

20th Anniversary Edition

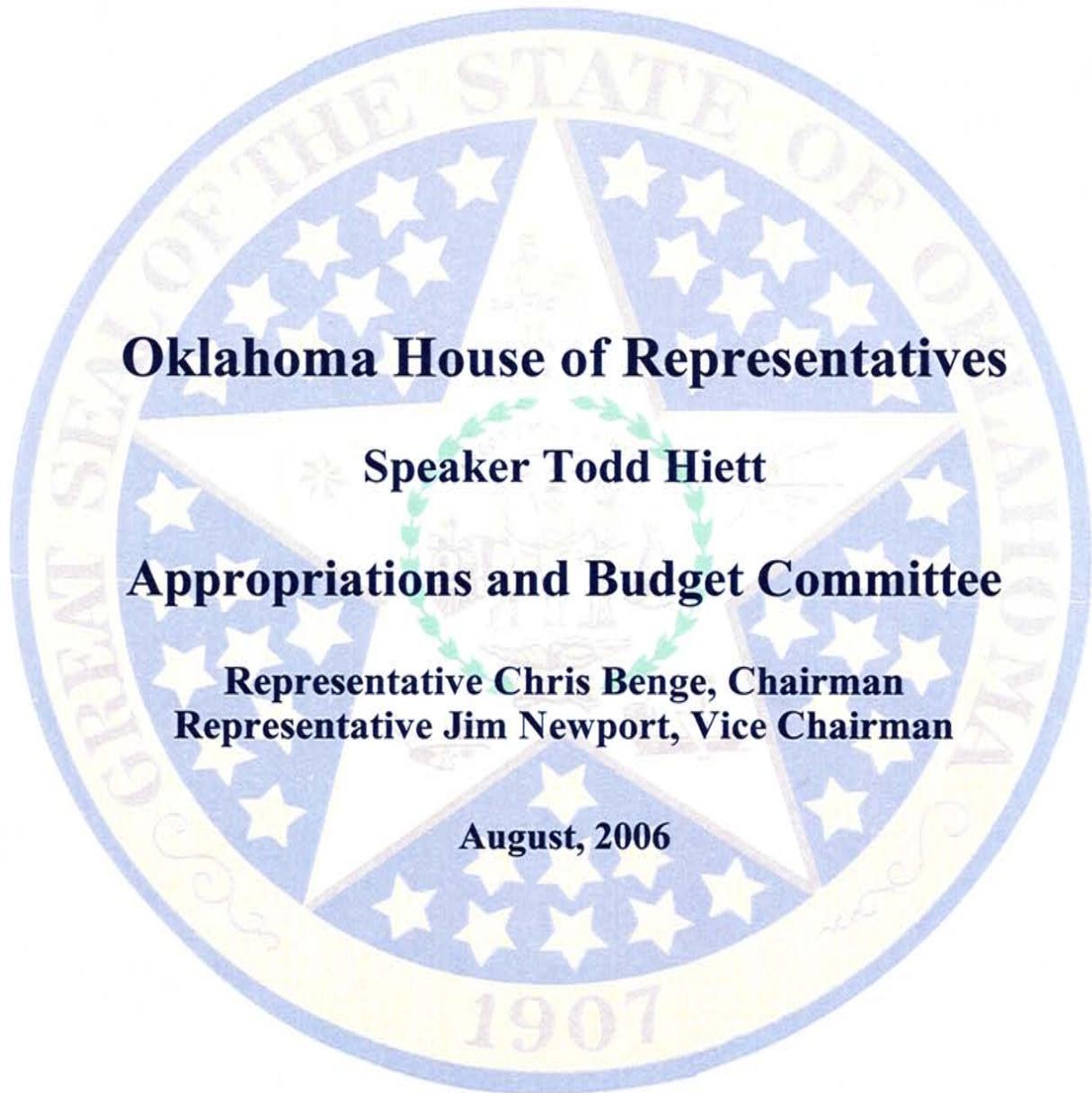
Oklahoma House of Representatives



FY-07 Legislative Appropriations

August, 2006

Fiscal Year 2007 Legislative Appropriations



Oklahoma House of Representatives

Speaker Todd Hiett

Appropriations and Budget Committee

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Representative Jim Newport, Vice Chairman**

August, 2006

**Prepared by:
House Fiscal Staff**

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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 2007 Legislative Budget Process. As the final report on appropriations of the 2006 Legislative Session, this document contains specific information relating to the issues addressed by the Legislature in constructing the FY-07 budget for the State of Oklahoma.

This report contains a host of detailed information pertaining to past and present decisions affecting FY-07 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 staff member of the Fiscal Division is to be commended for making contributions in preparing information for this report, as well as for their professional and dedicated work throughout the 2006 legislative session and 2006 special legislative session. Significant contributions to the appropriations process also were made by Mark Harter of the Legal Division. Special thanks are also deserving of Barbara Porter, Assistant to the Appropriations and Budget Committee and Laurie Nicoll, Legislative Assistant.

Important to the final work product were Marlene Wynn for putting this document together, David Ligon for writing, and Mark Tygret editing.

Janice Buchanan
Fiscal Director
House of Representatives

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TABLE OF CONTENTS

Ten Year History of Legislative Appropriations	1
Distribution of FY-07 Appropriations by Subcommittee	2
FY-07 Appropriations Overview	4
Distribution of FY-07 Appropriations, Twelve Largest Agencies	8

Subcommittee Data

Education Subcommittee

Distribution of FY-07 Appropriations	10
Oklahoma Arts Council	12
Department of Career and Technology Education	14
State Board of Education	17
Oklahoma Educational Television Authority	23
State Regents for Higher Education	25
Commissioners of the Land Office	29
Oklahoma Department of Libraries	31
Physician Manpower Training Commission	33
Board of Private Vocational Schools	35
Oklahoma School of Science and Mathematics	37
Oklahoma Center for the Advancement of Science and Technology	39
Oklahoma Commission for Teacher Preparation	41

General Government and Transportation Subcommittee

Distribution of FY-07 Appropriations	44
State Auditor and Inspector	46
State Bond Advisor	48
Department of Central Services	50
Election Board	53
Department of Emergency Management	55
Ethics Commission	57
Office of State Finance	59
Governor	61
House of Representatives	63
Legislative Services Bureau	65
Lieutenant Governor	67
Merit Protection Commission	69
Military Department	71
Office of Personnel Management	73
Secretary of State	75
Senate	77
Space Industry Development Authority	79
Tax Commission	81
Department of Transportation	84
Treasurer	87

Health and Social Services Subcommittee

Distribution of FY-07 Appropriations 90
Oklahoma Health Care Authority 92
Health Department 98
J.D. McCarty Center for Children with Developmental Disabilities 103
Department of Mental Health and Substance Abuse Services 105
University Hospitals Authority 109
Department of Veterans Affairs 111

Human Services Subcommittee

Distribution of FY-07 Appropriations 114
Oklahoma Commission on Children and Youth 116
Office of Handicapped Concerns 118
Human Rights Commission 120
Department of Human Services 122
Indian Affairs Commission 127
Office of Juvenile Affairs 129
Department of Rehabilitation Services 133

Natural Resources and Regulatory Services Subcommittee

Distribution of FY-07 Appropriations 136
Department of Agriculture 138
Capitol Complex and Centennial Commission 143
Department of Commerce 145
Conservation Commission 148
Commission on Consumer Credit 151
Corporation Commission 153
Department of Environmental Quality 155
Oklahoma Historical Society 158
Horse Racing Commission 160
Insurance Department 162
J.M. Davis Memorial Commission 164
Department of Labor 166
Department of Mines 168
Scenic Rivers Commission 170
Department of Tourism and Recreation 172
Water Resources Board 174
Will Rogers Memorial Commission 176

Judiciary, Public Safety and Law Enforcement Subcommittee

Distribution of FY-07 Appropriations 178
Alcoholic Beverage Law Enforcement Commission 180
Attorney General 182
Department of Corrections 184

Court of Criminal Appeals	187
District Attorneys and District Attorneys Council	189
District Courts	191
State Fire Marshal	193
Indigent Defense System	195
Oklahoma State Bureau of Investigation	197
Council on Judicial Complaints	200
Council on Law Enforcement Education and Training	202
Board of Medicolegal Investigations	204
Bureau of Narcotics and Dangerous Drugs	206
Pardon and Parole Board	208
Department of Public Safety	210
Supreme Court	213
Workers' Compensation Court	215

Supplementary Data

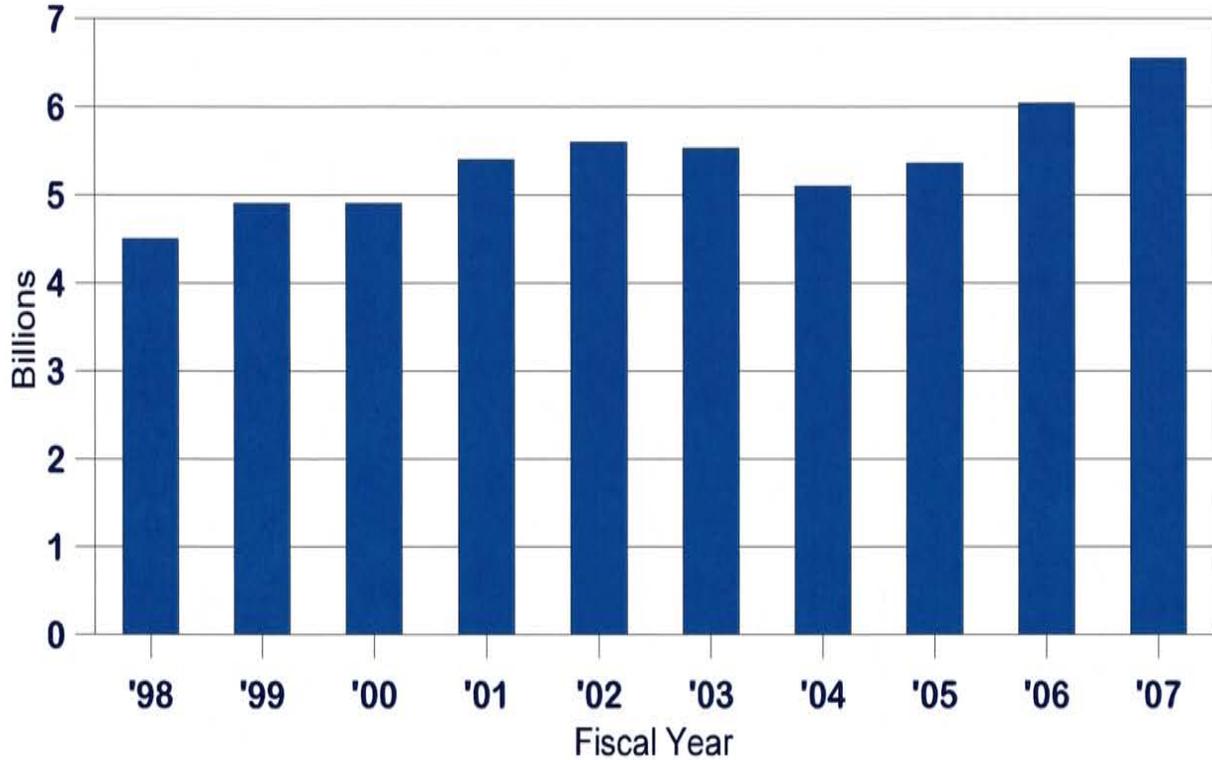
FY-07 Appropriations by Source (Table 1)	220
Certified Revenue Funds, FY-06 to FY-07 (Table 2)	221
Certified Revenue Funds (Pie Chart)	222
FY-07 Appropriations by Agency (Table 3)	223
FY-07 Total Budgetary Resources (Table 4)	225
Limitations on Agency Directors and Judicial Salaries and Full-time Equivalent Employees (FTE) (Table 5)	227
Constitutional Reserve Fund History (Table 6)	234
Tobacco Settlement Payment History (Table 7)	235
FY-07 Constitutional Reserve Fund Spillover (Table 8)	236
Comprehensive University Capital Projects Revolving Fund (Table 9)	237
FY-06 Supplemental Appropriations (Table 10)	238
Selected Financial Data on Major Retirement Systems (Table 11)	239
Selected Membership Data on Major Retirement Systems (Table 12)	240

Glossary	242
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Bill Index	248
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TEN YEAR APPROPRIATION HISTORY

TOTAL APPROPRIATION LEVEL

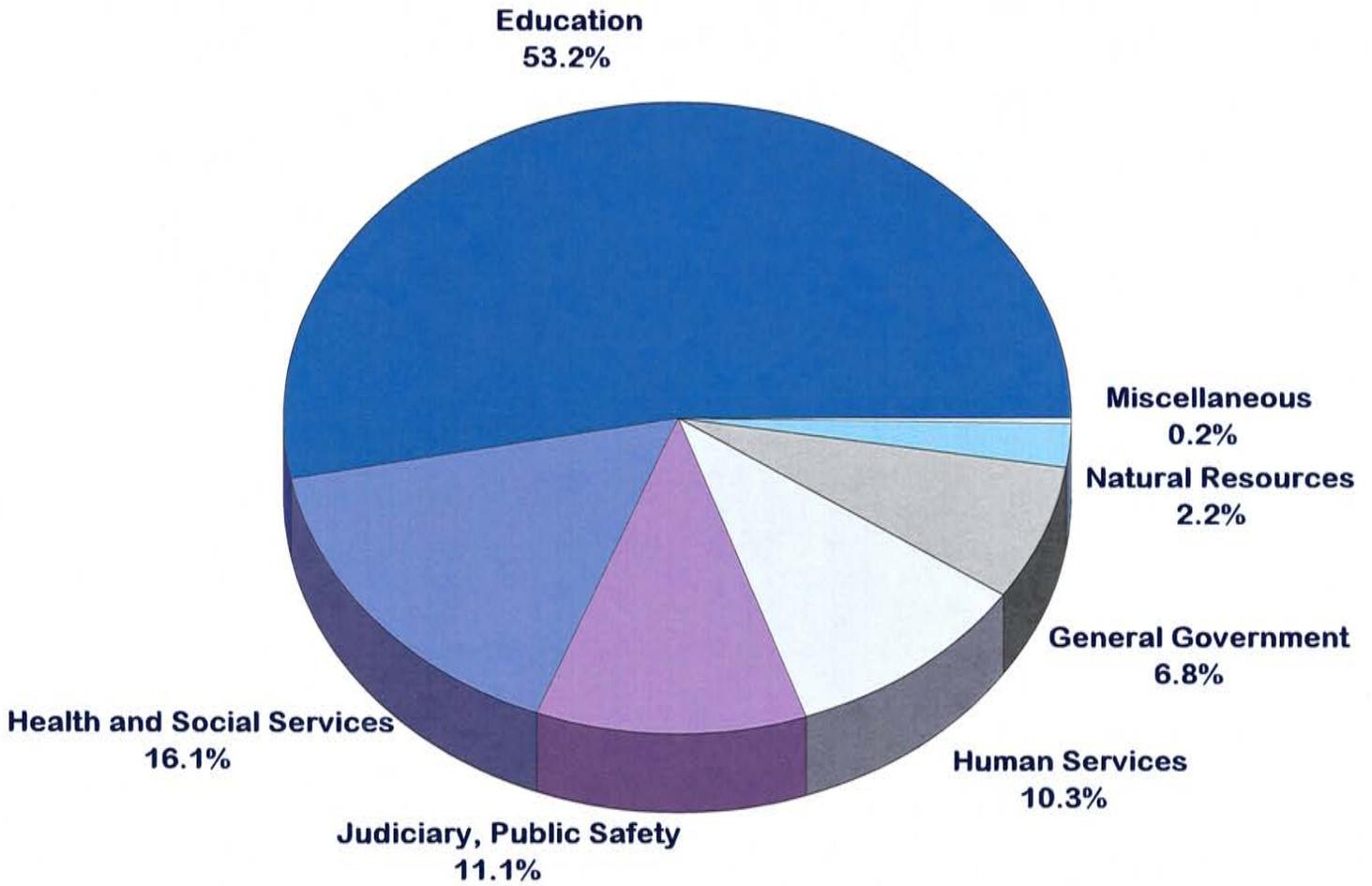


FY-98	\$4,498,606,699	FY-03 (Orig.)	\$5,532,095,223
FY-99	\$4,877,234,307	FY-04	\$5,106,597,024
FY-00	\$4,937,170,096	FY-05	\$5,358,101,676
FY-01	\$5,350,656,390	FY-06	\$6,038,003,816
FY-02	\$5,611,514,760	FY-07	\$6,554,329,152

Notes:

1. These figures include appropriations, pension systems, capital and special projects. Figures exclude Rainy Day Fund spillover transfers and 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-07 APPROPRIATIONS BY SUBCOMMITTEE



Total Appropriations = \$6,554,329,152

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and onetime expenditures.

FY-07 APPROPRIATIONS OVERVIEW

Overview

By all accounts, this was a most unusual session. For the first time since sessions were shortened by constitutional amendment in 1989 requiring adjournment by the last Friday in May, the Legislature did not pass the State Budget, forcing a special session during June to meet this critical legislative responsibility.

At the core of this budget impasse was a fundamental difference of opinion concerning use of the state's tax revenue. In a year of record revenue most notably driven by high oil and gas prices, some argued that the state had an obligation to return monies to the taxpayers, while others believed that such revenues were needed to adequately fund state services. These competing and divergent views led to a stalemate that saw no resolution during the regular session and was only resolved after much compromise and three weeks of negotiation during special session.

When the special session finally reached closure, the largest tax cut in state history had been enacted; record funding levels were appropriated in the areas of common education, higher education, transportation, corrections, and public safety; a five-percent state employee pay raise was authorized; and significant legislation was passed to promote state economic development.

Record Level Tax Relief

For the second consecutive year, the Legislature passed the largest tax reduction package in state history and in doing so provided for the complete repeal of two taxes. **HB 1172** reduces the top marginal individual income tax rate from 6.25 percent to 5.25 percent over a four-year period; increases the standard deduction to the federal level over the same time period; indexes the standard deduction to the federal amount thereafter; and increases the estate tax exemption for lineal and collateral heirs over two years before repealing the estate tax entirely by 2010. **HB 1174** provides numerous targeted sales, income, and motor vehicle tax exemptions and credits for nonprofit organizations, disabled veterans, retirees, and industry groups. The measure also repeals the tourism promotion tax, a tax that required high compliance and administrative costs for both the taxpayer and the Tax Commission. When all tax cuts are implemented, savings to taxpayers will approach \$650 million.

Transportation

The passage of **HB 1176** continues an increase of funding for the state's highways and bridges by raising the eventual annual maximum new funding from \$170 million to \$270 million when completely in place. Presently, the Department of Transportation estimates the state transportation infrastructure needs to be a total of \$8 billion. For FY-07, the measure increases the annual increase from \$35 million to \$50 million. Long term, the funding plan will result in over \$4.5 billion devoted to transportation in the next twenty years. **SB 80XX**, the General Appropriation bill, provides funds for the debt service on outstanding transportation obligations. **SB 1288** allocates \$100 million to address the worst of the state's bridges and \$25 million for county bridge repair or replacement.

Economic Development Funding Initiatives

As the Rainy Day Fund filled and surpassed its cap of ten percent of prior year general revenue certification, the Legislature seized the opportunity to realize two significant economic development initiatives with Rainy Day Spillover funds. **SB 99XX** creates the Economic Development Generating Excellence Trust Fund or "EDGE Fund". The goal of this endowment is to make Oklahoma the "Research Capital of the Plains" through funding basic and applied research and commercialization of technology. **HB 1169** establishes the Oklahoma Opportunity Fund, designed to provide investment in strategic economic development opportunities with businesses and communities to create new jobs and investments. Transfer of Rainy Day Spillover in the amount of \$150 million to the EDGE Fund and \$45 million to the Opportunity Fund are contained in **SB 90XX**.

Education

The Legislature passed record level funding to education to meet the costs of pay raises for teachers and support staff as well as operational funding for higher education institutions and increased funding for research institutions. Under this budget, Common Ed will realize a total increase of \$183.8 million including: a \$3,000 across-the-board teacher pay raise (\$136 million); a 50 cent per hour support staff raise (the first state-sponsored support raise since 1982); \$5.7 million to cover development costs of new End-of-Instruction Tests; and \$5 million to be matched with \$10 million in private funding for a new Early Childhood program. An additional \$11.7 million was appropriated to fully fund ad valorem reimbursement to common schools.

The Legislature provided Higher Ed a total increase of \$210 million, with \$130 million appropriated for institutional budgets, scholarships, debt service on the 2005 capital bond issue, concurrent enrollment (a program in which high school seniors may take courses for college credit if they have met graduation requirements), and \$80 million appropriated to the state's two research universities from Rainy Day Spillover funds. Of the \$130 million, at least \$10 million will fund growth in the Oklahoma Higher Learning Access Program, and more than \$80 million will be distributed to all state institutions through the State Regents' state aid formula.

Health and Human Services

The most important health legislation enacted this session is contained in **HB 2842**, the Medicaid Reform Act of 2006, which creates a more effective and efficient service delivery system for persons enrolled in the Medicaid program. The six state agencies comprising Health and Social Services received \$103 million in newly allocated funds for a total appropriation level of over \$1.0 billion. All program annualizations were met in the Health Care Authority, and sufficient funds were appropriated to increase hospital provider rates to the Upper Payment Limit beginning January 1, 2007, and to increase nursing home and intermediate care facility reimbursement rates to cost beginning July 1, 2006. New programs include: inpatient and outpatient adolescent substance abuse treatment, pandemic influenza vaccines, the Dental Loan Repayment Program, and the Institute for Disaster and Emergency Medicine. Increased funding also will allow for expansions in programs such as Children First and Child Abuse Prevention, for reductions in Veteran's Center staff vacancy rates, and for replacement of Federal Medical Assistance Percentage funding.

New Human Services funds targeted maintaining current service levels in growing programs; retaining key employees in areas of high turnover; selectively increasing provider rates and programs; enabling infrastructure improvements; and replacing the loss of federal funds. Key funding initiatives include: hiring 100 additional Child Welfare workers to implement provisions of **HB 2840**, the Kelsey Smith-Briggs Child Protection Act (\$3.4 million); increasing salaries by \$1,000 for Office of Juvenile Affairs employees at facilities and in the field (\$1.4 million) exclusive of the 5 percent authorized for state employees; enhancing the Advantage Waiver program which assists the elderly to remain in their homes, rather than being placed in a nursing home (\$6.6 million); fully funding nutrition center programs (\$2.5 million); expanding the family foster care and adoption assistance programs and increasing related rates to reduce the number of children in state custody (\$8.3 million); meeting debt service requirements to build new child custody centers in Tulsa and Sapulpa (\$1.3 million); and replacing federal funds reduced in the area of therapeutic foster care (\$1.4 million).

Public Safety

In a continued commitment to maintain the public's safety, the Legislature appropriated record level funding of \$456 million to the Department of Corrections (DOC) to meet increased staffing, housing, medical service and other costs associated with the ever increasing prison population. A \$2,800 pay increase also was authorized in **HB 2288** for all DOC employees whose primary work duties are tied to a state-operated prison, community corrections or community work center. An additional \$11 million or a 14 percent increase was provided to The Department of Public Safety to fully implement an additional Trooper Academy and to support a legislatively authorized Trooper pay raise. Also of note is an \$8.5 million appropriation made to The District Attorneys Council for hiring additional assistant district attorneys and staff to prosecute crimes and protect public interests.

Natural Resources

The Legislature continued its second year of significant reform in the area of natural resources. Eliminating "special project" spending allowed for the largest ongoing capital funding increase for natural resources in state history. **HB 1173** creates permanent annual capital improvement funding accounts for the Tourism and Recreation Department, the Conservation Commission, and the Water Resources Board. Each agency will realize about \$2.5 million annually to address critical infrastructure and capital improvement needs throughout the state. The Tourism Department also was allocated \$8 million in Rainy Day Spillover funds to begin the renovation of state parks. To meet the many challenges facing rural firefighting efforts, the Legislature passed **HB 2252**, **SB 1190**, and **SB 90XX**, providing a record \$19.5 million for various rural fire initiatives including nearly doubling the size of annual operational grants issued to rural fire departments.

Retirement Benefits/Liabilities

To alleviate the erosive effects of inflation on state pension benefits, the Legislature authorized four percent cost-of-living adjustments (COLA) in **HB 1179** to retired members under each of the systems, with the exception of the Teachers' Retirement System of Oklahoma (OTRS) which received a two percent COLA. The Legislature also addressed the problem of unfunded liabilities at OTRS, OPERS (Public Employees) and URSJJ (Judges) by enacting **SB 1894** which includes a one-year delay mechanism and concurrent funding requirement to ensure that future modifications in a pension design plan are based upon sound actuarial principles.

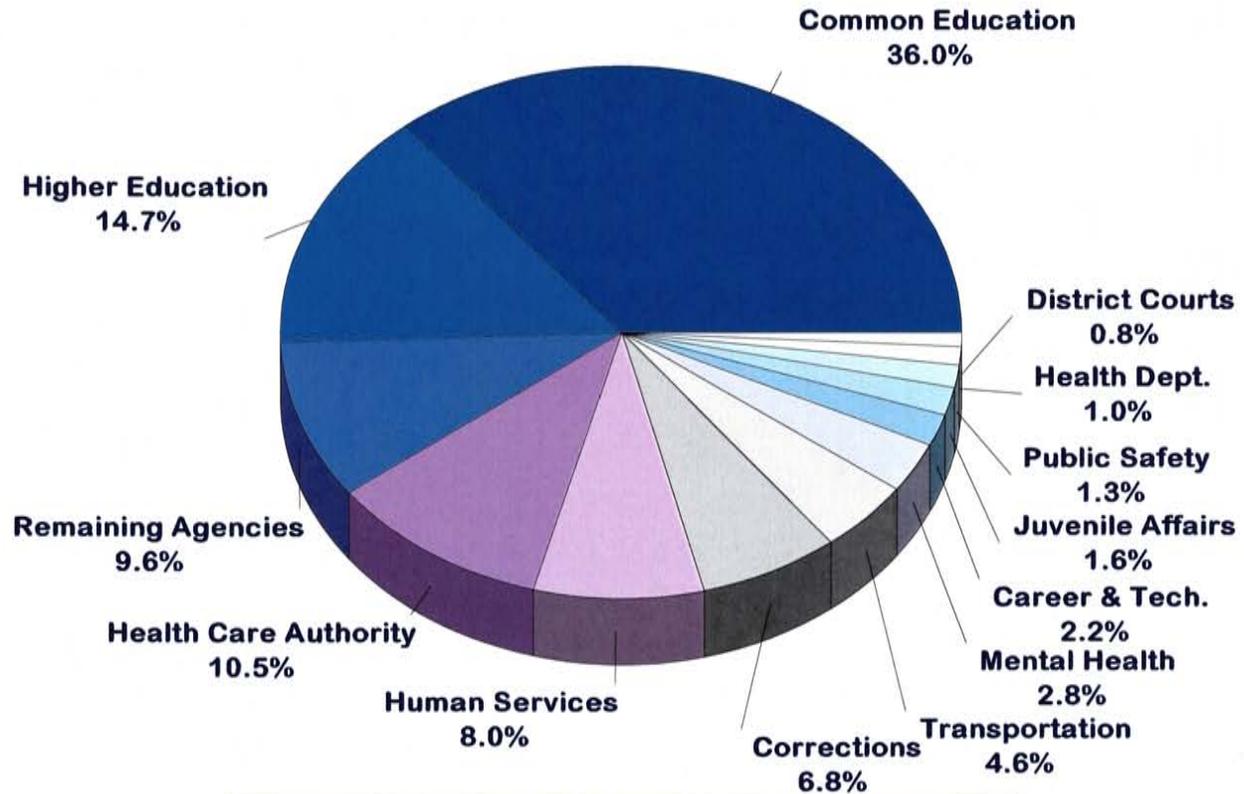
Since 1995, the OTRS has employed a two-tiered method for the calculation of pension benefits; in order to address the perceived inequity derived from this feature, the Legislature passed the Education Employees Service Incentive Plan (EESIP) contained in **HB 1179**. Under the plan, active members (excepting comprehensive universities and four-year colleges) may remove two years of capped service for each year worked past the normal retirement date. To fund this change, the employer contribution rate was modified contingent upon legislative appropriations sufficient to cover the cost of the increase and \$7.4 million was appropriated to meet first year costs, with the intention to pay the total cost in annual installments.

Fiscal Outlook

Exactly what the fiscal outlook will be when the Oklahoma Legislature convenes in 2007 is quite uncertain. Will oil and gas revenues continue to remain high, bolstering the state economy? Will record level tax cuts projected to stimulate economic growth have enough time to prove effective? Will projected FY 08 revenues be sufficient to meet the looming financial obligations of the authorized pay raises, the continued loss of federal funds, of spiraling health care costs, of an increasing prison population and of escalating agency personnel and operations costs? These questions remain to be answered as the state moves to the not too distant 1st Session of 51st Oklahoma Legislature.

The following pages describe each agency's FY-07 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-06 budget also is presented for the reader's review. Finally, a ten year appropriations history for each agency is graphically depicted.

DISTRIBUTION OF FY-07 APPROPRIATIONS TWELVE LARGEST AGENCIES



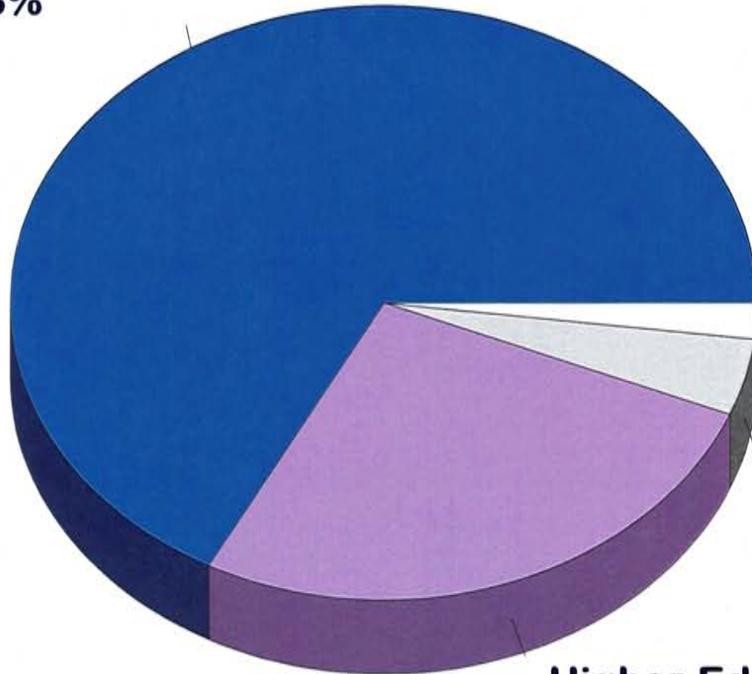
Common Education	\$2,348,041,255
Higher Education	933,933,880
Health Care Authority	701,964,163
Human Services	535,797,324
Corrections	456,004,876
Transportation	285,411,848
Mental Health	194,703,800
Career and Technology	147,287,358
Juvenile Affairs	104,219,585
Public Safety	90,051,236
Health Department	71,234,131
District Courts	54,403,272
Subtotal (90.4% of Total)	\$5,923,052,728
Remaining State Agencies	<u>631,276,424</u>
Total Appropriations	\$6,554,329,152

Excludes supplemental appropriations, reappropriations, and Rainy Day Fund spillover transfers.

Includes capital and onetime expenditures.

EDUCATION SUBCOMMITTEE DISTRIBUTION OF FY-07 APPROPRIATIONS

**Common Education
67.3%**



**Other
1.7%**

**Career & Tech.
4.2%**

**Higher Education
26.8%**

Common Education	\$2,348,041,255
Higher Education	933,933,880
Career and Technology	147,287,358
Other	
OCAST	22,442,616
Department of Libraries	6,847,731
School of Science and Math	7,230,508
Physician Manpower Training	5,470,499
Educational Television Authority	5,164,350
Land Office Commission	4,828,535
Arts Council	4,442,810
Teacher Preparation Commission	<u>2,050,705</u>
Subcommittee Total	\$3,487,740,247

Excludes supplemental appropriations, reappropriations, and Rainy Day Fund spillover transfers.
Includes capital and onetime expenditures.

OKLAHOMA ARTS COUNCIL

Betty Price, Executive Director

Agency #055

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$4,243,338	17.0
FY-07 Adjustments		
a. State Employee Pay Increase	24,472	
b. Grant Increases	<u>175,000</u>	
Total Adjustments	\$199,472	0.0
FY-07 Appropriation and FTE Authorization	\$4,442,810	17.0
Percent Change from FY-06 to FY-07	4.7%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. The agency received an increase of \$175,000 for additional Community Programs grants.

III. POLICY ISSUES

None

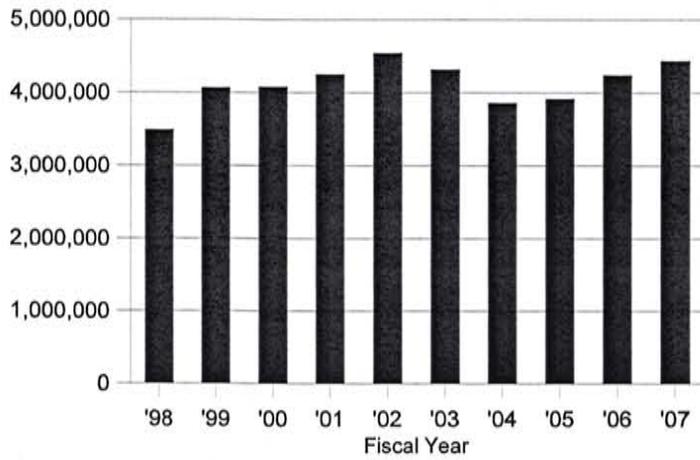
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$4,243,338	\$4,442,810	4.7%
Interagency Transfers	175,085	175,085	0.0%
Federal Funds	589,200	620,600	5.3%
Total	\$5,007,623	\$5,238,495	4.6%

V. BUDGET REFERENCES

SB 80XX, Section 94; SB 1XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$4,255,497	FY-06	\$4,243,338
FY-02	\$4,545,772	FY-07	\$4,442,810

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-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$130,287,358	406.0
FY-07 Adjustments		
a. State Employee Pay Increase	487,085	
b. Capital Projects	6,000,000	
c. Teachers' Pay Increase (FY-07)	5,892,000	
d. Support Staff Salaries	1,109,520	
e. Operations	<u>3,511,395</u>	
Total Adjustments	\$17,000,000	0.0
FY-07 Appropriation and FTE Authorization	\$147,287,358	406.0
Percent Change from FY-06 to FY-07	13.0%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Education Lottery Funds were appropriated for capital projects at six career tech sites: Great Plains, Lawton (\$1.0 million); Autry, Enid (\$1.5 million); Gordon Cooper, Shawnee (\$1.0 million); Meridian, Stillwater (\$1.15 million); Northeast, Claremore (\$1.25 million); Green Country, Okmulgee (\$100,000).
- c. A \$3,000 across-the-board increase was provided to all certified staff within the department (see **SB 2XX** below).
- d. Support staff received the first state-sponsored pay increase since 1982 in the amount of 50 cents per hour, beginning October 1.
- e. Funding was provided for general school operations.

III. POLICY ISSUES

- a. **SB 1792** contains a number of provisions that resulted from the Achieving Classroom Excellence (ACE) Task Force, including the following:

- Creates an ACE Steering Committee to advise the State Board of Education on a number of education policies;
 - Requires students beginning with those entering ninth grade in the 2006-07 school year to complete a college preparatory curriculum or opt out upon written parental approval;
 - Requires the Board to develop and field test three new End-of-Instruction Tests (EOI) in English III, Geometry, and Algebra II during the 2006-07 school year and implement during the 2007-08 school year;
 - Allows students to retake the tests up to three times each year until achieving a satisfactory score;
 - Directs schools to report scores of satisfactory and above on student transcripts beginning with students who enter the ninth grade in the 2008-09 school year;
 - Directs the Board to review, realign, and recalibrate the tests in reading and mathematics in third through eighth grades and the EOI tests with the Board determining the cut scores for the new EOI tests and phasing them in over a multi-year period;
 - Directs the Board to retain the services of a nationally recognized entity for the purpose of conducting reliability and validity studies, monitoring contractor adherence to testing standards, and providing recommendations for testing program improvement;
 - Provides for students in grade seven in the 2006-07 school year and grade eight in the 2007-08 school year to receive remediation on reading and math tests;
 - Requires student individualized education programs (IEP) to have an appropriate statement requiring administration of assessments with or without accommodations or with alternate assessments
 - Requires students identified as English Language Learners (ELL) to be assessed in a valid and reliable manner with the state academic assessments with acceptable accommodations as necessary;
 - Modifies EOI score requirements for high school graduation;
 - Provides remediation for those who do not perform satisfactorily on the EOI tests and allows remediation to take place at career tech centers; and
 - Provides for alternative methods to be implemented for students to demonstrate mastery of the state academic content standards.
- b. **HB 2139** allows the agency to accept and expend funds from any source in order to market, advertise, or promote programs and services available through the Career Tech Education system.
- c. **HB 2983** authorizes the agency to participate in activities pertaining to recruitment of companies to locate or expand operations in this state.

- d. **SB 2XX** modifies Minimum Salary Schedules for FY-07 and FY-08, eliminates the schedule for FY-09, and provides for the allocation of funds to increase the salaries of certified personnel.

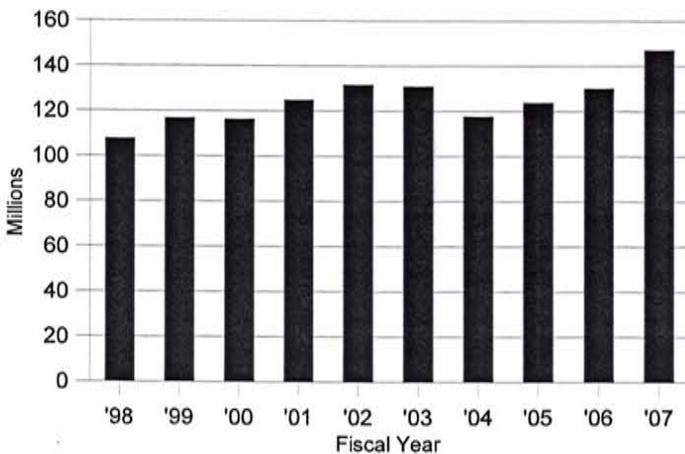
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$130,287,358	\$141,287,358	8.4%
Education Lottery	0	6,000,000	N/A
Revolving Funds	6,504,294	6,592,504	1.4%
Federal Funds	24,004,846	25,405,713	5.8%
Total	\$160,796,498	\$179,285,575	11.5%

V. BUDGET REFERENCES

SB 80XX, Sections 126 and 127; HB 1013XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$125,023,744	FY-06	\$130,287,358
FY-02	\$131,846,398	FY-07	\$147,287,358

STATE BOARD OF EDUCATION

Sandy Garrett, State Superintendent

Agency #265

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$2,175,663,450	400.0
FY-07 Adjustments		
a. Deletion of One-time Funding	(11,400,000)	
b. State Employee Pay Increase	587,838	
c. Teachers' Pay Increase (FY-07)	136,032,000	
d. Formula Increase	23,294,838	
e. New EOI Testing Requirements	5,664,484	
f. Public/Private Early Childhood Initiative	5,000,000	
g. Early Intervention/SoonerStart	3,194,221	10.0
h. School Consolidation Assistance Fund	2,773,104	
i. Teachers' Retirement System	2,773,104	
j. National Board Certification (NBC) Bonus	2,415,000	
k. NBC Bonus for SLP's, Psychologists, Audiologists	1,725,000	
l. North Central Accreditation	245,854	
m. School Lunch Matching	145,000	
n. Alternative Education	135,250	
o. OKAGE	73,587	
p. Academic Achievement Awards	50,000	
q. Character Education	10,000	
r. OK Science and Engineering Fair	3,272	
s. Jane Brooks School	1,106	
t. Small School Cooperatives	(245,854)	
u. VISION	<u>(100,000)</u>	—
Total Adjustments	\$172,377,804	10.0
FY-07 Appropriation and FTE Authorization	\$2,348,041,254	410.0
Percent Change from FY-06 to FY-07	7.9%	2.5%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. In FY-06 the Legislature appropriated one-time monies from General Revenue to the Education Reform Revolving (1017) Fund to fill a gap that resulted from a supplemental appropriation made from the 1017 Fund. As the gap was filled, this funding adjustment was removed from the Board's FY-07 funding base.
- b. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX** (state agency \$309,298 and Early Intervention/SoonerStart \$278,540.)
- c. The Legislature substituted the existing statutory pay raise (in which teachers received an average of \$1,200 for FY-07) for a new teachers' salary increase for FY-07 in which all certified personnel receive a \$3,000 raise. (See SB 2XX below).
- d. Funding for the State Aid Formula was increased by \$23,294,838, including at least \$18,750,000 for a 50-cent per-hour raise for all support personnel, beginning October 1.
- e. Pursuant to the recommendations of the Governor's Achieving Classroom Excellence (ACE) Task Force, the agency will develop three new End-of-Instruction (EOI) Tests and will pay for certain additional Advanced Placement Tests.
- f. This Early Childhood Program is funded with a 1:2 public/private match; \$5.0 million appropriated by the state, combined with \$10 million provided by the Kaiser Family Foundation, totaling \$15.0 million for the program in FY-07.
- g. Because of a loss in federal funds, the SoonerStart program received an appropriation and an increase in FTE to maintain the same total funding levels as in FY-06.
- h. As provided in Section 7.3 of Title 3A of the Oklahoma Statutes, five percent of anticipated Education Lottery revenue is apportioned into the School Consolidation Assistance Fund.
- i. As provided in Section 7.3 of Title 3A of the Oklahoma Statutes, five percent of anticipated Education Lottery revenue is apportioned into the Teachers' Retirement System Dedicated Revenue Revolving Fund.
- j. Education Leadership Oklahoma (National Board Certification) received an increase of \$2,415,000 for the yearly \$5,000 bonus for successful graduates of the program.
- k. The appropriation represents the amount of funding needed to fund the provisions of SB 1207 from the 2004 session, which made Speech-Language Pathologists, School Psychologists and Audiologists with National Certifications eligible for the same \$5,000 bonus as teachers with certification from the National Board of Professional Teaching Standards.
- l. The increase will allow the agency to fund four FTE, rent office space, and perform daily operations for North Central Accreditation.
- m. The appropriation reflects the rise in the number of students participating in the School Lunch program. State funds for the Federal School Lunch program must not equal less than 30 percent of the federal funds received by the state. With an anticipated increase of 3.6 percent in the number of students participating, the state appropriated \$145,000 to meet federal match requirements.

- n. Funding is provided through Alternative Education for a Tulsa County Truancy Diversion program in which at-risk students and their parents from specific schools will receive counseling and case management from a team of representatives from multiple community agencies.
- o. This appropriation will partially restore funding to the Oklahoma Alliance for Geographic Education.
- p. Appropriations are increased to the Academic Achievement Awards program by \$50,000 to provide awards to more of Oklahoma's top performing schools.
- q. The funding represents the amount needed to fund a Character Education pilot program created in HB 1704 (2005 session).
- r. The appropriation will partially restore funding to the OK Science and Engineering Fair.
- s. The appropriation will partially restore funding to the Chickasha Public School District for room and board payments for students at the Jane Brooks School for the Deaf.
- t. Funding for Small School Cooperative Grants was eliminated for FY-07 because of low participation in the grant program.
- u. Funding for the Virtual Internet School in Oklahoma Network (VISION) pilot program was eliminated for FY-07.

III. POLICY ISSUES

- a. **HB 1646** modifies both deadlines for application and notification under the Education Open Transfer Act to April 1 and permits students who are deaf or hearing impaired who wish to transfer to a school district with a specialized deaf education program to apply and transfer any time during the school year.
- b. **HB 2086** extends the annual deadline from September 1 to October 1 of each year for school districts and boards of county commissioners to prepare written financial statements for the previous fiscal year and estimates of needs and income for the current fiscal year. The measure also extends to October 1 the annual deadlines for districts filing expenditure budgets with the State Department of Education and the filing of all financial statements with the county excise boards.
- c. **HB 2097** requires teachers to receive training on the recognition and reporting of child abuse and neglect as a part of their professional development programs.
- d. **HB 2363** permits students to transfer, upon approval from a receiving district, to a district in which the parent or legal guardian is employed as a teacher.
- e. **HB 2367** allows school districts to extend the school day for students in grades nine through twelve, but requires the scheduling of public hearings on the subject and the documentation of student achievement that results from such a schedule.

