

Oklahoma House of Representatives



FY-08 Legislative Appropriations



Centennial Edition

Fiscal Year 2008 Legislative Appropriations



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July, 2007

**Prepared by:
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Marlene Wynn

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Preface and Acknowledgements

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 2008 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-08 budget for the State of Oklahoma.

This report contains a host of detailed information pertaining to past and present decisions affecting FY-08 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 2007 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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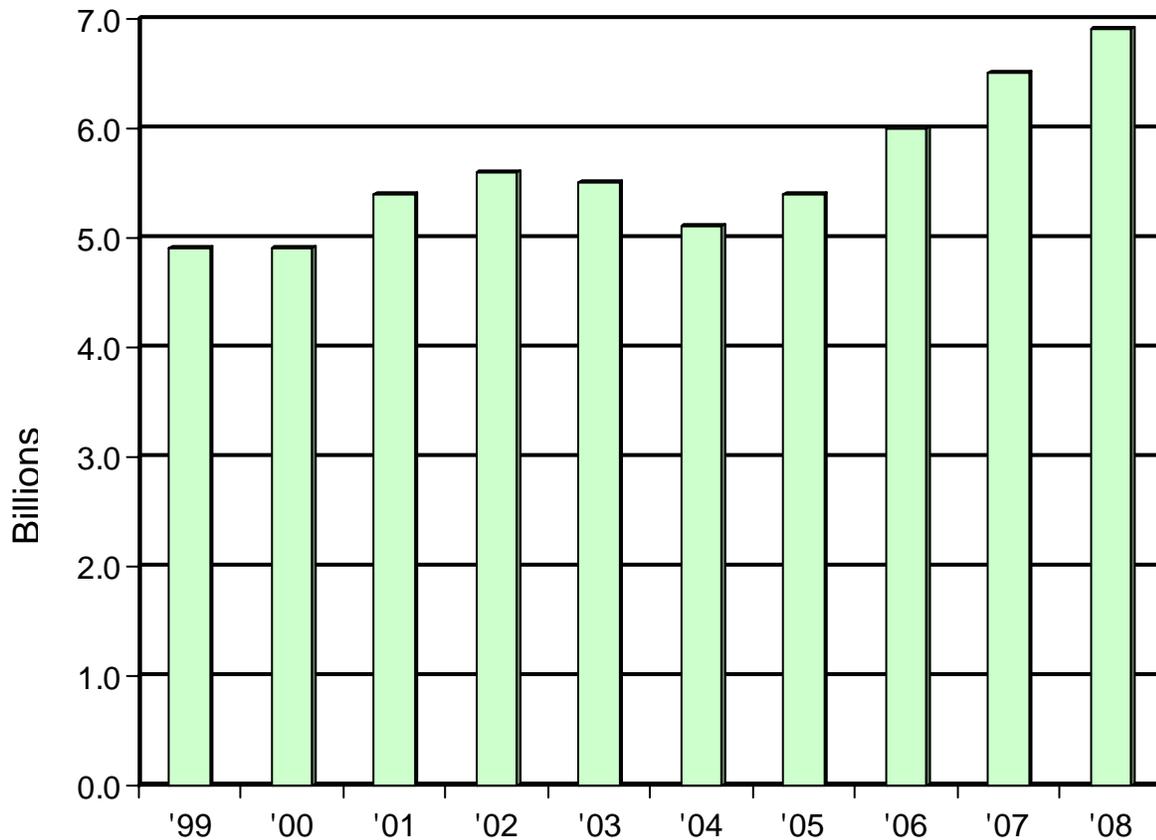
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FY-08 Appropriations Overview

Ten Year Appropriation History

Total Appropriation Level

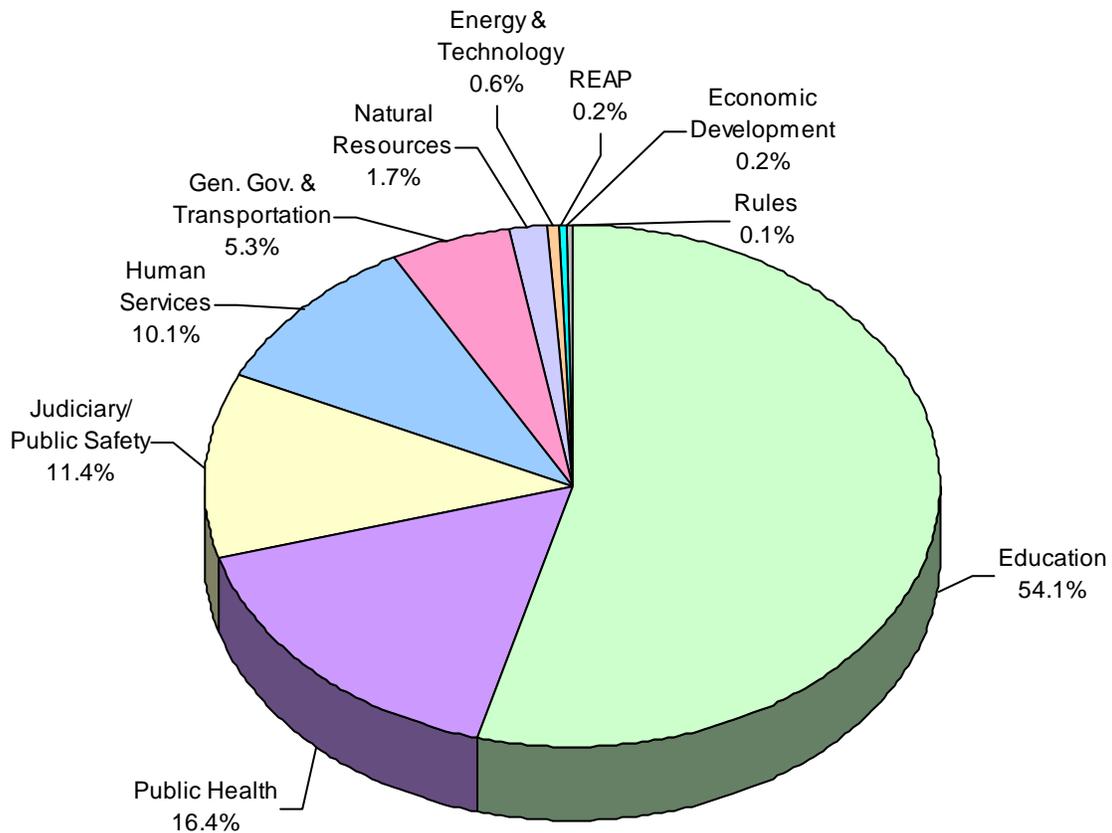


FY-99	\$4,877,234,307	FY-04	\$5,106,597,024
FY-00	\$4,937,170,096	FY-05	\$5,358,101,676
FY-01	\$5,350,656,390	FY-06	\$6,038,003,816
FY-02	\$5,611,514,760	FY-07	\$6,554,329,152
FY-03	\$5,532,095,223	FY-08	\$6,932,106,070

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-08 Appropriations By Committee



Total Appropriations = \$6,932,106,070

Excludes supplemental appropriations, reappropriations and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

FY-08 Appropriations Overview

Overview

This year's legislative theme can be summed up in two words: fiscal constraint. For the first time in recent history, other than in a year of revenue shortfalls, appropriations and "Rainy Day" expenditures totaled less than those of the previous legislative session. House leadership spearheaded the initiative to control spending by setting the expenditure bar at a level lower than that of the previous session at the start of the budget negotiation process and by insisting on the inclusion of tax relief in the final budget agreement.

The road to constructing the state budget, however, proved to be a rocky one, as the House majority leadership and the Senate co-leadership clashed with the Governor and House minority leadership over the process used to craft the budget. The conflict resulted in the Governor vetoing the Legislature's first general appropriations bill (HB 1234) in mid-March which if signed by the Governor would have reflected the earliest budget agreement since the passage of the constitutional amendment requiring adjournment by the last Friday in May.

A consensus budget agreement eventually was reached when leaders met in the final hours allotted the Governor to either sign or veto the tax relief package (SB 861) sent to him by the Legislature. This initial step agreement paved the way to ensure that state government continued to function at an appropriate expenditure level, while still addressing critical needs and initiating important reforms.

Specifically, the agreement accelerates the tax relief begun in previous fiscal years and enacts several new relief measures; provides record funding levels in common and higher education, while simultaneously raising standards and accountability related to education; addresses immediate corrections issues as well as authorizes a comprehensive review of the correctional system; allocates the use of "Rainy Day" fund spillover revenues to address critical needs; initiates pension reform; and begins the process of consolidating state functions and containing government spending to better serve Oklahoma citizens.

Accelerated Tax Relief

For the third year in a row, the Legislature passed significant tax reductions. SB 861 accelerates the previous reductions in the top marginal individual income tax rate from 5.65 percent to 5.25 percent over a two year period, provides an alternative child credit for taxpayers with children not choosing the child-care credit, creates an exemption for franchise tax filers with a tax liability of \$250 or less, and establishes a sales tax holiday for back-to-school clothing and footwear. Finally, SB 806 provides targeted sales tax exemptions for nonprofit organizations and an income tax deduction to encourage critical donations of living organs to Oklahomans.

Education

Education agencies received a significant funding increase to meet the rising costs of healthcare, provide new pay raises for teachers, and increase operational funding for both Common Ed and Higher Ed. In addition to the \$600 across-the-board teacher pay raise the Legislature had committed to last year, additional raises were awarded to teachers with ten or more years of experience, with the amount escalating by degree level (\$425 for a Bachelor's degree, \$850 for a Master's degree, and \$1,700 for a Ph.D.), and incentive pay was provided for mathematics and science teachers. With the existing pay raise requiring \$32.2 million, and the new raise costing \$22 million, Common Ed will receive more than \$54 million for teacher pay alone. Particularly notable about the new teacher raise is that it differentiates increases based on academic credentials and experience, rather than solely on an across-the-board basis. Other funding priorities include: support staff raise annualization (\$7.2 million), supplemental annualization (\$22 million), certified staff health benefits (\$31.8 million), support staff health benefits (\$11.9 million), Achieving Classroom Excellence Act (ACE) Remediation (\$5.6 million), and ad valorem reimbursement to schools (\$18.8 million) for a total increase of \$177.9 million.

The Legislature appropriated more than \$162.3 million of additional funds to Higher Education, with \$118.5 million designated for institutional budgets (\$85.5 million of which replaced one-time FY-07 funding and \$33 million of which was new funding), \$16.5 million for capital needs in HB 1105, \$18.5 million for scholarships, and \$9 million for other programs. In addition to being fully funded in FY-08, the OHLAP program will also have a dedicated revenue source beginning in FY-09 (SB 820). Passage of HB 1137 increases the bonding authority for the Endowed Chairs program from \$50 to \$100 million, allowing the Regents to address the backlog of endowed chair privately matched funds.

Public Safety

Honoring a strong commitment to maintain public safety, the Legislature appropriated record level funding of \$477 million for the next fiscal year and an additional \$32.6 million in supplemental funding to meet expenses for staffing, housing, medical service and other costs associated with the ever-increasing prison population. The Legislature provided an additional \$8 million to pay for increased fuel costs, build a new troop headquarters, and improve the oversize/overweight truck permitting system within the Department of Public Safety. An increase of \$4 million was appropriated to the Bureau of Investigation (OSBI) to fund operating costs for the agency's new Forensic Science Center and hire new agents for the Child Abuse Response Team. Also in the area of forensic science, the Legislature in HB 1105, the "Rainy Day" spillover bill, provides an additional \$4 million to the University of Central Oklahoma to build a forensic center on campus. An appropriation of \$1.0 million was made to the Council on Law Enforcement Education and Training (CLEET) to increase law enforcement basic training by 120 hours and double the continuing education hours required for private investigators and security guards. Finally, the Legislature instituted an Army Guard Officer Incentive Program designed to retain the Military Department's finest soldiers.

Spillover Revenues

In an effort to make prudent use of excess revenues, commonly known as "Rainy Day" spillover funds, the legislative leaders and the Governor agreed on a \$139.8 million expenditure package which provides funding for a variety of priorities. A few of the key components include: \$10 million to strengthen the teacher retirement system; \$10 million to the State Emergency Fund to provide relief during state disasters; \$22 million to fund the differential portion of the teacher salary increase; \$20 million to fund higher education operations; \$16.5 million to complete capital improvement projects related to OU, OSU, the regional universities, and two-year colleges; and \$15 million to the Centennial Commission to match local funds for projects commemorating our state's 100th birthday. It is worth noting that about \$11 million in additional spillover funds remained unallocated after the passage of HB 1105 and available for appropriation by the Legislature in the 2008 Session.

Retirement Reform

Financial health of the state pension systems continued to be of great concern to the Legislature this session. Measures passed that both increased revenue and reformed the process by which future retirement benefit increases are funded.

SB 357, in two different ways, will ensure revenue for the state's most poorly funded pension system, the Teachers' Retirement System of Oklahoma (OTRS.) First, over a three-year period the contribution rates funded through appropriations will increase and, when fully implemented, will result in \$60 million in additional annual revenue for the system. Secondly, OTRS greatest dedicated revenue stream, income tax, will be insulated from the potential unintended ramifications of rate decreases. The bill provides that, in an instance of income tax reduction, monies from general revenue will be provided to offset the loss in the dedicated revenue stream. These revenue features will improve the funded status and ensure the long-term viability of the retirement system.

HB 2070 extends the Oklahoma Pension Legislation Actuarial Analysis Act (OPLAAA) to all state funded pension systems. The Act requires retirement bills to include a complete actuarial investigation prior to passage. OPLAAA also stipulates retirement bills, increasing pension system liabilities be concurrently funded before becoming law. This reform will prevent enactment of benefit increases that are not sufficiently funded, and thus ultimately enhances the fiscal soundness of the state retirement systems.

General Government and Transportation

The Legislature appropriated \$8.7 million to the Department of Central Services to begin addressing the state's deferred maintenance backlog, currently calculated at \$398 million. Specifically, these monies will be employed to meet critical maintenance repairs in the State Capitol Complex including structural damage to several buildings from the effects of groundwater erosion. Failure to begin these repairs in a timely manner would significantly increase repair costs and eventually lead to structural collapse.

The passage of HB 1176 (enacted during the 2006 Session) continues an increase of funding to the Department of Transportation (ODOT) for the state's highways and bridges by raising the eventual annual maximum amount from \$170 million to \$270 million. For the upcoming fiscal year, total funding from all new revenue sources under HB 1176 is projected to be \$396.4 million, an increase of \$54.1 million over the last fiscal year. When all the provisions of this measure are fully implemented, ODOT will receive annual funding estimated at \$585.5 million. Prior to the passage of this legislation, the department's ten-year average annual funding was \$259 million. Over the next twenty years, the funding plan will yield over \$4.5 billion devoted to the state's transportation needs.

Health and Human Services

This session's most notable health legislation is contained in HB 1225 which increases the income eligibility for participation in the Oklahoma Employer/Employee Partnership for Insurance Coverage Premium Assistance Program (O-EPIC) from 185 to 250 percent of the Federal Poverty Level (FPL) while allowing employers with 250 employees or less to participate in the O-EPIC program and SB 424, the All Kids Act, which authorizes the Oklahoma Health Care Authority (OHCA) to develop a premium assistance health insurance program to cover children between 185 and 300 percent of the FPL.

Program annualizations were met in the Health Care Authority, and sufficient funds were appropriated to maintain hospital provider rates at the Upper Payment Limit beginning January 1, 2008, and to increase nursing home and intermediate care facility reimbursement rates to cost beginning July 1, 2007. New programs funded included a cardiology residency program with St. Francis Hospital for OSU and school-based clinics for OU-Tulsa. Increased funding also will allow for expansions in programs such as the Child Study Center (Sooner SUCCESS) program, Drug Courts, the Dental Loan Repayment Program, newborn hearing screening, and area health education centers.

Appropriations in human services are targeted to address service concerns in growing children and elderly programs. A few of the areas receiving new funds include: the Advantage Waiver program which allows the elderly to remain in their homes, rather than be compelled to move into a nursing home (\$12.5 million); pay adjustments for certain classified Office of Juvenile Affairs employees to bring salaries closer to market value with similar classes of state employees (\$1.06 million); the first general provider increase in local youth service agency funding since the revenue shortfall in FY-02 (\$1.5 million); and expanding the family foster care and adoption assistance programs to lower the number of children who are placed in state custody (\$1.66 million).

Natural Resources

The Legislature continued its support of rural fire districts through an appropriation of \$4.5 million for operational grants, as well as an additional \$2.5 million from “Rainy Day” spillover for the purchase of rural fire equipment. HB 1105 also provides \$6.5 million to maintain conservation district flood control projects that will be matched on a two-to-one basis with federal funds. To solidify the legislative commitment to alternative fuel research, \$10 million in total funding for a Bioenergy Center was appropriated; \$4 million was appropriated through the Oklahoma Center for the Advancement of Science and Technology and \$6 million was appropriated in spillover.

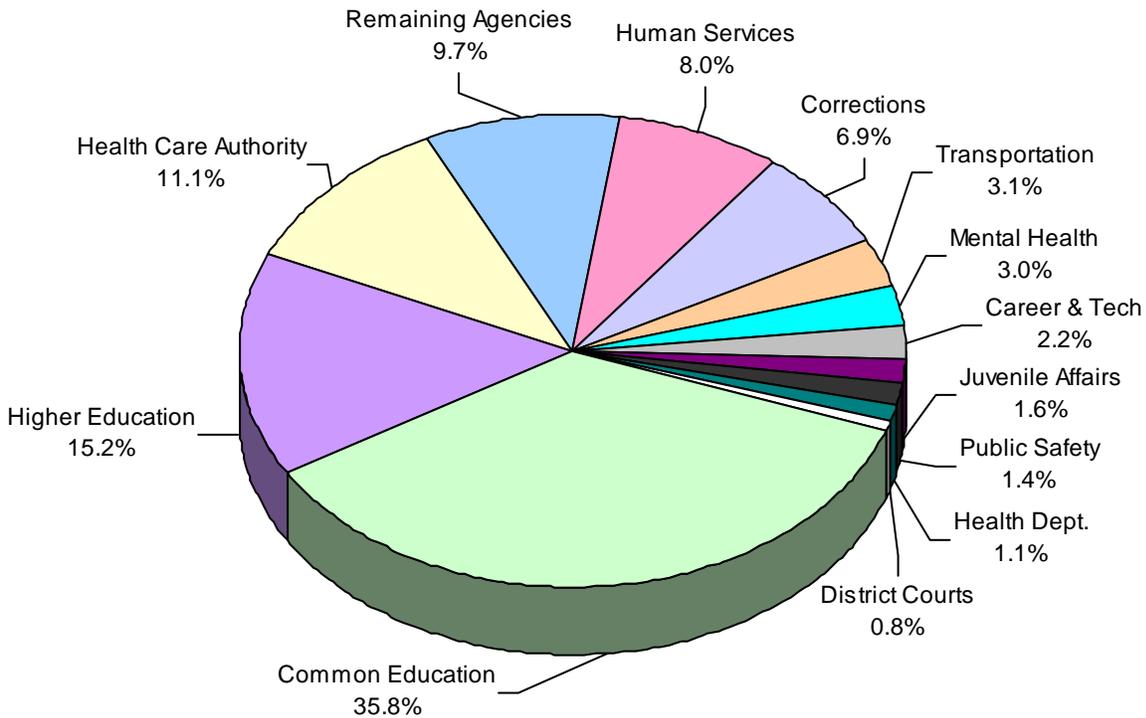
In the related substantive measure (SB 609), the Legislature creates the Bioenergy Center, whose purpose is to focus the collective resources of contributing institutions in the field of bioenergy research. Finally, the Legislature honored its commitment to the Native American Cultural Education Authority (NACEA) by funding the bond payment for the NACEA Center to be built in Oklahoma City.

Fiscal Outlook

Optimistic, but cautious, constitutes the future fiscal outlook when the Oklahoma Legislature next convenes in 2008. With “Rainy Day” reserves of at least \$650 million, additional available spillover funds of \$11 million, and a moderately expanding state economy, the state appears to be in stable financial shape heading into the upcoming fiscal year. The state’s ability to address escalating health care costs, increasing prison incarceration rates and population, and the continued shift of federal expenditures to the state level will determine the future economic health of Oklahoma.

The following pages describe each agency’s FY-08 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-08 budget also is presented for the reader’s review. Finally, a ten year appropriations history for each agency is graphically depicted.

Distribution of FY-08 Appropriations Twelve Largest Agencies



Common Education	\$2,480,155,207
Higher Education	1,053,949,576
Health Care Authority	771,709,298
Human Services	557,107,190
Corrections	477,543,364
Transportation	217,869,721
Mental Health	207,529,129
Career and Technology	154,864,391
Juvenile Affairs	110,060,812
Public Safety	98,370,391
Health Department	73,786,143
District Courts	<u>57,674,778</u>
Subtotal (90.3% of Total)	\$6,260,620,000
Remaining State Agencies	<u>671,486,070</u>
Total Appropriations	\$6,932,106,070

Excludes supplemental appropriations, reappropriations and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Rules Committee

Distribution of FY-08 Appropriations

Election Board	\$7,785,988
Ethics Commission	<u>517,960</u>
	\$8,303,948

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

Includes capital and one-time expenditures.

Elections and Redistricting Subcommittee

Distribution of FY-08 Appropriations

Election Board	\$7,785,988
Ethics Commission	<u>517,960</u>
	\$8,303,948
No Non-Appropriated Agencies	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

State Election Board

Michael Clingman, Secretary

Agency # 270

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$7,709,951	N/A
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$46,037	
b. Special Election Reimbursement	-950,000	
c. Presidential Preferential Primary	<u>980,000</u>	
Total Adjustments	76,037	N/A
FY-08 Appropriation and FTE Authorization	\$7,785,988	N/A
Percent Change from FY-07	1.0%	N/A

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. One-time appropriations made for the September, 2005 motor fuels tax Special Election are removed from the agency's base.
- c. Funding is provided for the Presidential Preferential Primary to be held in February, 2008.

III. Policy Issues

- a. None

IV. Budget Resources

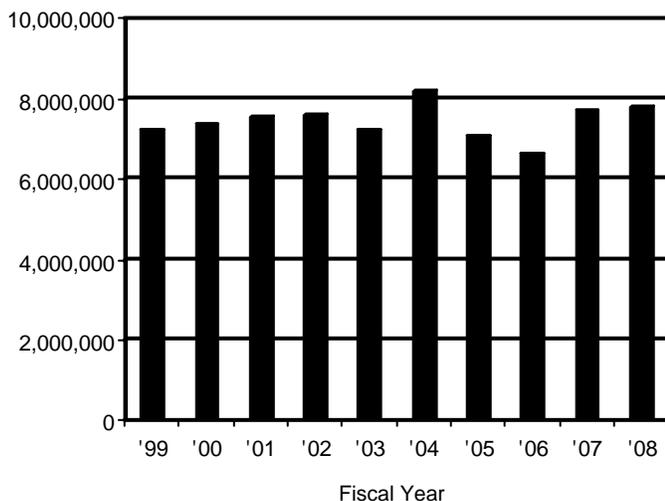
	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$5,129,951	\$6,805,988	32.7%
Special Cash Fund	2,580,000	980,000	-62.0%
Carryover	453,056	666,000	47.0%
Revolving Funds	300,000	350,000	16.7%
State Matching Funds (HAVA)*	1,500,000	1,007,000	-32.9%
Federal Funds (HAVA)*	31,737,133	29,393,000	-7.4%
Total	\$41,700,140	\$39,201,988	-6.0%

* Federal and state funds associated with The Help America Vote Act (HAVA) may only be employed for the purposes outlined in the Act. The Election Board is required to file an annual report with the federal government regarding all HAVA expenditures. In the report, the Board must certify that federal monies have not been employed to substitute for any decrease in state funding.

V. Budget References

SB 334, Sections 48 and 49; HB 1123, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$7,227,380	FY-08	\$7,785,988

Ethics Commission

Marilyn Hughes, Director

Agency # 296

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$504,039	7.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$3,921	
b. Upgrade FTE Postion	<u>10,000</u>	
Total Adjustments	13,921	0.0
FY-08 Appropriation and FTE Authorization	\$517,960	7.0
Percent Change from FY-07	2.8%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funds are appropriated to upgrade an Administrative Assistant position to Administrative Technician. In addition to the Assistant's filing and photocopying duties, the Technician will have bookkeeping, budgeting and financial reporting responsibilities.

III. Policy Issues

- a. **HB 2110** is a comprehensive ethics reform measure that forbids special interest groups from coordinating with a candidate campaign committee, provides that campaign contributions be made in not more than \$5,000 increments in Oklahoma campaigns, bans campaign donations within the Capitol building, limits honoraria elected officials may receive for speaking engagements or appearances and requires lawmakers to attend annual ethics training.

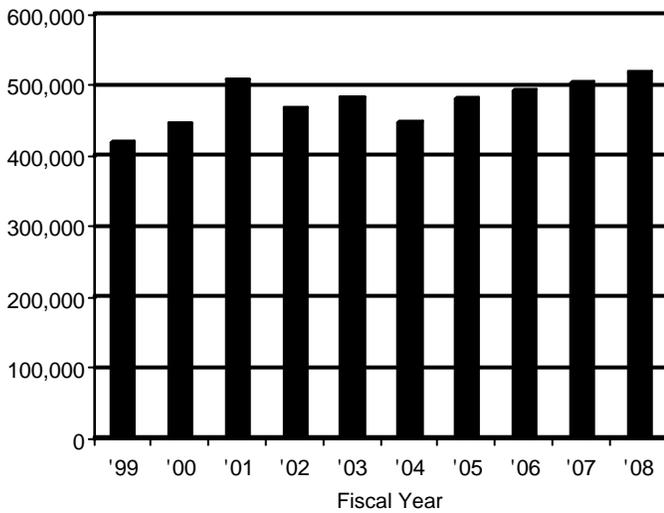
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$504,039	\$517,960	2.8%
Revolving Funds	200,000	200,000	0.0%
Total	\$704,039	\$717,960	2.0%

V. Budget References

SB 334, Section 50; SB 210, Section 1

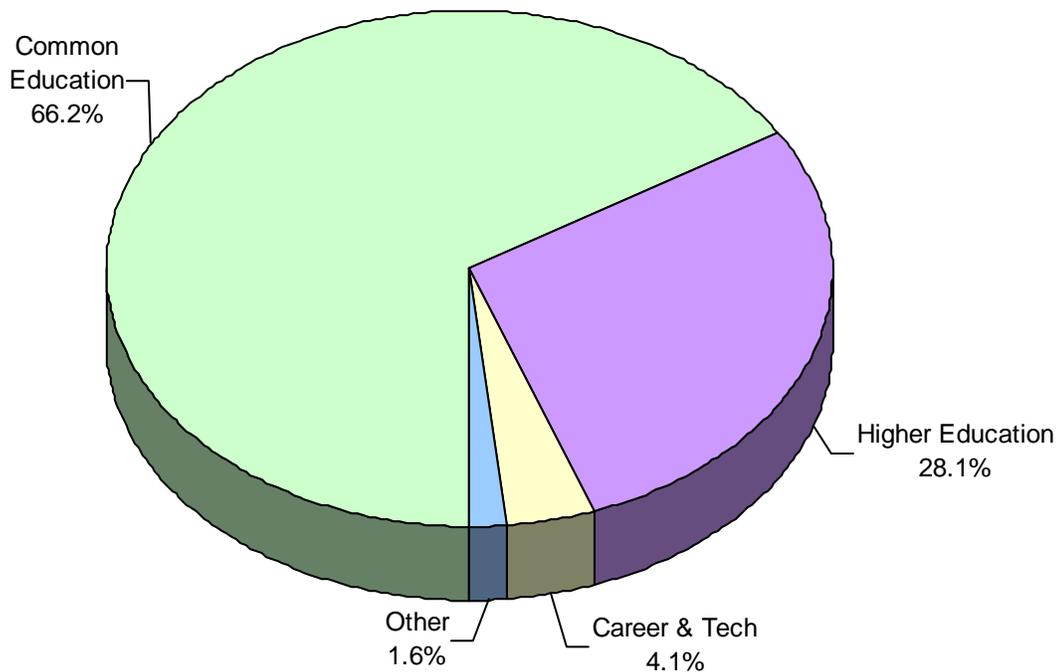
VI. Ten Year Appropriation History



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
FY-03	\$482,321	FY-08	\$517,960

Education Committee

Distribution of FY-08 Appropriations

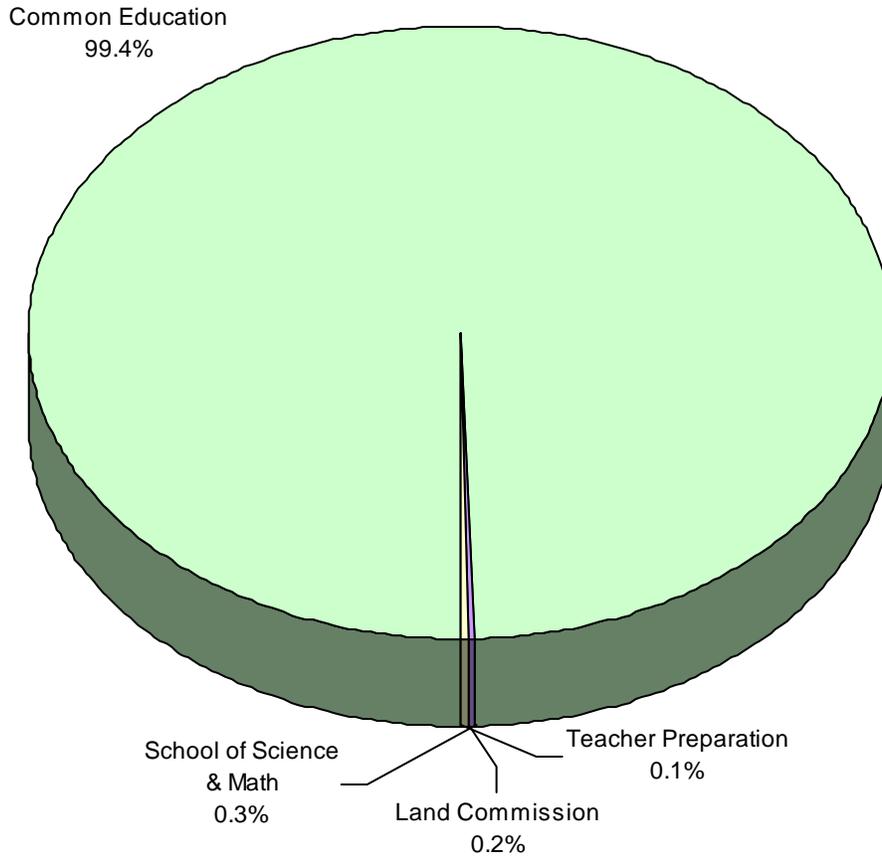


Common Education	\$2,480,155,207
Higher Education	1,053,949,576
Career and Technology	154,864,391
<u>Other</u>	
Historical Society	14,687,451
Educational Television Auth.	8,394,383
School of Science and Math	7,585,732
Department of Libraries	7,294,856
Physician Manpower Training	5,523,502
Arts Council	5,150,967
Land Commission	4,864,881
Teacher Preparation	2,059,982
Will Rogers Memorial	1,083,702
Centennial Commission	1,066,511
J.M. Davis Museum	535,403
Private Vocational Schools	<u>193,304</u>
Committee Total	\$3,747,409,848

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Common Education Subcommittee

Distribution of FY-08 Appropriations



Common Education	\$2,480,155,207
School of Science and Math	7,585,732
Land Commission	4,864,881
Teacher Preparation	<u>2,059,982</u>
Subcommittee Total	\$2,494,665,802
No Non-Appropriated Agencies	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

State Board of Education

Honorable Sandy Garrett, State Superintendent

Agency # 265

I. FY-08 Appropriations Adjustments

FY-07 Appropriation and FTE Authorization	<u>Funding</u>	<u>FTE</u>
	\$2,348,041,255	410.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase	\$195,946	
b. Reduction in Lottery Funds	-3,581,798	
c. Removal of One-Times	-900,000	
d. Bit-by-Bit Program	35,000	
e. Robotics Program	100,000	
f. School Lunch Matching	125,000	
g. Passport to Financial Literacy	150,000	
h. Great Expectations	350,000	
i. Alternative Education	350,000	
j. Omniplex	350,000	
k. A+ Schools Program	500,000	
l. Middle School Math Labs	500,000	
m. Literacy First PDI	500,000	
n. RISE School - OSU	550,000	
o. Excess FY-06 Lottery Funds	667,754	
p. Support Salaries- OTRS/FICA	968,750	
q. National Board Bonuses- SLPs	1,025,000	
r. National Board Bonuses	2,000,000	
s. Academic Achievement Awards	2,045,000	
t. School Operating Costs	4,500,000	
u. FY-08 Teachers' Salaries- ORTS/FICA	5,024,500	
v. ACE Remediation	5,617,800	

w.	Support Salaries- Annualization	6,250,000	
x.	Support Flex Benefit Allowance	11,887,000	
y.	EESIP Increase	11,900,000	
z.	FY-07 Supplemental Annualization	22,000,000	
aa.	FY-08 Existing Teacher Salary Increase	27,200,000	
bb.	Certified Staff Flex Benefit Allowance	<u>31,804,000</u>	
Total Adjustments		\$132,113,952	0.0
FY-08 Appropriation and FTE Authorization		\$2,480,155,207	410.0
Percent Change from FY-07		5.6%	0.0%
<u>Constitutional Reserve Fund Spillover</u>			
cc.	Science and Mathematics Advanced Recruiting Technique Program (SMART)	\$1,073,604	
dd.	Educare Program	5,000,000	
ee.	FY-08 EESIP and Non-EESIP Increases (SB 357)	6,621,468	
ff.	FY-08 Targeted Teacher Salary Increase	<u>19,953,133</u>	
FY-08 Total Expenditure Authorization		\$2,512,803,412	

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006 (state agency \$103,099 and Early Intervention/ SoonerStart \$92,847).
- b. The amount represents the reduction in available Lottery proceeds apportioned to the School Consolidation Assistance Fund and the Teachers' Retirement Dedicated Revenue Revolving Fund as provided for in Section 713 of Title 3A of the Oklahoma Statutes.
- c. Funding was provided for FY-07 for the Student Tracking and Reporting (STAR) pilot program (\$800,000) and the Charter Schools Incentive Fund (\$100,000). Funding is removed for FY-08.
- d. Funding is provided for the Bit-by-Bit program at Rogers State University to provide recreation therapy to local developmentally disabled children.

- e. Appropriation is made to provide 20 \$5,000 grants to school districts to establish robotics teams, to engineer robotics projects and to compete in national robotics competitions.
- f. Funding is provided to offset costs associated with the rise in the number of students participating in the School Lunch program. State funding for the Federal School Lunch program must be no less than 30 percent of federal program funds received by the state and funding reflects the anticipated three percent increase in student participation.
- g. Funding is provided to contract with the Council for Economic Education pursuant to the provisions of **HB 1476** (see Section III-e).
- h. Appropriation is made to fund training of an additional 350 teachers and administrators in the Great Expectations professional development program.
- i. One-time funding is provided for specialized professional development for Oklahoma's alternative education teachers. Content in seventeen core middle and high school courses will enable alternative education teachers to meet the High-Quality Teacher requirements of the No Child Left Behind Act.
- j. Funding is provided to offset costs of offering science classes, laboratories, demonstrations, outreach and professional development to public school students and teachers across the state by the Omniplex in Oklahoma City.
- k. Appropriations are increased to the A+ Schools professional development program to incorporate the arts into all forms of instruction.
- l. Funding is provided to expand Mathematics Laboratories programs across the state and for upgrading equipment and materials for existing programs.
- m. Funding for the Literacy First professional development program is increased to expand the program into Phase IV (see Section III-d).
- n. Appropriation is made to the Rural Infant Stimulation Environment (RISE) School, which provides education and therapeutic services to developmentally disabled children, of which \$400,000 is provided for one-time capital cost, and \$150,000 for ongoing operations.

- o. Appropriation is made from FY-06 net lottery collections accruing to the Education Lottery Trust Fund.
- p. Funding is provided for the employer retirement contribution and FICA payments associated with the annualization of the FY-07 50-cent per-hour raise for all support personnel.
- q. Education Leadership Oklahoma receives increased funding to provide a \$5,000 bonus to Speech-Language Pathologists, School Psychologists and Audiologists.
- r. Education Leadership Oklahoma receives increased funding to provide a \$5,000 bonus to certified teachers graduating from the National Board Certification program.
- s. Funding is increased for the Academic Achievement Awards (AAA) program expansion pursuant to the provisions of **HB 1593** (see Section III-g).
- t. Appropriation is made for the School Funding Formula to offset rising utility and transportation at public schools.
- u. Funding is provided for the employer retirement contribution and FICA payments associated with the \$600 across-the-board pay raise for certified personnel.
- v. As required by the Achieving Classroom Excellence (ACE) Act, funding is provided for remediation of students whose test scores are at the Unsatisfactory or Limited Knowledge level.
- w. The Legislature appropriated \$18,750,000 in FY-07 to provide partial year funding for a 50-cent per-hour raise for all support personnel. Funding is provided to annualize the raise.
- x. Funding is provided to maintain state coverage of support employees' health benefits at 100 percent of the Health Choice Hi-Option premium rate.
- y. Funding represents the amount necessary to carry out the provisions of HB 1179 (2006) relating to the Education Employees Service Incentive Plan (EESIP).

- z. Appropriation is made to annualize the agency's \$22,000,000 FY-07 supplemental.
- aa. Appropriation is made to provide a \$600 across-the-board pay raise for state-paid certified personnel.
- bb. Funding is provided to maintain state coverage of certified employees' health benefits at 100 percent of the Health Choice Hi-Option premium rate.
- cc. Funding is provided to create the Science and Mathematics Advanced Recruiting Technique (SMART) Program, an incentive pay program designed to attract teachers with advanced degrees in mathematics and science to public schools.
- dd. Funding is provided, to be matched with private funds, to assist in expanding the Educare early childhood program to Oklahoma City. In FY-07, the Legislature appropriated \$5,000,000 for the program, funded with a 1:2 public/private match with a \$10,000,000 private contribution provided by the Kaiser Family Foundation for the Educare Program in Tulsa.
- ee. The appropriation represents the amount necessary to increase employer contribution rates to the Oklahoma Teachers' Retirement System as provided in **SB 357** (see Section III-k).
- ff. In addition to the \$600 across-the-board teacher salary increase, the Legislature provided funding for targeted increases to teachers with ten years of experience or more. Experienced teachers with a bachelors degree will earn an additional \$425, those with a masters degree will earn an additional \$850, and those with a doctorate will earn an additional \$1,700, as set forth in **HB 1134** (see Section III-c).

