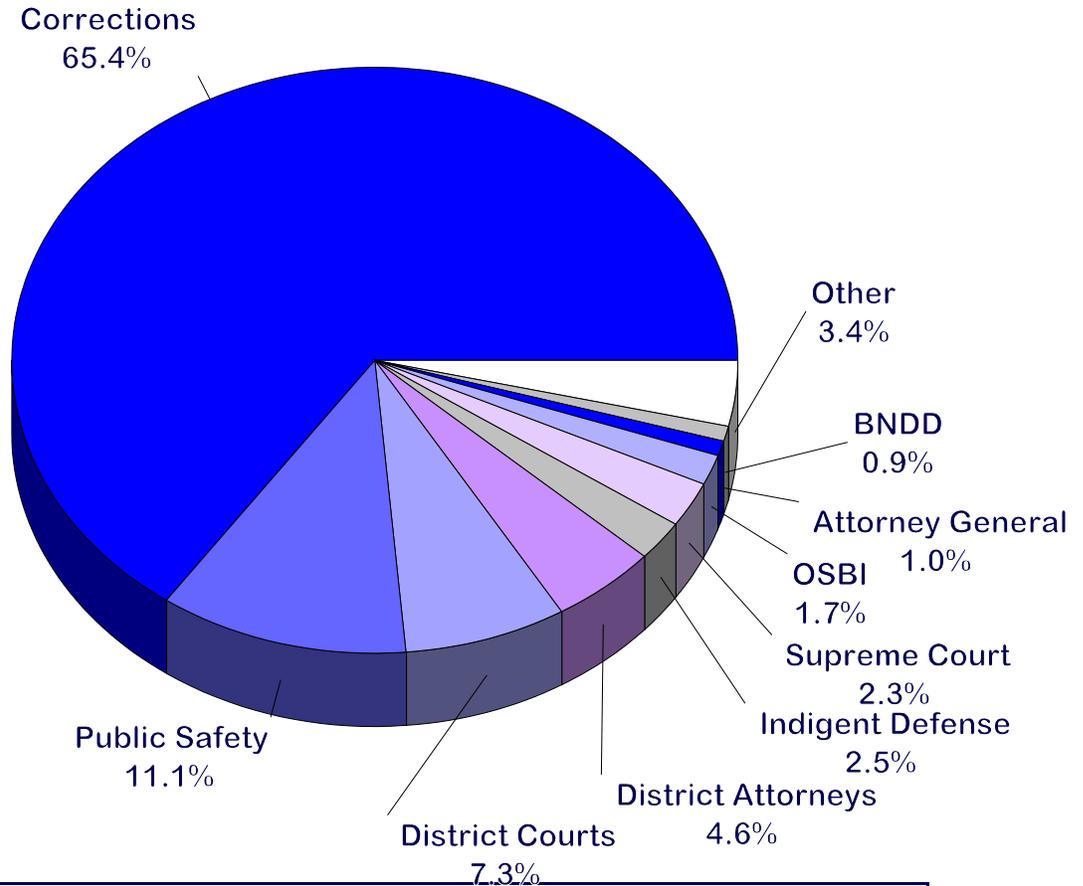


FY-96	\$491,645	FY-01	\$904,323
FY-97	\$662,933	FY-02	\$1,051,197
FY-98	\$666,896	FY-03(Orig.)	\$965,062
FY-99	\$684,169	FY-04	\$792,798
FY-00	\$683,640	FY-05	\$882,678

Notes:

1. FY-97 increase was for major maintenance and repair of the museum.
2. FY-01 increase was for transfer of operation of the Glass House Welcome Center in Vinita from the Oklahoma Department of Tourism and Recreation.
3. The FY-02 increase represents funding to continue publication of “The Pages of Will Rogers”.

JUDICIARY, PUBLIC SAFETY AND LAW ENFORCEMENT SUBCOMMITTEE DISTRIBUTION OF FY-05 APPROPRIATIONS



Corrections Department	\$384,286,568
Department of Public Safety	65,062,004
District Courts	43,043,226
District Attorneys/DAC	26,926,731
Indigent Defense System	14,428,761
Supreme Court	13,337,544
Bureau of Investigation (OSBI)	9,681,910
Attorney General	5,953,778
Narcotics and Dangerous Drugs (BNDD)	4,967,062
Other	
Workers' Compensation Court	3,770,409
Alcoholic Beverage Laws Commission (ABLE)	3,626,853
Medicolegal Investigations	3,427,372
Law Enforcement Education & Training (CLEET)	2,686,318
Court of Criminal Appeals	2,750,541
Pardon and Parole Board	2,150,328
Fire Marshal	1,537,061
Council on Judicial Complaints	271,152
Subcommittee Total	\$587,907,618

Excludes supplemental appropriations and reappropriations.
Includes capital and onetime expenditures.

ALCOHOLIC BEVERAGE LAW ENFORCEMENT (ABLE) COMMISSION

Keith Burt, Director

Agency #030

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$3,431,691	71.0
FY-05 Adjustments		
a. Increase State Employee Benefits	52,162	
b. Restore and Equalize Agent Pay	<u>143,000</u>	
Total Adjustments	\$195,162	0.0
FY-05 Appropriation and FTE Authorization	\$3,626,853	71.0
Percent Change from FY-04 to FY-05	5.7%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Increased appropriations of \$143,000 was provided to the Commission to restore and equalize agent pay. In FY-02 the Legislature provided a 7% raise for ABLE agents. The Director at the time elected decided to award the raise in the form of skill-based pay and subsequently removed these funds when the agency experienced budget reductions in FY-03 (\$105,000). The additional \$38,000 will be used to equalize pay within the revised agent pay grades.

III. POLICY ISSUES

None

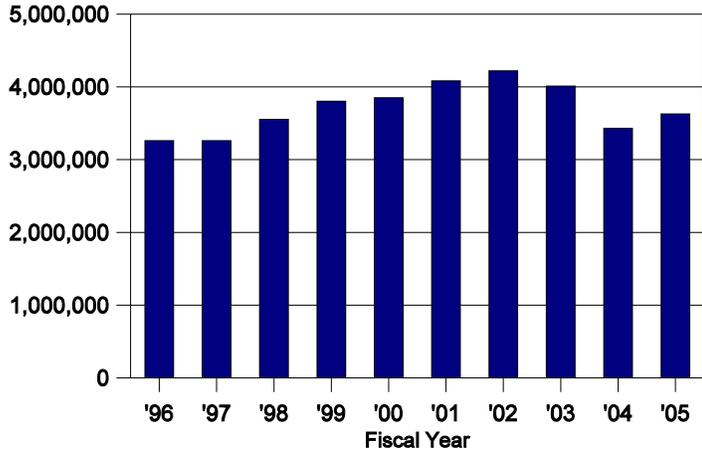
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$3,431,691	\$3,483,853	1.5%
Special Cash	0	143,000	N/A
Revolving Funds	270,000	315,000	16.7%
Total	\$3,701,691	\$3,941,853	6.5%

V. BUDGET REFERENCES

HB 2007, Section 109; HB 2072, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$3,260,876	FY-01	\$4,084,576
FY-97	\$3,260,876	FY-02	\$4,221,892
FY-98	\$3,555,144	FY-03(Orig.)	\$4,010,797
FY-99	\$3,803,032	FY-04	\$3,431,691
FY-00	\$3,852,862	FY-05	\$3,626,853

ATTORNEY GENERAL

W.A. "Drew" Edmondson, Attorney General

Agency #049

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$5,794,927	173.0
FY-05 Adjustments		
a. Increase State Employee Benefits	<u>158,851</u>	
Total Adjustments	\$158,851	0.0
FY-05 Appropriation and FTE Authorization	\$5,953,778	173.0
Percent Change from FY-04 to FY-05	2.7%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

- a. **SB 1053** increases the program spending limit for Court Appointed Special Advocates, from \$297,223 to \$347,223, a \$50,000 increase for FY-05.
- b. **SB 1054** increases the maximum allowable balance of the Attorney General's Evidence Fund by \$350,000 from \$1,500,000 to \$1,850,000. This increase will allow the Attorney General's Office to reimburse funding that was inadvertently taken from dedicated General Revenue fund in FY-05, but should have been withdrawn from the Attorney General's Evidence Fund to address a debt service obligation.
- c. **HB 1965** raises the Samuel Layton Building Bond issuance limit from \$8,600,000 to \$12,600,00 in order to accommodate increased renovation and construction costs associated with the project.

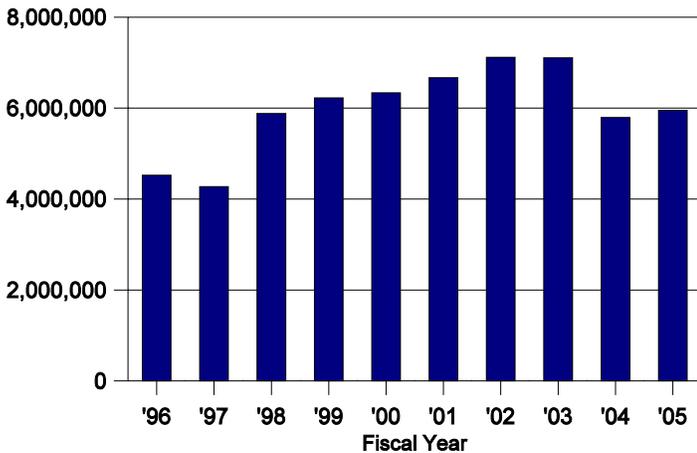
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$5,794,927	\$5,803,778	0.2%
Federal Tax Relief Fund	0	150,000	N/A
Carryover	10,000	30,000	200.0%
Revolving Funds	4,403,659	4,267,062	(3.1)%
Federal Funds	1,246,250	1,470,000	18.0%
Total	\$11,454,836	\$11,720,840	2.3%

V. BUDGET REFERENCES

HB 2007, Section 123 and 124; SB 1053

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$4,524,897	FY-01	\$6,669,686
FY-97	\$4,276,147	FY-02	\$7,116,561
FY-98	\$5,881,176	FY-03(Orig.)	\$7,107,784
FY-99	\$6,223,246	FY-04	\$5,794,927
FY-00	\$6,335,764	FY-05	\$5,953,778

DEPARTMENT OF CORRECTIONS

Ron Ward, Director

Agency #131

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$373,931,566	5,844.6
FY-05 Adjustments		
a. Increase State Employee Benefits	4,230,002	
b. General Operations	1,000,000	
c. DOC Teacher Flex Benefits	125,000	
d. Annualize FY-04 Supplemental	<u>5,000,000</u>	
Total Adjustments	\$10,355,002	0.0
FY-05 Appropriation and FTE Authorization	\$384,286,568	5,844.6
Percent Change from FY-04 to FY-05	2.8%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. The Legislature provided additional operating funds to address contract bed expenses, increased medical services costs, prison bed growth, and benefit allowance cost increases.
- c. **SB 1037** appropriates an additional \$125,000 to cover 100% of DOC teacher flexible benefit allowance.
- d. The Legislature annualized the FY-04 Supplemental of \$5,000,000 that was provided for in **HB 2007**, Section 141.

III. POLICY ISSUES

- a. **HB 2626** increases prison time served and mandates a prison sentence on certain domestic violence cases. The estimated cost of this legislation to DOC is \$2.3 million.
- b. **HB 1853**, the Mary Rippy Act, mandates DOC to register violent offenders. Estimated to cost of this legislation to DOC is \$50,000.
- c. **SB 1096** decreases the time required to register for the Sex Offender Registration Act. Decreasing the current backlog and meeting the new time constraints is projected to require additional staff and cost \$58,000.

- d. **HB 2074**, subject to the availability of funds, authorizes the Department of Corrections to build an inmate-housing unit at James Crabtree Correctional Center located at Helena; purchase approximately 110.04 acres of real property adjacent to the John Lilley Correctional Center at Boley, for a sum not to exceed \$44,000; authorizes the sale of five acres or real property near the Oklahoma State Reformatory in Granite; and, authorizes the sale of the office building located at 1411 Classen Boulevard in Oklahoma City.
- e. **SB 816** authorizes the Department of Corrections to use Global Positioning Systems (GPS) devices to supervise certain non-violent offenders who have been released from prison. Offenders must serve at least 180 days in a secure facility prior to being placed on GPS supervision.
- f. **SB 1486** establishes a new program at the Department of Corrections that authorizes a reentry program for offenders who need structured release prior to the completion of their term of incarceration. It is for offenders who are not otherwise eligible for community placement, and will only be used for offenders during their last 18 months of incarceration. The program is to be funded with federal or private money.

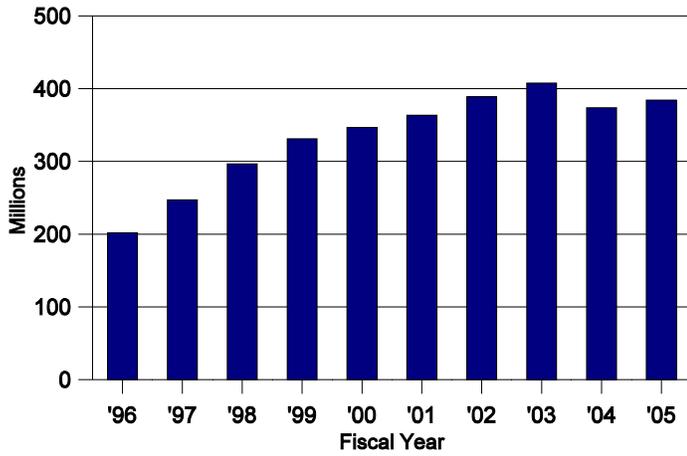
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$373,931,566	\$384,225,036	2.8%
Special Cash	0	61,532	N/A
Revolving Funds	58,868,672	59,718,672	1.4%
Federal Funds	7,811,600	9,282,800	18.8%
Carryover	3,000,000	3,000,000	0.0%
Total	\$443,611,838	\$456,288,040	2.9%

V. BUDGET REFERENCES

HB 2007, Sections 110 and 141; HB 2074; SB 1037, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$201,662,429	FY-01	\$364,253,162
FY-97	\$247,128,472	FY-02	\$388,762,900
FY-98	\$296,504,307	FY-03(Orig.)	\$407,828,555
FY-99	\$331,165,993	FY-04	\$373,931,566
FY-99	\$346,829,779	FY-05	\$384,286,568

Notes:

1. FY-97 includes significant increases for private prison bed space.
2. FY-98 includes a significant increase for private prison bed space and for additional FTE's.