- f. **HB 2712** requires the majority of instructional time for students in kindergarten through third grade be spent on reading and mathematics. The measure also authorizes teachers who are certified reading specialists to teach third grade summer reading academies.
- g. **HB 2756** modifies the causes for dismissal of a career teacher by adding “abandonment of contract” as a reason and clarifies the process by which the teacher is notified of the dismissal.
- h. **SB 1291** authorizes school district boards to establish policies that may require school superintendents to reside within the boundaries of the district.
- i. **SB 1459** directs the State Department of Education, in consultation with the State Department of Health, to make information and technical assistance available to schools on nutrition, childhood obesity, physical education, chronic illnesses, and wellness programs. The measure also encourages the Healthy and Fit School Advisory Committees to utilize certain program assessment and monitoring instruments, and provides for those committees to be involved in implementation of laws limiting access to foods of minimal nutritional value.
- j. **SB 1467** requires school districts to make available to all students and parents/guardians of students in grades six through twelve information on meningococcal meningitis. The agency is required to provide the same information to school districts.
- k. **SB 1485** removes the requirement for districts to report plans for staff development programs to the agency, deletes certain requirements to disseminate information with regard to professional development competencies, requires districts to use a data-driven approach to analyze student data and professional development needs, sets certain goals to be met by professional development programs, authorizes districts to use any means of professional development not prohibited by law, requires districts to annually report to the agency regarding professional development needs, and directs the agency to develop an online system for district reporting and making information available on the website.
- l. **SB 1493** contains a number provisions related to education policy. The measure modifies the method of funding charter schools, requires in-service training for substitute teachers without a valid special education teaching certificate employed to teach special education in the same assignment for more than 15 consecutive or 30 total days in a school year, requires professional development programs to include a component on special education, allows voluntarily-consolidating school districts to access greater amounts of funds from the School Consolidation Assistance Fund, authorizes districts to grant high school diplomas to veterans of the Vietnam War who left high school prior to graduation to serve in the war, permits members of the Oklahoma School of Science and Mathematics Board to hold other public or private positions, and authorizes the Oklahoma Higher Learning Access Program (OHLAP) to be known as "Oklahoma's Promise."
- m. **SB 1597** modifies provisions related to prosecution of those in violation of school attendance requirements and requires schools to ensure services provided to students adjudicated as violent offenders not occur in the general vicinity of the victims of such students.
- n. **SB 1792** contains a number of provisions that resulted from the Achieving Classroom Excellence (ACE) Task Force, including the following:
 - Creates an ACE Steering Committee to advise the State Board of Education on a number of education policies;

- Requires students beginning with those entering ninth grade in the 2006-07 school year to complete a college preparatory curriculum or opt out upon written parental approval;
 - Requires the Board to develop and field test three new End-of-Instruction Tests (EOI) in English III, Geometry, and Algebra II during the 2006-07 school year and implement during the 2007-08 school year;
 - Allows students to retake the tests up to three times each year until achieving a satisfactory score;
 - Directs schools to report scores of satisfactory and above on student transcripts beginning with students who enter the ninth grade in the 2008-09 school year;
 - Directs the Board to review, realign, and recalibrate the tests in reading and mathematics in third through eighth grades and the EOI tests with the Board determining the cut scores for the new EOI tests and phasing them in over a multi-year period;
 - Directs the Board to retain the services of a nationally recognized entity for the purpose of conducting reliability and validity studies, monitoring contractor adherence to testing standards, and providing recommendations for testing program improvement;
 - Provides for students in grade seven in the 2006-07 school year and grade eight in the 2007-08 school year to receive remediation on reading and math tests;
 - Requires student individualized education programs (IEP) to have an appropriate statement requiring administration of assessments with or without accommodations or with alternate assessments
 - Requires students identified as English Language Learners (ELL) to be assessed in a valid and reliable manner with the state academic assessments with acceptable accommodations as necessary;
 - Modifies EOI score requirements for high school graduation;
 - Provides remediation for those who do not perform satisfactorily on the EOI tests and allows remediation to take place at career tech centers; and
 - Provides for alternative methods to be implemented for students to demonstrate mastery of the state academic content standards.
- o. **SB 1795** requires vision screening for students in Kindergarten through third grade beginning in the 2007-08 school year, and requires the formation of an advisory committee by the State Department of Health to make recommendations to the Board of Health for vision screening standards and provide a list to the Department of Education a list of qualified screeners.
- p. **SB 2XX** modifies Minimum Salary Schedules for FY-07 and FY-08, eliminates the schedule for FY-09, and provides for the allocation of funds to increase the salaries of certified personnel.

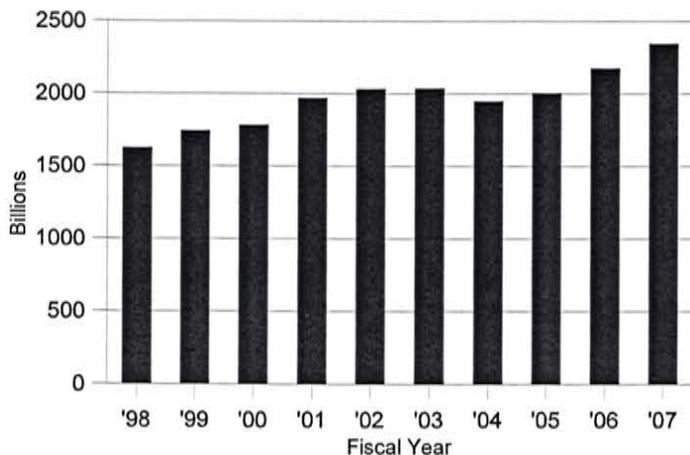
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue - FY-07	\$0	\$1,686,279,374	
General Revenue - FY-06	1,558,337,665	\$6,115,609	(99.6)%
General Revenue - FY-05	0	9,515,341	N/A
Special Cash	0	17,369,050	N/A
Education Reform Rev. Fund	481,590,263	511,597,723	6.2%
Common Education Technology Revolving Fund	63,318,647	45,007,000	(28.9)%
Mineral Leasing - FY-07	0	4,560,000	N/A
Mineral Leasing - FY-06	2,945,000	0	(100.0)%
Mineral Leasing - FY-05	0	2,843,733	N/A
Mineral Leasing - FY-04	2,222,594	0	(100.0)%
Revolving Funds	1,099,882	2,674,780	143.2%
Federal Funds	593,581,894	604,791,829	1.9%
Jobs and Growth Tax Relief	33,000,000	0	(100.0)%
Education Lottery	34,249,281	64,753,425	89.1%
Total	\$2,770,345,226	\$2,955,507,864	6.7%

V. BUDGET REFERENCE

SB 80XX, Sections 95 through 107; SB 3XX, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$1,971,371,430	FY-06	\$2,175,663,450
FY-02	\$2,034,909,788	FY-07	\$2,348,041,254

OKLAHOMA EDUCATIONAL TELEVISION AUTHORITY

John McCarroll, Director

Agency #266

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$4,624,059	84.0
FY-07 Adjustments		
a. State Employee Pay Increase	90,099	
c. Operations Increase	<u>450,192</u>	
Total Adjustments	\$540,291	0.0
FY-07 Appropriation and FTE Authorization	\$5,164,350	84.0
Percent Change from FY-06 to FY-07	11.7%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. The appropriation is provided for further compliance with Federal Communications Commission (FCC) requirements relating to the operation of digital television transmission.

III. POLICY ISSUES

None

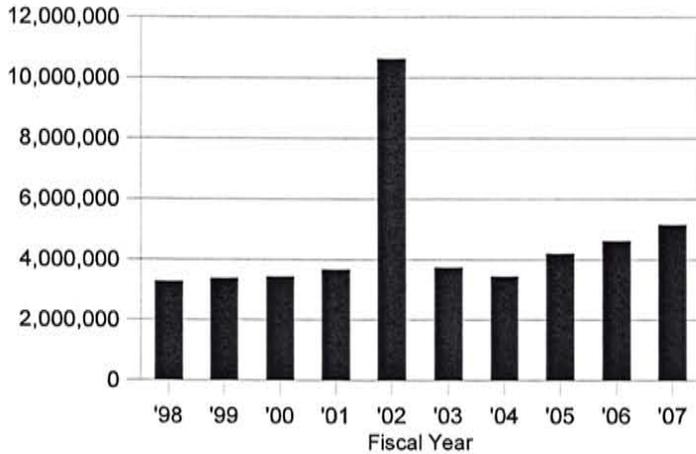
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$4,624,059	\$5,164,350	11.7%
Federal Funds	467,999	97,637	(79.1)%
Revolving Funds	3,894,457	1,530,489	(60.7)%
Total	\$8,986,515	\$6,792,476	(24.4)%

V. BUDGET REFERENCES

SB XX, Section 108; SB 4XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$3,685,817	FY-06	\$4,624,059
FY-02	\$10,638,732	FY-07	\$5,164,350

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

Phil Moss, Interim Chancellor

Agency #605

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$889,433,880	N/A
FY-07 Adjustments		
a. OK Tuition Aid Grants	4,800,000	
b. OK Tuition Equalization Grants	600,000	
c. Academic Scholars Program	700,000	
d. OHLAP Increase	10,000,000	
e. Debt Service for Capital Bond Issue	15,100,000	
f. Graduate Oklahoma Programs	2,800,000	
g. Concurrent Enrollment	2,500,000	
h. Other Needs	<u>8,000,000</u>	
Total Adjustments	\$44,500,000	N/A
FY-07 Appropriation and FTE Authorization	\$933,933,880	N/A
Percent Change from FY-06 to FY-07	5.0%	N/A
<u>CONSTITUTIONAL RESERVE FUND SPILLOVER</u>		
i. Institutional Funding	\$85,500,000	
FY-07 Total Expenditure Authorization	\$1,019,433,880	

II. DETAIL ON BUDGET ADJUSTMENTS

- a. An additional \$4,800,000 is appropriated to the Oklahoma Tuition Aid Grants (OTAG) program for FY-06, bringing the total funding level for this program to \$23,886,083. As with other need-based programs, eligibility for these grants is determined by information on the student's Free Application for Federal Student Aid (FAFSA) form.
- b. The State Regents are authorized to transfer an additional \$600,000 to the Oklahoma Tuition Equalization Grant Trust Fund for FY-06, bringing the total appropriation for this program to \$2,944,650. The appropriation is intended to allow the Regents to make awards to 50 percent of eligible students (similar to OTAG).

- c. Increased funding to the Academic Scholars Program is provided to offer more scholarships to academically outstanding students who attend an Oklahoma college or university. The installment is necessary for the Regents to align revenues and expenditures for the program.
- d. The funding reflects the projected growth in OHLAP participation. An amount of \$4,927,800 will be directed to the program from anticipated gaming revenues, the remainder is anticipated from other revenue sources.
- e. Funds are provided to make lease payments to the Oklahoma Capitol Improvement Authority related to the 2005 Higher Education Capital Bonds. Lease payments are between \$30 and \$32 million annually. This funding is provided from anticipated Education Lottery revenue.
- f. Graduate Oklahoma Programs cover three areas: \$2.0 million provides funding for the Brain Gain Initiative at colleges and universities, a program designed to increase the graduation rate; \$500,000 provides start-up funding for the Adult Degree Completion Initiative, a program that enables Oklahomans who have at least two years of college credit to return to complete a bachelor's degree; and \$300,000 partially restores cuts to the Summer Academies, supplemental academic programs for middle and high school students in grades eight through 12 with relevant experiences in math and science.
- g. Funding is provided for the cost of up to six hours per semester of concurrent enrollment for high school seniors at state universities or colleges.
- h. Other needs include Section 13 Offset, Endowed Chairs, charges payable to the Office of State Finance, and other program restorations.
- i. Funding for institutional budgets is transferred from the Constitutional Reserve ("Rainy Day") Fund surplus in excess of the constitutional maximum deposit into the Fund.

III. POLICY ISSUES

- a. **SB 1771** is known as the Oklahoma State University Medical Authority Act, containing provisions for the creation of the OSU Medical Authority, an affiliation with the OSU Center for Health Sciences for the purpose of supporting Graduate Medical Education programs, the creation of the OSU Medical Authority Agency Special Account into which shall be deposited all revenues generated by the OSU Medical Authority, rules for the issuance of bonds, an annual report on agency operations to be sent to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives, the creation of two revolving funds: the OSU Medical Authority Disbursing Fund (which shall consist of appropriated revenues and federal entitlements and may be expended for the purpose of leasing property,) and the OSU Medical Authority Marketing Revolving Fund (which shall consist of one-tenth of one percent of the total annual operating budget of the OSU Medical Authority and may be expended for marketing, public education, and advertising purposes,) the creation of the OSU Medical Trust and the creation of the OSU Medical Trust Revolving Fund for use by the OSU Medical Trust.
- b. **SB 1956** changes the name of the Board of Regents of Oklahoma Colleges to the Regional University System of Oklahoma.

- c. **SCR 42** expresses support for the "Let Us Rise Up and Build" program (which aims to restore Oklahoma's historically Black towns) through the endorsement of OneNet as a method for enhancing communications for participating communities and recommends that the Muskogee Educational Consortium coordinate education offerings for the program.

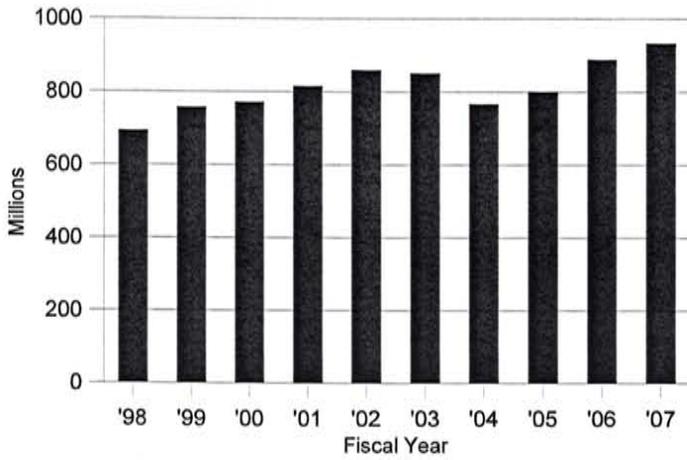
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$705,042,104	\$792,262,005	12.4%
FY-06 General Revenue, Cash	0	85,500,000	N/A
Comprehensive University Projects Revolving Fund	0	80,000,000	N/A
Higher Education Capital Revolving Fund	63,318,647	45,007,000	(28.9)%
Oklahoma Student Aid Revolving Fund	59,318,647	45,007,000	(24.1)%
Education Lottery Trust Fund	28,022,139	46,730,075	66.8%
Job Growth and Tax Relief Fund	17,000,000	0	(100.0)%
Special Cash Fund	9,500,000	0	(100.0)%
OHLAP Trust Fund	7,232,343	4,927,800	(31.9)%
Tuition and Fees	567,548,475	601,601,384	6.0%
Total	\$1,456,982,355	\$1,701,035,264	16.8%

V. BUDGET REFERENCES

SB 80XX, Sections 109 through 118

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$816,172,157	FY-06	\$889,433,880
FY-02	\$860,475,547	FY-07	\$933,933,880

COMMISSIONERS OF THE LAND OFFICE

Clifton Scott, Secretary

Agency #410

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$4,719,497	63.0
FY-07 Adjustments		
a. State Employee Pay Increase	<u>109,038</u>	
Total Adjustments	\$109,038	0.0
FY-07 Appropriation and FTE Authorization	\$4,828,535	63.0
Percent Change from FY-06 to FY-07	2.3%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

None

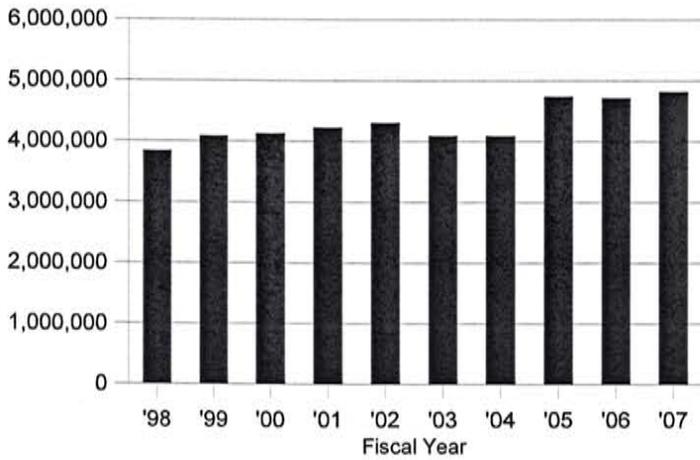
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
Commissioners of the Land Office Fund	\$4,719,497	\$4,828,535	2.3%
Total	\$4,719,497	\$4,828,535	2.3%

V. BUDGET REFERENCES

SB 80XX, Section 120; HB 1017XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$4,233,763	FY-06	\$4,719,497
FY-02	\$4,310,632	FY-07	\$4,828,535

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-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$6,681,355	82.8
FY-07 Adjustments		
a. State Employee Pay Increase	66,376	
b. State Aid to Public Libraries	<u>100,000</u>	
Total Adjustments	\$166,376	0.0
FY-07 Appropriation and FTE Authorization	\$6,847,731	82.8
Percent Change from FY-06 to FY-07	2.5%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funds are provided to partially restore funding to state libraries that was reduced because of the revenue shortfalls in FY-03 and FY-04.

III. POLICY ISSUES

None

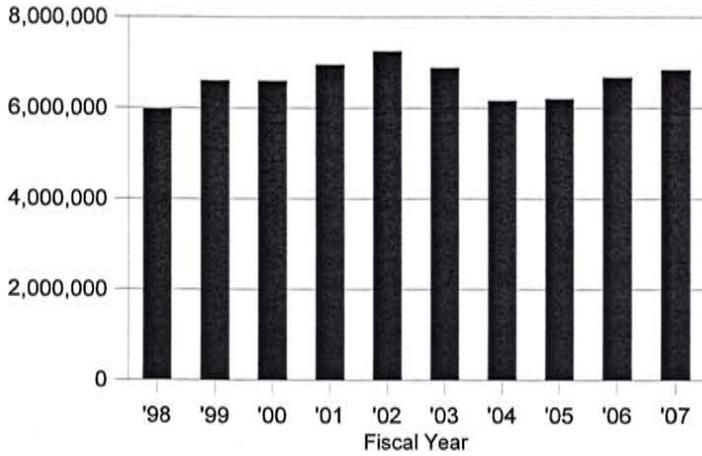
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$6,681,355	\$6,847,731	2.5%
Revolving Funds	772,669	375,000	(51.5)%
Federal Funds	3,088,648	3,496,304	13.2%
Total	\$10,542,672	\$10,719,035	1.7%

V. BUDGET REFERENCES

SB 80XX, Section 119; HB 1019XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$6,960,586	FY-06	\$6,681,355
FY-02	\$7,254,115	FY-07	\$6,847,731

PHYSICIAN MANPOWER TRAINING COMMISSION

Rick Ernest, Director

Agency #619

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$5,361,490	7.0
FY-07 Adjustments		
a. State Employee Pay Increase	9,009	
b. Nursing Program Increase	70,000	
c. Physician Assistant Scholarship Program	<u>30,000</u>	
Total Adjustments	\$109,009	0.0
FY-07 Appropriation and FTE Authorization	\$5,470,499	7.0
Percent Change from FY-06 to FY-07	2.0%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Appropriation is made to fund 48 additional nursing scholarships.
- c. State funding, in conjunction with a match from the agency's revolving fund, is provided for a total increase of \$60,000 to this program. This amount will fund an additional five Physician Assistant scholarships.

III. POLICY ISSUES

- a. None

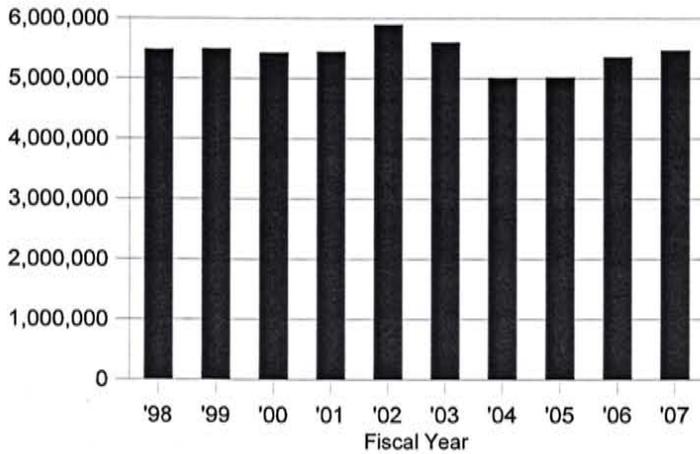
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$4,944,456	\$5,070,499	2.5%
Special Cash	400,000	400,000	0.0%
Community Residency Fund	248,750	341,000	37.1%
PMTTC Revolving Fund	275,450	677,339	145.9%
Nursing Student Assistance Fund	313,289	380,000	21.3%
State Loan Repayment Program	65,000	50,000	(23.1)%
Total	\$6,246,945	\$6,918,838	10.8%

V. BUDGET REFERENCES

SB 80XX, Sections 121 and 122; SB 8XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$5,449,660	FY-06	\$5,361,490
FY-02	\$5,901,708	FY-07	\$5,470,499

BOARD OF PRIVATE VOCATIONAL SCHOOLS

Dennis Rea, Director

Agency #563

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$171,879	3.0
FY-07 Adjustments		
a. See Note Below	(171,879)	
Total Adjustments	(\$171,879)	0.0
FY-07 Appropriation and FTE Authorization	\$0	3.0
Percent Change from FY-06 to FY-07	(100.0)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. The decrease in General Revenue and increase in Revolving Funds for FY-07 resulted from the agency increasing fee collections sufficiently to fund its own operations; however, legislation requires the agency to receive legislative authorization prior to expending any revolving funds.

III. POLICY ISSUES

None

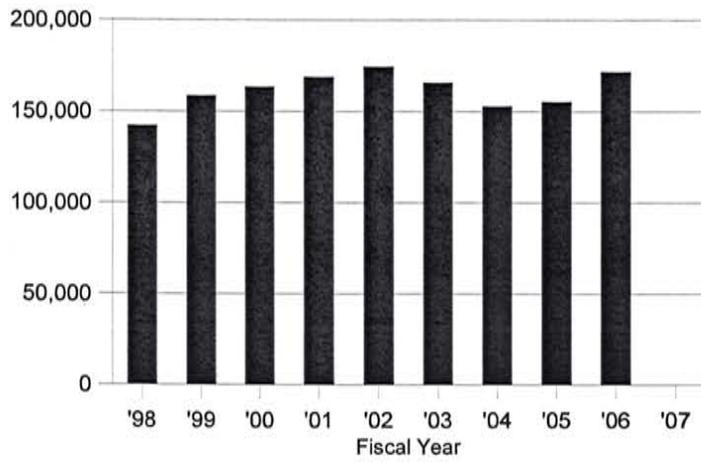
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$171,879	\$0	(100.0)%
Revolving Fund	\$0	\$192,245	N/A
Total	\$171,879	\$192,245	11.8%

V. BUDGET REFERENCES

SB 80XX, Section 128; SB 9XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$169,117	FY-06	\$171,879
FY-02	\$174,760	FY-07	\$0

OKLAHOMA SCHOOL OF SCIENCE AND MATHEMATICS

Edna Manning, President

Agency #629

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$7,020,513	77.0
FY-07 Adjustments		
a. State Employee Pay Increase	134,995	
b. Regional Outreach Programs	<u>75,000</u>	
Total Adjustments	\$209,995	0.0
FY-07 Appropriation and FTE Authorization	\$7,230,508	77.0
Percent Change from FY-06 to FY-07	3.0%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funds are appropriated to begin operations of the Mid-America Regional Outreach program. Regional sites offer advanced science and math courses at local career and technology education centers to qualified students who would not otherwise have access to such courses.

III. POLICY ISSUES

None

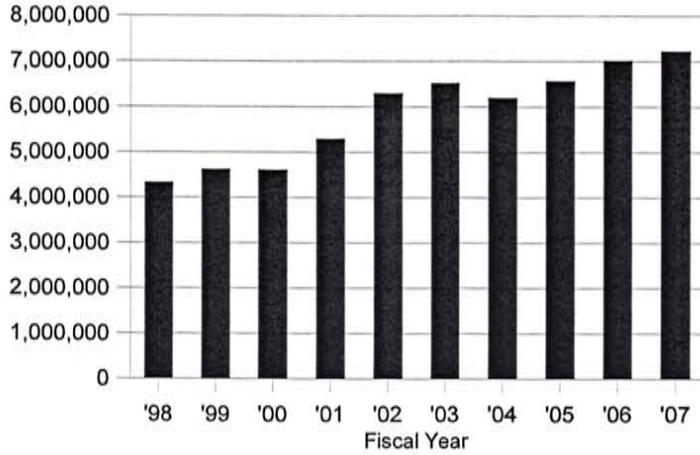
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$7,020,313	\$7,230,508	3.0%
Revolving Funds	12,000	10,000	(16.7)%
Total	\$7,032,313	\$7,240,508	3.0%

V. BUDGET REFERENCES

SB 80XX, Section 123; HB 1021XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$5,304,070	FY-06	\$7,020,513
FY-02	\$6,302,098	FY-07	\$7,230,508

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

Michael Carolina, Executive Director

Agency #628

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$12,400,942	24.0
FY-07 Adjustments		
a. State Employee Pay Increase	41,674	
b. Research Grants	5,000,000	
c. Seed Capital Funding	<u>5,000,000</u>	
Total Adjustments	\$10,041,674	0.0
FY-07 Appropriation and FTE Authorization	\$22,442,616	24.0
Percent Change from FY-06 to FY-07	81.0%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funds are provided for additional research grants, with \$2,000,000 specifically appropriated for identified nanotechnology research.
- c. Capital funding is to be matched with \$15,000,000 from other sources to invest in start-up enterprises and to promote economic development.

III. POLICY ISSUES

- a. **HB 2185** adds two definitions to the Oklahoma Science and Technology Research and Development Act: "OSTRaD" and "Plant science research." The measure authorizes the establishment of centers of excellence at certain nonprofit research institutions and the awarding of funding by the agency to centers of excellence for plant science research.
- a. **HB 2356** modifies the Oklahoma Science and Technology Research and Development Act by adding definitions for "nanotechnology" and the "Oklahoma Nanotechnology Applications Project" and by authorizing the agency to implement a pilot project to assist qualified Oklahoma companies in the application of nanotechnology to improve upon existing proceeds or create new products.

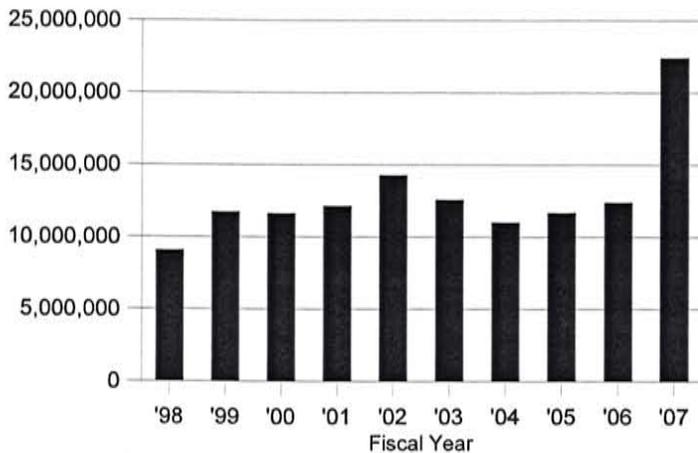
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$12,400,942	\$22,442,616	81.0%
Research Support Revolving Fund	6,309,381	6,107,709	(3.2)%
Federal Funds	117,000	0	(100.0)%
Total	\$18,827,323	\$28,550,325	51.6%

V. BUDGET REFERENCES

SB 80XX, Section 124; HB 1023XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$12,158,041	FY-06	\$12,400,942
FY-02	\$14,286,952	FY-07	\$22,442,616

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.
3. The FY-07 increase reflects the Legislature’s intent to invest in economic development through increased research grants and seed capital funding.

OKLAHOMA COMMISSION FOR TEACHER PREPARATION

Ted Gillispie, Director

Agency #269

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$2,022,875	9.0
FY-07 Adjustments		
a. State Employee Pay Increase	27,830	
Total Adjustments	\$27,830	0.0
FY-07 Appropriation and FTE Authorization	\$2,050,705	9.0
Percent Change from FY-06 to FY-07	1.4%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

None

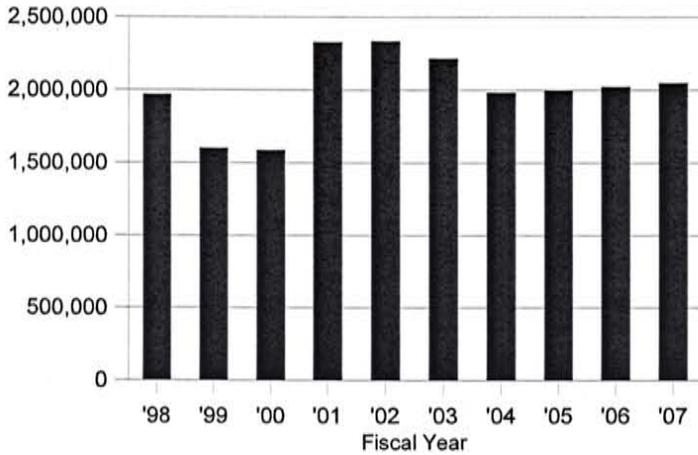
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$2,022,875	\$2,050,705	1.4%
Interagency Transfers	3,735,285	3,735,285	0.0%
Revolving Funds	592,517	1,419,622	139.6%
Total	\$6,350,677	\$7,205,612	13.5%

V. BUDGET REFERENCES

SB 80XX, Section 125; SB 12XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY

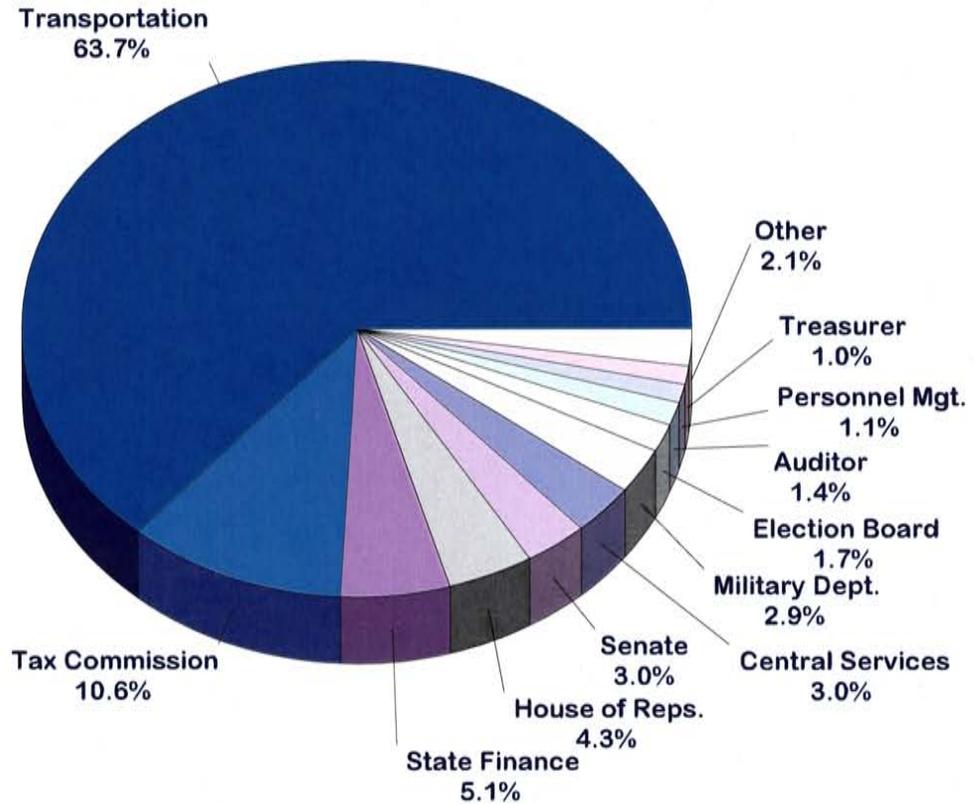


FY-98	\$1,969,114	FY-03(Orig.)	\$2,219,555
FY-99	\$1,602,743	FY-04	\$1,986,006
FY-00	\$1,589,601	FY-05	\$1,998,168
FY-01	\$2,330,425	FY-06	\$2,022,875
FY-02	\$2,336,374	FY-07	\$2,050,705

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-07 APPROPRIATIONS



Transportation	\$285,411,848
Tax Commission	47,711,604
Office of State Finance	23,000,204
House of Representatives	19,176,434
Senate	13,561,067
Department of Central Services	13,639,156
Military Department	12,898,334
Election Board	7,709,951
Auditor and Inspector	6,219,622
Office of Personnel Management	4,848,371
Treasurer	4,632,697
Other	
Legislative Services Bureau	2,995,021
Governor	2,641,163
Emergency Management	756,843
Merit Protection Commission	611,434
Lieutenant Governor	592,436
Space Industry Authority	528,571
Secretary of State	525,434
Ethics Commission	504,039
Bond Advisor	185,117
Subcommittee Total	\$448,149,346

Excludes supplemental appropriations, reappropriations, and Rainy Day Fund spillover transfers.
Includes capital and onetime expenditures.

STATE AUDITOR AND INSPECTOR

Jeff McMahan, State Auditor and Inspector

Agency #300

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$5,988,786	169.0
FY-07 Adjustments		
a. State Employee Pay Increase	286,940	
b. Local Government Training	(56,104)	
Total Adjustments	\$230,836	0.0
FY-07 Appropriation and FTE Authorization	\$6,219,622	169.0
Percent Change from FY-06 to FY-07	3.9%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funding for the ancillary program for local government training of officers was adjusted to reflect the splitting of the funding between the Auditor and Inspector (most county officers, school board members) and the Tax Commission (county assessor certification and continuing education). The separation of the funding is a result of changes authorized by the Commission on County Government Education and Training at Oklahoma State University where the county extension service was given the responsibility of the training of most county officers, local government personnel and school board members while the Center for Local Government Training will specialize in the training, education and certification of county assessors and their employees.

III. POLICY ISSUES

- a. **HB 3009** modifies the State Abstractor Law to authorize the agency to establish administrative penalties and fines for failure to furnish an abstract, abstract extension, supplemental abstract or final title report and for the violation or noncompliance with any provision of the Oklahoma Abstractors Law or rule or order of the State Auditor and Inspector.

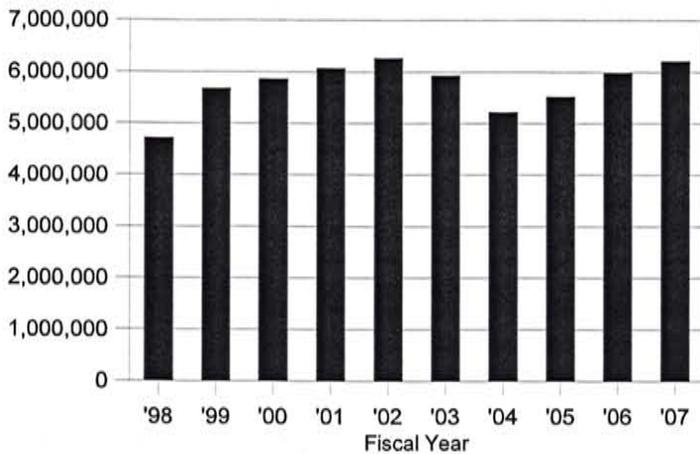
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$5,988,786	\$6,219,622	3.9%
Revolving Fund	6,100,000	6,250,000	2.5%
Total	\$12,088,786	\$12,469,622	3.2%

V. BUDGET REFERENCES

SB 80XX, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$6,075,964	FY-06	\$5,988,786
FY-02	\$6,277,121	FY-07	\$6,219,622

OFFICE OF THE STATE BOND ADVISOR

James Joseph, State Bond Advisor

Agency #582

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$181,212	5.0
FY-07 Adjustments		
a. State Employee Pay Increase	3,905	
Total Adjustments	\$3,905	0.0
FY-07 Appropriation and FTE Authorization	\$185,117	5.0
Percent Change from FY-06 to FY-07	2.2%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

None

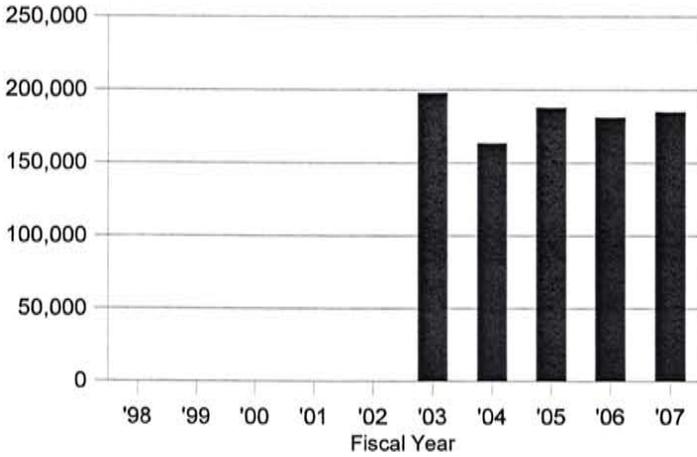
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$181,212	\$185,117	2.2%
Revolving Fund	193,788	214,883	10.9%
Total	\$375,000	\$400,000	6.7%

V. BUDGET REFERENCES

SB 80XX, Section 4

VI. TEN YEAR APPROPRIATION HISTORY



FY-98	\$0	FY-03(Orig.)	\$198,111
FY-99	\$0	FY-04	\$163,527
FY-00	\$0	FY-05	\$188,096
FY-01	\$0	FY-06	\$181,212
FY-02	\$0	FY-07	\$185,117

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

John Richard, Director

Agency #580

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$12,263,035	320.0
FY-07 Adjustments		
a. State Employee Pay Increase	176,121	
b. Building and Facility Operations and Maintenance	<u>1,200,000</u>	
Total Adjustments	\$1,376,121	0.0
FY-07 Appropriation and FTE Authorization	\$13,639,156	320.0
Percent Change from FY-06 to FY-07	11.2%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funds were appropriated for the operation and maintenance of state buildings and facilities that have no rent structure and whose operational costs are derived solely from appropriations.

III. POLICY ISSUES

- a. **SB 558** increases the minimum value limits of contracts which must be competitively bid from \$25,000 to \$50,000, providing purchasing flexibility to agencies and allowing the Central Purchasing Division to concentrate on larger contracts.

The measure also expands on the reforms related to the administration and accountability of the state's vehicle fleet begun in 2005 by:

- Establishing mandatory maintenance contracts for all agencies to access for vehicle repairs and services at discounted rates;
- Requiring agencies with in-house service and repair facilities to establish values to preventative maintenance and to track and report their activities each month to the Fleet Manager;

- Requiring agencies to provide and maintain written justification for any vehicle that travels less than 12,000 miles annually and report to the Fleet manager; and
 - Directing the Fleet Manager to offer assistance to agencies in determining the most cost-effective mode of travel for single trips.
- b. **SB 1129** directs the agency to renovate northwest and south portions of the first floor of the Capitol to be used as a visitor's center, an orientation theater and gallery to enhance the experience of visitors to the Capitol.
- c. **HB 2554** directs the agency to procure facilities management software in accordance with the requirements of the Oklahoma Central Purchasing Act and implement a comprehensive statewide facilities management software program in order to effectively identify state-owned real property and to efficiently manage the long-range deferred maintenance funding requirements of such real property.
- d. **HB 1047** requires the agency to provide for the renovation of the west entrance of the State Capitol Building. The renovation is to be made with cooperation with the Capitol Architect and Curator for the design of the renovations, which are to be made in such a manner as to ensure the preservation and maintenance of the cultural and historic integrity of the State Capitol Building. The agency is authorized to use interest earned on the construction funds with respect to completed projects funded by the Oklahoma Capitol Improvement Authority Series 1999A bonds to pay for the renovations.

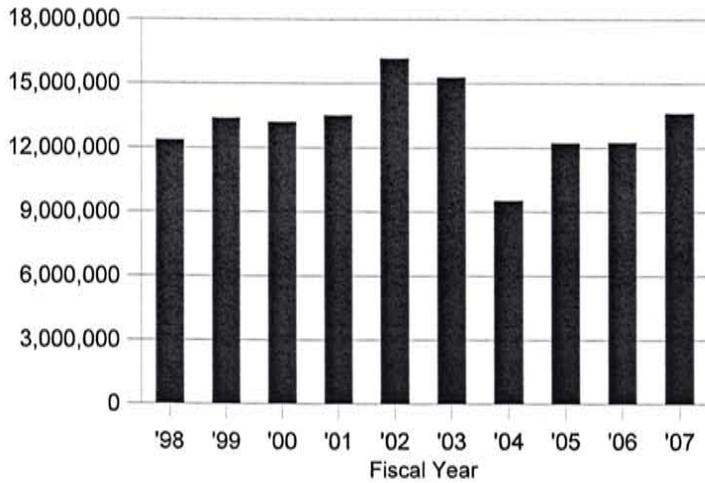
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$10,382,390	\$11,917,670	14.8%
Public Building Fund	1,880,645	1,721,486	(8.5)%
Carryover	1,765,000	1,400,000	(20.7)%
Revolving Funds	57,850,000	93,992,044	62.5%
Total	\$71,878,035	\$109,031,200	51.7%

V. BUDGET REFERENCES

SB 80XX, Sections 5 through 8

I. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$13,528,930	FY-06	\$12,263,035
FY-02	\$16,194,148	FY-07	\$13,639,156

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-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$6,621,839	N/A
FY-07 Adjustments		
a. State Employee Pay Increase	138,112	
b. Special Election Reimbursement	<u>950,000</u>	
Total Adjustments	\$1,088,112	N/A
FY-07 Appropriation and FTE Authorization	\$7,709,951	N/A
Percent Change from FY-06 to FY-07	16.4%	N/A

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funds are provided to reimburse the agency for costs associated with the motor fuels tax Special Election held in September, 2005. The agency utilized funds from the Election Management program to hold the statewide election and reimbursement was required to ensure adequate resources for the 2006 election cycle.

III. POLICY ISSUES

- a. **SB 82XX** modifies the salary schedule, based on registered voters within a county, for county election board secretaries. The bill makes the changes effective May 1, 2007.

Comparison of Count Election Board Secretary Salary Modifications				
Registered Voters	Old Salary	New Salary	Dollar Change	Percent Change
0 to 10,000	\$21,588.28	\$22,667.69	\$1,079.41	5.0
10,001 to 15,000	\$22,388.28	\$23,507.68	\$1,119.40	5.0
15,001 to 17,500	\$26,252.45	\$27,565.07	\$1,312.62	5.0

Registered Voters	Old Salary	New Salary	Dollar Change	Percent Change
17,501 to 25,000	\$29,429.93	\$30,901.43	\$1,471.50	5.0
25,001 to 50,000	\$35,846.94	\$37,639.29	\$1,792.35	5.0
50,001 to 75,000	\$45,174.66	\$47,433.39	\$2,258.73	5.0
75,001 to 150,000	\$50,611.26	\$53,141.82	\$2,530.56	5.0
150,001 or more	\$56,043.00	\$58,845.15	\$2,802.15	5.0

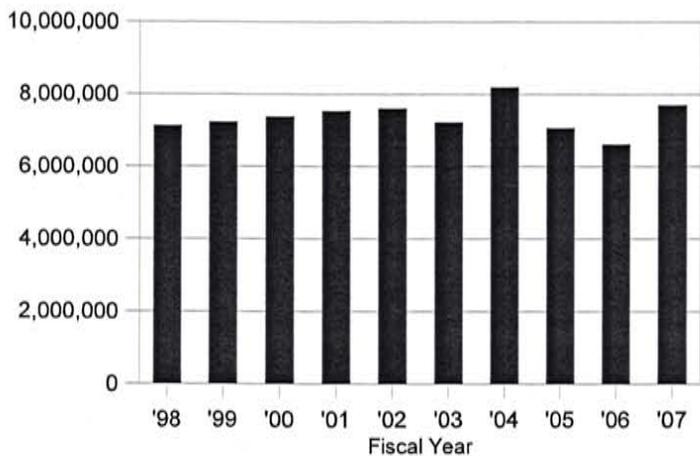
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$6,621,839	\$5,129,951	(22.5)%
Special Cash Fund	0	2,580,000	N/A
Revolving Funds	285,000	300,000	5.3%
Total	\$6,906,839	\$8,009,951	16.0%

V. BUDGET REFERENCES

SB 80XX, Sections 10 and 11

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$7,545,503	FY-06	\$6,621,839
FY-02	\$7,607,768	FY-07	\$7,709,951

DEPARTMENT OF EMERGENCY MANAGEMENT

Albert Ashwood, Director

Agency #309

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$1,355,561	32.0
FY-07 Adjustments		
a. State Employee Pay Increase	20,282	
b. Civil Air Patrol	35,000	
c. Emergency Operations Center Renovation	(654,000)	
Total Adjustments	(\$598,718)	0.0
FY-07 Appropriation and FTE Authorization	\$756,843	32.0
Percent Change from FY-06 to FY-07	(44.2)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funds were appropriated to increase the assistance to the Civil Air Patrol, an organization a part of whose mission is to assist governmental entities in the management of emergencies and disasters by providing such services as fire spotting and delivery of essential equipment and personnel to affected areas. The added funding will nearly double the state's commitment to the organization.
- c. One-time funds were provided in FY-06 to match approximately \$1.9 million in federal grant funds used to renovate and remodel the state Emergency Command Center in the Will Rogers-Sequoyah Tunnel within the State Capitol Complex. The funding is removed for FY-07.

III. POLICY ISSUES

- a. **HB 1709** provides for emergency plans based upon a hazard and risk assessment for the jurisdiction and will include provisions for evacuation of all or a portion of the jurisdiction based upon such risk in the event any disaster necessitates the evacuation of its citizens. Every political subdivision will ensure that there is widespread dissemination of the plan and information to citizens as to how and when such plan is activated and how citizens are to participate in evacuating their communities in the event of a disaster. The plan is to be reviewed annually.

- b. **HB 2585** establishes intrastate mutual aid compacts among jurisdictions which will provide a framework and process for emergencies that transcend political jurisdictional boundaries and that intergovernmental coordination is essential for the protection of lives and property and for best use of available assets, both public and private. The system will provide for mutual assistance among the participating jurisdictions in the prevention of, response to, and recovery from any disaster that results in a formal state of emergency in a participating jurisdiction subject to the criterion for declaration of that participating jurisdiction.

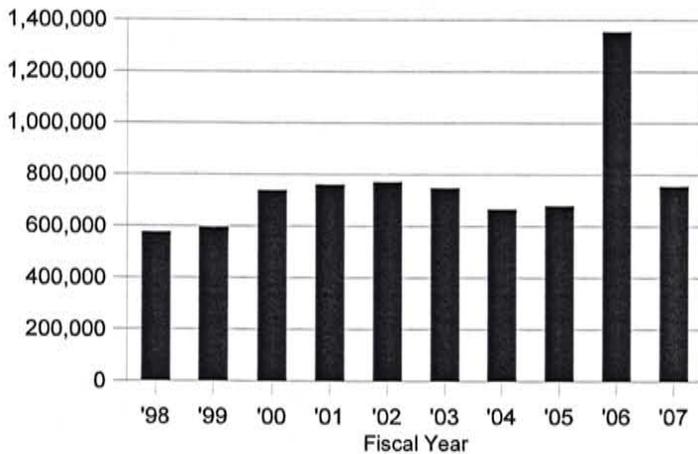
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$701,561	\$756,843	7.9%
Special Cash Fund	654,000	0	(100.0)%
Revolving Funds	5,465,815	6,120,315	12.0%
Total	\$6,821,376	\$6,877,158	0.8%

V. BUDGET REFERENCES

SB 80XX, Section 9

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$762,369	FY-06	\$1,355,561
FY-02	\$772,373	FY-07	\$756,843

Notes:

1. The FY-00 increase reflects an increase in appropriations to offset a reduction in federal funds.
2. The FY-06 increase represents a state match to renovate the state Emergency Command Center.