III. Policy Issues

- a. **HB 1051** provides student victims the right to be separated from student offenders at school and school related transportation. The measure also implements the "Diabetes Management in Schools Act," and contains provisions relating to Diabetes Medical Management for school children including development of treatment plans for students with diabetes who seek care at school, a system for school employees to volunteer be trained as diabetes care assistants to care for students, distribution of information on students with diabetes to those transporting students, and immunity to disciplinary action unless the actions of the employee are found to constitute reckless or intentional misconduct.

- b. **HB 1105** transfers spillover funds in excess of the Constitutional Reserve Fund constitutional limit for numerous purposes, including costs associated with SB 357 (see item k), the FY-08 targeted teacher pay raise, the Science and Math Advanced Recruiting Technique (SMART) Program, the Educare Program, operations and capital needs at higher education institutions. Regarding the SMART Program, the goal is to provide the State Department of Education with adequate funding to incentivize school districts to employ those with advanced math and science degrees in their academic area of expertise.
- c. **HB 1134** modifies the Minimum Salary Schedule for FY-08 by providing increases, in addition to the \$600 across-the-board statutory increase, to teachers with ten years of experience or more, with greater rewards for those with a masters or a doctorate. Experienced teachers with a bachelors degree will earn an additional \$425; those with a masters degree will earn an additional \$850 and those with a doctorate will earn an additional \$1,700.
- d. **HB 1390** directs the Oklahoma Commission for Teacher Preparation to award one-year grants, renewable for up to two additional years, to schools that serve students in kindergarten through third grade for specific reading professional development programs. The measure also provides for development of new professional development programs should funds become available.
- e. **HB 1476**, also known as the Passport to Financial Literacy Act, includes provisions for the teaching of personal financial literacy to students in grades seven through twelve beginning with the 2008-2009 school year. The measure provides the framework for the establishment and implementation of financial literacy instruction, including curriculum and professional development standards.
- f. **HB 1589** amends the Oklahoma Charter Schools Act by permitting higher education institutions to become sponsors of charter schools providing for charter school applicant training.
- g. **HB 1593** modifies the Academic Achievement Award (AAA) Program by increasing the number of school sites eligible for the top score award and the top growth award from one to four in each of five size groups based on Academic Performance Index (API) scores. Awards will include monetary bonuses for certified employees at each school site. The measure also provides a \$3,000 bonus to qualified employees at schools with an API score of 1,500 (when regular students are tested). The bonuses are exclusive of bonuses earned by receipt of a Top Score Award or a Top Growth Award.

- h. **HB 1601** modifies physical education (PE) in public schools by prohibiting recess from counting toward P.E. requirements, directing the State Board of Education to encourage districts to incorporate physical activity into the school day and requiring districts to provide a physical activity report to the parents.
- i. **SB 17** designates the week surrounding November 11th as "Celebrate Freedom Week," directing the State Board of Education to adopt rules requiring public school districts to include instruction on the Declaration of Independence and the U.S. Constitution in their historical contexts.
- j. **SB 103** requires schools to perform a minimum of one lockdown drill each year.
- k. **SB 357** contains provisions designed to increase funding to the Teacher's Retirement System. The measure increases employer contribution rates over a three-year period, funded through increased appropriations to education entities. Additionally, the measure provides for an increase in General Revenue Fund appropriations to the system should income tax rates be reduced.
- l. **SB 513** modifies the allocation of net lottery proceeds by imposing a cap on the School Consolidation and Assistance Fund of \$5,000,000 with excessive amounts being allocated by the State Department of Education to public school districts on an Average Daily Membership (ADM) basis for purchasing technology equipment. The measure also includes provisions relating to tax withholding on lottery prizes in excess of \$600.
- m. **SB 921** creates the Achieving Classroom Excellence (ACE) II Task Force, whose purpose is to compare Oklahoma curricular standards and achievement levels with those of other states and to study the feasibility of realigning Oklahoma curricular standards.
- n. **SB 925** creates the School Funding Formula Task Force, whose purpose is to review the State Aid Funding Formula and make recommendations regarding possible modifications.

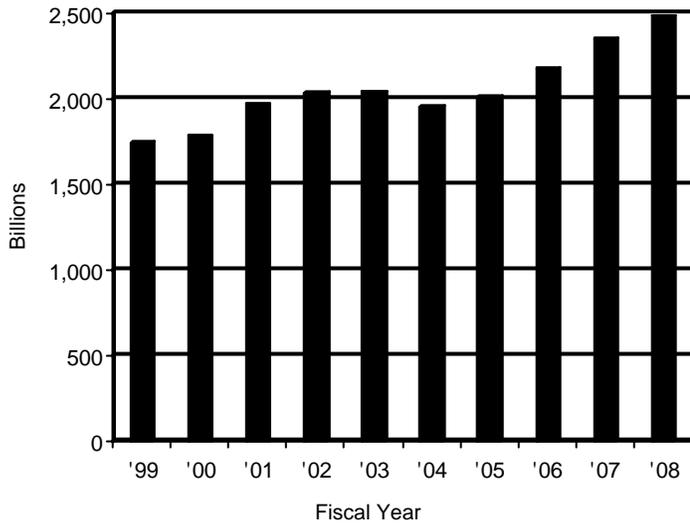
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund - FY-08	0	\$1,687,071,821	0.0%
General Revenue Fund - FY-07	1,686,279,374	5,971,715	-99.6%
General Revenue Fund - FY-06	6,115,609	0	-100.0%
General Revenue Fund - FY-05	9,515,341	0	-100.0%
Special Cash	17,369,050	33,000,000	90.0%
Education Reform Rev. Fund	511,597,723	648,224,223	26.7%
Common Ed Tech Rev. Fund	45,007,000	50,374,284	11.9%
Mineral Leasing - FY-08	0	4,560,000	N/A
Mineral Leasing - FY-07	4,560,000	0	-100.0%
Mineral Leasing - FY-06	0	2,226,981	N/A
Mineral Leasing - FY-05	2,843,733	0	-100.0%
Education Lottery	64,753,425	45,721,290	-29.4%
Education Lottery - FY-06	0	3,004,893	N/A
Revolving Funds	2,674,780	2,924,652	9.3%
Federal Funds	604,791,829	589,471,741	-2.5%
Total	\$2,955,507,864	\$3,072,551,600	4.0%

V. Budget References

SB 334, Sections 2 through 16; HB 1133, Sections 1 and 2; HB 1105, Sections 1(A)(1)(a), 1(A)(3)(a), 1(A)(3)(b) and 1(A)(15)

VI. Ten Year Appropriation History



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
FY-03	\$2,040,028,941	FY-08	\$2,480,155,207

Commissioners of the Land Office

Clifton Scott, Secretary

Agency # 410

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$4,828,535	63.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	<u>36,346</u>	
Total Adjustments	36,346	0.0
FY-08 Appropriation and FTE Authorization	\$4,864,881	63.0
Percent Change from FY-07	0.8%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. None

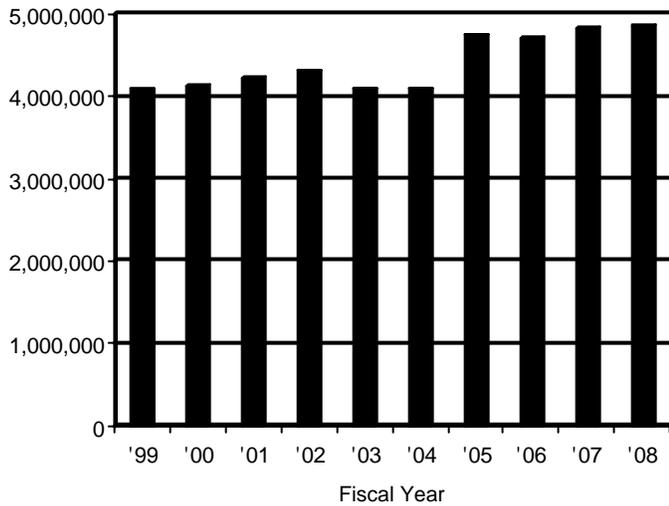
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
Commissioners of the Land Office Fund	\$4,828,535	\$4,864,881	0.8%
Total	\$4,828,535	\$4,864,881	0.8%

V. Budget References

SB 334, Section 30; SB 186, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$4,095,100	FY-08	\$4,864,881

Oklahoma School of Science and Mathematics

Edna Manning, President

Agency # 629

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$7,230,508	81.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$44,998	
b. Debt Service	20,226	
c. Annualize Poteau Regional Site Costs	65,000	
d. Regional Outreach Programs	<u>225,000</u>	<u>2.0</u>
Total Adjustments	355,224	2.0
FY-08 Appropriation and FTE Authorization	\$7,585,732	83.0
Percent Change from FY-07	4.9%	2.5%
<u>Constitutional Reserve Fund Spillover</u>		
e. FY-08 EESIP and Non-EESIP Increases (SB 357)	<u>\$11,780</u>	
FY-08 Total Expenditure Authorization	\$7,597,512	

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funding is increased resulting from adjustments made to lease payments related to bonds issued by the Oklahoma Capital Improvement Authority.
- c. Appropriation is made to annualize the personnel costs at the Poteau regional site.
- d. Funds are appropriated to commence operation of the Canadian Valley Regional Outreach program in Chickasha and to supplement other regional sites. Regional sites offer advanced science and math courses at local career and technology education centers to qualified students who otherwise would not have access to

such courses. The agency requires two additional full-time equivalent employees (FTE) to hire instructors at the new regional site.

- e. The appropriation represents the amount necessary to increase employer contribution rates to the Oklahoma Teachers' Retirement System as provided in SB 357.

III. Policy Issues

- a. None

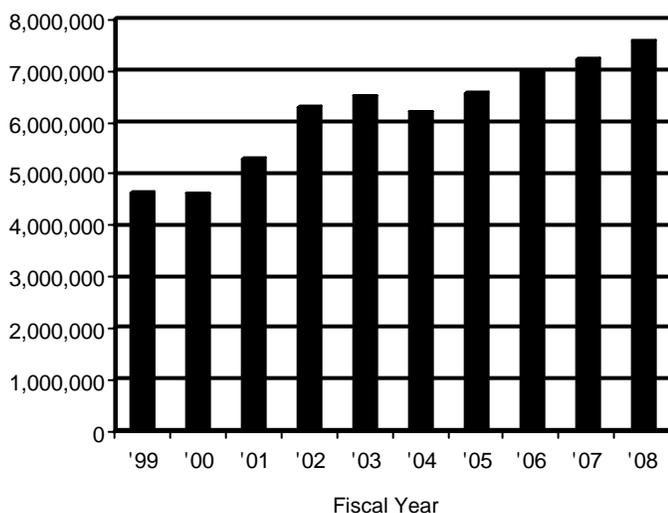
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$7,230,508	\$7,585,732	4.9%
State Loan Repayment Program	10,000	10,000	0.0%
Total	\$7,240,508	\$7,595,732	4.9%

V. Budget References

SB 334, Section 33; SB 194, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$6,522,429	FY-08	\$7,585,732

Oklahoma Commission for Teacher Preparation

Ted Gillispie, Director

Agency # 269

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$2,050,705	9.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$9,277	
b. Program Administration	_____	1.0
Total Adjustments	9,277	1.0
FY-08 Appropriation and FTE Authorization	\$2,059,982	10.0
Percent Change from FY-07	0.5%	11.1%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. The agency requires one additional FTE to assist in administration of programs including the Literacy First program which is expanded in **HB 1390**. Funding for Literacy First flows through the State Department of Education.

III. Policy Issues

- a. **HB 1390** directs the agency to award one-year grants, renewable for up to two additional years, to schools that serve students in kindergarten through third grade for reading professional development programs. The measure also provides for development of new professional development programs should funds become available.

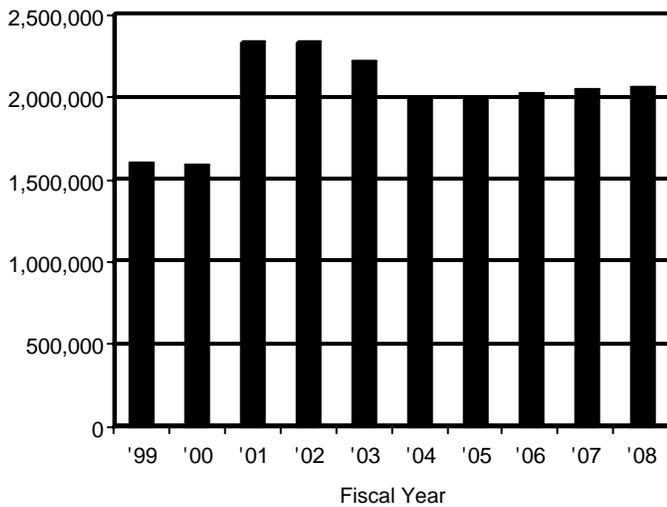
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$2,050,705	\$2,059,982	0.5%
Interagency Transfers	3,735,285	\$4,235,285	13.4%
Revolving Funds	1,419,622	1,274,695	-10.2%
Total	\$7,205,612	\$7,569,962	5.1%

V. Budget References

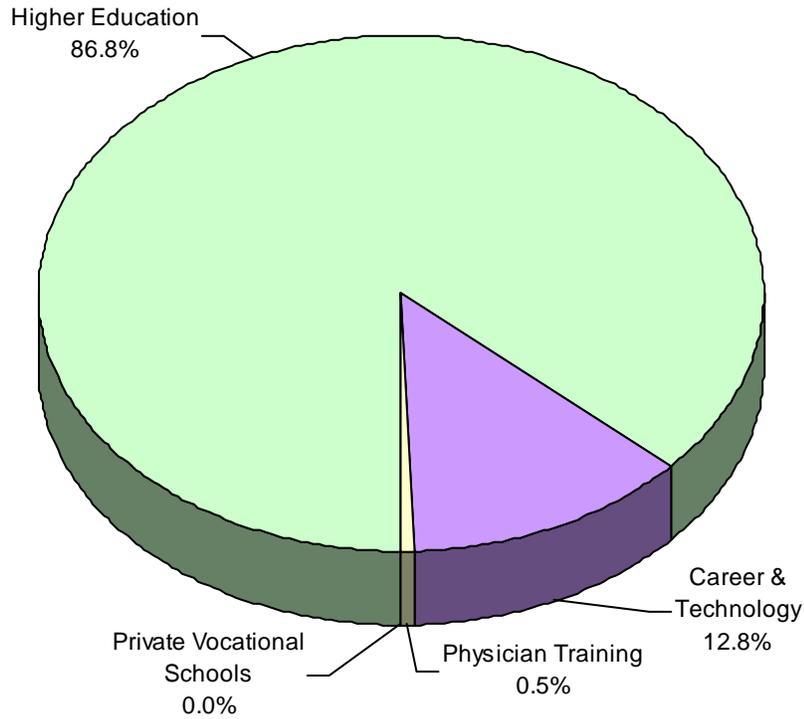
SB 334, Section 35; HB 1153, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$2,219,555	FY-08	\$2,059,982

Higher Education & Career Technology Subcommittee Distribution of FY-08 Appropriations



Higher Education	\$1,053,949,576
Career and Technology	154,864,391
Physician Manpower Training	5,523,502
Private Vocational Schools	<u>193,304</u>
Subcommittee Total	\$1,214,530,773
<u>Non-Appropriated Agencies</u>	
Anatomical Board	
Student Loan Authority	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures

State Board of Career and Technology Education

Dr. Phil Berkenbile, Director

Agency # 800

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$147,287,358	406.0
FY-08 Funding Adjustments:		
a. Removal of One-Times	-\$1,500,000	
b. State Employee Pay Increase Annualization	162,362	
c. FY-08 Teachers' Salaries - OTRS/FICA	197,718	
d. Support Salaries - Annualization	370,000	
e. Firefighter Training	400,000	
f. Operations	800,000	
g. Support Staff Flex Benefit Allowance	1,039,852	
h. FY-08 Existing Teacher Salary Increase	1,275,600	
i. EESIP Increase	2,291,200	
j. Certified Staff Flex Benefit Allowance	<u>2,540,302</u>	
Total Adjustments	7,577,034	0.0
FY-08 Appropriation and FTE Authorization	\$154,864,392	406.0
Percent Change from FY-07	5.1%	0.0%
<u>Constitutional Reserve Fund Spillover</u>		
k. FY-08 EESIP and Non-EESIP Increases (SB 357)	\$531,815	
l. FY-08 Targeted Teacher Salary Increase	845,778	
m. Aerospace Industries Training	<u>1,200,000</u>	
FY-08 Total Expenditure Authorization	\$157,441,985	

II. FY-08 Appropriations Adjustments Detail

- a. One-time funds were provided in FY-07 for capital projects within the Career Technology system. Funding is removed for FY-08.

- b. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- c. Funding is provided for the employer retirement contribution and FICA payments associated with the \$600 across-the-board pay raise for certified personnel.
- d. The Legislature appropriated \$18,750,000 in FY-07 to provide partial year funding for a 50-cent per-hour raise for all support personnel. Funding is provided to annualize the raise.
- e. Funding for firefighter training is to be used for equipment and personnel costs associated with volunteer firefighter training at eleven technology center.
- f. Appropriation is made to offset rising utility and transportation costs at technology centers.
- g. Funding is provided to maintain state coverage of support employees' health benefits at 100 percent of the Health Choice Hi-Option premium rate.
- h. Appropriation is made to provide a \$600 across-the-board pay raise for state-paid certified personnel.
- i. Funding represents the amount necessary to carry out the provisions of HB 1179 (2006) relating to the Education Employees Service Incentive Plan (EESIP).
- j. Funding is provided to maintain state coverage of certified employees' health benefits at 100 percent of the Health Choice Hi-Option premium rate.
- k. Funding represents the amount necessary to increase employer contribution rates to the Oklahoma Teachers' Retirement System as provided in **SB 357**.
- l. In addition to the \$600 across-the-board teacher salary increase, the Legislature provided funding for targeted increases to teachers with ten years of experience or more. Experienced teachers with a bachelors degree will earn an additional \$425, those with a masters degree will earn an additional \$850, and those with a doctorate will earn an additional \$1,700, as set forth in **HB 1134**.
- m. Funding is provided for an aerospace industries training program to be offered at the MetroTech Campus facility.

III. Policy Issues

- a. **HB 1105** transfers spillover funds in excess of the Constitutional Reserve Fund constitutional limit for numerous purposes, including costs associated with SB 357 (see item e), the FY-08 targeted teacher pay raise, the Science and Math Advanced Recruiting Technique (SMART) Program, the Educare Program, operations and capital needs at higher education institutions.
- b. **HB 1134** modifies the Minimum Salary Schedule for FY-08 by providing increases, in addition to the \$600 across-the-board statutory increase, to teachers with ten years of experience or more, with greater rewards for those with a masters or a doctorate. Experienced teachers with a bachelors degree will earn an additional \$425; those with a masters degree will earn an additional \$850 and those with a doctorate will earn an additional \$1,700.
- c. **SB 357** contains provisions designed to increase funding to the Teacher’s Retirement System. The measure increases employer contribution rates over a three-year period, funded through increased appropriations to education entities. Additionally, the measure provides for an increase in General Revenue Fund appropriations to the system should income tax rates be reduced.
- d. **SB 496** prohibits institutions within the Career Technology and Higher Education systems from selling student data to marketers and creditors.
- e. **SB 922** clarifies the apportionment of ad valorem tax collections between a higher education district and a career technology district.

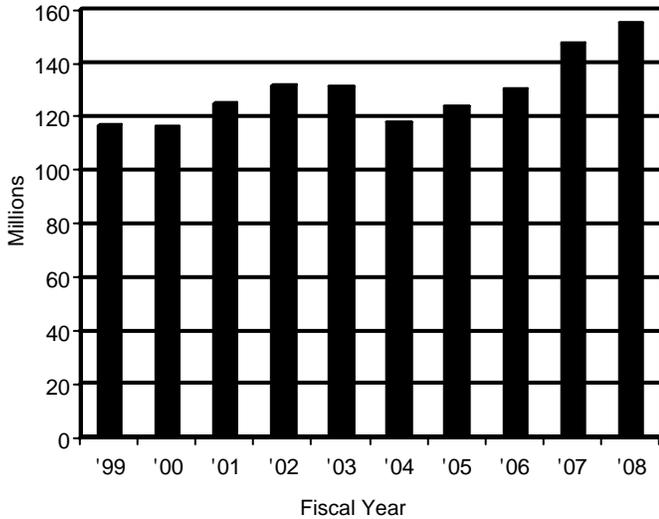
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$141,287,358	\$150,364,392	6.4%
Education Lottery	6,000,000	4,500,000	-25.0%
Revolving Funds	6,592,504	9,529,103	44.5%
Federal Funds	25,405,713	24,513,131	-3.5%
Total	\$179,285,575	\$188,906,626	5.4%

V. Budget References

SB 334, Sections 36 and 37; SB 178, Section 1; HB 1105, Sections 1(A)1(c) and 1(A)3(c)

VI. Ten Year Appropriation History



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
FY-03	\$131,196,667	FY-08	\$154,864,392

State Regents for Higher Education

Glen D. Johnson, Chancellor

Agency # 605

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$933,933,880	N/A
FY-08 Funding Adjustments:		
a. Reduction in Regents' Debt Service	-\$516,664	
b. Quartz Mountain Debt Service	27,360	
c. K-20 Center, OU	300,000	
d. North Tulsa Clinic, OU	1,000,000	
e. Fire Service Training, OSU	1,000,000	
f. Helmerich Center, OSU-Tulsa	1,200,000	
g. Tuition Equalization Grants	2,000,000	
h. OHLAP Supplemental Annualization	5,500,000	
i. OHLAP	11,005,000	
j. Institutional Operations	13,000,000	
k. Replacement of One-Time FY-07 Funding	<u>85,500,000</u>	
Total Adjustments	120,015,696	N/A
FY-08 Appropriation and FTE Authorization	\$1,053,949,576	N/A
Percent Change from FY-07	12.9%	N/A
<u>Constitutional Reserve Fund Spillover</u>		
l. USDA Match, Langston University	\$1,800,000	
m. FY-08 EESIP and Non-EESIP Increases (SB 357)	2,281,093	
n. Forensic Science Building, UCO	4,000,000	
o. Capital Improvements	16,500,000	
p. Institutional Operations	<u>20,000,000</u>	
FY-08 Total Expenditure Authorization	\$1,098,530,669	

II. FY-08 Appropriations Adjustments Detail

- a. Funding is reduced resulting from adjustments made to lease payments related to bonds issued by the Oklahoma Capital Improvement Authority.
- b. Funding is provided resulting from increases in Quartz Mountain's lease payment related to bonds issued by the Oklahoma Capital Improvement Authority.
- c. Funding is provided to the K-20 Center at the University of Oklahoma (OU) to meet the costs of equipment and personnel necessary to train over 60 school superintendents and principals in leadership administration.
- d. One-time funding is provided for facility construction of a Super Clinic in North Tulsa through OU. The clinic will provide a number of advanced outpatient services, including 24-hour urgent care and chemotherapy and will maintain clinical service and medical training links to the OU Diabetes Center and the OU Cancer Institute.
- e. Appropriation is made for Fire Service Training (FST) to be used for equipment and personnel costs associated with ten new full-time equivalent employees (FTE) in volunteer firefighter training through Oklahoma State University (OSU).
- f. One-time funding through OSU-Tulsa for the Helmerich Research Center will be used to purchase specialized equipment for incoming research faculty. The Center will focus its research on advanced and composite materials, working with particles on a smaller scale than those related to nanotechnology.
- g. The Legislature intends for the Regents to transfer an additional \$2,000,000 to the Oklahoma Tuition Equalization Grant Trust Fund in FY-08, increasing total appropriations for the program to \$4,344,650. The increase in available funds will allow the Regents to make awards to at least 481 additional students in FY-08, bringing the total number of students receiving scholarships to 1,950.
- h. Funding annualizes the FY-07 supplemental appropriation to the Oklahoma Higher Learning Access Program (OHLAP) (HB 1234). The supplemental appropriation to fund all eligible recipients was necessary due to because of underperformance of the lottery net proceeds of which had been appropriated to fund scholarships.

- i. Funding reflects the projected growth in OHLAP participation in FY-08. \$10,750,238 is directed to the program from anticipated gaming revenues while the remainder of program funding comes from special cash and other sources. Five thousand dollars of this increase is appropriated to implement the provisions of **HB 1762** (see Section 111-b).
- j. Additional funding for institutional budgets is provided, including \$6,003,970 from excess Gross Production revenue.
- k. Annualization of the one-time FY-07 Constitutional Reserve Fund spillover transfer of \$85,500,000 is provided to supplement institutional budgets.
- l. Funding for a United State Department of Agriculture (USDA) program match through Langston University is transferred from the Constitutional Reserve (“Rainy Day”) Fund spillover. This amount, combined with \$1.5 million from other sources, is required to fully match the \$3.3 million USDA grant. Funding will promote goat, aquaculture and small farmer research.
- m. Constitutional Reserve Fund spillover funds are transferred to the agency to fund increased employer contribution rates to the Oklahoma Teachers’ Retirement System as provided in **SB 357**.
- n. Funding for the Forensic Science Building at the University of Central Oklahoma will facilitate completion of Phase II of construction, which includes a DNA and Trace Evidence Laboratory and an Evidence Recovery Site.
- o. Funding is provided to be allocated to the University of Oklahoma (\$5,500,000), Oklahoma State University (\$5,500,000), and the regional and two-year colleges (\$5,500,000) for capital needs.
- p. Funding for institutional operations is transferred from the Constitutional Reserve Fund spillover.

III. Policy Issues

- a. **HB 1105** transfers spillover funds in excess of the Constitutional Reserve Fund constitutional limit for numerous purposes, including costs associated with SB 357 (see item d), the FY-08 targeted teacher pay raise, the Science and Math Advanced Recruiting Technique (SMART) Program, the Educare Program, operations and capital needs at higher education institutions.

- b. **HB 1762** extends the Oklahoma’s Promise, also known as the Oklahoma Higher Learning Access Program (OHLAP) scholarship, to those students enrolled in a school district that serves students who reside in both this state and an adjacent state.
- c. **HB 2103** establishes a guaranteed tuition rate structure for students at Oklahoma public higher education institutions. Tuition rates may not exceed 115 percent of the nonguaranteed rate charged to resident students enrolling for the first time as an undergraduate. Students must elect to participate upon enrollment at an institution. Should a student transfer to another institution or to another campus of the same institution or change majors the tuition rate established upon enrollment is not binding and the student may be charged tuition rates as if enrolling for the first time. Also, the measure offers potential cost savings to students by prohibiting textbook and material bundling if the items can be purchased at a lower cost as separate components.
- d. **SB 357** contains provisions designed to increase funding to the Teacher’s Retirement System. The measure increases employer contribution rates over a three-year period, funded through increased appropriations to education entities. Additionally, the measure provides for an increase in General Revenue Fund appropriations to the system should income tax rates be reduced.
- e. **SB 496** prohibits institutions within the Career Technology and Higher Education systems from selling student data to marketers and creditors.
- f. **SB 777** modifies residency requirements for the Board of Regents for Oklahoma City Community College by requiring four members to reside in South Oklahoma City.
- g. **SB 820** contains provisions relating to the Oklahoma’s Promise, also known as Oklahoma Higher Learning Access Program (OHLAP) scholarships. The measure provides permanent funding source for the program in which the funds required for scholarships are based on a determination made by the State Board of Equalization as recommended by the Regents, subtracted from certified General Revenue Funds and are transferred to the OHLAP Trust Fund. In addition, the measure imposes new eligibility requirements on Oklahoma’s Promise participants, including United States citizenship, a 2.75 grade point average (GPA) for all high school students, a minimum score of 22 on the American College Test (ACT) for those graduating from a school not accredited by the Oklahoma State Board of Education, maintenance of a 2.0 GPA for college sophomores and a 2.5

GPA for juniors and seniors and compliance with university codes of conduct. The measure also requires a second review of the parents'/guardians' income upon the student's college enrollment, and revokes the scholarship should income exceed \$100,000. Also, the measure expands scholarship eligibility by offering participation to home-schooled students.

- h. **SB 922** clarifies the apportionment of ad valorem tax collections between a higher education district and a career technology district.
- i. **SCR 17** authorizes the Board of Regents of Oklahoma City Community Colleges to issue revenue bonds with a principal amount of up to \$8,000,000 for the purpose of constructing an Arts Education Center.
- j. **SCR 28** authorizes the Board of Regents for Oklahoma Agricultural and Mechanical Colleges to issue revenue bonds with a principal amount of up to \$1,2200,000 for the purpose of constructing a replacement water plant on the Connors State College campus in Warner.

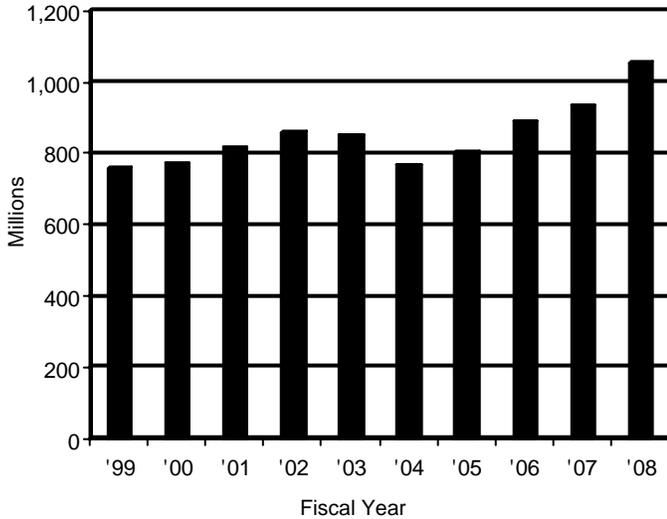
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$792,262,005	\$860,327,727	8.6%
FY-06 General Revenue, Cash	85,500,000	0	-100.0%
Special Cash	0	46,756,168	N/A
Comprehensive University Projects Revolving Fund	80,000,000	0	-100.0%
Higher Education Capital Revolving Fund	45,007,000	50,374,284	11.9%
Oklahoma Student Aid Revolving Fund	45,007,000	50,374,284	11.9%
Education Lottery Trust Fund	46,730,075	35,366,875	-24.3%
OHLAP Trust Fund	4,927,800	10,750,238	118.2%
Tuition and Fees	601,601,384	671,976,227	11.7%
Total	\$1,701,035,264	\$1,725,925,803	1.5%

V. Budget References

SB 334, Sections 18 through 28; HB 1105, Sections 1(A)(1)(a), 1(A)(5), 1(A)(8) and 1(A)(11)

VI. Ten Year Appropriation History



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
FY-03	\$851,255,610	FY-08	\$1,053,949,576

Physician Manpower Training Commission

Rick Ernest, Director

Agency # 619

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$5,470,499	7.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$3,003	
b. Physician Assistant Scholarship Program	<u>50,000</u>	
Total Adjustments	53,003	0.0
FY-08 Appropriation and FTE Authorization	\$5,523,502	7.0
Percent Change from FY-07	1.0%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funding will provide an additional 4.2 Physician Assistant scholarships each year at \$12,000 each.

III. Policy Issues

- a. None

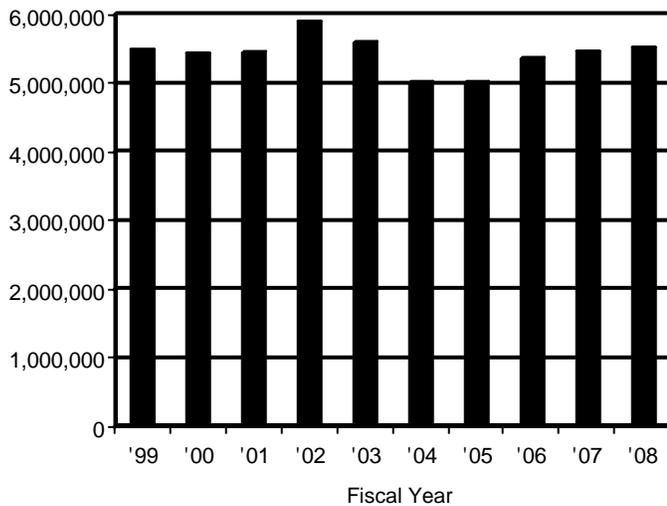
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$5,070,499	\$5,123,502	1.0%
Special Cash	400,000	400,000	0.0%
Community Residency Fund	341,000	266,250	-21.9%
PMTIC Revolving Fund	677,339	666,174	-1.6%
Nursing Student Assistance Fund	380,000	380,000	0.0%
State Loan Repayment Program	50,000	12,500	-75.0%
Total	\$6,918,838	\$6,848,426	-1.0%

V. Budget References

SB 334, Sections 31 and 32; HB 1147, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$5,606,623	FY-08	\$5,523,502

Board of Private Vocational Schools

Dennis Rea, Director

Agency # 563

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$192,245	3.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$1,059	
Total Adjustments	1,059	0.0
FY-08 Appropriation and FTE Authorization	\$193,304	3.0
Percent Change from FY-07	0.6%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. None

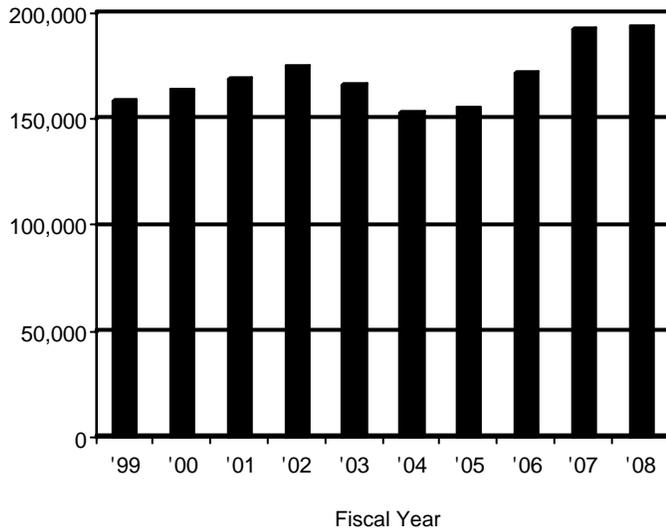
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
Revolving Fund	\$192,245	\$193,304	0.6%
Total	\$192,245	\$193,304	0.6%

V. Budget References

SB 334, Section 38; HB 1149, Section 1

VI. Ten Year Appropriation History

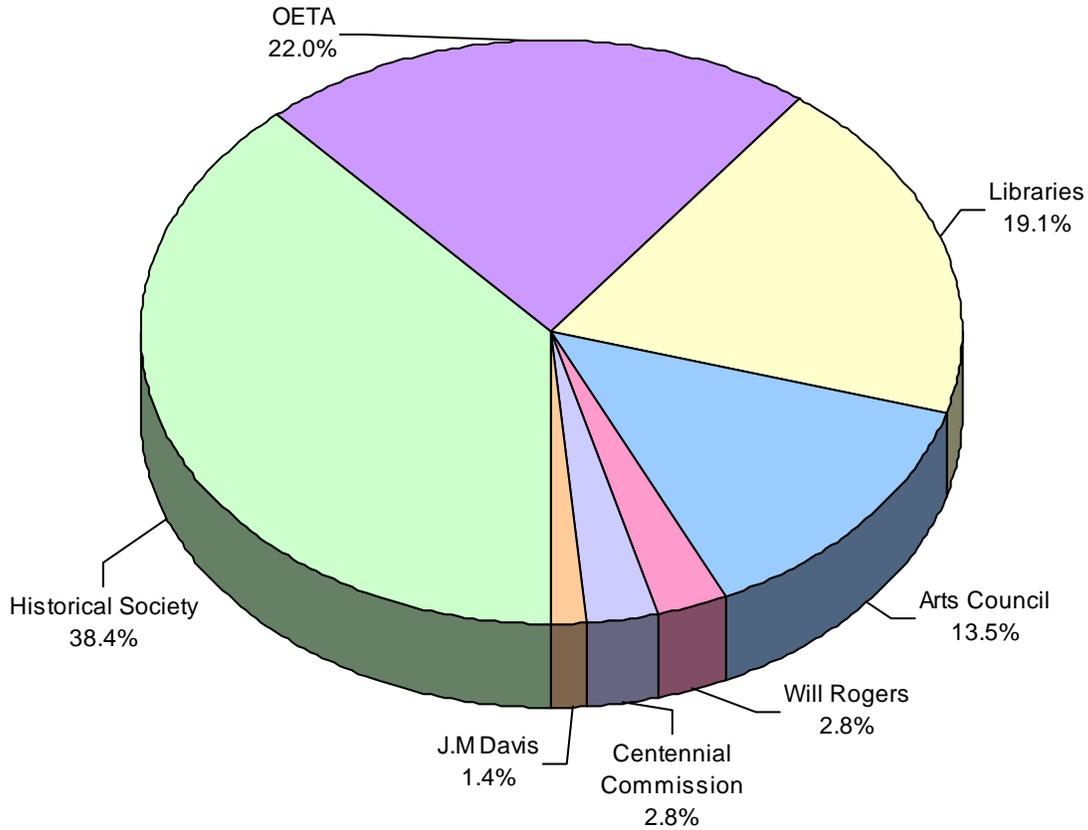


FY-99	\$158,790	FY-04	\$152,989
FY-00	\$163,601	FY-05	\$155,456
FY-01	\$169,117	FY-06	\$171,879
FY-02	\$174,760	FY-07	\$192,245
FY-03	\$166,022	FY-08	\$193,304

Note:

1. Beginning with FY-07, the agency began operating from its Revolving Fund due to increased fee collections, rather than from General Revenue.