COURT OF CRIMINAL APPEALS

Charles A. Johnson, Presiding Judge

Agency #199

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$2,634,378	36.0
FY-05 Adjustments		
a. Increase State Employee Benefits	41,163	
b. Court Operations	<u>75,000</u>	
Total Adjustments	\$116,163	0.0
FY-05 Appropriation and FTE Authorization	\$2,750,541	36.0
Percent Change from FY-04 to FY-05	4.4%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Appropriations were for increased support of court operations.

III. POLICY ISSUES

- a. **SB 1066** clarifies Court of Criminal Appeals Judges salary language to make salaries equitable with those of the Supreme Court Judges.
- b. **SB 1056** increased the Court’s budget limit by \$32,191 in FY-04.
- c. **SB 1075** provides for increased judicial compensation beginning in FY-06 and creates the Board of Judicial Compensation that will determine judicial salaries subject to the approval of the Legislature.

The bill also sets a new salary level for the Court’s Judges, absent action by the Board. Under this bill, the Presiding Judge’s salary shall be \$117,571 (up from \$110,299). Likewise, the Judges of the Court salaries shall be \$113,571 (up from \$106,700).

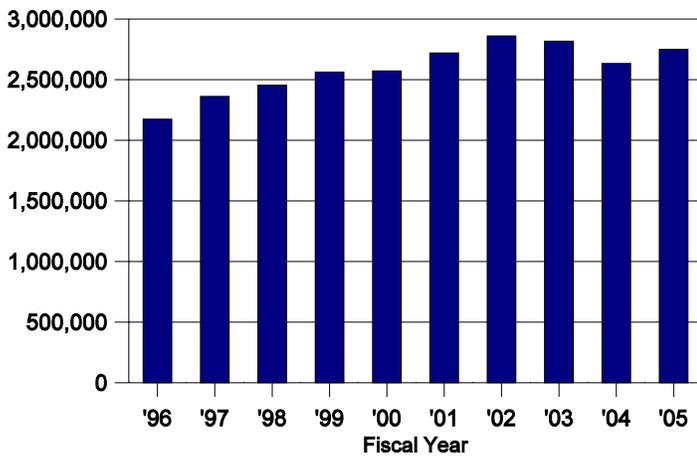
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$2,634,378	\$2,675,541	1.6%
Special Cash	0	75,000	N/A
Carryover	33,000	100,000	203.0%
Total	\$2,667,378	\$2,850,541	6.9%

V. BUDGET REFERENCES

HB 2007, Section 125; SB 1055; SB 1087

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$2,174,361	FY-01	\$2,720,270
FY-97	\$2,362,575	FY-02	\$2,861,916
FY-98	\$2,454,390	FY-03(Orig.)	\$2,817,556
FY-99	\$2,562,879	FY-04	\$2,634,378
FY-00	\$2,571,828	FY-05	\$2,750,541

DISTRICT ATTORNEYS AND DISTRICT ATTORNEYS COUNCIL

Suzanne Atwood, Executive Coordinator

Agency #220

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$25,972,055	1,241.0
FY-05 Adjustments		
a. Increase State Employee Benefits	454,676	
b. General Operations	<u>500,000</u>	
Total Adjustments	\$954,676	0.0
FY-05 Appropriation and FTE Authorization	\$26,926,731	1,241.0
Percent Change from FY-04 to FY-05	3.7%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. Appropriations were for increases in general operating expenses.

III. POLICY ISSUES

- a. **SB 1058** increases the Council’s FY-04 Prosecutorial Services category limits by \$500,000.

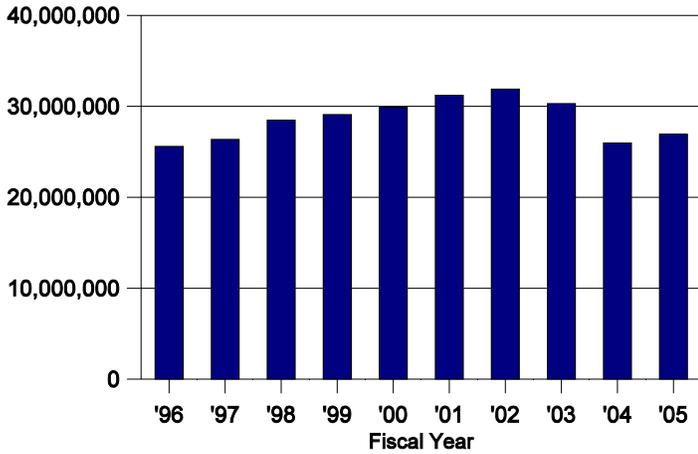
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$25,972,055	\$26,926,731	3.7%
Carryover	330,000	400,000	21.2%
Revolving Funds	42,800,000	37,678,022	(12.0)%
Federal Funds	20,700,000	27,222,543	31.5%
Total	\$89,802,055	\$92,227,296	2.7%

V. BUDGET REFERENCES

HB 2007, Sections 130 through 132; SB 1051; SB 1057

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$25,611,743	FY-01	\$31,213,067
FY-97	\$26,373,310	FY-02	\$31,902,762
FY-98	\$28,485,500	FY-03(Orig.)	\$30,307,624
FY-99	\$29,099,939	FY-04	\$25,972,055
FY-00	\$29,880,953	FY-05	\$26,926,731

DISTRICT COURTS

Joseph M. Watt, Chief Justice

Agency #219

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$40,897,067	646.0
FY-05 Adjustments		
a. Increase State Employee Benefits	355,158	
b. Personnel Costs	118,000	
c. Certified Funds	<u>1,673,001</u>	
Total Adjustments	\$2,146,159	0.0
FY-05 Appropriation and FTE Authorization	\$43,043,226	646.0
Percent Change from FY-04 to FY-05	5.2%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. The Court was appropriated \$118,000 (**HB 2007**) to hire a Court Reporter and a Secretary Bailiff for Cleveland County, and a Secretary Bailiff for Oklahoma County.
- c. This appropriation provides an additional \$1,673,001 to the Court for FY-05. This session, the certified State Judicial Fund was changed to the State Judicial Revolving Fund, allowing the 5% certification amount (\$1,673,000) to be budgeted in FY-05.

III. POLICY ISSUES

- a. **SB 1060** provides that Court Reporters will receive a salary increase beginning January 1, 2005.
- b. **SB 1068** changes the State Judicial Fund from a Certified Fund to a Revolving Fund.
- c. **SB 1075** provides for increased judicial compensation beginning in FY-06 and creates the Board of Judicial Compensation that will determine judicial salaries subject to the approval of the Legislature.

The Bill also established new salaries for District Judges, absent action by the Board. The District Judges salary will increase from \$95,898 to \$102,529. The Assistant District Judge salary shall be \$94,839. The Special Judge salary shall be \$87,150 (up from \$80,750). The bill also eliminates the bifurcation of the Associate District Judge position based upon county population.

- d. **SB 1366** provides that one-half of the costs charged in DUI cases go to the municipalities in which the crime was committed, if they have a municipal court. Bill provisions further require that the court of record share these costs.
- e. **HB 2250** increases court fees for certain criminal offenses, and dedicates the funds collected to the Trauma Care Assistance Revolving Fund. It is estimated that these fees will generate \$1,296,768. Traffic-Other Violations will be increased from \$73.00 to \$83.00; Traffic-Speeding (1-10) will increase from \$83.00 to \$93.00; DUI Misdemeanor will increase from \$183.00 to \$193.00; and DUI Felony will increase from \$183.00 to \$193.00.

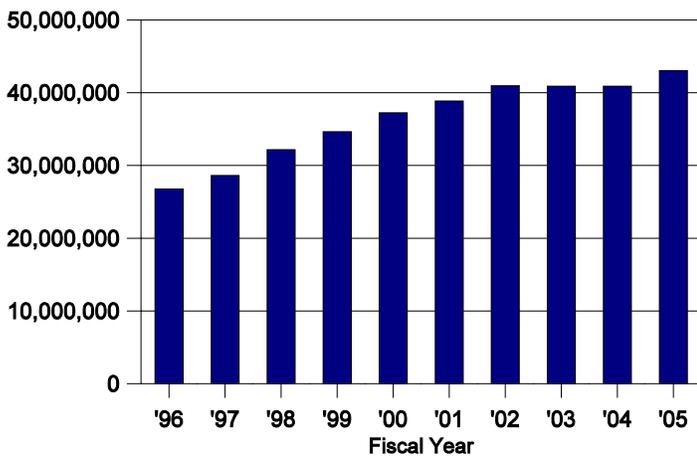
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$11,010,040	\$6,098,586	(44.6)%
State Judicial Fund	29,887,027	37,871,639	26.7%
Carryover	500,000	1,000,000	100.0%
Federal Funds	500,000	500,000	0.0%
Total	\$41,897,067	\$45,470,225	8.5%

V. BUDGET REFERENCES

HB 2007, Sections 126 through 128; SB 1059

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$26,784,877	FY-01	\$38,853,817
FY-97	\$28,642,624	FY-02	\$40,971,275
FY-98	\$32,182,185	FY-03(Orig.)	\$40,897,067
FY-99	\$34,647,308	FY-04	\$40,897,067
FY-00	\$37,257,237	FY-05	\$43,043,226

STATE FIRE MARSHAL

Robert Doke, Fire Marshal

Agency #310

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$1,504,323	33.0
FY-05 Adjustments		
a. Increase State Employee Benefits	<u>32,738</u>	
Total Adjustments	\$32,738	0.0
FY-05 Appropriation and FTE Authorization	\$1,537,061	33.0
Percent Change from FY-04 to FY-05	2.2%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

- a. **HB 2076** provides an FY-04 budget limit increase of \$25,690 for the State Fire Marshal.
- b. **HB 2372** creates the Oklahoma Council on Firefighter Training.

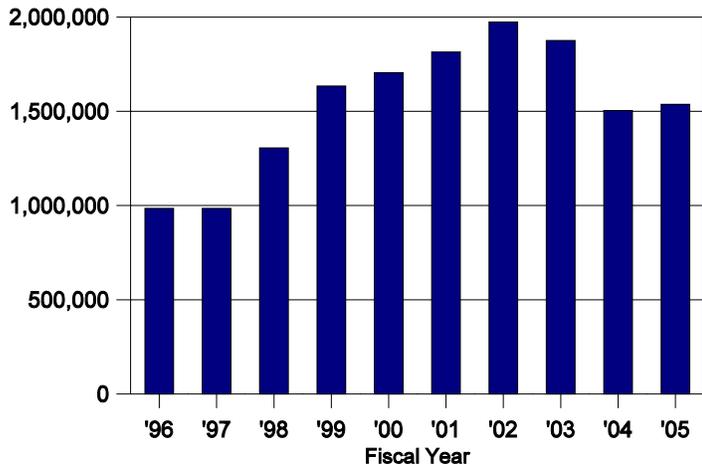
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$1,504,323	\$1,537,061	2.2%
Carryover Funds	0	5,000	N/A
Revolving Funds	400,000	400,000	0.0%
Total	\$1,904,323	\$1,942,061	2.0%

V. BUDGET REFERENCES

HB 2007, Section 13; HB 2076; HB 2077

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$985,709	FY-01	\$1,815,364
FY-97	\$985,709	FY-02	\$1,973,743
FY-98	\$1,306,637	FY-03(Orig.)	\$1,875,056
FY-99	\$1,634,410	FY-04	\$1,504,323
FY-00	\$1,705,235	FY-05	\$1,537,061

INDIGENT DEFENSE SYSTEM

Jim Bednar, Executive Director

Agency #047

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$14,243,912	85.0
FY-05 Adjustments		
a. Increase State Employee Benefits	<u>184,849</u>	
Total Adjustments	\$184,849	0.0
FY-05 Appropriation and FTE Authorization	\$14,428,761	85.0
Percent Change from FY-04 to FY-05	1.3%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

- a. **SB 1399** provides for an attorney fee structure that courts are to use in assessing attorney fees in criminal cases represented by the Oklahoma Indigent Defense System.

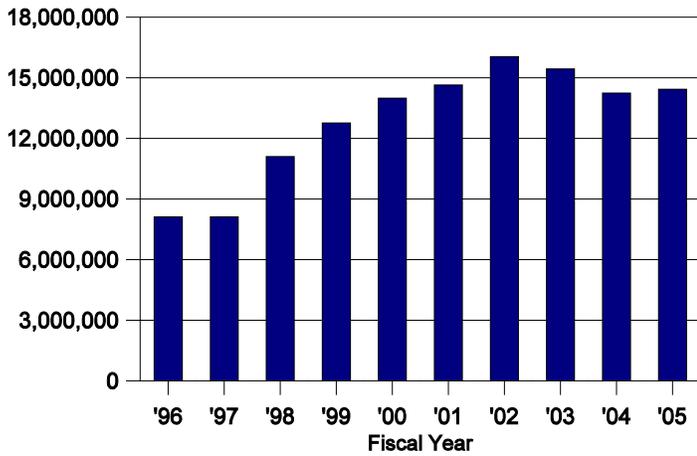
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$14,243,912	\$14,228,761	(0.1)%
Federal Tax Relief Fund	0	200,000	N/A
Carryover	1,307,677	1,400,000	7.1%
Revolving Funds	700,000	950,000	35.7%
Total	\$16,251,589	\$16,778,761	3.2%

V. BUDGET REFERENCES

HB 2007, Sections 121 and 122

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$8,122,264	FY-01	\$14,648,539
FY-97	\$8,122,264	FY-02	\$16,042,393
FY-98	\$11,105,049	FY-03(Orig.)	\$15,440,273
FY-99	\$12,757,570	FY-04	\$14,243,912
FY-00	\$13,986,560	FY-05	\$14,428,761

Note:

1. The FY-99 increase is due in large part to agency restructuring in the executive and finance areas, and the creation of satellite offices in the non-capital trial area for more effective service and use of resources.