ETHICS COMMISSION

Marilyn Hughes, Director Agency #296

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$492,277	7.0
FY-07 Adjustments		
a. State Employee Pay Increase	<u>11,762</u>	
Total Adjustments	\$11,762	0.0
FY-07 Appropriation and FTE Authorization	\$504,039	7.0
Percent Change from FY-06 to FY-07	2.4%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

None

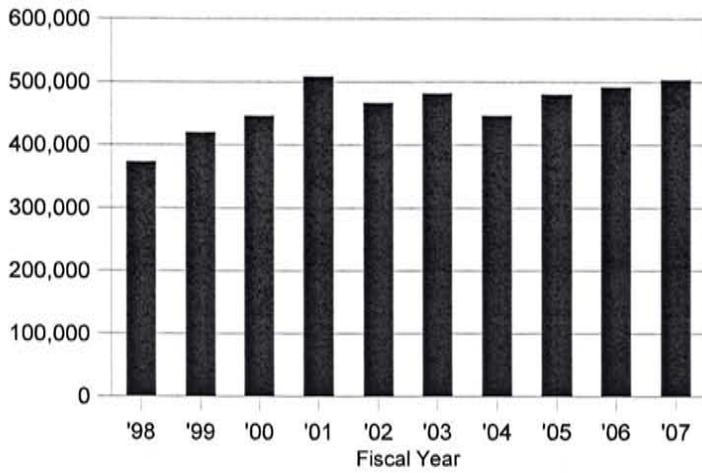
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$492,277	\$504,039	2.4%
Revolving Funds	200,000	200,000	0.0%
Total	\$692,277	\$704,039	1.7%

V. BUDGET REFERENCES

SB 80XX, Section 12

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$508,730	FY-06	\$492,277
FY-02	\$467,321	FY-07	\$504,039

OFFICE OF STATE FINANCE

Claudia San Pedro, Director

Agency #090

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$22,756,515	N/A
FY-07 Adjustments		
a. State Employee Pay Increase	243,689	
Total Adjustments	\$243,689	N/A
FY-07 Appropriation and FTE Authorization	\$23,000,204	N/A
Percent Change from FY-06 to FY-07	1.1%	N/A

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

- a. **SB 19XX** authorizes the Office of State Finance and the Oklahoma Turnpike Authority to enter into a multi-year agreement to jointly develop and construct facilities necessary for the administration of the state's information technology and telecommunications infrastructure and security. The Office of State Finance is authorized to use existing and future funds from fees, appropriations and federal funds, as necessary, to finance such facilities.
- b. **HB 2935** directs the agency to create a standard security risk assessment for state agency information technology systems that complies with the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) Information Technology - Code of Practice for Security Management (ISO/IEC 17799). Each state agency that has an information technology system shall annually conduct an information security risk assessment to identify vulnerabilities associated with the information system. The final information security risk assessment report will identify, prioritize, and document information security vulnerabilities for each of the state agencies assessed. Failure to comply with the requirements of this subsection may result in funding being withheld from the agency. State agencies will use either the standard security risk assessment created by the Office of State Finance or a third-party risk assessment approved by the Office of State Finance. The Office of State Finance will approve not less than two firms from which state agencies may choose to conduct the information security risk assessment.

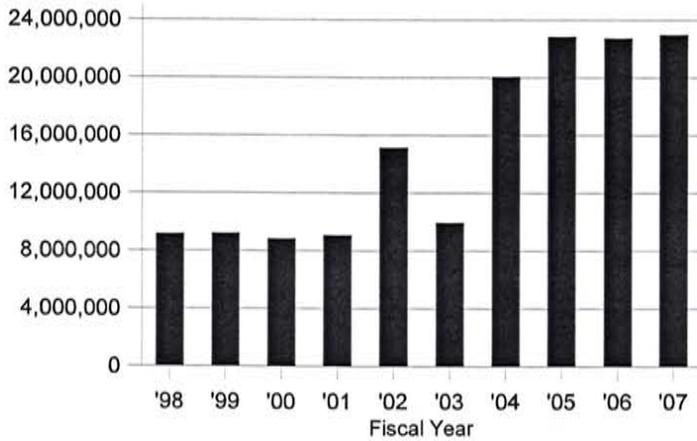
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$11,756,515	\$12,000,204	2.1%
Special Cash	11,000,000	11,000,000	0.0%
Revolving Funds	14,500,000	16,200,000	11.7%
Carryover	325,000	375,000	15.4%
Total	\$37,581,515	\$39,575,204	5.3%

V. BUDGET REFERENCES

SB 80XX, Sections 13 and 14

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$9,075,805	FY-06	\$22,756,515
FY-02	\$15,147,572	FY-07	\$23,000,204

Notes:

1. FY-02 includes \$5,766,100 in onetime appropriations for the CORE Business System Upgrade and the VISION Program.
2. FY-04 through FY-07 includes funds for the required payments on the CORE System.

GOVERNOR

Honorable Brad Henry, Governor

Agency #305

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$2,578,710	N/A
FY-07 Adjustments		
a. State Employee Pay Increase	62,453	
Total Adjustments	\$62,453	N/A
FY-07 Appropriation and FTE Authorization	\$2,641,163	N/A
Percent Change from FY-06 to FY-07	2.4%	N/A

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

- a. **SB 90XX** transferred \$15.0 million from the Constitutional Reserve (“Rainy Day”) Fund surplus for FY-06 to the State Emergency Fund, administered by the Office of the Governor, to satisfy payments due on prior disaster and emergency events and to provide certain funding for anticipated future events.

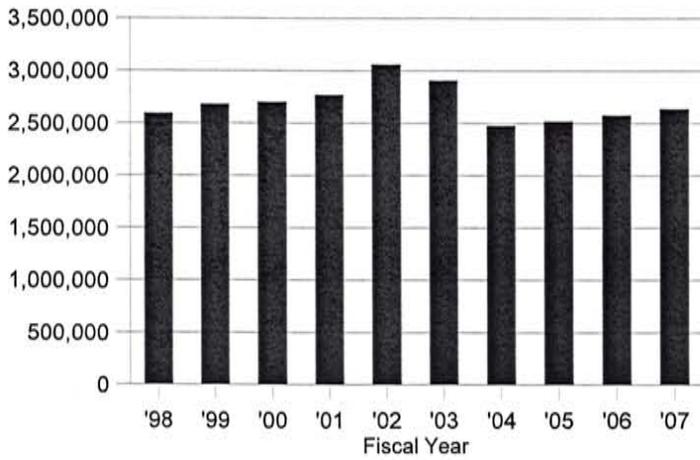
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$2,578,710	\$2,641,163	2.4%
Total	\$2,578,710	\$2,641,163	2.4%

V. BUDGET REFERENCES

SB 80XX, Section 15

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$2,772,408	FY-06	\$2,578,710
FY-02	\$3,059,715	FY-07	\$2,641,163

HOUSE OF REPRESENTATIVES

Honorable Todd Hiett, Speaker

Agency #422

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$18,629,154	N/A
FY-07 Adjustments		
a. State Employee Pay Increase	<u>547,280</u>	
Total Adjustments	\$547,280	N/A
FY-07 Appropriation and FTE Authorization	\$19,176,434	N/A
Percent Change from FY-06 to FY-07	2.9%	N/A

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

None

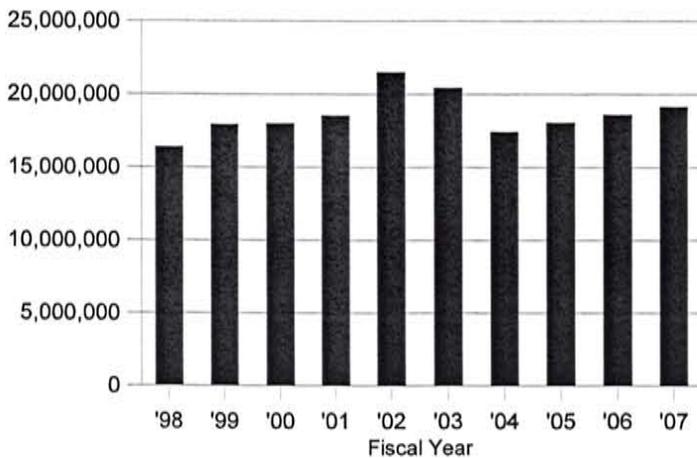
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$18,629,154	\$19,176,434	2.9%
Total	\$18,629,154	\$19,176,434	2.9%

V. BUDGET REFERENCES

SB 80XX, Section 16

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$18,556,604	FY-06	\$18,629,154
FY-02	\$21,534,490	FY-07	\$19,176,434

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

Dale Wythe, Administrator

Agency #423

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$2,415,783	N/A
FY-07 Adjustments		
a. State Employee Pay Increase	29,238	
b. Tulsa Teaching Hospital Study	500,000	
c. Host State Hospitality Event	<u>50,000</u>	
Total Adjustments	\$579,238	N/A
FY-07 Appropriation and FTE Authorization	\$2,995,021	N/A
Percent Change from FY-06 to FY-07	24.0%	N/A

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funds were appropriated for the cost of a study of the Tulsa teaching hospital arrangement between Oklahoma State University and Tulsa hospitals. The study was commissioned to determine the options available to the state to provide a high quality teaching environment while maintaining the effective delivery of health services in the Tulsa area.
- c. Funds are provided to allow the state to host an event at the 2006 Council of State Governments' Annual Meeting in Phoenix, Arizona, as Oklahoma will be the host state for the organization's 2007 Annual Meeting.

III. POLICY ISSUES

None

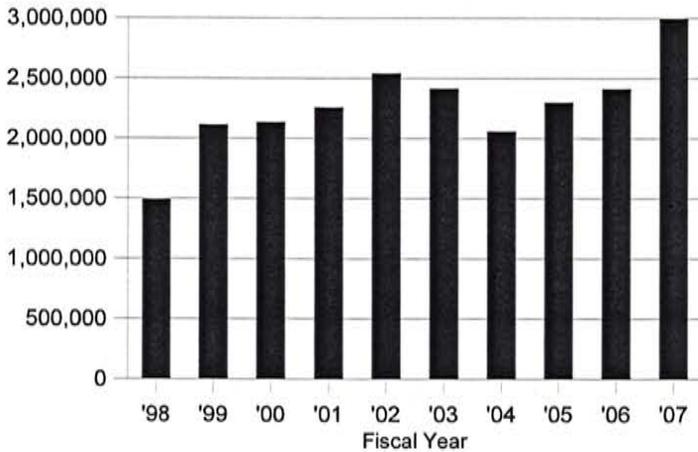
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$2,365,783	\$2,995,021	26.6%
Special Cash Fund	\$50,000	\$0	(100.0)%
Total	\$2,415,783	\$2,995,021	24.0%

V. BUDGET REFERENCES

SB 80XX, Sections 17 and 18

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$2,261,478	FY-06	\$2,415,783
FY-02	\$2,545,135	FY-07	\$2,995,021

Notes:

1. 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-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$592,436	N/A
FY-07 Adjustments		
a. None	0	
Total Adjustments	\$0	N/A
FY-07 Appropriation and FTE Authorization	\$592,436	N/A
Percent Change from FY-06 to FY-07	0.0%	N/A

II. DETAIL ON BUDGET ADJUSTMENTS

None

III. POLICY ISSUES

None

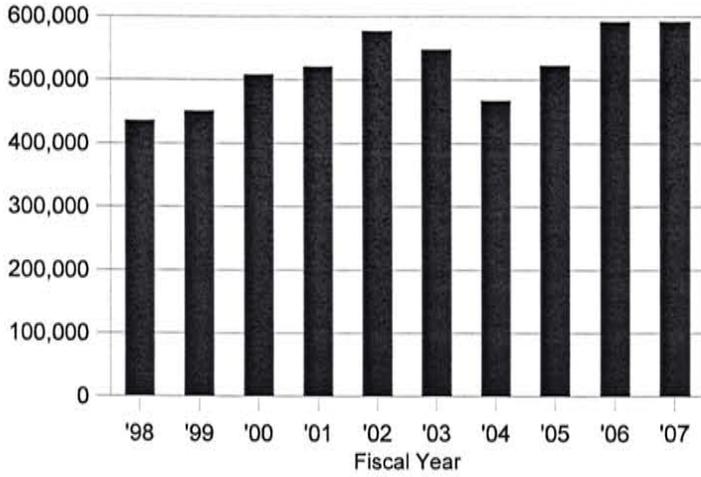
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$592,436	\$592,436	0.0%
Revolving Funds	30,000	30,000	0.0%
Total	\$622,436	\$622,436	0.0%

V. BUDGET REFERENCES

SB 80XX, Section 19

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$521,101	FY-06	\$592,436
FY-02	\$577,318	FY-07	\$592,436

MERIT PROTECTION COMMISSION

Susan Bussey, Executive Director

Agency #298

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$565,684	11.0
FY-07 Adjustments		
a. State Employee Pay Increase	6,750	
b. Agency Compensation Restructuring	<u>39,000</u>	
Total Adjustments	\$45,750	0.0
FY-07 Appropriation and FTE Authorization	\$611,434	11.0
Percent Change from FY-06 to FY-07	8.1%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funds were appropriated for the restructuring of agency employee compensation to improve recruitment and retention. The agency executes its mission with less than ten employees, many of whom perform multiple tasks and the restructuring of compensation will reduce the likelihood of needing additional employees in the future.

III. POLICY ISSUES

None

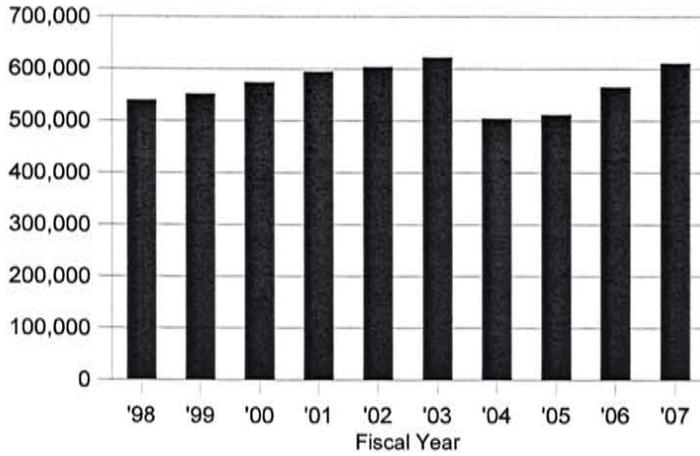
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$565,684	\$611,434	8.1%
Revolving Funds	97,500	113,566	16.5%
Total	\$663,184	\$725,000	9.3%

V. BUDGET REFERENCES

SB 80XX, Section 20

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$595,046	FY-06	\$565,684
FY-02	\$604,407	FY-07	\$611,434

MILITARY DEPARTMENT

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

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$12,546,432	484.0
FY-07 Adjustments		
a. State Employee Pay Increase	251,902	
b. Armory Bond Issue Debt Service	<u>100,000</u>	
Total Adjustments	\$351,902	0.0
FY-07 Appropriation and FTE Authorization	\$12,898,334	484.0
Percent Change from FY-06 to FY-07	2.8%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funds were appropriated to match the lease payment requirements related to the \$6.0 million in revenue bonds issued in 2005 by the Oklahoma Capitol Improvement Authority (OCIA) for the repair and renovation of armory roofs. The lease payments made by the agency are utilized by OCIA for debt service on the obligations.

III. POLICY ISSUES

- a. **SB 1361** extends the provisions related to National Guard personnel who are employees of the state or any political subdivision ordered by proper authority to active or inactive service, be entitled to a leave of absence from civil employment for the period of active service, without loss of status or efficiency rating to members of the reserve components of the United State's Armed Forces. During the remainder of any leave of absence in any federal fiscal year, the employing state agency or political subdivision may elect to pay them an amount equal to the difference between the officers or employees full regular pay from the employing state agency or political subdivision and their Oklahoma National Guard or United States military reserve component pay.

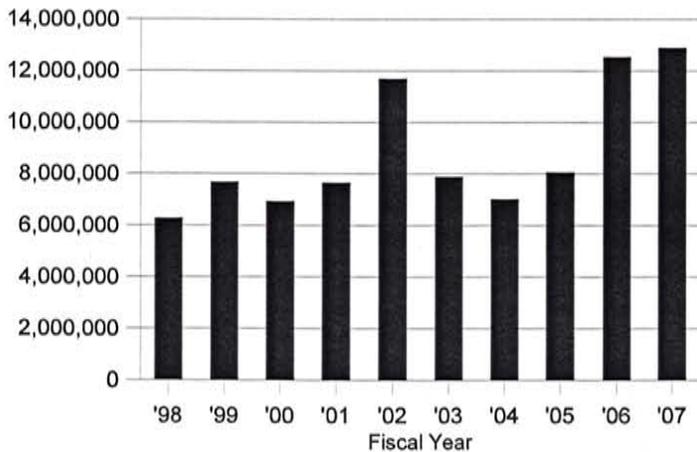
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$12,196,432	\$12,898,334	5.8%
Special Cash Fund	350,000	0	(100.0)%
Federal Funds	45,643,568	55,341,666	21.2%
Revolving Funds	60,000	60,000	0.0%
Total	\$58,250,000	\$68,300,000	17.3%

V. BUDGET REFERENCES

SB 80XX, Section 21

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$7,666,836	FY-06	\$12,546,432
FY-02	\$11,700,375	FY-07	\$12,898,334

Notes:

1. FY-02 increase includes \$3.8 million for armory roofs.
2. FY-06 increase includes \$1.85 million for the National Guard Life Insurance Program and \$1.785 million for re-establishment of the STARS Program.

OFFICE OF PERSONNEL MANAGEMENT

Oscar Jackson, Jr., Director

Agency #548

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$4,633,249	105.0
FY-07 Adjustments		
a. State Employee Pay Increase	130,122	
b. Employee Assistance Program/Voluntary Payroll Deduction Administration	<u>85,000</u>	
Total Adjustments	\$215,122	0.0
FY-07 Appropriation and FTE Authorization	\$4,848,371	105.0
Percent Change from FY-06 to FY-07	4.6%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funds are appropriated for travel and costs associated with caseload increases with the Employee Assistance Program and for administrative costs related to the requirements of the Voluntary Payroll Deduction program.

III. POLICY ISSUES

- a. **SB 1686** provides clarification related to state law or the federal Fair Labor Standards Act to prohibit an employer from paying an employee who is required to work on a holiday for work at a rate of two times the employee's regular hourly rate, or from rescheduling the holiday at the discretion of the appointing authority; provided however, any state employee who is required to work on a holiday in the performance of fire suppression duties will receive holiday pay at a rate of two times the employee's regular hourly rate.
- b. **SB 1831** provides that skill-based pay adjustments implemented on or after November 1, 2006, and which are paid to an employee, will be paid as long as the employee remains employed in the position and performs the skills for which the differential is due, but will not be included as a part of the employees base salary.

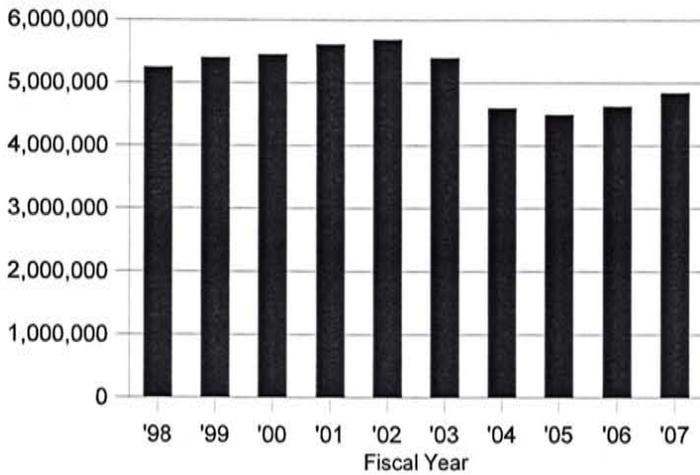
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$4,633,249	\$4,848,371	4.6%
Carryover	450,000	850,000	88.9%
Revolving Funds	750,000	1,250,000	66.7%
Total	\$5,833,249	\$6,948,371	19.1%

V. BUDGET REFERENCES

SB 80XX, Section 22

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$5,614,759	FY-06	\$4,633,249
FY-02	\$5,689,734	FY-07	\$4,848,371

SECRETARY OF STATE

Susan Savage, Secretary of State

Agency #625

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$510,184	N/A
FY-07 Adjustments		
a. State Employee Pay Increase	15,250	
Total Adjustments	\$15,250	N/A
FY-07 Appropriation and FTE Authorization	\$525,434	N/A
Percent Change from FY-06 to FY-07	3.0%	N/A

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

None

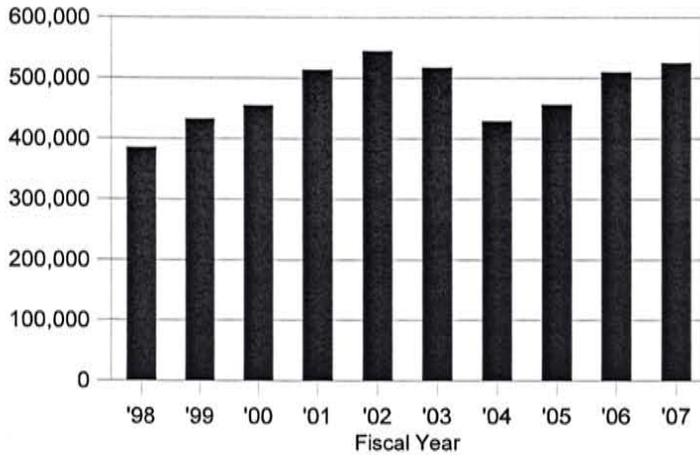
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$510,184	\$525,434	3.0%
Carryover	600,000	1,000,000	66.7%
Revolving Funds	2,450,000	2,600,000	6.1%
Total	\$3,560,184	\$4,125,434	15.9%

V. BUDGET REFERENCES

SB 80XX, Section 23

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$514,267	FY-06	\$510,184
FY-02	\$545,124	FY-07	\$525,434

SENATE

Honorable Mike Morgan, President Pro-Tempore

Agency #421

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$13,146,893	N/A
FY-07 Adjustments		
a. State Employee Pay Increase	414,174	
Total Adjustments	\$414,174	N/A
FY-07 Appropriation and FTE Authorization	\$13,561,067	N/A
Percent Change from FY-06 to FY-07	3.2%	N/A

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

None

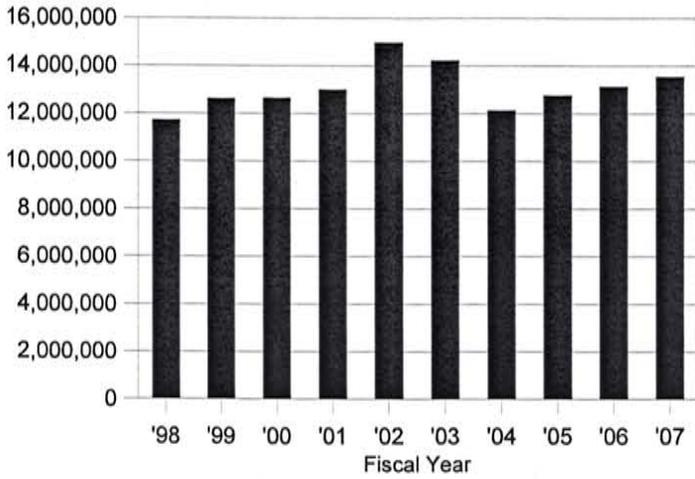
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$13,146,893	\$13,561,067	3.2%
Total	\$13,146,893	\$13,561,067	3.2%

V. BUDGET REFERENCES

SB 80XX, Section 24

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$13,017,287	FY-06	\$13,146,893
FY-02	\$15,001,727	FY-07	\$13,561,067

OKLAHOMA SPACE INDUSTRY DEVELOPMENT AUTHORITY

William Khourie, Executive Director

Agency #346

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$523,264	5.0
FY-07 Adjustments		
a. State Employee Pay Increase	<u>5,307</u>	
Total Adjustments	\$5,307	0.0
FY-07 Appropriation and FTE Authorization	\$528,571	5.0
Percent Change from FY-06 to FY-07	1.0%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

- a. On June 12, 2006 the Federal Aviation Administration granted the agency its launch site operator's license for the facility near Burns Flat, making Oklahoma the site of the first inland space launch facility in the nation. Oklahoma's site license clears the spaceport for suborbital flights in a 70-by-170-mile corridor of western Oklahoma, with clearance for launch vehicles to rise to the fringe of outer space.

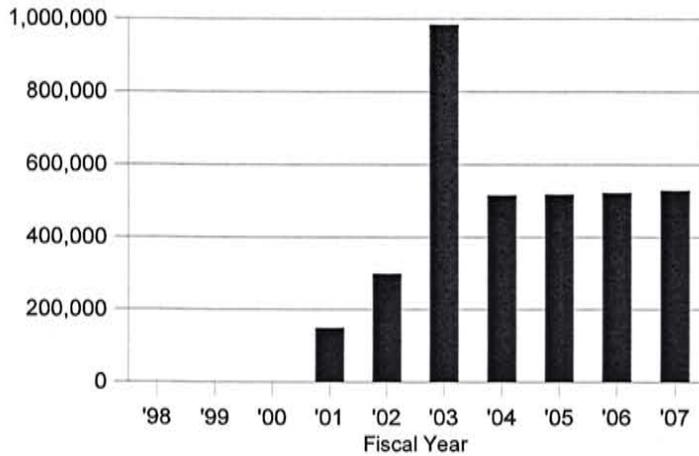
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$523,264	\$528,571	1.0%
Revolving Funds	400,000	400,000	0.0%
Federal Funds	8,000,000	8,000,000	0.0%
Total	\$8,923,264	\$8,928,571	0.1%

V. BUDGET REFERENCES

SB 80XX, Section 25

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$150,000	FY-06	\$523,264
FY-02	\$300,000	FY-07	\$528,571

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-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$45,626,291	1,150.0
FY-07 Adjustments		
a. State Employee Pay Increase	1,469,209	
b. County Assessor Training	226,104	
c. Tobacco Master Settlement Agreement Enforcement	<u>390,000</u>	
Total Adjustments	\$2,085,313	0.0
FY-07 Appropriation and FTE Authorization	\$47,711,604	1,150.0
Percent Change from FY-06 to FY-07	4.6%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funding for the ancillary program for local government training of officers was adjusted to reflect the splitting of the funding between the Auditor and Inspector (most county officers, school board members) and the Tax Commission (county assessor certification and continuing education). The separation of the funding is a result of changes authorized by the Commission on County Government Education and Training at Oklahoma State University where the county extension service was given the responsibility of the training of most county officers, local government personnel and school board members while the Center for Local Government Training will specialize in the training, education and certification of county assessors and their employees.
- c. Funds were appropriated to provide enhanced enforcement of the provisions of the Master Settlement Agreement between the state and tobacco company signatories. The funds will be used to provide staffing in the agency's Audit and Collections Divisions to ensure continued due diligence in the enforcement of the Agreement. Currently staff are diverted from other operational areas for this purpose at the expense of other necessary tasks and activities. The staff resulting from the funding will be required to support the Office of the Attorney General in defending lawsuits related to Master Settlement Agreement compliance issues.

III. POLICY ISSUES

- a. **SB 90XX** transfers \$900,000 from the Constitutional Reserve (“Rainy Day”) Fund surplus for FY-06 to the Oklahoma Tax Commission Fund for the implementation of a digital license plate system, and \$900,000 to the Oklahoma Tax Commission Fund for the acquisition of a main frame computer.
- b. **HB 1174XX** repeals the Tourism Promotion Gross Receipts Tax of 0.1 percent on many goods and services related to tourism activities, effective July 1, 2007. The tax, which generates an estimated \$5.0 million annually, involves high administrative costs for both the taxpayer and the Tax Commission relative to the revenue the tax generates. Upon repeal, 0.93 percent of sales and use tax revenue will be directly apportioned for tourism promotion purposes and for capital improvements to the state park system, with an estimated total apportionment of \$16.8 million in FY-08. The repeal will result in administrative cost savings to the agency and to taxpayers subject to the tax.
- c. **HB 1172XX** provides a schedule for the eventual repeal of the estate tax, effective January 1, 2010. The tax on the net value of estates is currently estimated to generate approximately \$66.0 million and the repeal will provide administrative cost savings to the agency and will relieve taxpayers subject to the tax of the costs associated with preparing returns.
- d. **SB 1084** provides penalties of up to \$500.00 per offense for the willful refusal to honor the sales tax exemption for disabled veterans enacted in the 2005 Session. Some vendors did not recognize the exemption when initially implemented; since that time improvements have been made in the documentation available to qualifying disabled veterans and information was made available to vendors to thoroughly explain the exemption and procedures related to its treatment.
- e. **SB 1375** provides that in instances where an account has been referred to a debt collection agency, the Tax Commission will review all payments posted by the collection agency prior to continuing any further collection activity against the taxpayer. The collection agency will also review all payments posted by the Tax Commission prior to continuing any collection activity. The Tax Commission or the collection agency will, within ten business days, provide the taxpayer with a written confirmation of all payments received and any balance due.
- f. **SB 1947** repeals the statute requiring the agency to maintain the special tax enforcement unit, whose function has been to determine compliance with state tax laws and to enforce such laws. The duties of the special tax enforcement unit have included the investigation for and initiation of criminal action for violations of state tax laws. The agency has adequate systems and structures in place to undertake such efforts without the need for the statutory entity. The elimination of the unit is hoped to result in greater efficiency in the administration of the state’s tax laws.

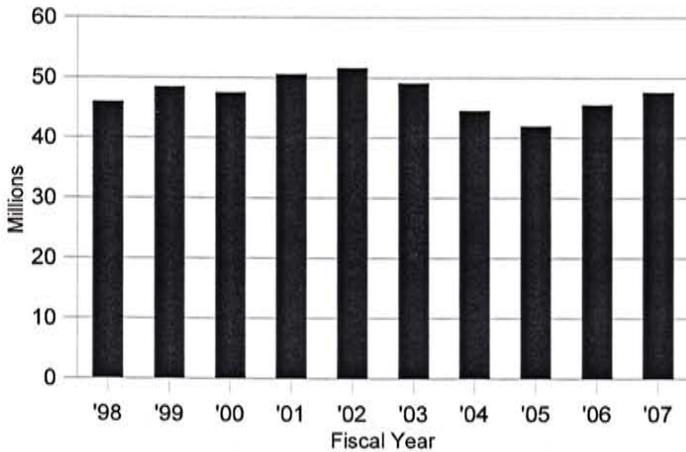
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$45,626,291	\$47,711,604	4.6%
Federal Funds	100,000	100,000	0.0%
Revolving Funds	62,807,970	75,607,990	20.4%
Total	\$108,534,261	\$123,419,594	13.7%

V. BUDGET REFERENCES

SB 80XX, Sections 25 and 129

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$50,680,269	FY-06	\$45,626,291
FY-02	\$51,748,599	FY-07	\$47,711,604

DEPARTMENT OF TRANSPORTATION

Gary Ridley, Director

Agency #345

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$275,148,137	2,850.0
FY-07 Adjustments		
a. Conversion of the State Transportation Fund	10,263,711	
Total Adjustments	\$10,263,711	0.0
FY-07 Appropriation and FTE Authorization	\$285,411,848	2,850.0
Percent Change from FY-06 to FY-07	3.7%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. **HB 1176XX** includes a provision to convert the State Transportation Fund from a certified revenue fund to a revolving fund, effective July 1, 2006. The effect of the conversion will be to allow the budgeting of one hundred percent (100%) of the estimated revenue to the fund instead of the constitutional restriction limiting expenditures of certified revenue funds to ninety-five percent (95%) of the estimated revenue, resulting in an increase of available funds to the agency for FY-07.

III. POLICY ISSUES

- a. **HB 1176** modifies the increased funding structure enacted in HB 1078 of the 2005 Session, the provisions of which will be effective July 1, 2007. The \$170.0 million in additional funding for highway and bridge construction, repair and maintenance when fully implemented is increased to \$270.0 million. Each fiscal year the agency will receive a minimum of \$17.5 million while the maximum is increased to \$50.0 million from the maximum of \$35.0 million in General Revenue Fund monies directly apportioned based on a determination by the State Board of Equalization related to growth in the General Revenue Fund included in HB 1078.

The annual funding amounts will be in excess of the amount apportioned in a prior year, until the cumulative amount reached \$270.0 million. Funds apportioned through the provisions of HB 1078 cannot supplant any funding which results from the appropriations process.

HB 1176 continues to provide an additional \$2.0 million for the operations of passenger rail service in Oklahoma and an additional \$3.0 million for either direct expenditure or matching of federal funds for public transit systems in the state.

Other provisions of the measure include the direct apportionment of \$70.0 million for the debt service requirement of the Capital Improvement Program (CIP) initiated in the 1990s, an amount that is appropriated from the General Revenue Fund for the FY-07 budget. In addition, motor fuel monies currently apportioned to the General Revenue Fund will be apportioned to the newly created High Priority State Bridge Revolving Fund to provide an estimated \$7.5 million for the replacement repair and renovation of state bridges. Further, the measure directs investment income from the County Bridge and Road Improvement Fund, the County Road Machinery and Equipment Revolving Fund, the High Priority State Bridge Revolving Fund and the County Improvements for Roads and Bridges Fund to accrue to the funds instead of the General Revenue Fund, providing additional resources for state and local road and bridge improvements.

Also, **HB 1776** modifies the apportionment of motor vehicle collections by re-directing fifteen percent (15.0%) of the amounts currently apportioned to the General Revenue Fund to the newly created County Improvements for Roads and Bridges Fund over a three (3) year phase-in period. Current estimates indicate approximately \$85.0 million will become available for county road and bridge improvements when fully implemented. The State Transportation Commission will administer a program whereby counties will apply for funds from the new fund for specific road and bridge improvement projects through each county's transportation district commissioner and funds will be awarded based on a set of criteria established by the Transportation Commission.

- b. **HB 1061** transfers \$3.0 million from the Secretary of State Revolving Fund to the Highway Construction and Maintenance Fund for a \$1.5 million increase in funding for industrial access roads and \$1.2 million to provide funding for a comprehensive, on-line, real time map of the state highway system to improve the granting of oversize, overweight and special permits to provide permit holders a real time assistance in routing trucks within the system to ensure safe, efficient and economical movement of such vehicles and cargo. The balance of the transferred funds are authorized for highway and bridge maintenance.
- c. **SB 266** increases the amount of certain special maintenance projects completed by the agency without letting contracts from \$200,000 to \$250,000. Such projects with a cost in excess of \$250,000 will require contracting procedures to be utilized. The increase in threshold is the first since and increase from \$100,000 to \$200,000 occurred in 1991.
- d. **SB 1368** authorizes the transfer of all or part of the Chickasaw Turnpike from the Oklahoma Turnpike Authority to the agency. Such a transfer will include a portion of the roadway near Sulphur to provide enhanced access for vehicles and increase its use as a by-pass of the community. Maintenance costs to agency are estimated at \$1,500 per mile annually.
- e. **SB 1390** permits the agency to transfer unencumbered funds in a county's Bridge and Road Improvement Fund account to the county's highway funds in the event of emergency repair needs to a county bridge damaged by natural or man made events. The measure also increases the reimbursement limit on force account county bridge projects from \$100,000 to \$200,000 and directs the agency to maintain drainage structures located within state rights-of-way at intersections of county roads and state highways, codifying the existing general practice of the agency.

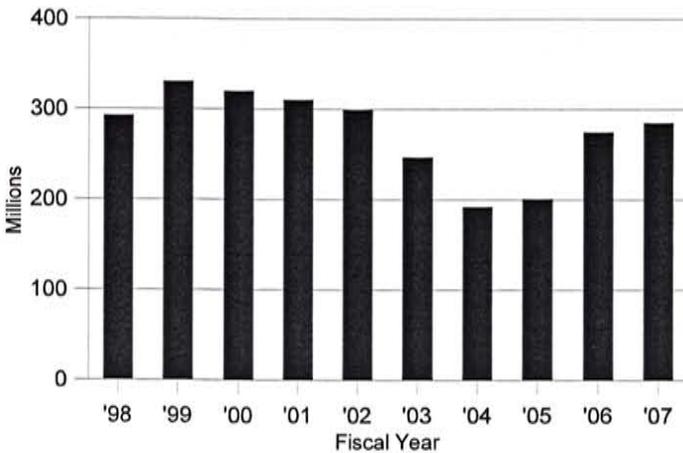
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
Transportation Fund	\$204,426,709	\$217,934,880	6.6%
General Revenue Fund	69,571,428	67,476,968	(3.0)%
Special Cash Fund	1,150,000	0	(100.0)%
Revolving Funds	67,525,000	67,525,000	0.0%
Federal Funds	1,442,326,863	1,902,063,152	31.9%
Total	\$1,785,000,000	\$2,255,000,000	26.3%

V. BUDGET REFERENCES

SB 80XX, Sections 3 through 32

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$310,537,259	FY-06	\$275,148,137
FY-02	\$299,154,666	FY-07	\$285,411,848

Notes:

1. FY-98 reflects the passage of HB 1629, the Roads Program, a five-year funding program for highway construction.
2. FY-06 increase includes fully funding the debt service associated with the Roads Program instituted in FY-98.

TREASURER

Scott Meacham, State Treasurer

Agency #740

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$4,524,498	90.0
FY-07 Adjustments		
a. State Employee Pay Increase	<u>108,199</u>	
Total Adjustments	\$108,199	0.0
FY-07 Appropriation and FTE Authorization	\$4,632,697	90.0
Percent Change from FY-06 to FY-07	2.4%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

- a. **SB 1663** authorizes the State Treasurer to invest in bonds, notes, debentures or other similar obligations of a foreign government which the International Monetary Fund lists as an industrialized country and for which the full faith and credit of such nation has been pledged for the payment of principal and interest, and that any such security must be rated at least A- or better by Standard & Poors Corporation or A3 or better by Moodys Investors Service, or an equivalent investment grade by a securities ratings organization accepted by the National Association of Insurance Commissioners. The total investment in such foreign securities at any one time cannot exceed five percent of the cash available for investment which may be invested. No investments may be made in obligations of a foreign government that is identified as a state sponsor of terrorism by the United States Department of State or any authoritarian or totalitarian government the sovereign powers of which are exercised through a single person or group of persons who are not elected by any form of legitimate popular voting.

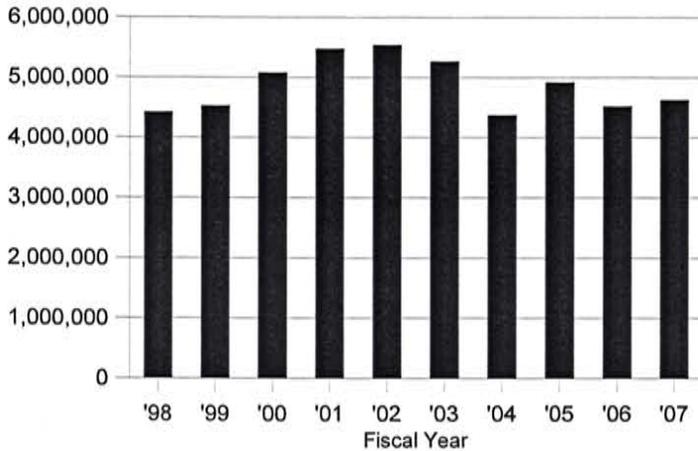
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$4,424,498	\$4,532,697	2.4%
Special Cash	100,000	100,000	0.0%
Carryover	300,000	400,000	33.3%
Revolving Funds	1,687,763	2,549,995	51.1%
Total	\$6,512,261	\$7,582,692	16.4%

V. BUDGET REFERENCES

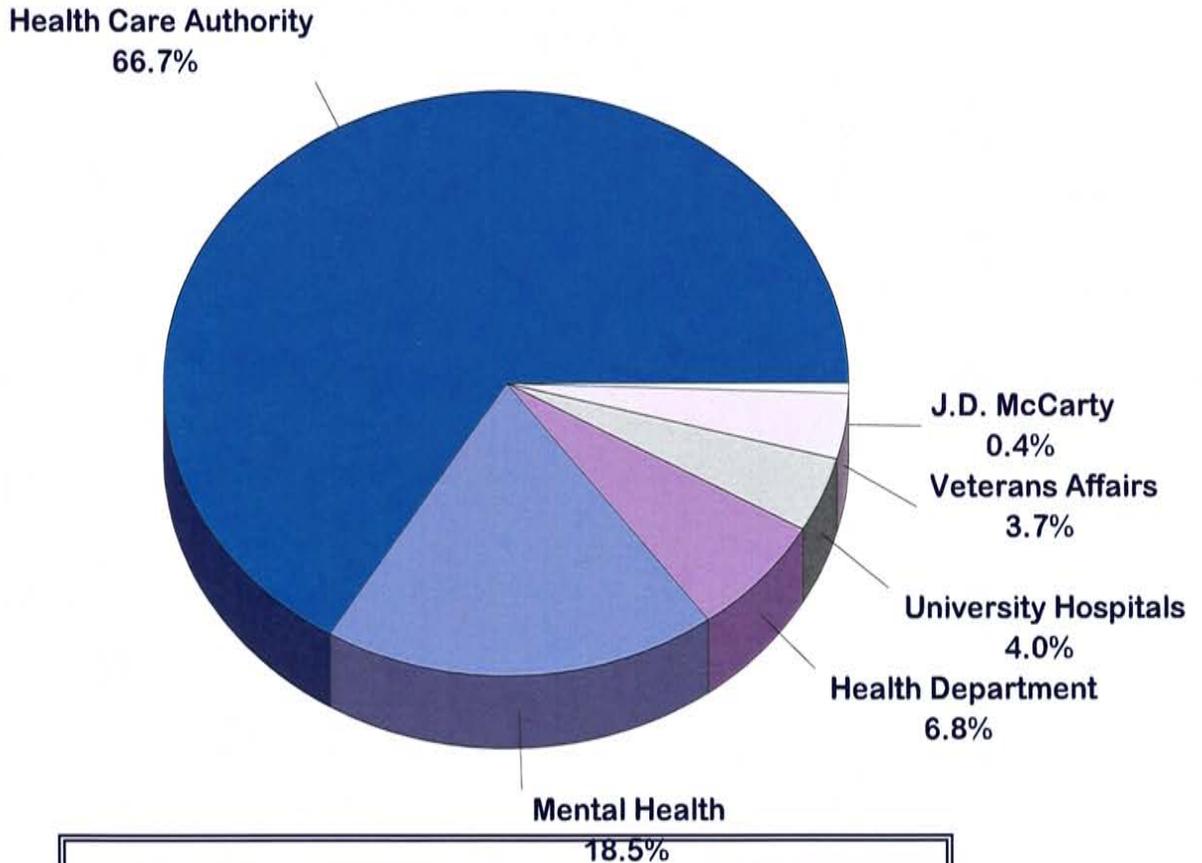
SB 80XX, Sections 27 and 28

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$5,482,722	FY-06	\$4,524,498
FY-02	\$5,547,465	FY-07	\$4,632,697

HEALTH AND SOCIAL SERVICES SUBCOMMITTEE DISTRIBUTION OF FY-07 APPROPRIATIONS



Health Care Authority	\$701,964,163
Mental Health and Substance Abuse	194,703,800
Health Department	71,234,131
University Hospitals Authority	41,665,342
Department of Veterans Affairs	39,324,159
J.D. McCarty Center	<u>4,278,944</u>
Subcommittee Total	\$1,053,170,539

Excludes supplemental appropriations, reappropriations, and Rainy Day Fund spillover transfers.
Includes capital and onetime expenditures.

OKLAHOMA HEALTH CARE AUTHORITY

Mike Fogarty, Chief Operating Officer

Agency #807

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$634,786,355	397.5
FY-07 Adjustments		
Annualizations		
a. FMAP Funding	8,683,392	
b. Medicare A&B Premiums	4,845,891	
c. 12-Month Eligibility	1,814,488	
d. SoonerCare FY-07 Growth and Utilization	40,076,726	
e. Restore Quality of Care Funding	4,606,144	
f. Tobacco Tax Shortfall	8,096,169	
g. State Auditor Contract Increases	10,000	
h. Fiscal Agent Contract Increases	444,866	
i. FY-07 Medicare A & B Premiums	3,143,952	
j. SoonerRide Rate Increase	965,185	
Additional Adjustments		
k. High Risk Obstetrics	622,806	
l. Hospital Provider Rate Increases	13,171,229	
m. Nursing Home and ICF/MR Rate Increases	22,594,707	
n. Medicaid Reform Act of 2006	5,269,296	31.0
o. State Employee Pay Increase	332,957	
p. Medicaid Variance	(12,500,000)	
q. Carryover	(35,000,000)	
Total Adjustments	\$67,177,808	31.0
FY-07 Appropriation and FTE Authorization	\$701,964,163	428.5
Percent Change from FY-06 to FY-07	10.6%	7.8%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Each year, the Centers for Medicare and Medicaid Services (CMS) and other federal agencies adjust the Federal Medical Assistance Percentage (FMAP) calculation to coincide with such factors as inflation and each state's economic status. The appropriation will annualize the costs associated with the increased state matching requirement due to the FMAP reduction from 70.18 percent to 67.91 percent for the first quarter of state fiscal year 2007.
- b. During FY-06, the Legislature provided the agency with partial funding to cover anticipated costs associated with Medicare Part A and B premium increases. Funding is necessary to annualize the cost increases.
- c. This appropriation annualizes the phased-in twelve month eligibility for Medicaid recipients which began January 1, 2006.
- d. Funding will maintain the provider rate increases and the increased enrollment of Medicaid clients in SoonerCare during FY-06 in addition to meeting projected growth in enrollment, increased services utilization and increased prescription drug costs for FY-07.
- e. Section 2002 of Title 56 of the Oklahoma Statutes specifies certain programs and items be supported by the Nursing Facility Quality of Care (QOC) Fee. **HB 2108**, enacted in the 2004 Legislative session, capped the QOC fee and decreased revenue for future fiscal years. Increased costs and utilization of long-term care services and decreased revenue created a budget shortfall in the Quality of Care Fund which is addressed with the appropriation.
- f. Section 302-5 of Title 68 of the Oklahoma Statutes specifies a new tax levy on tobacco products beginning January 1, 2005. The revenue from the additional tax is a dedicated source of funding for several agency programs. To date, the collections from the tobacco tax are approximately 70 percent of the projected collections supporting these programs. The Office of State Finance has projected that with the implementation of new rules at the Tax Commission the amount of funding provided in this item will be sufficient to maintain the affected programs at current levels.
- g. Additional funding will meet the increased cost of the contract with the State Auditor and Inspector's Office provided for by statute in Section 212A of Title 74 of the Oklahoma Statutes.
- h. The fiscal agent contract is an eight-year contract which increases slightly each year. The contract provides for the processing of all Medicaid claim payments. System changes are necessary to process and pay claims for new programs and eligibility groups. The funds will annualize the cost of the contract.
- i. Medicare Part A and B premiums will increase beginning January 1, 2007. The agency projects these funds will be required to meet those increased premium costs for the last six months of FY-07. The appropriation is made to fund these premium increases for those individuals eligible for both Medicaid and Medicare.