Arts & Culture Subcommittee Distribution of FY-08 Appropriations



Historical Society	\$14,687,451
Educational Television Authority	8,394,383
Department of Libraries	7,294,856
Arts Council	5,150,967
Will Rogers Memorial	1,083,702
Centennial Commission	1,066,511
J.M. Davis Museum	<u>535,403</u>
Subcommittee Total	\$38,213,273
No Non-Appropriated Agencies	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Oklahoma Arts Council

Betty Price, Executive Director

Agency # 055

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$4,442,810	17.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$8,157	
b. Community Programs	<u>700,000</u>	
Total Adjustments	708,157	0.0
FY-08 Appropriation and FTE Authorization	\$5,150,967	17.0
Percent Change from FY-07	15.9%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. The agency received an increase of \$600,000 for additional Community Programs grants, and \$100,000 for transfer to the Oklahoma Arts Council Arts Education Revolving Fund (see HB 2104 below).

III. Policy Issues

- a. **HB 2104** creates an entry fee exemption for minors age seventeen and younger one day per week at all museums and historical sites operated by the Oklahoma Historical Society. Additionally, the measure adds provisions related to the Oklahoma Arts Council: requiring the Council to be responsible for the acquisition, exhibition, and management of the state's art collection, creation of an incentive grant program to establish visual arts programs in schools that will require a private funding match and the creation of the Oklahoma Arts Council Arts Education Revolving Fund, into which the state's matching funds for the incentive grant program will be deposited.

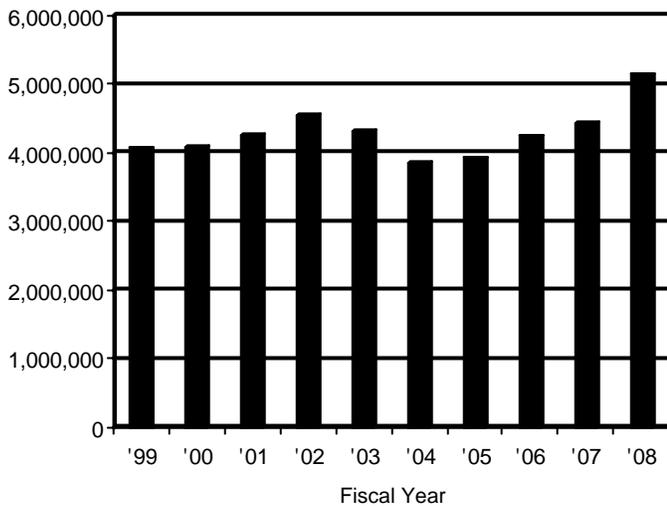
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$4,442,810	\$5,150,967	15.9%
Interagency Transfers	175,085	175,085	0.0%
Federal Funds	620,600	610,800	-1.6%
Total	\$5,238,495	\$5,936,852	13.3%

V. Budget References

SB 334, Section 1; HB 1127, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$4,318,483	FY-08	\$5,150,967

Note:

1. FY-99 through FY-02 reflect increased support for local project assistance.

Capitol Complex and Centennial Commission

J. Blake Wade, Executive Director

Agency # 007

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$1,062,291	12.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	<u>\$4,220</u>	
Total Adjustments	\$4,220	0.0
FY-08 Appropriation and FTE Authorization	\$1,066,511	12.0
Percent Change from FY-07	0.4%	0.0%
<u>Constitutional Reserve Fund Spillover</u>		
b. Centennial Projects	<u>\$15,000,000</u>	
FY-08 Total Expenditure Authorization	\$16,066,511	

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funding is provided for Centennial projects throughout Oklahoma. Specific projects and funding amounts are to be determined by the Commission (see **HB 1105** below).

III. Policy Issues

- a. **HB 1105** transfers \$15,000,000 in Constitutional Reserve Fund spillover funding to the agency for Centennial projects.

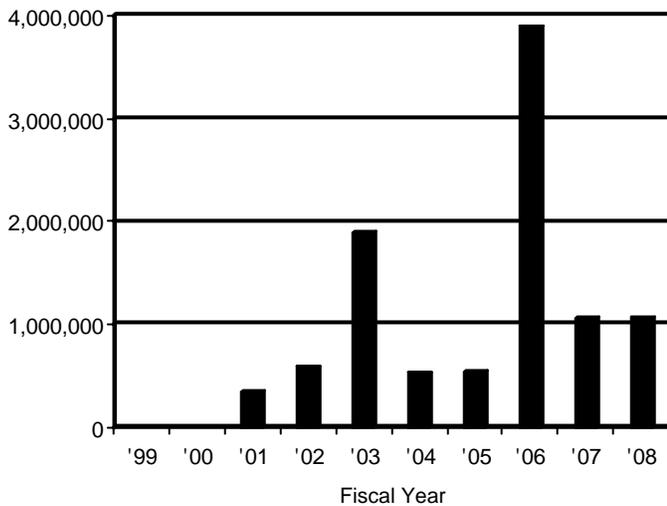
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$1,062,291	\$1,066,511	0.4%
Revolving Funds	1,844	3,000	62.7%
Federal Funds	435,000	430,489	-1.0%
Total	\$1,499,135	\$1,500,000	0.1%

V. Budget References

SB 334, Section 89; SB 268, Section 1; HB 1105, Section 1 (A)(6)

VI. Ten Year Appropriation History



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
FY-03	\$1,890,904	FY-08	\$1,066,511

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 a one-time funding for centennial projects, debt service for a bond issue for the Capitol dome, and one-time funds to pay for interest owed on a loan for the dome from Bank of America.

Oklahoma Educational Television Authority

John McCarroll, Director

Agency # 266

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$5,164,350	84.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$30,033	
b. Capital Equipment - Digital Television	<u>3,200,000</u>	
Total Adjustments	3,230,033	0.0
FY-08 Appropriation and FTE Authorization	\$8,394,383	84.0
Percent Change from FY-07	62.5%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriations will be matched with private funds to replace 15 signal translators throughout the state from analog to digital systems. The equipment replacement is part of an ongoing effort to convert to digital transmission as required by the Federal Communications Commission (FCC).

III. Policy Issues

- a. None

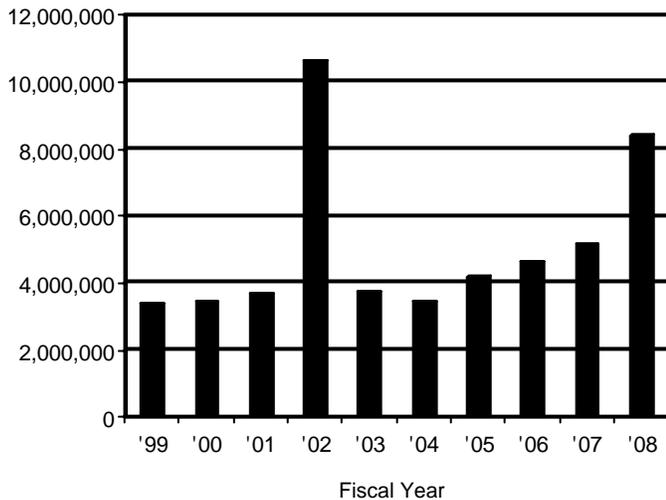
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$5,164,350	\$8,394,383	62.5%
Revolving Funds	1,906,525	5,161,383	170.7%
Federal Funds	97,637	665,813	581.9%
Total	\$7,168,512	\$14,221,579	98.4%

V. Budget References

SB 334, Section 17; HB 1135, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$3,741,795	FY-08	\$8,394,383

Note:

1. The increase for FY-02 and subsequent decrease for FY-03 represents an investment for new equipment for conversion to digital transmission.
2. The increase for FY-08 reflects the need to replace 15 signal translators as part of the agency's digital transmission conversion.

Oklahoma Historical Society

Dr. Bob Blackburn, Executive Director

Agency # 350

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$14,480,963	168.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$76,525	
b. Regional Site Matching Program	-500,000	
c. Tsa La Gi Transfer	29,324	
d. General Operations	250,000	
e. Debt Services	250,639	
f. Choctaw Capitol Building	<u>100,000</u>	
Total Adjustments	206,488	0.0
FY-08 Appropriation and FTE Authorization	\$14,687,451	168.0
Percent Change from FY-07	1.4%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funding is eliminated for this one-time matching program, in which state museums could raise two dollars in private matching funds for every one dollar contributed by the state.
- c. Funding for the Tsa La Gi historical site was transferred from the Department of Tourism to the Historical Society as set forth in **SB 470**.
- d. An increase of \$250,000 is provided for operational costs at the History Center in Oklahoma City.

- e. Funding is provided resulting from adjustments made to lease payments related to bonds issued by the Oklahoma Capital Improvement Authority.
- f. Funding is provided to replace windows at the Choctaw Nation Capitol Building, near Tuskahoma.

III. Policy Issues

- a. **SB 470** adds new information to the list of items that the Department of Tourism and Recreation may keep confidential, allows Tourism to transfer to the Historical Society property in Cherokee County known as Tsa La Gi, updates the Oklahoma State Park Trust Fund and creates the Lake Murray Infrastructure Support Act.

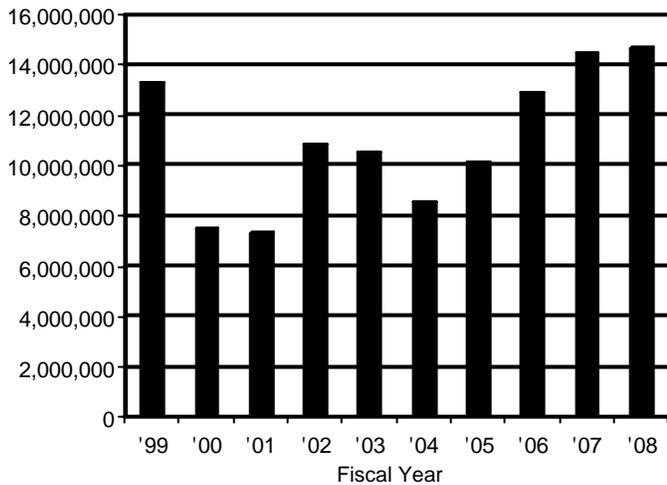
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$14,480,963	\$14,687,451	1.4%
Revolving and Carryover Funds	2,277,324	2,300,000	1.0%
Federal Funds	362,000	370,000	2.2%
Total	\$17,120,287	\$17,357,451	1.4%

V. Budget References

SB 334, Section 96; SB 280, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$10,515,233	FY-08	\$14,687,451

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 of 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.

J.M. Davis Memorial Commission

Jason Schubert, Interim Executive Director

Agency # 204

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$382,166	10.5
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$3,237	
b. Capital Needs	<u>150,000</u>	
Total Adjustments	153,237	0.0
FY-08 Appropriation and FTE Authorization	\$535,403	10.5
Percent Change from FY-07	40.1%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funding is provided to replace air conditioning units.

III. Policy Issues

- a. None

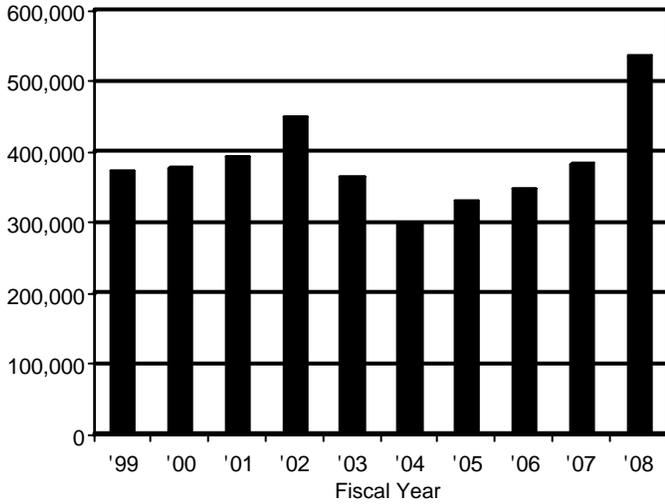
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$382,166	\$535,403	40.1%
Revolving Funds	52,546	74,561	41.9%
Total	\$434,712	\$609,964	40.3%

V. Budget References

SB 334, Section 99; SB 286, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$364,704	FY-08	\$535,403

Oklahoma Department of Libraries

Susan McVey, Director

Agency # 430

I. FY-08 Appropriations Adjustments

	Funding	FTE
FY-07 Appropriation and FTE Authorization	\$6,847,731	82.8
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$22,125	
b. State Aid to Public Libraries	<u>425,000</u>	
Total Adjustments	447,125	0.0
FY-08 Appropriation and FTE Authorization	\$7,294,856	82.8
Percent Change from FY-07	6.5%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funds are provided to increase allocations to individual libraries and library systems across the state.

III. Policy Issues

- a. None

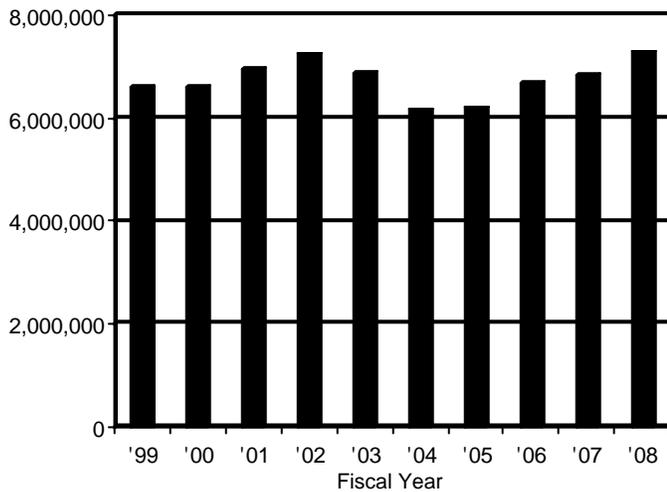
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$6,847,731	\$7,294,856	6.5%
Revolving Funds	375,000	375,000	0.0%
Federal Funds	3,496,304	3,491,045	-0.2%
Total	\$10,719,035	\$11,160,901	4.1%

V. Budget References

SB 334, Section 29; SB 188, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$6,891,409	FY-08	\$7,294,856

Will Rogers Memorial Commission

Steven Gragert, Director

Agency # 880

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$925,196	16.5
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$8,506	
b. Capital Needs	<u>150,000</u>	
Total Adjustments	158,506	0.0
FY-08 Appropriation and FTE Authorization	\$1,083,702	16.5
Percent Change from FY-07	17.1%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funding is provided for various capital needs, including elevator repair (\$17,000), Agency Technology conversion (\$19,000), Birthplace house restoration (\$35,000), a new irrigation system (\$37,000), and waterproofing exterior walls (\$41,000).

III. Policy Issues

- a. None

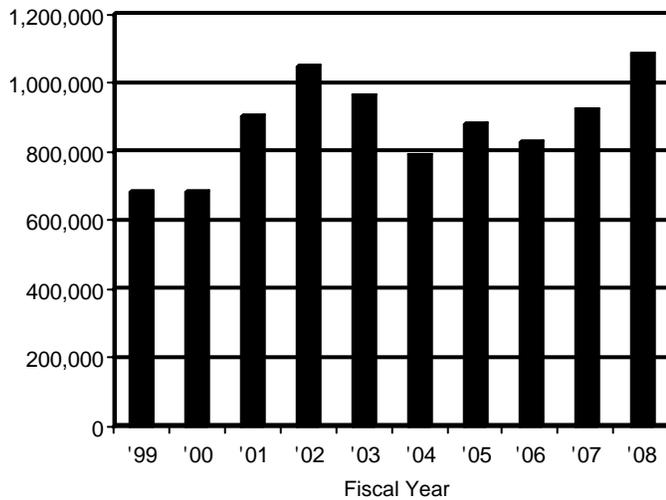
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$925,196	\$1,083,702	17.1%
Revolving Funds	27,000	17,000	-37.0%
Total	\$952,196	\$1,100,702	15.6%

V. Budget References

SB 334, Section 107; SB 298, Section 1

VI. Ten Year Appropriation History



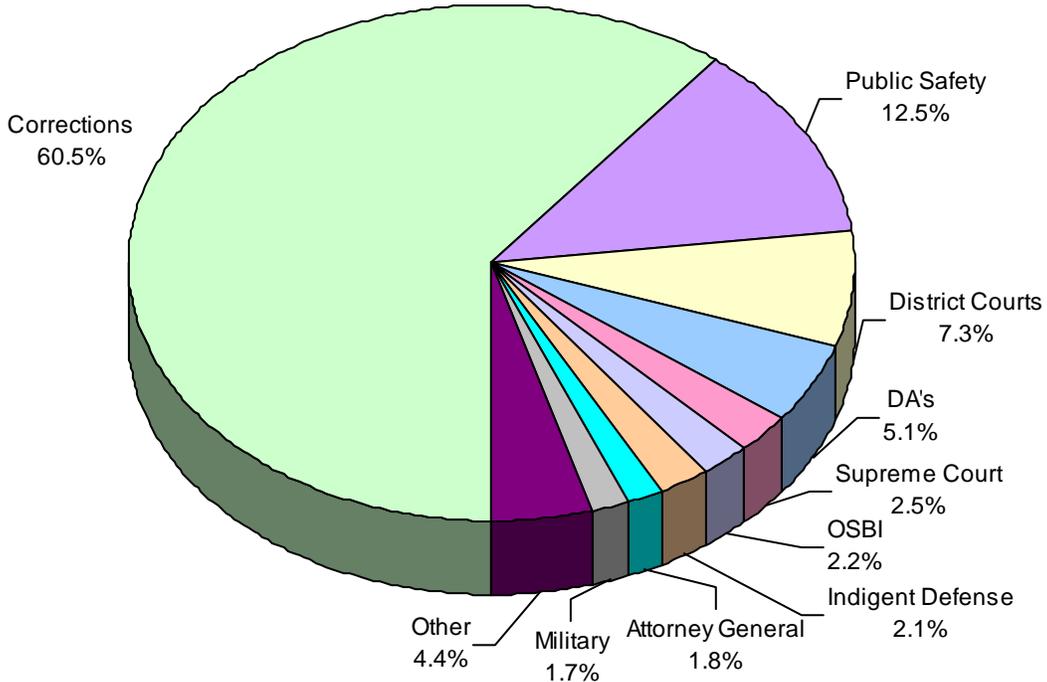
FY-99	\$684,169	FY-04	\$792,798
FY-00	\$683,640	FY-05	\$882,678
FY-01	\$904,323	FY-06	\$830,679
FY-02	\$1,051,197	FY-07	\$925,196
FY-03	\$965,062	FY-08	\$1,083,702

Note:

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 Committee

Distribution of FY-08 Appropriations

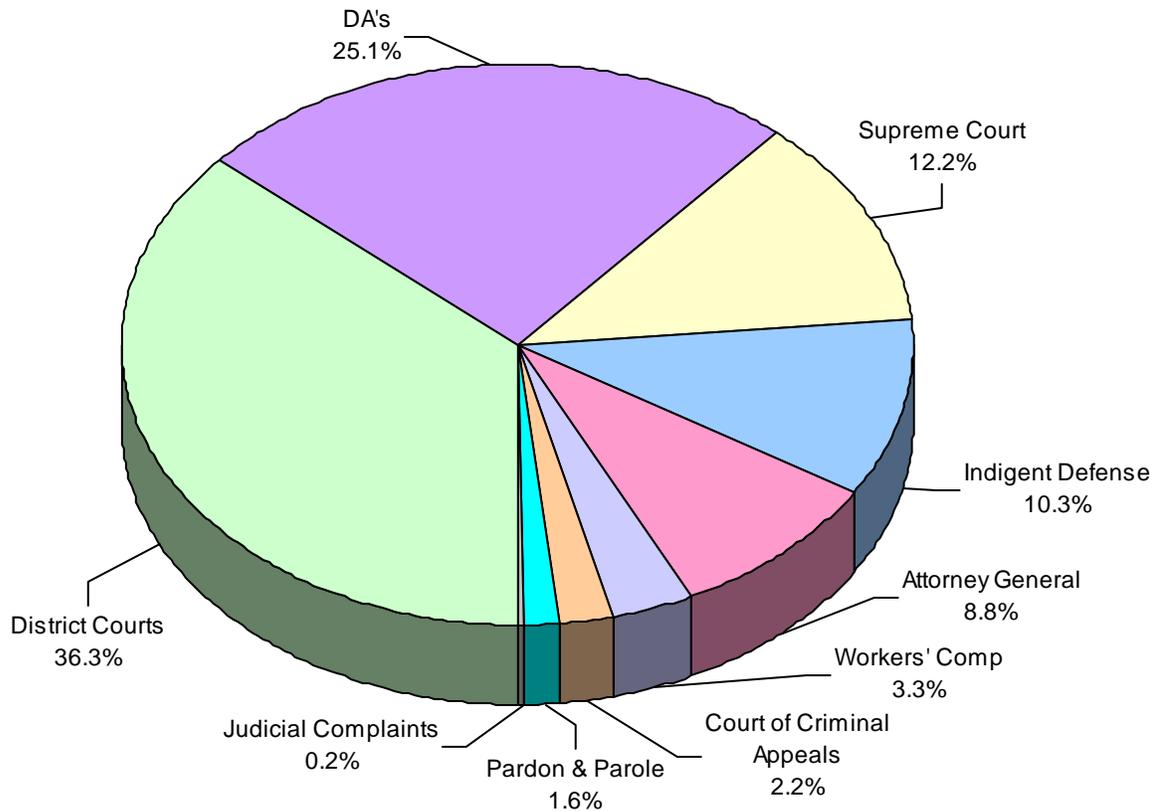


Corrections	\$477,543,364
Public Safety	98,370,391
District Courts	57,674,778
District Attorneys	39,920,210
Supreme Court	19,420,570
OSBI	17,316,450
Indigent Defense System	16,304,008
Attorney General	13,944,449
Military Department	13,654,939
<u>Other</u>	
Narcotics & Dangerous Drugs	6,773,895
Workers' Compensation Court	5,242,033
Medicolegal Investigations	4,825,625
CLEET	4,410,370
ABLE Commission	3,925,266
Court of Criminal Appeals	3,489,631
Pardon and Parole Board	2,577,581
Fire Marshal	2,270,855
Emergency Management	836,604
Judicial Complaints	<u>283,729</u>
Committee Total	\$788,784,748

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Civil Justice Subcommittee

Distribution of FY-08 Appropriations



District Courts	\$57,674,778
District Attorneys	39,920,210
Supreme Court	19,420,570
Indigent Defense System	16,304,008
Attorney General	13,944,449
Workers' Compensation Court	5,242,033
Court of Criminal Appeals	3,489,631
Pardon and Parole Board	2,577,581
Judicial Complaints	<u>283,729</u>
Subcommittee Total	\$158,856,989
<u>Non-Appropriated Agencies</u>	
Shorthand Reporters	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Attorney General

Honorable W.A. "Drew" Edmondson, Attorney General

Agency # 049

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$12,798,702	179.5
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$70,747	
b. CASA Operations	155,000	
c. Pawnee County CASA	20,000	
d. Building Maintenance & Utilities	400,000	
e. Domestic Violence Unit	<u>500,000</u>	
Total Adjustments	1,145,747	0.0
FY-08 Appropriation and FTE Authorization	\$13,944,449	179.5
Percent Change from FY-07	9.0%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriations are made increasing funding for Court Appointed Special Advocates (CASA) to a total of \$752,225 in state funds. CASA volunteers are appointed officers of the Court representing children by working with attorneys and social workers and providing independent, objective recommendations regarding the best interest of a child.
- c. The appropriation provides funds to the Pawnee County CASA to replace depleted funds resulting from a large number of cases of abused and neglected children and children with learning disabilities and other serious health issues.
- d. Funding is provided for utility and maintenance costs of the agency's office building.

- e. The appropriation increases funding for the Domestic Violence Unit to a total of \$4,682,562 in state funds for the program, which certifies domestic violence, sexual assault and batterers intervention programs.

III. Policy Issues

- a. **HB 1282** authorizes court clerks to collect a \$3.00 fee for civil cases filed and for criminal cases in which a defendant is convicted. Fee revenue is credited to the Attorney General’s Victim Services Unit.
- b. **HB 1804** directs the Attorney General to negotiate terms of a Memorandum of Understanding between the State of Oklahoma and the United States Department of Justice and the United States Department of Homeland Security concerning enforcement of federal immigration and customs laws, detention and removals, and investigations.
- c. **SB 664** directs the Attorney General to enter into agreements and to promulgate rules and standards for batterers’ intervention programs, which provide counseling and intervention services to persons committing domestic abuse.
- d. **SB 889** directs the Attorney General to investigate violations of the Oklahoma Medicaid False Claims Act and bring civil actions against violators.

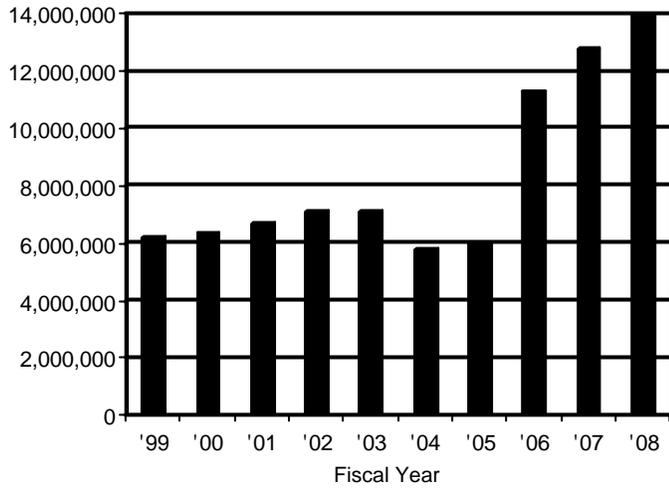
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$12,798,702	\$13,944,449	9.0%
Carryover	215,992	160,000	-25.9%
Revolving Funds	7,380,000	7,259,345	-1.6%
Federal Funds	5,744,449	5,939,334	3.4%
Total	\$26,139,143	\$27,303,128	4.5%

V. Budget References

SB 334, Sections 120 and 121; SB 302, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$7,107,784	FY-08	\$13,944,449

Court of Criminal Appeals

Honorable Gary L. Lumpkin, Presiding Judge

Agency # 199

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$3,083,013	36.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$23,618	
b. Annualize Supplemental	125,000	
c. Court Administrator	102,000	
d. Administrative Assistant	57,000	
e. Court Management Software	25,000	
f. General Operations	20,000	
g. Legal Aids and Interns	<u>54,000</u>	
Total Adjustments	406,618	0.0
FY-08 Appropriation and FTE Authorization	\$3,489,631	36.0
Percent Change from FY-07	13.2%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriation is made to annualize a \$25,000 FY-07 supplemental appropriation provided in **HB 1234** to fund previously vacant judicial positions.
- c. Funding is provided to fill the position of Court Administrator, which has been vacant for several years.
- d. The appropriation allows the agency to employ an administrative assistant for the Court Administrator.
- e. Funding is provided to purchase court management software.

- f. Appropriation is made to meet increases in general operating expenses.
- g. Appropriation is made to employ five additional law students to serve as legal aids and interns.

III. Policy Issues

- a. **HB 1234** provides \$125,000 in FY-07 supplemental funding to fill vacant judicial positions.
- b. **SB 905** removes the ability of the appellate court to modify a judgment or sentence in a criminal action when an insanity defense is raised, but in which case the defendant is not acquitted on grounds that the defendant was insane at the time of commission of the crime. The appellate court will only have the authority to order a new trial or re-sentencing without recommendations to sentencing.

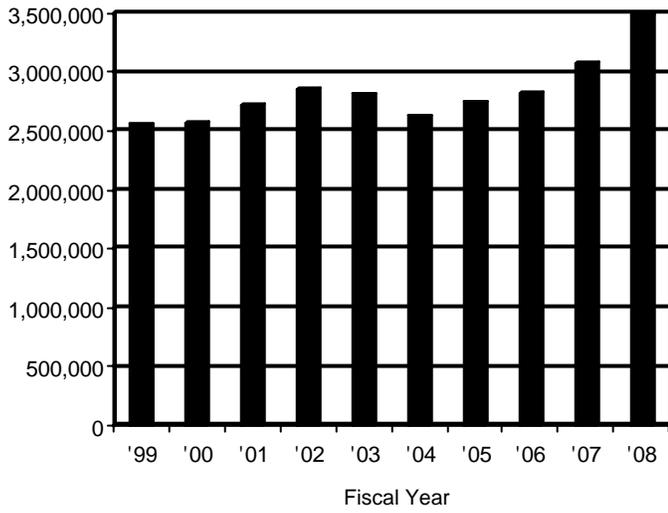
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$3,083,013	\$3,489,631	13.2%
Carryover	260,000	75,000	-71.2%
Total	\$3,343,013	\$3,564,631	6.6%

V. Budget References

HB 1234, Section 145; SB 334, Section 126; SB 306, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$2,817,556	FY-08	\$3,489,631

District Attorneys and District Attorneys Council

Suzanne Atwood, Executive Coordinator

Agency # 220

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$39,092,742	1,308.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$327,468	
b. General Operations	<u>500,000</u>	
Total Adjustments	827,468	0.0
FY-08 Appropriation and FTE Authorization	\$39,920,210	1,308.0
Percent Change from FY-07	2.1%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriation is made to meet increases in general operating expenses.

III. Policy Issues

- a. **HCR 1028** establishes the Task Force on Juvenile Offender Substance Abuse Assessment to study and make recommendations regarding the constitutionality and feasibility of requiring that a preadjudicatory substance abuse assessment be conducted on children who are arrested or become subject to the supervision of the Office of Juvenile Affairs. The Executive Coordinator of the District Attorneys Council is one of seventeen members of the task force.
- b. **HB 1385** increases the amount the Crime Victims Compensation Board is authorized to pay for sexual assault examinations from \$250 to \$450.

- c. **HB 1895** creates the Oklahoma Youth and Gang Violence Coordinating Council to coordinate Oklahoma’s response to gang activity and violence, evaluate local gang initiatives and make recommendations. The Executive Coordinator of the District Attorneys Council is one of the twenty-two members of the Council.
- d. **SB 677** increases the time in which a district attorney may defer prosecution on a false or bogus check from two to three years, pending restitution being made to the victim of the bogus check.
- e. **SB 917** allows admission of evidence of a defendant’s previous offenses of sexual assault or child molestation to be considered in subsequent criminal cases in which the defendant is accused of sexual assault or child molestation.
- f. **SB 990** creates the Judicial and District Attorney Redistricting Task Force to study the redistricting of judicial and district attorney districts and to report its findings and recommendations to the President Pro Tempore of the Senate and the Speaker of the House of Representatives by November 30, 2008.

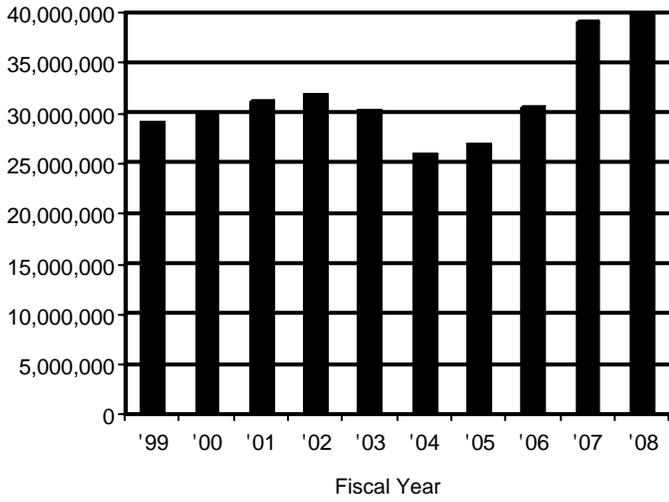
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$39,092,742	\$39,920,210	2.1%
Carryover	450,000	800,000	77.8%
Revolving Funds	34,357,258	34,079,790	-0.8%
Federal Funds	32,100,000	33,500,000	4.4%
Total	\$106,000,000	\$108,300,000	2.2%

V. Budget References

SB 334, Sections 122 through 125; SB 308, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$30,307,624	FY-08	\$39,920,210

District Courts

Honorable James Winchester, Chief Justice

Agency # 219

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$54,403,272	654.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$129,614	
b. Court Reporter Pay Increase	116,612	
c. Retirement Cost Increase	791,408	
d. General Operations	<u>2,233,872</u>	
Total Adjustments	3,271,506	0.0
FY-08 Appropriation and FTE Authorization	\$57,674,778	654.0
Percent Change from FY-07	6.0%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. The appropriation annualizes the pay increase for court reporters authorized in **HB 1150**, effective October 1, 2006.
- c. Appropriation is made to fund increases in employer contributions to the State Judicial Retirement Fund for FY-07 and FY-08.
- d. Appropriation is made to meet increases in general operating expenses.

III. Policy Issues

- a. **SB 145** authorizes district judges, associate district judges and special judges who are in possession of a valid concealed handgun license and whose names appear on a list maintained by the Administrative Director of the Courts to carry weapons into the courthouse when acting in the course and scope of their employment.

- b. **SB 634** allows for service to be made by a third-party commercial carrier or by electronic means if the attorney or party consents in writing to receiving service by electronic means and provides instructions.
- c. **SB 665** prohibits any person other than the author to amend a written victim impact statement. The measure also requires the court to allow victim impact statements to be read into the court record.
- d. **SB 790** requires the court to provide parents, guardians and legal custodians full and timely access to all reports that are considered by the court in any custody or visitation proceeding.
- e. **SB 825** requires court reporters who wish to qualify as a Registered Professional Reporter or Registered Merit Reporter to take a written test and complete 30 hours of continuing education in a three-year period. Court reporters who wish to qualify as a Registered Diplomat Reporter or a Certified Real-time Reporter must only satisfy the continuing education requirement. Each additional certification increases reporter pay by \$1,500 per year over and above the reporter's base salary.
- f. **SB 868** requires the court to permit members of the immediate family of a murder victim to wear buttons displaying a picture of the victim as a symbol of grief in a trial.

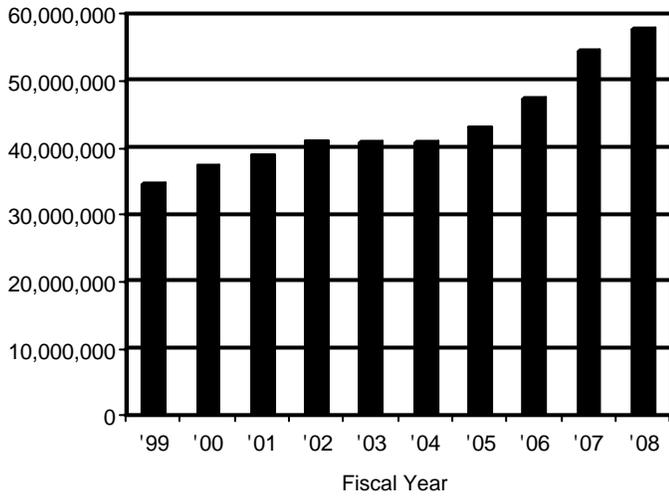
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$16,219,933	\$21,450,117	32.2%
State Judicial Fund	38,183,339	36,224,661	-5.1%
Revolving Funds	3,500,000	6,500,000	85.7%
Carryover	500,000	1,000,000	100.0%
Federal Funds	500,000	500,000	0.0%
Total	\$58,903,272	\$65,674,778	11.5%

V. Budget References

SB 334, Sections 131 and 132; SB 310, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$40,897,067	FY-08	\$57,674,778

Indigent Defense System

Jim Bednar, Executive Director

Agency # 047

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$16,206,256	85.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	<u>\$97,752</u>	
Total Adjustments	97,752	0.0
FY-08 Appropriation and FTE Authorization	\$16,304,008	85.0
Percent Change from FY-07	0.6%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. **HB 2101** creates the Transformational Justice Interagency Task Force to coordinate the reentry programs of the state, helping inmates find jobs, housing, substance abuse treatment, medical care and mental health services after release from incarceration. The Executive Director of the Indigent Defense System is one of the thirteen members of the task force.

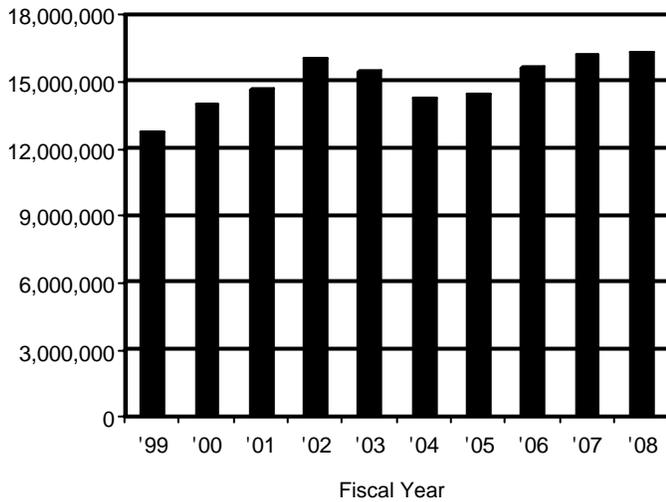
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$16,206,256	\$16,304,008	0.6%
Carryover	1,574,592	1,500,697	-4.7%
Revolving Funds	1,851,433	1,761,687	-4.8%
Total	\$19,632,281	\$19,566,392	-0.3%

V. Budget References

SB 334, Section 135; SB 314, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$15,440,273	FY-08	\$16,304,008

Council on Judicial Complaints

Eric Mitts, Administrative Secretary

Agency # 678

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$282,503	2.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	<u>\$1,226</u>	
Total Adjustments	\$1,226	0.0
FY-08 Appropriation and FTE Authorization	\$283,729	2.0
Percent Change from FY-07	0.4%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. None

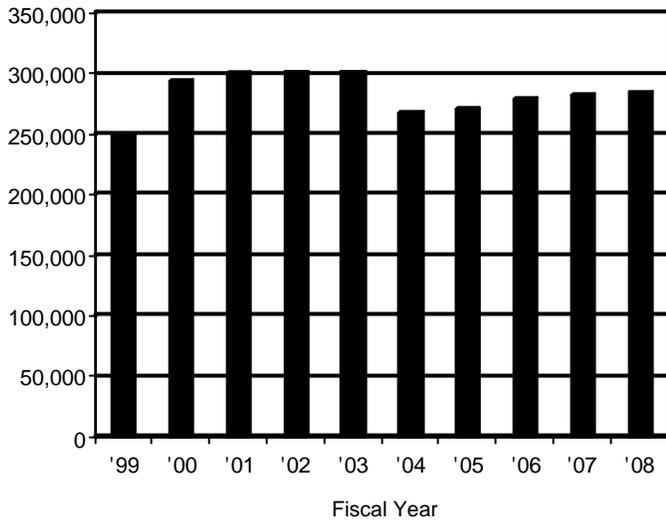
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$282,503	\$283,729	0.4%
Carryover	55,000	65,000	18.2%
Total	\$337,503	\$348,729	3.3%

V. Budget References

SB 334, Section 133; SB 318, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$301,681	FY-08	\$283,729

Pardon and Parole Board

Terry Jenks, Director

Agency # 306

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$2,555,018	2.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	<u>\$22,563</u>	
Total Adjustments	\$22,563	0.0
FY-08 Appropriation and FTE Authorization	\$2,577,581	2.0
Percent Change from FY-07	0.9%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. **SB 1130** requires the Department of Corrections, in conjunction with the Pardon and Parole Board, to implement a method for tracking the success and recidivism of persons required to have a two-stage parole consideration process for the first three years following their release from incarceration or release to parole. Information collected will be reported annually to the members of the Legislature, the Criminal Justice Resource Center and the Governor.