OKLAHOMA STATE BUREAU OF INVESTIGATION

DeWade Langley, Director

Agency #308

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$9,441,383	307.0
FY-05 Adjustments		
a. Increase State Employee Benefits	340,527	
b. Equipment Purchase	<u>(100,000)</u>	
Total Adjustments	\$240,527	0.0
FY-05 Appropriation and FTE Authorization	\$9,681,910	307.0
Percent Change from FY-04 to FY-05	2.5%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. In FY-04, the Bureau was appropriated \$250,000 for two Oil Field Investigators and equipment. Of this appropriation, \$100,000 was for onetime equipment purchases. The appropriation for equipment was removed from the agency’s base level funding.

III. POLICY ISSUES

- a. **SB 1542** provides an increase of \$2.00 in the fingerprinting fee. The fee will increase from \$3.00 to \$5.00 and is estimated to generate \$1.4 million. The additional revenue will be used to purchase and update new fingerprinting technology. Of this fee, \$4.50 will be deposited into the OSBI's A.F.I.S. Revolving Fund with the balance to be deposited in the General Revenue Fund.
- b. **SB 1155** creates pay bands for law enforcement personnel and allows the Director flexibility when establishing salaries ranges.
- c. **HB 2355** allows the OSBI to purchase awards for non-bureau personnel, permits purchase of promotional items, and places an annual spending limit of \$3,000 for such purchases.
- d. **SB 877** permits the OSBI to give surplus property to state law enforcement agencies, and expands the use of OSBI Revolving Fund, the AFIS Fund, and the Forensic Science Revolving Fund to purchase equipment and provide training for state law enforcement agencies.

- e. **SB 1399** allows the OSBI to share copies of lab examination reports investigated by the DNA Forensic Testing Program with the Oklahoma Indigent Defense System.

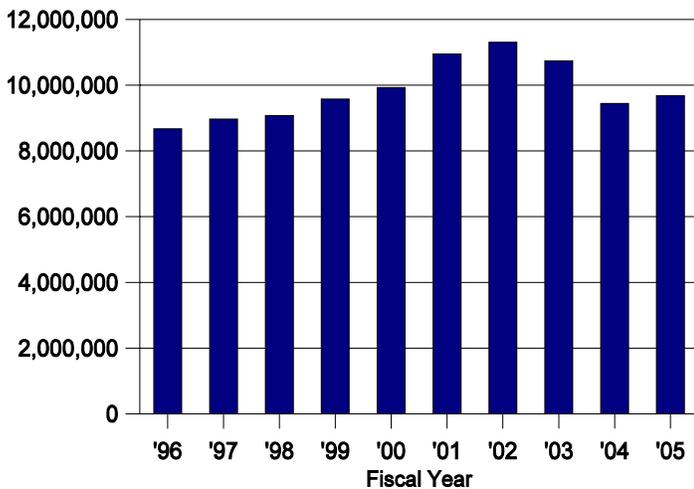
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$9,441,383	\$9,681,910	2.5%
Carryover Funds	605,000	150,000	(75.2)%
Revolving Funds	12,631,221	12,901,800	2.1%
Federal Funds	2,065,802	2,000,000	(3.2)%
Total	\$24,743,406	\$24,733,710	(0.04)%

V. BUDGET REFERENCES

HB 2007, Section 112; HB 2079

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$8,677,147	FY-01	\$10,950,072
FY-97	\$8,968,685	FY-02	\$11,307,844
FY-98	\$9,076,669	FY-03(Orig.)	\$10,742,452
FY-99	\$9,579,808	FY-04	\$9,441,383
FY-00	\$9,930,247	FY-05	\$9,681,910

COUNCIL ON JUDICIAL COMPLAINTS

Eric Mitts, Administrative Secretary

Agency #678

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$267,999	2.0
FY-05 Adjustments		
a. Increase State Employee Benefits	<u>3,153</u>	
Total Adjustments	\$3,153	0.0
FY-05 Appropriation and FTE Authorization	\$271,152	2.0
Percent Change from FY-04 to FY-05	1.2%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

None

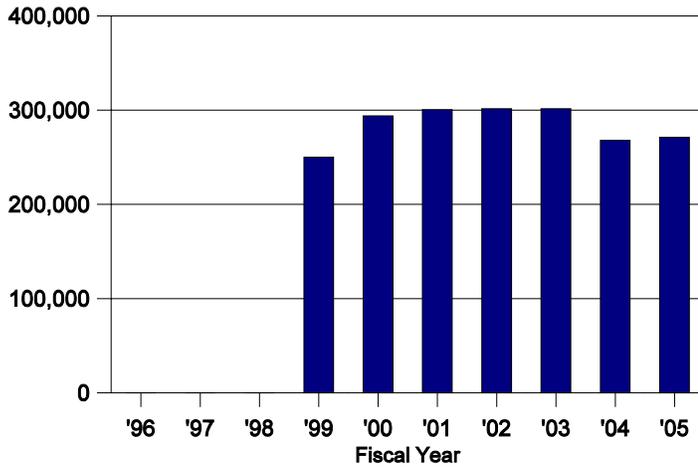
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$267,999	\$271,152	1.2%
Carryover	53,000	50,000	(5.7)%
Total	\$320,999	\$321,152	0.05%

V. BUDGET REFERENCES

HB 2007, Section 138; SB 1063

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	N/A	FY-01	\$300,504
FY-97	N/A	FY-02	\$301,681
FY-98	N/A	FY-03(Orig.)	\$301,681
FY-99	\$250,000	FY-04	\$267,999
FY-00	\$293,904	FY-05	\$271,152

Note:

1. The Council on Judicial Complaints was created as a separate agency in FY-99. Previously, it was a program within the Supreme Court.

COUNCIL ON LAW ENFORCEMENT EDUCATION AND TRAINING

Jeanie Nelson, Director

Agency #415

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$2,649,441	41.0
FY-05 Adjustments		
a. Increase State Employee Benefits	<u>36,877</u>	
Total Adjustments	\$36,877	0.0
FY-05 Appropriation and FTE Authorization	\$2,686,318	41.0
Percent Change from FY-04 to FY-05	1.4%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

- a. **SB 1412** increases the Penalty Assessment Fee by \$2.00 from \$7.00 to \$9.00. The increase is projected to generate \$1.2 million, and will be used to meet operating costs at the new training facility located in Ada.
- b. **SB 1089** authorizes CLEET to collect the current fingerprint fee for new security guard and private investigator licenses. The agency will begin collecting an additional \$6.00 to cover the current \$41.00 fingerprint fee charged by the OSBI. Existing legislation only allowed the agency to charge \$35.00. The increase is estimated to generate an additional \$7,000 annually.
- c. **HB 2577** increases training hours for full-time salaries police officers from 300 hours to 380 hours, if funding is available.

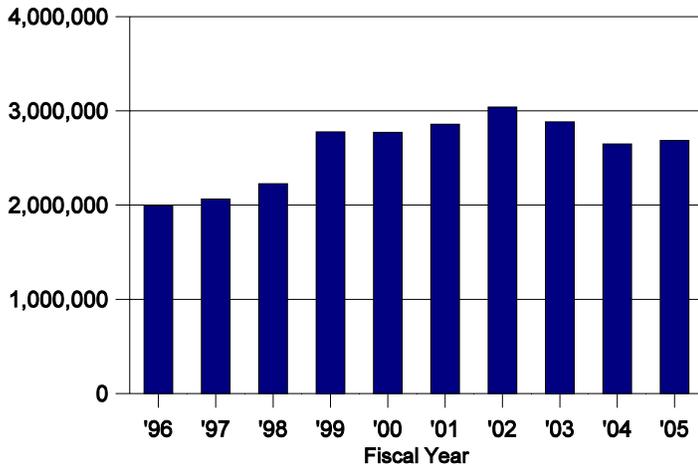
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$296,913	\$333,790	12.4%
CLEET Fund	2,352,528	2,352,528	0.0%
Revolving Fund	49,000	66,000	34.7%
Carryover	7,000	8,000	14.3%
Total	\$2,705,441	\$2,760,318	2.0%

V. BUDGET REFERENCES

HB 2007, Sections 115 through 117; HB 2081

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$1,993,062	FY-01	\$2,858,635
FY-97	\$2,063,830	FY-02	\$3,050,458
FY-98	\$2,226,483	FY-03(Orig.)	\$2,883,685
FY-99	\$2,777,814	FY-04	\$2,649,441
FY-00	\$2,771,522	FY-05	\$2,686,318

BOARD OF MEDICOLEGAL INVESTIGATIONS

Dr. Fred Jordan, Chief Medical Examiner

Agency #342

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$3,257,458	70.5
FY-05 Adjustments		
a. Increase State Employee Benefits	69,914	
b. Annualize FY-04 Supplemental	<u>100,000</u>	
Total Adjustments	\$169,914	0.0
FY-05 Appropriation and FTE Authorization	\$3,427,372	70.5
Percent Change from FY-04 to FY-05	5.2%	0.0%

I. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. The Legislature annualized the FY-04 Supplemental of \$100,000 that was provided to address costs for body transportation contracts and final leave expenses.

III. POLICY ISSUES

- a. **SB 1589** provides for the Medical Examiners Office to establish a system of fees for forensic services, which is estimated to generate about \$1.6 million annually. Fee revenue includes \$1,300,000 for cremation fees, \$15,000 for forensic science services, \$270,000 for case copies, and \$5,000 for x-rays, histological slides, and photographs.
- b. **HB 2007**, Section 142, provides FY-04 supplemental funding for body transportation contracts and final annual leave expenses.

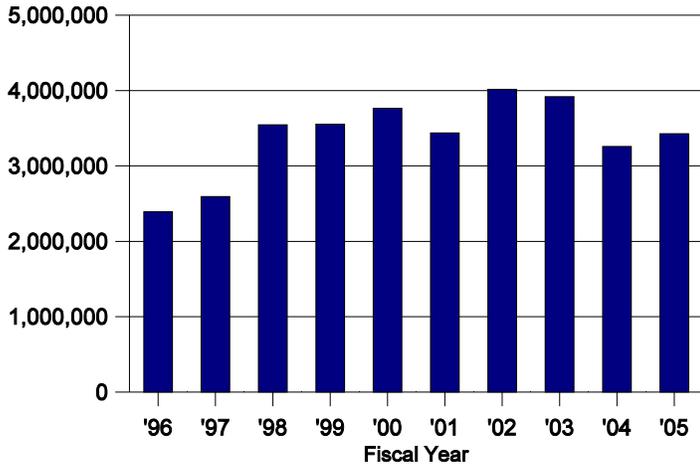
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$3,257,458	\$3,427,372	5.2%
Carryover	20,000	50,000	150.0%
Revolving Funds	400,000	493,500	23.4%
Federal Funds	843,689	1,490,000	76.6%
Total	\$4,521,147	\$5,460,872	20.8%

V. BUDGET REFERENCES

HB 2007, Sections 114 and 142; HB 2083

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$2,391,391	FY-01	\$3,438,913
FY-97	\$2,594,072	FY-02	\$4,016,775
FY-98	\$3,544,014	FY-03(Orig.)	\$3,918,936
FY-99	\$3,555,031	FY-04	\$3,257,458
FY-00	\$3,764,338	FY-05	\$3,427,372

BUREAU OF NARCOTICS AND DANGEROUS DRUGS

Lonnie Wright, Director

Agency #477

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$4,859,814	109.0
FY-05 Adjustments		
a. Increase State Employee Benefits	<u>107,248</u>	
Total Adjustments	\$107,248	0.0
FY-05 Appropriation and FTE Authorization	\$4,967,062	109.0
Percent Change from FY-04 to FY-05	2.2%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

- a. **HB 2176** places certain products containing Pseudoephedrine on Schedule V of the Controlled Substance Act, thus restricting sales of these products to pharmacies. Tablets of Pseudoephedrine is the essential precursor chemical used to manufacture methamphetamine. The legislation also allows judges to hold certain methamphetamine manufacturing suspects without bond if there are signs of meth addiction.
- b. **HB 1526** updates and enhances Oklahoma's prescription monitoring program by expanding the classes of drugs for which electronic data is captured. The bill also allows doctors and pharmacies to access drug information off of the Oklahoma Schedule Abuse Reduction System program (OSTAR), and allows the system to capture data on not only Schedule 2 drugs, but also those in Schedule 3, 4, and 5.