- j. The rate for this contract is reviewed and certified annually by an actuary as required by CMS. The increase provides funds for the non-emergency transportation contract.
- k. Funding is provided for at-risk pregnancies to cover additional prenatal services and provide targeted payment adjustments to physicians caring for these patients. Identifying and providing enhanced prenatal care for high-risk pregnancies will decrease complications by anticipating critical care needs prior to delivery.
- l. This appropriation will match \$28.1 million in federal funds providing a total of \$41.3 million for increased hospital provider rates and increased access to health care for all Oklahoma Medicaid beneficiaries. The increased hospital provider rates will allow hospitals to reach the Upper Payment Limit (UPL) beginning January 1, 2007.
- m. The Legislature appropriated funds to increase reimbursement rates for nursing home and intermediate care facilities for the mentally retarded (ICF/MR) by an average of 13.18 percent and 10.32 percent, respectively. These rate increases are effective July 1, 2006.
- n. The Medicaid Reform Act of 2006 is created in **HB 2842**. This appropriation allows the agency to implement the provisions of this legislation including E-Records and Prescribing, waivers, actuarial study for the cash and counseling component, disease management, tiered reimbursement for nursing facilities, health line pilot program, payment error auditors and college student coverage. Thirty-one full-time employees will be necessary for the administration of these programs.
- o. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- p. Based on recent expenditure levels and savings generated by the agency, the Legislature decided to reduce the total budget for the agency by an amount equal to the Medicaid variance for each of the past two fiscal years.
- q. The Legislature directed the agency to utilize one-time carryover to supplement their appropriations for FY-07. It is anticipated these funds will require replacement on a dollar-for-dollar basis in FY-08.

III. POLICY ISSUES

- a. **HB 2102** changes the status of the member of the Medicaid Drug Utilization Review Board representing the Pharmaceutical Research and Manufacturers of America from a voting member to a non-voting member.
- b. **HB 2842** is the Medicaid Reform Act of 2006. The Act directs the agency to develop and submit for approval a waiver application to the Center for Medicare and Medicaid Services which authorizes an initial program within a contiguous area of the state having both rural and urban characteristics. The new program provides Medicaid consumers younger than sixty-five years of age and considered insurable more options in the selection of a health care plan that

meet their needs and allows them to exercise greater control over the medical care they receive. This legislation requires the agency to develop a choice counseling system to ensure Medicaid consumers understand both public and private health insurance options; develop qualified health insurance policies; establish a personal health account system; institute cost-sharing methods, within federal limitations, for eligible persons with family incomes between 133 and 185 percent of the federal poverty level; and ensure that provisions do not negatively affect the delivery of services by tribal health programs and requires the agency to develop a mechanism allowing tribal health programs serving certain populations.

The Act requires the agency to design a database of clinical utilization information or electronic medical records for Medicaid providers; design an electronic prescribing pilot program; and provide a report to the Governor and Legislature within eighteen months of the start of the program. The agency must develop an incentive reimbursement rate plan for nursing facilities; develop a formal program for disease management to improve the quality of care and reduce the cost of care; and develop and administer a plan for the implementation of alternatives for long-term care. The agency is further directed to continue developing a program encouraging the use of primary care services in lieu of emergency room services; develop a pilot program utilizing state-licensed health care professional to perform educational interventions with consumers who frequently utilize emergency room services; and develop a telephone information health line pilot program where physicians are available by telephone twenty-four hours a day to answer medical questions. The agency is also required to establish a method to reduce the payment error rate measurement to five percent by the year 2009.

Other provisions of the Act include requiring hospitals to establish a discount program for hospital charges for self-pay patients with incomes equal to or less than 300 percent of the federal poverty level; creation of the Task Force on Nursing Home Insurance Access; expansion of the membership of the Community Hospitals Authority; expansion of eligibility for the premium assistance program to include parents of children eligible for Medicaid, contingent upon the availability of funds, and authorizing the inclusion of employers with up to 50 employees; amending data submission requirements for hospitals and authorizes the Oklahoma Hospital Advisory Council to include the facility-specific quality indicators in its annual report; and adding a member appointed by the Oklahoma Academy of Pediatrics to the Advisory Committee on Medical Care for Public Assistance Recipients. Repealers eliminate the requirements of certain hospitals to verify the source of annual net revenues and the Uncompensated Care Equalization Committee.

- c. **SB 2017** is the “Oklahoma Persons with Disabilities Transition Act,” and states that subject to the availability of funds, the agency will establish and maintain a three year pilot program to assist a minimum of 10 qualified individuals with disabilities living in institutions annually to transition into a community living situation.

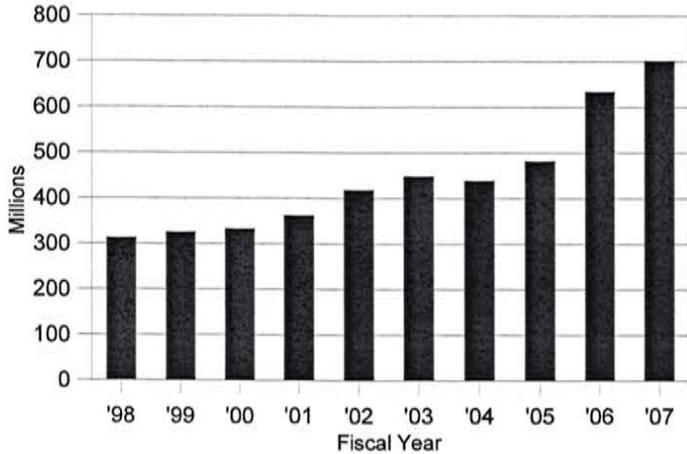
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$603,481,864	\$701,964,163	16.3%
Special Cash Fund	18,000,000	0	(100.0)%
Carryover	13,581,928	44,006,618	224.0%
Tobacco Settlement Funds	13,304,491	0	(100.0)%
Tobacco Tax Revenue	95,356,783	94,577,736	(0.8)%
Quality of Care	54,485,401	53,839,588	(1.2)%
Drug Rebates	97,912,209	73,635,096	(24.8)%
Supplemental Drug Rebates	0	6,000,000	N/A
Medical Refunds	14,698,666	18,781,079	27.8%
Other State Agencies	256,279,255	260,075,574	1.5%
Other Revenue	1,108,806	673,260	(39.3)%
Federal Medicaid Funds	2,238,529,744	2,392,189,049	6.9%
Total	\$3,406,739,147	\$3,645,742,163	7.0%

V. BUDGET REFERENCES

SB 80XX, Section 46; HB 1071XX, Sections 1 through 7

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$362,804,698	FY-06	\$634,786,355
FY-02	\$418,679,264	FY-07	\$701,964,163

Notes:

1. Revenue shortfalls and onetime transfers resulted in an actual appropriation of \$413,559,746 for FY-03.
2. The significant increase in FY-06 General Revenue was a result of the FMAP reduction and the funding for provider rates.
3. The increase in carryover budget for FY-07 is the result of significant saving generated by the agency and changes in reimbursement methodologies. The projected decrease in available revenue from drug rebates is a result of the implementation of Medicare Part D for dual-eligible consumers beginning January 1, 2006.

HEALTH DEPARTMENT

Dr. Michael Crutcher, Commissioner

Agency #340

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$62,790,819	2,540.0
FY-07 Adjustments		
a. Children First	650,000	
b. Office of Child Abuse Prevention	650,000	
c. Ryan White Drug Program	604,000	
d. Breast and Cervical Cancer Screening	634,000	
e. Alternatives-to-Abortion	39,661	
f. Oklahoma Health Care Project	(39,661)	
g. Colon Cancer Screening	500,000	
h. Pandemic Influenza Vaccine	500,000	
i. Institute for Disaster & Emergency Medicine	3,000,000	
j. Mobile Dental Unit	100,000	
k. Dental Loan Repayment Program	196,200	
l. FQHC Technical Assistance	500,000	
m. OSBENHA Funding	100,000	
n. Primary Health Care Development Fund	(1,000,000)	
o. State Employee Pay Increase	<u>2,009,112</u>	
Total Adjustments	\$8,443,312	0.0
FY-07 Appropriation and FTE Authorization	\$71,234,131	2,540.0
Percent Change from FY-06 to FY-07	13.4%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation allows the Children First program to hire ten additional nurses and serve more first-time mothers and their children in FY-07.
- b. Additional funds are appropriated for the Office of Child Abuse Prevention (OCAP). The appropriation available for the OCAP for FY-07 totals \$3,336,482.

- c. The appropriation supports the Ryan White Drug Program and allows purchase of new anti-retroviral medications for persons at or below 200 percent of the Federal Poverty Level.
- d. The funding will be used to provide breast and cervical cancer screening for a minimum of 1,700 more women in FY-07. Funding for breast and cervical cancer screening has increased by \$1,384,000 since FY-05.
- e. Funding is provided for the “Alternatives-to-Abortion Services Revolving Fund” created in **SB 1742**. These funds shall not be available to any organization or affiliate which provides or promotes abortions or directly refers individuals for abortions.
- f. Funding for the Oklahoma Health Care Project was eliminated.
- g. The appropriation will provide colon cancer screenings.
- h. Funds allow purchase of 36,815 doses of influenza vaccine and anti-virals as a first step in addressing a pandemic influenza outbreak. This vaccine will not be used to meet the needs of a normal influenza season.
- i. This funding will create and operate the Institute for Disaster and Emergency Medicine through the University of Oklahoma College of Medicine - Tulsa. The institute will establish an allopathic emergency medicine residency program and develop organization supporting emergency and disaster medicine through education and clinical research.
- j. A one-time appropriation will provide the start-up expense to operate the two mobile dental units recently purchased by the Oklahoma Dental Foundation. The mobile units will provide oral health care to those Oklahomans who do not have access to a dentist.
- k. Funds address the requirements of **SB 1737**, which creates the Dental Loan Repayment Act. The Act establishes a program designed to increase the number of dentists serving and caring for those dependent upon the state for dental care and makes dental care accessible to under-served metropolitan and rural areas by providing educational loan repayment assistance for up to five Oklahoma licensed dentists per year. The cost of annualizing this program for FY-08 will be \$150,000.
- l. This appropriation provides for technical assistance in the development of new Federally Qualified Health Centers (FQHC) and increases access to primary health services for low-income Oklahomans. The total funding available for technical assistance in FY-07 is \$700,000.
- m. The Oklahoma State Board of Examiners for Nursing Home Administrators (OSBENHA) is a non-appropriated state agency dependent on fees to fund and support the functions of the agency. During FY-06, this agency underwent significant changes in structure and operations as a result of **HB 1453**. A one-time appropriation will allow the agency to function during the transition.

- n. During 2005, the Legislature created the Primary Health Care Development Revolving Fund in **HB 1083** and appropriated \$1,000,000 in one-time funds for the improvement and creation of FQHC in Oklahoma. The one-time funding was eliminated during the 2006 session.
- o. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

- a. **HB 2373** creates the Oklahoma Leukemia and Lymphoma Revolving Fund and an income tax check-off for donations to the Fund. Any monies generated from donations will be used to support voluntary health agencies dedicated to curing leukemia, lymphoma, Hodgkin's disease and myeloma and to improve the quality of life of patients and their families.
- b. **HB 2585** establishes standards for emergency management in Oklahoma consistent with those of the National Incident Management System, using the Incident Command System, and creates an Oklahoma Intrastate Mutual Aid Compact. Signatories of the compact will recognize the need for intergovernmental coordination to provide mutual assistance in the prevention of, response to and recovery from disasters.
- c. **HB 2655** creates the Oklahoma Farm to School Program. The Farm to School Program will provide fresh, high quality, locally grown foods to school cafeterias and teach students about healthy eating through nutrition education.
- d. **HJR 1010** creates a 20-member Oklahoma Task Force to Stop Sexual Violence. The task force is to study and make recommendations concerning the funding of awareness and prevention education programs and improvement of sexual violence investigation techniques through increased communication between local law enforcement agencies and sexual violence organizations.
- e. **SB 806** legalizes the tattooing of persons 18 years of age and older and requires tattoo artists to be licensed by the agency.
- f. **SB 990** includes new language creating the "Genetic Counseling Licensure Act," prohibiting the use of certain titles without proper licensing, authorizing the State Board of Health to promulgate rules, assess fees, and issue licenses and establishing continuing education standards. The bill also creates the "Genetic Counseling Licensure Revolving Fund".
- g. **SB 1308** increases membership of the Oklahoma Breast and Cervical Cancer Prevention and Treatment Advisory Committee from 18 to 20 members to include two members from the Oklahoma Health Care Authority.

- h. **SB 1394** is the “Health Care Workforce Resources Act,” creating the Health Care Workforce Resources Center, and the Health Care Workforce Resources Board. The Center will coordinate, facilitate and communicate statewide efforts to meet supply and demand needs for Oklahoma’s health care workforce.
- i. **SB 1412** creates the OK Prevent Birth Defects, Premature Birth and Infant Mortality Fund to provide grants to the Oklahoma Chapter of the March of Dimes.
- j. **SB 1467** requires the Oklahoma Department of Education and the agency to make available to local school boards, at the beginning of each school year, information on immunizations, infectious disease, medications or other school health issues to parents and guardians of students in grades 6, 7, and 8 including information concerning meningococcal meningitis and available vaccines.
- k. **SB 1624** modifies requirements for stretcher aid van services to include municipalities contiguous to those with populations exceeding 300,000 people. The measure also states that an advance directive cannot authorize the withholding or withdrawal of nutrition and /or hydration unless it is specifically stated in a separate section of the advance directive.
- l. **SB 1707** authorizes the Commissioner of Health to distribute information from the sex offender registry to any nursing home or long-term care facility.
- m. **SB 1737** creates the Oklahoma Dental Loan Repayment Act to provide educational assistance to up to five Oklahoma licensed dentists per year. Recipients of such financial assistance will be required to serve and care for those dependent upon the state for dental care and to make dental care accessible to under-served metropolitan and rural areas.
- n. **SB 1742** establishes penalties for convictions of willfully killing an unborn child to be the death penalty, life imprisonment or life imprisonment without the possibility of parole. This legislation requires a physician performing an abortion to inform the patient of the possibility of pain felt by an unborn child after 20 weeks of development and requires that a patient be given an opportunity to undergo an ultrasound imaging and heart tone monitoring procedure before obtaining an abortion. SB 1742 also creates the Alternatives-to-Abortion Services Revolving Fund.
- o. **SB 1795** requires the agency to form an advisory committee to make recommendations to the Board of Health for vision screening standards for elementary school students.
- p. **SB 1803** creates an Office of Accountability Systems within the agency and sets forth the duties of the office.

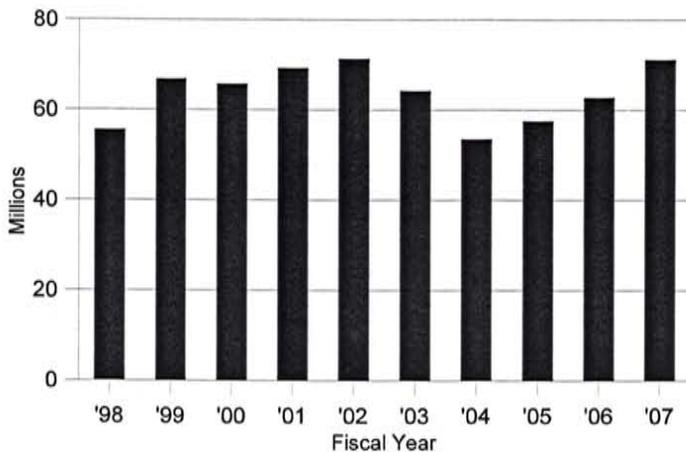
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$61,790,819	\$71,234,131	15.3%
Special Cash Funds	1,000,000	0	(100.0)%
Revolving Funds	59,589,398	73,886,841	24.0%
Federal Funds	176,840,078	183,005,714	3.5%
Total	\$299,220,295	\$328,126,686	9.7%

V. BUDGET REFERENCES

SB 80XX, Section 44; SB 34XX, Sections 1 through 16

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$69,300,271	FY-06	\$62,790,819
FY-02	\$71,436,628	FY-07	\$71,234,131

Notes:

1. FY-97, FY-98 and FY-99 saw an increase in funding for services for children and pregnant women.
2. Revenue shortfalls resulted in an actual appropriation of \$59,402,967 for FY-03.
3. The significant increase in revolving funds for FY-07 is based on projected revenue from the tobacco tax and carryover in the Trauma Care Assistance Revolving Fund. Only one payment was made to hospitals from the Trauma Care Assistance Revolving Fund in FY-06, but two payments will be made from this fund in FY-07.

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

Curtis Peters, Director

Agency #670

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$3,792,283	205.0
FY-07 Adjustments		
a. Operations Shortfall	207,629	
b. State Employee Pay Increase	279,032	
c. Additional Therapists	<u>0</u>	<u>4.0</u>
Total Adjustments	\$486,661	4.0
FY-07 Appropriation and FTE Authorization	\$4,278,944	209.0
Percent Change from FY-06 to FY-07	12.8%	2.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Funding is provided to correct an operations funding shortfall created by a decrease in the Federal Medical Assistance Percentage (FMAP) rate for FFY-06. The appropriation is made to maintain current inpatient and outpatient service levels in the agency.
- b. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- c. Four additional full-time employees (FTE) are authorized for speech, physical and occupational therapists. Salaries for these employees will be met by increased revenue generated by the enhanced ability to serve more children, additional contracts with public school systems and increased federal reimbursements.

III. POLICY ISSUES

None

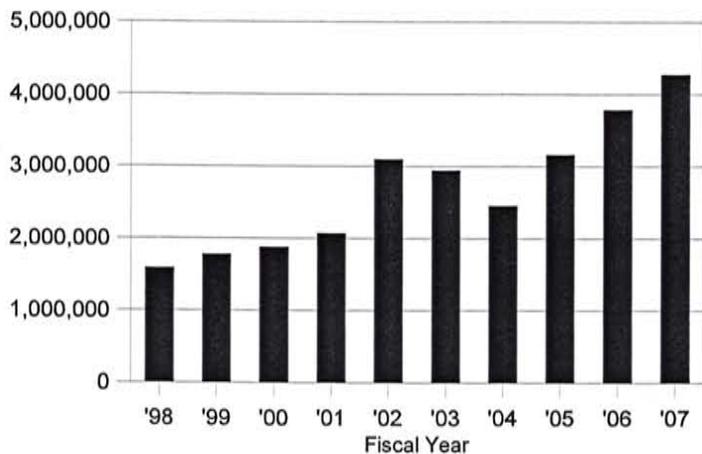
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$3,792,283	\$4,278,944	12.8%
Revolving Funds	8,707,717	8,638,033	(0.8)%
Total	\$12,500,000	\$12,916,977	3.3%

V. BUDGET REFERENCES

SB 80XX, Section 47; HB 1073XX, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$2,070,083	FY-06	\$3,792,283
FY-02	\$3,101,630	FY-07	\$4,278,944

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-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$171,810,647	2,575.0
FY-07 Adjustments		
a. Rate Adjustment for MH & SA Providers	2,250,000	
b. Newer Generation Medications	277,163	
c. Program for Assertive Community Treatment	700,000	
d. Boys and Girls Clubs of America	300,000	
e. Children's Systems of Care Services	935,062	
f. Mental Health Court/Jail Diversion Program	1,200,000	
g. Drug Court Expansion	8,000,000	
h. Recovery Homes/Residential Care Rate Increase	300,000	
i. Adolescent Crisis Response System	1,593,750	
j. Services for Transitional Youth	622,500	
k. Cores Services for Children	408,750	
l. Residential Adolescent SA Treatment	1,500,000	
m. Assessment and Crisis Stabilization Center	1,500,000	
n. State Employee Pay Increase	<u>3,305,928</u>	
Total Adjustments	\$22,893,153	0.0
FY-07 Appropriation and FTE Authorization	\$194,703,800	2,575.0
Percent Change from FY-06 to FY-07	13.3%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Many fee-for-service provider rates paid by the agency have not been increased in more than a decade. These rates are well below the Medicaid rates currently paid for the same services through the Oklahoma Health Care Authority. The Legislature provided this funding to increase these rates beginning October 1, 2006, and provide approximately 31 percent of the total amount necessary to increase the rates to the Medicaid level. The cost of annualizing this component for FY-08 will be \$750,000.

- b. The appropriation provides additional resources to spend on new generation medications and to reduce the State's dependence on charitable contributions by pharmaceutical companies. The total amount allocated for newer generation medications in FY-07 will be a minimum of \$6,502,163.
- c. The Legislature funded the Program for Assertive Community Treatment (PACT) for six months through the addition of three new teams in Carter, Seminole, and Kay County during FY-06. This funding annualizes these programs for FY-07.
- d. The appropriation is designated to provide funding for adolescent mental health services offered through Boys and Girls Clubs of America.
- e. Funds are provided to establish the state match for a federal grant related to the Children's System of Care program.
- f. Mental health courts and jail diversion programs provide mechanisms for addressing the problems created when persons with mental illnesses interact with the criminal justice system. Funds are appropriated to meet the startup and operations expenses of ten (10) new mental health courts and jail diversion programs, fund co-occurring disorder therapists and discharge planners at the Oklahoma State Penitentiary, Joseph Harp and Mabel Bassett and to establish four Intensive Coordination Teams to work with persons immediately upon release from prison to ensure linkage and engagement in needed outpatient services. The programs begin January 1, 2007, and the annualized cost will be \$1,250,000 in FY-08.
- g. The appropriation annualizes funding for treatment services and administrative costs at the 46 drug courts currently operating throughout the State, including the six new courts initiated in FY-06 and the three new adult drug courts to be created in FY-07. The total number of drug court treatment slots available during FY-07 will be 4,000.
- h. Recovery Homes and Residential Care facilities provide a critical service in the continuum-of-care for persons with severe mental illness. The funding will increase the Residential Care per diem rate from \$9.50 to \$10.00 per day at a cost of \$169,000. The remaining \$131,000 will be used to fully fund currently qualified Recovery Homes and allow for growth. The cost of annualizing this item is projected to be \$101,329 in FY-08.
- i. Funds will allow development of a 24-hour behavioral health crisis response system for children and youth. The appropriation will create 15 mobile crisis teams to provide mental health and substance abuse emergency services on a 24-hour basis for adolescents under 18 years of age. The funding will also create two regional crisis stabilization units to quickly assess a child in crisis, stabilize the minor, and refer the individual to an appropriate level of care. The project commences October 1, 2006, with the cost of annualizing these programs projected to be \$531,250 in FY-08.
- j. The Legislature appropriated funds to create services for transitional youth. The funds will assist approximately 50 low-income individuals, between 17 and 24 years of age with mental illness or co-occurring disorders, per month who are discharging from psychiatric inpatient care, the Department of Corrections, the Office of Juvenile Affairs or in transition from the foster care

system with accessing and maintaining decent, safe, sanitary, and affordable housing. The funding will also provide additional wrap-around and employment services to youth older than 15 years of age in five Systems of Care communities. These programs will commence October 1, 2006, with the cost of annualizing these programs estimated to be \$207,500 for FY-08.

- k. Funding allows Community Mental Health Centers (CMHC) to partner with local schools, child care centers, and other community agencies, utilizing evidence-based interventions to increase core mental health services for an estimated 1,800 children and youth. The early intervention programs will commence October 1, 2006, while the cost of annualizing the program will be \$136,250 for FY-08.
- l. The appropriation funds two 25-bed inpatient adolescent substance abuse treatment facilities. Each residential facility will be complimented by Multi-Dimensional Family Treatment (MDFT) services delivered to the adolescent and his or her family in their community. Each facility will treat approximately 600 adolescents and their families each year, beginning October 1, 2006, with the cost of annualizing the program item projected to be \$500,000 for FY-08.
- m. A gap in mental health services in many areas of the state is the availability of 24-hour assessment and crisis stabilization services, such as those available in Tulsa and Oklahoma City. The Legislature appropriated this funding to establish an assessment and crisis stabilization center to serve Cleveland County and many counties in southern Oklahoma currently sending patients directly to the Griffin Memorial Hospital (GMH) in Norman. The new facility will serve as the front door for public mental health and addiction services for southern Oklahoma. In addition, as many as 20 persons a day currently treated at GMH could be served in this more appropriate setting.
- n. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

- a. **HB 2485** amends the “Uniform Controlled Dangerous Substances Act” by clarifying the definition of a synthetic controlled substance as it relates to substances containing *Salvia divinorum* and creates the “Task Force on Adolescent Substance Abuse and Misuse of Household Items.” The twelve member task force will publish its findings and recommendations by January 1, 2007.
- b. **HB 2517** requires state occupational oversight entities to establish a procedure for an individual to apply for reinstatement of their occupational license if their felony or misdemeanor causing the suspension or revocation of the license was the result of mental illness or substance abuse. This legislation does not mandate that an oversight entity approve a request, but it must have a procedure in place for consideration of requests by November 1, 2006.
- c. **HB 2662** permits a drug court judge to enter an order to stay the revocation, suspension, cancellation, or denial of the Class D driver’s license of a drug court participant, if the judge determines the participant has no other means of transportation.

- d. **HB 2865** amends Title 43A of the Oklahoma Statutes and is the agency requested clean-up bill. The legislation clarifies terms and procedures, removes obsolete language and reorganizes some sections to make locating information about certain topics easier to find in the statutes.
- e. **HB 3056** is the “Prevention of Youth Access to Alcohol Act.” The legislation increases the fines and penalties for any person convicted of selling or serving low-point beer to a minor and increases the fines and community service penalties for any minor convicted of possession, consumption, purchase or attempt to purchase low-point beer.

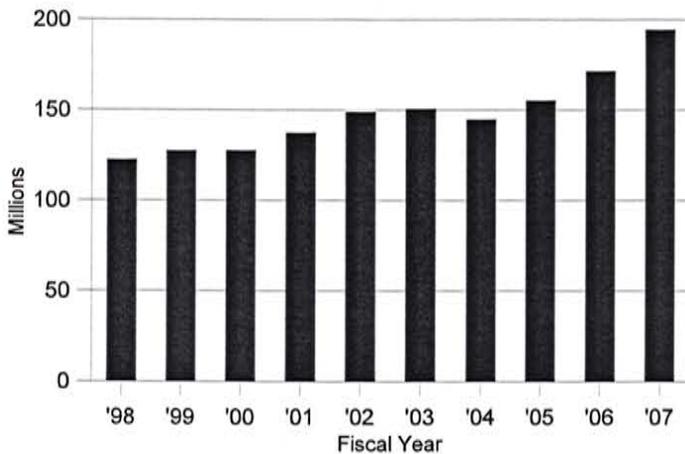
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$171,810,647	\$194,703,800	13.3%
Carryover	4,000,000	2,500,000	(37.5)%
Revolving Funds	39,196,167	41,195,625	5.1%
Federal Funds	38,814,652	39,292,832	1.2%
Total	\$253,821,466	\$277,692,257	9.4%

V. BUDGET REFERENCES

SB 80XX, Section 43; SB 36XX, Sections 1 through 6

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$137,561,733	FY-06	\$171,810,647
FY-02	\$149,135,211	FY-07	\$194,703,800

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-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$40,549,342	10.0
FY-07 Adjustments		
a. Restoration of FMAP for DSH, Trauma & Medflight	276,000	
b. Restoration of FMAP for GME Programs	<u>840,000</u>	
Total Adjustments	\$1,116,000	0.0
FY-07 Appropriation and FTE Authorization	\$41,665,342	10.0
Percent Change from FY-06 to FY-07	2.8%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Funds are provided to increase state matching funds due to a decrease in the Federal Medical Assistance Percentage (FMAP) rate for FFY-06. The appropriation was made to maintain current service levels in the Disproportionate Share to Hospitals (DSH) program for uncompensated care, the Level I Trauma Center, and the Medflight program.
- b. The Graduate Medical Education (GME) program for hospitals and medical schools required an increase in the state matching funds because of a decrease in the FMAP rate for FFY-06. The appropriation was made to maintain the current service levels through the Hospital and Dean's GME programs through the Oklahoma State University and University of Oklahoma medical schools.

III. POLICY ISSUES

None

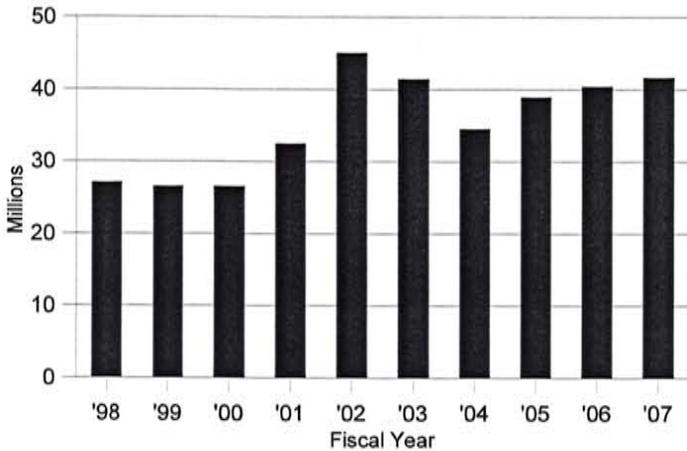
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$40,549,342	\$41,665,342	2.8%
Federal Funds	75,546,816	79,945,122	5.8%
Total	\$116,096,158	\$121,610,464	4.8%

V. BUDGET REFERENCES

SB 80XX, Section 45; HB 1075XX, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$32,497,970	FY-06	\$40,549,342
FY-02	\$45,149,895	FY-07	\$41,665,342

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-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$36,040,332	1,998.0
FY-07 Adjustments		
a. Patient Care Assistants and Operations	1,000,000	
b. State Employee Pay Increase	<u>2,283,827</u>	
Total Adjustments	\$3,283,827	0.0
FY-07 Appropriation and FTE Authorization	\$39,324,159	1,998.0
Percent Change from FY-06 to FY-07	9.1%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. The appropriation allows the hiring of new patient care assistants to improve staffing levels at veterans centers.
- b. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

- a. **SB 1318** authorizes the agency to provide an employer-based program for training nurse aides for purposes of certification by the State Department of Health.
- b. **SB 1333** authorizes stretcher aid van transports to and from any federal or state veterans facility.

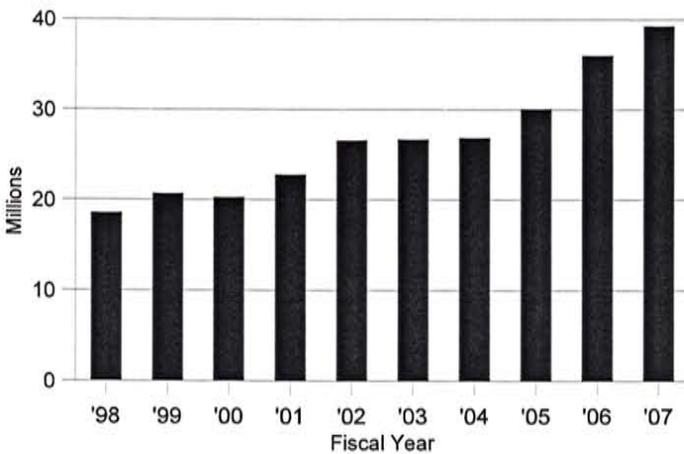
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$36,040,332	\$39,324,159	9.1%
Carryover	2,216,076	3,631,966	63.9%
Revolving Funds	29,587,992	32,526,878	9.9%
Federal Funds	31,655,600	33,034,891	4.4%
Total	\$99,500,000	\$108,517,894	9.1%

V. BUDGET REFERENCES

SB 80XX, Section 48; SB 38XX, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY

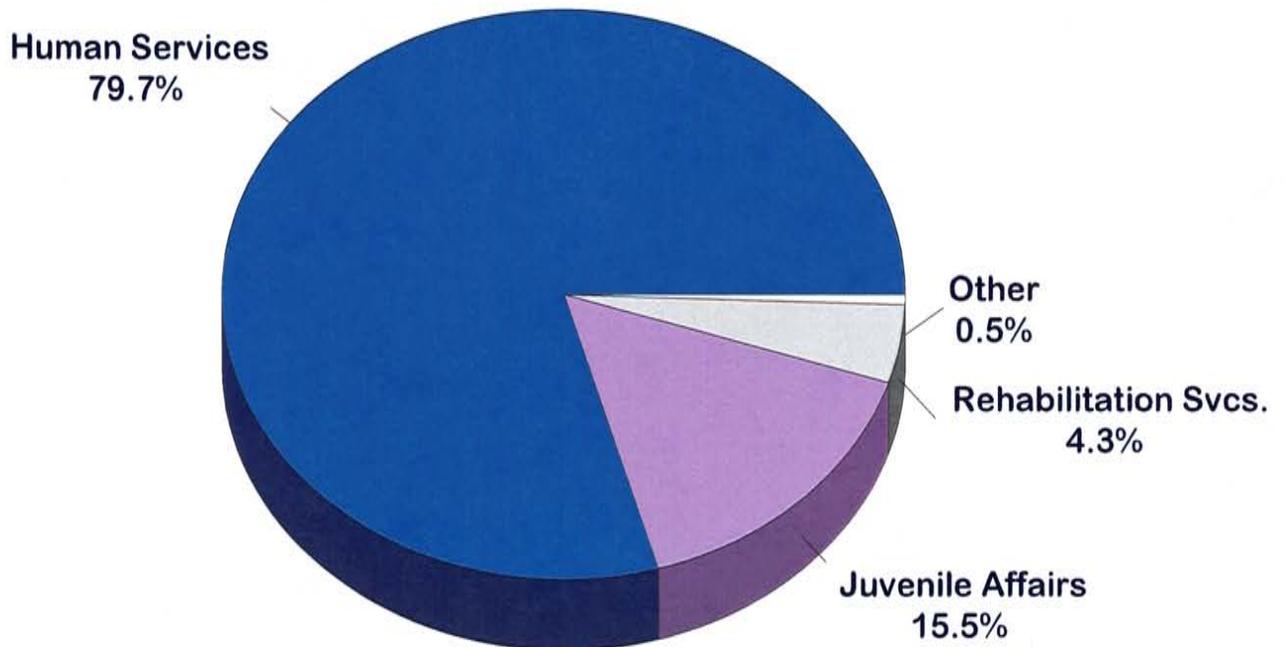


FY-98	\$18,625,135	FY-03(Orig.)	\$26,687,506
FY-99	\$20,654,195	FY-04	\$26,943,202
FY-00	\$20,316,847	FY-05	\$30,091,172
FY-01	\$22,791,233	FY-06	\$36,040,332
FY-02	\$26,570,641	FY-07	\$39,324,159

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.
3. The increased carryover for FY-07 was due to vacant patient care assistant positions that are difficult to fill at some facilities.

HUMAN SERVICES SUBCOMMITTEE DISTRIBUTION OF FY-07 APPROPRIATIONS



Department of Human Services	\$535,797,324
Office of Juvenile Affairs	104,219,585
Rehabilitation Services	29,213,250
<u>Other</u>	
Children and Youth	2,101,609
Human Rights Commission	704,310
Office of Handicapped Concerns	381,813
Indian Affairs Commission	<u>257,732</u>
Subcommittee Total	\$672,675,623

Excludes supplemental appropriations, reappropriations, and Rainy Day Fund spillover transfers.
Includes capital and onetime expenditures.

OKLAHOMA COMMISSION ON CHILDREN AND YOUTH

Janice Hendryx, Director

Agency #127

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$1,725,018	29.5
FY-07 Adjustments		
a. Deletion of One-time Appropriations	(3,000)	
b. State Employee Pay Increase	35,591	
c. Replace Title IV-E Funds	151,000	
d. Replace Medicaid Funds	150,000	
e. Child Death Review Board	37,000	
f. Child Abuse Training	<u>6,000</u>	
Total Adjustments	\$376,591	0.0
FY-07 Appropriation and FTE Authorization	\$2,101,609	29.5
Percent Change from FY-06 to FY-07	21.8%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. One-time appropriations for computer equipment were removed.
- b. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- c. Funds are provided to replace federal Title-IV-E Foster Care administration funds that the agency had been using in previous fiscal years to maintain operation of existing programs.
- d. This appropriation replaces federal Medicaid funds which have been reduced and allows the agency to continue to expand the JOIN database project. JOIN is a state website that serves clients that are Medicaid eligible, are living in poverty, or might have other needs for assistance from the state's health and human services agencies. In the past year, the agency has linked this effort with the 211 program under the Department of Human Services to provide information on public and private community assistance.
- e. Funding allows the Child Death Review Board to continue to operate at its current services level. During the last four years, the Board has been partially funded through a federal grant, used to maintain its database, which is now being eliminated.
- f. Increased funds will be used to provide greater training to medical professionals in the areas of child abuse and neglect.

III. POLICY ISSUES

- a. **HB 3042** expands the terms for members of the Commission from a maximum of two terms to a maximum of three terms. The bill also sets expiration dates for current members' terms.
- b. **HB 2840**, the Kelsey Smith-Briggs Child Protection Act, includes a provision which requires the agency to establish a voluntary dispute resolution program for foster parents when they have disputes with the Department of Human Services, Office of Juvenile Affairs, or other child placing agencies. Provisions also allow the Office of Juvenile System Oversight (OJSO) to submit reports to the court and parties in a case when the OJSO has investigated the case and determines that a child is at serious risk of harm. The court or the parties may request that OJSO be present to discuss the report.

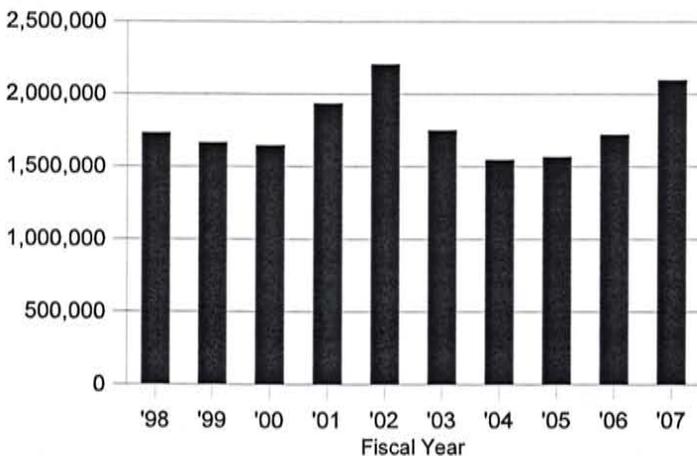
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$1,725,018	\$2,101,609	21.8%
Carryover	149,989	205,000	36.7%
Federal Funds	1,061,124	837,970	(21.0)%
Revolving Funds	140,000	130,000	(7.1)%
Total	\$3,076,131	\$3,274,579	6.5%

V. BUDGET REFERENCES

SB 80XX, Section 33; HB 1083XX, Sections 1 through 3

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$1,940,308	FY-06	\$1,725,018
FY-02	\$2,209,406	FY-07	\$2,101,609

OFFICE OF HANDICAPPED CONCERNS

Steve Stokes, Director

Agency #326

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$376,944	8.0
FY-07 Adjustments		
a. Deletion of One-time Appropriations	(4,000)	
b. State Employee Pay Increase	<u>8,869</u>	
Total Adjustments	\$4,869	0.0
FY-07 Appropriation and FTE Authorization	\$381,813	8.0
Percent Change from FY-06 to FY-07	1.3%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. One-time appropriations for a Merit Protection case were removed from the agency's base appropriation level.
- b. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

None

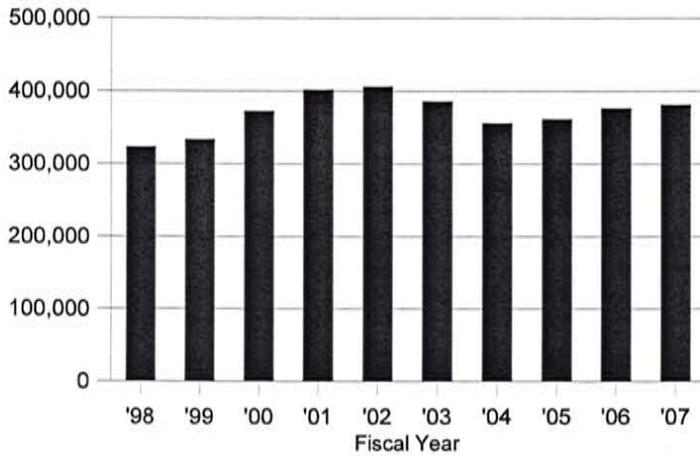
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$376,944	\$381,813	1.3%
Federal Funds	135,000	135,000	0.0%
Total	\$511,944	\$516,813	1.0%

V. BUDGET REFERENCES

SB 80XX, Section 34; HB 1085XX, Sections 1 through 3

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$402,233	FY-06	\$376,944
FY-02	\$406,608	FY-07	\$381,813

HUMAN RIGHTS COMMISSION

Kenneth Kendricks, Director

Agency #355

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$686,563	28.0
FY-07 Adjustments		
a. State Employee Pay Increase	<u>17,747</u>	
Total Adjustments	\$17,747	0.0
FY-07 Appropriation and FTE Authorization	\$704,310	28.0
Percent Change from FY-06 to FY-07	2.6%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

None

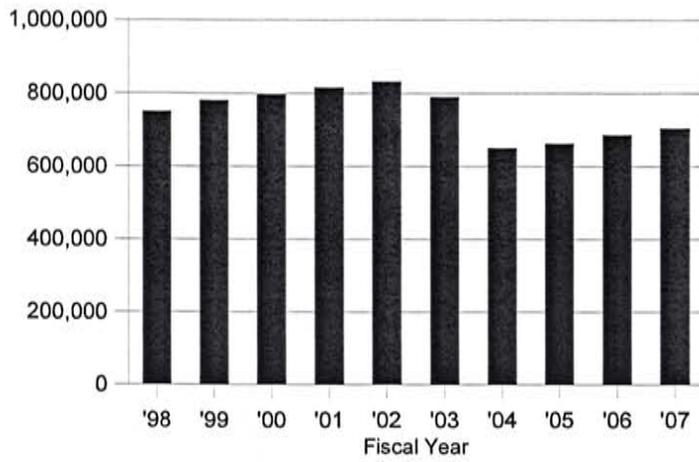
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$686,563	\$704,310	2.6%
Carryover (State)	60,000	14,000	(76.7)%
Federal Funds	483,437	420,770	(13.0)%
Carryover (Federal)	270,000	294,000	8.9%
Total	\$1,500,000	\$1,433,080	(4.5)%

V. BUDGET REFERENCES

SB 80XX, Sections 35; HB 1087XX, Sections 1 through 3

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$816,753	FY-06	\$686,563
FY-02	\$831,973	FY-07	\$704,310

DEPARTMENT OF HUMAN SERVICES

Howard Hendrick, Director

Agency #830

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$481,991,177	7,655.0
FY-07 Adjustments		
a. State Employee Pay Increase	6,036,022	
b. Decrease in Federal Medical Assistance Percentage	5,299,999	
c. Advantage Care Shortfall	1,800,000	
d. Advantage Care Growth	4,800,000	
e. Foster Care Growth	4,400,000	
f. Adoption Assistance Growth	907,000	
g. Reduction in Developmental Disabilities Waiting List	2,000,000	
h. Child Care Subsidy Funding	9,200,000	
i. Increase in Child Care Specialists	3,484,514	49.0
j. DDS/Advantage Provider Rate Increases	3,000,000	
k. DDS Foster Care Rate Increase	266,000	
l. Emergency Shelters Rate Increase	16,000	
m. Foster Care and Adoption Rate Increases	3,000,000	
n. Child Support Enforcement	1,500,000	
o. Level D+/E Group Homes Rate Increase	1,900,000	
p. Debt Service on DHS Capital Improvements	1,297,611	
q. Senior Nutrition Funds Shortfall	2,500,000	
r. Replace Federal Funds for TFC Rate Increase	1,400,000	
s. Mentally Retarded Group Home Funding	699,001	
t. 2-1-1 Call Center Funding	<u>300,000</u>	_____
Total Adjustments	\$53,806,147	49.0
FY-07 Appropriation and FTE Authorization	\$535,797,324	7,704.0
Percent Change from FY-06 to FY-07	11.2%	0.6%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funds will offset the loss of federal funds to the agency as a result of the decrease in the Federal Medical Assistance Percentage (FMAP). DHS was one of several agencies, including the Office of Juvenile Affairs, Oklahoma Health Care Authority, and the Department of Mental Health and Substance Abuse Services, receiving a decrease related to a change in the FMAP rate.
- c. Funds are intended to offset an FY-06 shortfall in the Advantage Care Waiver program, which provides medical services to the elderly within their homes, keeping them out of nursing homes, thus providing adequate care at a significantly reduced cost to the state.
- d. This appropriation supports program growth in the Advantage Care Waiver program discussed in budget adjustment "c".
- e. These funds cover program growth in the Family Foster Care program. Between April 2005 and 2006, the average daily family foster care population increased from 6,772 to 7,652. Family Foster Care is less restrictive and costly than other alternatives, such as shelter care.
- f. This appropriation provides for program growth in the Adoption Assistance program. Oklahoma is one of the leading states nationwide in the adoption of children in state custody with more than 1,000 such children being placed over the past four years. Adoption Assistance, like Family Foster Care, is less restrictive and less costly than shelter care.
- g. Funds will provide services to 265 persons on the Developmental Disabilities Services Division (DDSD) Waiting List. Presently there are approximately 2,860 persons awaiting such services.
- h. Increased funding will allow the current child care subsidy rate structure to remain in place for eligible families. This funding is part of an ongoing effort to replace federal reserve funds that have been used since the inception of the agency "Reaching for the Stars" child care program.
- i. This appropriation allows the agency to employ an additional 100 Child Welfare workers to implement the provisions within **HB 2840**, the Kelsey-Smith-Briggs Child Protection Act. The FTE limit will increase only by 49, rather than 100, because school-based social workers who are paid by the agency, but who are school district employees, have been excluded under the FTE budgetary limitations established in Section 16 of Senate Bill 42XX.
- j. Funds will allow an increase in the Habilitative Training Specialists, Daily Living Supports, Personal Care Services, and Job Coaching rates by 2.86 percent. These rates affect contractors who provide services to the developmentally disabled and the elderly. Of this funding, 70 percent will be targeted to the direct care staff.