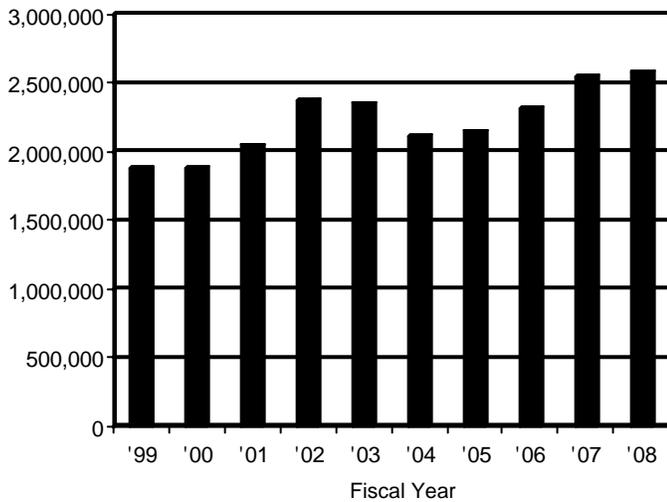
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$2,555,018	\$2,577,581	0.9%
Carryover	100,000	100,000	0.0%
Total	\$2,655,018	\$2,677,581	0.8%

V. Budget References

SB 334, Section 118; HB 1187, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$2,355,603	FY-08	\$2,577,581

Supreme Court

Honorable James Winchester, Chief Justice

Agency # 677

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$16,878,678	203.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$67,380	
b. Retirement Cost Increase	252,215	
c. Benefit Allowance Increase	438,516	
d. OCIA Bond Adjustment	759,566	
e. Rent Increase - Tulsa Office	10,708	
f. Debt Service Increase	1,013,507	
g. Information Technology Personnel	_____	<u>12.0</u>
Total Adjustments	2,541,892	12.0
FY-08 Appropriation and FTE Authorization	\$19,420,570	215.0
Percent Change from FY-07	15.1%	5.9%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriation is made to fund increases in employer contributions to the Judicial Retirement System and the Oklahoma Public Employees Retirement System (OPERS).
- c. Appropriation is made for increases in the employee benefit allowance.
- d. Funding is provided resulting from adjustments made to lease related to bonds issued by the Oklahoma Capitol Improvement Authority.
- e. Funding is provided for increases in rent at the Kerr Edmondson building in Tulsa.

- f. Appropriation is made for lease payment increases resulting from an anticipated increase in bond authority by the Oklahoma Capitol Improvement Authority necessary to complete renovation of the Wiley Post Historical Building for occupancy by the appellate courts.
- g. The agency's full-time equivalent employee (FTE) limit is increased by 12 to employ additional information technology personnel for implementation of a statewide court information system. Salaries for the new employees is to be paid from the Court Information System Revolving Fund.

III. Policy Issues

- a. **HB 1282** increases the amount assessed and credited to the Court Information System Revolving Fund from \$10 to \$25 for civil cases filed or any criminal offense for which the defendant is convicted. The increase is estimated to generate an additional \$6 million annually for implementation of the statewide court information system.

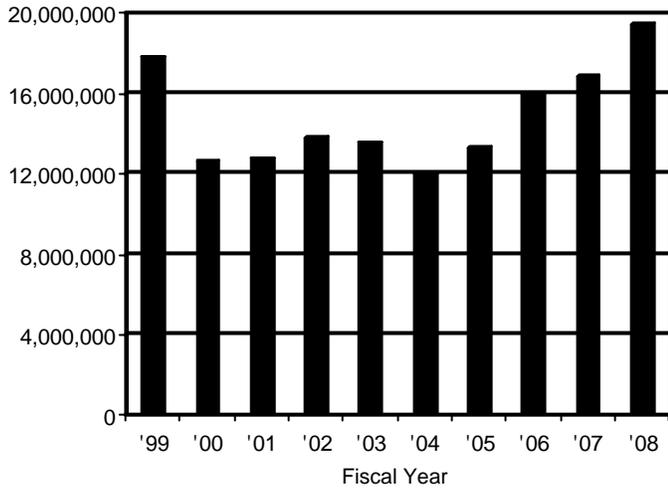
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$15,978,678	\$18,170,570	13.7%
Special Cash	900,000	1,250,000	38.9%
Carryover	3,145,000	3,085,000	-1.9%
Revolving Funds	17,000,000	20,000,000	17.6%
Federal Funds	600,000	1,000,000	66.7%
Total	\$37,623,678	\$43,505,570	15.6%

V. Budget References

SB 334, Sections 127 through 130; SB 330, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$13,543,032	FY-08	\$19,420,570

Workers' Compensation Court

Honorable Mary Black, Presiding Judge

Agency # 369

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$4,888,334	108.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$39,020	
b. Retirement Cost Increase	106,000	
c. Benefit Allowance Increase	186,000	
d. Court Reporter Pay Increase	15,427	
e. Rent Increase - Tulsa Office	<u>7,252</u>	
Total Adjustments	353,699	0.0
FY-08 Appropriation and FTE Authorization	\$5,242,033	108.0
Percent Change from FY-07	7.2%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriation is made to fund increases in employer contributions to the Judicial Retirement System and the Oklahoma Public Employees Retirement System (OPERS).
- c. Appropriation is made for increases in the employee benefit allowance.
- d. The appropriation annualizes the pay increase for court reporters authorized in **HB 1150**, effective October 1, 2006.
- e. Funding is provided for increases in rent at the Kerr Edmondson building in Tulsa.

III. Policy Issues

a. None

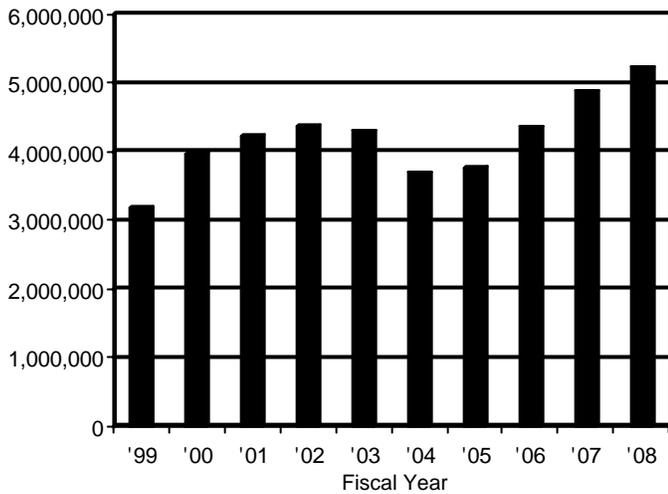
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$4,888,334	\$5,242,033	7.2%
Revolving Funds	1,862,340	1,573,967	-15.5%
Total	\$6,750,674	\$6,816,000	1.0%

V. Budget References

SB 334, Section 134; SB 332, Section 1

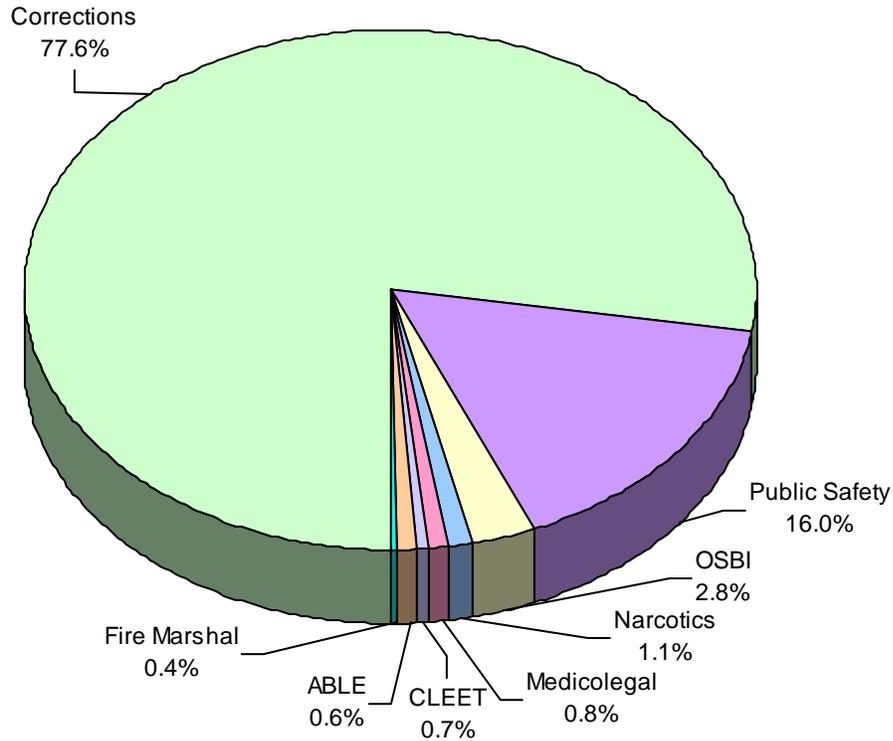
VI. Ten Year Appropriation History



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
FY-03	\$4,306,464	FY-08	\$5,242,033

Criminal Justice & Corrections Subcommittee

Distribution of FY-08 Appropriations



Corrections	\$477,543,364
Public Safety	98,370,391
OSBI	17,316,450
Narcotics & Dangerous Drugs	6,773,895
Medicolegal Investigations	4,825,625
CLEET	4,410,370
ABLE Commission	3,925,266
Fire Marshal	<u>2,270,855</u>
Subcommittee Total	\$615,436,216
<u>Non-Appropriated Agencies</u>	
Polygraph Examiners	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Alcoholic Beverage Law Enforcement (ABLE) Commission

Keith Burt, Director
Agency # 030

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$3,965,159	71.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$29,107	
b. Remove One-time Funding For Vehicles	<u>-69,000</u>	
Total Adjustments	-39,893	0.0
FY-08 Appropriation and FTE Authorization	\$3,925,266	71.0
Percent Change from FY-07	-1.0%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. One-time funds were provided in FY-07 for the purchase of new vehicles. The funding is removed for FY-08.

III. Policy Issues

- a. **HB 1753** authorizes Oklahoma wineries to ship products to consumers in other states, provided the recipient is of legal age and the laws of the recipient's state allow such shipments.
- b. **SB 1078** authorizes the Commission to revoke or suspend the license of certain licensees when the licensee has borrowed money or property or accepted gratuities or other inducements from a wholesaler of alcoholic beverages.
- c. **SB 1016** prohibits any person under twenty-one years of age to enter into, remain within or loiter about the designated bar area of any licensed premise.

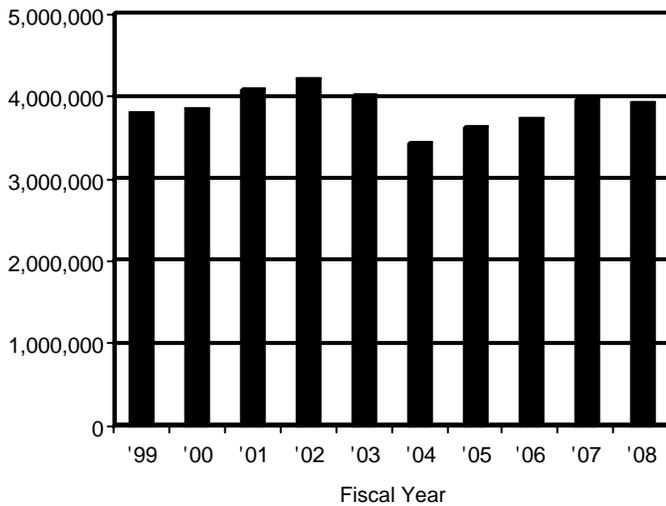
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$3,965,159	\$3,925,266	-1.0%
Revolving Funds	380,000	410,000	7.9%
Total	\$4,345,159	\$4,335,266	-0.2%

V. Budget References

SB 334, Section 108; HB 1157, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$4,010,797	FY-08	\$3,925,266

Department of Corrections

Justin Jones, Director

Agency # 131

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$456,004,876	5,894.6
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$8,456,076	
b. Annualize FY-07 Supplemental	9,664,573	
c. Annualize Per Diem Increase - County Jails	1,642,500	
d. Annualize Per Diem Increase - Private Prisons	1,079,545	
e. FY-08 Teacher Pay Increase	<u>695,794</u>	
Total Adjustments	21,538,488	0.0
FY-08 Appropriation and FTE Authorization	\$477,543,364	5,894.6
Percent Change from FY-07	4.7%	0.0%
<u>Constitutional Reserve Fund Spillover</u>		
f. Private Prison Per Deim Increase	\$5,000,000	
g. FY-08 Targeted Teacher Salary Increase	73,712	
h. FY-08 EESIP and Non-EESIP Increases (SB 357)	<u>2,922</u>	
FY-08 Total Expenditure Authorization	\$482,619,998	

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriation is made to annualize the \$32,664,573 FY-07 supplemental appropriation provided in **HB 1234** and **HB 1162** for contract beds at private prisons, halfway houses and county jails.

- c. Funding is provided to annualize a \$3.00 increase in the per diem rate paid to county jails for housing inmates as authorized in **SB 65XX** (2006 2nd Special Session). The daily per diem rate increased from \$24 to \$27, effective January 1, 2007.
- d. Funding will annualize the 5 percent increase in the per diem rate paid to private prisons and halfway houses as authorized in **SB 65XX**, (2006 2nd Special Session). The daily per diem rate increased from \$47.70 to \$50.10, effective October 1, 2006.
- e. Funds are provided for a \$600 across-the-board salary increase for certified correctional teachers.
- f. Funding is provided from the Constitutional Reserve (“Rainy Day”) Fund spillover, in excess of the Fund’s constitutional limit, to the Private Prison Capacity Development Revolving Fund for an increase of up to 5 percent in the per diem rate paid to private prison and halfway house contractors.
- g. Funding is provided for targeted increases to teachers with ten years of experience or more. Experienced teachers with a bachelors degree will earn an additional \$425, those with a masters degree will earn an additional \$850 and those with a doctorate will earn an additional \$1,700.
- h. The appropriation represents the amount necessary to increase employer contribution rates to the Oklahoma Teachers’ Retirement System as provided in **SB 357**.

III. Policy Issues

- a. **HB 1234** provides \$9,664,573 in FY-07 supplemental funding for contract beds.
- b. **HB 1162** provides an additional \$23.0 million in FY-07 supplemental funding for contract beds.
- c. **HB 1714** prohibits sex offenders from accessing or using any Internet social networking web site that would allow a sex offender to have contact with children under the age of eighteen. The measure also authorizes the court to require sex offenders to register e-mail addresses and other Internet identity information.

- d. **HB 1760** requires a minimum of three years post-imprisonment supervision for persons convicted of certain sex offenses, revises the length of registration period for convicted sex offenders and establishes certain notification requirements. The measure also requires the agency to establish a risk assessment review committee to determine a numeric risk level for each sex offender, based on the offense for which the person was convicted, using a sex offender screening tool.
- e. **HB 1816** requires a minimum penalty of 25 years in prison for any person convicted of sexual abuse, sexual exploitation, or other sex offenses involving a child under the age of twelve.
- f. **HB 2101** creates the Reentry Policy Council and the Transformational Justice Interagency Task Force. The Reentry Policy Council will review corrections policies, procedures and programs pertaining to reentry and evaluate future reentry policy and practices. The Transformational Justice Interagency Task Force will coordinate reentry programs of the state, which help inmates find jobs, housing, substance abuse treatment, medical care and mental health services following release from incarceration.
- g. **SB 334** includes a \$1.0 million appropriation to the Legislative Service Bureau to contract for an independent performance audit of the Department of Corrections. The audit is to be a comprehensive review of the agency's operations with a primary focus on improving efficiency, reducing costs, and controlling the growth of the inmate population in a manner that is consistent with public safety.
- h. **SB 523** authorizes the agency to develop a network of inpatient hospitals to provide necessary medical care to inmates. The measure requires hospitals to either join the network and be reimbursed according to the established network fee schedule or to be reimbursed according to the Oklahoma Medicaid fee schedule. The new network system is expected to save the Department between \$1.0 million and \$2.6 million annually.
- i. **SB 633** authorizes the installation of high-voltage electrified security fencing at all existing and proposed medium and maximum security prisons.
- j. **SB 677** creates a new felony for aggravated trafficking in illegal drugs should the quantity of the controlled substance in their possession exceeds a certain weight. Those convicted will receive a mandatory minimum sentence of 15 years imprisonment of which they must serve 85% before being eligible for parole or any earned credits.

- k. **SB 678** increases membership of the Oklahoma Sentencing Commission from fifteen to seventeen members by including the Director of the Department of Corrections and a representative from a faith-based organization that specializes in providing prison reintegration services for inmates.
- l. **SB 905** increases penalties for using a vehicle to facilitate the intentional discharge of a firearm or other weapon in conscious disregard for the safety of others from a maximum of twenty years imprisonment to a maximum of life in prison.

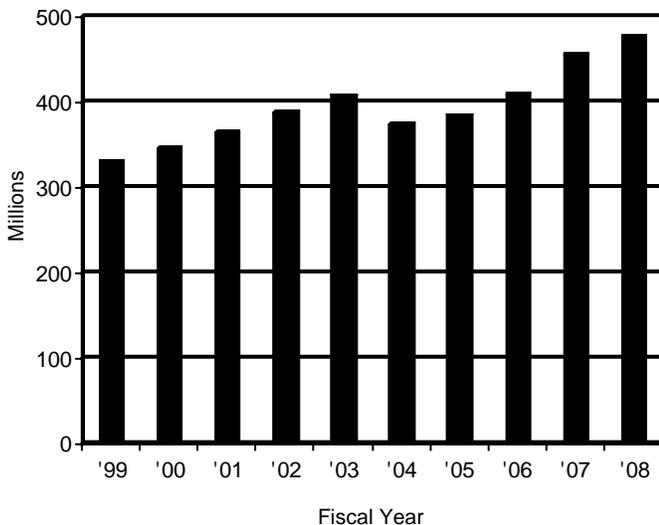
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$456,004,876	\$477,543,364	4.7%
Revolving Funds	62,687,672	64,987,672	3.7%
Federal Funds	11,300,000	10,500,000	-7.1%
Carryover	2,000,000	4,000,000	100.0%
Total	\$531,992,548	\$557,031,036	4.7%

V. Budget References

SB 334, Sections 109 and 110; HB 1234, Section 144; HB 1161, Section 1; HB 1105, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$407,828,555	FY-08	\$477,543,364

State Fire Marshal

Robert Doke, Fire Marshal

Agency # 310

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$2,052,561	34.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$18,294	
b. Council on Firefighter Training	<u>200,000</u>	
Total Adjustments	218,294	0.0
FY-08 Appropriation and FTE Authorization	\$2,270,855	34.0
Percent Change from FY-07	10.6%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriation is made for the Council on Firefighter Training, increasing total state funding to \$450,000.

III. Policy Issues

- a. **HB 1520** creates the Incident Command Site Task Force to study and make recommendations of appropriate incident command systems for managing multidiscipline and multijurisdictional fire incidents occurring in Oklahoma. The State Fire Marshal is one of fifteen members of the task force.
- b. **SB 98** creates the Fire Extinguisher Licensing Act to regulate the sale, installation and servicing of portable fire extinguishers to safeguard lives and property. The State Fire Marshal and Assistant Fire Marshal are members of the Fire Extinguisher Industry Committee, assisting the Commissioner of Health in licensing and regulating persons engaged in the fire extinguisher industry.

- c. **SB 938** authorizes the State Fire Marshal, along with the Department of Human Services and the State Department of Health, to enter into agreements with Indian tribes to conduct inspections of child care facilities operated by the tribes.

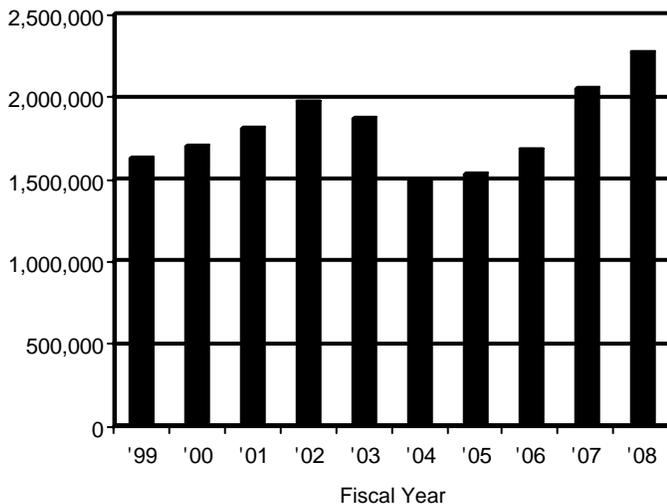
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$2,052,561	\$2,270,855	10.6%
Revolving Funds	550,000	600,000	9.1%
Total	\$2,602,561	\$2,870,855	10.3%

V. Budget References

SB 334, Section 111; HB 1171, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$1,875,056	FY-08	\$2,270,855

Oklahoma State Bureau of Investigation

DeWade Langley, Director

Agency # 308

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$13,351,597	317.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$58,800	
b. Annualize Agency Pay Increase	500,120	
c. Annualize New Agent Salaries	410,963	
d. Equipment Upgrades and Replacement	2,000,000	
e. Forensic Science Center	745,000	
f. Child Abuse Response Team	<u>250,000</u>	
Total Adjustments	3,964,883	0.0
FY-08 Appropriation and FTE Authorization	\$17,316,480	317.0
Percent Change from FY-07	29.7%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriation is made to annualize agent pay increases authorized in **SB 82XX**, (2006 2nd Special Session).
- c. The appropriation provides annualized funding for seven new agents authorized for the agency's Internet Crimes Against Children Unit and Child Abuse Response Team.
- d. Funding is provided to upgrade agency surveillance and crime scene equipment, replace older weapons, and partially fund upgrades to the Automated Fingerprint Identification System (AFIS).
- e. Appropriation is made for operating expenses of the agency's Forensic Science Center, scheduled for completion by November 2007.

- f. Funding is provided for two additional Child Abuse Response Team agents, to investigate cases of physical and sexual abuse of children.

III. Policy Issues

- a. **HB 1175** provides the agency's FY-08 budget limits. The bill passed the House, but was not voted on by the Senate. Technically, the OSBI has no budgetary limitations. Contrary to language contained in the bill prohibiting employee pay increases, the agency originally intended to provide a "market average" pay increase to all employees. After meeting with legislative leaders, a compromise was reached providing pay increases to commissioned personnel only.
- b. **HB 1122** adds the positions of Child Abuse Response Team Investigator and Child Abuse Response Team Forensic Interviewer to the unclassified service.
- c. **HB 1742** allows persons making application for or renewal of a concealed handgun license to opt for a ten year license at twice the fee charged for a standard five year license.
- d. **HB 1795** increases indemnity bond required for Rangers from \$2,500 to \$500,000. Rangers are non-paid special officers appointed by the Director to enforce laws relating to larceny of domestic animals, livestock or farm and ranch equipment
- e. **HB 1927** requires persons making application to become a court-appointed special advocate (CASA) to submit to a criminal history background check. Fees for background checks will be paid by the Oklahoma Court-Appointed Special Advocate Association.
- f. **SB 145** expands the time an applicant has to comply with the renewal requirements for a concealed handgun license from one year to three years from the date of expiration.

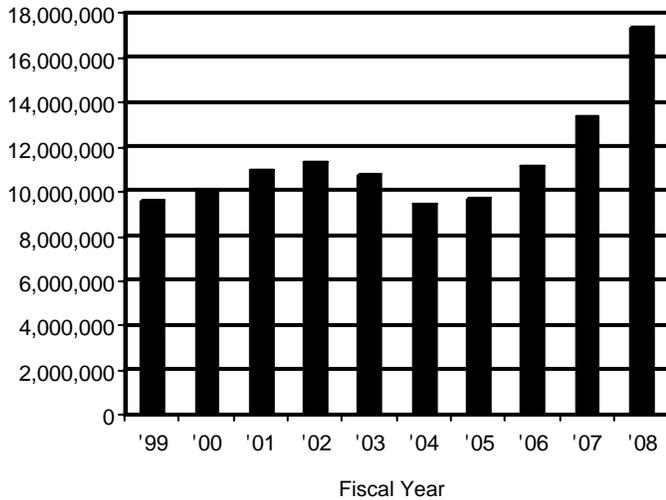
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$13,351,567	\$17,316,450	29.7%
Carryover	141,828	350,000	146.8%
Revolving Funds	23,906,605	25,458,550	6.5%
Federal Funds	1,500,000	1,500,000	0.0%
Total	\$38,900,000	\$44,625,000	14.7%

V. Budget References

SB 334, Section 112

VI. Ten Year Appropriation History



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
FY-03	\$10,742,452	FY-08	\$17,316,450

Council on Law Enforcement Education and Training (CLEET)

Jeanie Nelson, Director

Agency # 415

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$3,265,473	41.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$18,897	
b. Annualize FY-07 Supplemental	746,000	
c. Increase Basic Academy Hours	<u>380,000</u>	
Total Adjustments	1,144,897	0.0
FY-08 Appropriation and FTE Authorization	\$4,410,370	41.0
Percent Change from FY-07	35.1%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funds are provided to annualize the operations portion of the \$815,832 FY-07 supplemental appropriation provided for in **HB 1234**.
- c. Appropriation is made to fund Phase I of a three year plan increasing Basic Police Officer Academy training by 225 hours by FY-10. Phase I, effective January 1, 2008, increases training by 130 hours.

III. Policy Issues

- a. **HB 1234** provides \$815,832 in FY-07 supplemental funding for equipment, furnishings and operating costs for the new training facility in Ada.

- b. **HB 1618** requires persons seeking certification as police or peace officers to undergo a psychological evaluation and be certified by a psychologist as suitable to serve as a peace officer in the State of Oklahoma.
- c. **HB 1650** requires CLEET to include in its basic academy a minimum of six hours of evidence-based sexual assault and sexual violence training by January 1, 2008. Every active full-time peace officer previously certified by CLEET is required to attend and complete the evidence-based sexual assault and sexual violence training by January 1, 2012.
- d. **SB 920** provides an increase of 225 hours in the Basic Peace Officer Academy over a three year period. Phase I, effective January 1, 2008, increases hours from 130 to 505, Phase II, effective July 1, 2009, increases hours to 576, and Phase III, effective July 1, 2010, increases hours to 600.

IV. Budget Resources

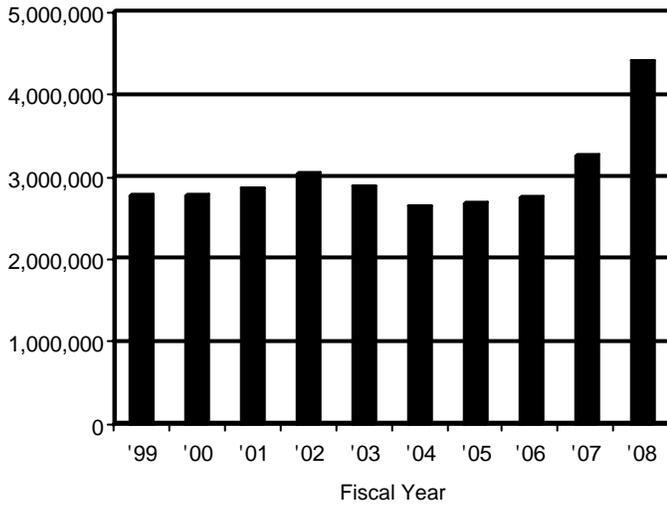
	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$0	\$587,557	N/A
CLEET Fund	3,265,473	3,822,813	17.1%
Revolving Fund	2,514,000	2,918,000	16.1%
Carryover	20,000	665,000	3225.0%
Total	\$5,799,473	\$7,993,370	37.8%

Note: FY-08 increase in carryover funds due to a delay in hiring new full-time equivalent employees (FTE) funded by FY-07 supplemental appropriation provided in **HB 1234**.

V. Budget References

HB 1234, Section 147; SB 334, Sections 113 through 115; HB 1179, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$2,883,685	FY-08	\$4,410,370

Board of Medicolegal Investigations

Dr. Jeffery Gofton, Chief Medical Examiner

Agency # 342

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$4,587,380	78.5
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$12,351	
b. Annualize Codified Salaries	<u>225,894</u>	
Total Adjustments	238,245	0.0
FY-08 Appropriation and FTE Authorization	\$4,825,625	78.5
Percent Change from FY-07	5.2%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriation is made to annualize salary increases authorized in **SB 82XX**, (2006 2nd Special Session).

III. Policy Issues

- a. In an effort to retain the current Chief Medical Examiner and forensic pathologists and adequately staff the Chief Medical Examiner's office, legislative leaders agreed to increase the salaries of these employees as well as provide funds sufficient to hire three additional pathologists. Appropriations were not provided during the regular session, but leaders agreed to provide supplemental funds no later than March 1, 2008.

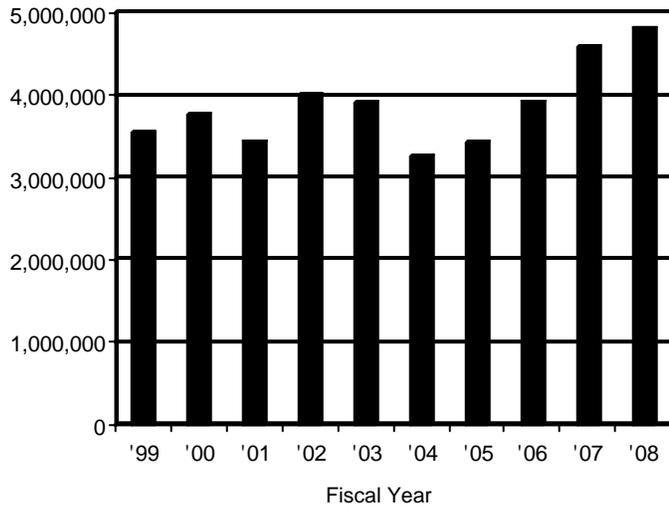
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$4,587,380	\$4,825,625	5.2%
Carryover	50,000	125,000	150.0%
Revolving Fund	2,020,123	1,933,089	-4.3%
Federal Funds	342,987	338,128	-1.4%
Total	\$7,000,490	\$7,221,842	3.2%

V. Budget References

SB 334, Section 116; HB 1181, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$3,918,936	FY-08	\$4,825,625

Bureau of Narcotics and Dangerous Drugs

R. Darrell Weaver, Director

Agency # 477

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$6,320,763	109.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$23,222	
b. Annualize Agent Pay Increase	220,550	
c. Annualize Salaries for New Agents	<u>209,360</u>	
Total Adjustments	453,132	0.0
FY-08 Appropriation and FTE Authorization	\$6,773,895	109.0
Percent Change from FY-07	7.2%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriation is made to annualize agent pay increases authorized in **SB 82XX**, (2006 2nd Special Session) effective January 1, 2007.
- c. Funding is provided to annualize salaries of six bilingual agents hired to assist in undercover operations.

III. Policy Issues

- a. **HB 1895** creates the Oklahoma Youth and Gang Violence Coordinating Council to coordinate Oklahoma's response to gang activity and violence, evaluate local gang initiatives and make recommendations. The Director of the Oklahoma Bureau of Narcotics and Dangerous Drugs Control is one of 22 members of the Council.

- b. **HCR 1028** creates the Task Force on Juvenile Offender Substance Abuse Assessment to study and make recommendations regarding the constitutionality and feasibility of requiring that a preadjudicatory substance abuse assessment be conducted on children who are arrested or become subject to the supervision of the Office of Juvenile Affairs. The Director of the Oklahoma Bureau of Narcotics and Dangerous Drugs Control is one of 17 members of the task force.

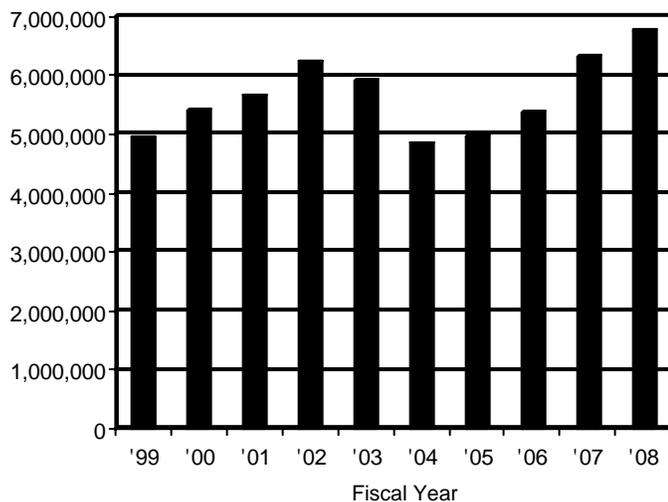
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$6,320,763	\$6,773,895	7.2%
Carryover	110,000	100,000	-9.1%
Revolving Funds	4,358,369	3,598,803	-17.4%
Federal Funds	1,810,868	2,127,302	17.5%
Total	\$12,600,000	\$12,600,000	0.0%

V. Budget References

SB 334, Section 117; HB1185, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$5,925,357	FY-08	\$6,773,895

Department of Public Safety

Kevin Ward, Commissioner

Agency # 585

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$90,051,236	1,550.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$278,655	
b. Annualize Codified Pay Increases	4,440,500	
c. General Operations	2,000,000	
d. Troop K Headquarters Construction	1,200,000	
e. Homeland Security Department	100,000	
f. Overweight/Oversize Trucking Permits	400,000	
g. Board of Tests for Alcohol and Drug Influence	100,000	
h. Delete One-time Funding for Building Maintenance	<u>-200,000</u>	
Total Adjustments	8,319,155	0.0
FY-08 Appropriation and FTE Authorization	\$98,370,391	1,550.0
Percent Change from FY-07	9.2%	0.0%
<u>Constitutional Reserve Fund Spillover</u>		
i. Upgrade Communications System	\$5,500,000	
j. Replace Vehicles	<u>1,000,000</u>	
FY-08 Total Expenditure Authorization	\$104,870,391	

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funds are appropriated to annualize pay increases for Highway, Lake and Capitol Patrolmen, Communications Division and Driver License Examination Division employees, authorized in **SB 82XX**, (2006 2nd Special Session) effective January 1, 2007.

- c. Appropriation is made to meet increases in general operating expenses.
- d. Funds are provided for construction of a new Troop K headquarters to be located in Noble County. The new building will replace the old headquarters located in Pawnee, which is no longer occupied by the Department due to safety concerns.
- e. Appropriation is made for the Homeland Security Department operations.
- f. The appropriation funds additional employees for the agency's Size and Weight Permit Division to improve the truck permitting process.
- g. Appropriation is made for the Board of Tests for Alcohol and Drug Influence, increasing total state funding to \$400,000.
- h. One-time funds were provided in FY-07 for building maintenance. Funding is removed for FY-08.
- i. Funds are provided from the Constitutional Reserve Fund spillover in excess of the Fund's constitutional limit, with \$5.5 million for capital expenditures necessary to upgrade and maintain the existing emergency communications system and for feasibility study of implementing a statewide interoperable communications system.
- j. One million dollars is provided for vehicle replacement costs.

III. Policy Issues

- a. **HB 1234** provides \$100,000 in FY-07 supplemental funding to hire additional employees for the Size and Weight Permit Division.
- b. **HB 1616** makes it unlawful to bypass security checkpoints or assist another person in bypassing or avoiding security checkpoints.
- c. **HB 1804** requires the agency, subject to the availability of funding, to establish a Fraudulent Documents Identification Unit to investigate and apprehend persons who participate in the sale or distribution of fraudulent identification documents to persons who are unlawfully residing in Oklahoma.

- d. **SB 35** mandates that persons required to register pursuant to the Sex Offenders Registration Act who have been designated as an aggravated or habitual offender, surrender their driver license or identification card to the Department of Public Safety for a replacement driver license or identification card bearing the words "Sex Offender".

- f. **SB 410** modifies permit fee collection distribution by apportioning the first \$1,216,000 collected each month and depositing the remaining proceeds into the Weigh Station Improvement Revolving Fund for operation of motor carrier permitting systems and for motor carrier safety and enforcement.

- g. **SB 464** prohibits the agency from implementing the provisions of the REAL ID Act of 2005, including the collection of biometric data.