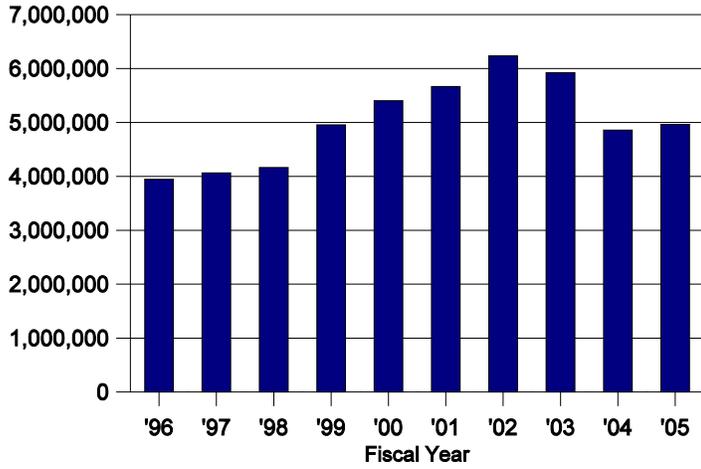
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$4,859,814	\$4,967,062	2.2%
Revolving Funds	3,982,369	3,885,101	(2.4)%
Carryover	3,757,817	3,747,837	(0.3)%
Total	\$12,600,000	\$12,600,000	0.0%

V. BUDGET REFERENCES

HB 2007, Section 118; HB 2085

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$3,947,711	FY-01	\$5,665,596
FY-97	\$4,064,315	FY-02	\$6,237,218
FY-98	\$4,163,782	FY-03(Orig.)	\$5,925,357
FY-99	\$4,954,174	FY-04	\$4,859,814
FY-00	\$5,404,809	FY-05	\$4,967,062

PARDON AND PAROLE BOARD

Terry Jenks, Director

Agency #306

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$2,115,485	47.0
FY-05 Adjustments		
a. Increase State Employee Benefits	34,843	
Total Adjustments	\$34,843	0.0
FY-05 Appropriation and FTE Authorization	\$2,150,328	47.0
Percent Change from FY-04 to FY-05	1.6%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

None

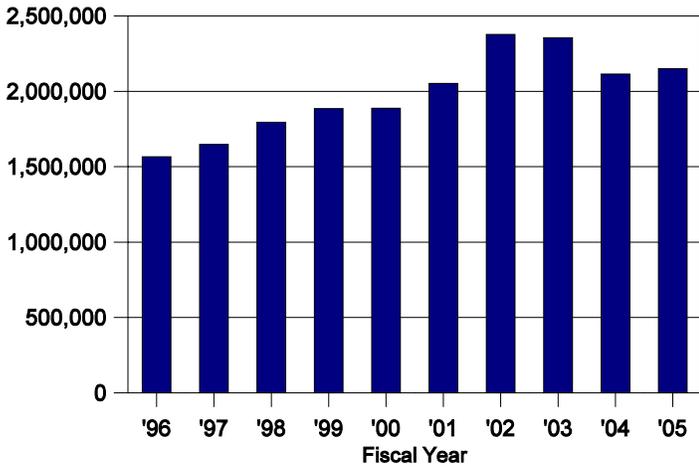
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$2,115,485	\$2,150,328	1.6%
Carryover	15,000	75,000	400.0%
Total	\$2,130,485	\$2,225,328	4.5%

V. BUDGET REFERENCES

HB 2007, Section 111; HB 2087

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$1,565,369	FY-01	\$2,052,545
FY-97	\$1,648,077	FY-02	\$2,377,711
FY-98	\$1,794,291	FY-03(Orig.)	\$2,355,603
FY-99	\$1,885,752	FY-04	\$2,115,485
FY-00	\$1,887,950	FY-05	\$2,150,328

DEPARTMENT OF PUBLIC SAFETY

Kevin Ward, Commissioner

Agency #585

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$62,429,532	1,548.0
FY-05 Adjustments		
a. Increase State Employee Benefits	2,632,472	
Total Adjustments	\$2,632,472	0.0
FY-05 Appropriation and FTE Authorization	\$65,062,004	1,548.0
Percent Change from FY-04 to FY-05	4.2%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

- a. **SB 1137** provides a \$1,400 salary increase effective January 1, 2005 and \$700 salary increase effective July 1, 2005 for Highway Patrolman and Communication employees. The bill further collapses the fourteen step pay schedule into to seven steps. DPS estimates the six month cost of this adjustment to be \$1.5 million.
- b. **SB 1299** increases the fee for bond forfeiture, from \$15 to \$20. DPS estimates that this increase will generate \$675,000 annually. SB 1299 also increases the fee for reckless and DUI traffic convictions from \$150 to \$155 which will generate an additional \$25,000 annually. The bill provides that any Capitol Patrol officer that requests reclassification to the equivalent lateral position within the Highway Patrol Division, to complete a course of training prescribed by the Commissioner.
- c. **HB 2280** creates the Oklahoma Office of Homeland Security and provides that the Governor determine where the Office should be located. Bill provisions require that the Office establish a plan for the implementation of a statewide emergency response system.
- d. **HB 2600** creates a revolving fund within the State Department of Health to be designated the "Trauma Care Assistance Revolving Fund" and provides that any increase of fees and/or fines from driver license reinstatement fees and from felony drug crime fines be deposited into the Fund. DPS and the Oklahoma Criminal Justice Resources Center estimate that the additional \$200 penalty on driver license revocations and suspensions and the additional \$100 added to various felony drug crime fines will generate \$11.9 million annually for deposit into the Fund.

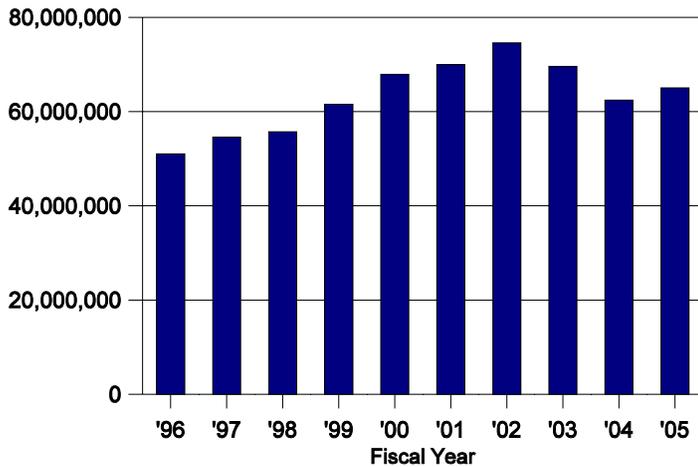
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$61,845,905	\$64,566,566	4.4%
CLEET Funds	583,627	495,438	(15.1)%
Revolving Funds	40,400,000	44,210,000	9.4%
Federal Funds	61,000,000	78,250,000	28.3%
Total	\$163,829,532	\$187,522,004	14.5%

V. BUDGET REFERENCES

HB 2007, Sections 119 and 120; HB 2089

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$51,024,134	FY-01	\$69,992,993
FY-97	\$54,573,835	FY-02	\$74,596,430
FY-98	\$55,732,863	FY-03(Orig.)	\$69,594,193
FY-99	\$61,544,635	FY-04	\$62,429,532
FY-00	\$67,915,246	FY-05	\$65,062,004

SUPREME COURT

Joseph M. Watt, Chief Justice

Agency #677

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$11,962,341	176.0
FY-05 Adjustments		
a. Increase State Employee Benefits	172,925	
b. Court Operations	1,000,000	
c. Debt Service Adjustment	<u>202,278</u>	
Total Adjustments	\$1,375,203	0.0
FY-05 Appropriation and FTE Authorization	\$13,337,544	176.0
Percent Change from FY-04 to FY-05	11.5%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.
- b. The Legislature provided the Court with general operating funds to address increased court expenses. Of the \$1,000,000 appropriated, \$150,000 is to be used to increase the Legal Aid Services Contract from \$764,845 to \$914,845 annually.
- c. Cash reserve funds for outstanding obligation of the Oklahoma Capitol Improvement Authority (OCIA) were replaced by surety policies in 2003. Cash reserves were placed into the appropriate sinking funds for each outstanding issue and used for the retirement of principal during FY-04, thus reducing requirements to the sinking fund. Required payments to the sinking fund will be increased in FY-05 by \$202,278 as the cash reserves are exhausted for renovation of the new Supreme Court building.

III. POLICY ISSUES

- a. **SB 476** expands the use of the State Supreme Court Revolving Fund, allowing for expenditures for unforeseen emergencies that impact the operation of the Court.
- b. **SB 479** provides for a \$10 fee to all civil and criminal filings estimated to generate \$6.5 million to help fund the Oklahoma Court Information System (OCIS) (\$4 million), and lengthy trial obligations (\$2.5 million).

- c. **SB 1134** provides for raising the cap on judicial retirement effective July 1, 2004, and approves a 4% cost of living increase for retired judges.
- d. **SB 1075** provides for increased judicial compensation beginning in FY-06 and creates the Board of Judicial Compensation that will determine judicial salaries subject to the approval of the Legislature.

Absent action by the Board, the bill set new salary levels for the Supreme Court and the Court of Civil Appeals. The Chief Justice of the Supreme Court salary will be \$117,571 (from current salary of \$110,299). The Associate Justices' salaries also increased from \$106,706 to \$113,571.

The salary for the Presiding Judge of the Court of Civil Appeals is set at \$109,731 (from current salary of \$103,109). The remaining Judges of the Court shall have the salary of \$108,366 (up from current salary of \$101,744).

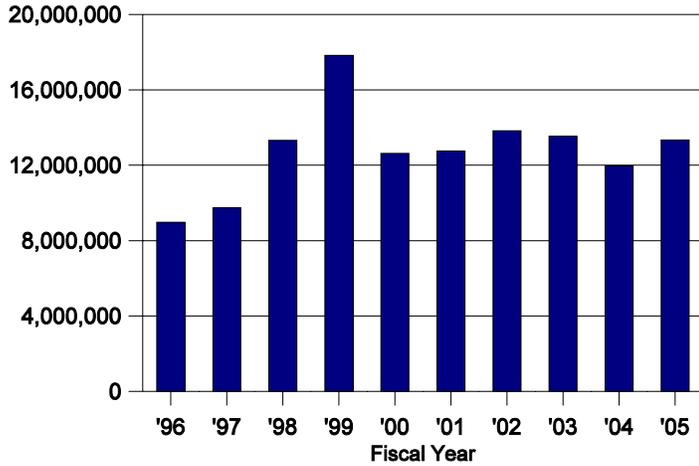
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$11,962,341	\$11,837,544	(1.0)%
Special Cash	0	1,000,000	N/A
Federal Tax Relief Fund	0	500,000	N/A
Carryover	500,000	520,000	4.0%
Revolving Funds	11,500,000	12,000,000	4.3%
Federal Funds	600,000	600,000	0.0%
Total	\$24,562,341	\$26,457,544	7.7%

V. BUDGET REFERENCES

HB 2007, Section 134 through 137; SB 1065

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$8,968,906	FY-01	\$12,757,207
FY-97	\$9,739,882	FY-02	\$13,823,343
FY-98	\$13,321,078	FY-03(Orig.)	\$13,543,032
FY-99	\$17,831,522	FY-04	\$11,962,341
FY-00	\$12,624,659	FY-05	\$13,337,544

Notes:

1. The FY-98 increase consists primarily of the shift in funding the employer’s contribution for retirement from a dedicated revenue source to a percentage of salary.
2. The FY-99 increase indicates a focus on improving the Court’s computer system.

WORKERS' COMPENSATION COURT

Richard L. Blanchard, Presiding Judge

Agency #369

<u>I. DETAIL OF FY-05 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-04 Appropriation and FTE Authorization	\$3,691,957	108.0
FY-05 Adjustments		
a. Increase State Employee Benefits	<u>78,452</u>	
Total Adjustments	\$78,452	0.0
FY-05 Appropriation and FTE Authorization	\$3,770,409	108.0
Percent Change from FY-04 to FY-05	2.1%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Appropriations were made for increases in various benefits provided state employees.

III. POLICY ISSUES

None

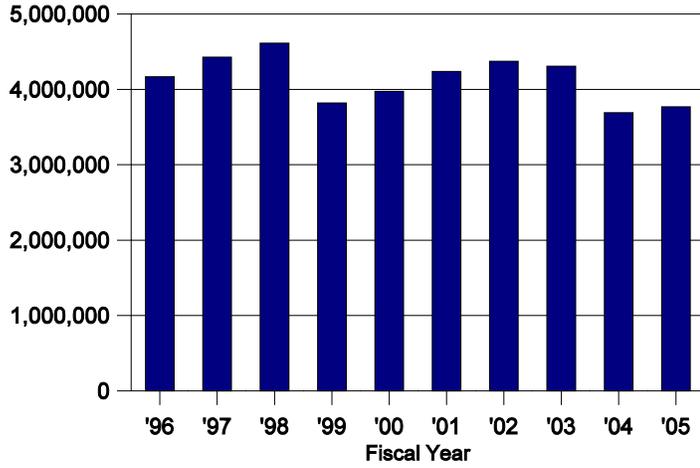
IV. BUDGET RESOURCES

	<u>FY-04</u>	<u>FY-05</u>	<u>% Change</u>
General Revenue Fund	\$3,691,957	\$3,770,409	2.1%
Revolving Funds	2,093,000	1,998,382	(4.5)%
Total	\$5,784,957	\$5,768,791	(0.3)%

V. BUDGET REFERENCES

HB 2007, Section 133; SB 1067

VI. TEN YEAR APPROPRIATION HISTORY



FY-96	\$4,168,157	FY-01	\$4,238,754
FY-97	\$4,428,251	FY-02	\$4,372,691
FY-98	\$4,614,933	FY-03(Orig.)	\$4,306,464
FY-99	\$3,189,535	FY-04	\$3,691,957
FY-00	\$3,974,430	FY-05	\$3,770,409

Note:

1. FY-99 reflects removal of onetime equipment funds from the Court's base.

Supplementary Data

Table 1

FY-05 APPROPRIATIONS BY SOURCE

<u>Fund Name</u>	<u>Funds Available</u>	<u>Funds Appropriated</u>
FY-05 General Revenue	\$4,300,863,159	\$4,300,060,158
FY-04 General Revenue	1,115,355	1,115,355
FY-03 General Revenue	34,379,106	34,379,106
FY-02 General Revenue	<u>23,741</u>	<u>23,741</u>
Total General Revenue	\$4,336,381,361	\$4,335,578,360
Other Funds		
FY-05 Mineral Leasing Fund	1,900,000	1,900,000
FY-03 Mineral Leasing Fund	220,057	220,057
FY-05 Commissioners of the Land Office	5,639,040	4,747,965
FY-05 Judicial Fund	33,460,028	33,460,028
FY-03 Judicial Fund	3,484,612	3,484,612
Federal Tax Fund	117,340,221	117,340,221
FY-05 Public Building Fund	1,291,145	1,291,145
FY-03 Public Building Fund	285,488	285,488
Special Cash	152,438,712	152,088,712
FY-05 OSHA	1,587,165	1,587,165
FY-03 OSHA	268,102	268,102
FY-05 CLEET Fund	2,493,824	2,493,824
FY-03 CLEET Fund	354,142	354,142
FY-05 State Transportation Fund	200,775,804	200,775,804
Tobacco Settlement Fund	16,408,305	16,408,305
G.O. Bonds Fund Series A	45,900	45,900
G.O. Bonds Fund Series B	<u>1,290</u>	<u>1,290</u>
Total Other Funds	\$537,993,835	\$536,752,760
Total Appropriations - 2004 Session	\$4,874,375,196	\$4,872,331,120
Education Reform Revolving Fund	416,235,504	416,260,946
Common Education Technology Revolving Fund	34,032,209	34,032,209
Higher Education Scholarship Revolving Fund	34,032,209	34,032,209
Higher Education Capital Revolving Fund	34,032,209	34,032,209
Total 2004 Session Appropriations	\$5,392,707,327	\$5,390,688,693
Minus: FY-03 Supplemental Appropriations		(32,587,017)
Total FY-05 Appropriations		\$5,358,101,676