- k. This appropriation increases funding by 25 percent to allow the agency to maintain and recruit a sufficient number of persons to participate in the DDS Foster Care program. The goal of Specialized Foster Care is to establish a family setting for persons with developmental disabilities.
- l. The funds allow for increases in the provider rate to those contracted state emergency shelters of approximately \$5.00 per day to nearly \$10.00 per day, depending on a participant's age, with those from birth to five years receiving the higher rate.
- m. This appropriation increases the foster care and adoption assistance rates by 90 cents per day, depending on the age of the child. The changes in the rates will affect 3,700 foster care families and 1,400 adoption assistance families.
- n. Additional funding allows the agency to offset the loss of federal child enforcement funds, as well as improve the agency's enforcement efforts. Child support enforcement is one of the agency's most effective programs on a cost/benefit basis, as it receives \$11.00 in collections from parents and offsets in public assistance for every dollar that it spends on collection efforts.
- o. The funds allow for an increase in the Level D+ group home rates from \$90.94 per day to \$115.00 per day and Level E group home rate from \$136.00 per day to \$150.00 per day. The rate increases will affect 350 children and 210 families statewide. These children have been shown to have the most difficult behavioral issues.
- p. The funds are intended to service the building or renovation of shelters/offices in Tulsa and Sapulpa. The annual debt service cost for the Tulsa shelter is \$907,000 while the Sapulpa shelter cost is \$390,000.
- q. Funds address the current nutrition program shortfall that many sites across the state are experiencing because of increases in fuel, food and labor costs, and the changing of the program to match the state fiscal year rather than the federal fiscal year.
- r. This appropriation replaces the funding denied by the federal government based on an FY-05 appropriation for treatment costs associated with the therapeutic foster care (TFC) rate and previously approved rates by the Oklahoma Health Care Authority. The increase ensures rates for TFC will remain at the current level.
- s. Funds allow the agency to continue to address the state mandates related to SB 1583, enacted in 2004. This bill concerns the treatment of persons classified as mentally retarded (I.Q. under 70) and incompetent when standing trial for criminal offenses.
- t. The funds expand the "2-1-1" program to Lawton, Bartlesville, and Tishomingo. The program serves as the single central repository for information on public and private community assistance. Approximately 80 percent of persons contacting the 2-1-1 program in its first year of operation received services from nonprofit groups rather than from state government.

III. POLICY ISSUES

- a. **SB 1269** appropriates \$5,391,000 in FY-06 supplemental funding to the agency's Low Income Home Energy Assistance Program (LIHEAP) for purposes of providing the same level of energy assistance to a similar number of qualified persons as served in previous fiscal years.
- b. **HB 2840**, commonly known as the Kelsey Smith-Briggs Child Protection Reform Act, allows the agency, through the district attorney, to object to a court order and to request a review of the order based on the grounds that the order could put a child at risk. The bill further creates the Oklahoma Children and Law Committee to review and make recommendations relating to children and the pertinent Oklahoma statutes (Title 10).
- c. **HB 2656** amends Title 10 of the Oklahoma Statutes by modifying the definition of a child, modifying adoption assistance criteria, aligning child placement considerations with federal regulations, and by amending the definition of deprived child to include situations where a child is considered deprived when born to a parent whose parental rights to another child have been terminated.
- d. **SB 2017** creates the Oklahoma Persons with Disabilities Transition Act which requires the Oklahoma Health Care Authority to establish a three-year pilot program to move 30 Oklahomans with disabilities who reside in institutions into community settings. The bill also continues the Strategic Planning Committee on the Olmstead Decision.
- e. **HB 2967** is an agency request bill which revises the statutes to reflect the agency's current practices regarding the administration of group homes serving persons with developmental disabilities.
- f. **HB 2592**, the Uniform Parentage Act, substantially amends and clarifies the procedures that the courts and the agency are to use regarding issues involving parental child support and child support enforcement.
- g. **SB 1040** requires certain state agencies, including this agency, to maintain an Internet web site upon which application forms for services they provide can be accessed and downloaded. The bill also specifies that each agency will provide a link to the other agencies required to provide application forms on their agency web site.
- h. **SB 1065** deletes the provision that requires the agency to maintain copies of certain warrants issued for payments of assistance by the Commission for Human Services and the State Treasurer.
- i. **HB 2882** allows couples counseling by persons trained by nationally recognized marriage education curriculum, including the Prevention and Relationship Enhancement Program, to receive a reduced marriage license fee. The bill specifies that a minimum of four hours of education or counseling must be provided.

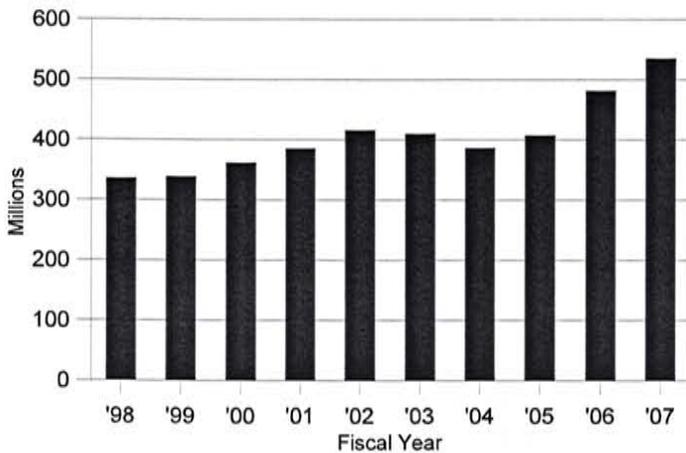
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$437,645,389	\$486,635,145	11.2%
Special Cash Fund	40,000,000	35,857,688	(10.4)%
Tobacco Settlement Fund	4,345,788	13,304,491	206.1%
Carryover	19,000,000	21,938,337	15.5%
Federal Funds	1,179,169,901	1,147,272,987	(2.7)%
Total	\$1,680,161,078	\$1,705,008,648	1.5%

V. BUDGET REFERENCES

SB 80XX, Sections 36 through 38; SB 42XX, Sections 1 through 21; SB 1269, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$386,227,781	FY-06	\$481,991,177
FY-02	\$416,396,819	FY-07	\$535,797,324

INDIAN AFFAIRS COMMISSION

Barbara Warner, Director

Agency #360

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$255,530	6.0
FY-07 Adjustments		
a. State Employee Pay Increase	<u>2,202</u>	
Total Adjustments	\$2,202	0.0
FY-07 Appropriation and FTE Authorization	\$257,732	6.0
Percent Change from FY-06 to FY-07	0.9%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

None

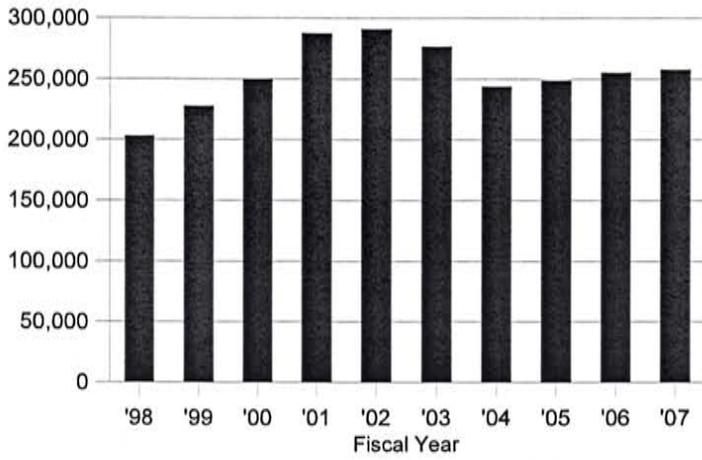
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$255,530	\$257,732	0.9%
Carryover	75,000	60,000	(20.0)%
Total	\$330,530	\$317,732	(3.9)%

V. BUDGET REFERENCES

SB 80XX, Section 41; HB 1089XX, Sections 1 through 3

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$287,843	FY-06	\$255,530
FY-02	\$291,247	FY-07	\$257,732

OFFICE OF JUVENILE AFFAIRS

Gary Bolin, Interim Director

Agency #400

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$98,323,348	1,206.5
FY-07 Adjustments		
a. State Employee Pay Increase	1,311,140	
b. Decrease in Federal Medical Assistance Percentage	38,412	
c. Detention Center Rate Increases	700,000	
d. Salary Increase for OJA Facility/Field Employees	1,375,000	
e. Graduated Sanctions Funding	575,000	
f. Youthful Offender Site Funding	15,000	
g. Detention Center Treatment Funding	800,000	
h. Multi-Systemic Treatment Program Funding (MST)	623,000	
i. Energy Costs	<u>458,685</u>	
Total Adjustments	\$5,896,237	0.0
FY-07 Appropriation and FTE Authorization	\$104,219,585	1,206.5
Percent Change from FY-06 to FY-07	6.0%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funds are appropriated to offset the loss of federal funds to the Office of Juvenile Affairs (OJA) as a result of the decrease in the Federal Medical Assistance Percentage, commonly known as FMAP. OJA was one of several agencies including the Department of Human Services, Oklahoma Health Care Authority, and the Department of Mental Health and Substance Abuse Services receiving a decrease related to a change in the FMAP rate.
- c. This appropriation increases funding for the per bed rate that juvenile county detention programs receive across the state. The funding, in part, makes up for a shortfall to the larger detention centers (Tulsa, Oklahoma City, Cleveland, Comanche, and Canadian) that occurred two years ago. Funds in excess of the shortfall will be put through the agency funding formula for county detention programs.

- d. Funds will provide agency facility and field employees with a \$1,000 salary increase over and above the five percent provided all state employees. Employees in the agency central office will receive only the five percent increase granted all state employees. This increase was the highest funding priority of OJA because of high employee turnover in the facility and field employee areas.
- e. Funds are appropriated to offset the loss of federal funds to the Graduated Sanctions Program used to operate such programs in ten communities throughout the state. The Graduated Sanctions Program is a community based and administered program that seeks to intervene and divert juveniles' behavior before they advance to commit more serious crimes.
- f. The funds will be used to conduct a preliminary Youthful Offender facility study that was recommended by the Youthful Offender Task Force of 2005 as authorized by **SB 458**. Youthful offenders are defined as youth between the ages of 13 and 17 years who committed very serious felonies or have habitual status.
- g. This appropriation increases funding to the Community At Risk Services (CARS), a program operated by the youth service agencies across the state to provide mental health treatment services to juveniles before being placed in state custody by OJA.
- h. Funds are appropriated to offset the loss of federal funds to the Multi-Systemic Treatment (MST) Program. The funds will allow the agency to maintain the existing MST program and expand it to the Tulsa area. MST is one of only three programs recognized nationwide as being successful in the treatment of juveniles with severe behavior problems.
- i. Funding will allow the agency to maintain statewide field services because of higher energy costs.

III. POLICY ISSUES

- a. **HB 2999** amends the statutes related to the agency in the following manner: (1) defines "core community based services," "peer review," and "Youth Services Agency"; (2) eliminates the Deputy Director position; (3) reorganizes the agency's divisions; (4) requires the Oklahoma Association of Youth Services (OAYS) receive full consideration of any recommendations that it makes concerning statewide juvenile justice and delinquency prevention services; (5) outlines the procedures to be used related to contracts between the agency and OAYS; (6) requires the development of a State Plan for Youth Services Agencies; (7) outlines the procedures to be used to terminate a youth services agency contract; and (8) establishes procedures related to fixed rate and fee-for-service contracts.
- b. **HB 2366**, an agency request bill, includes the following: permits the agency to contract with former employees, if they have been included in a Reduction in Force; permits facility superintendents to open and read mail addressed to a juvenile, except under certain conditions; makes state law conform to federal juvenile requirements; allows the agency to contract directly for certain training; repeals language allowing the direct placement of a juvenile by a court into a regimented juvenile training program or a secure institution; and allows the agency to require a copy of paperwork filed by parents that allows a juvenile permission not to attend school.

- c. **SB 1756** requires the judgement and sentence of a person who is or has been certified as a youthful offender to clearly identify the person as a youthful offender and detail the history of the application of the Youthful Offender Act as it relates to the person when the person is being bridged from the agency to the custody of the Department of Corrections.
- d. **SB 1760** modifies the age for reverse certification effective July 1, 2006, by making juvenile offenders who are 15, 16, or 17 years of age and charged with Murder I accountable as an adult. Currently, only juvenile offenders who are 16 and 17 years of age and charged with Murder I may be considered adults
- e. **SB 1799** amends the Youthful Offender Act by increasing the age that a person can be considered a youthful offender from 19 to 21 years of age. The bill only allows such individuals to be retained by the agency until 21 years of age if separate youthful offender facilities are constructed and operational. Currently, the agency does not have such separate youthful offender facilities.
- f. **SB 1765** amends procedures that courts are to use in matters involving youthful offenders. The measure states preliminary hearings regarding such offenders must commence within 90 days under certain specified conditions. Failure of the state to commence preliminary hearings within the aforementioned time frame can prohibit the state from seeking an adult sentence, except in regard to certain outlined conditions. The Court is required to give more weight to specified criteria when determining whether a juvenile will have a classified status as a juvenile, youthful offender, or adult for purpose of prosecution.

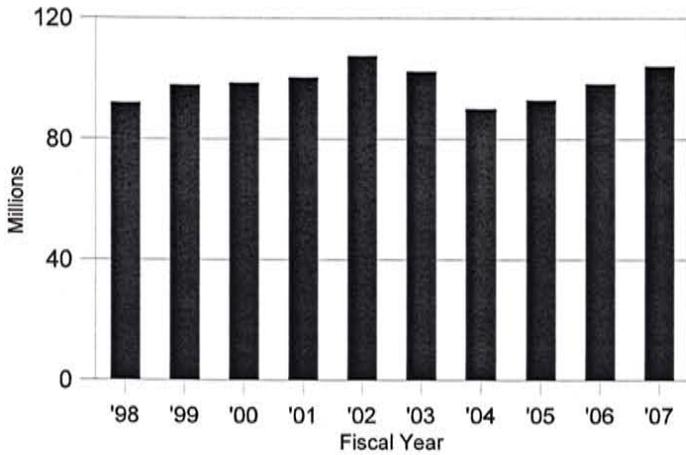
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$98,323,348	\$104,219,585	6.0%
Carryover	2,162,751	1,342,978	(37.9)%
Revolving Funds	2,152,358	1,304,557	(39.4)%
Federal Funds	12,827,809	13,351,282	4.1%
Total	\$115,466,266	\$120,218,402	4.1%

V. BUDGET REFERENCES

SB 80XX, Section 42; SB 44XX, Sections 1 through 11

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$100,422,925	FY-06	\$98,323,348
FY-02	\$107,466,872	FY-07	\$104,219,585

DEPARTMENT OF REHABILITATION SERVICES

Linda Parker, Director

Agency #805

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$27,365,925	737.0
FY-07 Adjustments		
a. Deletion of One-time Appropriations	(100,000)	
b. State Employee Pay Increase	561,735	
c. Salary Increases for Teachers	356,590	
d. Older Blind Services	500,000	
e. Schools' Textbooks Funding	248,000	
f. Schools' Vehicle Replacement	281,000	
g. FTE Increase	_____	<u>47.0</u>
Total Adjustments	\$1,847,325	47.0
FY-07 Appropriation and FTE Authorization	\$29,213,250	784.0
Percent Change from FY-06 to FY-07	6.8%	6.4%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. One-time appropriations for textbooks to blind and deaf students in public schools was removed.
- b. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- c. Funds accommodate the \$3,000 teacher salary increases enacted this session to cover those public school teachers employed by the Department of Rehabilitation Services (DRS) at the Oklahoma School for the Blind (OSB) and the Oklahoma School for the Deaf (OSD).
- d. This appropriation increases funding for the Older Blind Program which assists elderly persons, as well as younger persons who are blind, to remain independent in their own homes and communities, rather than being institutionalized at a higher expense.
- e. Funding will allow the OSB and the OSD to replace and update the students' textbooks in a more timely manner.
- f. This appropriation allows the OSB and the OSD to establish vehicle replacement programs to ensure the safety of their students returning to the students' communities on weekends and on field trips during the week.

- g. Total FTE in the agency are increased from 737.0 to 784.0, an increase of 47.0 FTEs or 6.4 percent, to allow the agency to hire additional personnel to comply with requirements related to receipt of federal matching funds for rehabilitation.

III. POLICY ISSUES

- a. **HB 2708** includes a provision that creates the Oklahoma Association for the Deaf License Plate which can be purchased for a \$20.00 fee and deposited in the Oklahoma Association for Deaf License Plate Revolving Fund. Monies received by the revolving fund are to be used by the agency to promote the interests of the deaf and to advance the social, educational, cultural, and economic well-being of the deaf.
- b. **HB 2242** directs that revolving funds for the Oklahoma School for the Deaf, the Oklahoma School for the Blind, and the agency will be invested in similar investments authorized for investment by the State Treasurer. Interest earned is to be retained in the revolving funds.
- c. **SB 1634** includes a provision which allows the release of employer tax information and benefit claim information to the agency for use in assessing results and outcomes of clients served.

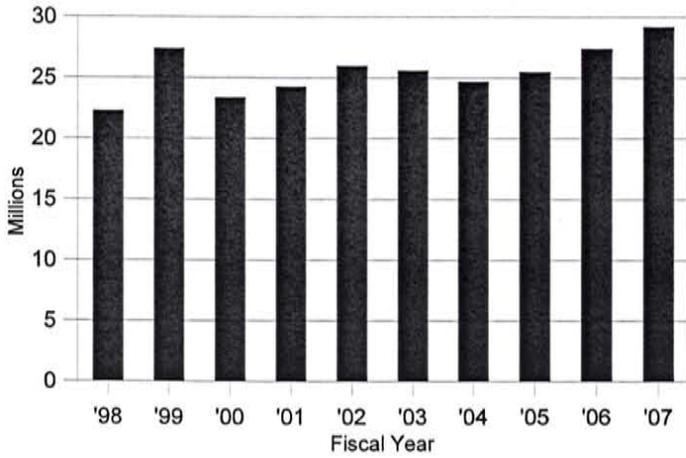
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$27,365,925	\$28,963,250	5.8%
Education Lottery Fund	0	250,000	N/A
Revolving Funds	0	1,832,500	N/A
Carryover	0	13,991,186	N/A
Federal Funds	101,634,075	98,463,064	(3.1)%
Total	\$129,000,000	\$143,500,000	11.2%

V. BUDGET REFERENCES

SB 80XX, Sections 39 and 40; SB 45XX, Sections 1 through 11

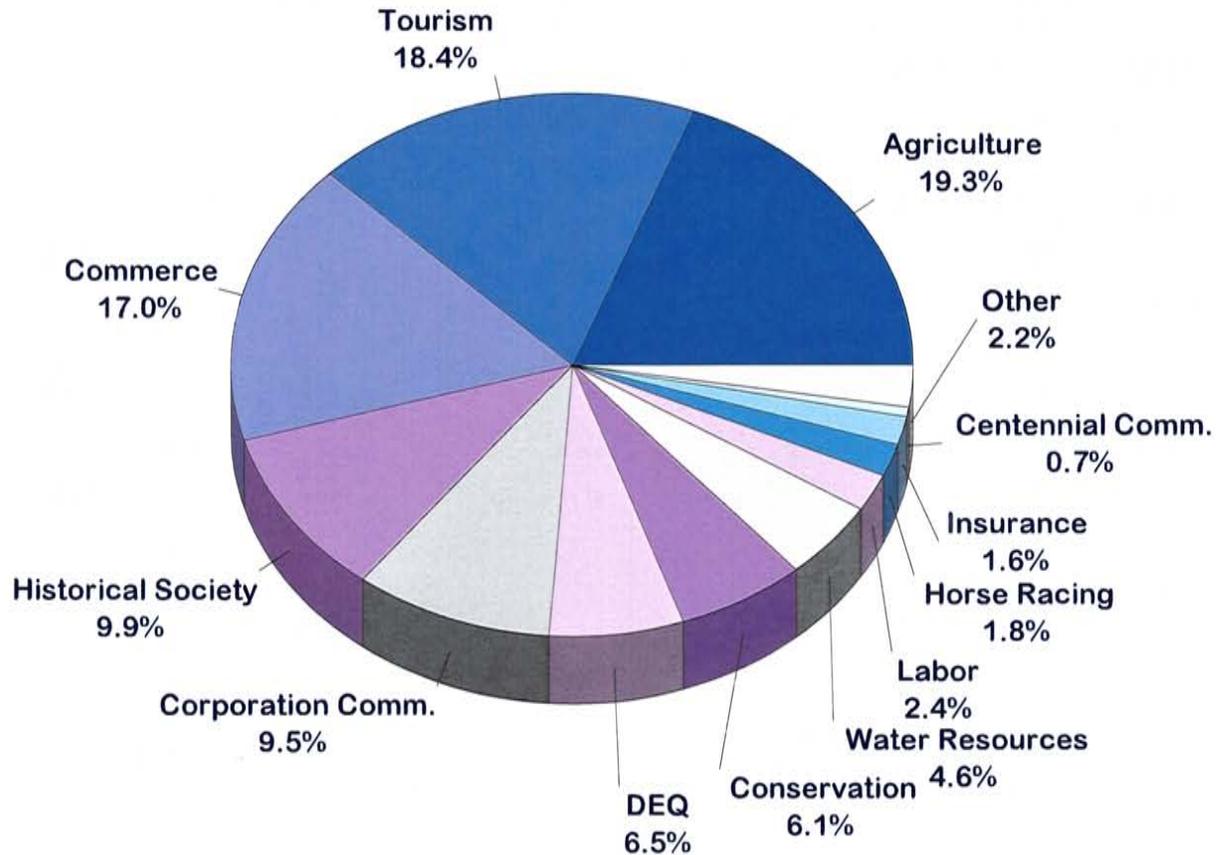
VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$24,283,206	FY-06	\$27,365,925
FY-02	\$25,953,544	FY-07	\$29,213,250

NATURAL RESOURCES AND REGULATORY SERVICES SUBCOMMITTEE

DISTRIBUTION OF FY-07 APPROPRIATIONS



Agriculture Department	\$28,314,906
Tourism and Recreation	27,073,374
Commerce Department	25,082,836
Historical Society	14,480,963
Corporation Commission	14,083,860
Environmental Quality	9,525,217
Conservation Commission	8,953,795
Water Resources Board	6,744,617
Department of Labor	3,613,893
Horse Racing Commission	2,618,898
Insurance Department	2,444,856
Centennial Commission	1,062,291
Other	
Department of Mines	997,981
Will Rogers Memorial	925,196
Consumer Credit Commission	661,263
J. M. Davis Memorial	382,166
Scenic Rivers Commission	<u>339,752</u>
Subcommittee Total	\$147,305,864

Excludes supplemental appropriations, reappropriations, and Rainy Day Fund spillover transfers.
Includes capital and onetime expenditures.

DEPARTMENT OF AGRICULTURE, FOOD AND FORESTRY

Terry Peach, Commissioner

Agency #040

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$26,296,069	515.0
FY-07 Adjustments		
a. Remove One-time Supplemental Operational Fire Grant Funding	(2,000,000)	
b. Remove One-time Special Project Funding in Rural Fire 80/20 Grant Matching Program	(100,000)	
c. State Employee Pay Increase	660,837	
d. Ag Leadership Program Annualization	50,000	
e. Youth Expo Program Annualization	150,000	
f. Trappers Program	293,000	
g. Field Inspectors Staff Increase	360,000	
h. Forestry Division Staff Increase	150,000	
i. Vehicle Replacement Program	270,000	
j. Agri-Tourism & Ag-In-The Classroom Annualization	400,000	
k. Farm-To-School Annualization	100,000	
l. Fuel and Utility Cost Increase	250,000	
m. Forestry Bulldozer Replacement Program	300,000	
n. Rural Fire Pension Program Annualization	85,000	
o. REI - REDI Rural Housing Initiative	900,000	
p. Rural Higher Ed Pilot Program	<u>150,000</u>	
Total Adjustments	\$2,018,837	0.0
FY-07 Appropriation and FTE Authorization	\$28,314,906	515.0
Percent Change from FY-06 to FY-07	7.7%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. One-time supplemental appropriations provided for FY-07 Operational Fire Grants were removed from the agency's base budget.
- b. One-time special project appropriations were removed from the Rural Fire 80/20 Grant Matching Program.
- c. This appropriation provides a five percent pay increase for state employees effective October 1, 2006, as provided in **SB 82XX**.
- d. The Ag Leadership Program is coordinated through Oklahoma State University. The program supports continued education and training for young leaders in Oklahoma agriculture. This appropriation will provide for reimbursement of professional staff and other associated class and fieldwork costs.
- e. This appropriation expands the scholarship program administered by Youth Expo. The agriculture-related college grants are divided evenly between academic and livestock-showman awards. In FY-06, 121 scholarships were granted at a cost of \$241,500. The increased funding allows an FY-07 budget of \$348,000 for a total of 170 scholarships.
- f. Funds were provided to address the growing problem of feral hogs. This non-native species has caused severe damage to agriculture and is known to be infected with rabies, thus posing a serious risk to Oklahoma's swine industry. The monies will be used to lease the helicopters and fixed-wing aircraft required for predator control (Rental Expenses - \$270,000, Miscellaneous Expenses - \$23,000).
- g. The Legislature appropriated funds to hire six Agriculture Field Inspectors, two each in the areas of Consumer Protection, Food Safety, and Animal Industries. These hires will replace staff lost to the budget shortfalls and cutbacks of FY-03 and FY-04. The various FTE are responsible for meat, egg and poultry inspections, the monitoring of weights of all types of products and animal inspections.
- h. Increased funding was provided to the Forestry Division to establish a statewide forest inventory program in cooperation with the U.S. Forest Service. These monies will leverage \$250,000 in federal matching funds, and allow the hire of three FTE to perform the field work and analysis required for up-to-date forest industry data that is currently unavailable.
- i. Funds were appropriated for the purchase of six forestry-related trucks ("five-quarters"). The agency's intent is to replace all vehicles after 100,000 miles of use, and thus save repair costs and lessen the "down time" experienced by inspectors and other field employees.
- j. These funds will broaden the scope of the Agri-Tourism and Ag-In-The Classroom programs. Specifically, 3.0 FTE will be hired to coordinate Agri-Tourism activities throughout the state (Salaries - \$96,000, Operations - \$80,300), and 1.5 FTE for expanded Ag-In-The Classroom activities (Salaries - \$51,200, Operations - \$72,500).

- k. This appropriation provides for the start-up costs associated with the Farm-To-School Program as authorized by HB 2655. The program is to promote healthy dietary habits among Oklahoma school children, and the use of state agricultural products consistent with a sensible lifestyle. These funds allow the hire of a director (\$55,680) and the requisite office space, furnishings and equipment.
- l. Funds were provided to meet increased operational costs incurred from the sharp rise in fuel and other utilities prices. The agency spent approximately \$200,000 from revolving funds in FY-06 to meet increased energy costs.
- m. The Legislature appropriated funds to initiate the Forestry Bulldozer Replacement Program. Three bulldozers will be purchased to fight wildfires and to assist rural fire department in their wildfire fighting efforts.
- n. This appropriation annualizes expenses associated with pension benefits for county fire department volunteers. Specifically, it addresses an FY-06 shortfall of \$15,000 and provides \$70,000 to meet anticipated FY-07 obligations. The most recent appropriation to the Volunteer Firefighter Employer Contribution Revolving Fund was made in FY-03; since that time, carry-over monies were used to meet pension benefit payment expenses.
- o. These funds were appropriated to create an employer assisted rural housing program under the administration of Rural Enterprises of Oklahoma, Inc. The program is a component of the Rural Economic Development Initiative (REDI).
- p. This appropriation provides for the start-up costs associated with the Rural Higher Education Pilot Program that is designed to bring college-level instructional opportunities to rural areas without higher-ed facilities.

III. POLICY ISSUES

- a. **HB 2252** provides supplemental appropriations of \$3.6 million to be used by the agency to address needs associated with costs incurred to the Department and the Incidental Command Posts to fight drought related wildfires in FY-06.
- b. **SB 1190** provides supplemental appropriations of \$8.9 million to be used by the agency to address costs incurred to fight drought related fires in FY-06. Of the amount appropriated, \$1.0 million was used to reimburse rural fire departments for expenses incurred to suppress drought related fires. Authorization was also made to allow for increased reimbursement, and lifting of the \$2,500 cap. \$1.4 million was used by the agency to address needs associated with costs incurred to the Department and the Incidental Command Posts, \$2.0 million to repair or replace rural firefighting equipment, with priority towards rural fire departments who have suffered losses due to the drought suppression related fires, and \$4.5 million for FY-07 Operational Fire Grants. The fire grant funding provides immediate individual operational grants of approximately \$5,148 per rural fire department, an increase from \$2,780 and the largest grant increase since 1996.
- c. **SB 1357** deletes date restrictions for employment of temporary fire suppression personnel.

- d. **SB 1481** authorizes the agency to monitor the state's forests by modifying procedures relating to the implementation of a gubernatorial burn ban. A key provision in the bill is a streamline of the process by which the agency transfers equipment to local fire departments.
- e. **SB 1626** clarifies the authorization of the payment of double the normal rate when firefighters are required to work on a holiday.
- f. **HB 2655** creates a Farm-To-School Program within the agency. The program is intended to promote healthy eating and use of Oklahoma agriculture products in the daily diets of students and citizens of the state. The bill requires the agency to hire a director and create a website for the program. Staff support for the program is to be provided by the Health Department, State Board of Education and the Department of Human Services.
- g. **HB 2955** requires the agency create a tax exempt, not-for-profit independent agritourism organization. The bill is apart of the Rural Economic Development Initiative, and is intended to provide private partnerships and support for agritourism efforts throughout the state.

IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$24,795,256	\$28,314,906	14.2%
Special Cash Fund	8,231,771	9,400,000	14.2%
REAP Gross Production Tax	900,000	0	(100.0)%
Revolving and Carryover Funds ¹	4,689,312	8,293,391	76.9%
Federal Funds ²	6,832,336	11,314,688	65.6%
Total	\$45,448,675	\$57,322,985	26.1%

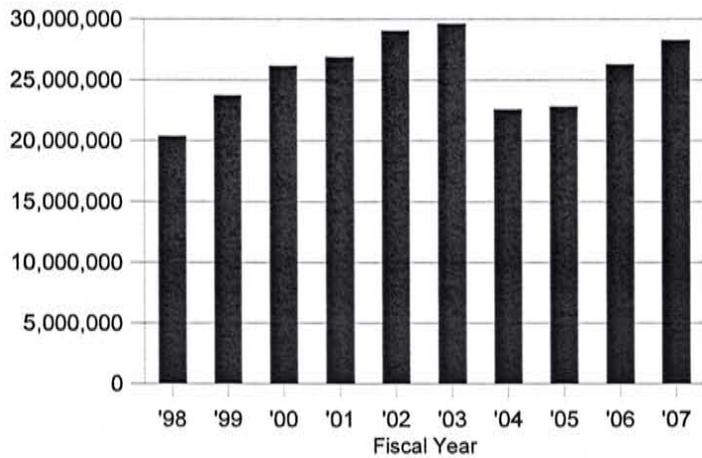
Notes:

1. Revolving funds include increases for additional fee revenue and carryover funds.
2. Federal funds drastically increased due to the one-time federal match provided for drought related wildfire suppression efforts, and agency operation of new federal programs.

V. BUDGET REFERENCES

SB 80XX, Section 49; SB 46XX, Sections 1 through 13

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$26,908,940	FY-06	\$26,296,069
FY-02	\$29,076,961	FY-07	\$28,314,906

Notes:

1. FY-99 increase represents an increase in support for forestry operations throughout the state.
2. FY-06 increases represent an increase in funding for debt service payments for the renovations facilities. Also represented in this increase is the increase in General Revenue funding that replaces onetime funding in FY-05 that was used for operations.

CAPITOL COMPLEX AND CENTENNIAL COMMISSION

J. Blake Wade, Executive Director

Agency #007

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$3,899,630	12.0
FY-07 Adjustments		
a. Remove One-time Dome Interest Payment	(850,000)	
b. Remove One-time Centennial Project Funding	(2,000,000)	
c. State Employee Pay Increase	<u>12,661</u>	
Total Adjustments	(\$2,837,339)	0.0
FY-07 Appropriation and FTE Authorization	\$1,062,291	12.0
Percent Change from FY-06 to FY-07	(72.8)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. One-time FY-06 funding for interest owed on a loan acquired to retire the state's portion of the principal of the \$5 million for construction of the State Capitol Dome is removed from the agency's base.
- b. One-time funding for Centennial Projects is removed from the agency's base.
- c. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

- a. **SB 1193** appropriates \$16,000,000 in supplemental funds to the Centennial Commission to fund projects across Oklahoma. The measure specifies that \$4,000,000 fund projects in Tulsa, \$4,000,000 in Oklahoma City, and \$8,000,000 throughout the state. A total of 156 projects had been previously approved by the Centennial Commission.
- b. **SB 1919** creates the African-American Centennial Plaza Design Committee and identifies committee membership. The purpose of the committee is to recommend the design for the African-American Centennial Plaza and to provide oversight and advice to the Oklahoma Historical Society in the design, construction and funding sources of the plaza, to be located in the median of Lincoln Boulevard between 18th Street and the State Capitol. Construction will begin when the total amount of non-state appropriated funds to build the plaza has been secured. If the total amount of non-state appropriated funds has not been raised within two years of the date of the Act, the site will no longer be reserved for the plaza.

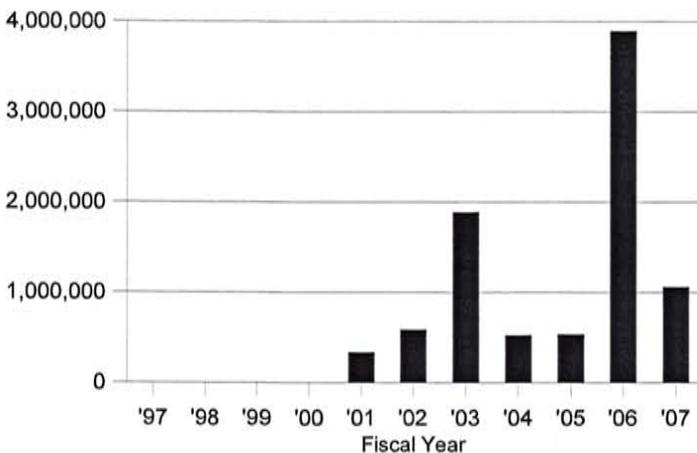
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$3,899,630	\$1,062,291	(72.8)%
Revolving Funds	32,489	1,844	(94.3)%
Federal Funds	340,490	435,000	27.8%
Total	\$4,272,609	\$1,499,135	(64.9)%

V. BUDGET REFERENCES

SB 80XX, Section 50; HB 1107, Sections 1 through 5

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$340,000	FY-06	\$3,899,630
FY-02	\$590,904	FY-07	\$1,062,291

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 one-time Rainy Day appropriation for completion of the Capitol Dome Project.
3. The FY-06 increase represents one-time funding for centennial projects, debt service for a bond issue for the Capitol dome, and onetime funds to pay for interest owed on a loan for the dome from Bank of America.

DEPARTMENT OF COMMERCE

Amy Polonchek, Executive Director

Agency #160

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$26,334,663	185.0
FY-07 Adjustments		
a. Remove One-time Funding for Special Projects Vetoed by the Governor	(3,155,000)	
b. Replace Gross Production Tax REAP Funding	1,000,000	
c. State Employee Pay Increase	303,173	
d. Native American Cultural Authority Staffing Increases	<u>600,000</u>	
Total Adjustments	(\$1,251,827)	0.0
FY-07 Appropriation and FTE Authorization	\$25,082,836	185.0
Percent Change from FY-06 to FY-07	(4.8)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. The Governor vetoed the purpose of funds FY-06 special projects. These funds are being removed from the agency's appropriations base.
- b. Funding replaces one-time gross production tax Rural Economic Action Plan (REAP) Funds which were used by the agency to fund operations in FY-06.
- c. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- d. Funding addresses increased debt service for the Native American Cultural Educational Authority and for additional staffing needs to accommodate the NACEA Culture Center when completed in 2008. Funds will be used to hire an additional seven FTE to assist with preparation for the opening of the new center.

III. POLICY ISSUES

- a. **SB 1193** appropriates \$1,000,000 in supplemental funds to the Commerce Department to reimburse the agency for expenses incurred for Centennial related projects. Funds are specifically allocated for appearances in the 2007 Tournament of Roses Parade and other associated costs.

- b. **SB 99XX** creates the Economic Development Generating Excellence Trust Fund or "EDGE Fund". The goal of the endowment is to rank Oklahoma the "Research Capital of the Plains" through the funding of basic and applied research and commercialization of technology. A transfer of \$150 million from the Constitutional Reserve "Rainy Day" Fund Spillover provides funding for the initiative.
- c. **HB 1169** establishes the Oklahoma Opportunity Fund, designed to provide investment in strategic economic development opportunities for businesses and communities to create new jobs and investment. A transfer of \$45 million from the Constitutional Reserve "Rainy Day" Fund Spillover provides funding for these initiatives.
- d. **SB1675** provides continuing funding to ensure that Oklahoma military installations continue operations. Appropriations made in FY-06 were used for the Oklahoma Industries Authority (\$350,000) for an aircraft tow way as part of Tinker Maintenance Repair Overhaul and Technology Center (Tinker AFB), the city of Lawton (\$225,000) for conservation easements around Ft. Sill, the city of Altus (\$200,000) for engineering assessments and engineering planning incidental to the construction of a joint use runway at Altus Air Force Base, the city of Enid (\$225,000) for a 12 inch water line to provide a secondary source of water to Vance Air Force Base. The plan is for FY-07 funds to be used for similar capital projects.

IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$21,411,135	\$25,082,836	17.1%
Special Cash	4,923,528	0	(100.0)%
Revolving and Carryover Funds	1,700,000	1,700,000	0.0%
Federal Funds ¹	78,000,000	78,000,000	0.0%
Total	\$106,034,663	\$104,782,836	(1.2)%

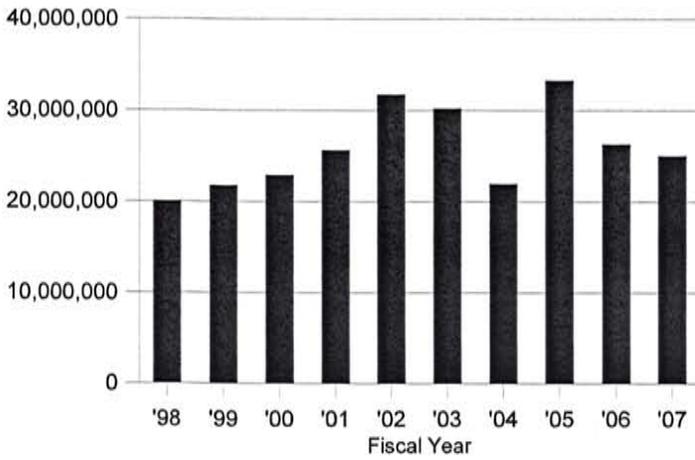
Note:

- 1. Includes movement of Workforce Development Division federal funding of \$28.0 million from the Oklahoma Employment Securities Commission to the Commerce Department for FY-06.

V. BUDGET REFERENCES

SB 80XX, Section 51; HB 1109XX, Sections 1 through 22

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$25,653,941	FY-06	\$26,334,663
FY-02	\$31,175,324	FY-07	\$25,082,836

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-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$7,403,928	62.0
FY-07 Adjustments		
a. Conservation District Employee Pay Increase	1,300,000	
b. State Employee Pay Increase	<u>249,867</u>	
Total Adjustments	\$1,549,867	0.0
FY-07 Appropriation and FTE Authorization	\$8,953,795	62.0
Percent Change from FY-06 to FY-07	20.9%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides for an employee pay increase 181 for Conservation District Employees. The raise equates to a \$2.10 per hour increase for employees of the 88 conservation districts.
- b. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

- a. **HB 1173XX** creates permanent annual capital improvement funding accounts for the Tourism and Recreation Department, the Conservation Commission, and the Water Resources Board. Each agency will realize approximately \$2.5 million annually to address critical infrastructure and capital improvement needs. The Conservation Commission will use the funds to complete watershed dam rehabilitation projects, the cost share programs, and the Conservation Reserve Enhancement Program. Funds will be deposited in and expended from the Oklahoma Conservation Commission Infrastructure Revolving Fund.

IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$7,403,928	\$8,953,795	20.9%
REAP Funds from Gross Production Tax	2,400,000	0	(100.0)%
Revolving and Carryover Funds	1,714,356	5,391,950	214.5%
Federal Funds ¹	7,411,584	14,613,260	97.2%
Total	\$18,929,868	\$28,959,005	53.0%

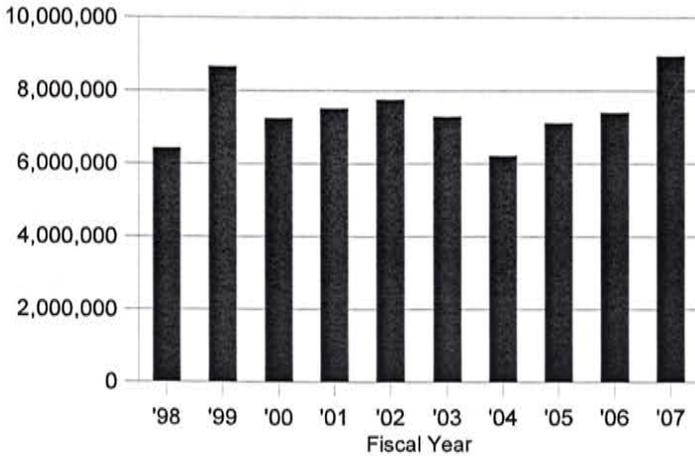
Note:

1. The significant increase over the FY-06 amounts are due to the raises awarded to Conservation District Employees, and the federal matching dollars available from a new capital improvement funding account created for the Conservation Commission.

V. BUDGET REFERENCES

SB 80XX, Section 52; HB 1111XX, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$7,522,104	FY-06	\$7,403,928
FY-02	\$7,764,094	FY-07	\$8,953,795

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.
4. FY-06 figure does not include \$2.4 million in REAP Funds from the Gross Production Tax.
5. FY-07 figure does not include \$2.5 million in Funds from the Gross Production Tax, which will be deposited in and expended from the Oklahoma Conservation Commission Infrastructure Revolving Fund.

COMMISSION ON CONSUMER CREDIT

Don Hardin, Administrator

Agency #635

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$637,925	16.0
FY-07 Adjustments		
a. State Employee Pay Increase	<u>23,338</u>	
Total Adjustments	\$23,338	0.0
FY-07 Appropriation and FTE Authorization	\$661,263	16.0
Percent Change from FY-06 to FY-07	3.7%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

None

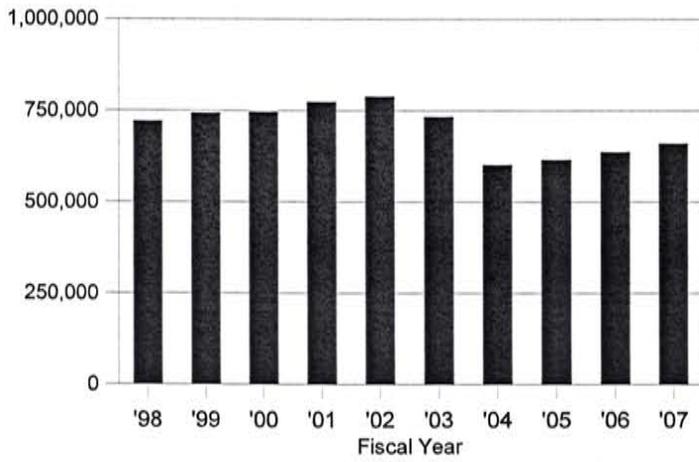
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$637,925	\$661,263	3.7%
Revolving and Carryover Funds	360,847	360,847	0.0%
Total	\$998,772	\$1,022,110	2.3%

V. BUDGET REFERENCES

SB 80XX, Section 53; SB 50XX, Sections 1 through 3

I. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$774,670	FY-06	\$637,925
FY-02	\$788,942	FY-07	\$661,263

CORPORATION COMMISSION

Denise Bode, Chairman

Agency #185

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$12,354,190	538.0
FY-07 Adjustments		
a. State Employee Pay Increase	679,670	
b. Oil and Gas Inspector Salary Increase	850,000	9.0
c. Natural Gas Migration	<u>200,000</u>	
Total Adjustments	\$1,729,670	9.0
FY-07 Appropriation and FTE Authorization	\$14,083,860	547.0
Percent Change from FY-06 to FY-07	14.0%	1.7%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funding was provided to address the recruitment needs of the Oil and Gas Division of the agency. Because of steady increases in oil and gas activity, the agency has experienced recruitment and retainment losses as seasoned employees retire or leave for the private sector. Funds will assist the agency in effectively regulating the oil and gas industry and maintaining skilled staff to carry out state and federal statutory guidelines. The FTE increases allow the Corporation Commission more flexibility to respond to the needs of oil and gas regulations.
- c. **HB 2506** addresses harmful natural gas emissions and migration in northeastern Oklahoma. Instances have occurred in commercial and residential areas which pose a threat to citizens. Federal guidelines require that in cases when these amounts reach certain levels, all utilities must be turned off until the problem is solved. Funding will allow the agency to regulate these events and coordinate the efforts of local entities, industry and landowners to alleviate harmful natural gas emissions and migration.