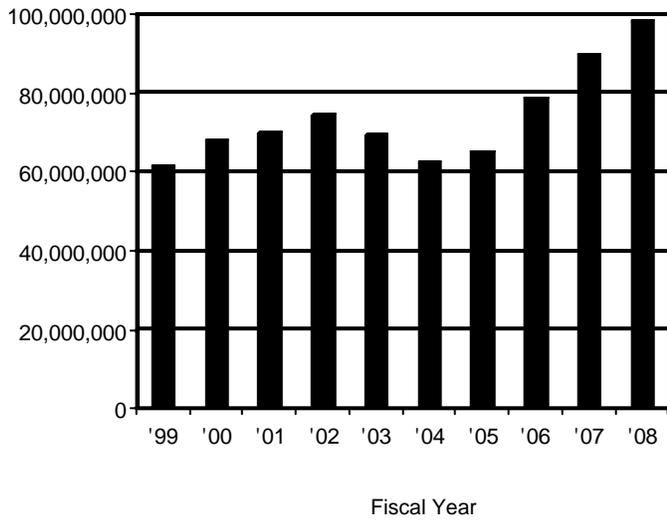
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$89,121,810	\$98,370,391	10.4%
CLEET Funds	929,426	0	-100.0%
Revolving Funds	47,362,230	47,762,230	0.8%
Federal Funds	130,600,000	136,350,000	4.4%
Total	\$268,013,466	\$282,482,621	5.4%

V. Budget References

HB 1189, Section 1; HB 1234, Section 146; SB 334, Section 119; HB 1105, Section 1(A)(7) and (19)

VI. Ten Year Appropriation History



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
FY-03	\$69,594,193	FY-08	\$98,370,391

Homeland Security Subcommittee

Distribution of FY-08 Appropriations

Military Department	\$13,654,939
Public Safety	<u>836,604</u>
Subcommittee Total	\$14,491,543
No Non-Appropriated Agencies	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Department of Emergency Management

Albert Ashwood, Director

Agency # 309

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$756,843	32.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$6,761	
b. Rent Increase	43,000	
c. Civil Air Patrol	<u>30,000</u>	
Total Adjustments	79,761	0.0
FY-08 Appropriation and FTE Authorization	\$836,604	32.0
Percent Change from FY-07	10.5%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funds are provided for increases in rent at the Will Rogers Tunnel Facility. Rent increased from \$5.05 to \$7.79 per square foot.
- c. The appropriation provides one-time funding to the Civil Air Patrol for the purchase of a truck.

III. Policy Issues

- a. **HB 1520** creates the Incident Command Site Task Force to study and make recommendations of appropriate incident command systems for managing multidiscipline and multijurisdictional fire incidents. The Director of the Department of Emergency Management is one of 15 members of the task force.

- b. **SB 399** amends the Oklahoma Emergency Management Act of 2003 to expand the definition of a “catastrophic health emergency” to include the appearance of a controlled or eradicated infectious agent or biological toxin.

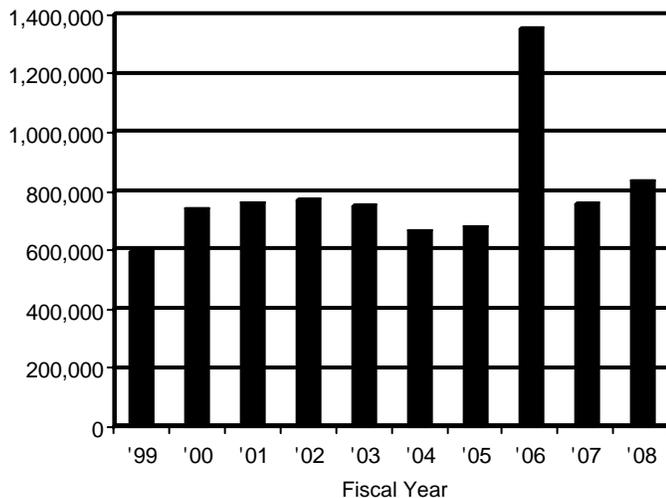
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$756,843	\$836,604	10.5%
Revolving Funds	6,120,315	3,471,924	-43.3%
Total	\$6,877,158	\$4,308,528	-37.4%

V. Budget References

SB 334, Section 47; SB 208, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$749,202	FY-08	\$836,604

Note:

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

Military Department

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

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$12,898,334	484.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$83,967	
b. BRAC-Retained Facilities Maintenance	372,638	
c. Officer Incentive Program	150,000	
d. Sand Springs Armory Project	<u>150,000</u>	
Total Adjustments	756,605	0.0
FY-08 Appropriation and FTE Authorization	\$13,654,939	484.0
Percent Change from FY-07	5.9%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funding is provided to bring armories that remain in service after BRAC restructuring in code compliance with local, state, federal and international building codes. Required repairs include new doors, windows, lighting, electrical and fire protection.
- c. The appropriation provides bonuses to officer candidates who successfully complete the Army National Guard Officer Candidate School and remain in the Guard for at least four years after graduation.
- d. Funds are provided to construct a sidewalk adjacent to the Armed Forces Reserve Center in Sand Springs, providing separation of pedestrians from vehicular traffic and safety for soldiers who currently must run in the street to conduct their physical training.

III. Policy Issues

- a. **HB 1184** provides a \$1,500,000 FY-07 supplemental appropriation to purchase two 40 acre tracts of land in Oklahoma City and Broken Arrow. Federal funds will be accessed for construction of an Armed Forces Reserve Center on each property.
- b. **SB 158** prohibits a court from entering a final order modifying an existing custody order, in cases when a custodial parent is required to be separated from a child due to military service, until such time as the custodial parent has completed the term of duty requiring separation.
- c. **SB 751** creates the Military Base Protection and Expansion Incentive Act for the purpose of providing funding to qualified political subdivisions to finance capital and infrastructure improvements needed as a result of growth resulting from expanded missions at established military bases.
- d. **SB 1026** creates the Uniform State Code of Military Justice, the code of military criminal law applicable to members of the state military who are not in federal service.

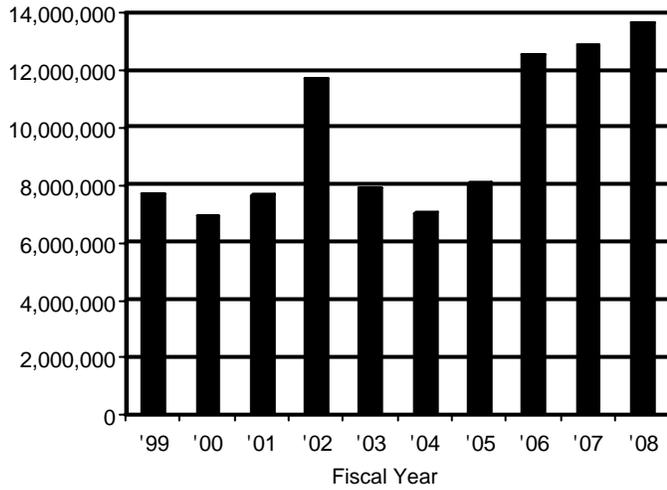
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$12,898,334	\$13,654,939	5.9%
Revolving Funds	60,000	1,500,000	2400.0%
Federal Funds	55,341,666	53,145,061	-4.0%
Total	\$68,300,000	\$68,300,000	0.0%

V. Budget References

HB 1184, Section 1; SB 334, Section 59; SB 224, Section 1

VI. Ten Year Appropriation History



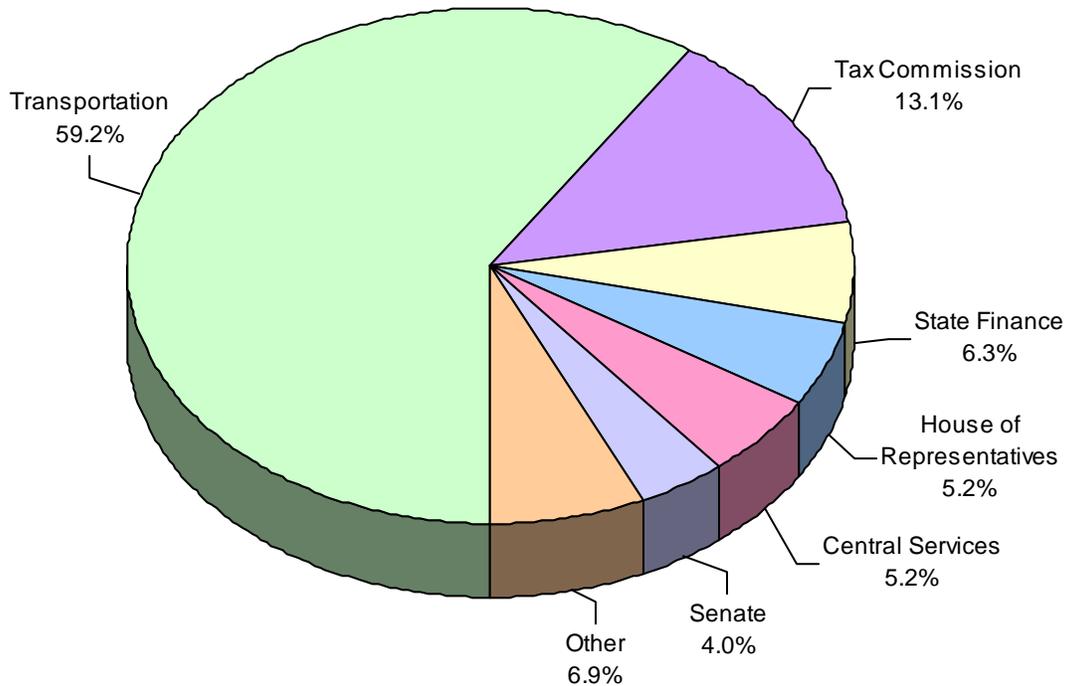
FY-99	\$7,687,397	FY-04	\$7,021,379
FY-00	\$6,945,322	FY-05	\$8,062,531
FY-01	\$7,666,836	FY-06	\$12,546,432
FY-02	\$11,700,375	FY-07	\$12,898,334
FY-03	\$7,895,866	FY-08	\$13,654,939

Notes:

1. FY-02 increase includes \$3.8 million for armory roofs.
2. The 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.

General Government & Transportation Committee

Distribution of FY-08 Appropriations

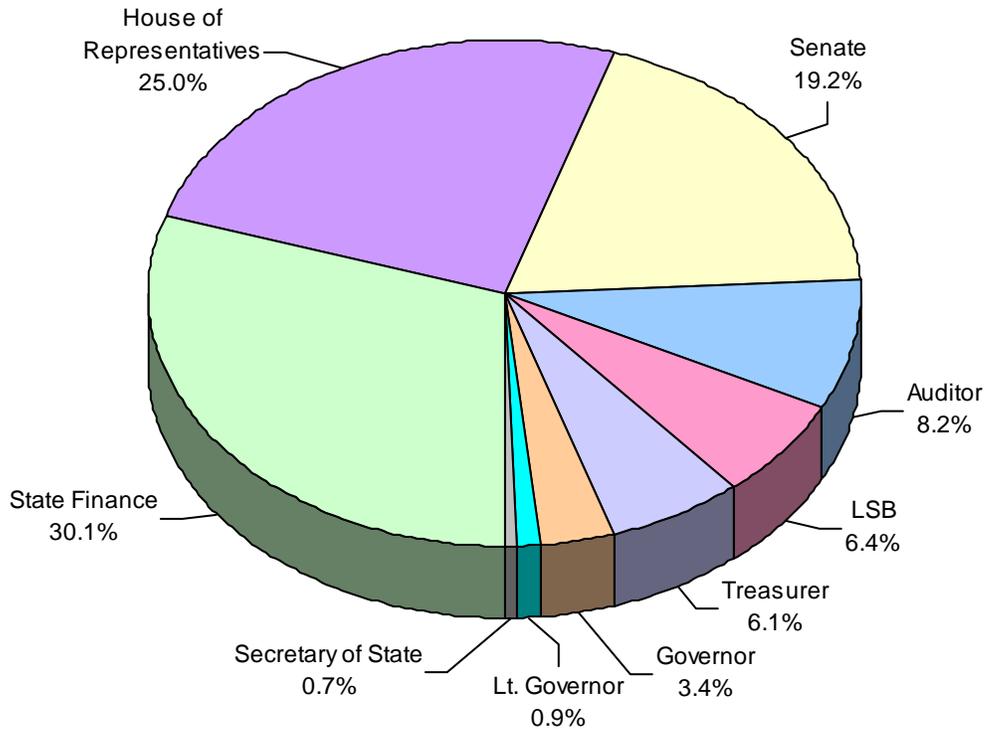


Transportation	\$217,869,721
Tax Commission	48,201,340
Office of State Finance	23,081,434
House of Representatives	19,176,434
Central Services	19,053,697
Senate	14,699,125
<u>Other</u>	
Auditor & Inspector	6,315,269
Office of Personnel Mgt.	4,891,745
Legislative Service Bureau	4,887,349
Treasurer	4,668,763
Governor	2,661,981
Lieutenant Governor	693,197
Merit Protection	648,684
Secretary of State	530,517
Bond Advisor	186,419
Committee Total	\$367,565,675

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

General Government Committee

Distribution of FY-08 Appropriations



Office of State Finance	\$23,081,434
House of Representatives	19,176,434
Senate	14,699,125
Auditor & Inspector	6,315,269
Legislative Service Bureau (LSB)	4,887,349
Treasurer	4,668,763
Governor	2,661,981
Lieutenant Governor	693,197
Secretary of State	<u>530,517</u>
Committee Total	\$76,714,069
No Non-Appropriated Agencies	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

State Auditor and Inspector

Jeff McMahan, State Auditor and Inspector

Agency # 300

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$6,219,622	169.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	<u>\$95,647</u>	
Total Adjustments	\$95,647	0.0
FY-08 Appropriation and FTE Authorization	\$6,315,269	169.0
Percent Change from FY-07	1.5%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. **SB 909** transfers administration of the Oklahoma Abstractors Act from the Office of the State Auditor to the newly created Oklahoma Abstractors Board (OAB), effective January 1, 2008. The Board will be the sole governmental entity (state, county or municipal) authorized to regulate and issue certificates of authority, permits, and abstract licenses. Activities of the OAB are funded by transfers, fees, bonds, penalties or fines pursuant to the Oklahoma Abstractors Act. Prior to January 1, 2008, the State Auditor and Inspector will perform its abstractor duties. An agreement between the two entities made separate of the legislation provides that OAB will compensate the State Auditor for services rendered during the phase-out period.

- b. Rural Economic Action Plan (REAP) appropriations are administered by the State Auditor and Inspector. **SB 447** provides that any fiscal year when appropriations to the Rural Economic Action Plan Fund are greater than \$15.5 million but less than \$17.05 million, \$1.55 million shall be deposited into each of the nine “rural” accounts, and the balance of the appropriation in excess of \$13.95 million but less than \$17.05 million will be divided equally between the two “metropolitan” accounts. In a fiscal year when the appropriation equals or exceeds \$17.05 million equal amounts are to be deposited into to each of the eleven REAP accounts.

Previously, one-tenth of REAP monies was deposited into ten separate accounts, with the account involving counties with populations of at least 350,000 equally dividing one share. **SB 447** provides for allocation of additional monies to the two metropolitan accounts under the circumstances described above, with funds being made available to cities and towns with a population of less than 7,000 that lie within a metropolitan area or to unincorporated areas within the same. The nine other accounts are either held harmless, or receive additional funding in equal amounts when more than \$17.05 million is appropriated.

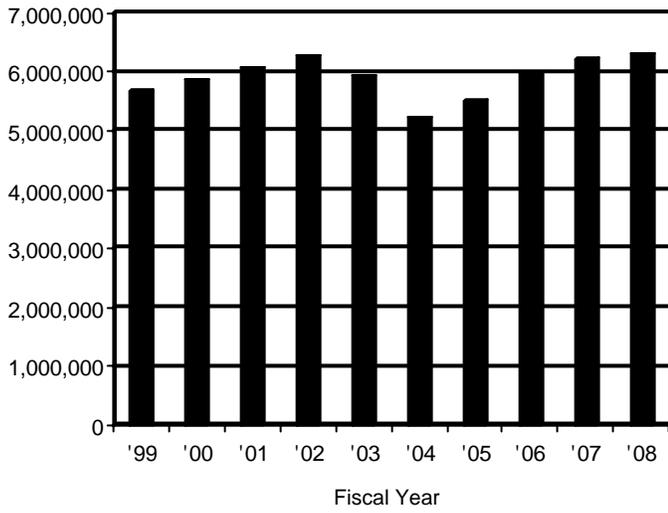
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$6,219,622	\$6,315,269	1.5%
Revolving Funds	6,250,000	6,330,000	1.3%
Total	\$12,469,622	\$12,645,269	1.4%

V. Budget References

SB 334, Sections 39 and 40; HB 1195, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$5,939,515	FY-08	\$6,315,269

Office of State Finance

Tony Hutchison, Director

Agency # 090

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$23,000,204	N/A
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$81,230	
Total Adjustments	\$81,230	N/A
FY-08 Appropriation and FTE Authorization	\$23,081,434	N/A
Percent Change from FY-07	0.4%	N/A

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. **SB 1** creates the Taxpayer Transparency Act, requiring the agency to develop and operate a single, searchable website accessible to the interested public without any charge, no later than January 1, 2008. When fully implemented the website will offer a "Google-like" system with aggregate information reported by state agencies regarding revenue and expenditures. FY-08 costs for website development and programming are estimated at \$40,000 and will be paid from existing funds. Full implementation costs are estimated at \$245,000-\$260,000.
- b. **SB 1106** authorizes the agency to enter into a multi-year agreement to acquire land, develop, design, construct and furnish facilities necessary for the administration of the state's information technology and telecommunications infrastructure and security. The area devoted to computer-ready space may not exceed ten percent of the total square footage of the facility. A previous measure, **SB 19XX** (2006 Second Special Session), authorizing OSF and the Oklahoma Turnpike Authority to construct a similar facility was repealed in SB 796. The agency will use existing funds from fees, appropriations and federal monies to finance the facilities.

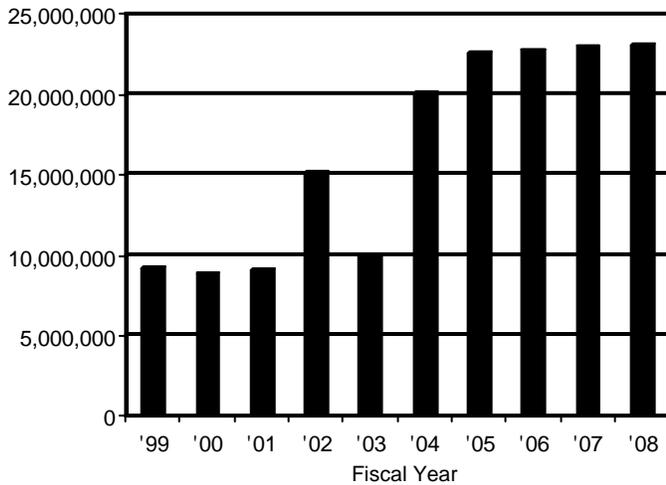
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$12,000,204	\$12,081,134	0.7%
Special Cash	11,000,000	11,000,000	0.0%
Revolving Funds	16,200,000	12,924,000	-20.2%
Carryover	375,000	1,300,000	246.7%
Total	\$39,575,204	\$37,305,134	-5.7%

V. Budget References

SB 334, Sections 51 and 52; HB 1201, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$9,953,190	FY-08	\$23,081,434

Notes:

1. FY-02 includes \$5,766,100 in one-time appropriations for the CORE Business System Upgrade and the VISION Program.
2. FY-04 through FY-08 includes funds for the required payments on the CORE System.

Governor

Honorable Brad Henry, Governor

Agency # 305

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$2,641,163	N/A
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	<u>\$20,818</u>	
Total Adjustments	\$20,818	N/A
FY-08 Appropriation and FTE Authorization	\$2,661,981	N/A
Percent Change from FY-07	0.8%	N/A
<u>Constitutional Reserve Fund Spillover</u>		
b. State Emergency Fund	<u>\$10,000,000</u>	
FY-08 Total Expenditure Authorization	\$12,661,981	

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. **HB 1105** transfers \$10.0 million from the Constitutional Reserve (“Rainy Day”) Fund spillover in excess of the fund’s constitutional limit to the State Emergency Fund, administered by the Office of the Governor, for payments due on prior disaster and emergency events.

III. Policy Issues

- a. **HB 1169** (2006 Session) established the Oklahoma Opportunity Fund to provide investment in strategic economic development for businesses and communities. Under this measure, any expenditure of funds by the Governor is subject to the unanimous approval of the Contingency Review Board (CRB). The Governor, the

Speaker of the House of Representative and the President Pro Tempore of the Senate comprise the membership of the CRB. A transfer of \$45 million by the Legislature from the “Rainy Day” Fund Spillover provided initial funding for the program. The constitutionality of this legislation was challenged in *Fent v. Contingency Review Board*, which argued that the statutory provisions requiring unanimous CRB approval of expenditures violated constitutional separation of powers through the usurpation of executive branch power by the Legislature. The Oklahoma Supreme Court agreed, writing that “[t]he Legislature can exercise no supervision, either **directly** or **indirectly** [emphasis in the original] over the manner in which appropriated funds are to be used.” The court’s ruling, then, removes the CRB from the administration of monies appropriated to the Oklahoma Opportunity Fund.

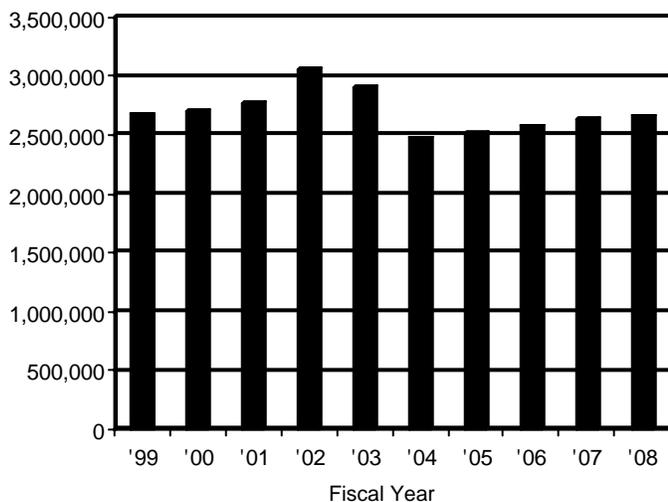
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$2,641,163	\$2,661,981	0.8%
Total	\$2,641,163	\$2,661,981	0.8%

V. Budget References

SB 334, Section 53; HB 1203, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$2,906,729	FY-08	\$2,661,981

House of Representatives

Honorable Lance Cargill, Speaker

Agency # 422

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$19,176,434	N/A
FY-08 Funding Adjustments:		
a. None	\$0	
Total Adjustments	\$0	N/A
FY-08 Appropriation and FTE Authorization	\$19,176,434	N/A
Percent Change from FY-07	0.0%	N/A

II. FY-08 Appropriations Adjustments Detail

a. None

III. Policy Issues

a. None

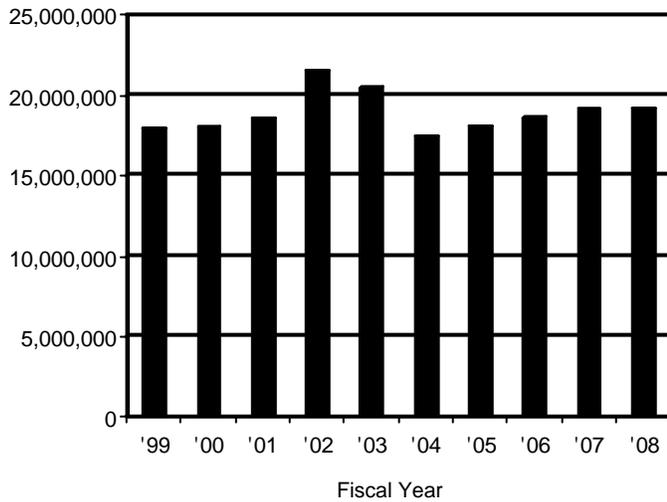
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$19,176,434	\$19,176,434	0.0%
Total	\$19,176,434	\$19,176,434	0.0%

V. Budget References

SB 334, Section 54

VI. Ten Year Appropriation History



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
FY-03	\$20,457,766	FY-08	\$19,176,434

Note:

1. The FY-02 increase represents additional funds for the production and distribution of the Oklahoma Statutes.

Legislative Service Bureau

Dale Wythe, Administrator

Agency # 423

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$2,995,021	N/A
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$17,328	
b. Statutes and Session Laws	500,000	
c. Host Council of State Governments	375,000	
d. Department of Corrections Audit	<u>1,000,000</u>	
Total Adjustments	1,892,328	N/A
FY-08 Appropriation and FTE Authorization	\$4,887,349	N/A
Percent Change from FY-07	63.2%	N/A

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. The appropriation addresses the increased costs of the Legislative Session Laws, Oklahoma Statutes Supplements and other bound volumes provided by the House of Representatives to state agencies and other governmental entities. Costs have increased by \$275,000 since FY-03.
- c. Funding is provided to pay the costs associated with the Council of State Governments annual meeting, a three-day conference to be hosted by the state in Oklahoma City in November, 2007.
- d. Appropriation is made to engage the services of an independent consulting firm for a comprehensive performance review of the Oklahoma Corrections System. Major functional areas of study to include administration, population management, field operations, community supervision, reentry programs and institution operations.

III. Policy Issues

a. None

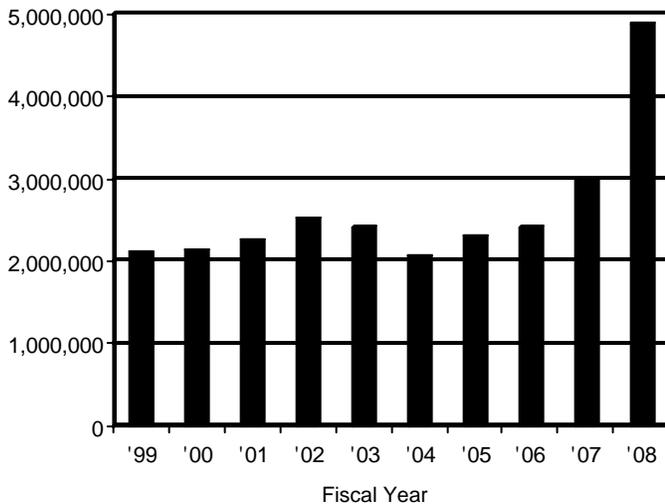
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$2,995,021	\$4,887,349	63.2%
Total	\$2,995,021	\$4,887,349	63.2%

V. Budget References

SB 334, Sections 55 and 56

VI. Ten Year Appropriation History



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
FY-03	\$2,417,878	FY-08	\$4,887,349

Note:

1. FY-08 includes funding to meet the costs of the following: the printing of bound volumes made available to state agencies, an independent audit of the Department of Corrections and the Council of State Governments annual meeting.

Lieutenant Governor

Honorable Jari Askins, Lieutenant Governor

Agency # 440

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$592,436	N/A
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$17,161	
b. Transition Costs	<u>83,600</u>	
Total Adjustments	100,761	N/A
FY-08 Appropriation and FTE Authorization	\$693,197	N/A
Percent Change from FY-07	17.0%	N/A

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funding is provided for the transition costs associated with the election of the new Lieutenant Governor. Costs include desktop and laptop computers and software, furnishings, lighting, website redesign and communication equipment. Subject to the availability of funds, one communications full-time equivalent employee (FTE) is to be hired.

III. Policy Issues

- a. None

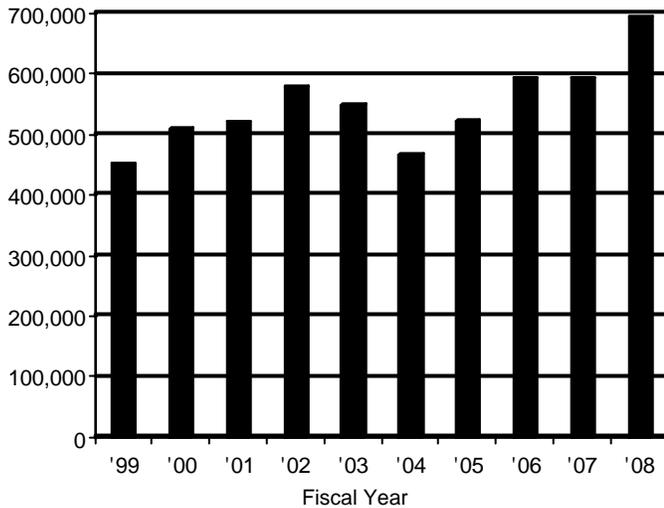
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$592,436	\$693,179	17.0%
Carryover	57,000	0	-100.0%
Total	\$649,436	\$693,179	6.7%

V. Budget References

SB 334, Section 57; HB 1209, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$548,452	FY-08	\$693,197

Secretary of State

Susan Savage, Secretary of State

Agency # 625

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$525,434	N/A
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	<u>\$5,083</u>	
Total Adjustments	\$5,083	N/A
FY-08 Appropriation and FTE Authorization	\$530,517	N/A
Percent Change from FY-07	1.0%	N/A

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. **HB 1708** authorizes the agency to create and serve as the Oklahoma Chief International Protocol Office, providing a resource for information concerning proper protocol regarding international diplomats and officials. The Secretary of State may greet chiefs of state, heads of government and other appropriate functionaries and may provide support to coordinate, arrange and facilitate meetings and other engagements between the Governor and international leaders. The legislation aims to coordinate government resources for optimal leveraging and advance Oklahoma to the forefront of the global community.

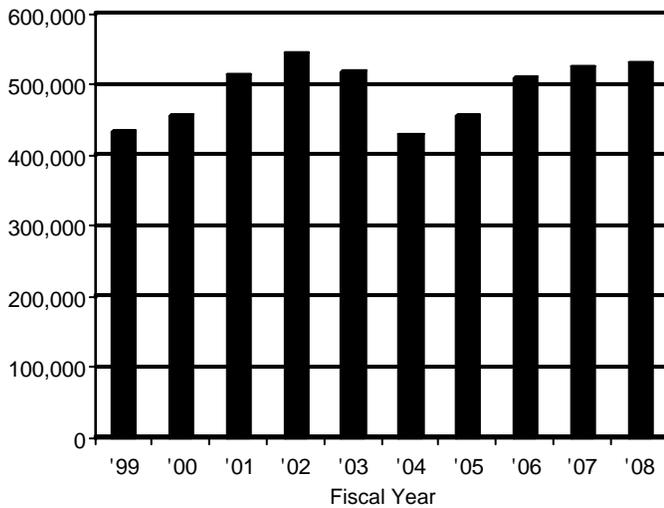
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$525,434	\$530,517	1.0%
Revolving Funds	4,321,459	3,465,506	-19.8%
Total	\$4,846,893	\$3,996,023	-17.6%

V. Budget References

SB 334, Section 61; HB 1215, Sections 1 and 2

VI. Ten Year Appropriation History



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
FY-03	\$517,868	FY-08	\$530,517

Senate

Honorable Mike Morgan, President Pro-Tempore
Honorable Glenn Coffee, Co-President Pro-Tempore
Agency # 421

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$13,561,067	N/A
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$138,058	
b. Increased Operational Costs	<u>1,000,000</u>	
Total Adjustments	1,138,058	N/A
FY-08 Appropriation and FTE Authorization	\$14,699,125	N/A
Percent Change from FY-07	8.4%	N/A

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funds are appropriated to meet increased office, personnel and general operations costs that resulting from the power-sharing arrangement in the Senate, whose membership is equally divided between the two major political parties.

III. Policy Issues

- a. None

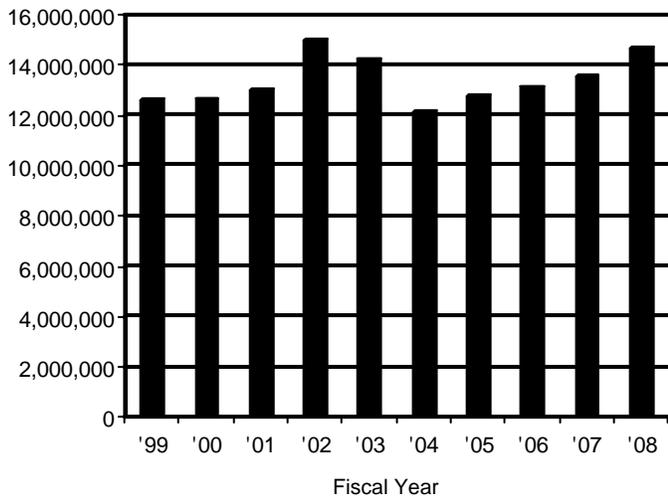
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$13,561,067	\$14,699,125	8.4%
Total	\$13,561,067	\$14,699,125	8.4%

V. Budget References

SB 334, Section 62

VI. Ten Year Appropriation History



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
FY-03	\$14,251,641	FY-08	\$14,699,125

Treasurer

Honorable Scott Meacham, State Treasurer

Agency # 740

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$4,632,697	90.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	<u>\$36,066</u>	
Total Adjustments	\$36,066	0.0
FY-08 Appropriation and FTE Authorization	\$4,668,763	90.0
Percent Change from FY-07	0.8%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. SB 780 applies the “prudent man” rule to the investment of Economic Development Generating Excellence Fund (EDGE) monies, and requires qualified investment managers to be retained to oversee investment and a custodial bank to be selected to settle transactions. Costs of up to two full-time equivalent employees (FTE) for the Office of the State Treasurer (OST) may be considered an administrative expense of the EDGE Board of Directors.

The selection of a custodial bank and the retention of investment managers should provide an average return on investment (ROI) for the EDGE Fund of 8 percent annually, including custodial bank fees and investment manager costs. Currently, investments are administered by OST within its general portfolio and because of statutory limitations on OST investment policy, the FY-07 EDGE Fund ROI is estimated at 4.75 percent.

- b. **SB 378** moves the Statewide Circuit Engineering District Revolving Fund from the Office of the State Auditor and Inspector to OST. New federal auditing standards require the relocation of the Fund, which will be administered by the Statewide Circuit Engineering District Board rather than the several districts. The centralization of Fund administration will simplify the disbursement of funds by OST.

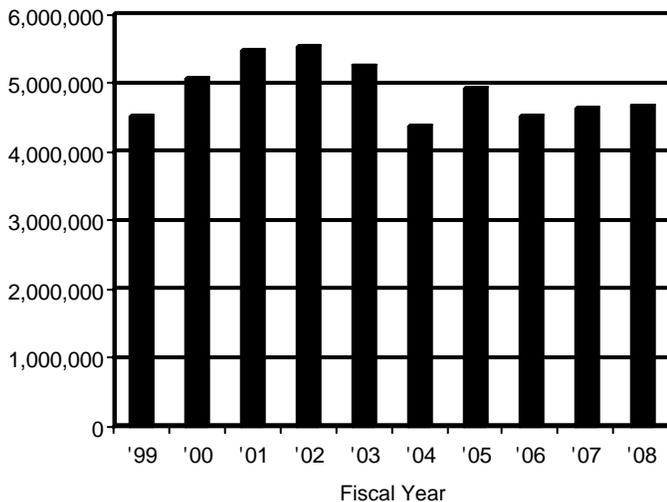
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$4,532,697	\$4,568,763	0.8%
Special Cash	100,000	100,000	0.0%
Carryover	400,000	175,000	-56.3%
Revolving Funds	2,549,995	3,011,159	18.1%
Total	\$7,582,692	\$7,854,922	3.6%

V. Budget References

SB 334, Sections 66 and 67; SB 238

VI. Ten Year Appropriation History



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
FY-03	\$5,270,092	FY-08	\$4,668,763

Transportation Subcommittee

Distribution of FY-08 Appropriations

Department of Transportation	\$217,869,721
Subcommittee Total	\$217,869,721
<u>Non-Appropriated Agencies</u>	
Aeronautics Commission	
Motor Vehicle Commission	
Turnpike Authority	
Used Motor Vehicle Board	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Department of Transportation

Gary Ridley, Director

Agency # 345

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$285,411,848	2,850.0
FY-08 State Transportation Fund and FTE Authorization	\$217,869,721	2,850.0
Percent Change from FY-07	-23.7%	0.0%

II. FY-08 Appropriations Adjustments Detail

	<u>FY-07</u>	<u>FY-08</u>	<u>\$ Change</u>	<u>% Change</u>
State Transportation Fund	\$217,934,880	\$217,869,721	-\$65,159	0.0%
Rebuilding Oklahoma Access & Driver Safety Fund	50,000,000	67,500,000	17,500,000	35.0%
County Improvement For Roads & Bridges Fund	0	28,500,000	28,500,000	N/A
High Priority State Bridge Fund	0	7,500,000	7,500,000	N/A
Oklahoma Tourism & Passenger Rail Fund	2,000,000	2,000,000	0	0.0%
Public Transit Revolving Fund	3,000,000	3,000,000	0	0.0%
CIP Debt Service	69,349,248	70,000,000	650,752	0.9%
TOTALS	\$342,284,128	\$396,369,721	\$54,085,593	15.8%

The table compares FY-07 actual funding with the FY-08 estimate of all funds authorized for expenditure or allocation by the agency under the provisions of **HB 1078** (2005 Session) and **HB 1176XX** (2006 Second Special Session). Prior to passage of the legislation, the ten-year annual average agency funding was \$268 million, with approximately \$210 budgeted yearly for general operations and maintenance functions and \$58 million appropriated annually between FY-98 and FY-02 for the Capital Improvement Roads Program (CIP). When provisions of **HB 1176XX** are fully implemented, the agency is to receive annual funding of approximately \$585 million.

Funding sources to the agency under **HB 1078** and **HB 1176** include:

State Transportation Fund - Converted from a certified fund to a revolving fund in FY-07, allowing the budgeting of 100 percent of estimated revenues to the fund.

Rebuilding Oklahoma Access & Drive Safety Fund - Annual incremental deposits to the fund are dependent on the rate of General Revenue Fund growth; greater than 3 percent authorizes a \$50 million incremental deposit otherwise \$17.5 million is deposited. Annual funding accumulates under this formula until a base of \$270 million is reached including \$70 million for annual CIP debt service, with increasing amounts available for state road and bridge maintenance beginning in FY-09 as debt service requirements diminish until full retirement in FY-15. FY-08 apportionments to the fund total \$137.5 million.

County Improvement for Roads & Bridges Fund - Beginning in FY-08, the fund receives increasing percentages (five percent, ten percent, fifteen percent) of most motor vehicle collections over three years. Current estimates indicate that \$85 million will be available for county roads and bridge projects in FY-10 and thereafter. Funds are administered by the Transportation Commission and made available to the counties through equal allocations to the eight state transportation districts.

High Priority State Bridge Fund - The fund receives 1.63 percent of the gasoline fuel excise tax and 1.39 percent of the diesel fuel excise tax which will yield approximately \$7.5 million annually. Funds will be used for the purpose of construction or reconstruction of bridges on the state highway system that are the highest priority as defined by the State Transportation Commission.

Oklahoma Tourism and Passenger Rail Fund - General Revenue Funds of \$2.0 million are apportioned annually for the capital and operating costs associated with the "Heartland Flyer" passenger rail service.

Public Transit Revolving Fund - Annual apportionment of \$3.0 million from the General Revenue Fund are made for establishing, expanding, improving and maintaining rural and urban public mass transportation services.