Table 2

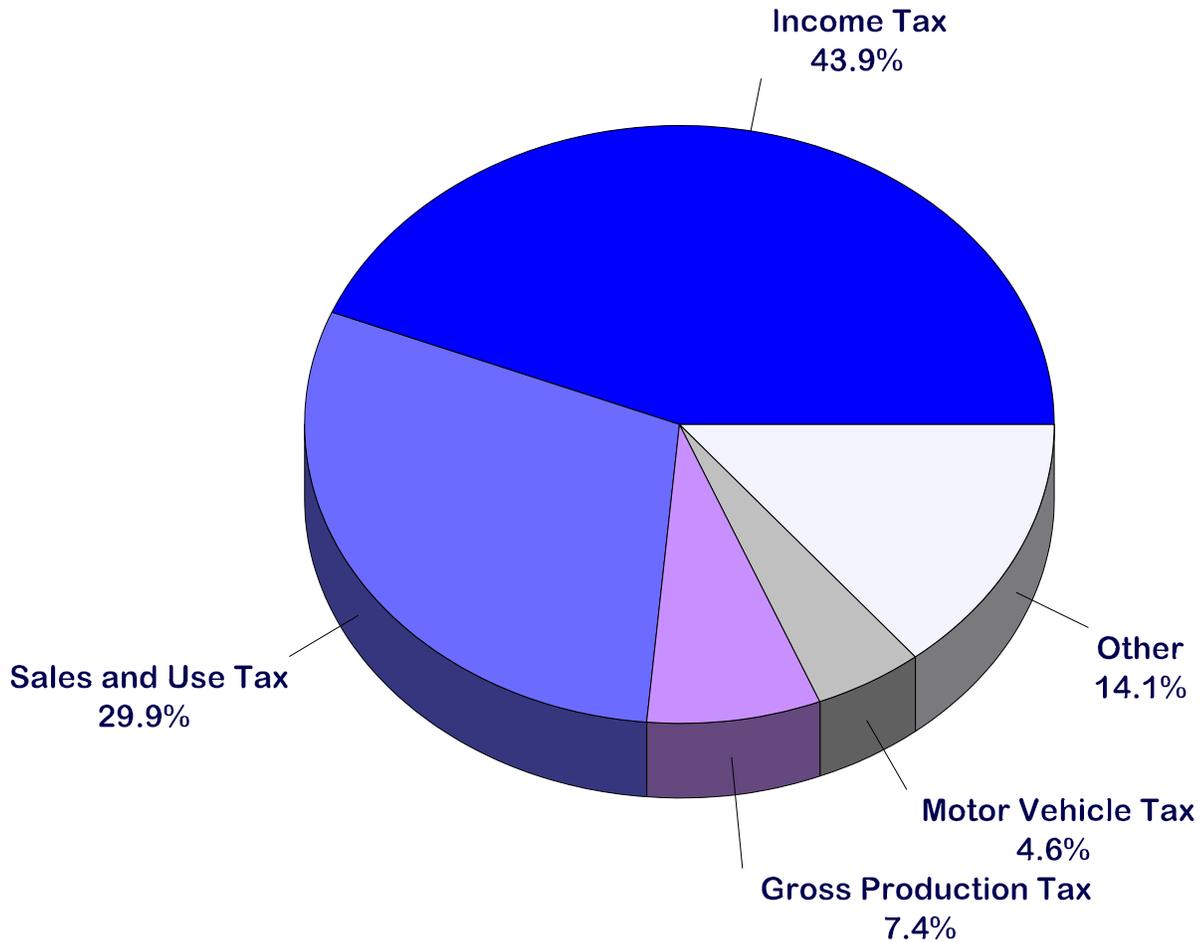
Certified Revenue Funds

FY-04 to FY-05 Comparison

General Revenue Fund	FY-04 Estimated	FY-05 Estimated	Percent Change
Alcoholic Beverage Tax	\$14,871,000	\$15,802,000	6.3%
Mixed Beverage Receipts Tax	19,156,000	19,828,000	3.5%
Beverage Tax	24,390,000	24,792,000	1.6%
Cigarette Tax	54,452,418	22,686,314	(58.3)%
Tobacco Products Tax	11,665,000	14,658,000	25.7%
Franchise Tax	41,785,000	41,394,000	(0.9)%
Gross Production Tax - Gas	358,728,000	353,788,000	(1.4)%
Income Tax - Individual	1,991,489,148	1,990,659,644	0.0%
Income Tax - Corporate	87,336,866	105,613,201	20.9%
Estate Tax	84,852,000	74,340,000	(12.4)%
Insurance Premium Tax	0	55,616,000	N/A
Motor Vehicle Taxes	214,236,000	219,880,049	2.6%
Sales Tax	1,238,943,304	1,339,549,668	8.1%
Use Tax	79,331,118	88,382,131	11.4%
Interest and Investments	36,669,911	33,775,609	(7.9)%
Other Taxes, Fees and Licenses	136,695,007	143,203,971	4.8%
Transfers and Lapses	1,200,000	1,000,000	(16.7)%
Total General Revenue	\$4,395,800,772	\$4,544,968,587	3.4%
Special Funds	44,237,942	13,644,025	(69.2)%
Transportation Fund	202,300,407	211,343,340	4.5%
Total Revenue	\$4,642,339,121	\$4,769,955,952	2.7%

Source: Office of State Finance

CERTIFIED REVENUE FUNDS FY-05 ESTIMATED



Income Tax	\$2,096,272,845
Sales and Use Tax	1,427,931,819
Gross Production Tax	353,788,000
Motor Vehicle Tax	<u>219,880,049</u>
Subtotal	\$4,097,872,713
Other	<u>672,083,259</u>
Total Revenue	\$4,769,955,972

Table 3
FY-05 APPROPRIATIONS BY AGENCY

	FY-04 Original Appropriations	FY-05 Appropriations	Dollar Change	Percent Change
EDUCATION SUBCOMMITTEE				
Arts Council	\$3,864,077	\$3,923,871	\$59,794	1.5%
Career and Technology Education	117,822,607	123,887,358	6,064,751	5.1%
Education, Board of	1,950,625,265	2,007,663,450	57,038,185	2.9%
Educational Television Authority	3,448,064	4,201,753	753,689	21.9%
Higher Education, Regents of	768,130,523	802,136,296	34,005,773	4.4%
Land Commission	4,095,100	4,747,965	652,865	15.9%
Libraries, Department of	6,166,270	6,212,118	45,848	0.7%
Physician Manpower Training Comm.	5,017,536	5,024,607	7,071	0.1%
Private Vocational Schools, Board of	152,989	155,456	2,467	1.6%
School of Science and Mathematics	6,204,693	6,572,319	367,626	5.9%
Science and Technology, Center for	11,014,880	11,669,647	654,767	5.9%
Teacher Preparation Commission	1,986,006	1,998,168	12,162	0.6%
Subtotal	\$2,878,528,010	\$2,978,193,008	\$99,664,998	3.5%
GENERAL GOVERNMENT SUBCOMMITTEE				
Auditor and Inspector	\$5,226,966	\$5,523,603	\$296,637	5.7%
Bond Advisor	163,527	188,096	24,569	15.0%
Central Services, Department of	9,547,361	12,234,432	2,687,071	28.1%
Election Board	8,195,395	7,072,129	(1,123,266)	(13.7)%
Emergency Management	666,226	680,972	14,746	2.2%
Ethics Commission	447,124	480,747	33,623	7.5%
Finance, Office of State	20,080,825	22,866,800	2,785,975	13.9%
Governor	2,477,659	2,522,709	45,050	1.8%
House of Representatives	17,437,944	18,080,670	642,726	3.7%
Legislative Services Bureau	2,060,968	2,303,193	242,225	11.8%
Lieutenant Governor	467,494	523,259	55,765	11.9%
Merit Protection Commission	504,885	512,154	7,269	1.4%
Military Department	7,021,379	8,062,531	1,041,152	14.8%
Personnel Management, Office of	4,602,700	4,497,011	(105,689)	(2.3)%
Secretary of State	429,494	456,927	27,433	6.4%
Senate	12,147,920	12,769,707	621,787	5.1%
Space Industry Development Authority	515,851	518,323	2,472	0.5%
Tax Commission	44,601,406	41,462,019	(3,139,387)	(7.0)%
Transportation, Department of	192,185,387	200,875,804	8,690,417	4.5%
Treasurer	4,377,639	4,926,592	548,953	12.5%
Subtotal	\$333,158,150	\$346,557,678	\$13,399,528	4.0%
HEALTH AND SOCIAL SERVICES SUBCOMMITTEE				
Health Care Authority	\$439,000,000	\$482,256,505	43,256,505	9.9%
Health Department	53,649,633	57,563,226	3,913,593	7.3%
J.D. McCarty Center	2,457,898	3,162,767	704,869	28.7%
Mental Health and Substance Abuse	145,018,006	155,447,428	10,429,422	7.2%
University Hospitals Authority	34,598,585	39,029,342	4,430,757	12.8%
Veterans Affairs, Department of	26,943,202	30,091,172	3,147,970	11.7%
Subtotal	\$701,667,324	\$767,550,440	\$65,883,116	9.4%
HUMAN SERVICES SUBCOMMITTEE				
Children and Youth, Commission on	\$1,550,000	\$1,569,789	\$19,789	1.3%
Handicapped Concerns, Office of	356,000	362,128	6,128	1.7%
Human Rights Commission	650,000	662,762	12,762	2.0%
Human Services, Department of	387,455,619	408,330,849	20,875,230	5.4%
Indian Affairs Commission	244,000	248,942	4,942	2.0%
Juvenile Affairs, Office of	90,000,000	92,858,160	2,858,160	3.2%
Rehabilitation Services	24,750,000	25,479,628	729,628	2.9%
Subtotal	\$505,005,619	\$529,512,258	\$24,506,639	4.9%

	FY-04 Original Appropriations	FY-05 Appropriations	Dollar Change	Percent Change
NATURAL RESOURCES AND REGULATORY SERVICES SUBCOMMITTEE				
Agriculture Department	\$22,610,776	\$22,846,177	\$235,401	1.0%
Capitol Complex/Centennial Commission	526,503	536,453	9,950	1.9%
Commerce, Department of	\$22,008,606	\$33,337,845	\$11,329,239	51.5%
Conservation Commission	6,220,557	7,117,658	897,101	14.4%
Consumer Credit, Commission on	602,747	616,513	13,766	2.3%
Corporation Commission	4,736,959	8,767,056	4,030,097	85.1%
Environmental Quality, Department of	5,928,921	9,495,264	3,566,343	60.2%
Historical Society	8,537,394	10,142,253	1,604,859	18.8%
Horse Racing Commission	1,761,748	1,858,182	96,434	5.5%
Insurance Department	2,072,157	2,136,301	64,144	3.1%
J.M. Davis Memorial Commission	299,604	330,983	31,379	10.5%
Labor Department	2,958,570	3,061,658	103,088	3.5%
Mines, Department of	722,124	815,510	93,386	12.9%
Scenic Rivers Commission	258,156	333,158	75,002	29.1%
Securities Commission	501,088	0	(501,088)	(100.0)%
Tourism and Recreation	22,616,482	24,162,640	1,546,158	6.8%
Water Resources Board	6,228,494	6,440,345	211,851	3.4%
Will Rogers Memorial Commission	792,798	882,678	89,880	11.3%
Subtotal	\$109,383,684	\$132,880,674	\$23,496,990	21.5%
JUDICIARY, PUBLIC SAFETY AND LAW ENFORCEMENT SUBCOMMITTEE				
ABLE Commission	\$3,431,691	\$3,626,853	\$195,162	5.7%
Attorney General	5,794,927	5,953,778	158,851	2.7%
Corrections, Department of	373,931,566	384,286,568	10,355,002	2.8%
Court of Criminal Appeals	2,634,378	2,750,541	116,163	4.4%
District Attorneys, DAC	25,972,055	26,926,731	954,676	3.7%
District Courts	40,897,067	43,043,226	2,146,159	5.2%
Fire Marshal	1,504,323	1,537,061	32,738	2.2%
Indigent Defense System	14,243,912	14,428,761	184,849	1.3%
Investigation, Bureau of	9,441,383	9,681,910	240,527	2.5%
Judicial Complaints, Council on	267,999	271,152	3,153	1.2%
Law Enforcement Education and Training	2,649,441	2,686,318	36,877	1.4%
Medicolegal Investigations, Board of	3,257,458	3,427,372	169,914	5.2%
Narcotics and Dangerous Drugs	4,859,814	4,967,062	107,248	2.2%
Pardon and Parole Board	2,115,485	2,150,328	34,843	1.6%
Public Safety, Department of	62,429,532	65,062,004	2,632,472	4.2%
Supreme Court	11,962,341	13,337,544	1,375,203	11.5%
Workers' Compensation Court	3,691,957	3,770,409	78,452	2.1%
Subtotal	\$569,085,329	\$587,907,618	\$18,822,289	3.3%
MISCELLANEOUS AGENCIES/APPROPRIATIONS				
Rural Economic Action Plan Fund (REAP)	6,000,000	15,500,000	9,500,000	158.3%
Subtotal	\$6,000,000	\$15,500,000	\$9,500,000	158.3%
GRAND TOTAL	\$5,102,828,116	\$5,358,101,676	\$255,273,560	5.0%