III. POLICY ISSUES

None

IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund ¹	\$12,354,190	\$14,083,860	14.0%
Revolving and Carryover Funds	20,600,000	20,600,000	0.0%
Federal Funds	815,000	815,000	0.0%
Total	\$33,769,190	\$35,498,860	5.1%

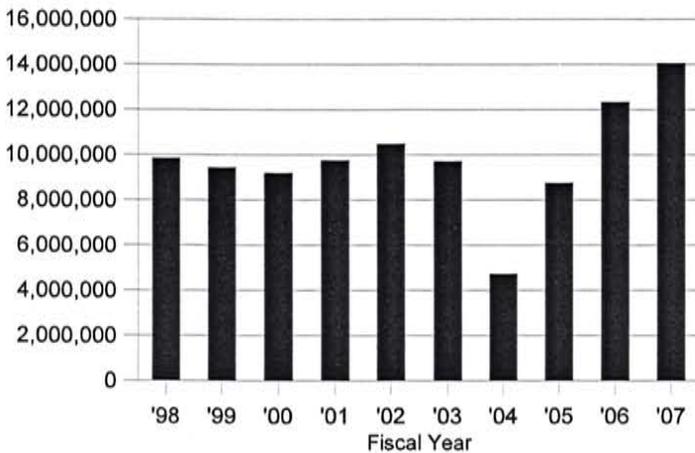
Note:

1. The increase from FY-06 to FY-07 is a result of salary increases for oil and gas inspectors, increased regulatory costs for the growing oil and gas industry, regulation of natural and unnatural gas emissions and migration and the state employee pay raise.

V. BUDGET REFERENCES

SB 80XX, Section 54; SB 51XX, Sections 1 through 7

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$9,773,537	FY-06	\$12,354,190
FY-02	\$10,502,244	FY-07	\$14,083,860

Notes:

1. 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.
2. FY-06 appropriation increase is reflective of fully funding agency operations with General Revenue.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Steven Thompson, Executive Director

Agency #292

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$9,495,264	571.0
FY-07 Adjustments		
a. State Employee Pay Increase	608,637	
b. Small Community Water Standard Compliance Assistance	<u>750,000</u>	
Total Adjustments	\$1,358,637	0.0
FY-07 Appropriation and FTE Authorization	\$10,853,901	571.0
Percent Change from FY-06 to FY-07	14.3%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funding provides the agency the ability to assist small communities with compliance with increased federal U.S. Environmental Protection Agency (EPA) water standards for municipalities.

III. POLICY ISSUES

None

IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$8,824,929	\$9,525,217	7.9%
Special Cash	625,311	0	(100.0)%
REAP Funds from Gross Production Tax	255,048	0	(100.0)%
Revolving and Carryover Funds ¹	24,596,745	30,384,623	23.5%
Federal Funds	17,367,794	13,766,108	(20.7)%
Total	\$51,669,827	\$53,675,948	3.9%

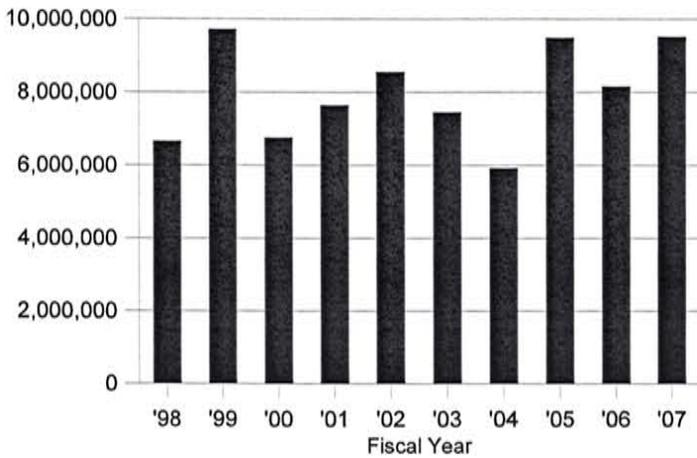
Note:

1. This increase represents significant changes regarding Air Title V Programs and the need for more monitoring, testing, and preventative measures to ensure municipalities remain in attainment of EPA air-toxics guidelines. Fee increases are included to handle increased workload for on-site sewage programs, the radiation program and the air quality Title V Program. Also reflected in this increase is a capital budget for solid waste projects of \$1,230,000.

V. BUDGET REFERENCES

SB 80XX, Section 55; SB 52XX, Sections 1 through 5

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$7,651,276	FY-06	\$8,166,580
FY-02	\$8,556,880	FY-07	\$9,525,217

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.
3. The decrease in FY-06 is due to the removal of onetime funding for the Tar Creek Relocation Act.

OKLAHOMA HISTORICAL SOCIETY

Dr. Bob Blackburn, Executive Director

Agency #350

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$12,906,387	168.0
FY-07 Adjustments		
a. Removal of Tulsa Race Riot Commission Funding	(675,000)	
b. State Employee Pay Increase	229,576	
c. History Center Matching Program	800,000	
d. Regional Center Matching Program	500,000	
e. Maintenance and Repair Funding	699,000	
f. Kerr Museum	<u>21,000</u>	
Total Adjustments	\$1,574,576	0.0
FY-07 Appropriation and FTE Authorization	\$14,480,963	168.0
Percent Change from FY-06 to FY-07	12.2%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Funding is removed for a five year agreement that has been completed with the Tulsa Race Riot Commission. FY-06 was the final year of the agreement.
- b. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- c. Funding is provided to complete annualizations necessary for costs associated with operation of the new Oklahoma History Center. The funds specifically address increased utility costs, staffing, and contractual agreements for property maintenance and operation of the center.
- d. This appropriation allows for the first year of a four year program to provide matching dollars to state museums who raise private matching funds equal to two dollars for every one dollar contributed by the state.
- e. Increased funding is provided for maintenance and other repair needs at state historical sites across Oklahoma. The funds will be administered by the Director of the Oklahoma Historical Society and the Board.
- f. Operational funds are provided for the Kerr Museum in Poteau.

III. POLICY ISSUES

None

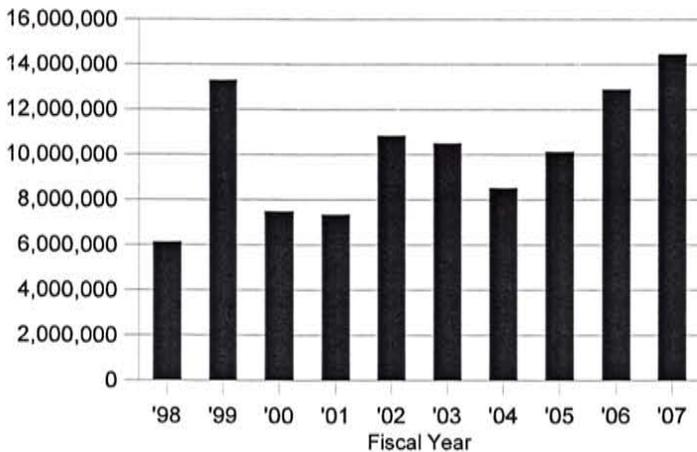
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$10,906,387	\$14,480,963	32.8%
Special Cash Fund	2,000,000	0	(100.0)%
Revolving and Carryover Funds	1,200,000	1,200,000	0.0%
Federal Funds	313,700	313,700	0.0%
Total	\$14,420,087	\$15,994,663	10.9%

V. BUDGET REFERENCES

SB 80XX, Section 56; HB 1113XX, Sections 1 through 5

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$7,347,030	FY-06	\$12,906,387
FY-02	\$10,847,233	FY-07	\$14,480,963

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 Oklahoma History Center.
3. The FY-06 increase is reflective for increased debt service and operational funding for the new Oklahoma History Center.
4. The FY-07 increase is reflective of operational funding for the new Oklahoma History Center, state employee pay raises, regional matching programs and local museum funding.

HORSE RACING COMMISSION

Constantin Rieger, Director

Agency #353

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$2,360,889	55.0
FY-07 Adjustments		
a. State Employee Pay Increase	152,009	
b. General Counsel	<u>106,000</u>	
Total Adjustments	\$258,009	0.0
FY-07 Appropriation and FTE Authorization	\$2,618,898	55.0
Percent Change from FY-06 to FY-07	10.9%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. This funding will be used to hire a general counsel to provide legal services related to the activities of the agency.

III. POLICY ISSUES

None

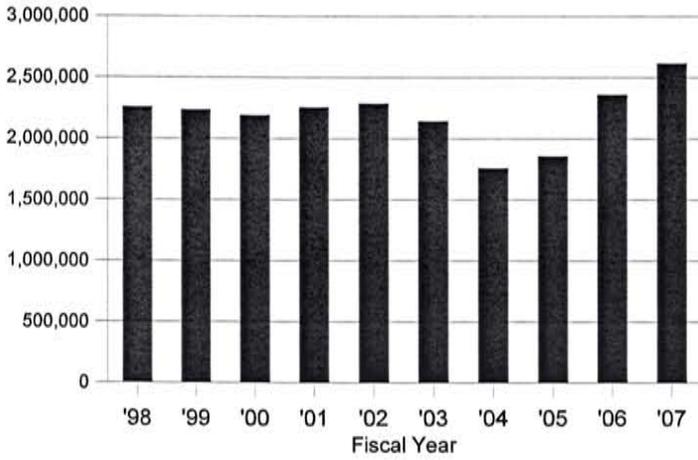
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$2,360,889	\$2,618,898	10.9%
Revolving and Carryover Funds	801,800	801,800	0.0%
Total	\$3,162,689	\$3,420,698	8.2%

V. BUDGET REFERENCES

SB 80XX, Section 57; SB 54XX, Sections 1 through 3

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$2,258,390	FY-06	\$2,360,889
FY-02	\$2,290,006	FY-07	\$2,618,898

Note:

1. FY-06 increase is due to additional duties associated with passage of SQ 712, the State Tribal Gaming Act.

INSURANCE DEPARTMENT

Kim Holland, Commissioner

Agency #385

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$2,231,595	145.0
FY-07 Adjustments		
a. State Employee Pay Increase	<u>213,261</u>	<u>3.0</u>
Total Adjustments	\$213,261	3.0
FY-07 Appropriation and FTE Authorization	\$2,444,856	148.0
Percent Change from FY-06 to FY-07	9.6%	2.1%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

None

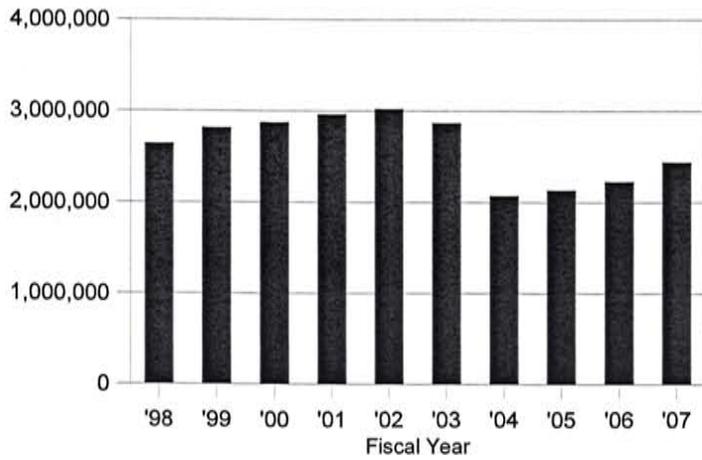
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$2,231,595	\$2,444,856	9.6%
Revolving and Carryover Funds	6,773,418	6,773,418	0.0%
Federal Funds	436,096	436,096	0.0%
Total	\$9,441,109	\$9,654,370	2.3%

V. BUDGET REFERENCES

SB 80XX, Section 58; SB 55XX, Sections 1 through 3

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$2,965,978	FY-06	\$2,231,595
FY-02	\$3,023,172	FY-07	\$2,444,856

J.M. DAVIS MEMORIAL COMMISSION

Duane Kyler, Chief Administrative Officer

Agency #204

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$347,454	10.5
FY-07 Adjustments		
a. State Employee Pay Increase	9,712	
b. General Operations Increase	<u>25,000</u>	
Total Adjustments	\$34,712	0.0
FY-07 Appropriation and FTE Authorization	\$382,166	10.5
Percent Change from FY-06 to FY-07	10.0%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funding is provided to address increased operational costs of the agency.

III. POLICY ISSUES

None

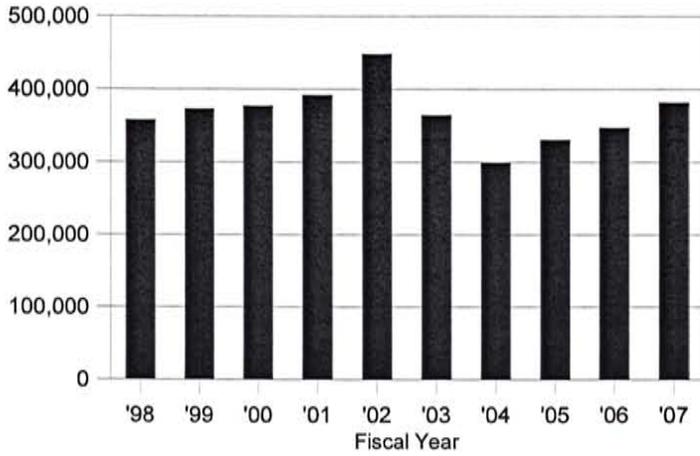
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$347,454	\$382,166	10.0%
Revolving Funds	52,546	52,546	0.0%
Total	\$400,000	\$434,712	8.7%

V. BUDGET REFERENCES

SB 80XX, Section 59; HB 1115XX, Sections 1 through 3

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$392,397	FY-06	\$347,454
FY-02	\$448,704	FY-07	\$382,166

DEPARTMENT OF LABOR

Brenda Reneau, Commissioner

Agency #405

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$3,224,721	136.0
FY-07 Adjustments		
a. State Employee Pay Increase	139,172	
b. Elevator Inspection Program (One-time Start-up costs)	<u>250,000</u>	
Total Adjustments	\$389,172	0.0
FY-07 Appropriation and FTE Authorization	\$3,613,893	136.0
Percent Change from FY-06 to FY-07	12.1%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. **SB 756** authorizes the Department of Labor to begin an Elevator Inspection Program. Ongoing operational expenses of the program will be paid for by regulatory fees. Funding is provided for the anticipated one-time start-up costs of the program.

III. POLICY ISSUES

None

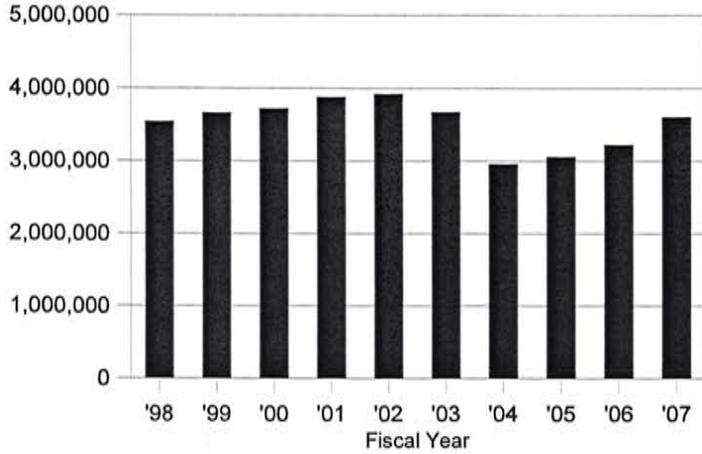
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$1,292,741	\$1,839,991	42.3%
Occupational Health and Safety Fund	1,931,980	1,773,902	(8.2)%
Revolving and Carryover Funds	1,914,305	2,351,537	22.8%
Federal Funds	1,576,569	2,029,480	28.7%
Total	\$6,715,595	\$7,994,910	19.1%

V. BUDGET REFERENCES

SB 80XX, Sections 60 through 62; HB 1117XX, Sections 1 through 6

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$3,882,940	FY-06	\$3,224,721
FY-02	\$3,927,178	FY-07	\$3,613,893

DEPARTMENT OF MINES

Mary Ann Pritchard, Director

Agency #125

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$849,165	46.5
FY-07 Adjustments		
a. State Employee Pay Increase	46,816	
b. Bilingual Instructor	<u>102,000</u>	
Total Adjustments	\$148,816	0.0
FY-07 Appropriation and FTE Authorization	\$997,981	46.5
Percent Change from FY-06 to FY-07	17.5%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funding is provided to employ a bilingual instructor for the agency and to address rising educational costs to train and regulate the mining industry.

III. POLICY ISSUES

None

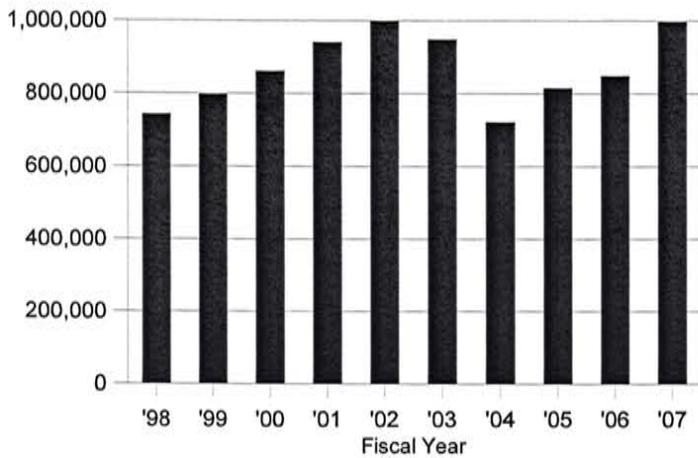
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$849,165	\$997,981	17.5%
Revolving and Carryover Funds	844,117	850,000	0.7%
Federal Funds	941,085	980,000	4.1%
Total	\$2,634,367	\$2,827,981	7.4%

V. BUDGET REFERENCES

SB 80XX, Section 63; SB 58XX, Sections 1 through 3

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$942,282	FY-06	\$849,165
FY-02	\$999,823	FY-07	\$997,981

SCENIC RIVERS COMMISSION

Ed Fite, Administrator

Agency #568

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$323,041	7.0
FY-07 Adjustments		
a. State Employee Pay Increase	<u>16,711</u>	
Total Adjustments	\$16,711	0.0
FY-07 Appropriation and FTE Authorization	\$339,752	7.0
Percent Change from FY-06 to FY-07	5.2%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

None

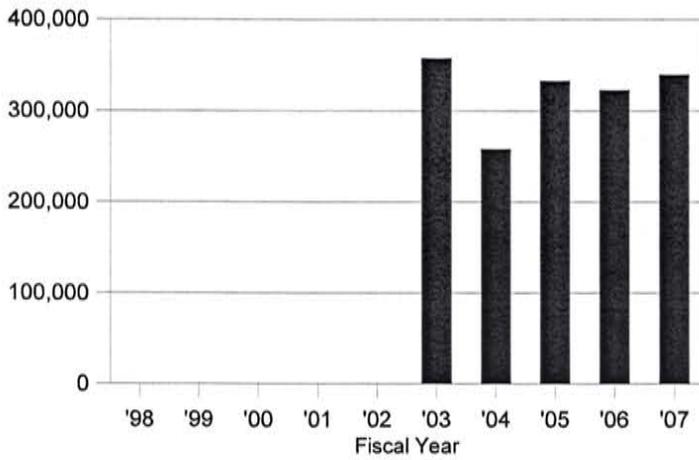
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$323,041	\$339,752	5.2%
Federal Funds	\$377,743	\$377,743	0.0%
Revolving Funds	\$179,216	\$179,216	0.0%
Total	\$880,000	\$896,711	1.9%

V. BUDGET REFERENCES

SB 80XX, Section 64; HB 1119XX, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	N/A	FY-06	\$323,041
FY-02	N/A	FY-07	\$339,752

Note:

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

DEPARTMENT OF TOURISM AND RECREATION

Hardy Watkins, Executive Director

Agency #566

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$25,955,959	810.0
FY-07 Adjustments		
a. State Employee Pay Increase	917,415	
b. Multicounty Organizations	<u>200,000</u>	
Total Adjustments	\$1,117,415	0.0
FY-07 Appropriation and FTE Authorization	\$27,073,374	810.0
Percent Change from FY-06 to FY-07	4.3%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funding is provided for operational increase related to multicounty organizations.

III. POLICY ISSUES

- a. **SB 90XX** transfers \$8.0 million to the agency for capital maintenance in the state parks from the Constitutional Reserve "Rainy Day" Fund spillover for FY-06. Funds will be used to address critical infrastructure needs, such as roof repairs, condemned playground areas, and other essential park infrastructure needs.
- b. **SB1219** transfers \$2,289,734 from the REAP Water Project Fund to the agency for environmental maintenance and \$99,554 to the agency for multicounty organizations. Similar funding was vetoed by the Governor in 2005 Regular Session.
- c. **HB 1173XX** creates permanent annual capital improvement funding accounts for the Tourism and Recreation Department, the Conservation Commission, and the Water Resources Board. Each agency will realize approximately \$2.5 million annually to address critical infrastructure and capital improvement needs. The Tourism Department will use the funds to address capital needs in the state park system. Funds will be deposited in and expended from the agency's Capital Expenditure Revolving Fund.

- d. **HB 1174XX** repeals the Tourism Promotion Gross Receipts Tax of 0.1 percent on many goods and services related to tourism activities, effective July 1, 2007. The tax, which generates an estimated \$5.0 million annually, involves high administrative costs for both the taxpayer and the Tax Commission relative to the revenue the tax generates. Upon repeal, 0.93 percent of sales and use tax revenue will be directly apportioned for tourism promotion purposes and for capital improvements to the state park system, with an estimated total apportionment of \$16.8 million in FY-08. The repeal will result in administrative cost savings to the agency and to taxpayers subject to the tax.
- e. **HB 1757** increases the number of hours seasonal employees employed at lodges and golf courses are permitted to work from 1,200 to 1,600 hours. The increase allows the agency to retain skilled staff and provide more flexible and efficient customer service at state parks, resorts and golf courses.
- f. **HB 2431** directs the agency to develop a severance package for all unclassified employees of the agency affected by the closure of any state park facility. The bill also creates a State Park Trust Fund and allows 5 percent of the trust principal to be allocated annually for facilities maintenance.

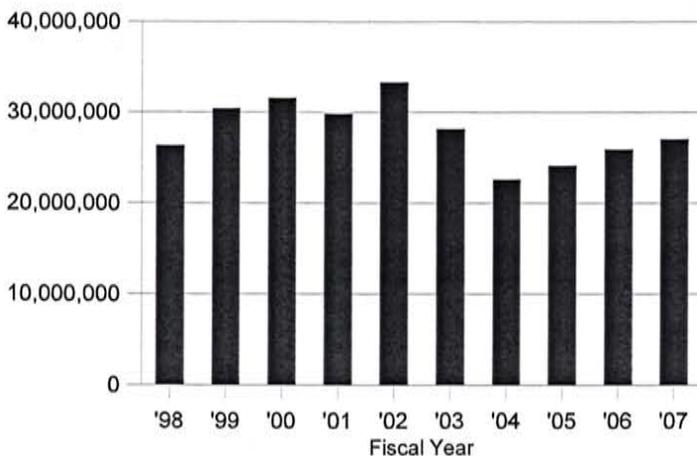
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$25,955,959	\$27,073,374	4.3%
Federal Funds	1,800,000	1,800,000	0.0%
Revolving and Carryover Funds	34,758,089	35,000,000	0.7%
Total	\$62,514,048	\$63,873,374	2.2%

V. BUDGET REFERENCES

SB 80XX, Section 65; SB 60XX, Sections 1 through 10

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$29,862,485	FY-06	\$25,955,959
FY-02	\$33,350,273	FY-07	\$27,073,374

WATER RESOURCES BOARD

Duane Smith, Executive Director

Agency #835

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$6,573,896	91.0
<i>Duties and Operations</i>	<i>\$4,373,896</i>	
<i>REAP Water Project Fund</i>	<i>\$2,200,000</i>	
FY-07 Adjustments		
a. State Employee Pay Increase	<u>170,721</u>	
Total Adjustments	\$170,721	0.0
FY-07 Appropriation and FTE Authorization	\$6,744,617	91.0
<i>Duties and Operations</i>	<i>\$4,373,896</i>	
<i>REAP Water Project Fund</i>	<i>\$2,200,000</i>	
Percent Change from FY-06 to FY-07	2.6%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

- a. **SB 1574** amends waste provisions of the groundwater statutes by increasing steps taken by the agency to control waste. The measure requires the Water Resources Board to pursue voluntary compliance and other administrative remedies before going to the district attorney for legal action.
- b. **HB 1121XX** transfers \$1,012,332 from the Rural Economic Action Plan (REAP) Water Projects Revolving Fund to the agency, including \$500,000 for continuation of the Arbuckle Simpson Aquifer Study, \$200,000 for the Altus Lugert Study, \$14,000 for the Oklahoma Rural Water Association and \$298,331 for rural municipal water projects to be determined by the agency.
- c. **HB 1173XX** creates permanent annual capital improvement funding accounts for the Tourism and Recreation Department, the Conservation Commission, and the Water Resources Board. Each agency will realize approximately \$2.5 million annually to address critical infrastructure and capital improvement needs. The Water Resources Board will utilize the funds to address water infrastructure needs and funds will be specifically allocated to complete the Oklahoma Comprehensive Water Plan over the next few years. The measure also provides financial assistance to assist in acquiring loans to improve local water infrastructure. Funds will be deposited in and expended from the Community Water Infrastructure Development Revolving Fund.

IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$6,573,896	\$6,744,617	2.6%
Revolving and Carryover Funds ¹	2,885,423	4,185,423	45.1%
REAP Water Project Funds	952,999	1,100,000	15.4%
Federal Funds	9,714,770	10,000,000	2.9%
Total	\$20,127,088	\$22,030,040	9.5%

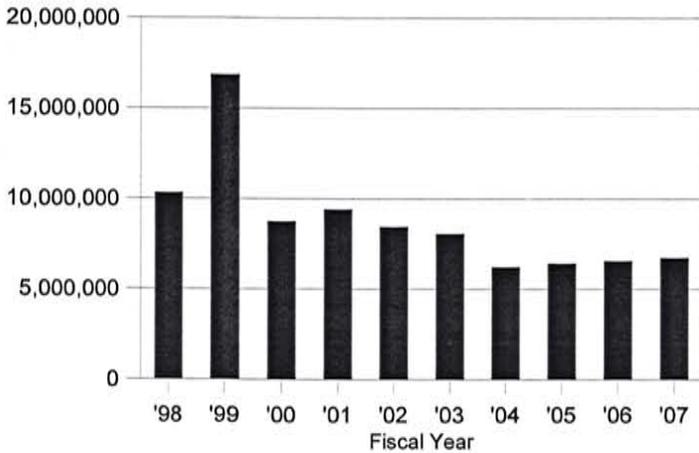
Note:

1. Reflects increase for dedication of gross production tax revenue source for capital projects from HB 1173.

V. BUDGET REFERENCES

SB 80XX, Section 66; HB 1121XX, Sections 1 through 6

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$9,418,598	FY-06	\$6,573,896
FY-02	\$8,461,854	FY-07	\$6,744,617

Notes:

1. 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-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$830,679	16.5
FY-07 Adjustments		
a. State Employee Pay Increase	25,517	
b. Operational Increases	<u>69,000</u>	
Total Adjustments	\$94,517	0.0
FY-07 Appropriation and FTE Authorization	\$925,196	16.5
Percent Change from FY-06 to FY-07	11.4%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Funding is provided in the amount of \$27,000 for increased operational costs and \$42,000 to address maintenance issues, including the replacement of deteriorated flooring.

III. POLICY ISSUES

None

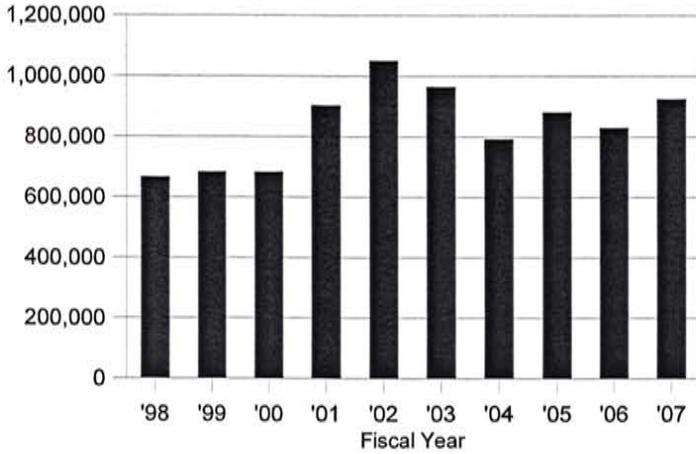
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$830,679	\$925,196	11.4%
Revolving Funds	27,000	27,000	0.0%
Total	\$857,679	\$952,196	11.0%

V. BUDGET REFERENCES

SB 80XX, Section 67; HB 1123XX, Sections 1 through 3

VI. TEN YEAR APPROPRIATION HISTORY

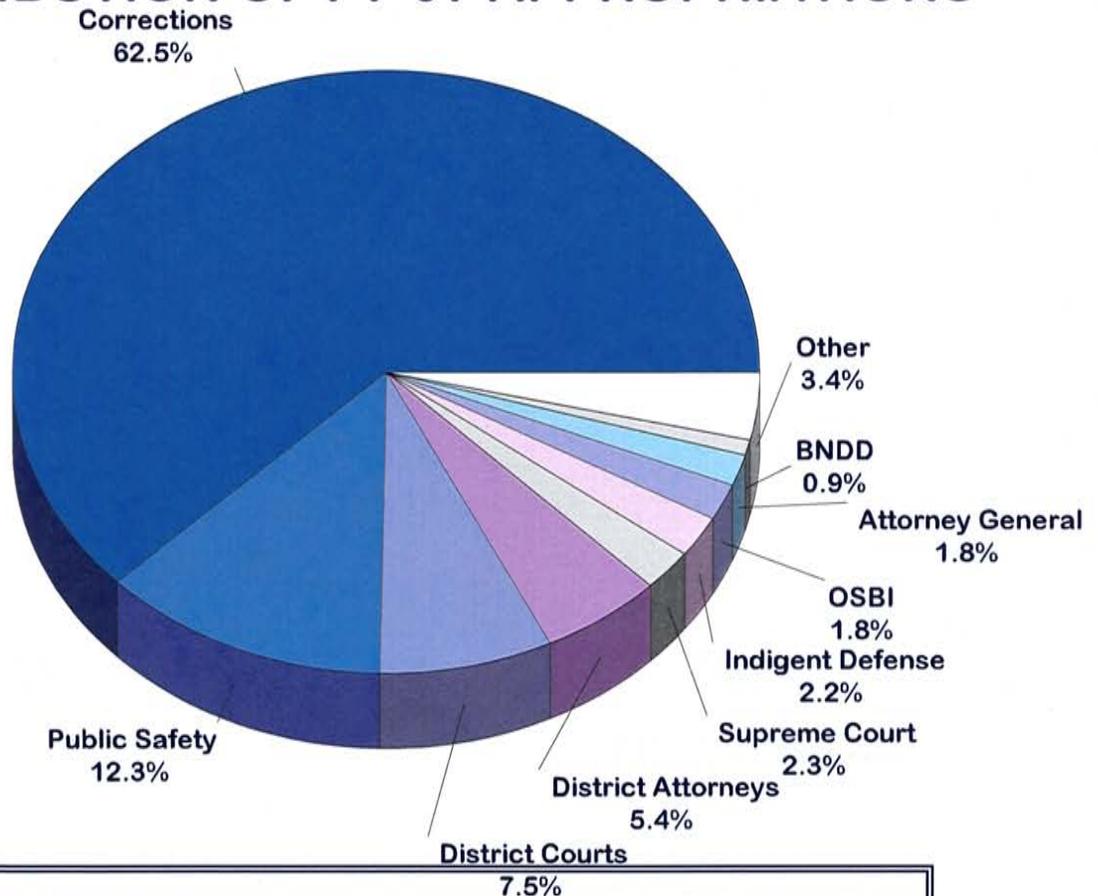


FY-98	\$666,896	FY-03(Orig.)	\$965,062
FY-99	\$684,169	FY-04	\$792,798
FY-00	\$683,640	FY-05	\$882,678
FY-01	\$904,323	FY-06	\$830,679
FY-02	\$1,051,197	FY-07	\$925,196

Notes:

1. FY-01 increase was for transfer of operation of the Glass House Welcome Center in Vinita from the Oklahoma Department of Tourism and Recreation.
2. 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-07 APPROPRIATIONS



Corrections Department	\$456,004,876
Department of Public Safety	90,051,236
District Courts	54,403,272
District Attorneys/DAC	39,092,742
Supreme Court	16,878,678
Indigent Defense System	16,206,256
Bureau of Investigation (OSBI)	13,351,567
Attorney General	12,798,702
Narcotics and Dangerous Drugs (BNDD)	6,320,763
Other	
Workers' Compensation Court	4,888,334
Medicolegal Investigations	4,587,380
Alcoholic Beverage Laws Commission (ABLE)	3,965,159
Law Enforcement Education & Training (CLEET)	3,265,473
Court of Criminal Appeals	3,083,013
Pardon and Parole Board	2,555,018
Fire Marshal	2,052,561
Council on Judicial Complaints	282,503
Subcommittee Total	\$729,787,533

Excludes supplemental appropriations, reappropriations, and Rainy Day Fund spillover transfers.
Includes capital and onetime expenditures.

ALCOHOLIC BEVERAGE LAW ENFORCEMENT (ABLE) COMMISSION

Keith Burt, Director

Agency #030

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$3,738,839	71.0
FY-07 Adjustments		
a. State Employee Pay Increase	87,320	
b. Information Technology Staff	70,000	
c. Replace Eight Vehicles	<u>69,000</u>	
Total Adjustments	\$226,320	0.0
FY-07 Appropriation and FTE Authorization	\$3,965,159	71.0
Percent Change from FY-06 to FY-07	6.1%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. The Legislature provided \$70,000 for hiring information technology staff to assist with the implementation of a computerized licensing and collection system.
- c. This appropriation provides \$69,000 to replace eight of the agency's high mileage vehicles.

III. POLICY ISSUES

- a. **HB 3043** revises the rules for charitable auctions to allow online bidding, effective November 1, 2006.
- b. **HB 3056** creates the Prevention of Youth Access to Alcohol Act, which increases penalties for selling or dispensing low-point beer to persons under twenty-one years of age.

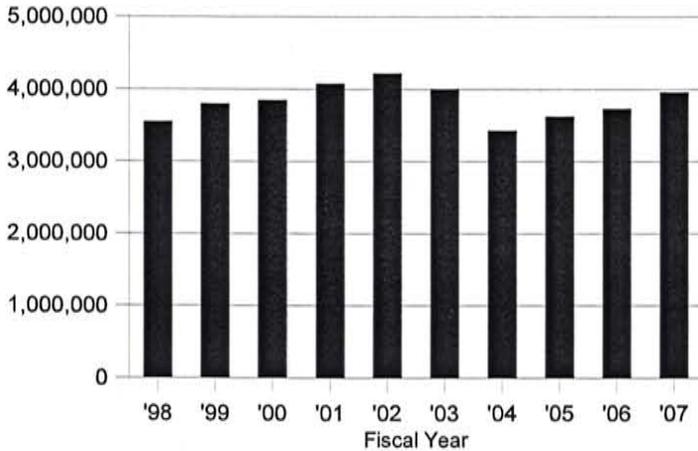
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$3,738,839	\$3,965,159	6.1%
Revolving Funds	315,000	380,000	20.6%
Total	\$4,053,839	\$4,345,159	7.2%

V. BUDGET REFERENCES

SB 80XX, Section 68; SB 63XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$4,084,576	FY-06	\$3,738,839
FY-02	\$4,221,892	FY-07	\$3,965,159

ATTORNEY GENERAL

W.A. "Drew" Edmondson, Attorney General

Agency #049

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$11,286,462	175.5
FY-07 Adjustments		
a. State Employee Pay Increase	212,240	
b. Annualize FY-06 Supplemental	1,200,000	4.0
c. Increased Funding for CASA Program	<u>100,000</u>	—
Total Adjustments	\$1,512,240	4.0
FY-07 Appropriation and FTE Authorization	\$12,798,702	179.5
Percent Change from FY-06 to FY-07	13.4%	2.3%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. The Legislature annualized the FY-06 Supplemental of \$500,000 that was provided for in **SB 1227** to fund the new tobacco enforcement unit, the goal of which is to enforce the National Tobacco Settlement Agreement and subsequently protecting Oklahoma's annual tobacco payment.
- c. The Legislature increased the appropriation for Court Appointed Special Advocates (CASA) by \$100,000, providing a total of \$597,225 in state funds to support the program. CASA volunteers are appointed officers of the Court representing children by working alongside attorneys and social workers and making independent, objective recommendations regarding the best interest of a child.

III. POLICY ISSUES

- a. **SB 1037** authorizes the Attorney General to establish a crime victim and witness notification and victim protective order ("VINES") system to assist public officials in carrying out their duties to notify and inform crime victims and witnesses. Federal grants will cover the startup and operating costs for FY-07 and FY-08.
- b. **SB 1227** provides FY-06 supplemental funding of \$500,000 for the agency's new tobacco enforcement unit, which will enforce the compliance requirements of the National Tobacco Settlement Agreement.

IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$11,286,462	\$12,798,702	13.4%
Special Cash	0	165,992	N/A
Carryover	30,000	50,000	66.7%
Revolving Funds	6,027,748	7,380,000	22.4%
Federal Funds	3,208,408	5,744,449	79.0%
Total	\$20,552,618	\$26,139,143	27.2%

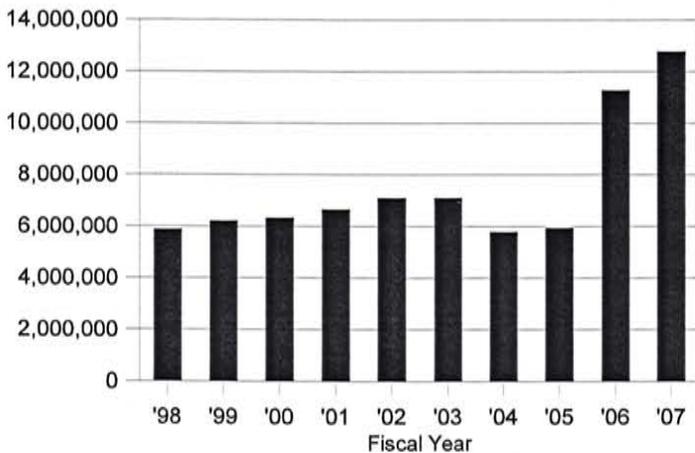
Note:

1. FY-07 increase in budgeted Federal Funds is due to funding received for the new VINES system authorized in **SB 1037**.

V. BUDGET REFERENCES

SB 80XX, Section 79; HB 1143, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$6,669,686	FY-06	\$11,286,462
FY-02	\$7,116,561	FY-07	\$12,798,702

DEPARTMENT OF CORRECTIONS

Justin Jones, Director

Agency #131

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$409,443,403	5,844.6
FY-07 Adjustments		
a. State Employee Pay Increase	750,897	
b. Annualize FY-06 Supplemental	41,915,891	50.0
c. Per Diem Increase for County Jails	629,625	
d. Per Diem Increase for Private Prisons and Halfway Houses	<u>3,265,060</u>	
Total Adjustments	\$46,561,473	50.0
FY-07 Appropriation and FTE Authorization	\$456,004,876	5,894.6
Percent Change from FY-06 to FY-07	11.4%	0.9%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. The Legislature annualized the FY-06 Supplemental of \$24,000,000 that was provided for in **HB 2288** to fund contract beds, a \$2,800 salary increase for employees and funding to hire an additional 100 probation parole officers and correctional officers.
- c. This appropriation funds the \$3 increase in the per diem rate paid to county jails for housing inmates authorized by **SB 65XX**, increasing the per diem rate from \$24.00 per day to \$27.00 per day.
- d. The Legislature appropriated funds for a five percent increase in the per diem rate paid to private prisons and halfway houses authorized by **SB 65XX**, providing an average increase of \$2.14 per day for private prisons and \$1.64 per day for halfway houses.

III. POLICY ISSUES

- a. **HB 2288** provides FY-06 supplemental funding of \$24 million for contract beds and a \$2,800 salary increase for all facility employees.
- b. **HB 2518** authorizes the agency to employ certified medication aides to distribute medications at correctional facilities. The agency is using practical nurses and registered nurses to administer medications to inmates several times per day. This legislation is estimated to save up to \$500,000 annually.

- c. **HB 2982** requires the agency to provide inmate labor to manufacture products and materials needed for the repair, construction and maintenance of historical sites and state parks. This bill also authorizes any community action agency or council of governments within the state to purchase housing components from the prison industries program.
- d. **SB 1539** re-authorizes the agency to manage the collection of supervision fees, after authority was transferred to the Court Clerks in Enrolled **HB 1267**. The Court's collection and accounting system was inadequate to administer the program, resulting in this transfer.
- e. **SB 1782** requires the agency to reimburse county sheriffs \$30 per day for each offender ordered to short-term jail incarceration as an intermediate sanction. This legislation is estimated to cost approximately \$43,000 annually.
- f. **SB 1800** requires that any person convicted of forcible sodomy, rape or lewd molestation of a child under 14 years of age, subsequent to a previous conviction of the same, to be punished by death or by imprisonment for life without parole.
- g. **SB 1867** authorizes private prison contractors to operate a maximum security level facility within the state. Previously, private prison contractors were only authorized to operate minimum and medium security level facilities.
- h. **SB 1964** requires convicted sex offenders to serve a minimum of three years post-imprisonment community supervision, including participation in a treatment program, polygraph examinations every six months, and annual renewal of driver license or identification card. Additionally, sex offenders are prohibited from residing within a 2,000 foot radius of playground, park or child care facility. The bill also requires that 20 percent of all funds received by an inmate be placed in a savings account, payable to the inmate upon discharge.
- i. **SB 65XX** authorizes a performance-based per diem increase of up to five percent for private prisons and halfway houses and authorizes an increase in the per diem rate the agency must reimburse county jails for housing inmates from \$24 per day to \$27 per day. The per diem increases are expected to cost an additional \$5.2 million annually. The bill also authorizes the agency to enter into a pilot acquisition program for offender canteen, trust fund and restitution accounting system services, which will allow the centralization of offender accounting operations.

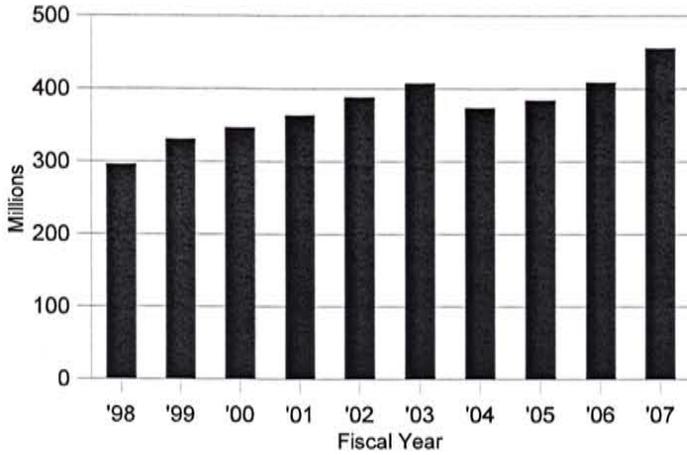
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$409,443,403	\$456,004,876	11.4%
Revolving Funds	61,243,672	62,687,672	2.4%
Federal Funds	13,300,000	11,300,000	(15.0)%
Carryover	3,000,000	2,000,000	(33.3)%
Total	\$486,987,075	\$531,992,548	9.2%

V. BUDGET REFERENCES

SB 80XX, Section 69; SB 65XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-98	\$296,504,307	FY-03(Orig.)	\$407,828,555
FY-99	\$331,165,993	FY-04	\$373,931,566
FY-00	\$346,829,779	FY-05	\$384,286,568
FY-01	\$364,253,162	FY-06	\$409,443,403
FY-02	\$388,762,900	FY-07	\$456,004,876

COURT OF CRIMINAL APPEALS

Charles S. Chapel, Presiding Judge

Agency #199

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$2,828,160	36.0
FY-07 Adjustments		
a. State Employee Pay Increase	70,853	
b. Judicial Salary Increase	94,000	
c. Staffing	<u>90,000</u>	
Total Adjustments	\$254,853	0.0
FY-07 Appropriation and FTE Authorization	\$3,083,013	36.0
Percent Change from FY-06 to FY-07	9.0%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Appropriations provide for a 15 percent increase in judicial compensation beginning in FY-07, as recommended by the Board of Judicial Compensation.
- c. The increase in appropriations allows the Court to hire two additional administrative and support staff, which will improve caseload efficiency.

III. POLICY ISSUES

None

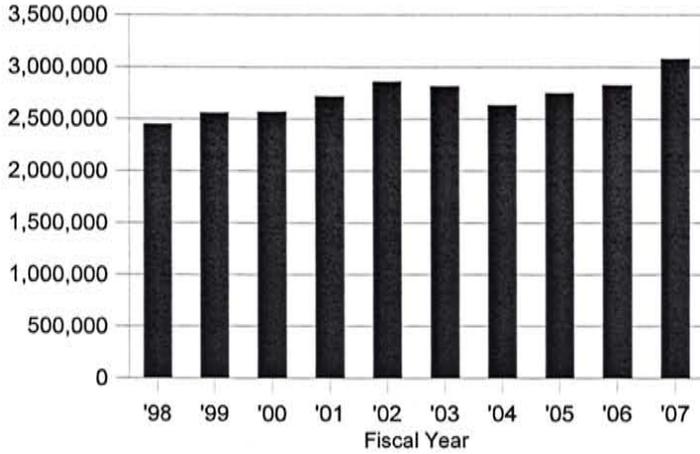
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$2,828,160	\$3,083,013	9.0%
Carryover	350,000	260,000	(25.7)%
Total	\$3,178,160	\$3,343,013	5.2%

V. BUDGET REFERENCES

SB 80XX, Section 85; HB 1145; Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$2,720,270	FY-06	\$2,828,160
FY-02	\$2,861,916	FY-07	\$3,083,013

DISTRICT ATTORNEYS AND DISTRICT ATTORNEYS COUNCIL

Suzanne Atwood, Executive Coordinator

Agency #220

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$30,592,742	1,241.0
FY-07 Adjustments		
a. State Employee Pay Increase	1,000,000	
b. New Assistant District Attorneys & Support Staff	4,300,000	67.0
c. General Operations	<u>3,200,000</u>	—
Total Adjustments	\$8,500,000	67.0
FY-07 Appropriation and FTE Authorization	\$39,092,742	1,308.0
Percent Change from FY-06 to FY-07	27.8%	5.4%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. The Legislature appropriated funds to hire 34 additional assistant district attorneys and 33 support staff. The additional staff will assist in addressing an increase in caseload.
- c. An additional appropriation was authorized to meet increases in general operating expenses.