III. Policy Issues

- a. **HB 1777** removes the oversize/overweight permit exemption for fire fighting apparatus, farm tractors and vehicles used to haul implements of husbandry and directs the Commissioner of Public Safety to issue annual oversize/overweight permits for those vehicles at no cost to the owner. These vehicles were previously exempt from highway size and weight limitations, however that exemption was not in compliance with federal regulations. The provisions of the measure will bring the state into compliance without cost to the governmental entities and persons operating such vehicles. Failure to comply with federal regulations would have jeopardized up to \$40 million in federal highway funds.
- b. **HB 1774** provides that certification of project completion for work contracted by the agency is not required if project “progressive payments” are based on the agency’s estimated quantities of materials provided and work performed. Progressive payments are made on a monthly basis dependent on the progress of a project. The provisions of the measure do not apply to the construction of public buildings as estimates for such construction are not based solely on materials used and services provided.
- c. **HB 1819** increases the length allowable for road projects that constitute only surface treatment from eight miles to twenty miles. Savings from economies of scale will be realized under the provisions of the measure.
- d. **SB 410** modifies the apportionment of fees collected by the Department of Public Safety (DPS) for the issuance of overweight and oversized permits. Effective in FY-09 the first \$1.2 million of the combined monthly proceeds from the fees currently apportioned to the General Revenue Fund will be apportioned as provided in 47 O.S., Section 1104. All monthly proceeds in excess of \$1.2 million will be deposited in the Weigh Station Improvement Revolving Fund of ODOT. Excess funds will be determined by the collections patterns of oversize and overweight permit fees as reported by DPS. Weigh station funding will be dedicated to the rebuilding of the state’s weigh station infrastructure and a modernizing of the permit system.

- e. **SB 563** modifies the basis upon which the Public Transit Revolving Fund funds are allocated in support of new public mass transportation programs. Currently, programs receive payment of \$0.75 per vehicle revenue mile, while the measure changes that formulation to \$0.75 per passenger mile. The revised formulation is expected to yield more funds to new transit programs with larger passenger bases. No additional funds are provided to the Public Transit Revolving Fund as the measure modifies the method by which funds are drawn down.

IV. Budget Resources

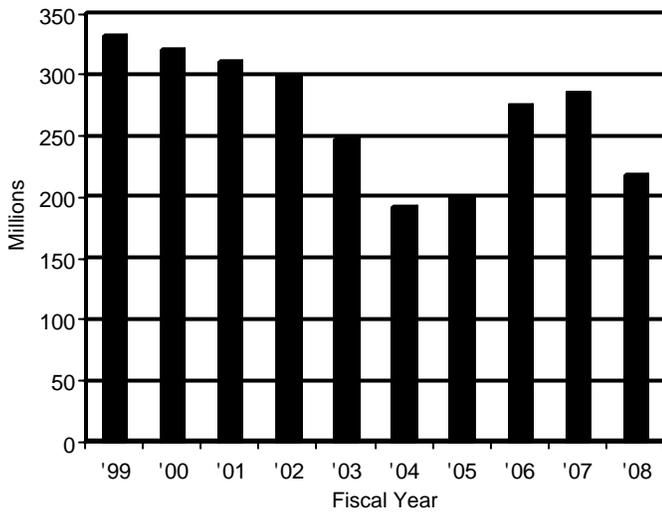
	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
Transportation Fund	\$217,934,880	\$217,869,721	0.0%
General Revenue Fund	67,476,968	0	-100.0%
Revolving Funds	409,323,035	408,754,515	-0.1%
Federal Funds*	895,239,239	675,565,568	-24.5%
Total	\$1,589,974,122	\$1,302,189,804	-18.1%

*In previous annual editions of this volume, the Federal Funds category was based on the agency's fiscal year "Budget Limits" as presented in its annual appropriations legislation. House Fiscal Staff, in consultation with ODOT, has refined the methodology employed to provide a more precise estimate of anticipated federal funds.

V. Budget References

SB 334, Section 69; SB 234, Sections 1 through 3

VI. Ten Year Appropriation History



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
FY-03	\$247,008,202	FY-08	\$217,869,721

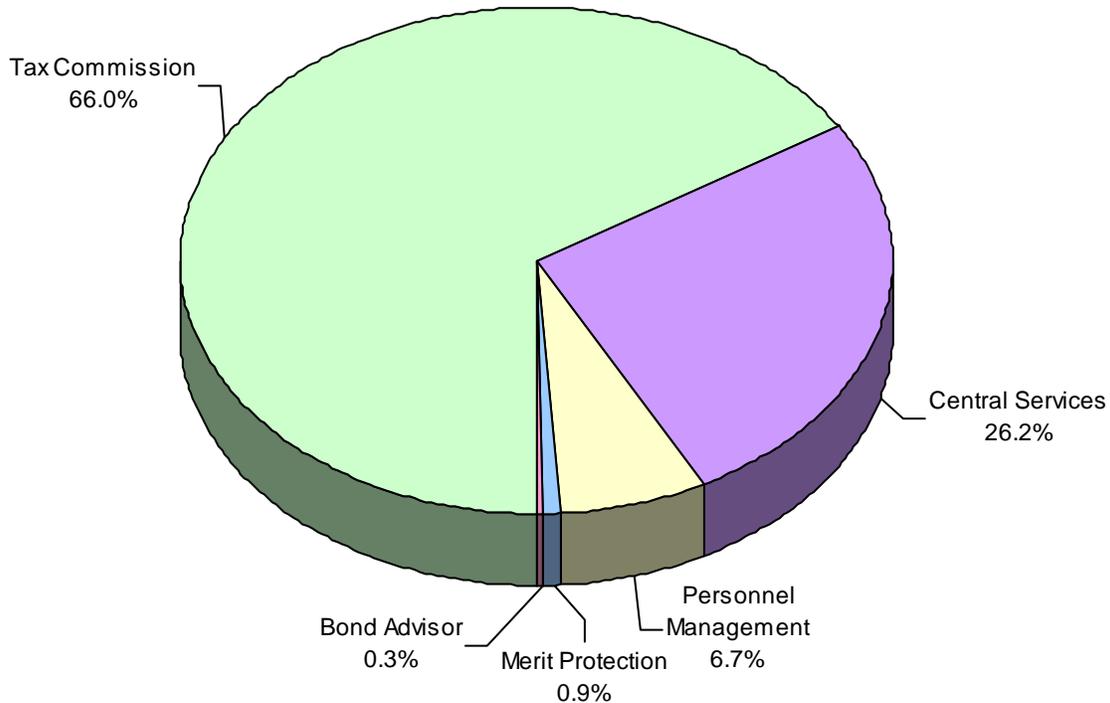
Note:

1. FY-06 increase includes fully funding the debt service associated with the Roads Program instituted in FY-98.
2. The -23.7 percent change in funding from FY-07 reflects the transition from direct appropriations to allocations authorized under **HB 1078** and **HB 1176XX**. In actuality, the agency received an increase of 15.8 percent in FY-08 (Please see "FY-08 Appropriations Adjustment Detail" table).

County & Municipal Government Subcommittee

Government Modernization, Agency Oversight & Administrative Rules Subcommittee

Distribution of FY-08 Appropriations



Tax Commission	\$48,201,340
Central Services	19,053,697
Office of Personnel Mgt.	4,891,745
Merit Protection	648,684
Bond Advisor	<u>186,419</u>
Subcommittee Total	\$72,981,885
<u>Non-Appropriated Agencies</u>	
Employee Benefits Council	
Oklahoma Development Authority	
Oklahoma Industrial Finance Authority	
Oklahoma House Finance Authority	
Lottery Commission	
Tobacco Trust	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Office of the State Bond Advisor

James Joseph, State Bond Advisor

Agency # 582

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$185,117	5.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	<u>\$1,302</u>	
Total Adjustments	\$1,302	0.0
FY-08 Appropriation and FTE Authorization	\$186,419	5.0
Percent Change from FY-07	0.7%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. None

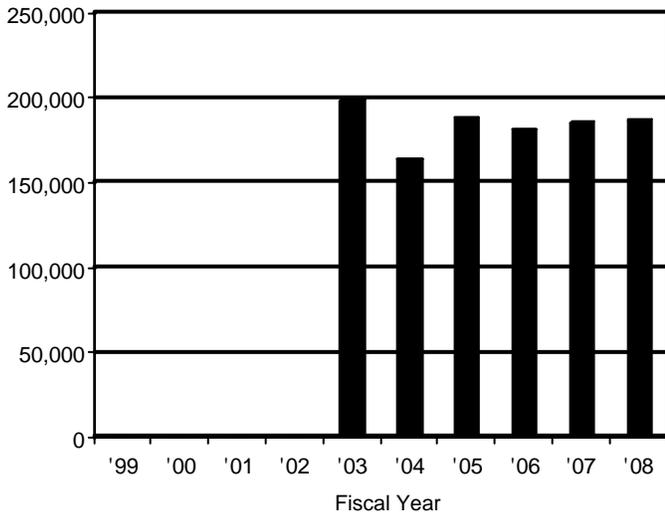
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$185,117	\$186,419	0.7%
Carryover	214,883	328,411	52.8%
Total	\$400,000	\$514,830	28.7%

V. Budget References

SB 334, Section 42; SB 202, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$198,111	FY-08	\$186,419

Note:

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

Department of Central Services

John Richard, Director

Agency # 580

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$13,639,156	320.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$58,707	
b. Annualize FY-07 Supplemental	3,200,000	
c. Deferred Maintenance Projects	2,296,400	
d. Adjusted Debt Service	<u>-140,566</u>	
Total Adjustments	5,414,541	0.0
FY-08 Appropriation and FTE Authorization	\$19,053,697	320.0
Percent Change from FY-07	39.7%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriation is made to annualize the \$3.2 million FY-07 supplemental appropriation for maintenance and operation of state facilities. Prior to the supplemental funding, the agency had diverted funds from the agency rental buildings account to meet the maintenance needs of the appropriated buildings under its administrative authority. Calculated on a square footage basis, this amounted to a net loss of \$3.38 per square foot. Funding will allow the agency to adequately meet the maintenance costs of the appropriated buildings, currently computed at \$6.26 per square foot.
- c. Funds are appropriated for critical repairs to several buildings in the Capitol Complex (Jim Thorpe, Denver Davison and ODOT) whose foundations have been undermined by ground water. Failure to provide repairs in a timely manner would significantly increase costs and continued neglect could eventually result in structural failure.

- d. Funding is reduced from adjustments made to lease payments related to bonds issued by Oklahoma Capitol Improvement Authority.

III. Policy Issues

- a. **SB 203** authorizes the Oklahoma Capitol Improvement Authority (OCIA) to sell parcels of real property associated with the Lincoln Boulevard Renaissance Project in Oklahoma City, provided the Director of the Department of Central Services determines a parcel to be not useful for construction of a state facility because of lot size, location or other applicable factors.

The agency has identified several sites that fit the conditions for sale and were purchased to remove derelict structures from Lincoln Boulevard. To legally conclude any sales, the State Bond Advisor must render an opinion that the tax-exempt status of OCIA State Facilities Revenue Bonds, Series 1999A, or any other bond issue, will not be adversely affected. Proceeds from any sales will be applied to Series 1999A bond payments.

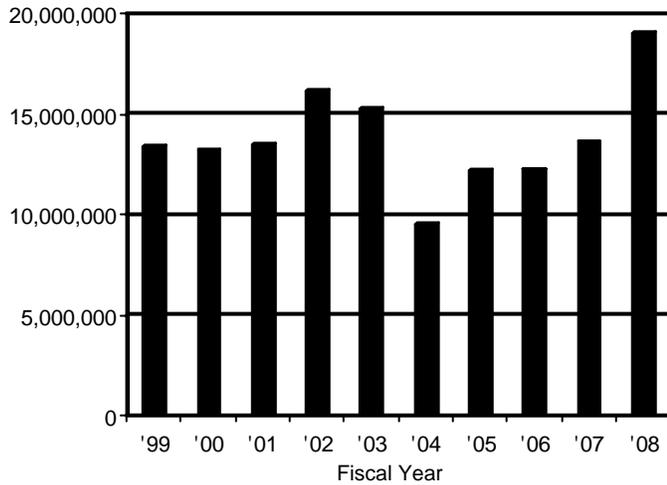
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$11,917,670	\$16,538,276	38.8%
Public Building Fund	1,721,486	2,515,421	46.1%
Carryover	1,400,000	1,400,000	0.0%
Revolving Funds	93,992,044	95,477,203	1.6%
Total	\$109,031,200	\$115,930,900	6.3%

V. Budget References

SB 334, Sections 43 through 46; SB 204, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$15,301,061	FY-08	\$19,053,697

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.
3. FY-08 includes increased funding for the agency's Appropriated Buildings maintenance activities and additional funds to address critical repair needs within the State Capitol Complex.

Merit Protection Commission

Susan Bussey, Executive Director

Agency # 298

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$611,434	11.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$2,250	
b. On-line Filing, Courtroom Technology	<u>35,000</u>	
Total Adjustments	37,250	0.0
FY-08 Appropriation and FTE Authorization	\$648,684	11.0
Percent Change from FY-07	6.1%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funds are appropriated for the purchase of computer hardware and software to integrate the agency's courtroom with its online system. The technology upgrades are estimated to provide savings of \$4,600 in paper, postage, audio tape and storage costs.

III. Policy Issues

- a. None

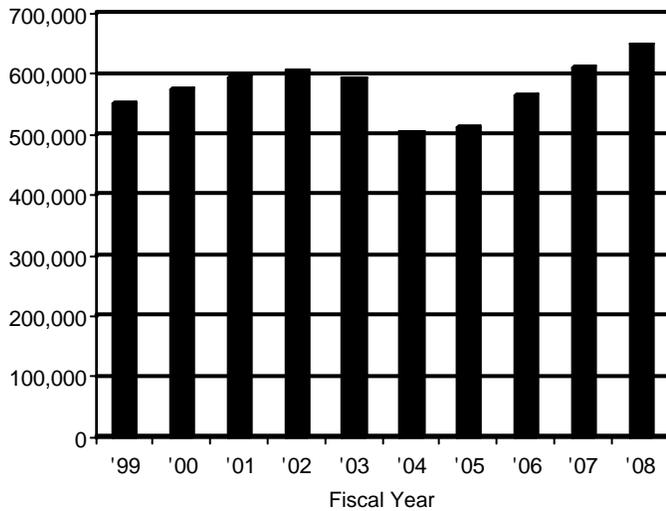
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$611,434	\$648,684	6.1%
Revolving Funds	33,000	27,000	-18.2%
Total	\$644,434	\$675,684	4.8%

V. Budget References

SB 334, Section 58; SB 222, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$592,319	FY-08	\$648,684

Office of Personnel Management

Oscar Jackson, Jr., Director

Agency # 548

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$4,848,371	105.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	<u>\$43,374</u>	
Total Adjustments	\$43,374	0.0
FY-08 Appropriation and FTE Authorization	\$4,891,745	105.0
Percent Change from FY-07	0.9%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. **SB 626** changes the pay movement mechanism report from calendar year to fiscal year, which simplifies the reporting process by synchronizing the timeframe of available data and eliminating the need for agencies to project anticipated costs. The measure deletes the requirement whereby employees with two years experience must pass an entrance examination before conversion to permanent classified status, a requirement the agency believes is unnecessary and sometimes counterproductive as learned job skills do not always prepare an employee for the test. Also, the measure increases the maximum cash award amount to state employees through the employee recognition program from \$250 to \$500 per year.

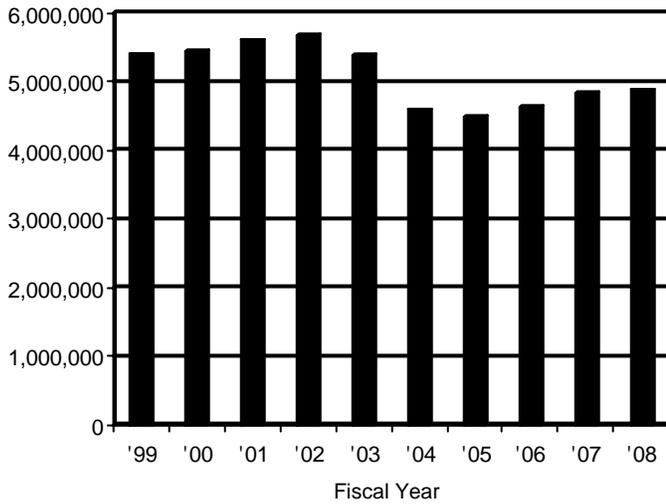
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$4,848,371	\$4,891,745	0.9%
Carryover	512,178	582,567	13.7%
Revolving Funds	174,817	174,700	-0.1%
Total	\$5,535,366	\$5,649,012	2.1%

V. Budget References

SB 334, Section 60; SB 226, Section 1

VI. Ten Year Appropriation History



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
FY-03	\$5,399,774	FY-08	\$4,891,745

Tax Commission

Thomas E. Kemp, Jr., Chairman
Agency # 695

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$47,711,604	1,150.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$489,736	
Total Adjustments	\$489,736	0.0
FY-08 Appropriation and FTE Authorization	\$48,201,340	1,150.0
Percent Change from FY-07	1.0%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. **SB 861** includes three significant provisions:
 - 1) Income Tax Rate Reduction - The top individual income tax rate for tax year 2008 is reduced from 5.55 percent to 5.50 percent; beginning in tax year 2009 the rate is further reduced to 5.25 percent.
 - 2) Sales Tax Holiday – An annual three-day sales tax holiday is provided for purchases of up to \$100 on clothing and footwear beginning on the first Friday in August. While the exemption applies to municipal, county and local authorities sales taxes, those entities will be reimbursed by the state for lost tax revenues from other state sales taxes.
 - 3) Franchise Tax Modification – Currently, entities with franchise tax liability of \$10.00 or less are exempt from the franchise tax. The measure raises the exemption to \$250.00.

- b. **SB 806** reinstates or creates tax exemptions and deductions for the activities of various charitable organizations, youth shelters serving those up to 18 years of age, certain child care facilities and for those individuals or entities with previous

contractual relationships for construction or improvement of such facilities, sales to service organizations for property sent to military personnel serving overseas, an income tax deduction for certain expenses associated with organ donations and an income tax refund check-off for donations to regional food banks. The estimated FY-08 revenue impact is \$26,000 and \$123,000 in FY-09.

The measure also exempts certain federally regulated investment companies (Small Business, Specialized Small Business, Rural Business and Community Development Entities) from state reporting requirements related to the Small Business Capital Formation Incentive Act and the Rural Venture Capital Formation Incentive Act. Entities currently file more extensive forms with the federal government and the Tax Commission will accept federal documents to eliminate duplicative efforts.

- c. **B 368** creates the Task Force on Dynamic Revenue Forecasting; and directs the agency to develop certain estimates and statements utilizing a dynamic revenue estimating model as soon as practicable after December 31, 2008, subject to the availability of funds. Specifically, the model must take into consideration changes in economic activity resulting from actual or proposed changes to state tax law, incorporating the effects taxpayer behavior, employment and investment on revenue.

Dynamic forecasting goes beyond static analysis in estimating changes to the economy that result from changes in fiscal policies. For example, under the static approach a 10 percent income tax reduction might reduce tax collections by 10 percent from a baseline forecast. A dynamic model acknowledges the amount of likely added revenues resulting from the added disposable income generated by an income tax rate reduction. Dynamic revenue feedbacks are often expressed as a percentage of the static estimate: a five percent feedback means that five percent of an income tax reduction is offset by added revenue.

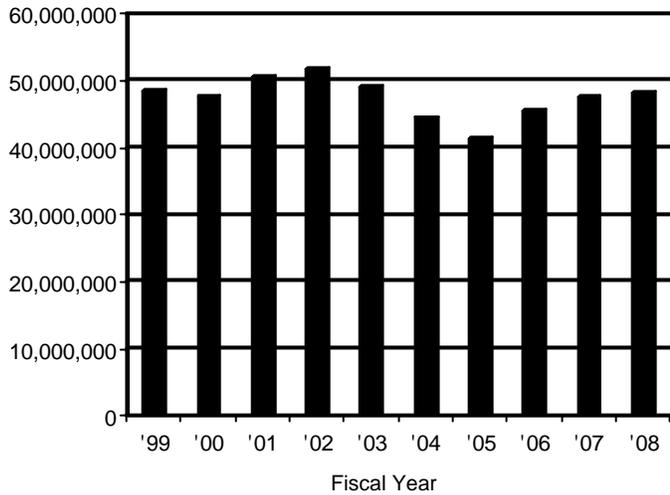
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$47,711,604	\$48,201,340	1.0%
Revolving Funds	75,607,990	89,798,660	18.8%
Federal Funds	100,000	0	-100.0%
Total	\$123,419,594	\$138,000,000	11.8%

V. Budget References

SB 334, Sections 63 through 65; SB 234, Section 1

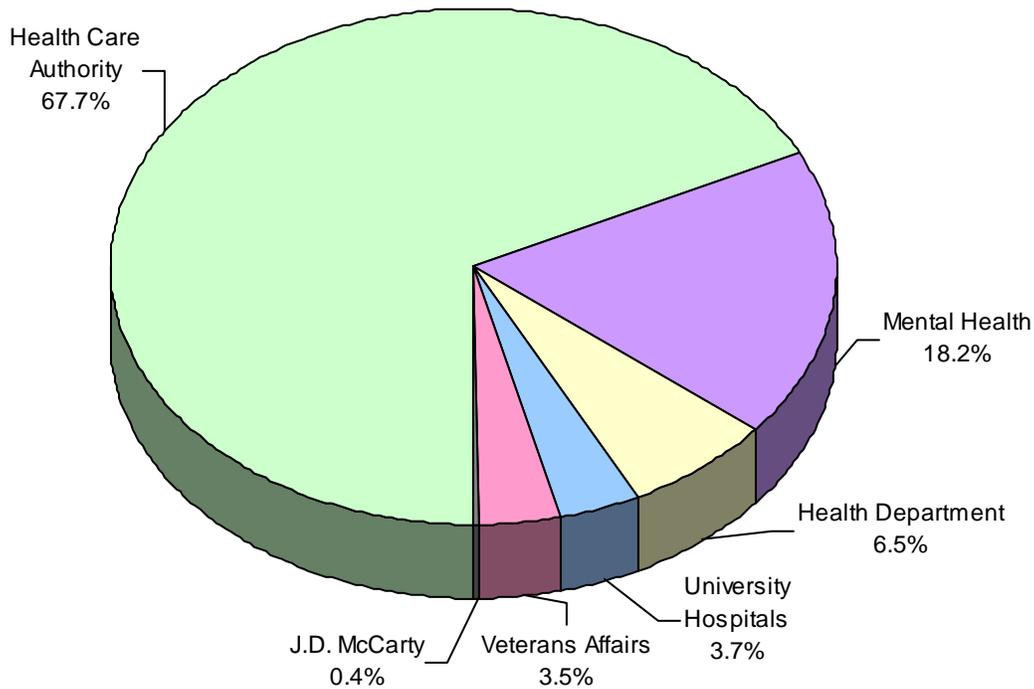
VI. Ten Year Appropriation History



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
FY-03	\$49,161,169	FY-08	\$48,201,340

Public Health Committee

Distribution of FY-08 Appropriations

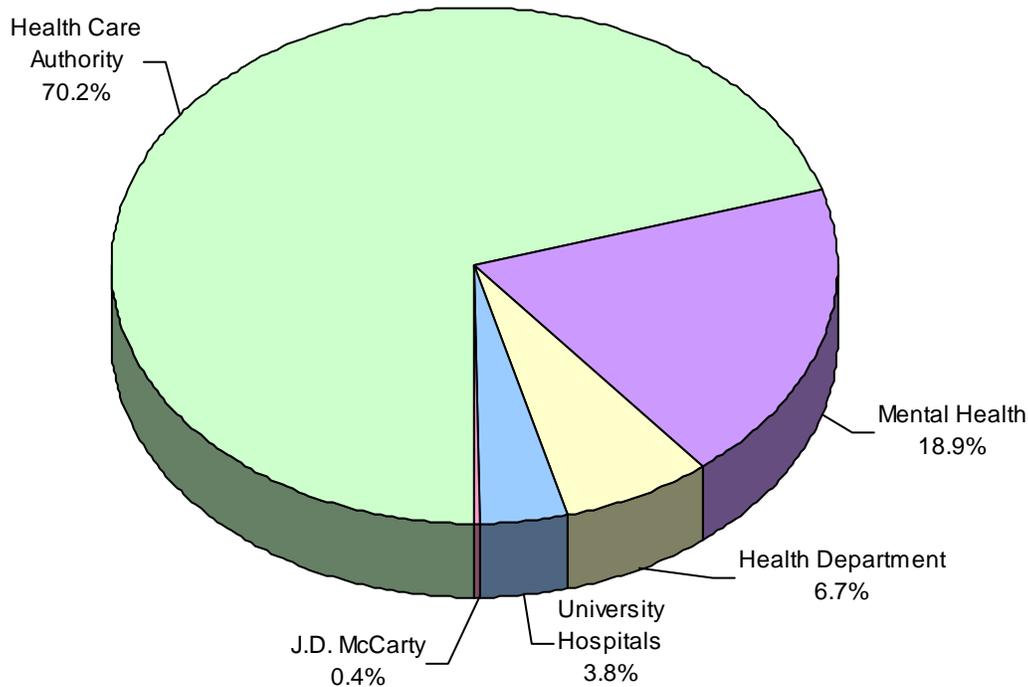


Health Care Authority	\$771,709,298
Mental Health & Substance Abuse	207,529,129
Health Department	73,786,143
University Hospitals	41,865,342
Veterans' Affairs	40,282,600
J.D. McCarty Center	<u>4,452,961</u>
Committee Total	\$1,139,625,473

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Health Subcommittee

Distribution of FY-08 Appropriations



Health Care Authority	\$771,709,298
Mental Health & Substance Abuse	207,529,129
Health Department	73,786,143
University Hospitals	41,865,342
J.D. McCarty Center	4,452,961
Subcommittee Total	\$1,099,342,873
<u>Non-Appropriated Agencies</u>	
Board of Alcohol and Drug Counselors	
Barber Board	
Chiropractic Examiners	
Dental Board	
Licensed Professional Counselors	
Medical Licensure Board	
Nurse Registration & Education Board	
Nursing Board	
Optometry Board	
Osteopathic Examiners	
Perfusionists	
Pharmacy Board	
Podiatrists	
Psychologist Examiners Board	
Speech Pathologists/Audiologists	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Oklahoma Health Care Authority

Mike Fogarty, Chief Operating Officer

Agency # 807

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$701,964,163	428.5
FY-08 Funding Adjustments:		
<u>Annualizations and Maintenance</u>		
a. State Employee Pay Increase Annualization	\$110,986	
b. Federal Medical Assistance Percentage (FMAP)	19,997,178	
c. Medicare A & B Premiums	1,237,689	
d. Medicaid Reform Act (MRA) of 2006	3,397,434	
e. FTE for MRA	225,443	
f. SoonerCare FY-08 Growth and Utilization	23,466,029	
g. Hospital Provider Rates	13,362,086	
h. Medicare Rx Drug Phase-down (Clawback)	621,485	
i. ER Utilization Program Savings	(979,200)	
j. Fiscal Agent Contract Increases	375,000	
k. FY-08 Medicare A & B Premiums	1,875,388	
<u>Additional Adjustments</u>		
l. O-EPIC	0	2.0
m. Expand Disease Management	750,000	1.0
n. Expand Electronic Prescribing	1,000,000	1.0
o. FY-08 MRA Requirements	1,573,242	
p. HCPCS X-walk Contract	260,022	2.0

q. Rebates on J-code Prescriptions	(1,958,400)	
r. FY-08 Hospital Provider Rates	4,686,889	
s. FY-08 Nursing Home & ICF/MR Rates	12,445,059	
t. Anesthesiologist Rate Increase	1,305,600	
u. Medicaid Variance	(4,006,795)	
v. Carryover Adjustment	<u>(10,000,000)</u>	
Total Adjustments	\$69,745,135	6.0
FY-08 Appropriation and FTE Authorization	\$771,709,298	434.5
Percent Change from FY-07	9.9%	1.4%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. 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 costs associated with the increased state matching requirement because of the FMAP reduction from 68.14 percent to 67.10 percent for the last three quarters of state fiscal year 2008.
- c. The Legislature provided the agency in FY-07 with partial funding to cover anticipated costs associated with Medicare Part A and B premium increases. Funding is provided to annualize the cost increases.
- d. Provisions of the Medicaid Reform Act (MRA) of 2006 were funded for three or six months in FY-07 because of a designed phased-in implementation. Funding maintains those programs for FY-08.
- e. Thirty-one full-time equivalent employees (FTE) were hired for the MRA at various intervals throughout FY-07 as various provisions were implemented. Funding annualizes salaries and benefit costs for FY-08.

- f. Funding is provided to maintain the provider rate increases and the increased enrollment of Medicaid clients in SoonerCare established in FY-07 and to meet projected growth in enrollment, increased utilization of services, and increased prescription drug costs for FY-08.
- g. The Legislature provided the agency in FY-07 with partial funding to address anticipated costs associated with hospital provider rate increases beginning January 1, 2007. Funding is provided to annualize those cost increases.
- h. The Medicare Modernization Act of 2003 (MMA) has had a substantial impact on states having significant numbers of dual-eligibles, or individuals which qualify for both Medicaid and Medicare benefits. With the shifting of prescription drug costs for these dual-eligibles to Medicare, the federal government is requiring increased reimbursements from states to address these costs. Funding is provided to allow for the federal “clawback” payment on prescription drugs.
- i. The Emergency Room (ER) Utilization Program implemented by the agency is projected to produce savings during FY-08 by using case management and nurse hotlines. Appropriations are adjusted to reflect the savings.
- j. Appropriation is made for the fiscal agent contract, an eight-year contract which increases slightly each year. The contract provides for processing of all Medicaid claim payments. System changes are necessary to process and pay claims for new programs and eligibility groups.
- k. Appropriation is made to fund premium increases for those individuals eligible for both Medicaid and Medicare, scheduled to increase beginning January 1, 2008. The agency projects these funds are required to meet increased premium costs for the last six months of FY-08.
- l. With the eligibility expansions of the Oklahoma Employer/Employee Partnership for Insurance Coverage (O-EPIC) Premium Assistance Program in HB 2842 (2006) and HB 1225 (2007), the Legislature approved the hiring of two additional FTE to support the program. Funding for the positions will come from the portion of cigarette and tobacco taxes used to fund O-EPIC.
- m. Funding is provided to expand the disease management program for Medicaid recipients with chronic illnesses.

- n. Funding will allow for expansion of the electronic prescribing program initiated by the MRA of 2006.
- o. Appropriation is made allowing the agency to continue implementation of the provisions of the MRA of 2006 including waivers, actuarial studies for the cash and counseling provision, disease management, tiered reimbursement for nursing facilities, health line pilot program, payment error auditors and college student coverage.
- p. Funding is provided for salaries and benefits of employees and the purchase of necessary software related to the Healthcare Common Procedures Coding System (HCPCS) crosswalk contract. The contract will require two additional FTE and software to enable the agency to evaluate and compile data related to the purchase of certain prescription drugs to facilitate the collection of drug rebates from manufacturers.
- q. Prescription drug manufacturers are required to make drug rebates to Medicaid agencies based on the purchase of certain volumes of J-code prescriptions. Savings are anticipated by utilizing the HCPCS crosswalk contract to collect drug rebates. Appropriations are adjusted to reflect the savings.
- r. Appropriation is made for use as state matching funds access \$9.7 million in federal funds, providing a total of \$14.4 million for increased hospital provider rates and increased access to health care for all Oklahoma Medicaid beneficiaries. Funding will maintain hospital provider rates at the Upper Payment Limit (UPL) beginning January 1, 2008.
- s. Funds are provided to increase reimbursement rates for nursing home and intermediate care facilities for the mentally retarded (ICF/MR) by an average of seven percent, effective July 1, 2007.
- t. Funding will allow the Medicaid reimbursement rates paid to anesthesiologists to be increased by an average of 50 percent effective January 1, 2008.
- u. Based on recent expenditure levels and savings generated by the agency, appropriations to the agency are adjusted by an amount equal to one-third the Medicaid variance for the previous fiscal year.
- v. The agency is directed to utilize one-time carryover funds to supplement their appropriations for FY-08. These funds will likely require replacement on a dollar-for-dollar basis in FY-09.

III. Policy Issues

- a. **HB 1225** amends the “Oklahoma Medicaid Program Reform Act of 2003” by increasing the income eligibility for participation in the Oklahoma Employer/Employee Partnership for Insurance Coverage (O-EPIC) Premium Assistance Program from 185 to 250 percent of the Federal Poverty Level (FPL) and allows employers with 250 employees or less to participate in the O-EPIC program. The measure will have no impact on appropriations or appropriated funds as the O-EPIC program is funded with revenue from cigarette and tobacco taxes which are apportioned to the Health Employee and Economy Improvement Act (HEEIA) Revolving Fund. Participation in the premium assistance program is limited by funds available from cigarette and tobacco taxes allocated to the revolving fund.
- b. **HB 1375** includes new language requiring ambulatory surgical centers have a formal transfer agreement with a general hospital located within a twenty minute travel distance from the center or that all physicians performing surgery in the center must have admitting privileges at a general hospital within twenty minute travel distance from the center. Also, new language is included authorizing the creation of health care districts for counties with a population of 100,000 or less. The legislation authorizes the health care districts to adjust provider rates above the state minimum established by the agency and allows districts to be formed by local communities for the purpose of collecting tax assessments to offset the costs of health care within the district and to serve as the state match for federal Medicaid funds. The measure also prohibits the agency from reducing reimbursements to providers in a health care district based upon the amount of funds raised through the assessments and requires the agency to obtain the proper waivers from CMS and to promulgate rules.
- c. **HB 1884** creates the nineteen-member Healthcare Consumer Transparency Task Force, provides for membership, travel reimbursement, administrative support by the Oklahoma State Department of Health (OSDH), duties and requires initial and final reports containing recommendations related to a system for hospitals, ambulatory surgical centers and physicians for disclosure to consumers on the average charges for the treatment of common medical diagnosis and procedures. The measure amends the Twenty-first Century Health Education and Research for Oklahoma Task Force by expanding the membership from 22 to 26 members.
- d. **SB 424** is the “All Kids Act” and expands the Postponing Sexual Involvement (PSI) for Young Teens program. The legislation requires the agency, by January 1, 2011, to establish and maintain a program to provide medical coverage assistance to

children eighteen years of age or younger whose family incomes are between 185 and 300 percent of the federal poverty level. The measure further requires the agency to submit waivers to CMS and to promulgate administrative rules related to the program. Funding for the “All Kids Act” is to come from the HEEIA Revolving Fund.

Additionally, the act requires OSDH, by January 1, 2011, to contract with community or faith-based organizations in order to expand the PSI for Young Teens program aimed to reduce the incidence of teen pregnancies in Oklahoma and directs that no more than \$500,000 in funding for the program come from the HEEIA Revolving Fund.

- e. **SB 890** authorizes the agency to be reimbursed for Medicaid payments made for services on behalf of recipients and provides that when a settlement is obtained, damages for medical costs are considered a priority over all other damages and are to be paid by the tortfeasor prior to other damages.
- f. **SCR 6** urges Congress to reauthorize the State Children’s Health Insurance Program (SCHIP) for Medicaid.

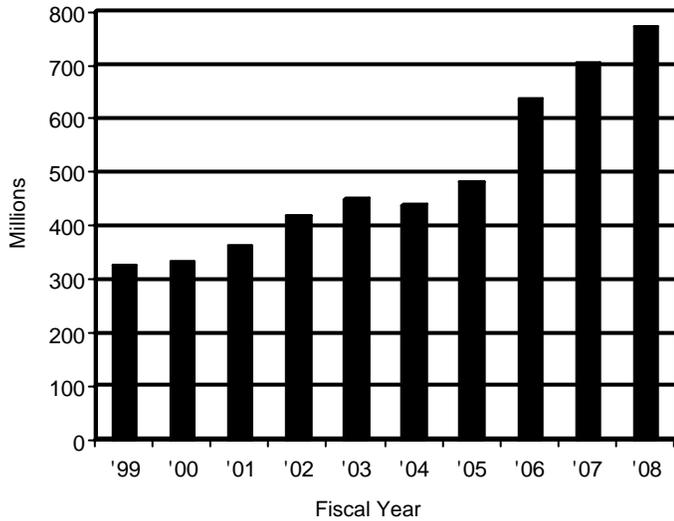
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$701,964,163	\$741,544,298	5.6%
Prior Year General Revenue Fund	0	20,000,000	N/A
Carryover	44,006,618	45,000,000	2.3%
Tobacco Settlement Funds	0	10,165,000	N/A
Tobacco Tax Revenue	94,577,736	85,044,369	-10.1%
Quality of Care Fund	53,839,588	53,568,988	-0.5%
Drug Rebates	73,635,096	79,155,157	7.5%
Supplemental Drug Rebates	6,000,000	7,958,400	32.6%
Medical Refunds	18,781,079	21,738,002	15.7%
Other State Agencies	260,075,574	245,918,196	-5.4%
Other Revenue	673,260	900,000	33.7%
Federal Medicaid Funds	2,392,189,049	2,609,351,324	9.1%
Total	\$3,645,742,163	\$3,920,343,734	7.5%

V. Budget References

SB 334, Sections 82 through 84; SB 240, Sections 1 through 8

VI. Ten Year Appropriation History



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
FY-03	\$449,126,375	FY-08	\$771,709,298

Note:

1. The significant increase in FY-06 General Revenue was a result of the FMAP reduction and funding provider rates.

Oklahoma State Department of Health

Dr. Michael Crutcher, Commissioner

Agency # 340

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$71,234,131	2,540.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$669,704	
b. Ryan White HIV Drug Assistance Program	300,000	
c. Newborn Hearing Screening	310,308	
d. School-based Clinics (OU-Tulsa)	400,000	
e. St. Francis Hospital Residency Program (OSU)	500,000	
f. Federally Qualified Health Centers (FQHC)	300,000	
g. Area Health Education Centers	200,000	
h. Dental Loan Repayment Program	125,000	
i. OSBELTCA	247,000	
j. Pandemic Influenza Vaccine	-500,000	
k. FTE Limit Adjustment	_____	<u>-10.0</u>
Total Adjustments	2,552,012	-10.0
FY-08 Appropriation and FTE Authorization	\$73,786,143	2,530.0
Percent Change from FY-07	3.6%	-0.4%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriation is made to support the Ryan White HIV Drug Assistance Program and to allow purchase of new anti-retroviral medications for persons at or below 200 percent of the Federal Poverty Level (FPL).
- c. Funding is provided for the purchase of 17 new hearing screening units for placement in hospitals for testing newborn infants.