Table 4

FY-05 TOTAL BUDGETARY RESOURCES

	FY-05 Appropriations	Reappropriation/ Carryover/ Transfers	Federal Funds	Revolving Funds	Total Resources
EDUCATION SUBCOMMITTEE					
Arts Council	\$3,923,871	\$175,085	\$633,100	\$0	\$4,732,056
Career and Technology Education	123,887,358	0	25,210,752	6,075,837	155,173,947
Education, Board of	2,007,663,450	0	609,063,555	1,212,077	2,617,939,082
Educational Television Authority	4,201,753	0	519,293	4,155,228	8,876,274
Higher Education, Regents of	802,136,296	0	0	0	802,136,296
Land Commission	4,747,965	0	0	0	4,747,965
Libraries, Department of	6,212,118	0	2,726,710	375,000	9,313,828
Physician Manpower Training Commission	5,024,607	0	0	804,475	5,829,082
Private Vocational Schools, Board of	155,456	0	0	0	155,456
School of Science and Mathematics	6,572,319	0	0	12,000	6,584,319
Science and Technology, Center for	11,669,647	0	100,000	12,158,009	23,927,656
Teacher Preparation Commission	1,998,168	3,535,285	0	2,066,864	7,600,317
Subtotal	\$2,978,193,008	\$3,710,370	\$638,253,410	\$26,859,490	\$3,647,016,278
GENERAL GOVERNMENT AND TRANSPORTATION SUBCOMMITTEE					
Auditor and Inspector	\$5,523,603	\$0	\$0	\$5,900,000	\$11,423,603
Bond Advisor, Office of the State	188,096	0	0	155,000	343,096
Central Services, Department of	12,234,432	862,536	0	52,355,050	65,452,018
Election Board	7,072,129	0	0	265,000	7,337,129
Emergency Management, Department of	680,972	0	0	3,445,521	4,126,493
Ethics Commission	480,747	0	0	200,000	680,747
Finance, Office of State	22,866,800	300,000	0	9,750,000	32,916,800
Governor	2,522,709	0	0	0	2,522,709
House of Representatives	18,080,670	0	0	0	18,080,670
Legislative Services Bureau	2,303,193	0	0	0	2,303,193
Lieutenant Governor	523,259	0	0	30,000	553,259
Merit Protection Commission	512,154	0	0	45,000	557,154
Military Department	8,062,531	0	39,500,000	60,000	47,622,531
Personnel Management, Office of	4,497,011	250,000	0	650,000	5,397,011
Secretary of State	456,927	520,000	0	2,235,000	3,211,927
Senate	12,769,707	0	0	0	12,769,707
Space Industry Development Authority	518,323	0	0	350,000	868,323
Tax Commission	41,462,019	0	100,000	53,750,000	95,312,019
Transportation	200,875,804	0	466,823,726	63,426,240	731,125,770
Treasurer	4,926,592	250,000	0	3,135,200	8,311,792
Subtotal	\$346,557,678	\$2,182,536	\$506,423,726	\$195,752,011	\$1,050,915,951
HEALTH AND SOCIAL SERVICES SUBCOMMITTEE					
Health Care Authority	\$482,256,505	\$0	\$2,504,778,140	\$0	\$2,987,034,645
Health Department	57,563,226	0	157,465,247	37,612,558	252,641,031
J.D. McCarty Center	3,162,767	0	0	8,707,233	11,870,000
Mental Health and Substance Abuse	155,447,428	4,000,000	37,379,628	27,271,210	224,098,266
University Hospitals Authority	39,029,342	0	70,799,864	0	109,829,206
Veterans' Affairs, Department of	30,091,172	0	29,642,253	29,087,683	88,821,108
Subtotal	\$767,550,440	\$4,000,000	\$2,800,065,132	\$102,678,684	\$3,674,294,256
HUMAN SERVICES SUBCOMMITTEE					
Children and Youth Commission	\$1,569,789	\$76,000	\$1,250,348	\$170,000	\$3,066,137
Handicapped Concerns, Office of	362,128	10,000	125,000	0	497,128
Human Rights Commission	662,762	0	650,000	0	1,312,762
Human Services, Department of	408,330,849	22,492,687	1,021,891,115	0	1,452,714,651
Indian Affairs Commission	248,942	39,328	0	10,081	298,351
Juvenile Affairs, Office of	92,858,160	688,049	16,761,974	2,569,090	112,877,273
Rehabilitation Services, Department of	25,479,628	0	91,220,372	0	116,700,000
Subtotal	\$529,512,258	\$23,306,064	\$1,131,898,809	\$2,749,171	\$1,687,466,302

	FY-05 Appropriations	Reappropriation/ Carryover/ Transfers	Federal Funds	Revolving Funds	Total Resources
NATURAL RESOURCES AND REGULATORY SERVICES SUBCOMMITTEE					
Agriculture Department	\$22,846,177	\$0	\$7,478,466	\$8,479,556	\$38,804,199
Capitol Complex/Centennial Commission	536,453	0	0	50,868	587,321
Commerce, Department of	\$33,337,845	0	49,460,076	1,792,528	84,590,449
Conservation Commission	7,117,658	0	13,485,535	1,684,488	22,287,681
Consumer Credit, Commission on	616,513	360,847	0	0	977,360
Corporation Commission	8,767,056	0	850,781	21,722,500	31,340,337
Environmental Quality, Department of	9,495,264	0	11,790,919	19,735,053	41,021,236
Historical Society	10,142,253	0	313,700	1,200,000	11,655,953
Horse Racing Commission	1,858,182	0	0	679,845	2,538,027
Insurance Department	2,136,301	0	461,414	6,113,582	8,711,297
J.M. Davis Memorial Commission	330,983	0	0	119,555	450,538
Labor Department	3,061,658	0	2,153,052	2,072,921	7,287,631
Mines, Department of	815,510	0	1,013,349	947,605	2,776,464
Scenic Rivers Commission	333,158	0	0	179,216	512,374
Tourism and Recreation	24,162,640	0	1,800,000	32,356,624	58,319,264
Water Resources Board	6,440,345	0	12,922,692	3,320,458	22,683,495
Will Rogers Memorial Commission	882,678	0	0	36,000	918,678
Subtotal	\$132,880,674	\$360,847	\$101,729,984	\$100,490,799	\$335,462,304
JUDICIARY, PUBLIC SAFETY AND LAW ENFORCEMENT SUBCOMMITTEE					
ABLE Commission	\$3,626,853	\$0	\$0	\$315,000	\$3,941,853
Attorney General	5,953,778	30,000	1,470,000	4,267,062	11,720,840
Corrections, Department of	384,286,568	3,000,000	9,282,800	59,718,672	456,288,040
Court of Criminal Appeals	2,750,541	100,000	0	0	2,850,541
District Attorneys, DAC	26,926,731	400,000	27,222,543	37,678,022	92,227,296
District Courts	43,043,226	1,000,000	500,000	0	44,543,226
Fire Marshal	1,537,061	5,000	0	400,000	1,942,061
Indigent Defense System	14,428,761	1,400,000	0	950,000	16,778,761
Investigation, Bureau of	9,681,910	150,000	2,000,000	12,901,800	24,733,710
Council on Judicial Complaints	271,152	50,000	0	0	321,152
Law Enforcement Education and Training	2,686,318	8,000	0	66,000	2,760,318
Medicolegal Investigations, Board of	3,427,372	50,000	1,490,000	493,500	5,460,872
Narcotics and Dangerous Drugs	4,967,062	3,747,837	0	3,885,101	12,600,000
Pardon and Parole Board	2,150,328	75,000	0	0	2,225,328
Public Safety, Department of	65,062,004	0	78,250,000	44,210,000	187,522,004
Supreme Court	13,337,544	520,000	600,000	12,000,000	26,457,544
Workers' Compensation Court	3,770,409	0	0	1,998,382	5,768,791
Subtotal	\$587,907,618	\$10,535,837	\$120,815,343	\$178,883,539	\$898,142,337
MISCELLANEOUS					
Rural Economic Action Plan Fund (REAP)	15,500,000	0	0	0	15,500,000
Subtotal	\$15,500,000	\$0	\$0	\$0	\$15,500,000
GRAND TOTAL	\$5,358,101,676	\$44,095,654	\$5,299,186,404	\$607,413,694	\$11,308,797,428

Table 5

**AGENCY DIRECTORS AND JUDICIAL SALARIES/
FULL-TIME EQUIVALENT EMPLOYEES (FTE) LIMITATION
FY-05**

<u>Agency</u>	<u>Maximum Salary Limit</u>		<u>Maximum FTE Limit</u>
Accountancy Board	N/A	(m)	9.0
Agriculture, Department of (Secretary of Agriculture)	77,400	(a)	515.0
Alcoholic Beverage Laws Enforcement Council (ABLE)	71,400		71.0
Architects and Landscape Architects	N/A	(m)	4.0
Arts Council	60,900		17.0
Attorney General	103,109	(b)	173.0
Auditor and Inspector, State	87,875	(b)	169.0
Banking Department	N/A	(c)(m)	46.0
Capital Investment Board	N/A	(m)	4.0
Career and Technology Education, State Board of	106,400		405.0
Centennial Commission/Capitol Complex	78,400		12.0
Central Services, Department of (Deputy Secretary of Human Resources and Administration)	75,920	(a)	390.0
Children and Youth Commission	61,400		25.5
Chiropractic Examiners, Board of	N/A	(m)	3.0
Commerce, Department of (Secretary of Commerce and Tourism)	107,060	(a)	185.0
Cosmetology Board	N/A	(m)	16.0
Conservation Commission	61,584		17.0
Consumer Credit Commission	57,716		16.0
Corporation Commission	--		453.0
Chairman	89,875	(b)	--
Commissioners	87,875	(b)	--
General Administrator	82,000		--
Corrections, Department of	111,400		5,844.6
Criminal Appeal, Court of	--		36.0
Presiding Judge	110,299	(d)	--
Judge	106,706	(d)	--
Dentists, Board of Governors of Registered	N/A	(m)	5.0
District Attorneys, District Attorneys Council	--		1,241.0
District Attorney	93,980	(e)	--
Executive Coordinator, District Attorneys Council	None	(n)	--
District Courts			642.0
District Judge	95,898	(f)	73.0
Associate Judge (population 30,000 +)	87,875	(f)	32.0
Associate Judge (population under 30,000)	85,500	(f)	45.0
Special Judge	80,750	(f)	84.0
Education, Department of	98,898	(b)	511.0
Educational Television Authority (OETA)	60,515		84.0
Election Board	75,357		None

<u>Agency</u>	Maximum Salary Limit	Maximum FTE Limit
Emergency Management, Department of	71,400	32.0
Employees Benefits Council	N/A (m)	31.0
Employment Security Commission	N/A (m)	1,150.0
Engineers and Land Surveyors Board, Professional	N/A (m)	7.0
Environmental Quality, Department of	83,400	572.0
Ethics Commission	None (n)	7.0
Finance, Office of State (Secretary of Finance)	90,000 (a)	167.0
Fire Marshal	57,449	33.0
Firefighters' Pension and Retirement System	N/A (m)	13.0
Governor	110,299 (b)	None
Grand River Dam Authority	N/A (m)	524.0
Handicapped Concerns, Office of	46,400	8.0
Health Care Authority	126,400	285.5
Health Department	181,400	2,556.3
Higher Education, Regents for	None (n)	None
Historical Society	73,400	168.0
Horse Racing Commission	68,459	43.0
House of Representatives	56,332 (g)	None
Majority and Minority Leaders	50,764	--
Representatives	38,400	--
Human Rights Commission	60,620	28.0
Human Services (DHS) (Secretary of Human Services)	None (a)(n)	7,864.0
Indian Affairs Commission	48,400	6.0
Indigent Defense System	111,863	85.0
Industrial Finance Authority	N/A (m)	10.0
Insurance Department	99,875 (b)	143.0
Compsource	N/A (m)	591.0
Investigation, Oklahoma State Bureau of (OSBI)	75,400	305.0
J.D. McCarty Center	71,400	152.0
J.M. Davis Memorial Commission	66,400	10.5
Judicial Complaints, Council on	77,720	2.0
Juvenile Affairs, Office of	91,400	1,206.5
Labor, Department of	80,750 (b)	136.0
Land Office, Commissioners of the	73,400	62.5
Law Enforcement Education and Training, Council on	53,536	41.0
Law Enforcement Retirement System	58,000 (n)	None
Legislative Services Bureau	None	None
Libraries, Department of	73,400	81.8
Lieutenant Governor	85,500 (b)	None
Liquefied Petroleum Gas Administration	N/A (m)	10.0
Marginally Producing Oil and Gas Wells, Commission on	N/A (m)	4.0
Medical Licensure and Supervision, Board of	N/A (h)(m)	29.0
Medicolegal Investigations, Board of	176,400	70.5

<u>Agency</u>	Maximum Salary Limit		Maximum FTE Limit
Merit Protection Commission	61,400		11.0
Mental Health and Substance Abuse Services	126,387		2,651.0
Military Department	122,672	(a)(o)	484.0
Mines, Department of	54,400		51.5
Motor Vehicle Commission	N/A	(m)	4.0
Narcotics and Dangerous Drugs, Bureau of (BNDD)	73,400		109.0
Nursing, Board of	N/A	(m)	25.0
Nursing Homes, Board of	N/A	(m)	4.0
Optometry Board	None	(m)	2.0
Osteopathic Examiners, Board of	N/A	(m)	7.0
Pardon and Parole Board	66,400		47.0
Peanut Commission	N/A	(m)	2.0
Personnel Management, Office of (OPM) (Secretary of Human Resources and Administration)	76,400	(a)	116.5
Pharmacy, Board of	N/A	(m)	9.0
Physician Manpower Training Commission (PMTTC)	52,221		6.0
Police Pension and Retirement System	N/A	(m)	11.0
Private Vocational Schools, Board of	41,681		3.0
Board of Examiners of Psychologists	N/A	(m)	2.0
Public Employees Retirement System (OPERS)	N/A	(m)	63.0
Public Safety, Department of (DPS) (Secretary of Safety and Security)	85,000	(a)	1,548.0
Real Estate Commission	N/A	(m)	26.0
Rehabilitation Services, Department of	76,400		813.3
Scenic Rivers Commission	46,040		7.0
Science and Mathematics, Oklahoma School of	71,381		77.0
Science and Technology, Oklahoma Center for the Advancement of	86,400		24.0
Secretary of State	65,000	(a)	41.0
Securities Commission	111,400		34.0
Senate	56,332	(g)	None
Majority and Minority Leaders	50,764		--
Senators	38,400		--
Board of Licensed Social Workers	N/A	(m)	1.0
Space Industry Development Authority	86,400		5.0
Speech Pathology and Audiology Board	N/A	(m)	2.0
State and Education Employees Group Insurance Board	N/A	(m)	173.0
Student Loan Authority	N/A	(m)	51.0
Supreme Court	--		166.0
Chief Justice	110,299	(i)	--
Justice	106,706	(i)	--
Court of Civil Appeals Presiding Judge	103,109	(i)	--
Judge	101,714	(i)	--
Administrator	97,624		--