III. POLICY ISSUES

- a. **SB 1701** provides statutory authority for the agency to purchase its motor vehicles rather than contract with the Department of Central Services' Fleet Management Division.
- b. **SB 1910** authorizes district attorneys to contract with third-party vendors to facilitate the electronic transfer of checks into the Bogus Check Restitution Program. The legislation is designed to improve the effectiveness of the collection process.

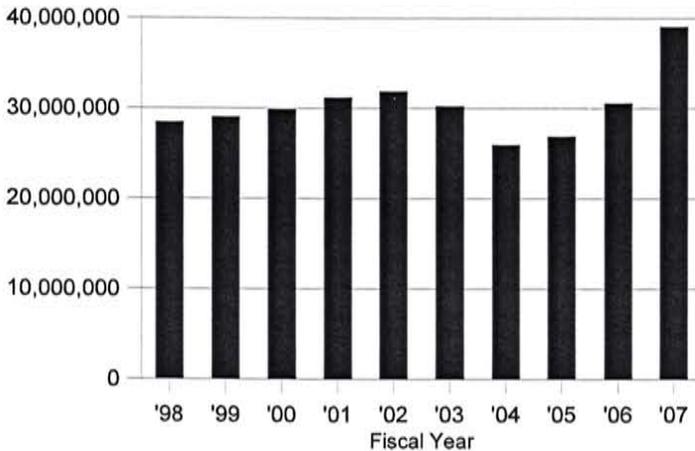
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$30,592,742	\$39,092,742	27.8%
Carryover	450,000	450,000	0.0%
Revolving Funds	39,857,258	34,357,258	(13.8)%
Federal Funds	25,800,000	32,100,000	24.4%
Total	\$96,700,000	\$106,000,000	9.6%

V. BUDGET REFERENCES

SB 80XX, Sections 81 through 84; HB 1147, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$31,213,067	FY-06	\$30,592,742
FY-02	\$31,902,762	FY-07	\$39,092,742

DISTRICT COURTS

Joseph M. Watt, Chief Justice

Agency #219

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$47,300,000	653.0
FY-07 Adjustments		
a. State Employee Pay Increase	388,843	
b. Judicial Salary Increase	4,379,592	
c. New Special Judge	100,000	1.0
d. Court Reporter Salary Increase	334,837	
e. Replace Revolving Funds	<u>1,900,000</u>	—
Total Adjustments	\$7,103,272	1.0
FY-07 Appropriation and FTE Authorization	\$54,403,272	654.0
Percent Change from FY-06 to FY-07	15.0%	0.2%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Appropriations allow for an increase in judicial compensation beginning in FY-07 as recommended by the Board of Judicial Compensation. Increases range between 15 and 19 percent.
- c. The Legislature appropriated funds for a special Judge to serve in LeFlore County.
- d. This appropriation provides a ten percent pay increase for court reporters, effective October 1, 2006, as authorized by **HB 1150**.
- e. An additional appropriation was authorized to replace agency revolving funds used to offset a revenue shortfall in the State Judicial Revolving Fund. The shortfall was a result of an over-estimate in FY-06 projected revenue.

III. POLICY ISSUES

- a. **HB 1150** authorizes a ten percent salary increase for court reporters, effective October 1, 2006. This legislation is expected to cost the district courts an additional \$908,900 annually.

- b. **HB 1346** increases the maximum amount allowable for a claim to be filed under the small claims procedure from \$4,500 to \$6,000.
- c. **SB 1265** provides FY-06 supplemental funding of \$3,871,585 for a revenue shortage in the State Judicial Revolving Fund resulting from an overestimate of fee increases.
- d. **SB 1807** prohibits a defendant who is mentally retarded to be sentenced to death, provided the onset of the mental retardation was manifested before the defendant was 18 years of age.
- e. **SB 1897** specifies procedures for the selection and service of jurors in districts where a trailing docket system is implemented.

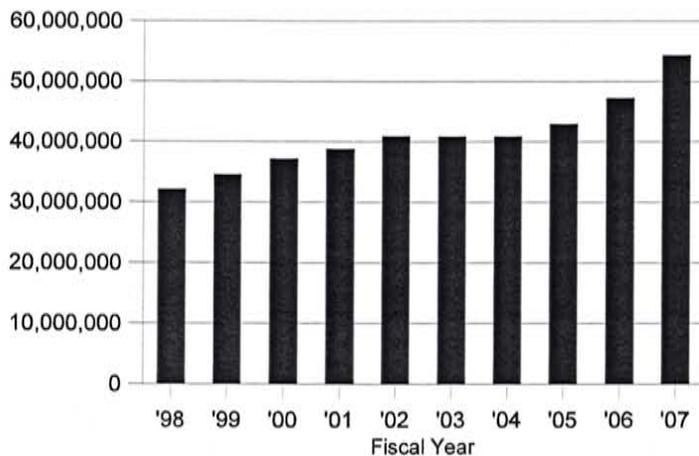
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$962,069	\$16,219,933	1585.9%
State Judicial Fund	46,337,931	38,183,339	(17.6)%
Revolving Funds	0	3,500,000	N/A
Carryover	3,000,000	500,000	(83.3)%
Federal Funds	0	500,000	N/A
Total	\$50,300,000	\$58,903,272	17.1%

V. BUDGET REFERENCES

SB 80XX, Sections 89 and 90; HB 1149, Sections 1 and 2

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$38,853,817	FY-06	\$47,300,000
FY-02	\$40,971,275	FY-07	\$54,403,272

STATE FIRE MARSHAL

Robert Doke, Fire Marshal

Agency #310

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$1,685,180	33.0
FY-07 Adjustments		
a. State Employee Pay Increase	54,881	
b. Firefighter Training	250,000	
c. Investigation Agent	<u>62,500</u>	<u>1.0</u>
Total Adjustments	\$367,381	1.0
FY-07 Appropriation and FTE Authorization	\$2,052,561	34.0
Percent Change from FY-06 to FY-07	21.8%	3.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. The Legislature appropriated funds for the Council on Firefighter Training. The Council was established in 2004 to identify firefighter training needs and make recommendations to the Governor and Legislature concerning fire and emergency service training needs for the state.
- c. This funding allows the agency to hire an additional investigation agent, bringing the total number of agents to 22.

III. POLICY ISSUES

None

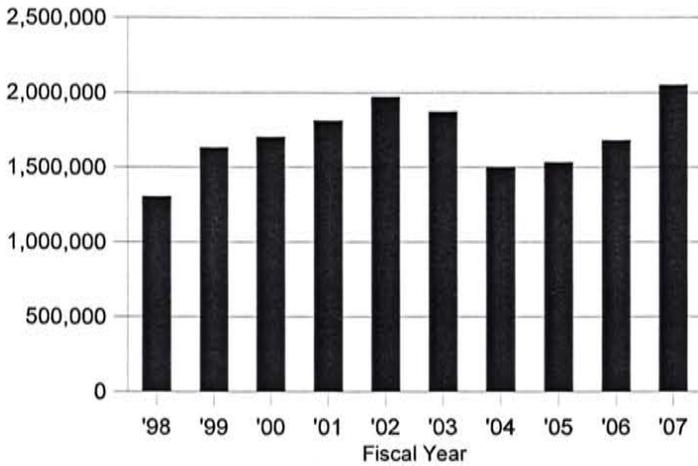
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$1,685,180	\$2,052,561	21.8%
Revolving Funds	550,000	550,000	0.0%
Total	\$2,235,180	\$2,602,561	16.4%

V. BUDGET REFERENCES

SB 80XX, Section 70; SB 69XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$1,815,364	FY-06	\$1,685,180
FY-02	\$1,973,743	FY-07	\$2,052,561

INDIGENT DEFENSE SYSTEM

Jim Bednar, Executive Director

Agency #047

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$15,633,001	85.0
FY-07 Adjustments		
a. State Employee Pay Increase	293,255	
b. Trial Attorney Contracts	<u>280,000</u>	
Total Adjustments	\$573,255	0.0
FY-07 Appropriation and FTE Authorization	\$16,206,256	85.0
Percent Change from FY-06 to FY-07	3.7%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. An additional appropriation was authorized to meet increases in trial attorney contracts. Due to several law firms failing to renew their contracts, new bids were solicited, resulting in higher costs than previous contracts.

III. POLICY ISSUES

None

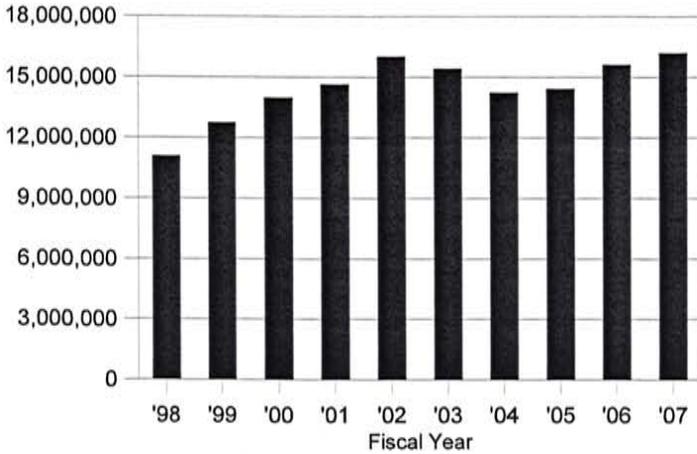
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$15,633,001	\$16,206,256	3.7%
Carryover	1,920,000	1,574,592	(18.0)%
Revolving Funds	1,675,971	1,851,433	10.5%
Total	\$19,228,972	\$19,632,281	2.1%

V. BUDGET REFERENCES

SB 80XX, Section 93; HB 1151, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$14,648,539	FY-06	\$15,633,001
FY-02	\$16,042,393	FY-07	\$16,206,256

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-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$11,154,628	307.0
FY-07 Adjustments		
a. State Employee Pay Increase	176,400	
b. Debt Service	500,000	
c. New Agents	547,950	9.0
d. DNA Testing	538,000	1.0
e. Agent Pay Increase	<u>434,589</u>	
Total Adjustments	\$2,196,939	10.0
FY-07 Appropriation and FTE Authorization	\$13,351,567	317.0
Percent Change from FY-06 to FY-07	19.7%	3.3%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. The Legislature provided an appropriation to fund the additional bond debt service authorized in **HB 2516** to complete construction of the new Forensic Science Center.
- c. The increase in appropriations allows the agency to employ seven agents for the new Internet Crimes Against Children Unit approved in **SB 1479** and two agents for the new Child Abuse Response team authorized in **SB 1800**.
- d. This appropriation provides annualized funding for expansion of the Combined DNA Index System (CODIS), including one additional Forensic Biologist.
- e. The Legislature appropriated additional funds to provide a pay increase to agents as authorized in **SB 82XX**, raising salaries to the regional average.

III. POLICY ISSUES

- a. **HB 2487** authorizes the agency to contract for the services of a Forensic DNA Technical Manager for the operations of the DNA laboratory.
- b. **HB 2516** raises the agency's bond issuance limit from \$20 million to \$26.3 million, in order to accommodate increased construction costs associated with the new Forensic Science Center. The additional debt service will cost \$500,000 annually resulting in total estimated debt service of \$1.9 million.
- c. **HB 2840** authorizes district court judges and the director of the Department of Human Services to request the agency to conduct an investigation in cases where it has been determined that criminally injurious physical or sexual abuse of a child has occurred.
- d. **SB 82XX** provides an annual pay raise for agents, ranging from six percent to 19 percent. The new salary schedule will increase agent pay to the regional average and assist with recruitment and retention.
- e. **SB 1270** provides FY-06 supplemental funding of \$456,000 for expansion of Oklahoma's Combined DNA Index System (CODIS) to include all convicted felons as mandated by **SB 646**.
- f. **SB 1479** creates the "Safe Net Act" and makes it a felony for a person to solicit sexual conduct with a minor by use of any technology. The bill also directs the agency to establish a separate unit to investigate Internet crimes committed against children. Estimated annual cost of this legislation is \$665,912, plus one-time equipment costs of \$170,165.
- g. **SB 1800** creates a Child Abuse Response Team to investigate cases of physical or sexual assault, abuse or neglect of children. The bill requires the agency, subject to the availability of funds, to employ at least one child abuse investigator and one child abuse forensic interviewer for the Team. The fiscal impact to the agency is projected to be \$265,235 annually.

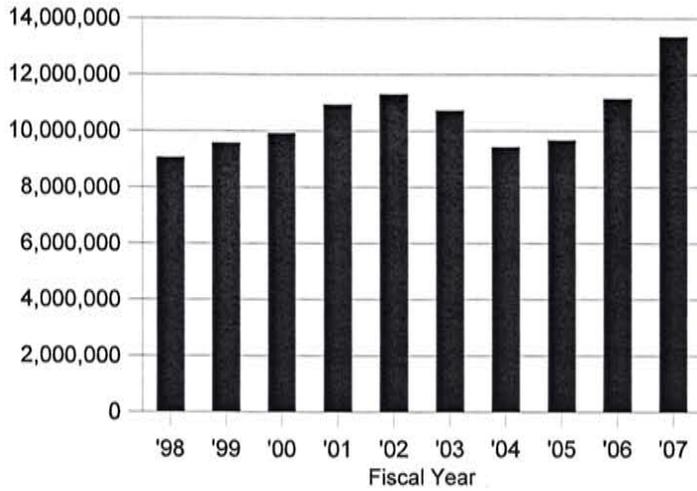
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$11,154,628	\$13,351,567	19.7%
Carryover Funds	125,000	141,828	13.5%
Revolving Funds	16,220,372	23,906,605	47.4%
Federal Funds	2,000,000	1,500,000	(25.0)%
Total	\$29,500,000	\$38,900,000	31.9%

V. BUDGET REFERENCES

SB 80XX, Section 71; SB 71XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$10,950,072	FY-06	\$11,154,628
FY-02	\$11,307,844	FY-07	\$13,351,567

COUNCIL ON JUDICIAL COMPLAINTS

Eric Mitts, Administrative Secretary

Agency #678

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$278,826	2.0
FY-07 Adjustments		
a. State Employee Pay Increase	<u>3,677</u>	
Total Adjustments	\$3,677	0.0
FY-07 Appropriation and FTE Authorization	\$282,503	2.0
Percent Change from FY-06 to FY-07	1.3%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.

III. POLICY ISSUES

None

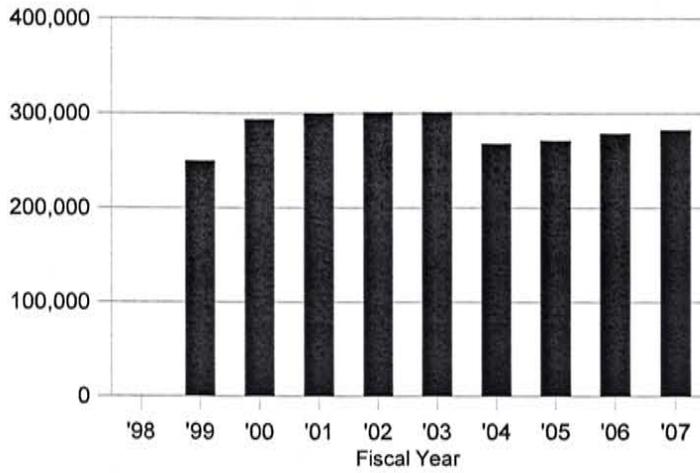
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$278,826	\$282,503	1.3%
Carryover	50,000	55,000	10.0%
Total	\$328,826	\$337,503	2.64%

V. BUDGET REFERENCES

SB 80XX, Section 91; HB 1153, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$300,504	FY-06	\$278,826
FY-02	\$301,681	FY-07	\$282,503

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-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$2,758,783	41.0
FY-07 Adjustments		
a. State Employee Pay Increase	56,690	
b. Operating Costs	<u>450,000</u>	
Total Adjustments	\$506,690	0.0
FY-07 Appropriation and FTE Authorization	\$3,265,473	41.0
Percent Change from FY-06 to FY-07	18.4%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. The Legislature authorized an additional appropriation to meet increases in operating expenses at the new training facility in Ada.

III. POLICY ISSUES

- a. **SB 516** establishes the minimal requirements for persons elected or appointed to the position of chief of police of a municipality. The bill directs the agency to develop a Police Chief Administrative School and to offer training courses that meet the requirements.
- b. **SB 1401** authorizes the agency to provide lodging and meals to instructors at the new training center in lieu of reimbursing per diem rates, which will save the agency approximately \$57,000 annually. The bill also authorizes the agency to enter into agreements with state agencies and business entities for the temporary use of its facilities in order to generate income and help offset the operating costs of the new training center.
- c. **SB 1970** requires the agency to promulgate rules to establish a state firearms re-qualification standard for active peace officers to carry concealed weapons nationwide. This legislation is estimated to cost the agency \$7,500 to implement and an additional \$2,400 in annual operating expenses.

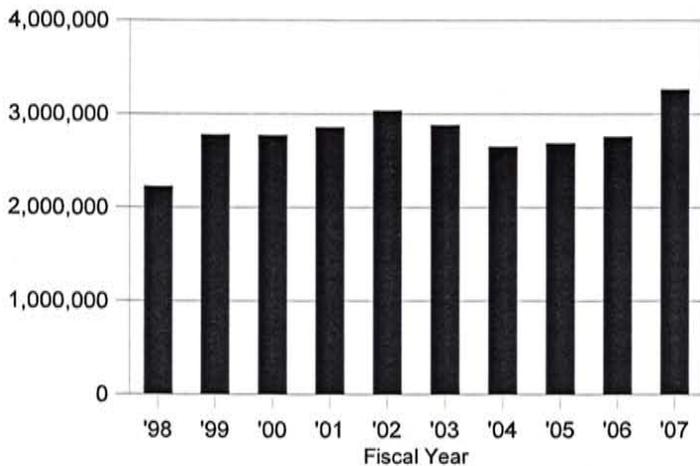
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$350,000	\$0	(100.0)%
CLEET Fund	2,408,783	3,265,473	35.6%
Revolving Fund	1,910,000	2,514,000	31.6%
Carryover	48,000	20,000	(58.3)%
Total	\$4,716,783	\$5,799,473	23.0%

V. BUDGET REFERENCES

SB 80XX, Sections 72 and 73; SB 73XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$2,858,635	FY-06	\$2,758,783
FY-02	\$3,050,458	FY-07	\$3,265,473

BOARD OF MEDICOLEGAL INVESTIGATIONS

Dr. Jeffery Gofton, Chief Medical Examiner

Agency #342

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$3,922,904	70.5
FY-07 Adjustments		
a. State Employee Salary Increase	37,054	
b. Additional Staff	<u>627,422</u>	<u>8.0</u>
Total Adjustments	\$664,476	8.0
FY-07 Appropriation and FTE Authorization	\$4,587,380	78.5
Percent Change from FY-06 to FY-07	16.9%	11.3%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. The Legislature authorized an additional appropriation to allow the agency to upgrade its toxicology laboratory operations, increase salaries for existing employees and hire additional laboratory staff.

III. POLICY ISSUES

- a. **SB 82XX** establishes a salary schedule for officers and employees of the Office of the Chief Medical Examiner. The new salary schedule will assist the agency in its efforts to recruit experienced staff and retain existing employees.

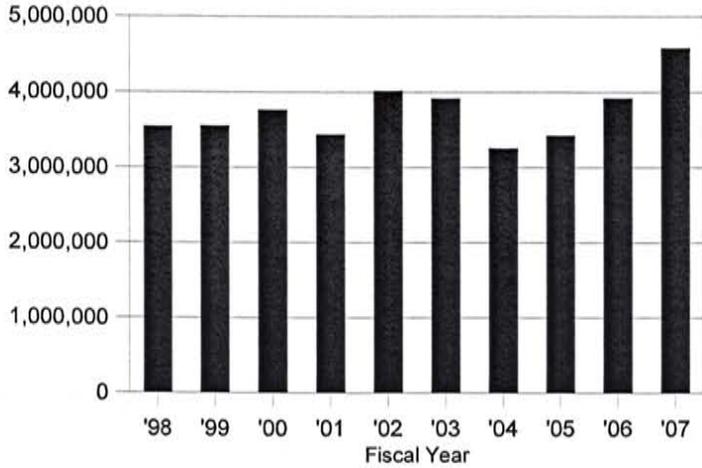
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$3,922,904	\$4,587,380	16.9%
Carryover	55,000	50,000	(9.1)%
Revolving Funds	1,480,000	2,020,123	36.5%
Federal Funds	353,389	342,987	(2.9)%
Total	\$5,811,293	\$7,000,490	20.5%

V. BUDGET REFERENCES

SB 80XX, Section 74; SB 74XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$3,438,913	FY-06	\$3,922,904
FY-02	\$4,016,775	FY-07	\$4,587,380

BUREAU OF NARCOTICS AND DANGEROUS DRUGS

R. Darrell Weaver, Director

Agency #477

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$5,389,595	109.0
FY-07 Adjustments		
a. Remove One-time Funding for Bullet-proof Vests	(21,000)	
b. State Employee Pay Increase	69,668	
c. Additional Agents	225,000	
d. Wire Intercept Project	436,950	
e. Agent Salary Increase	<u>220,550</u>	
Total Adjustments	\$931,168	0.0
FY-07 Appropriation and FTE Authorization	\$6,320,763	109.0
Percent Change from FY-06 to FY-07	17.3%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. The FY-06 appropriation included \$21,000 in one-time funding for bullet-proof vests.
- b. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- c. Appropriations were made for the agency to hire six bilingual Hispanic agents to assist in undercover operations between local Mexican drug trafficking organizations and their sources in Mexico.
- d. The Legislature authorized an appropriation to fund the agency's Wire Intercept Project, previously funded by the federal Justice Assistance Grant (JAG) program which has been eliminated.
- e. The Legislature appropriated funds to provide a pay increase to agents as authorized in **SB 82XX**, raising salaries to the regional average.

III. POLICY ISSUES

- a. **HB 2483** prohibits persons from engaging in the money services business without first securing a license from the Oklahoma State Banking Commissioner. The bill also requires suppliers of money transmitter equipment to file quarterly reports with the Banking Commissioner, listing all persons to whom money transmitter equipment has been provided. The Commissioner will enter into agreements with law enforcement agencies to share the information provided by suppliers and in license applications.

- b. **HB 2485** creates the Task Force on Adolescent Substance Abuse and Misuse of Household Items, which will study the prevalence of the misuse and abuse of drugs and household items among Oklahoma's adolescents. The task force also will study mechanisms to prevent abuse and misuse of drugs and noncontrolled substances including education programs, treatment and prevention programs and retail restrictions.
- c. **SB 82XX** provides an annual pay raise for agents, ranging from 6% to 30%. The new salary schedule increases agent pay to the regional average and assists with recruitment and retention.

IV. BUDGET RESOURCES

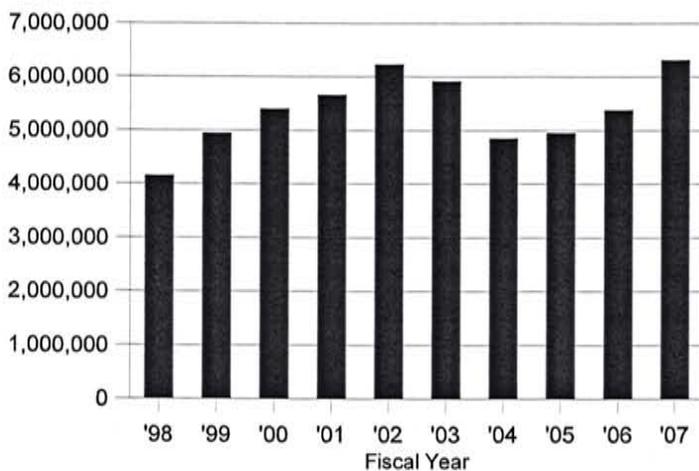
	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$5,389,595	\$6,320,763	17.3%
Revolving Funds	4,791,913	4,358,369	(9.0)%
Carryover	60,000	110,000	83.3%
Federal Funds	2,358,492	1,810,868	(23.2)%
Total	\$12,600,000	\$12,600,000	0.0%

Note: FY-07 decrease in federal funds is due to loss of grant funding from the JAG program, which financed the agency's Wire Intercept Project.

V. BUDGET REFERENCES

SB 80XX, Section 75; SB 75XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$5,665,596	FY-06	\$5,389,595
FY-02	\$6,237,218	FY-07	\$6,320,763

PARDON AND PAROLE BOARD

Terry Jenks, Director

Agency #306

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$2,316,329	47.0
FY-07 Adjustments		
a. State Employee Pay Increase	67,689	
b. Staffing	<u>171,000</u>	
Total Adjustments	\$238,689	0.0
FY-07 Appropriation and FTE Authorization	\$2,555,018	47.0
Percent Change from FY-06 to FY-07	10.3%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Appropriations were authorized to hire three Field Investigators and one Administrator. The additional staff will fill agency vacancies in the Cushing, Lawton and Atoka areas, and assist the agency in reducing current caseloads and travel costs.

III. POLICY ISSUES

None

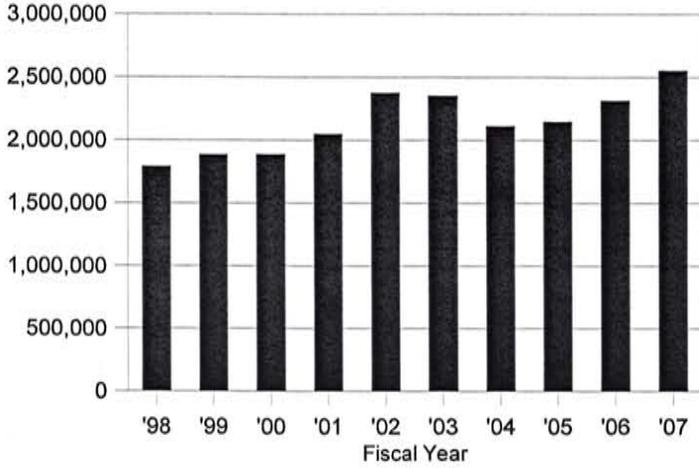
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$2,316,329	\$2,555,018	10.3%
Carryover	100,000	100,000	0.0%
Total	\$2,416,329	\$2,655,018	9.9%

V. BUDGET REFERENCES

SB 80XX, Section 76; SB 76XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$2,052,545	FY-06	\$2,316,329
FY-02	\$2,377,711	FY-07	\$2,555,018

DEPARTMENT OF PUBLIC SAFETY

Kevin Ward, Commissioner

Agency #585

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$78,887,770	1,548.0
FY-07 Adjustments		
a. State Employee Pay Increase	835,967	
b. Annualize FY-06 Supplemental	4,200,000	
c. Probationary Trooper Salaries	2,144,000	
d. Trooper Pay Increases	2,800,000	
e. Driver License Testing	983,499	2.0
f. Building Maintenance	<u>200,000</u>	—
Total Adjustments	\$11,163,466	2.0
FY-07 Appropriation and FTE Authorization	\$90,051,236	1,550.0
Percent Change from FY-06 to FY-07	14.2%	0.1%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. The Legislature annualized the FY-06 Supplemental of \$3,651,573 that was provided for in **SB 1255**.
- c. This appropriation funds salaries for the probationary troopers graduating from the FY-06 academy.
- d. The Legislature authorized salary increases for communications employees and officers of the Highway Patrol, Lake Patrol and Capitol Patrol, effective January 1, 2007. Increases range between five and 25 percent.
- e. Funds were appropriated for a new driver license examination station in Tulsa County and to hire additional examiners and clerks for other under-served areas of the state.
- f. An additional appropriation was authorized for building maintenance and repair at the agency's headquarters in Oklahoma City.

III. POLICY ISSUES

- a. **HB 2708** requires the agency to suspend the driving privilege of any person convicted of eluding or attempting to elude a peace officer. Suspensions are for a period of six months for a first offense, one year for a second offense and three years for a third or subsequent offense.
- b. **HB 2771** authorizes the agency to automatically notify an employer when an employee, who has a Class A, B or C driver license and operates a commercial motor vehicle in the course of employment, receives a traffic conviction which alters the status of their commercial driving privileges.
- c. **HB 3056** creates the Prevention of Youth Access to Alcohol Act, which requires that the driver license of persons under twenty-one years of age who purchase low-point beer be revoked. The bill also makes it a misdemeanor to lend one's driver license or identification card to another person and a felony to create or possess a counterfeit or fictitious license or identification card.
- d. **SB 1255** provides FY-06 supplemental funding of \$3,651,573 to meet increases in general operating expenses.
- e. **SB 1495** creates the Kyle Williams Boating Safety Education Act, which requires persons under sixteen years of age to successfully complete a boating safety education course prior to operating a motor powered vessel in excess of ten horsepower on Oklahoma waters.
- f. **SB 1929** creates the David Jagers Law, which allows for persons convicted of a traffic violation for failure to yield a right-of-way and causing a fatality or serious bodily injury to be assessed a fee up to \$1,000 in addition to any other fine or penalty. The fee will be deposited in the Motorcycle Safety and Drunk Driving Awareness Fund and used to promote public awareness of the dangers of driving while under the influence and to promote motorcycle safety and defensive driving for youth.

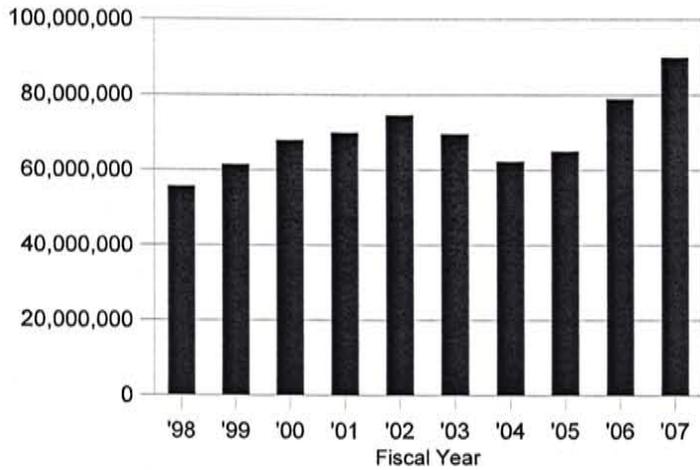
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$77,745,552	\$89,121,810	14.6%
CLEET Funds	1,142,218	929,426	(18.6)%
Revolving Funds	43,162,230	47,362,230	9.7%
Federal Funds	116,100,000	130,600,000	12.5%
Total	\$238,150,000	\$268,013,466	12.5%

V. BUDGET REFERENCES

SB 80XX, Sections 77 and 78; SB 77XX, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$69,992,993	FY-06	\$78,887,770
FY-02	\$74,596,430	FY-07	\$90,051,236

SUPREME COURT

Joseph M. Watt, Chief Justice

Agency #677

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$16,000,000	185.0
FY-07 Adjustments		
a. State Employee Pay Increase	202,141	
b. Judicial Pay Increase	426,537	
c. Information Technology Personnel		18.0
d. Legal Aid	<u>250,000</u>	—
Total Adjustments	\$878,678	18.0
FY-07 Appropriation and FTE Authorization	\$16,878,678	203.0
Percent Change from FY-06 to FY-07	5.5%	9.7%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Appropriations provide for an increase in judicial compensation beginning in FY-07 as recommended by the Board of Judicial Compensation. Increases range between 15 and 19 percent.
- c. The agency's FTE limit was increased by 18 to allow the Court to employ additional information technology personnel for the implementation of a statewide court information system. Salaries for these new employees will be paid from the Court's Information System Revolving Fund.
- d. The Legislature increased the appropriation for Legal Aid from \$914,845 to \$1,164,845, providing an additional \$250,000 to support the program. Legal Aid Services of Oklahoma, Inc. is a non-profit law firm that provides free legal help for low-income persons and senior citizens with civil legal matters.

III. POLICY ISSUES

None

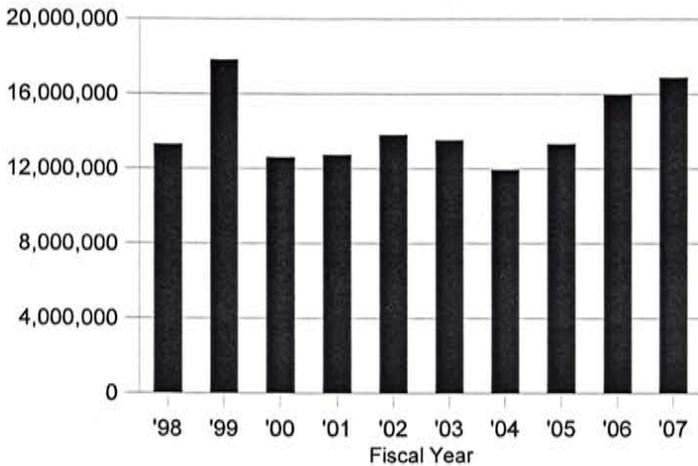
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$16,000,000	\$15,978,678	(0.1)%
Special Cash	0	900,000	N/A
Carryover	1,015,000	3,145,000	209.9%
Revolving Funds	12,000,000	17,000,000	41.7%
Federal Funds	400,000	600,000	50.0%
Total	\$29,415,000	\$37,623,678	27.9%

V. BUDGET REFERENCES

SB 80XX, Sections 86 through 88; HB 1155, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$12,757,207	FY-06	\$16,000,000
FY-02	\$13,823,343	FY-07	\$16,878,678

Note:

1. The FY-99 increase indicates a focus on improving the Court’s computer system.

WORKERS' COMPENSATION COURT

Gene Prigmore, Presiding Judge

Agency #369

<u>I. DETAIL OF FY-07 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-06 Appropriation and FTE Authorization	\$4,365,564	108.0
FY-07 Adjustments		
a. State Employee Pay Increase	117,060	
b. Judicial Pay Increase	189,000	
c. Court Reporter Salary Increase	34,710	
d. General Operations	<u>182,000</u>	
Total Adjustments	\$522,770	0.0
FY-07 Appropriation and FTE Authorization	\$4,888,334	108.0
Percent Change from FY-06 to FY-07	12.0%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. This appropriation provides a five percent pay increase for state employees beginning October 1, 2006, as provided in **SB 82XX**.
- b. Appropriations allow for a 16 percent increase in judicial compensation beginning in FY-07 as recommended by the Board of Judicial Compensation.
- c. This appropriation provides a ten percent pay increase for court reporters, effective October 1, 2006, as authorized by **HB 1150**.
- d. Funds allow for increases in general operating expenses.

III. POLICY ISSUES

- a. **HB 1150** authorizes a ten percent salary increase for court reporters, effective October 1, 2006. This legislation is expected to cost the agency an additional \$56,000 annually.

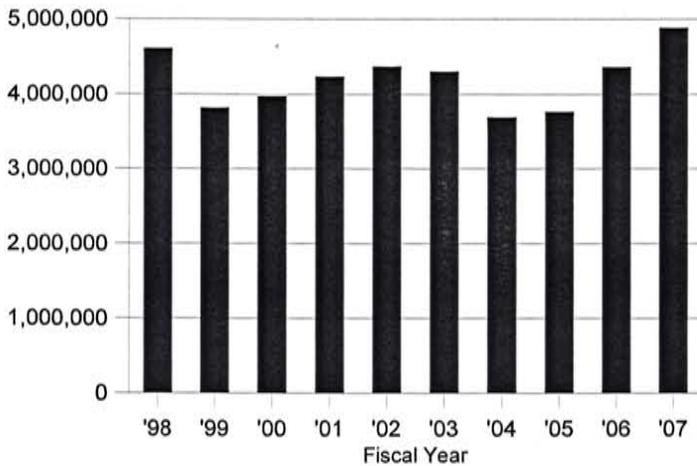
IV. BUDGET RESOURCES

	<u>FY-06</u>	<u>FY-07</u>	<u>% Change</u>
General Revenue Fund	\$4,365,564	\$4,888,334	12.0%
Revolving Funds	2,185,581	1,862,340	(14.8)%
Total	\$6,551,145	\$6,750,674	3.0%

V. BUDGET REFERENCES

SB 80XX, Section 92; HB 1157, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



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
FY-01	\$4,238,754	FY-06	\$4,365,564
FY-02	\$4,372,691	FY-07	\$4,888,334

Note:

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

Supplementary Data

Table 1
FY-07 APPROPRIATIONS BY SOURCE

<u>Fund Name</u>	<u>Funds Available</u>	<u>Funds Appropriated</u>
FY-07 General Revenue	\$5,413,919,731	\$5,411,866,176
FY-06 General Revenue	17,115,609	17,115,609
FY-05 General Revenue	<u>9,515,341</u>	<u>9,515,341</u>
Total General Revenue	\$5,440,550,681	\$5,438,497,126
Other Funds		
FY-07 Mineral Leasing Fund	4,560,000	4,560,000
FY-05 Mineral Leasing Fund	2,843,733	2,843,733
FY-07 Commissioners of the Land Office	7,190,998	4,828,535
FY-06 Commissioners of the Land Office	1,351,337	0
FY-05 Commissioners of the Land Office	54,688	0
Judicial Fund	38,183,339	38,183,339
FY-07 Public Building Fund	1,364,079	1,364,079
FY-05 Public Building Fund	357,407	357,407
Special Cash	149,526,920	149,526,920
FY-07 OSHA	1,534,250	1,534,250
FY-05 OSHA	239,652	239,652
FY-07 CLEET Fund	3,350,037	3,350,037
FY-05 CLEET Fund	844,862	844,862
FY-07 State Transportation Fund	210,569,332	210,569,332
FY-05 State Transportation Fund	7,365,548	7,365,548
Tobacco Settlement Fund	13,304,491	13,304,491
G.O. Bonds Fund Series A	138,284	0
G.O. Bonds Fund Series B	39,847	0
One-Stop Trucking	17,500	0
Dynamic Budgeting	<u>92,869,210</u>	<u>92,869,210</u>
Total Other Funds	\$535,705,514	\$531,741,395
Total Appropriations - 2006 Special Session	\$5,976,256,195	\$5,970,238,521
Education Reform Revolving Fund	511,597,723	511,597,723
Lottery Trust Fund	117,733,500	117,733,500
Gaming OHLAP Fund	4,927,800	4,927,800
Common Education Technology Revolving Fund	45,007,000	45,007,000
Higher Education Scholarship Revolving Fund	45,007,000	45,007,000
Higher Education Capital Revolving Fund	45,007,000	45,007,000
Total 2006 Special Session Appropriations	<u>\$6,745,536,218</u>	<u>\$6,739,518,544</u>
Minus: FY-06 Supplemental Appropriations		<u>(185,189,392)</u>
Total FY-07 Appropriations	6,745,536,218	\$6,554,329,152

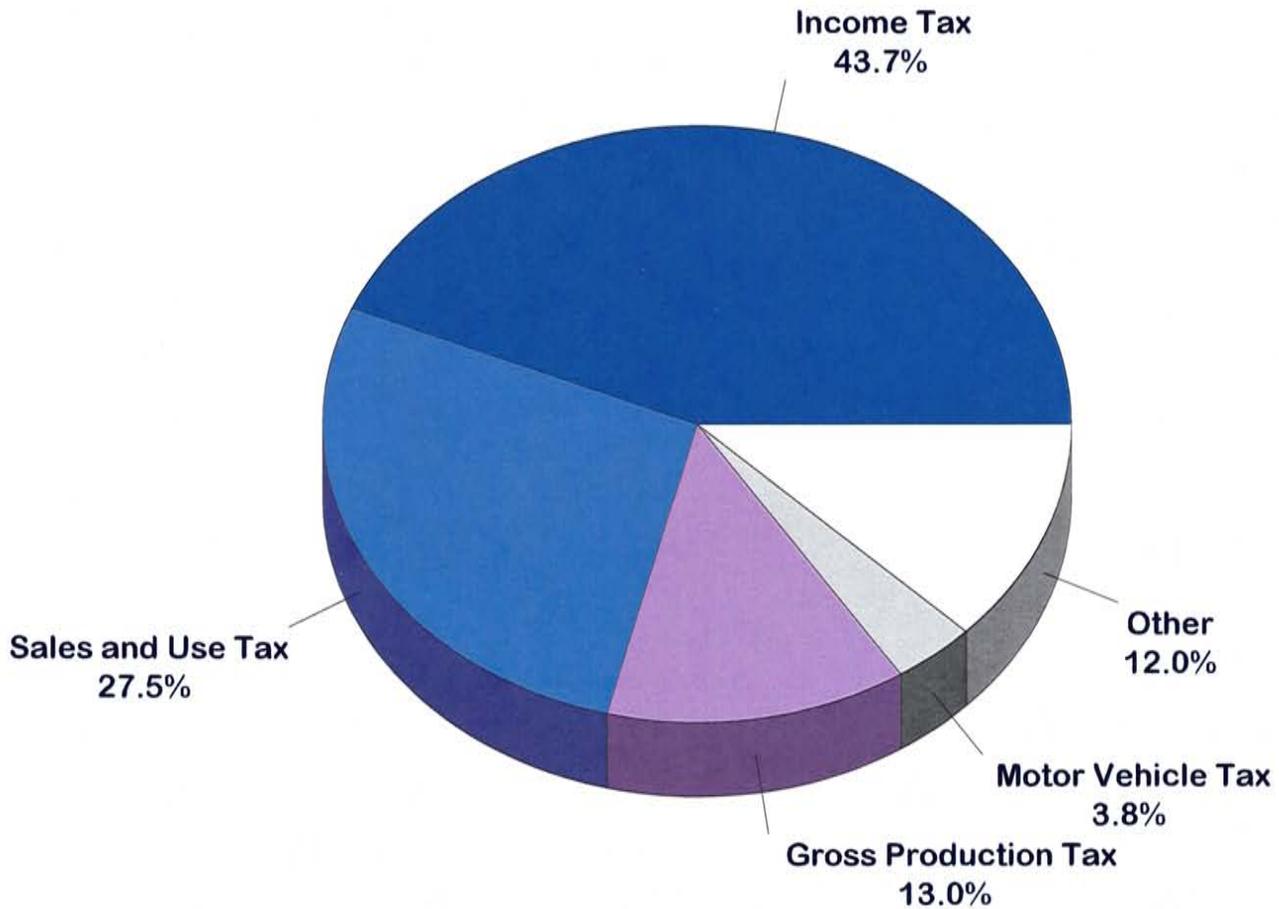
Table 2**CERTIFIED REVENUE FUNDS**

FY-06 to FY-07 Comparison

General Revenue Fund	FY-06 Estimated	FY-07 Estimated	Percent Change
Alcoholic Beverage Tax	\$17,983,000	\$18,301,000	1.8%
Mixed Beverage Receipts Tax	21,662,000	25,211,000	16.4%
Beverage Tax	24,661,000	24,394,000	(1.1)%
Cigarette Tax	47,276,937	31,013,012	(34.4)%
Tobacco Products Tax	16,960,741	14,391,820	(15.1)%
Franchise Tax	41,106,000	40,474,000	(1.5)%
Gross Production Tax - Gas	642,371,934	711,427,752	10.8%
Gross Production Tax - Oil	-	50,903,503	N/A
Income Tax - Individual	2,136,951,660	2,360,530,408	10.5%
Income Tax - Corporate	143,284,480	193,144,380	34.8%
Estate Tax	63,152,000	65,996,000	4.5%
Insurance Premium Tax	56,320,000	61,800,000	9.7%
Motor Vehicle Taxes and Fees	229,848,940	221,204,000	(3.8)%
Sales Tax	1,388,431,818	1,489,149,046	7.3%
Use Tax	106,421,170	119,514,366	12.3%
Interest and Investments	58,200,000	111,000,000	90.7%
Other Taxes, Fees and Licenses	154,216,604	167,970,257	8.9%
Transfers and Lapses	1,000,000	1,000,000	0.0%
Total General Revenue	\$5,149,848,284	\$5,707,424,544	10.8%
Special Funds	15,996,305	18,956,699	18.5%
Lottery	65,548,864	123,930,000	89.1%
Transportation Fund	210,115,741	-	(100.0)%
Total Revenue	\$5,441,509,194	\$5,850,311,243	7.5%

Source: Office of State Finance

CERTIFIED REVENUE FUNDS FY-07 ESTIMATED



Income Tax	\$2,553,674,788
Sales and Use Tax	1,608,663,412
Gross Production Tax	762,331,255
Motor Vehicle Tax	<u>221,204,000</u>
Subtotal	\$5,145,873,455
Other	<u>704,437,788</u>
Total Revenue	\$5,850,311,243