- d. Funding is to be used to support residency programs of the University of Oklahoma College of Medicine – Tulsa in the operation of school-based clinics.
- e. The College of Osteopathic Medicine of Oklahoma State University in conjunction with St. Francis Hospital of Tulsa is establishing a new residency program in cardiology. Funding is to be used to provide the salaries for the residents.
- f. Appropriation is made to provide additional uncompensated care funding to Federally Qualified Health Centers (FQHC) and to increase access to health services for low-income Oklahomans.
- g. Funding will allow the Area Health Education Center program to hire one additional person in each region of the state to mentor and facilitate high school and college students entering a health care profession.
- h. Funds are provided to address the requirements of **SB 1737** (2006) which created the Dental Loan Repayment Act. The act established 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-09 will be \$125,000.
- i. The Oklahoma State Board of Examiners for Long Term Care Administrators (OSBELTCA) has been a non-appropriated state agency dependent on fees to fund and support the functions of the agency. During FY-06 and FY-07, the agency affected significant changes in structure and operations as a result of **HB 1453** (2005). The appropriation is provided to allow the agency to carry out its mission during the transition.
- j. One-time funding for pandemic influenza vaccine was provided in FY-07 and is removed from the FY-08 base.
- k. The Legislature reduced the number of full-time employees (FTE) authorized by ten based on the number of vacant and unfunded positions in the agency.

III. Policy Issues

- a. **HB 1375** includes new language requiring ambulatory surgical centers have a formal transfer agreement with a general hospital located within a twenty minute travel distance from the center or that all physicians performing surgery in the center must have admitting privileges at a general hospital within twenty minute travel distance from the center. Also, new language is included authorizing the creation of health care districts for counties with a population of 100,000 or less. The legislation authorizes the health care districts to adjust provider rates above the state minimum established by the Oklahoma Health Care Authority (OHCA) and allows districts to be formed by local communities for the purpose of collecting tax assessments to offset the costs of health care within the district and to serve as the state match for federal Medicaid funds. The measure also prohibits OHCA from reducing reimbursements to providers in a health care district based upon the amount of funds raised through the assessments and requires OHCA to obtain the proper waivers from the Centers for Medicare and Medicaid Services (CMS), and to promulgate rules.
- b. **HB 1510** authorizes the Commissioner of Health to waive any provisions of the Nursing Home Care Act and any rules promulgated pursuant to the Act, allows waiver of requirements for home-like nursing facilities of 12 beds or less and requires the State Board of Health to promulgate rules and establish procedures necessary to implement the waiver process.
- c. **HB 1631** amends the Oklahoma Professional Boxing Licensing Act by expanding administrative support provided by the Oklahoma State Department of Health (OSDH) to the Oklahoma Professional Boxing Commission, requires payment by the agency of expenditures for the Commission according to OSDH policy and requires that Commission employees shall be considered unclassified employees of OSDH. The measure also provides requirements for a nationally recognized amateur sanctioning body to receive exemption from the provisions of the Oklahoma Professional Boxing Licensing Act under certain criteria.
- d. **HB 1884** creates the nineteen-member Healthcare Consumer Transparency Task Force, provides for membership, travel reimbursement, administrative support by the agency, duties and requires initial and final reports containing recommendations related to a system for hospitals, ambulatory surgical centers and physicians for disclosure to consumers on the average charges for the treatment of common medical diagnosis and procedures. The measure also amends the Twenty-first Century Health Education and Research for Oklahoma Task Force by expanding the membership from 22 to 26 members.

- e. **SB 98** includes new language creating the “Fire Extinguisher Licensing Act” and new licensing requirements for companies, managers, technicians, and sales person who sell, service, install, inspect, certify, charge, or test any portable fire extinguisher or fire suppression system, including both engineered and pre-engineered systems. The measure establishes a tagging requirement for fire extinguishers and fire suppression systems, places the responsibility for promulgating rules, establishing fees, establishing standards, establishing qualifications, levying fines, issuing licenses, and regulating the industry with the State Board of Health, the Commissioner of Health, and OSDH. Also, the measure establishes a seven-member committee to assist the Commissioner in these duties and to serve as a hearing body for actions against license holders. Additionally, the act provides for background checks to be performed on applicants for licensure and for the establishment of a revolving fund for deposit and expenditure of funds.
- f. **SB 455** creates the Dental Health Service within OSDH and Dental Loan Repayment Revolving Fund.
- g. **SB 473** prohibits the possession of lighted tobacco products in all parts of a zoo to which the public may be admitted.
- h. **SB 639** authorizes the agency and city-county health departments to enter into contracts for professional services at any time with a physician assistant, registered nurse, advanced practice nurse, nurse midwife, registered dietician, occupational therapist, physical therapist, or speech-language pathologist who has retired from state service under certain circumstances.
- i. **SB 738** includes four major components. First, amendatory and new language is included allowing a resident in an assisted living center to receive intermittent nursing care and home health aide services in an assisted living center, provided certain conditions are met by the care providers, the resident or legal agent for the resident, the personal or attending physician, and the assisted living center.

Second, new language is included requiring the agency to establish a pilot program offering an alternative informal dispute resolution system allowing long-term care facilities cited for deficiencies an opportunity to dispute a citation for deficiency.

Third, authorizes the agency to allow long-term care administrators to be the administrator of record for more than one facility, provided the facilities are within a fifty-mile radius, the total of the administrator’s responsibility does not exceed more than 120 beds and each facility retains an assistant administrator.

Fourth, the measure provides amendatory language prohibiting the Oklahoma State Board of Examiners for Long Term Care Administrators (OSBELTCA) from publishing on its website any information regarding a complaint, unless there is a finding by the Board that the complaint has merit, and directs OSBELTCA to promulgate rules regarding assistant administrators for long-term care facilities.

- j. **SB 833** authorizes the agency to use information regarding communicable and non-communicable disease information for investigative purposes and clarifies the definition of non-communicable disease.

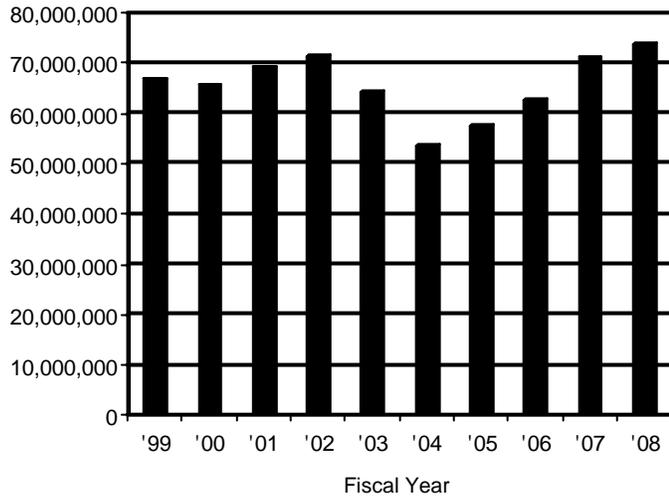
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$71,234,131	\$73,786,143	3.6%
Revolving Funds	73,886,841	86,000,000	16.4%
Federal Funds	183,005,714	206,000,000	12.6%
Total	\$328,126,686	\$365,786,143	11.5%

V. Budget References

SB 334, Section 80; HB 1227, Sections 1 through 16

VI. Ten Year Appropriation History



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
FY-03	\$64,292,965	FY-08	\$73,786,143

Note:

1. 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 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

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$4,278,944	209.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$93,011	
b. Increase in Bond Payment	81,006	
c. Additional Therapists	_____	4.0
Total Adjustments	174,017	4.0
FY-08 Appropriation and FTE Authorization	\$4,452,961	213.0
Percent Change from FY-07	4.1%	1.9%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funding is provided resulting from adjustments made to lease payments related to bonds issued by the Oklahoma Capitol Improvement Authority.
- c. Four additional full-time employees (FTE) are authorized for speech, physical and occupational therapists. Salaries for the employees are to be paid through increased revenue generated by the enhanced ability to serve more children, additional contracts with public school systems and increased federal reimbursements.

III. Policy Issues

- a. None

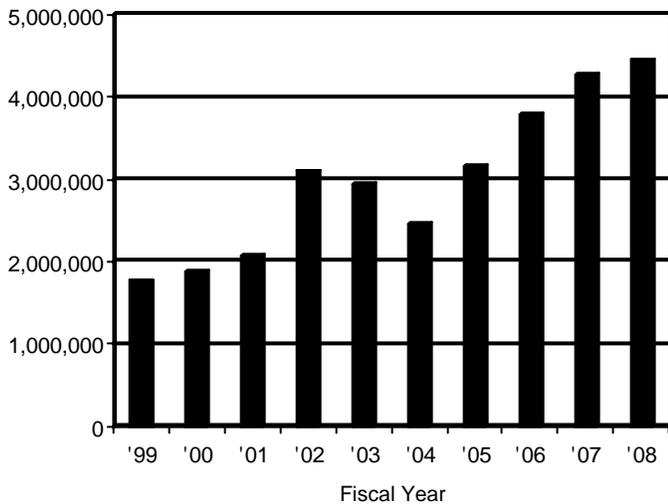
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$4,278,944	\$4,452,961	4.1%
Revolving Funds	8,638,033	9,300,000	7.7%
Total	\$12,916,977	\$13,752,961	6.5%

V. Budget References

SB 334, Section 85; SB 244, Sections 1 through 5

VI. Ten Year Appropriation History



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
FY-03	\$2,946,549	FY-08	\$4,452,961

Note:

1. The FY-02 increase represents funds for debt service obligations against the bond issue used to finance the Center's new facility.

Department of Mental Health and Substance Abuse Services

Terri White, Commissioner
Agency # 452

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$194,703,800	5,894.6
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$1,101,976	
b. Annualize FMAP Adjustment	438,662	
c. Matching Funds for Systems of Care	447,474	
d. Replace Federal SA Block Grant Funding	324,400	
e. Law Enforcement Reimbursement	100,000	
f. Annualize MH & SA Provider Rates	750,000	
g. Annualize MH Court & Jail Diversion	1,250,000	
h. Adolescent Crisis Response System	531,250	
i. Services for Transitional Youth	207,500	
j. Core Services for Children	136,250	
k. Residential Adolescent SA Treatment	500,000	
l. Funding Shortfall at State Hospitals	1,964,692	
m. Increase in Medicaid State Match	673,125	
n. Replace One-time DSH Funding	800,000	
o. Medical Equipment for Forensic Center	100,000	
p. Employee Benefits	2,500,000	
q. Drug Court	<u>1,000,000</u>	
Total Adjustments	12,825,329	0.0
FY-08 Appropriation and FTE Authorization	\$207,529,129	5,894.6
Percent Change from FY-07	6.6%	0.0%
<u>Constitutional Reserve Fund Spillover</u>		
r. Smart on Crime Initiative (HB 1105)	<u>\$2,000,000</u>	
FY-08 Total Expenditure Authorization	\$209,529,129	

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriation is made to annualize costs associated with increased state matching requirement resulting from the Federal Medical Assistance Percentage (FMAP) reduction from 68.14 percent to 67.10 percent for the last three quarters of state fiscal year 2008.
- c. Funds are provided to establish the required state match for a federal grant related to the Children's System of Care program.
- d. Appropriation is made to avoid a reduction in services resulting from a reduction in federal substance abuse block grant funding.
- e. Funding is provided to reimburse law enforcement agencies for transporting individuals to sites for evaluation or commitment for treatment as required by law.
- f. Funding annualizes fee-for-service provider rates paid by the agency , many of which had not been increased in more than a decade. The rates were well below Medicaid rates currently paid for the same services through the Oklahoma Health Care Authority. Funding was provided in 2006 to increase these rates beginning October 1, 2006, providing approximately 31 percent of the total amount necessary to increase the rates to the Medicaid level.
- g. Appropriation is made to annualize partial year funding associated with mental health courts and jail diversion programs for FY-08. The programs provide mechanisms for addressing the problems created when persons with mental illnesses interact with the criminal justice system. Funds were appropriated in FY-07 to provide the startup and operations costs of ten 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 correctional facilities 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.
- h. Funding annualizes partial year funding associated with crisis response system programs for FY-08. Oklahoma continues to have a tremendous need to develop a 24-hour behavioral health crisis response system for children and youth. FY-07

appropriations created 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 also created 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.

- i. Appropriation is made to annualize partial year funding associated with services for transitional youth. Funds appropriated in 2006 created services for transitional youth, each month assisting 50 low-income individuals between the ages of 17 and 24 years with mental illness or co-occurring disorders, who were discharged from psychiatric inpatient care, the Department of Corrections, the Office of Juvenile Affairs or transitioned from the foster care system by accessing and maintaining decent, safe, sanitary, and affordable housing. FY-07 funding also provided additional wrap-around and employment services to youth older than 15 years of age in five Systems of Care communities.
- j. Funding annualizes partial year appropriations associated with early intervention programs. FY-07 funding allowed Community Mental Health Centers (CMHC) to partner with local schools, child care centers, and other community agencies in utilizing evidence-based interventions to increase core mental health services for 1,800 children and youth.
- k. Funding annualizes partial year funding associated with adolescent substance abuse treatment facilities. FY-07 appropriations funded two 25-bed inpatient adolescent substance abuse treatment facilities each treating 600 adolescents and their families each year. The residential facilities are complimented by Multi-Dimensional Family Treatment (MDFT) services delivered to the adolescent and his or her family in their communities.
- l. The appropriation will, combined with agency carryover funds, address operational shortfalls in the budgets for the Griffin Memorial Hospital (GMH) and the Oklahoma Forensic Center (OFC). Funding has not been increased in several years, as operating and utility costs have consistently increased.
- m. Funding is provided to allow the agency to serve more Medicaid clients through CMHC and other providers.
- n. The appropriation replaces the loss in funding for the agency and GMH resulting from changes in the methodology used by the Oklahoma Health Care Authority in distributing the Disproportionate Share for Hospitals (DSH) for uncompensated care.

- o. One-time appropriation is made to purchase medical equipment for OFC.
- p. Funding will address 61 percent of employee benefit cost increases for the agency and avoid any reduction in services provided.
- q. Funding will provide 200 additional treatment slots within the Oklahoma County Drug Court.
- r. Funding is provided for the “Smart on Crime” initiative utilizing Constitutional Reserve Fund spillover funds in excess of the constitutional limit. The program will assist in providing homeless mental health and substance abuse clients with safe and sanitary housing to prevent involvement with the criminal justice system.

III. Policy Issues

- a. **SB 398** provides a definition for “financial neglect” and broadens the definition of “abuse” to include financial neglect as it relates to the abuse of vulnerable adults and persons with a mental illness.
- b. **SB 620** eliminates the requirement in the Licensed Behavioral Practitioner Act that all degrees be earned from a program accredited by the Master’s in Psychology Accreditation Council (MPAC).

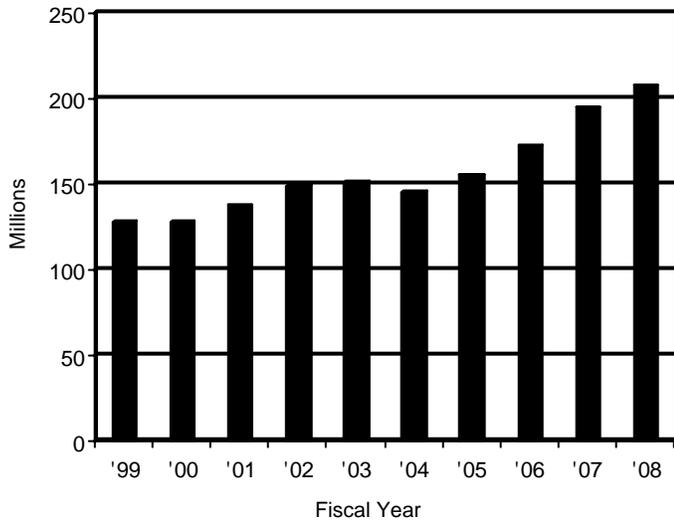
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$194,703,800	\$207,529,129	6.6%
Carryover	2,500,000	5,870,966	134.8%
Revolving Funds	41,195,625	42,999,606	4.4%
Federal Funds	39,292,832	43,161,553	9.8%
Total	\$277,692,257	\$299,561,254	7.9%

V. Budget References

SB 334, Section 79; HB 1105, Section 1 (A)(22); and HB 1231, Sections 1 through 8

VI. Ten Year Appropriation History



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
FY-03	\$150,924,452	FY-08	\$207,529,129

University Hospitals Authority

Dean Gandy, Director

Agency # 825

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$41,665,342	10.0
FY-08 Funding Adjustments:		
a. Child Study Center (Sooner SUCCESS)	<u>200,000</u>	
Total Adjustments	200,000	0.0
FY-08 Appropriation and FTE Authorization	\$41,865,342	10.0
Percent Change from FY-07	0.5%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Physicians throughout Oklahoma refer children to the Oklahoma University Health Sciences Center – Child Study Center. Appropriation is made to provide additional services to children with developmental disabilities, chronic health conditions, emotional/behavioral conditions, and abuse and neglect through the Child Study Center Sooner State Unified Children’s Comprehensive Exemplary Services for Special Needs (SUCCESS) program.

III. Policy Issues

- a. None

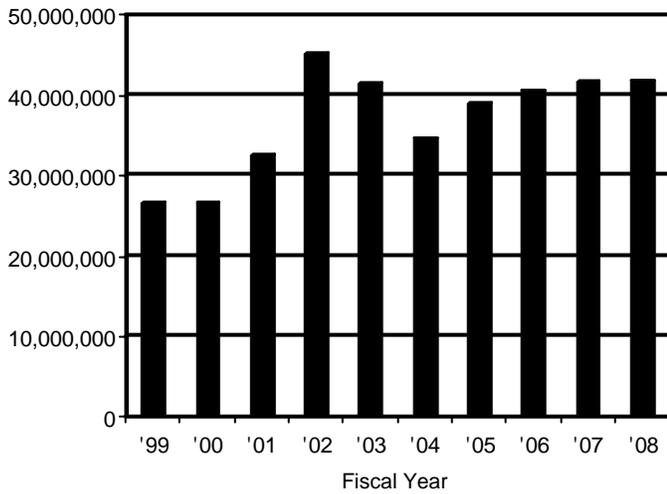
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$41,665,342	\$41,865,342	0.5%
Federal Funds	79,945,122	80,605,959	0.8%
Total	\$121,610,464	\$122,471,301	0.7%

V. Budget References

SB 334, Section 81; SB 248, Sections 1 through 4

VI. Ten Year Appropriation History



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
FY-03	\$41,499,895	FY-08	\$41,865,342

Note:

1. The FY-02 figure reflects an increase of funding for GME.

Elderly & Long-Term Care Subcommittee

Non-Appropriated Agencies
Board of Examiners for Nursing Homes

Veterans Subcommittee

Distribution of FY-08 Appropriations

Department of Veterans Affairs	\$40,282,600
Subcommittee Total	\$40,282,600
No Non-Appropriated Agencies	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Department of Veterans Affairs

Phillip Driskill, Director

Agency # 650

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$39,324,159	1,998.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$761,276	
b. Increase in Bond Payment	94,132	
c. Medical Supplies	<u>103,033</u>	
Total Adjustments	958,441	0.0
FY-08 Appropriation and FTE Authorization	\$40,282,600	1,998.0
Percent Change from FY-07	2.4%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funding is provided resulting from adjustments made to lease related to bonds issued by the Oklahoma Capitol Improvement Authority.
- c. Appropriation is made to compensate for the increased cost in medical supplies used at veterans' centers throughout the state.

III. Policy Issues

- a. None

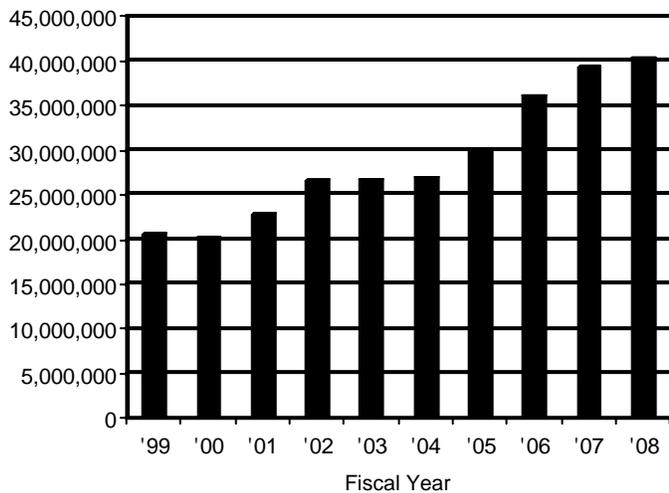
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$39,324,159	\$40,282,600	2.4%
Carryover	3,631,966	4,500,000	23.9%
Revolving Funds	32,526,878	32,003,108	-1.6%
Federal Funds	33,034,891	33,802,448	2.3%
Total	\$108,517,894	\$110,588,156	1.9%

V. Budget References

SB 334, Section 86; HB 1235, Sections 1 through 5

VI. Ten Year Appropriation History



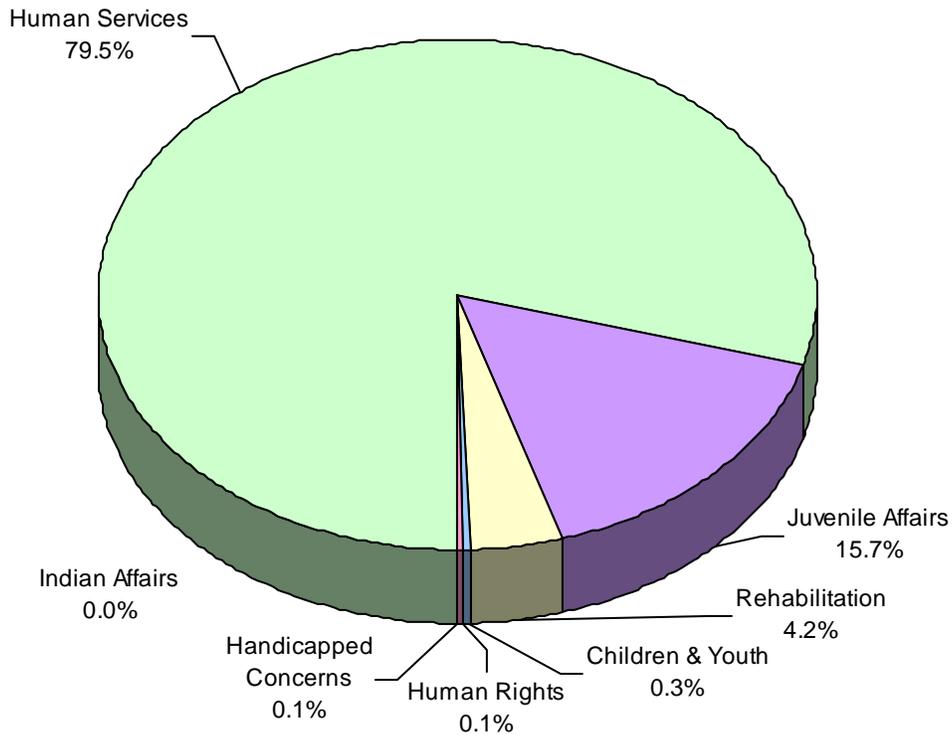
FY-99	\$20,654,195	FY-04	\$26,943,202
FY-00	\$20,316,847	FY-05	\$30,091,172
FY-01	\$22,791,233	FY-06	\$36,040,332
FY-02	\$26,570,641	FY-07	\$39,324,159
FY-03	\$26,687,506	FY-08	\$40,282,600

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.

Human Services Committee

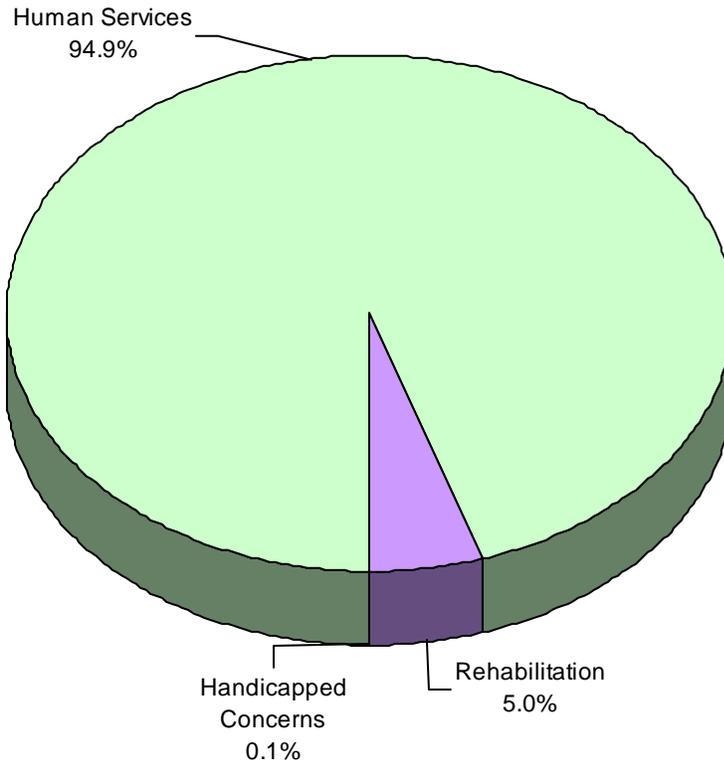
Distribution of FY-08 Appropriations



Department of Human Services	\$557,105,190
Juvenile Affairs	110,060,812
Rehabilitation Services	29,474,679
Children and Youth	2,334,473
Human Rights	710,226
Handicapped Concerns	412,769
Indian Affairs	<u>258,466</u>
Committee Total	\$700,356,615

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Social Services Subcommittee Distribution of FY-08 Appropriations



Department of Human Services	\$557,105,190
Rehabilitation Services	29,474,679
Handicapped Concerns	<u>412,769</u>
Committee Total	\$586,992,638
 <u>Non-Appropriated Agencies</u>	
Social Workers Board	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Office of Handicapped Concerns

Steve Stokes, Director

Agency # 326

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$381,813	8.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$2,956	
b. Funding for Benefits and Retirement Costs	13,000	
c. Outreach Funding for Printing and Postage	<u>15,000</u>	
Total Adjustments	30,956	0.0
FY-08 Appropriation and FTE Authorization	\$412,769	8.0
Percent Change from FY-07	8.1%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funds are provided to replace carryover funds the agency has been using in previous fiscal years to maintain operations.
- c. Appropriation is made to allow the agency to reach greater numbers of persons in the disabled community, who may not have access to materials available on the agency's website.

III. Policy Issues

- a. **HB 1804** changes the name of the Office of Handicapped Concerns to the Office of Disability Concerns regarding powers and duties provided in Oklahoma law and changes the State Treasury revolving fund for the Office of Handicapped Concerns to the Office of Disability Concerns effective November 1, 2007. The measure amends the membership of Strategic Planning Committee on the Olmstead Decision to reflect name change of the Office of Handicapped Concerns to the Office of Disability Concerns. Membership of Oklahoma Pharmacy Connection

Council and the Electronic and Information Technology Accessibility Advisory Council is amended to reflect the name change of the Office of Handicapped Concerns to the Office of Disability Concerns.

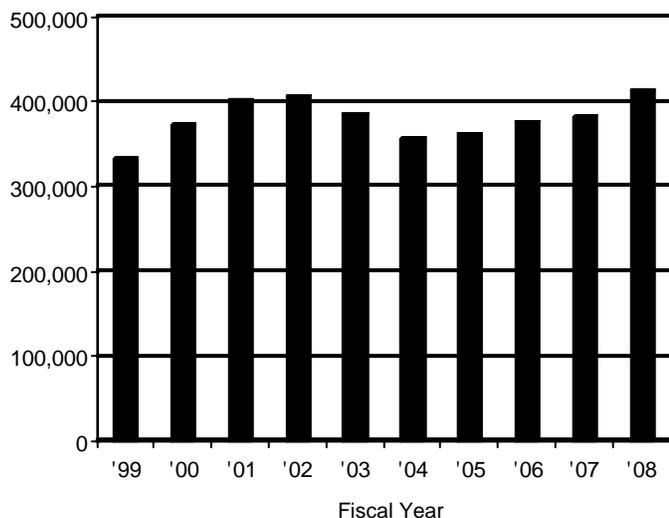
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$381,813	\$412,769	8.1%
Federal Funds	135,000	140,000	3.7%
Total	\$516,813	\$552,769	7.0%

V. Budget References

SB 334, Section 71; SB 254, Sections 1 through 5

VI. Ten Year Appropriation History



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
FY-03	\$386,278	FY-08	\$412,769

Department of Human Services

Howard Hendrick, Director

Agency # 830

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$535,797,324	7,704.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$2,012,007	
b. Decrease in Federal Medical Assistance	4,039,083	
c. Advantage Care Shortfall/Growth	12,500,000	
d. Family Foster Care Growth	969,231	
e. Adoption Assistance Growth	701,725	
f. 2-1-1 Call Center Expansion	130,000	
g. Level C Daily Rate Increase/Bed Expansion	317,000	
h. High-Risk Child Abuse Project Funding	300,000	
i. Senior Volunteer Program Funding	240,820	
j. Transformational Justice Funding	100,000	
k. FTE	<u>0</u>	<u>100.0</u>
Total Adjustments	21,309,866	100.0
FY-08 Appropriation and FTE Authorization	\$557,107,190	7,804.0
Percent Change from FY-07	4.0%	1.3%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funds are provided to offset the loss of federal funds to the agency as a result of the decrease in the Federal Medical Assistance Percentage (FMAP). DHS is one of several agencies including the Oklahoma Health Care Authority and the Department of Mental Health and Substance Abuse Services, receiving a decrease related to a change of the FMAP rate from 68.14 percent to 67.10 percent for the last three quarters of FY-08.

- c. Funds are provided intended to offset an FY-07 shortfall and FY-08 program growth in the Advantage 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. Appropriation is made to cover growth in the Family Foster Care program, which is less restrictive and costly than shelter care and other alternatives.
- e. The appropriation provides for 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 children being placed over the past five years. Adoption Assistance, like Family Foster Care, is less restrictive and less costly than shelter care.
- f. Funding expands the "2-1-1" program to northwest Oklahoma, completing coverage of the state. The program serves as the single central repository for information on public and private community assistance. Approximately 80 percent of persons contacting the program receive services from nonprofit groups rather than from state government.
- g. Of the total, \$150,000 will be used for an increase in the Level C group home rates from the current \$46.00 per day to a potential rate of \$91.50 per day. While increasing, the Level C rate will remain lower than \$122.00 per day rate for Level D group homes. Both Level C and Level D children have behavioral issues, with those in Level D being the more difficult and requiring greater supervision. The remaining \$167,000 will purchase 12 additional Level C beds.
- h. Funding will offset the loss of federal funds to the agency for continued support in providing clinical services, conducting ongoing training and for evaluation and research related to the urban High-Risk Child Abuse Project. The contractor, in conjunction with the agency, will recommend in a report to the Governor, Speaker of the House, and President Pro Tempore of the Senate no later than October 1, 2008, whether continued services are warranted. If services are deemed to be warranted, the agency shall include a proposal for providing such services within its FY-10 Budget Request.
- i. Funding is provided to address the rising travel reimbursement expenses for participants in the Senior Volunteer Program. Volunteers, who only receive reimbursement of expenses, allow the state to provide services to the elderly living at home who otherwise might be forced into a nursing home setting, thus providing adequate care to the elderly at a significantly reduced cost to the state.

- j. Appropriation is made to allow the Office of Faith-Based Initiatives in the agency to fund the provisions of HB 2101, the Re-entry Transformational Justice Act, so volunteer organizations can provide health, educational or vocational training and programs to those persons released from prisons seeking to reintegrate with society.
- k. Total full-time equivalent employees (FTE) in the agency are increased from 7,704 to 7,804, an increase of 100.0 FTE or 0.7 percent, to reflect funding of 100 child welfare workers in FY-07 and the migration of child enforcement officers formerly under District Attorney offices to DHS. Previously, many District Attorney offices hired child enforcement officers which were contracted for services to DHS. In the past year, some offices have chosen not to hire such officers, shifting responsibility for hiring officers in the districts to DHS.

III. Policy Issues

- a. **SB 738** amends: requirements of an Assisted Living Center and of the Oklahoma State Board of Examiners for Long-Term Care Administrators. A key provision of the Assisted Living Center language specifies that all care will be delineated in a written “plan of accommodation” which designates the person responsible for performing, monitoring and assuring compliance with the plan. Sections related to the Oklahoma State Board of Examiners for Long-Term Care Administrators grants the authority to the Oklahoma State Department of Health (OSDH) to authorize a long-term care administrator to be the “administrator of record” for more than one facility, provided that the facilities are within a fifty-mile radius of each other, the total of the administrator’s responsibility does not exceed more than 120 occupied beds and each facility retains an assistant administrator.
- b. **HB 1282** allows for an increase in the collection of court costs to benefit the Oklahoma Court Information System and the Child Abuse Multidisciplinary Account. Fees will provide \$1.0 million in additional funding for the Child Abuse Multidisciplinary Account and \$1 million in additional funding for Domestic Violence and Sexual Assault programs. The additional funds will enhance the Child Abuse Multidisciplinary Teams and Children's Advocacy Centers in providing protective services for abused and neglected children.
- c. **HB 1927** requires court-appointed special advocates (CASA) and persons making application for employment with CASA to have criminal background checks. The measure limits the appellate process to objections by the district attorney or child's

attorney only, based on grounds that the order of the court releasing the child from state custody creates a serious risk of danger to the health or safety of the child and provides a longer time period for filing of written applications for review of a court order.

- d. **SB 553** improves safeguards for foster and adoptive children and requires fingerprint- based criminal records checks and child abuse/neglect registry checks for states with existing registries for all prospective foster and adoptive placements. Certain criminal convictions will now prohibit a person from being approved as a foster or adoptive parent. Provisions also include the involvement of youth in judicial decision making regarding permanency and independent living plans.
- e. **SB 790** allows parents, guardians, and legal custodians full and timely access to all reports that are considered by the court in any custody or visitation proceeding in deprived actions. The measure includes new law requiring DHS, the Oklahoma Commission on Children and Youth, the district attorney, the district court clerk, and the judge having jurisdiction to release certain information to the public when a person responsible for a child has been criminally charged with the death or near death of a child. The measure also amends the definition of neglect to include abandonment or failure to provide adequate food, clothing, shelter, medical care, or supervision or special care made necessary by the physical or mental condition of a child.
- f. **SB 943** adds personal injury and wrongful death lump sum benefits to the list of payments subject to a lien for past due child support. Present law provides that past due child support is a lien which can attach to benefits payable from personal injury or workers' compensation. Under the provisions of the measure, these liens can now become collectable because DHS and insurance companies will exchange information to ascertain if a claimant owes past due child support which has become a lien. As the system is fully implemented, collections from child support liens could reach \$9 million over the next three years.
- g. **HB 1933** amends duties and responsibilities of the Strategic Planning Committee (Committee) on the Olmstead Decision to include monitoring the implementation of the comprehensive, strategic plan for the state regarding the Olmstead Decision, examining feasibility of expanding eligibility criteria of persons served by the Developmental Disabilities Services Division (DDSD) to include those not eligible for Advantage Waiver and those with other diagnoses at risk of out-of-home placement and studying the feasibility and impact of requiring assistive technology suppliers in the state to meet national certification requirements. The

measure also requires DHS and the Department of Mental Health and Substance Abuse, in cooperation with community stakeholders, to develop a prescreening process to be utilized prior to or within 20 days of admission of an individual being admitted to a nursing facility and requires Oklahoma Health Care Authority to develop and implement a durable medical equipment retrieval program.

- h. **HB 1804** requires the agency to verify lawful presence in the United States of persons applying for benefits, excludes verification under certain circumstances, requires execution of an affidavit when lawful presence cannot be provided, requires verification of lawful immigration status through the Systematic Alien Verification of Entitlement Program for noncitizens, and requires an annual compliance report.
- i. **SB 398** defines a new category of financial neglect to be included as grounds for Adult Protective Services referrals, adds additional individuals to the list of mandatory reporters, and allows a court to order eviction of persons from a vulnerable adult's real property, owned or rented, and sale of a vulnerable adult's personal property as needed to meet the adult's needs.
- j. **SB 499** authorizes a 15-member task force to meet and join forces in developing strategies and services designed to reduce hunger in Oklahoma. Strategies would include extending existing programs and outreach efforts to expand service, involve schools to identify and improve student access to sufficient and nutritious food, and refer eligible persons to existing programs. Currently, over 400,000 individuals, or approximately 65 percent of the eligible population, receive Food Stamp benefits each month.
- h. **SB 42** authorizes, but does not require, documents to be filed electronically with the Office of Administrative Hearings (OAH) within the agency. OAH provides judicial and court clerk functions for the administrative child support hearing system and has more yearly filings than all but two district courts. Electronic filing by the Child Support Enforcement Division will reduce errors and eliminate the filing, scanning and storage of the 80,000 sheets of paper per month that are now filed with OAH.
- i. **HB 2101** creates the Transformational Justice Act, establishing a Reentry Policy Council to provide oversight of the reentry policies and programs operated by the Department of Corrections. The measure creates the Transformational Justice Interagency Task Force to establish goals for reducing the recidivism rate and establishes, develops, and coordinates various programs associated with inmate reentry. Also, the measure creates a revolving fund for the Office of Faith-Based

Initiatives to be designated the Reintegration of Inmates Revolving Fund to assist in reintegration efforts of the Reentry Policy Council.