<u>Agency</u>	<u>Maximum Salary Limit</u>	<u>Maximum FTE Limit</u>
Tax Commission	--	1,304.0
Chairman	85,000 (j)	--
Commissioners	84,500 (j)	--
Administrator	None	--
Teachers Retirement System	N/A (m)	52.0
Teacher Preparation Commission	63,600	8.0
Tourism and Recreation, Department of	75,400 (a)	805.0
Transportation, Department of (DOT)	110,000	3,125.0
Treasurer	87,875 (b)	90.0
University Hospitals Authority	None (n)	10.0
Used Motor Vehicle and Parts Commission	N/A (m)	12.0
Veterans Affairs, Department of	76,400	1,998.0
Veterinary Medical Examiners, Board of	N/A (m)	6.0
Water Resources Board	81,400	91.0
Wheat Commission	N/A (m)	7.0
Will Rogers Memorial Commission	None (n)	16.5
Workers' Compensation Court	--	108.0
Judges	95,898 (k)	--
Administrator	86,308 (l)	--

Notes:

- a. The individuals in those positions also serve as cabinet secretaries. Title 74 O.S. 2001, Section 10.5 , establishes annual compensation limits for Cabinet Secretaries. These limits specifically override director salary limits should the Cabinet Secretary also serve as Agency Director. Cabinet Secretaries salary limitations include:

Secretary of Administration	\$75,000
Secretary of Agriculture	70,000
Secretary of Commerce	70,000
Secretary of Education	65,000
Secretary of Energy	70,000
Secretary of Finance and Administration	90,000
Secretary of Health and Human Services	80,000
Secretary of Human Resources	65,000
Secretary of Safety and Security	85,000
Secretary of State(1)	65,000
Secretary of Tourism and Recreation	70,000
Secretary of Veterans Affairs	65,000

Other Cabinet Secretaries are not listed in statute. Those positions and their respective salaries are listed below:

Secretary of State	\$90,000
Secretary of Environment (2)	\$85,000
Secretary of Science/Technology (3)	275,000
Secretary of Transportation (4)	133,200
Adjutant General (5)	122,672

1. If the Secretary of State is designated as a Cabinet Secretary, the salary of the Secretary of State may be increased to an amount not to exceed \$90,000.
 2. The Secretary of Environment is created in statute (Title 27A, Section 1-2-101) but has no statutory limit and the salary is paid through the Governor's office.
 3. The Secretary of Science/Technology's salary is paid through the University of Oklahoma as Dean of the College of Engineering and as University Vice President of Technology Development.
 4. The Secretary of Transportation's salary is paid through the Oklahoma Turnpike Authority.
 5. The Adjutant General's salary is paid through the Military Department as the agency director. The salary of the Adjutant General is limited by statute to the compensation equivalent to his/her federally recognized rank (Title 44, Section 27).
- b. This agency director is also a statewide elected official whose salary is controlled by statute (Title 74 O.S. 2001, Section 250.4). Elected officials are not entitled to a salary increase until a subsequent term of office.
1. The Governor shall receive a salary equal to the salary received by the Chief Justice of the Oklahoma Supreme Court (\$110,299) - (Effective January 2007 - \$117,571);
 2. The Lieutenant Governor shall receive a salary equal to the salary received by an associate district judge in a county with a population greater than ten thousand (10,000) and less than thirty thousand (30,000) (\$85,500). SB 1075 removed the population parameters for an associate district judges salary - (Effective January 2007 - \$94,839) ;

3. The Attorney General shall receive a salary equal to the salary received by the Presiding Judge of the Court of Civil Appeals (\$103,109) - (Effective January 2007 - \$109,731);
4. The State Superintendent of Public Instruction shall receive a salary equal to the salary received by a district judge (\$95,898) - (Effective January 2007 - \$102,529);
5. Each member of the Corporation Commission shall receive a salary equal to the salary received by an associate district judge in a county with a population of over thirty thousand (30,000) (\$87,875). SB 1075 removed the population parameters for an associate district judges salary - (Effective January 2007 - \$94,839);

In addition, the Chairman of the Corporation Commission receives \$2,000 additional annual compensation (Title 74 O.S. 1991, Section 250.7).

6. The State Treasurer shall receive a salary equal to the salary received by an associate district judge in a county with a population of over thirty thousand (30,000) (\$87,875). SB 1075 removed the population parameters for an associate district judges salary - (Effective January 2007 - \$94,839);
7. The State Auditor and Inspector shall receive a salary equal to the salary received by an associate district judge in a county with a population of over thirty thousand (30,000) (\$87,875). SB 1075 removed the population parameters for an associate district judges salary - (Effective January 2007 - \$94,839);
8. The State Insurance Commissioner shall receive a salary equal to the salary received by an associate district judge in a county with a population of over thirty thousand (30,000) (\$87,875). SB 1075 removed the population parameters for an associate district judges salary - (Effective January 2007 - \$94,839);

The Insurance Commissioner also receives an additional \$12,000 in annual compensation for serving as Chairman of the Real Estate Appraisers Board (Title 59 OS. 2001, Section 705.1); and

9. The Commissioner of Labor shall receive a salary equal to the salary received by a special judge (\$80,750) - (Effective January 2007 - \$87,150).
- c. The Banking Commissioner's salary is set by the Banking Board (Title 6 O.S. Supp. 2003, Section 201.1) but can be no more than the limit set by the Legislature.
- d. The salaries for Judges of the Court of Criminal Appeals are set in Statute (Title 20 O.S. 2004, Section 31.2).

SB 1075 created the Board of Judicial Compensation which would have responsibility for setting the salaries for most judges. Absent action by the Board, SB 1075 set new salary levels for most judges:

Court of Criminal Appeals:

Presiding Judge	\$117,571
Judge	113,571

SB 1075 eliminated the bifurcation Associate District Judge position based upon county population.

- e. District Attorney salaries are established by statute (Title 19 O.S. 2001, Section 215.30). Effective July 1, 2003, the salary of a district attorney will be 98% of the salary of a district judge, or \$93,980. In counties

with a population of four hundred thousand (400,000) or more, salaries for district and assistant district attorneys may be supplemented by the county. Such supplement shall not exceed 25% of the salary provided by the state.

- f. District Court Judges' compensation are set in Statute (Title 20 O.S. 2004, Section 92.1A).

SB 1075 created the Board of Judicial Compensation which would have responsibility for setting the salaries for most judges. Absent action by the Board, SB 1075 set new salary levels for most judges:

District Courts:

District Judge	\$102,524
Associate District Judge	94,839
Special Judge	87,150

SB 1075 eliminated the bifurcation Associate District Judge position based upon county population.

- g. Legislative salaries are established by the Board on Legislative Compensation.
- h. The State Board of Medical Licensure and Supervision was combined with the Podiatry Board and State Board of Examiners of Perfusionists.
- i. The salaries for Justices of the Supreme Court and the Court of Civil Appeals Judges are set in statute (Title 20 O.S. 2004, Section 3.1 and Section 30.2A).

SB 1075 created the Board of Judicial Compensation which would have responsibility for setting the salaries for most judges. Absent action by the Board, SB 1075 set new salary levels for most judges:

Supreme Court:

Chief Justice	\$117,571
Justice	113,571

Court of Civil Appeals:

Presiding Judge	\$109,731
Judges	108,336

SB 1075 eliminated the bifurcation Associate District Judge position based upon county population.

- j. Salaries of the Tax Commissioners are set by statute (Title 68 O.S. Supp. 2002, Section 102.1). Effective January, 2005, salaries will be equal to that paid to a judge of the Workers' Compensation Court.
- k. Salaries for the Judges of the Workers' Compensation Court are set by statute (Title 85 O.S. 2001, Section 1.2).
- l. The salary of the Administrator of the Workers' Compensation Court is set by statute to be 90% of the salary of a Judge on the Workers' Compensation Court (Title 85 O.S. 2001, Section 1.3).
- m. Salary ranges and FTE limits are set by statute (Title 74 O.S., Supp. 2004, Section 3601.1) and (Title 74 O.S., Section 3601.2).

- n. The following appropriated agency directors have no salary limit set in either statute or agency appropriation bill:

Agency/Title	Annual Salary
DA's Council Executive Coordinator	\$ 83,295
Ethics Commission Director	78,663
Regents for Higher Education Chancellor	250,000
DHS Director	125,004
Native American Cultural Authority	80,000
Will Rogers Commission Director	73,144
University Hospital Authority	112,000
Law Enforcement Retirement Board	58,000
State Bond Advisor	112,000

- o. The salary of the Adjutant General is limited by statute to the compensation equivalent to his/her federally recognized rank (Title 44, Section 27).

Table 6**CONSTITUTIONAL RESERVE (RAINY DAY) FUND HISTORY**

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Lapses</u>	<u>Appropriations</u>	<u>Ending Balance</u>
FY-89	\$0	\$77,994,351	\$0	(\$26,000,000)	\$51,994,351
FY-90	51,994,351	100,810,258	0	(75,000,000)	77,804,609
FY-91	77,804,609	73,929,614	0	(30,000,000)	121,734,223
FY-92	121,734,223	75,117,212	10,464	(61,878,177)	134,983,722
FY-93	134,983,722	0	25,176	(43,867,903)	91,140,995
FY-94	91,140,995	0	0	(45,570,498)	45,570,497
FY-95	45,570,497	0	3,555	0	45,574,052
FY-96	45,574,052	0	0	(22,688,345)	22,885,707
FY-97	22,885,707	91,402,205	12,909	(52,825,496)	61,475,325
FY-98	61,475,325	247,042,462	388,745	(154,444,000)	154,462,532
FY-99	154,462,532	142,898,076	1,119,324	(148,621,410)	149,858,522
FY-00	149,858,522	0	28,700	(74,929,261)	74,957,961
FY-01	74,957,961	82,584,612	9,826	0	157,552,399
FY-02	157,552,399	261,904,617	299,087	(78,771,287)	340,984,816
FY-03	340,984,816	0	0	(268,585,822)	72,398,994
FY-04	72,398,994	0	0	(72,262,663)	136,331
FY-05	136,331	208,800,000	0	0	208,936,331
Totals		\$1,153,683,407	\$1,897,786	(\$1,155,444,862)	

Notes:

- The Rainy Day Fund was created in 1985. The first deposit was made in July, 1988.
- The Budget Stabilization portion of the Fund was accessed for the first time in FY-03 in the amount of \$98,242,957.
- Deposits are shown in the fiscal year the transaction occurred to more accurately reflect the discussions regarding funds available during actual budget deliberations.

Table 7
TOBACCO SETTLEMENT PAYMENT HISTORY

November, 1999	\$1,723,439		Attorney General Legal Fees Reimbursement
December, 1999	25,582,536		Total
		23,135,095	General Revenue Fund
		2,447,441	* Attorney General Revolving Fund
January, 2000	22,283,576		Total
		20,885,370	General Revenue Fund
		1,398,206	* Attorney General Revolving Fund
April, 2000	36,448,915		To Tobacco Settlement Revolving Fund
FY-01 Actual	64,902,424		
		11,695,198	To Tobacco Settlement Revolving Fund
		50,006,072	To Tobacco Endowment Trust Fund
FY-02 Actual	75,872,921		
		37,085,259	To Tobacco Settlement Revolving Fund
		37,906,358	To Tobacco Endowment Trust Fund
		881,318	Attorney General Revolving Fund
FY-03 Actual	76,024,898		
		32,521,355	To Tobacco Settlement Revolving Fund
		41,813,694	To Tobacco Endowment Trust Fund
		1,689,849	To Attorney General Revolving Fund
FY-04 Actual	65,062,548		
		24,625,019	To Tobacco Settlement Revolving Fund
		39,037,529	To Tobacco Endowment Trust Fund
		1,400,000	To Attorney General Revolving Fund
FY-05 Certified	46,880,871		
		16,408,305	To Tobacco Settlement Revolving Fund
		29,617,556	To Tobacco Endowment Trust Fund
		855,000	To Attorney General Revolving Fund

* Note: \$2,991,632 of these deposits was subsequently transferred to the Tobacco Settlement Revolving Fund pursuant to HB 1002 (2000).