Table 3
FY-07 APPROPRIATIONS BY AGENCY

	FY-06 Appropriations	FY-07 Appropriations	Dollar Change	Percent Change
EDUCATION SUBCOMMITTEE				
Arts Council	\$4,243,338	\$4,442,810	\$199,472	4.7%
Career and Technology Education	130,287,358	147,287,358	17,000,000	13.0%
Education, Board of	2,175,663,450	2,348,041,255	172,377,805	7.9%
Educational Television Authority	4,624,059	5,164,350	540,291	11.7%
Higher Education, Regents of	889,433,880	933,933,880	44,500,000	5.0%
Land Commission	4,719,497	4,828,535	109,038	2.3%
Libraries, Department of	6,681,355	6,847,731	166,376	2.5%
Physician Manpower Training Comm.	5,361,490	5,470,499	109,009	2.0%
Private Vocational Schools, Board of	171,879	0	(171,879)	(100.0)%
School of Science and Mathematics	7,020,513	7,230,508	209,995	3.0%
Science and Technology, Center for	12,400,942	22,442,616	10,041,674	81.0%
Teacher Preparation Commission	2,022,875	2,050,705	27,830	1.4%
Subtotal	\$3,242,630,636	\$3,487,740,247	\$245,109,611	7.6%
GENERAL GOVERNMENT SUBCOMMITTEE				
Auditor and Inspector	\$5,988,786	\$6,219,622	\$230,836	3.9%
Bond Advisor	181,212	185,117	3,905	2.2%
Central Services, Department of	12,263,035	13,639,156	1,376,121	11.2%
Election Board	6,621,839	7,709,951	1,088,112	16.4%
Emergency Management	1,355,561	756,843	(598,718)	(44.2)%
Ethics Commission	492,277	504,039	11,762	2.4%
Finance, Office of State	22,756,515	23,000,204	243,689	1.1%
Governor	2,578,710	2,641,163	62,453	2.4%
House of Representatives	18,629,154	19,176,434	547,280	2.9%
Legislative Services Bureau	2,415,783	2,995,021	579,238	24.0%
Lieutenant Governor	592,436	592,436	0	0.0%
Merit Protection Commission	565,684	611,434	45,750	8.1%
Military Department	12,546,432	12,898,334	351,902	2.8%
Personnel Management, Office of	4,633,249	4,848,371	215,122	4.6%
Secretary of State	510,184	525,434	15,250	3.0%
Senate	13,146,893	13,561,067	414,174	3.2%
Space Industry Development Authority	523,264	528,571	5,307	1.0%
Tax Commission	45,626,291	47,711,604	2,085,313	4.6%
Transportation, Department of	275,148,137	285,411,848	10,263,711	3.7%
Treasurer	4,524,498	4,632,697	108,199	2.4%
Subtotal	\$431,099,940	\$448,149,346	\$17,049,406	4.0%
HEALTH AND SOCIAL SERVICES SUBCOMMITTEE				
Health Care Authority	\$634,786,355	\$701,964,163	67,177,808	10.6%
Health Department	62,790,819	71,234,131	8,443,312	13.4%
J.D. McCarty Center	3,792,283	4,278,944	486,661	12.8%
Mental Health and Substance Abuse	171,810,647	194,703,800	22,893,153	13.3%
University Hospitals Authority	40,549,342	41,665,342	1,116,000	2.8%
Veterans Affairs, Department of	36,040,332	39,324,159	3,283,827	9.1%
Subtotal	\$949,769,778	\$1,053,170,539	\$103,400,761	10.9%
HUMAN SERVICES SUBCOMMITTEE				
Children and Youth, Commission on	\$1,725,018	\$2,101,609	\$376,591	21.8%
Handicapped Concerns, Office of	376,944	381,813	4,869	1.3%
Human Rights Commission	686,563	704,310	17,747	2.6%
Human Services, Department of	481,991,177	535,797,324	53,806,147	11.2%
Indian Affairs Commission	255,530	257,732	2,202	0.9%
Juvenile Affairs, Office of	98,323,348	104,219,585	5,896,237	6.0%
Rehabilitation Services	27,365,925	29,213,250	1,847,325	6.8%
Subtotal	\$610,724,505	\$672,675,623	\$61,951,118	10.1%

	FY-06 Appropriations	FY-07 Appropriations	Dollar Change	Percent Change
NATURAL RESOURCES AND REGULATORY SERVICES SUBCOMMITTEE				
Agriculture Department	\$26,296,069	\$28,314,906	\$2,018,837	7.7%
Capitol Complex/Centennial Commission	3,899,630	1,062,291	(2,837,339)	(72.8)%
Commerce, Department of	\$26,334,663	\$25,082,836	(\$1,251,827)	(4.8)%
Conservation Commission	7,403,928	8,953,795	1,549,867	20.9%
Consumer Credit, Commission on	637,925	661,263	23,338	3.7%
Corporation Commission	12,354,190	14,083,860	1,729,670	14.0%
Environmental Quality, Department of	8,166,580	9,525,217	1,358,637	16.6%
Historical Society	12,906,387	14,480,963	1,574,576	12.2%
Horse Racing Commission	2,360,889	2,618,898	258,009	10.9%
Insurance Department	2,231,595	2,444,856	213,261	9.6%
J.M. Davis Memorial Commission	347,454	382,166	34,712	10.0%
Labor Department	3,224,721	3,613,893	389,172	12.1%
Mines, Department of	849,165	997,981	148,816	17.5%
Scenic Rivers Commission	323,041	339,752	16,711	5.2%
Tourism and Recreation	25,955,959	27,073,374	1,117,415	4.3%
Water Resources Board	6,573,896	6,744,617	170,721	2.6%
Will Rogers Memorial Commission	830,679	925,196	94,517	11.4%
Subtotal	\$140,696,771	\$147,305,864	\$6,609,093	4.7%
JUDICIARY, PUBLIC SAFETY AND LAW ENFORCEMENT SUBCOMMITTEE				
ABLE Commission	\$3,738,839	\$3,965,159	\$226,320	6.1%
Attorney General	11,286,462	12,798,702	1,512,240	13.4%
Corrections, Department of	409,443,403	456,004,876	46,561,473	11.4%
Court of Criminal Appeals	2,828,160	3,083,013	254,853	9.0%
District Attorneys, DAC	30,592,742	39,092,742	8,500,000	27.8%
District Courts	47,300,000	54,403,272	7,103,272	15.0%
Fire Marshal	1,685,180	2,052,561	367,381	21.8%
Indigent Defense System	15,633,001	16,206,256	573,255	3.7%
Investigation, Bureau of	11,154,628	13,351,567	2,196,939	19.7%
Judicial Complaints, Council on	278,826	282,503	3,677	1.3%
Law Enforcement Education and Training	2,758,783	3,265,473	506,690	18.4%
Medicolegal Investigations, Board of	3,922,904	4,587,380	664,476	16.9%
Narcotics and Dangerous Drugs	5,389,595	6,320,763	931,168	17.3%
Pardon and Parole Board	2,316,329	2,555,018	238,689	10.3%
Public Safety, Department of	78,887,770	90,051,236	11,163,466	14.2%
Supreme Court	16,000,000	16,878,678	878,678	5.5%
Workers' Compensation Court	4,365,564	4,888,334	522,770	12.0%
Subtotal	\$647,582,186	\$729,787,533	\$82,205,347	12.7%
MISCELLANEOUS AGENCIES/APPROPRIATIONS				
Rural Economic Action Plan Fund (REAP)	15,500,000	15,500,000	0	0.0%
Subtotal	\$15,500,000	\$15,500,000	\$0	0.0%
GRAND TOTAL	\$6,038,003,816	\$6,554,329,152	\$516,325,336	8.6%

Table 4

FY-07 TOTAL BUDGETARY RESOURCES

	FY-07 Appropriations	Reappropriation/ Carryover/ Transfers	Revolving Funds	Federal Funds	Total Resources
EDUCATION SUBCOMMITTEE					
Arts Council	\$4,442,810	\$175,085	\$0	\$620,600	\$5,238,495
Career and Technology Education	147,287,358	0	6,592,504	25,405,713	179,285,575
Education, Board of	2,348,041,255	0	2,674,780	604,791,829	2,955,507,864
Educational Television Authority	5,164,350	0	1,530,489	97,637	6,792,476
Higher Education, Regents of	933,933,880	85,500,000	80,000,000	601,601,384	1,701,035,264
Land Commission	4,828,535	0	0	0	4,828,535
Libraries, Department of	6,847,731	0	375,000	3,496,304	10,719,035
Physician Manpower Training Commission	5,470,499	0	1,448,339	0	6,918,838
Private Vocational Schools, Board of	0	0	0	0	0
School of Science and Mathematics	7,230,508	0	10,000	0	7,240,508
Science and Technology, Center for	22,442,616	0	6,107,709	0	28,550,325
Teacher Preparation Commission	2,050,705	3,735,285	1,419,622	0	7,205,612
Subtotal	\$3,487,740,247	\$89,410,370	\$100,158,443	\$1,236,013,467	\$4,913,322,527
GENERAL GOVERNMENT AND TRANSPORTATION SUBCOMMITTEE					
Auditor and Inspector	\$6,219,622	\$0	\$6,250,000	\$0	\$12,469,622
Bond Advisor, Office of the State	185,117	0	214,883	0	400,000
Central Services, Department of	13,639,156	1,400,000	93,992,044	0	109,031,200
Election Board	7,709,951	0	300,000	0	8,009,951
Emergency Management, Department of	756,843	0	6,120,315	0	6,877,158
Ethics Commission	504,039	0	200,000	0	704,039
Finance, Office of State	23,000,204	375,000	16,200,000	0	39,575,204
Governor	2,641,163	0	0	0	2,641,163
House of Representatives	19,176,434	0	0	0	19,176,434
Legislative Services Bureau	2,995,021	0	0	0	2,995,021
Lieutenant Governor	592,436	0	30,000	0	622,436
Merit Protection Commission	611,434	0	113,566	0	725,000
Military Department	12,898,334	0	60,000	55,341,666	68,300,000
Personnel Management, Office of	4,848,371	850,000	1,250,000	0	6,948,371
Secretary of State	525,434	1,000,000	2,600,000	0	4,125,434
Senate	13,561,067	0	0	0	13,561,067
Space Industry Development Authority	528,571	0	400,000	8,000,000	8,928,571
Tax Commission	47,711,604	0	75,607,990	100,000	123,419,594
Transportation	285,411,848	0	67,525,000	1,902,063,152	2,255,000,000
Treasurer	4,632,697	400,000	2,549,995	0	7,582,692
Subtotal	\$448,149,346	\$4,025,000	\$273,413,793	\$1,965,504,818	\$2,691,092,957
HEALTH AND SOCIAL SERVICES SUBCOMMITTEE					
Health Care Authority	\$701,964,163	\$44,006,618	\$507,582,333	\$2,392,189,049	\$3,645,742,163
Health Department	71,234,131	0	73,886,841	183,005,714	328,126,686
J.D. McCarty Center	4,278,944	0	8,638,033	0	12,916,977
Mental Health and Substance Abuse	194,703,800	2,500,000	41,195,625	39,292,832	277,692,257
University Hospitals Authority	41,665,342	0	0	79,945,122	121,610,464
Veterans' Affairs, Department of	39,324,159	3,631,966	32,526,878	33,034,891	108,517,894
Subtotal	\$1,053,170,539	\$50,138,584	\$663,829,710	\$2,727,467,608	\$4,494,606,441
HUMAN SERVICES SUBCOMMITTEE					
Children and Youth Commission	\$2,101,609	\$205,000	\$130,000	\$837,970	\$3,274,579
Handicapped Concerns, Office of	381,813	0	0	135,000	516,813
Human Rights Commission	704,310	14,000	0	714,770	1,433,080
Human Services, Department of	535,797,324	21,938,337	0	1,147,272,987	1,705,008,648
Indian Affairs Commission	257,732	60,000	0	0	317,732
Juvenile Affairs, Office of	104,219,585	1,342,987	1,304,557	13,351,282	120,218,411
Rehabilitation Services, Department of	29,213,250	13,991,186	1,832,500	98,463,064	143,500,000
Subtotal	\$672,675,623	\$37,551,510	\$3,267,057	\$1,260,775,073	\$1,974,269,263

	FY-07 Appropriations	Reappropriation/ Carryover/ Transfers	Revolving Funds	Federal Funds	Total Resources
NATURAL RESOURCES AND REGULATORY SERVICES SUBCOMMITTEE					
Agriculture Department	\$28,314,906	\$9,400,000	\$8,293,391	\$11,314,688	\$57,322,985
Capitol Complex/Centennial Commission	1,062,291	0	1,844	435,000	1,499,135
Commerce, Department of	\$25,082,836	0	1,700,000	78,000,000	104,782,836
Conservation Commission	8,953,795	0	5,391,950	14,613,260	28,959,005
Consumer Credit, Commission on	661,263	0	360,847	0	1,022,110
Corporation Commission	14,083,860	0	20,600,000	815,000	35,498,860
Environmental Quality, Department of	9,525,217	0	30,384,623	13,766,108	53,675,948
Historical Society	14,480,963	0	1,200,000	313,700	15,994,663
Horse Racing Commission	2,618,898	0	801,800	0	3,420,698
Insurance Department	2,444,856	0	6,773,418	436,096	9,654,370
J.M. Davis Memorial Commission	382,166	0	52,546	0	434,712
Labor Department	3,613,893	0	2,351,537	2,029,480	7,994,910
Mines, Department of	997,981	0	850,000	980,000	2,827,981
Scenic Rivers Commission	339,752	0	179,216	377,743	896,711
Tourism and Recreation	27,073,374	0	35,000,000	1,800,000	63,873,374
Water Resources Board	6,744,617	0	5,285,423	10,000,000	22,030,040
Will Rogers Memorial Commission	925,196	0	27,000	0	952,196
Subtotal	\$147,305,864	\$9,400,000	\$119,253,595	\$134,881,075	\$410,840,534
JUDICIARY, PUBLIC SAFETY AND LAW ENFORCEMENT SUBCOMMITTEE					
ABLE Commission	\$3,965,159	\$0	\$380,000	\$0	\$4,345,159
Attorney General	12,798,702	215,992	7,380,000	5,744,449	26,139,143
Corrections, Department of	456,004,876	2,000,000	62,687,672	11,300,000	531,992,548
Court of Criminal Appeals	3,083,013	260,000	0	0	3,343,013
District Attorneys, DAC	39,092,742	450,000	34,357,258	32,100,000	106,000,000
District Courts	54,403,272	500,000	3,500,000	500,000	58,903,272
Fire Marshal	2,052,561	0	550,000	0	2,602,561
Indigent Defense System	16,206,256	1,574,592	1,851,433	0	19,632,281
Investigation, Bureau of	13,351,567	141,828	23,906,605	1,500,000	38,900,000
Council on Judicial Complaints	282,503	55,000	0	0	337,503
Law Enforcement Education and Training	3,265,473	20,000	2,514,000	0	5,799,473
Medicolegal Investigations, Board of	4,587,380	50,000	2,020,123	342,987	7,000,490
Narcotics and Dangerous Drugs	6,320,763	110,000	4,358,369	1,810,868	12,600,000
Pardon and Parole Board	2,555,018	100,000	0	0	2,655,018
Public Safety, Department of	90,051,236	0	47,362,230	130,600,000	268,013,466
Supreme Court	16,878,678	3,145,000	17,000,000	600,000	37,623,678
Workers' Compensation Court	4,888,334	0	1,862,340	0	6,750,674
Subtotal	\$729,787,533	\$8,622,412	\$209,730,030	\$184,498,304	\$1,132,638,279
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	\$6,554,329,152	\$199,147,876	\$1,369,652,628	\$7,509,140,345	\$15,632,270,001

Table 5

**AGENCY DIRECTORS AND JUDICIAL SALARIES/
FULL-TIME EQUIVALENT EMPLOYEES (FTE) LIMITATION
FY-07**

<u>Agency</u>	<u>Maximum Salary Limit</u>	<u>Maximum FTE Limit</u>
Accountancy Board	75,424 (m)	11.0
Agriculture, Department of (Secretary of Agriculture)	82,005 (a)	515.0
Alcoholic Beverage Laws Enforcement Council (ABLE)	75,705	71.0
Architects and Landscape Architects	63,300 (m)	4.0
Arts Council	64,680	17.0
Attorney General	126,500 (b)	179.5
Auditor and Inspector, State	109,250 (b)	169.0
Banking Department	137,239 (c)(m)	46.0
Bond Advisor	(n)	3.0
Capital Investment Board	109,225 (m)	4.0
Career and Technology Education, State Board of	112,455	406.0
Centennial Commission/Capitol Complex	83,580	12.0
Central Services, Department of (Deputy Secretary of Human Resources and Administration)	80,451 (a)	320.0
Children and Youth Commission	65,205	27.5
Chiropractic Examiners, Board of	63,301 (m)	3.0
Commerce, Department of (Interim Director)	96,000	185.0
Cosmetology Board	63,301 (m)	16.0
Conservation Commission	65,398	62.0
Consumer Credit Commission	61,336	16.0
Corporation Commission	--	547.0
Chairman	111,250 (b)	--
Commissioners	109,250 (b)	--
Director of Administration	None (n)	--
Corrections, Department of	126,009	5,894.6
Criminal Appeal, Court of	--	36.0
Presiding Judge	135,700 (d)	--
Judge	131,000 (d)	--
Dentists, Board of Governors of Registered	75,687 (m)	5.0
District Attorneys, District Attorneys Council	--	1,308.0
District Attorney	116,081 (e)	--
Executive Coordinator, District Attorneys Council	None (n)	--
District Courts		654.0
District Judge	118,450 (f)	75.0
Associate Judge (population 30,000 +)	109,250 (f)	32.0
Associate Judge (population under 30,000)	109,250 (f)	45.0
Special Judge	100,050 (f)	89.0
Education, Department of	118,450 (b)	410.0
Educational Television Authority (OETA)	64,277	84.0

<u>Agency</u>	<u>Maximum Salary Limit</u>	<u>Maximum FTE Limit</u>
Election Board	79,860	None
Emergency Management, Department of	75,705	32.0
Employees Benefits Council	109,225 (m)	31.0
Employment Security Commission	137,239 (m)	1,150.0
Engineers and Land Surveyors Board, Professional	75,424 (m)	9.0
Environmental Quality, Department of	93,922	571.0
Ethics Commission	None (n)	7.0
Finance, Office of State (Secretary of Finance)	102,900	None
Fire Marshal	73,625	34.0
Firefighters' Pension and Retirement System	109,226 (m)	13.0
Governor	140,000 (b)	None
Grand River Dam Authority	137,239 (m)	524.0
Handicapped Concerns, Office of	49,455	8.0
Health Care Authority	133,455	428.5
Health Department	194,250	2,540.0
Higher Education, Regents for	None (n)	None
Historical Society	83,055	168.0
Horse Racing Commission	87,255	56.0
House of Representatives	56,332 (g)	None
Majority and Minority Leaders	50,764	--
Representatives	38,400	--
Human Rights Commission	64,386	28.0
Human Services (DHS) (Secretary of Human Services)	None (a)(n)	7,704.0
Indian Affairs Commission	51,555	6.0
Indigent Defense System	118,191	85.0
Industrial Finance Authority	109,225 (m)	10.0
Insurance Department	109,250 (b)	148.0
Compsource	116,536 (m)	591.0
Investigation, Oklahoma State Bureau of (OSBI)	80,138	317.0
J.D. McCarty Center	75,705	209.0
J.M. Davis Memorial Commission	75,600	10.5
Judicial Complaints, Council on	82,341	2.0
Juvenile Affairs, Office of	96,705	1,055.0
Labor, Department of	100,050 (b)	136.0
Land Office, Commissioners of the	77,805	63.0
Law Enforcement Education and Training (CLEET)	73,500	41.0
Law Enforcement Retirement System	70,000 (n)	None
Legislative Services Bureau	72,345	None
Libraries, Department of	77,805	82.8
Lieutenant Governor	109,250 (b)	None
Liquefied Petroleum Gas Administration	75,424 (m)	10.0
Marginally Producing Oil and Gas Wells, Commission on	75,424 (m)	5.0
Medical Licensure and Supervision, Board of	91,392 (h)(m)	29.0
Medicolegal Investigations, Board of	185,955	78.5
Merit Protection Commission	65,205	11.0

<u>Agency</u>	<u>Maximum Salary Limit</u>		<u>Maximum FTE Limit</u>
Mental Health and Substance Abuse Services	133,455		2,575.0
Military Department	136,184	(a)(o)	484.0
Mines, Department of	62,370		46.5
Motor Vehicle Commission	75,424	(m)	6.0
Narcotics and Dangerous Drugs, Bureau of (BNDD)	96,305		109.0
Nursing, Board of	91,392	(m)	26.0
Nursing Homes, Board of	63,301	(m)	4.0
Optometry Board	N/A	(m)	3.0
Osteopathic Examiners, Board of	75,687	(m)	7.0
Pardon and Parole Board	70,455		47.0
Peanut Commission	63,300	(m)	2.0
Personnel Management, Office of (OPM) (Secretary of Human Resources and Administration)	80,955	(a)	105.0
Pharmacy, Board of	None	(m)(p)	9.0
Physician Manpower Training Commission (PMTTC)	73,500		7.0
Police Pension and Retirement System	109,227	(m)	12.0
Private Vocational Schools, Board of	44,500		3.0
Board of Examiners of Psychologists	63,301	(m)	2.0
Public Employees Retirement System (OPERS)	116,536	(m)	63.0
Public Safety, Department of (DPS) (Secretary of Safety and Security)	111,133	(a)	1,550.0
Real Estate Commission	91,392	(m)	26.0
Rehabilitation Services, Department of	80,955		784.0
Scenic Rivers Commission	49,078		9.0
Science and Mathematics, Oklahoma School of	75,685		81.0
Science and Technology, Oklahoma Center for the Advancement of	91,455		24.0
Secretary of State	94,500	(a)	None
Securities Commission	137,329		32.0
Senate	56,332	(g)	None
Majority and Minority Leaders	50,764		--
Senators	38,400		--
Board of Licensed Social Workers	63,301	(m)	1.0
Space Industry Development Authority	91,455		5.0
Speech Pathology and Audiology Board	51,412	(m)	2.0
State and Education Employees Group Insurance Board	116,536	(m)	178.0
Student Loan Authority	116,536	(m)	68.0
Supreme Court	--		203.0
Chief Justice	140,000	(i)	--
Justice	131,000	(i)	--
Court of Civil Appeals Presiding Judge	126,500	(i)	--
Judge	124,200	(i)	--
Administrator	124,200		--

<u>Agency</u>	<u>Maximum Salary Limit</u>	<u>Maximum FTE Limit</u>
Tax Commission	--	1,150.0
Chairman	96,705 (j)	--
Commissioners	118,450 (j)	--
Administrator	None	--
Teachers Retirement System	116,536 (m)	52.0
Teacher Preparation Commission	67,515	9.0
Tourism and Recreation, Department of	86,310	810.0
Transportation, Department of (DOT)	117,705	2,850.0
Treasurer	109,250 (b)	90.0
University Hospitals Authority	None (n)	10.0
Used Motor Vehicle and Parts Commission	75,424 (m)	12.0
Veterans Affairs, Department of	99,750	1,998.0
Veterinary Medial Examiners, Board of	63,301 (m)	6.0
Water Resources Board	91,455	91.0
Wheat Commission	75,424 (m)	7.0
Will Rogers Memorial Commission	None (n)	16.5
Workers' Compensation Court	--	108.0
Judges	118,450 (k)	--
Administrator	106,605 (l)	--

Notes:

- a. The individuals in those positions also serve as cabinet secretaries. Title 74 O.S. Supp, 2003, 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 and Tourism	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	75,000
Secretary of Safety and Security	85,000
Secretary of State(1)	65,000
Secretary of Veterans Affairs	65,000

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

Secretary of State (1)	\$94,500
Secretary of Environment (2)	101,955
Secretary of Science/Technology (3)	201,000

Secretary of Transportation (4)	109,200
Adjutant General (5)	136,184

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 the salary of the highest salary provided for a cabinet Secretary..
 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 Oklahoma State University as President of OSU Education, Research and Economic Development Foundation.
 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. The salaries listed in Table 5 and below become effective in, or after, January 2007.
1. The Governor shall receive a salary equal to the salary received by the Chief Justice of the Oklahoma Supreme Court. Elected officials are not entitled to a salary increase until a subsequent term of office at which time this salary will be \$140,000;
 2. The Lieutenant Governor shall receive a salary equal to the salary received by an associate district judge. Elected officials are not entitled to a salary increase until a subsequent term of office at which time this salary will be \$109,250. The Lieutenant Governor also receives an increase in salary (the Governor's salary) while acting as Governor in his/her absence;
 3. The Attorney General shall receive a salary equal to the salary received by the Presiding Judge of the Court of Civil Appeals. Elected officials are not entitled to a salary increase until a subsequent term of office at which time this salary will be \$126,500;
 4. The State Superintendent of Public Instruction shall receive a salary equal to the salary received by a district judge. Elected officials are not entitled to a salary increase until a subsequent term of office at which time this salary will be \$118,450;
 5. Each member of the Corporation Commission shall receive a salary equal to the salary received by an associate district judge (\$109,250);
- 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 (\$109,250);

7. The State Auditor and Inspector shall receive a salary equal to the salary received by an associate district (\$109,250);
 8. The State Insurance Commissioner shall receive a salary equal to the salary received by an associate district judge (\$109,250);
 9. The Commissioner of Labor shall receive a salary equal to the salary received by a special judge (\$100,050);
- 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 (\$137, 239);
- d. The salaries for Judges of the Court of Criminal Appeals are set by the Board on Judicial Compensation (Title 20 O.S. Supp. 2004, Section 3.4). The salaries listed below are effective July 1, 2006.

Court of Criminal Appeals:

Presiding Judge	\$135,700
Judge	\$131,000

- e. District Attorney salaries are established by statute (Title 19 O.S. Supp. 2002, Section 215.30). Effective July 1, 2006, the salary of a district attorney is 98% of the salary of a district judge, or \$116,081. 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 by the Board on Judicial Compensation (Title 20 O.S. Supp. 2004, Section 3.4). The salaries listed below are effective July 1, 2006.

District Courts:

District Judge	\$118,450
Associate District Judge	109,250
Special Judge	100,050

- 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 by the Board on Judicial Compensation (Title 20 O.S. Supp. 2004, Section 3.4). The salaries listed below are effective July 1, 2006.

Supreme Court:

Chief Justice	\$140,000
Justice	131,000

Court of Civil Appeals:

Presiding Judge	\$126,500
Judges	124,200

- j. Salaries of the Tax Commissioners are set by statute (Title 68 O.S. Supp. 2002, Section 102.1). In accordance with Title 68, Section 102.1 (C) the commissioners salaries are to be paid equally to that of a judge of the Workers' Compensation Court for those appointed after January 2003. Salaries for two of the commissioners (appointed after January 2003) will be equal to that paid to a judge of the Workers' Compensation Court (\$118,450). The current Chairman was appointed before January 2003 and his salary is \$96,705, which includes a base salary of \$85,000 plus \$2,000 for being Chairman and other general employee raises since January 1999.
- k. Salaries for the Judges of the Workers' Compensation Court are set by statute to be equivalent to the salary paid to a District Judge of this state (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., Supp. 2001, Section 1.3).
- m. Salary ranges and FTE limits are set by statute (Title 74 O.S., Supp. 2005, Sections 3601.1 and 3601.2). (For FY'07 changes to statutory ranges and limits, please see HB 1181, 2006 Special Session.)
- 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	\$ 92,292
Ethics Commission Director	80,764
Regents for Higher Education Chancellor	260,000
DHS Director	155,000
Native American Cultural Authority	92,100
Will Rogers Commission Director	75,244
University Hospital Authority	130,000
Law Enforcement Retirement Board	80,700
State Bond Advisor	116,953
Corporation Commission - Dir. of Admin.	82,100

- o. The salary of the Adjutant General is limited by statute to the compensation equivalent to the Adjutant's federally recognized rank (Title 44, Section 27).
- p. The salary of the Executive Director of the Board of Pharmacy is set by statute (Title 59 O.S., Supp. 2005, Section 353.5). The Board shall determine the salary based upon the regional average for registered pharmacists.

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
FY-06	208,936,331	243,800,000	0	0	452,736,331
FY-07	452,736,331	42,953,837	0	0	495,690,168
Totals		\$1,649,237,244	\$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.
- The fund also reached the maximum with the FY-06 deposit, resulting in approximately \$520.4 million in funds above the maximum, of which \$457.0 million was transferred by the Legislature for various initiatives. Refer to Table 8 for details.
- The fund reached the constitutional maximum for the first time with the FY-05 deposit, resulting in approximately \$188.3 million in funds above the maximum. Those funds were directed for taxpayer rebates, research and economic development as set forth in HB 1193.
- 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

	<u>Attorney General</u>	<u>Tobacco Settlement Revolving Fund</u>	<u>Tobacco Endowment Trust Fund</u>	<u>General Revenue Fund</u>	<u>Total</u>
FY-00	\$5,569,086	\$36,448,915		\$44,020,465	\$86,038,466
FY-01	-	11,695,198	50,006,072		61,701,270
FY-02	881,318	37,085,259	37,906,358		75,872,935
FY-03	1,689,849	32,521,355	41,813,694		76,024,898
FY-04	1,411,918	24,613,113	39,037,547		65,062,578
FY-05	1,806,502	21,305,722	42,922,753		66,034,977
FY-06	2,473,009	15,713,116	42,434,293		60,620,418

Table 8

FY-07 CONSTITUTIONAL RESERVE FUND SPILLOVER

Economic Development Generating Excellence (EDGE)	\$150,000,000
County Bridges	25,000,000
Higher Education Institutional Funding	85,500,000
Opportunity Fund	45,000,000
Comprehensive Universities Research	80,000,000
State Emergency Fund	15,000,000
State Park Maintenance	8,000,000
Veterans' Center	7,000,000
Rural Fire Equipment	5,000,000
Firefighters Pension Revolving Fund	35,000,000
Digital License Plates	900,000
Tax Commission Mainframe Computer	<u>900,000</u>
Total	\$457,300,000

SB 90XX provides for the transfer of Rainy Day Spillover funds and creates the Comprehensive University Capital Projects Revolving Fund.

Table 9

**COMPREHENSIVE UNIVERSITY
CAPITAL PROJECTS REVOLVING FUND**

University of Oklahoma

• Diabetes Center	\$10,500,000
• Comprehensive Cancer Center	14,000,000
• Schusterman Center, Tulsa	14,000,000
• Tulsa Medical Clinic	1,500,000

Oklahoma State University

• Medical Authority - Center for Health Sciences	\$20,000,000
• Samuel Roberts Noble Foundation (Ag experiment station)	10,000,000
• Business Accelerator Building	5,000,000
• Sensor Technology Infrastructure	5,000,000

SB 90XX specifies the maximum expenditures to be made from the \$80.0 million Comprehensive Universities Research component of the Constitutional Reserve Fund Spillover as referenced in Table 8.

Table 10

FY-06 SUPPLEMENTAL APPROPRIATIONS

Education

Common Education	
• Ad Valorem Reimbursement Fund	\$11,719,234
Higher Education	
• OHLAP (Gaming Revenue Shortfall)	4,600,000

General Government

Election Board	
• HAVA	1,500,000
Department of Transportation	
• Bridges (Special Cash)	7,130,790
• Roads and Bridges (Spillover)	92,869,210

Human Services

Department of Human Services	
• LIHEAP	5,391,000

Public Safety and Judiciary

Corrections	
• Budget Shortfall in Contract Beds	21,000,000
• Compensation Plan	3,000,000
Supreme Court	
• Judicial Fund Shortfall	3,871,585
Attorney General	
• Tobacco Enforcement	500,000
Oklahoma Bureau of Investigation (OSBI)	
• All Felon Convicted Offender Database Support (CODIS)	456,000
Department of Public Safety	
• Operations	3,651,573

Natural Resources & Regulatory Services

Centennial Commission	
• Projects (\$4 M Tulsa, \$4 M OKC, \$8 M four quadrants)	16,000,000
• Commerce Start-up Costs	1,000,000
Department of Agriculture	
• Extraordinary Fire Cost Recovery Program (lift \$2,500 cap)	1,000,000
• Rural Fire Operational Grants (additional \$5,136 per rural fire department)	4,500,000
• Incidental Command Posts (Ag Reimbursement)	5,000,000
• Rural Fire Equipment Repair and Replacement	<u>2,000,000</u>

Grand Total - FY-06 Supplementals **\$185,189,392**

**Table 11
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 Int'l Equivalents & Equities	Bonds	Equities	Real Estate	Other		
Teachers Retirement System	2005	\$6,952,687,592	\$14,052,434,061	\$7,099,746,469	49.5	52.3	26.9	4.8	16.0	0.0	0.0	0.0	21
	2004	\$6,660,918,318	\$14,080,148,332	\$7,419,230,014	47.3 ²	51.0	23.0	7.3	18.6	0.0	0.0	0.0	21
	2003	\$6,436,852,137	\$11,925,161,689	\$5,488,309,552	54.0 ²	54.3	26.9	2.9	15.9	0.0	0.0	0.0	21
Public Employees Retirement System	2005	\$5,450,664,963	\$7,575,419,808	\$2,124,754,845	72.0	44.6	39.3	0.6	15.5	0.0	0.0	0.0	11
	2004	\$5,412,166,797	\$7,114,778,205	\$1,702,611,408	76.1	43.1	42.2	0.3	14.4	0.0	0.0	0.0	11
	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	0.0	0.0	13
Firefighters Pension & Retirement System	2005	\$1,485,516,048	\$2,332,601,300	\$847,085,252	63.7	52.	30.4	0.7	13.5	2.9	0.0	0.0	14
	2004	\$1,473,396,552	\$2,233,519,875	\$760,123,323	66.0	57.1	30.1	2.2	10.6	0.0	0.0	0.0	15
	2003	\$1,496,885,848	\$1,946,753,099	\$449,867,251	76.8	49.1	37.5	4.8	8.6	0.0	0.0	0.0	18
Police Pension and Retirement System	2005	\$1,423,834,000	\$1,811,572,114	\$387,738,114	78.6	44.0	17.0	2.0	8.0	0.2	0.2	28.8	40
	2004	\$1,399,975,000	\$1,727,162,602	\$327,187,802	81.1	41.3	18.0	1.0	8.2	0.2	0.2	31.3	36
	2003	\$1,392,043,000	\$1,646,979,675	\$254,936,675	84.5	32.8	23.9	0.6	18.1	0.2	0.2	24.3	17
Law Enforcement Retirement System	2005	\$630,245,000	\$751,771,788	\$121,526,788	83.8	52.1	28.7	1.7	10.4	6.4	0.6	0.6	11
	2004	\$604,131,000	\$689,800,577	\$85,669,577	87.6	55.2	28.0	0.1	10.2	6.4	0.1	0.1	9
	2003	\$585,823,000	\$667,689,840	\$81,875,840	87.7	47.9	31.8	4.0	9.1	7.0	0.3	0.3	10
Uniform Retirement System for Justices and Judges	2005	\$203,951,085	\$187,556,845	-\$16,394,240	108.7	37.8	48.8	0.3	13.1	0.0	0.0	0.0	4
	2004	\$201,141,649	\$166,275,941	-\$34,865,708	121.0	37.7	49.5	0.1	12.7	0.0	0.0	0.0	4
	2003	\$196,989,778	\$140,856,203	-\$56,133,575	139.0	38.3	48.6	1.8	11.2	0.0	0.0	0.0	6

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 plan years ending June 30, 2005, 2004 and 2003. Asset mix and investment manager information is taken from actual market values.

Footnotes:

- (1) Now, all systems with exception of the Teachers and Judges use an assumed investment return rate of 7.5%. Teachers presently uses an 8% rate and Judges uses a 7.25% rate beginning in 2005. 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; the COLA assumption was restored in 2004.

**Table 12
SELECTED MEMBERSHIP DATA ON MAJOR RETIREMENT SYSTEMS**

	Number of Participants							Average Annual Benefit Payment
	Actives	Terminated Vested	Disabled, Retired and Beneficiaries	Average Earnings of Active Participant	Average Age of Actives	Average Service of Actives Yrs		
Teachers Retirement System	2005	84,286	6,008	40,879	\$37,671	45.6	11.6	\$16,819
	2004	81,683	5,731	39,593	\$37,104	45.6	11.8	\$16,102
	2003	83,127	3,731	38,059	\$36,639	45.3	11.5	\$15,978
Public Employees Retirement System	2005	43,918	5,521	23,679	\$33,112	45.7	10.5	\$12,898
	2004	43,000	5,482	22,990	\$32,185	45.7	10.6	\$13,420
	2003	43,350	5,288	22,147	\$32,566	45.6	10.7	\$12,734
Firefighters Pension and Retirement System	2005	10,780	1,081	8,347	\$51,392 ²³	38.0 ²³	9.2 ²³	\$25,113
	2004	11,097	1,001	8,184	\$49,226 ²³	37.9 ²³	9.1 ²³	\$24,149 ³
	2003	11,097	994	7,979	\$47,185 ²³	37.7 ²³	8.8 ²³	\$23,289 ³
Police Pension and Retirement System	2005	4,263	79	2,447	\$47,024 ²	37.6 ²	10.0	\$25,898
	2004	4,179	74	2,373	\$45,073 ²	37.5 ²	9.9	\$26,577
	2003	4,204	52	2,290	\$43,945 ²	37.4 ²	9.5	\$25,607
Law Enforcement Retirement System	2005	1,255	24	1,041	\$46,148 ²	40.0 ²	11.1	\$28,049
	2004	1,281	21	1,024	\$43,288 ²	39.4 ²	10.5	\$27,977
	2003	1,288	21	1,015	\$43,800 ²	38.9 ²	10.1	\$27,590
Uniform Retirement System for Judges and Justices	2005	266	9	175	\$93,287	55.2	11.7	\$43,702
	2004	270	8	168	\$95,241	55.1	12.0	\$48,519
	2003	268	10	169	\$95,719	54.4	11.7	\$45,881

Source: Reports submitted by the consulting actuaries to the state systems for the plan year ending June 30, 2005, 2004 and 2001.

- Footnotes:
- (1) Excludes monthly stipends paid to TRS members who did not contribute toward their retirement i.e., prior to system's establishment.
 - (2) Excludes information on those active participants that participate in the plan's Deferred Option Program.
 - (3) 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 1/4 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.

BILL INDEX - BY AGENCY

AGENCY	BILL (SECTIONS)	AGENCY	BILL (SECTIONS)
Agriculture, Department of	SB 80XX (49)	Medicolegal Investigations, Board of	SB 80XX (74)
Alcoholic Beverage Laws Enforcement (ABLE)	SB 80XX (68)	Mental Health and Substance Abuse Services	SB 80XX (43)
Arts Council	SB 80XX (94)	Merit Protection Commission	SB 80XX (20)
Attorney General	SB 80XX (79 - 81)	Military Department	SB 80XX (21)
Auditor and Inspector	SB 80XX (1, 2)	Mines, Department of	SB 80XX (63)
Bond Advisor	SB 80XX (4)	Narcotics and Dangerous Drugs, Bureau of	SB 80XX (75)
Career and Technology Education	SB 80XX (126, 127)	Pardon and Parole Board	SB 80XX (76)
Centennial Commission	SB 80XX (50)	Personnel Management, Office of	SB 80XX (22)
Central Services, Department of	SB 80XX (5-8)	Physician Manpower Training Commission	SB 80XX (121, 122)
Children and Youth, Commission on	SB 80XX (33)	Private Vocational Schools	SB XX (128)
Commerce, Department of	SB 80XX (51)	Public Safety, Department of	SB 80XX (77, 78)
	HB 1675 (3)	 	
Conservation Commission	SB 80XX (52)	Rural Economic Action Plan (REAP)	SB 80XX (3)
Consumer Credit, Commission on	SB 80XX (53)	Rehabilitation Services, Department of	SB 80XX (39, 40)
Corporation Commission	SB 80XX (54)	 	
	SB 51 (1,2)	Science and Mathematics, School of	SB 80XX (123)
Corrections, Department of	SB 80XX (69)	Science and Technology, Oklahoma Center for	SB 80XX (124)
Criminal Appeals, Court of	SB 80XX (85)	Scenic Rivers Commission	SB 80XX (64)
 		Secretary of State	SB 80XX (23)
District Attorneys Council	SB 80XX (82 - 84)	Senate	SB 80XX (24)
District Courts	SB 80XX (89, 90)	Space Industry Development Authority	SB 80XX (29)
 		Supplemental Appropriations	
Education, Board of	SB 80XX (95-107, 130)	Ad Valorem Reimbursement Fund	SB 80XX (130)
Educational Television Authority (OETA)	SB 80XX (108)	Agriculture	HB 2252 (1)
Election Board	SB 80XX (10, 11)		SB 1190 (1, 2, 4, 5)
Emergency Management	SB 80XX (9)	Attorney General	SB 1227 (1)
Environmental Quality, Department of	SB 80XX (55)	Centennial Commission	SB 1193 (1)
Ethics Commission	SB 80XX (12)	Commerce, Department of	SB 1263 (1)
 		Corrections, Department of	HB 2288 (1)
Finance, Office of State	SB 80XX (13, 14)	District Courts	SB 1265 (1)
Fire Marshal, State	SB 80XX (70)	Election Board	SB 1131 (1)
 		Higher Education, Regents for	SB 1267 (1)
Governor	SB 80XX (15)	Human Services, Department of	SB 1269 (1)
 		Investigation, State Bureau of	SB 1270 (1)
Handicapped Concerns, Office of	SB 80XX (34)	Public Safety	SB 1255 (1)
Health, Department of	SB 80XX (44)	Transportation	SB 1288 (1,2)
Health Care Authority	SB 80XX (46)	Supreme Court	SB 80 XX (86 - 90)
Higher Education, Regents for	SB 80XX (109-118)	 	
Historical Society	SB 80XX (56)	Tax Commission	SB 80XX (25, 129)
Horse Racing Commission	SB 80XX (57)	Teacher Preparation Commission	SB 80XX (125)
House of Representatives	SB 80XX (16)	Tourism and Recreation, Department of	SB 60XX (1)
Human Rights Commission	SB 80XX (35)		SB 80XX (65)
Human Services, Department of	SB 80XX (36 - 38)	Transportation, Department of	SB 80XX (30-32)
 		Treasurer, Office of State	SB 80XX (27, 28)
Indian Affairs Commission	SB 80XX (41)	 	
Indigent Defense System	SB 80XX (93)	University Hospitals Authority	SB 80XX (45)
Insurance Department	SB 80XX (58)	 	
Investigation, State Bureau of (OSBI)	SB 80XX (71)	Veterans' Affairs, Department of	SB 80XX (48)
J.D. McCarty Center	SB 80XX (47)	Water Resources Board	SB 80XX (66)
J.M. Davis Museum	SB 80XX (59)	Will Rogers Memorial Commission	SB 80XX (67)
Judicial Complaints, Office of	SB 80XX (91)	Workers' Compensation Court	SB 80XX (92)
Juvenile Affairs, Office of	SB 80XX (42)	 	
Labor, Department of	SB 80XX (60 - 62)		
Land Commission	SB 80XX (120)		
Law Enforcement Education (CLEET)	SB 80XX (72, 73)		
Legislative Service Bureau	SB 80XX (17, 18)		
Libraries, Department of	SB 80XX (119)		
Lieutenant Governor	SB 80XX (19)		

BILL INDEX - BY BILL

BILL	SECTION	AGENCY	BILL	SECTION	AGENCY
HB 2252	2	Agriculture, Department of (Supp.)	SB 80XX	59	J.M. Davis Memorial Commission
HB 2288	2	Corrections, Department of (Supp.)	SB 80XX	60 - 62	Labor (Department of)
HB 1131	1	Election Board (Supp.)	SB 80XX	63	Mines (Department of)
HB 1190	1, 2, 4, 5	Agriculture, Department of (Supp.)	SB 80XX	64	Scenic Rivers Commission
SB 1193	1	Centennial Commission (Supp.)	SB 80XX	65	Tourism and Recreation Department
SB 1227	1	Attorney General (Supp.)	SB 80XX	66	Water Resources Board
SB 1255	1	Public Safety, Department of (Supp.)	SB 80XX	67	Will Rogers Memorial Commission
SB 1263	1	Commerce, Department of (Supp.)	SB 80XX	68	Alcoholic Beverage Laws Enforcement
SB 1265	1	District Courts (Supp.)	SB 80XX	69	Corrections (Department of)
SB 1267	1	Higher Education, Regents for (Supp.)	SB 80XX	70	Fire Marshal
SB 1269	1	Human Services, Department of (Supp.)	SB 80XX	71	Investigation, Bureau of
SB 1270	1	Investigation, Bureau of (Supp.)	SB 80XX	72, 73	Law Enforcement Education (CLEET)
SB 1288	1, 2	Transportation, Department of (Supp.)	SB 80XX	74	Medicolegal Investigations (Board of)
SB 1675	3	Commerce, Department of (Supp.)	SB 80XX	75	Narcotics & Dangerous Drugs, State Bureau
SB 51XX	1, 2	Corporation Commission	SB 80XX	76	Pardon and Parole Board
SB 60XX	1	Tourism and Recreation, Department of	SB 80XX	77, 78	Public Safety, Department of
SB 80XX	1-3	Auditor and Inspector	SB 80XX	79 - 81	Attorney General
SB 80XX	4	Bond Advisor	SB 80XX	82 - 84	District Attorneys Council
SB 80XX	5-8	Central Services, Department of	SB 80XX	85	Criminal Appeals, Court of
SB 80XX	9	Emergency Management	SB 80XX	86 - 90	Supreme Court
SB 80XX	10, 11	Election Board	SB 80XX	91	Judicial Complaints
SB 80XX	12	Ethics	SB 80XX	92	Workers' Compensation Court
SB 80XX	13, 14	Finance, Office of State	SB 80XX	93	Indigent Defense
SB 80XX	15	Governor	SB 80XX	94	Arts Council
SB 80XX	16	House of Representatives	SB 80XX	95 - 107, 130	Education, State Board of
SB 80XX	17, 18	Legislative Services Bureau	SB 80XX	108	Education Television Authority, Oklahoma
SB 80XX	19	Lieutenant Governor	SB 80XX	109 - 118	Higher Education, Regents for
SB 80XX	20	Merit Protection Commission	SB 80XX	119	Libraries, Department of
SB 80XX	21	Military Department	SB 80XX	120	Land Office, Commissioners of the
SB 80XX	22	Personnel Management, Office of	SB 80XX	121, 122	Physician Manpower Training
SB 80XX	23	Secretary of State	SB 80XX	123	Science and Mathematics, School of
SB 80XX	24	Senate	SB 80XX	124	Science and Technology, Center for
SB 80XX	25, 129	Tax Commission	SB 80XX	125	Teacher Preparation, Commission for
SB 80XX	27, 28	Treasurer	SB 80XX	126, 127	Career and Technology Education
SB 80XX	29	Space Industry Development Authority			
SB 80XX	30-32	Transportation, Department of			
SB 80XX	33	Children and Youth, Commission on			
SB 80XX	34	Handicapped Concerns, Office of			
SB 80XX	35	Human Rights Commission			
SB 80XX	36 - 38	Human Services, Department of			
SB 80XX	39, 40	Rehabilitation, State Department			
SB 80XX	41	Indian Affairs Commission			
SB 80XX	42	Juvenile Affairs, Office of			
SB 80XX	43	Mental Health & Substance Abuse Services			
SB 80XX	44	Health, Department of			
SB 80XX	45	University Hospitals Authority			
SB 80XX	46	Health Care Authority			
SB 80XX	47	J.D. McCarty Center			
SB 80XX	48	Veterans' Affairs, Department of			
SB 80XX	49	Agriculture, Department of			
SB 80XX	50	Centennial Commission			
SB 80XX	51	Commerce, Department of			
SB 80XX	52	Conservation Commission			
SB 80XX	53	Consumer Credit Commission			
SB 80XX	54	Corporation Commission			
SB 80XX	55	Environmental Quality (Department of)			
SB 80XX	56	Historical Society			
SB 80XX	57	Horse Racing Commission			
SB 80XX	58	Insurance Department			