Table 8
FY-04 SUPPLEMENTAL APPROPRIATIONS

HB 2007

Native American Cultural Authority

Section 140 • Debt Service Shortage \$121,000

Corrections

Section 141 • Budget Shortfall 5,000,000

Medicolegal Investigation

Section 142 • Body Transportation Contracts
• Final Leave Expenses 100,000

Tax Commission

Section 143 • Integrated Collections System 6,450,000
• Temporary Employees 600,000

Health Department

Section 144 • Ryan White Drug Program 114,000

J.D. McCarty Center

Section 145 • Sixth Group Home 300,000

University Hospital Authority

Section 146 • Trauma Center 2,137,467

Common Education

Section 147 • National Board Certification 464,550

Subtotal - HB 2007 \$15,287,017

SB 1071

Ad Valorem Reimbursement Fund

Section 1 • Schools \$17,300,000

Grand Total - FY-04 Supplementals \$32,587,017

Table 9
SELECTED FINANCIAL DATA ON MAJOR RETIREMENT SYSTEMS

	Fund Assets	Total Fund Liability	Current Unfunded Liability ¹	Funded Ratio %	Asset Mix %					Number Invest. Manag.	
					Domestic Equities	Domestic Bonds	Cash and Equivalents	Int'l Bonds & Equities	Real Estate		Other
Teachers Retirement System	2003	\$6,436,852,552	\$11,925,161,689	\$5,488,309,552	54.0 ²	54.3	26.9	2.9	15.9	0.0	21
	2002	\$6,310,930,799	\$12,275,914,905	\$5,694,984,106	51.4	46.7	37.4	1.6	13.3	0.0	22
	2001	\$5,959,008,704	\$11,591,087,229	\$5,632,078,525	51.4	48.9	37.2	3.2	10.7	0.0	19
Public Employees Retirement System	2003	\$5,354,795,771	\$6,974,583,356	\$1,619,787,585	76.8	40.4	38.4	4.4	13.2	0.0	13
	2002	\$5,299,781,370	\$6,639,720,469	\$1,339,939,099	79.8	42.7	43.5	0.6	13.0	0.0	14
	2001	\$5,110,226,650	\$6,190,228,108	\$1,080,001,458	82.6	44.6	41.4	2.2	11.8	0.0	16
Firefighters Pension & Retirement System	2003	\$1,496,885,848	\$1,946,753,099	\$449,867,251	76.8	49.1	37.5	4.8	8.6	0.0	18
	2002	\$1,457,170,001	\$1,858,079,585	\$400,909,584	78.4	48.9	36.9	0.0	10.1	0.0	16
	2001	\$1,438,496,849	\$1,734,900,620	\$296,403,771	82.9	51.3	33.7	2.4	12.6	0.0	15
Police Pension and Retirement System	2003	\$1,392,043,000	\$1,646,979,675	\$254,936,675	84.5	32.8	23.9	0.6	18.1	0.2	17
	2002	\$1,370,024,000	\$1,554,288,324	\$184,264,324	88.1	36.1	27.7	0.0	18.3	0.2	27
	2001	\$1,319,041,000	\$1,443,404,052	\$124,363,052	91.4	39.7	26.8	3.1	17.9	0.2	24
Law Enforcement Retirement System	2003	\$585,823,000	\$667,689,840	\$81,875,840	87.7	47.9	31.8	4.0	9.1	7.0	10
	2002	\$570,337,000	\$632,401,783	\$62,064,783	90.2	47.3	38.3	0.0	9.3	5.0	10
	2001	\$538,328,000	\$508,443,076	-\$29,884,924	105.9	46.1	36.6	2.5	9.9	4.9	9
Uniform Retirement System for Justices and Judges	2003	\$196,989,778	\$140,856,203	-\$56,133,575	139.0	38.3	48.6	1.8	11.2	0.0	6
	2002	\$193,010,895	\$130,227,043	-\$62,783,852	148.2	34.1	55.1	10.1	0.6	0.0	11
	2001	\$184,909,669	\$139,157,241	-\$45,752,428	132.9	37.2	52.3	2.2	8.3	0.0	11

Sources: Fund assets, total liability, unfunded liability and funded ratio data is taken from reports submitted by the consulting actuaries to the state systems for the plan year ending June 30, 2003, 2002 and 2001. Asset mix and investment manager information is taken from Oklahoma State Pension Commission: Investment Performance Analysis, Quarter Ending 6/30/2003, New England Pension Consultants.

Footnotes: (1) Now, all systems with exception of the Teachers use an assumed investment return rate of 7.5%. Teachers presently use a more aggressive 8.0% rate. Contrary to the figures displayed in this summary, Teachers', OPERS, Judges, Police and Law Enforcement officially report higher fund liability, using an automatic COLA assumption i.e., COLA assumptions based upon observed legislative practices over the last 10-15 years.
(2) Teachers' Retirement System dropped the Cost of Living Adjustment and assumption from 1.0% to 0.0%.

Table 10
SELECTED MEMBERSHIP DATA ON MAJOR RETIREMENT SYSTEMS

		Number of Participants						
		Actives	Terminated Vested	Disabled, Retired and Beneficiaries	Average Earnings of Active Participant	Average Age of Actives	Average Service of Actives Yrs	Average Annual Benefit Payment ¹
Teachers Retirement System	2003	83,127	3,731	38,059	\$36,639	45.3	11.5	\$15,978
	2002	85,366	3,575	36,515	\$35,695	44.9	11.1	\$15,344 ²
	2001	84,387	3,459	35,188	\$35,438	44.7	11.0	\$14,621 ²
Public Employees Retirement System	2003	43,350	5,288	22,147	\$32,566	45.6	10.7	\$12,734
	2002	44,292	5,392	21,452	\$32,745	45.2	10.4	\$11,812
	2001	43,696	4,100	20,863	\$30,141	45.0	10.5	\$11,030
Firefighters Pension and Retirement System	2003	11,097	994	7,979	\$47,185 ^{3,4}	37.7 ^{3,4}	8.8 ^{3,4}	\$23,289 ⁴
	2002	10,868	997	7,897	\$45,228 ³	37.4 ³	8.4 ³	\$22,998 ⁴
	2001	10,773	915	7,745	\$43,216 ³	37.3 ³	8.6 ³	\$21,818 ⁴
Police Pension and Retirement System	2003	4,204	52	2,290	\$43,945 ³	37.4 ³	9.5 ³	\$25,607
	2002	4,197	52	2,205	\$41,820 ³	36.7 ³	9.2 ³	\$25,153
	2001	4,182	55	2,119	\$40,186 ³	36.5 ³	9.1 ³	\$24,110
Law Enforcement Retirement System	2003	1,288	21	1,015	\$43,800	38.9 ³	10.1	\$27,590
	2002	1,243	20	985	\$44,342 ³	39.3 ³	9.9 ³	\$27,585
	2001	1,217	19	955	\$43,197 ³	40.2 ³	11.1 ³	\$23,417
Uniform Retirement System for Judges and Justices	2003	268	10	169	\$95,719	54.4	11.7	\$45,881
	2002	266	12	153	\$96,784	54.5	12.0	\$43,142
	2001	261	12	156	\$91,220	54.0	11.7	\$40,275

Source: Reports submitted by the consulting actuaries to the state systems for the plan year ending June 30, 2003, 2002 and 2001.

Footnotes: (1) Excludes benefits paid to beneficiaries and disabled members.

(2) Excludes monthly stipends paid to TRS members who did not contribute toward their retirement i.e., prior to system's establishment.

(3) Excludes information on those active participants that participate in the plan's Deferred Option Program.

(4) Excludes information on volunteer firefighters.

GLOSSARY



GLOSSARY

Annualization: The act of computing costs or revenues for periods of less than a year on a basis corresponding to that applicable for a full year.

Board of Equalization: A Constitutional body, the Board of Equalization is made up of the Governor, Lieutenant Governor, State Treasurer, State Auditor and Inspector, Attorney General, Superintendent of Public Instruction, and President of the State Board of Agriculture.

The Board's chief involvement with the appropriations process is the certification of funds available for appropriation.

As revised in 1985, the Constitution requires the Board of Equalization to estimate revenues to appropriated funds for an ensuing fiscal year and to certify that 95% of the estimate for each fund is available for appropriation. This is done annually 30-45 days before the beginning of the legislative session, and the estimate and certified appropriation level may be revised by the Board of Equalization in the following February. Also in February, the Board is to set the appropriation ceiling for the then-current legislative session. According to the Constitution, the Legislature may increase its appropriations over those of the previous session by only 12% adjusted for inflation.

The 5% of the estimated revenue to each fund that was certified for appropriation serves as a cushion against overestimation. Monies collected in excess of the certified level may be appropriated by the succeeding legislative session.

Revenues accruing to the General Revenue Fund in excess of the total estimate will be automatically deposited in the Constitutional Reserve Fund, or Rainy Day Fund, and held for future shortfalls or state emergencies. Monies accruing to funds other than General Revenue will remain in those funds and may be appropriated as cash in the succeeding legislative session.

The Board also has duties regarding the equalization of ad valorem taxes among the counties.

Capital Expenditure: Money appropriated for major onetime expenditures such as construction of a building or the purchase of major pieces of equipment. Such appropriations are often separate from those for agency operations.

Carryover: This term refers to funds appropriated in one fiscal year which an agency has available to fund its operations in succeeding fiscal years.

General Revenue Cash-Flow Reserve Fund: A fiscal management tool, this fund consists of monies that are set aside to allow the state to maintain an even cash flow through the fiscal year. By setting aside funds in excess of the state's needs on a monthly basis, the state can draw upon these funds to maintain operations during months when revenues come in at levels below what is needed for operations.

Commissioners of the Land Office Fund: Authorized by Section 15 of Title 64 of the Oklahoma Statutes, this appropriated fund was created in the State Treasury to receive revenue collected from surface leasing of lands managed by the Commissioners of the Land Office and six percent of the revenue generated from the Common School Fund, the Education Institutions Fund, the University of Oklahoma Fund, the University Preparatory School Fund, the Oklahoma State University Fund, the Public Building Fund and the Greer 33 Fund. Funds collected are used to finance the operations of the Commissioners of the Land Office.

Council on Law Enforcement Education and Training Fund (CLEET): This certified fund was created pursuant to Section 1313.2 of Title 20 of the Oklahoma Statutes. Income to the fund is derived from a penalty assessment fee. Any person penalized for violating Oklahoma law pays a “penalty assessment.” This income is dedicated to peace officer training.

Constitutional Reserve Fund (CRF): This fund is commonly referred to as the “Rainy Day” Fund. To cushion against economic emergencies, the Constitutional Reserve Fund was established by a 1985 amendment to the Constitution. Funds collected in excess of 100 percent of the certified amount for a fiscal year (see “Board of Equalization” above) are deposited into the CRF. Half may be appropriated only in the event of a revenue shortfall and the other half may be expended upon the declaration of an emergency by the Governor, with the concurrence of 2/3rds of both houses of the Legislature.

State Question 708 on the November, 2004 general election ballot, provides for a proposed Constitutional Amendment to modify the Constitutional Reserve or “Rainy Day” Fund. This reform, if adopted by a vote of the people, creates a third balance in the Fund that can be used to offset budget cuts occurring during a fiscal year due to a revenue failure. Up to 3/8ths of the Fund can be accessed for this new purpose. The proposed amendment also limits access of the Fund for Emergencies to 1/4th of the balance and limits the amount that can be used for budget stabilization in the upcoming fiscal year to 3/8ths of the fund balance.

Fiscal Year (FY): The 12 month period beginning July 1 and ending June 30 which is used by the state government for accounting and budgetary purposes. Fiscal years are designated according to the year in which they end [e.g., fiscal year 2005 (FY-05) runs from July 1, 2004 to June 30, 2005].

FTE: Full-time equivalent employee. A measure that defines all employees regardless of part-time status into their equivalent of a full-time employee. For example, an employee who works half time is a .5 FTE.

General Revenue Fund: Established by the State Constitution, this fund is the principal funding source for state government operations. Income to the General Revenue Fund is derived from state taxes, fees and charges, and proceeds from investments. They can be used for any purpose deemed appropriate by the Legislature.

Line Item/Program Item: A specific amount of funding appropriated with a stated purpose, use or program.

Mineral Leasing Fund: This appropriated fund authorized by the Federal Mineral Leasing Act and Section 41.8 of Title 52 of the Oklahoma Statutes is used to fund common education. Income to the fund is derived from mineral leases on public lands.

Nonappropriated Funds: A term sometimes used to refer to agency revolving funds. Since such funds have statutorily established revenue sources and uses, there is no need for them to be appropriated annually. Fiscal and nonfiscal limits do not apply to such funds. Nonappropriated funds are also called “continuing appropriations.” The terms have the same meaning.

Public Building Fund: As described by Section 371 of Title 64 of the Oklahoma Statutes, the State Constitution, and the Enabling Act, this fund is to be used for the purpose of providing public buildings. Income to the fund is derived from surface rental proceeds collected by the School Land Commission.

Rainy Day Fund: See “Constitutional Reserve Fund” above.

REAP: Rural Economic Action Plan.

Reappropriation: This refers to legislative action to continue a specific appropriation made in one fiscal year and which is going to lapse into a successive year. The amount continued would be the amount originally appropriated less any expenditures and encumbrances. The reappropriation would be made to the original entity for the original purpose.

Reappropriation/Redesignation: This refers to legislative action to continue a specific appropriation into a successive fiscal year (reappropriation) as well as change its original purpose or the original entity to which it was appropriated. The amount affected would be the original appropriation less expenditures or encumbrances.

Revolving Fund: A fund created statutorily or by inference to finance and account for a particular department’s or division’s work. Fund expenses are repaid from fees or other fund transfers, thus keeping the original fund intact. Revolving funds are continuing funds and not subject to fiscal year limitations. Agencies generally exercise greater control over the expenditure of revolving funds than they may over appropriated dollars.

Special Cash Fund: This appropriated fund, as created by Section 253 of Title 62 of the State Statutes, is composed of funds placed in it by the Legislature. The use of the funds’ proceeds is not restricted.

Special Occupational Health and Safety Fund: This appropriated fund, as created by Section 417.7 of Title 40 of the Oklahoma Statutes, is used to fund the Department of Labor.

Income to the fund is derived from an assessment of 3/4 of 1% levied against total workers’ compensation losses.

Supplemental Appropriation: This refers to an appropriation made to an agency during the course of a fiscal year. The supplemental funds may be necessary for a variety of reasons such as to offset a revenue shortfall or to offset insufficient funds to operate a program effectively. Supplemental appropriations are generally used to overcome emergencies or unforeseen circumstances.

Total Appropriation: An agency's total appropriation for a given year would be calculated by adding all of the funds appropriated to an agency, including supplemental appropriations and deducting successful gubernatorial vetoes.

Total Budgetary Resources: This term includes an agency's total appropriations plus whatever other funding sources the agency has authority to access in order to finance its operations. These other sources of funding can include federal funds, revolving funds, or other earmarked revenue.

Workers' Compensation Administration Fund: This appropriated fund, as created by Section 177 of Title 85 of the Oklahoma Statutes, is used to finance the operations of the Workers' Compensation Court. The sources of revenue for this fund is a premium tax levied against workers' compensation insurance carriers as well as self-insured employers and various fees levied by the Workers' Compensation Court. Due to the instability in the Fund's revenue sources it was abolished as a funding source for FY-98. The premium tax levy was redirected into the General Revenue Fund. Likewise, the fees were redirected to deposit into the Workers' Compensation Court Fund.

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