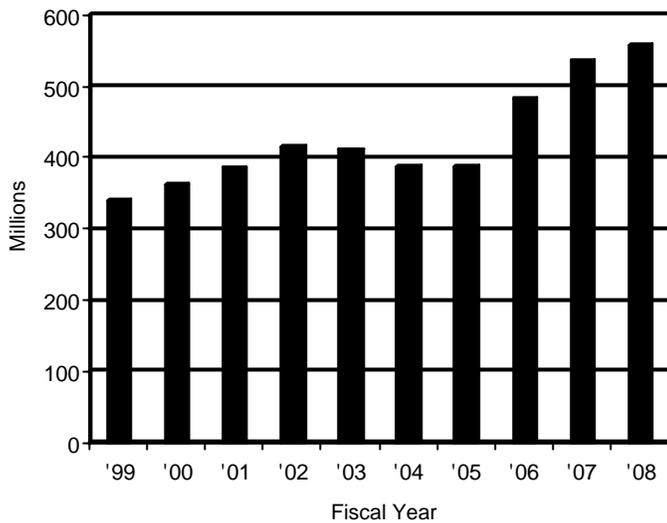
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$486,635,145	\$532,107,190	9.3%
Special Cash Fund	35,857,688	25,000,000	-30.3%
Tobacco Settlement Fund	13,304,491	0	-100.0%
Carryover	21,938,337	26,998,945	23.1%
Federal Funds	1,147,272,987	1,145,235,430	-0.2%
Total	\$1,705,008,648	\$1,729,341,565	1.4%

V. Budget References

SB 334, Sections 73 and 74; HB 1243, Sections 1 through 16

VI. Ten Year Appropriation History



FY-99	\$339,685,593	FY-04	\$387,923,039
FY-00	\$362,713,658	FY-05	\$387,455,619
FY-01	\$386,227,781	FY-06	\$481,991,177
FY-02	\$416,396,819	FY-07	\$535,797,324
FY-03	\$410,923,039	FY-08	\$557,107,190

Department of Rehabilitation Services

Linda Parker, Director

Agency # 805

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$29,213,250	784.0
FY-08 Funding Adjustments:		
a. Deletion of One-time Appropriations	-\$224,000	
b. State Employee Pay Increase Annualization	187,245	
c. Bond Retirement Costs	196,184	
d. Salary Increases/Benefits for Teachers	<u>102,000</u>	
Total Adjustments	261,429	0.0
FY-08 Appropriation and FTE Authorization	\$29,474,679	784.0
Percent Change from FY-07	0.9%	0.0%
<u>Constitutional Reserve Fund Spillover</u>		
e. Schools' Capital Improvements	\$2,000,000	
f. FY-08 EESIP and Non-EESIP Increases (SB 357)	10,922	
g. FY-08 Targeted Teacher Salary Increase	<u>53,773</u>	
FY-08 Total Expenditure Authorization	\$31,539,374	

II. FY-08 Appropriations Adjustments Detail

- a. One-time FY-07 appropriations were made for vehicle replacement at the Oklahoma School for the Blind (OSB) and Oklahoma School for the Deaf (OSD) are removed in FY-08.
- b. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- c. Funding is provided resulting from adjustments made to lease related to bonds issued by the Oklahoma Capitol Improvement Authority.

- d. Funds are provided accommodate the \$600 across-the-board teacher salary increase.
- e. Funding is provided from the Constitutional Reserve Fund spillover in excess of the Fund's constitutional limit to allow capital improvements to be made at the OSB and the OSD, including air-conditioning system upgrades and security fencing at the schools.
- f. The appropriation represents the amount necessary to increase employer contribution rates to the Oklahoma Teachers' Retirement System as provided in **SB 357**.
- g. In addition to the \$600 across-the-board teacher salary increase, the Legislature provided funding for targeted increases to teachers with ten years of experience or more. Experienced teachers with a bachelors degree will earn an additional \$425, those with a masters degree will earn an additional \$850, and those with a doctorate will earn an additional \$1,700, as set forth in **HB 1134**.

III. Policy Issues

- a. **SB 485** impacts persons with very severe disabilities receiving Social Security disability payments by providing incentive payment for vocational rehabilitation staff when efforts result in successful employment of Social Security recipients. Incentive payments are to come from federal funds, resulting in benefits to the person achieving employment, the staff facilitating employment and to taxpayers.

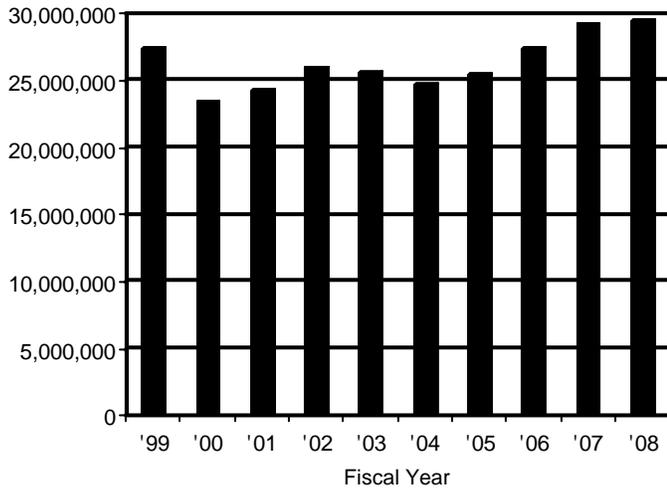
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$28,963,250	\$29,474,679	1.8%
Education Lottery Fund	250,000	0	-100.0%
Revolving Funds	1,832,500	3,960,755	116.1%
Carryover	13,991,186	8,451,096	-39.6%
Federal Funds	98,463,064	98,023,470	-0.4%
Total	\$143,500,000	\$139,910,000	-2.5%

V. Budget References

SB 334, Section 75; HB 1249, Sections 1 through 11; HB 1105, Section 1(A)(20)

VI. Ten Year Appropriation History



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
FY-03	\$25,576,817	FY-08	\$29,474,679

Children & Families Subcommittee

Distribution of FY-08 Appropriations

Juvenile Affairs	\$110,060,812
Children and Youth	<u>2,334,473</u>
Subcommittee Total	\$112,395,285
No Non-Appropriated Agencies	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Oklahoma Commission of Children and Youth

Janice Hendrix, Director

Agency # 127

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$2,101,609	27.5
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$11,864	
b. Replace Title IV Foster Care Admin. Funds	<u>221,000</u>	
Total Adjustments	232,864	0.0
FY-08 Appropriation and FTE Authorization	\$2,334,473	27.5
Percent Change from FY-07	11.1%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funds are provided to replace Title IV-E Foster Care administration funds the agency had utilized in previous fiscal years to maintain operation of existing programs.

III. Policy Issues

- a. **SB 787** modifies the Child Abuse Prevention Act by eliminating the requirement for district task forces, which will change how the state plan is developed. The agency will review the state plan annually instead of every two years. Revisions based on changing needs and program evaluation results must be made no less than every five years rather than every two years.
- b. **SB 790** makes changes to public reports filed when a child dies or nearly dies as a result of abuse or neglect and the person responsible for the child is charged with a crime related to the death or near death. The agency is required to complete reports within 30 days of the date charges are filed and, upon request, issue

reports on all qualifying deaths and near deaths. The agency is to also report on its involvement and knowledge of the case prior to the death or near death.

- c. **HB 1645** deletes obsolete language and eliminates the requirement to produce an annual children’s budget. The agency will continue to produce topic-specific budgets upon request and may complete a children’s budget if necessary to obtain reliable comparable data. The measure also requires the agency to report to the Legislature on the expenditures of Community Partnership Boards.

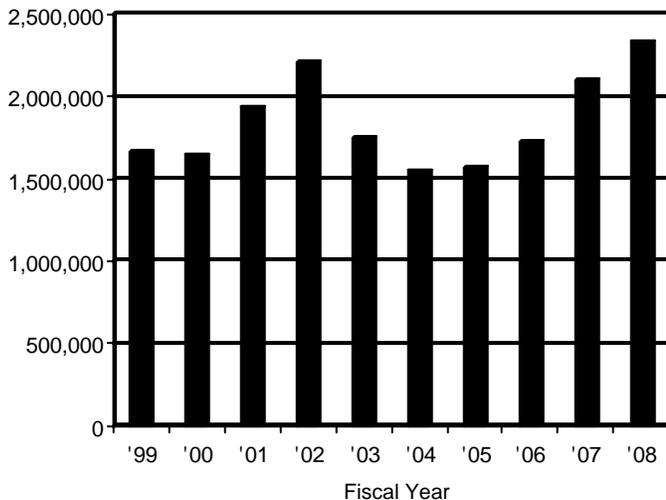
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$2,101,609	\$2,334,473	11.1%
Carryover	205,000	191,000	-6.8%
Revolving Funds	130,000	165,000	26.9%
Federal Funds	837,970	824,527	-1.6%
Total	\$3,274,579	\$3,515,000	7.3%

V. Budget References

SB 334, Section 70; SB 252, Sections 1 through 5

VI. Ten Year Appropriation History



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
FY-03	\$1,751,885	FY-08	\$2,334,473

Office of Juvenile Affairs

Gene Christian, Director

Agency # 400

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$104,219,585	1,055.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$437,047	
b. Youth Services Funding	2,000,000	
c. OJA Classified Personnel Salary Increase	1,223,000	
d. Annualize OJA Supplemental Request	1,000,000	
e. Level E Rate Increase	486,180	
f. Tulsa/Woodward CIC Funding	425,000	
g. Increased Detention Bed Funding	<u>270,000</u>	
Total Adjustments	5,841,227	0.0
FY-08 Appropriation and FTE Authorization	\$110,060,812	1,055.0
Percent Change from FY-07	5.6%	0.0%
<u>Constitutional Reserve Fund Spillover</u>		
h. Gang Intervention Funding	<u>\$50,000</u>	
FY-08 Total Expenditure Authorization	\$110,110,812	

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriation is made increasing funding to the Oklahoma Association of Youth Services (OAYS) agencies by \$1,500,000, the first operational funding increase to the forty-two statewide OAYS agencies since FY-02. The intent of the Legislature authorizes the Executive Director of the Office of Juvenile Affairs (OJA) and the Executive Director of OAYS to develop an allocation for distributing funding in a manner ensuring continued viability of local youth services agencies throughout

the state. Additionally, \$500,000 in youth service funding is provided to Canadian County to match a federal capital improvement grant.

- c. Funds will provide classified facility and district office employees not receiving the 2006 \$1,000 pay raise with a similar increase, with an estimated cost of \$163,000. All classified positions at OJA institutions and in district offices will have their salaries increased to either the midpoint of their job class level or a level not to exceed \$2,000, with an estimated cost of \$1,060,000. The increases were the top funding priority of the agency and is designed to move agency employees closer to parity with those in the Department of Human Services (DHS), the Department of Corrections, and other state agencies with similar classified personnel.
- d. Funds are appropriated to annualize \$1.0 million of the \$4.3 million FY-07 supplemental appropriation the agency received in HB 1234 for operational costs.
- e. Funding will allow for an increase in the Level E rate from \$136.00 per day to \$142.00 per day. After the increase the Level E rate at OJA will still be \$12.00 per day less than the Level E rate in DHS. Level E assignments involve children with significant behavioral issues.
- f. Appropriation is made to establish new community intervention centers (CIC) in Tulsa and Woodward. CICs are the first contact point following a juvenile arrest for minor offenses and serve as interim holding facilities until such individuals are released to their parents or guardians. Of the total appropriation, \$300,000 is expended at the center in Tulsa and \$125,000 at the center in Woodward. Presently, CICs located in Clinton, Duncan, Enid, Lawton, Muskogee, Norman, and Oklahoma City.
- g. Funds are provided for increases in juvenile detention beds within the juvenile detention center system related to the \$3.3 million in FY-07 supplemental funding for construction of a new detention center in Craig County.
- h. Funding is provided from the Constitutional Reserve Fund spillover in excess of the Fund's constitutional limit to the OJA Revolving Fund for purposes related to the Oklahoma Statewide Gang Intervention Steering Committee created in HB 1760.

III. Policy Issues

- a. **HB 1760** includes provisions related to child sexual abuse and the post-imprisonment for sex offenders. Additionally, the Oklahoma Statewide Gang Intervention Steering Committee is created to coordinate a response to gang activity and violence and determine strategies for the prevention of juvenile sex offenses.
- b. **HB 1895** creates the Oklahoma Youth and Gang Violence Coordinating Council to coordinate Oklahoma's response to gang activity and violence by assessing and making recommendations of programs and services provided by the agency.
- c. **SB 390** allows the agency to have appeal rights with the Court of Criminal Appeals. District attorneys are allowed to provide a brief summary to victims of delinquent acts and to disclose confidential juvenile records to certain federal entities.

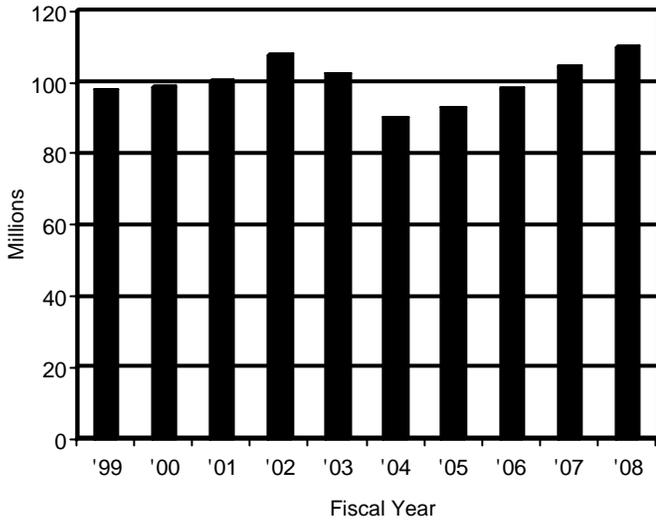
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$104,219,585	\$110,060,812	5.6%
Carryover	1,342,978	0	-100.0%
Revolving Funds	1,304,557	1,354,657	3.8%
Federal Funds	13,351,282	13,532,606	1.4%
Total	\$120,218,402	\$124,948,075	3.9%

V. Budget References

SB 334, Sections 77 and 78; HB 1247, Sections 1 through 12; HB 1105, Section 1(A)(23)

VI. Ten Year Appropriation History



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
FY-03	\$102,368,528	FY-08	\$110,060,812

International, Federal & Tribal Relations Subcommittee

Distribution of FY-08 Appropriations

Human Rights	\$710,226
Indian Affairs	<u>258,466</u>
Subcommittee Total	\$968,692
No Non-Appropriated Agencies	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Human Rights Commission

Ken Kendricks, Director

Agency # 355

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$704,310	28.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$5,916	
Total Adjustments	5,916	0.0
FY-08 Appropriation and FTE Authorization	\$710,226	28.0
Percent Change from FY-07	0.8%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. **HB 1804** prohibits discriminatory practices under certain circumstances in which an employer discharges a U.S. Citizen or permanent resident alien while retaining an employee whose employer knows or has reason to know is an illegal immigrant. Legal remedies include reinstatement of the U.S. citizen with back pay. The measure also requires the Commission and other agencies to utilize a Status Verification System to verify the federal employment authorization status of all new employees. The measure also prohibits the Commission and other agencies from entering into a contracts, unless the contractor or vendor participates in the Status Verification System to verify the work eligibility status of all new employees.

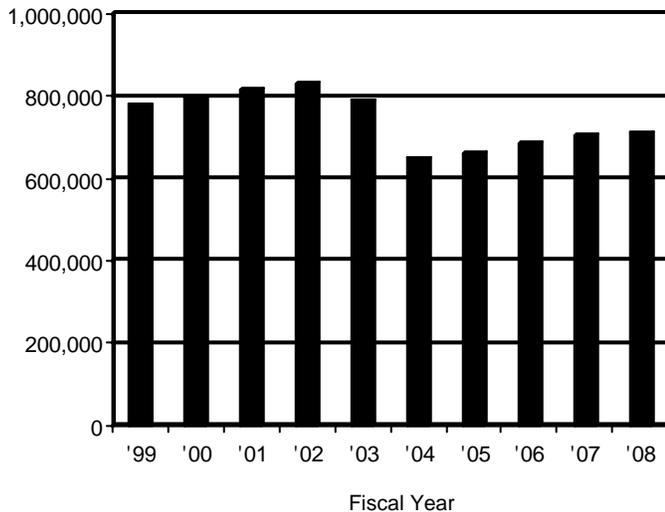
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$704,310	\$710,226	0.8%
Carryover (State)	14,000	2,500	-82.1%
Federal Funds	420,770	315,000	-25.1%
Carryover (Federal)	294,000	280,000	-4.8%
Total	\$1,433,080	\$1,307,726	-8.7%

V. Budget References

SB 334, Section 72; SB 256, Sections 1 through 5

VI. Ten Year Appropriation History



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
FY-03	\$790,374	FY-08	\$710,226

Indian Affairs Commission

Barbara Warner, Director

Agency # 360

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$257,732	6.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	<u>\$734</u>	
Total Adjustments	\$734	0.0
FY-08 Appropriation and FTE Authorization	\$258,466	6.0
Percent Change from FY-07	0.3%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. **SB 938** allows the Department of Human Services, the State Department of Health and the State Fire Marshall to enter into agreements with Indian tribes in the state for conducting inspections of child care facilities operated by tribes seeking to comply with the state licensing provisions of the Oklahoma Child Care Facilities Licensing Act.

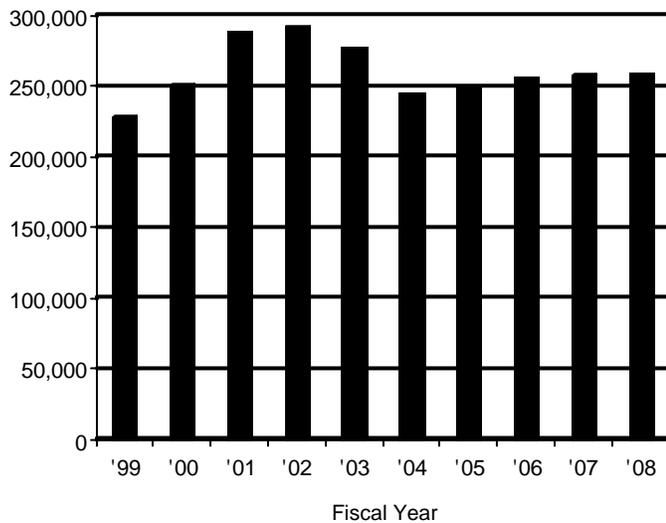
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$257,732	\$258,446	0.3%
Carryover	60,000	10,000	-83.3%
Total	\$317,732	\$268,446	-15.5%

V. Budget References

SB 334, Section 76; SB 260, Sections 1 through 6

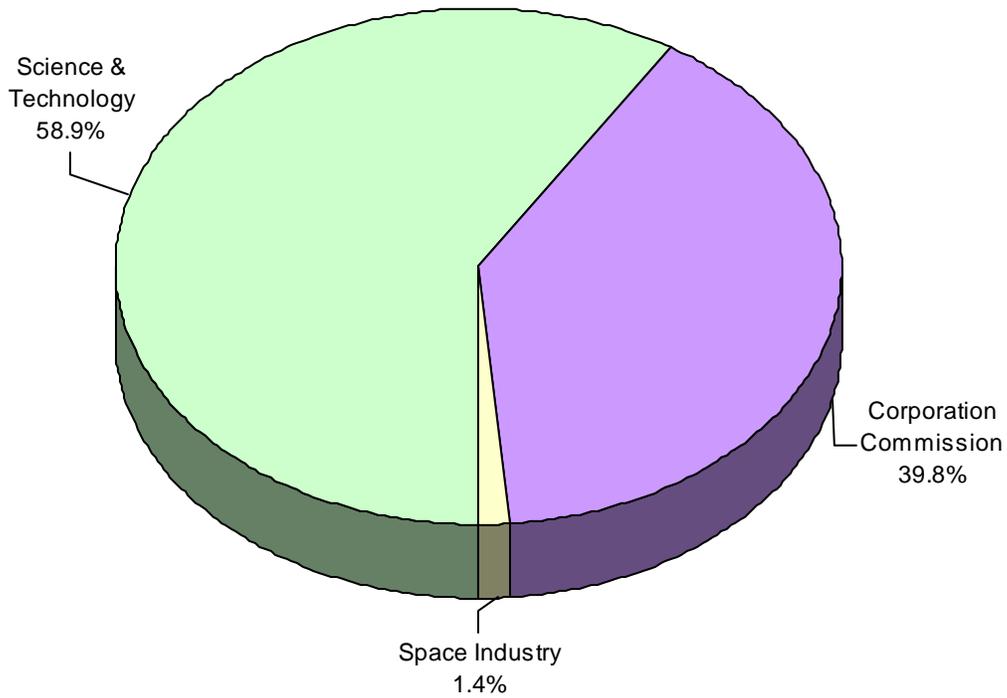
VI. Ten Year Appropriation History



FY-99	\$228,009	FY-04	\$244,000
FY-00	\$250,161	FY-05	\$248,942
FY-01	\$287,843	FY-06	\$55,530
FY-02	\$291,247	FY-07	\$257,732
FY-03	\$276,685	FY-08	\$258,466

Energy & Technology Committee

Distribution of FY-08 Appropriations



Center for Science and Technology	\$22,456,507
Corporation Commission	15,270,533
Space Industry Development	<u>530,340</u>
Committee Total	\$38,257,380

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Energy Subcommittee

Non-Appropriated Agencies

Energy Resources Board

LP Gas Board

LP Gas Research

Marginally Producing Well Board

Interstate Oil Compact

Telecommunications & Utility Regulation Subcommittee

Distribution of FY-08 Appropriations

Corporation Commission	\$15,270,533
Subcommittee Total	\$15,270,533
<u>Non-Appropriated Agencies</u>	
Oklahoma Municipal Power Authority	
Grand River Dam Authority	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Corporation Commission

Jeff Cloud, Chairman

Agency # 185

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$14,083,860	547.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$226,557	
b. Authorization for Use for Trucking One Stop Shop	3,060,116	
c. Removal of Gas Seep Fund	-200,000	
d. Reduction in Base - Recouped by Federal Funds	<u>-1,900,000</u>	
Total Adjustments	1,186,673	0.0
FY-08 Appropriation and FTE Authorization	\$15,270,533	547.0
Percent Change from FY-07	8.4%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Authorization is provided for the use of funds accruing to the Trucking One Stop Shop, derived from carrier license and renewals, citations and other fees. Funds are used for the operation of the Transportation Division of the Corporation Commission.
- c. One-time FY-07 funding for natural gas mitigation is removed for FY-08.
- d. An FY-07 supplemental appropriation was made to make up for delayed federal funds, a portion of which the agency was to repay to the Treasury. The one-time reduction in base appropriations resolves the issue without the agency having to repay the Treasury over time.

III. Policy Issues

- a. None

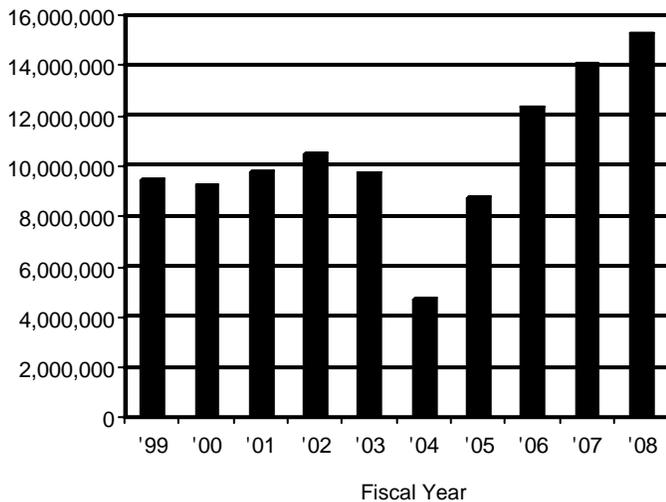
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$14,083,860	\$12,210,417	-13.3%
Trucking One-Stop Shop Fund	0	3,060,116	N/A
Revolving and Carryover Funds	20,600,000	19,532,662	-5.2%
Federal Funds	815,000	1,033,338	26.8%
Total	\$35,498,860	\$35,836,533	1.0%

V. Budget References

SB 334, Sections 93 and 94; HB 1251, Sections 1 through 3

VI. Ten Year Appropriation History



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
FY-03	\$9,735,621	FY-08	\$15,270,533

Notes:

1. FY-06 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.

Aerospace & Technology Subcommittee

Distribution of FY-08 Appropriations

Center for Science and Tech	\$22,456,507
Space Industry Development	<u>530,340</u>
Subcommittee Total	\$22,986,847
No Non-Appropriated Agencies	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Oklahoma Center for the Advancement of Science and Technology

Michael Carolina, Executive Director

Agency # 628

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$22,442,616	24.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$13,891	
b. Removal of One-time Seed Capital Funding	-5,000,000	
c. Oklahoma Bioenergy Center	4,000,000	
d. Energy Futures Institute of Tulsa	500,000	
e. Seed Capital Funding	150,000	
f. Oklahoma Medical Research Foundation	350,000	
g. FTE Increase	_____	1.0
Total Adjustments	13,891	1.0
FY-08 Appropriation and FTE Authorization	\$22,456,507	25.0
Percent Change from FY-07	0.1%	4.2%
<u>Constitutional Reserve Fund Spillover</u>		
h. Biodiesel Fuel Center	\$6,000,000	
i. Seed Capital	500,000	
FY-08 Total Expenditure Authorization	\$28,956,507	

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. One-time FY-07 appropriation was made for capital funding to invest in start-up enterprises and to promote economic development. Funding is removed for FY-08.

- c. Funding is provided to create the Oklahoma Bioenergy Center, a joint enterprise between OU, OSU and the Samuel Roberts Noble Foundation. The purpose of the center is to coordinate resources and to conduct research in the fields of biofuels and bioenergy.
- d. Appropriation is made for an energy futures institute in Tulsa. The purpose of the institute is to promote research and recommend policies that would enhance American energy security and reduce America's dependence on foreign energy sources.
- e. Funds are provided for further investment in start-up businesses and to promote economic development.
- f. Funding is provided for the purchase of a small animal magnetic resonance imaging (MRI) system by the Oklahoma Medical Research Foundation.
- g. Total full-time equivalent employees (FTE) are increased to 25. The additional FTE is for OCAST staff assistance to the EDGE Fund Board of Investors, mandated in **SB 99XX**, of the 2nd Special Session of the 50th Oklahoma Legislature.
- h. Funding is provided from the Constitutional Reserve Fund spillover in excess of the Fund's constitutional limit to fund the Oklahoma Bioenergy Center. The funding is to flow through the Department of Commerce to the Oklahoma Bioenergy Center, pursuant to provisions of **SB 609**.
- i. Funds are provided from the Constitutional Reserve Fund spillover in excess of the Fund's constitutional limit for further investment in start-up businesses and to promote economic development.

III. Policy Issues

- a. None

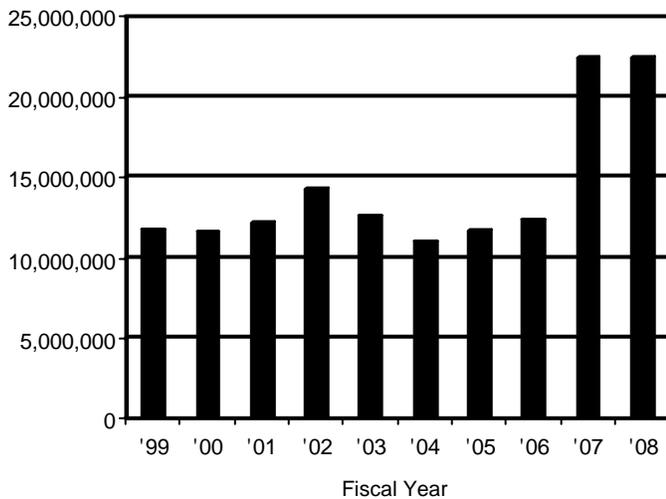
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$22,442,616	\$22,456,507	0.1%
Research Support Revolving Fund	6,107,709	14,900,000	144.0%
Total	\$28,550,325	\$37,356,507	30.8%

V. Budget References

SB 334, Section 34; SB 196, Section 1 through 5; HB 1105, Section 1(A)(9) and 1(A)(10)

VI. Ten Year Appropriation History



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
FY-03	\$12,597,604	FY-08	\$22,456,507

Notes:

1. FY-02 includes \$1,000,000 to create the Institute of Technology as required in SB 694.
2. The FY-07 increase reflects the Legislature's intent to invest in economic development through increased research and seed capital funding.

Oklahoma Space Industry Development Authority

William Khourie, Executive Director

Agency # 346

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$528,571	5.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$1,769	
Total Adjustments	\$1,769	0.0
FY-08 Appropriation and FTE Authorization	\$530,340	5.0
Percent Change from FY-07	0.3%	0.0%
<u>Constitutional Reserve Fund Spillover</u>		
b. Capital Improvements	\$2,000,000	
FY-08 Total Expenditure Authorization	\$2,530,340	

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funding is provided from the Constitutional Reserve Fund spillover in excess of the Fund's constitutional limit for capital improvements including a security fence and a mission control center.

III. Policy Issues

- a. None

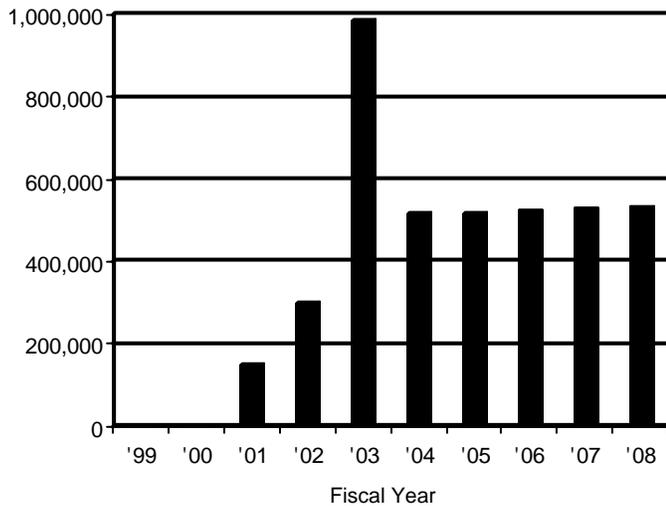
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$528,571	\$530,340	0.3%
Revolving Funds	400,000	889,052	122.3%
Federal Funds	8,000,000	635,241	-92.1%
Total	\$8,928,571	\$2,054,633	-77.0%

V. Budget References

SB 334, Section 68; HB 1255, Sections 1 through 6; HB 1105, Section 1(A)(17)

VI. Ten Year Appropriation History

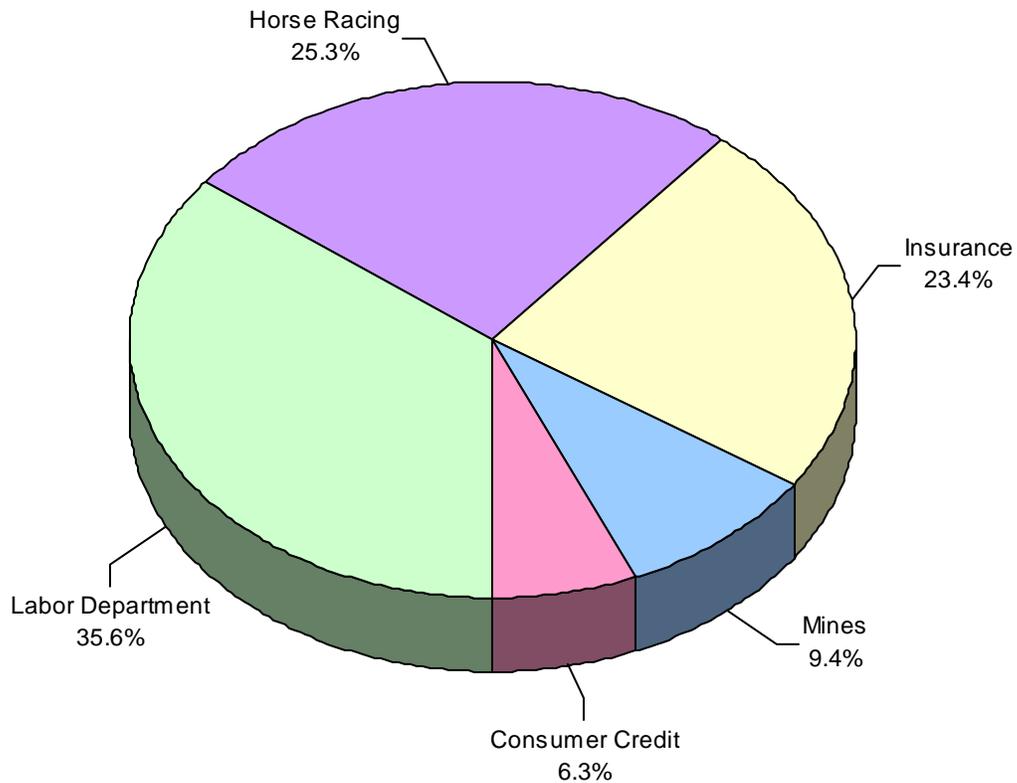


FY-99	N/A	FY-04	\$515,851
FY-00	N/A	FY-05	\$518,323
FY-01	\$150,000	FY-06	\$523,264
FY-02	\$300,000	FY-07	\$528,571
FY-03	\$985,000	FY-08	\$530,340

Notes:

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

Economic Development & Financial Services Committee Distribution of FY-08 Appropriations



Labor Department	\$3,760,284
Horse Racing Commission	2,669,568
Insurance Department	2,515,943
Department of Mines	1,013,586
Consumer Credit	<u>669,042</u>
Committee Total	\$10,628,423

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Insurance & Retirement Subcommittee

Distribution of FY-08 Appropriations

Insurance Department	\$2,515,943
Subcommittee Total	\$2,515,943
<u>Non-Appropriated Agencies</u>	
CompSource	
Oklahoma Employment Securities Commission	
Firefighters Pension & Retirement System	
Oklahoma State & Education Employees Group	
Insurance Board (OSEEGIB)	
Justices and Judges Retirement System	
Law Enforcement Retirement	
Police Pension and Retirement System	
Public Employees Retirement System	
Teachers Retirement System	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Insurance Department

Honorable Kim Holland, Insurance Commissioner

Agency # 385

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$2,444,856	148.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$71,087	
b. FTE Increase	_____	5.0
Total Adjustments	\$71,087	5.0
FY-08 Appropriation and FTE Authorization	\$2,515,943	153.0
Percent Change from FY-07	2.9%	3.4%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. The agency's full-time equivalent employee (FTE) authorization is increased by five to allow for the filling of four positions to assist with the Oklahoma Employer/Employee Partnership for Insurance Coverage Premium Assistance program and one actuary position for the agency.

III. Policy Issues

- a. **SB 560** allows the Insurance Commissioner to contract with nongovernmental entities for the collection of fees for the agency.

IV. Budget Resources

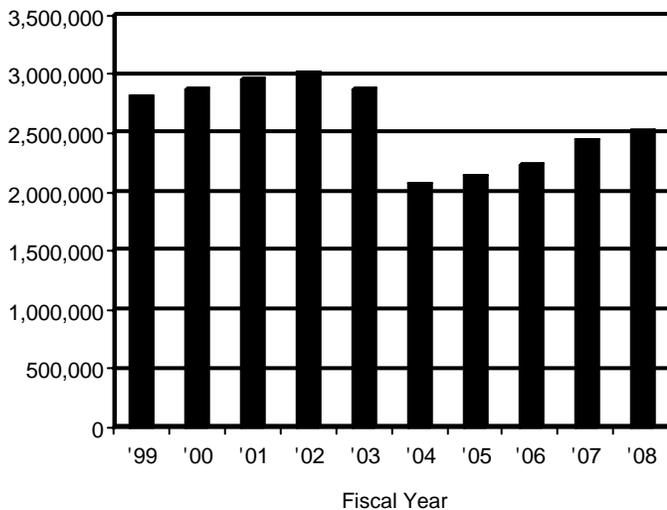
	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$2,444,856	\$2,515,943	2.9%
Revolving and Carryover Funds*	6,773,418	8,685,168	28.2%
Federal Funds	436,096	951,789	118.3%
Total	\$9,654,370	\$12,152,900	25.9%

* For FY-08, \$8,685,168 in revolving fund revenue and no anticipated carryover.

V. Budget References

SB 334, Section 98; HB 1261, Sections 1 through 3

VI. Ten Year Appropriation History



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
FY-03	\$2,872,013	FY-08	\$2,515,943

Banking Subcommittee

Distribution of FY-08 Appropriations

Consumer Credit Commission	\$669,042
Subcommittee Total	\$669,042
<u>Non-Appropriated Agencies</u>	
Banking Department	
Capital Investment Board	
Credit Union Board	
Securities Commission	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Commission on Consumer Credit

Donald K. Hardin, Administrator

Agency # 635

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$661,263	16.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$7,779	
Total Adjustments	\$7,779	0.0
FY-08 Appropriation and FTE Authorization	\$669,042	16.0
Percent Change from FY-07	1.2%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. None

IV. Budget Resources

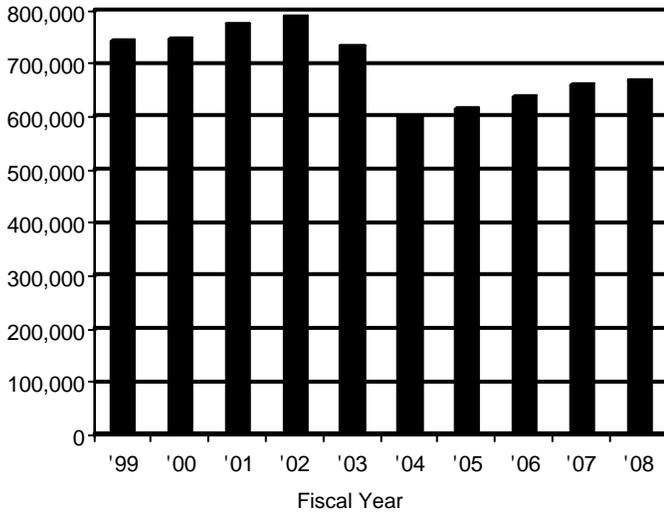
	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$661,263	\$669,042	1.2%
Revolving and Carryover Funds*	360,847	838,737	132.4%
Total	\$1,022,110	\$1,507,779	47.5%

* For FY-08, \$828,737 in revolving fund revenue and carryover of \$10,000.

V. Budget References

SB 334, Section 92; HB 1257, Sections 1 through 3

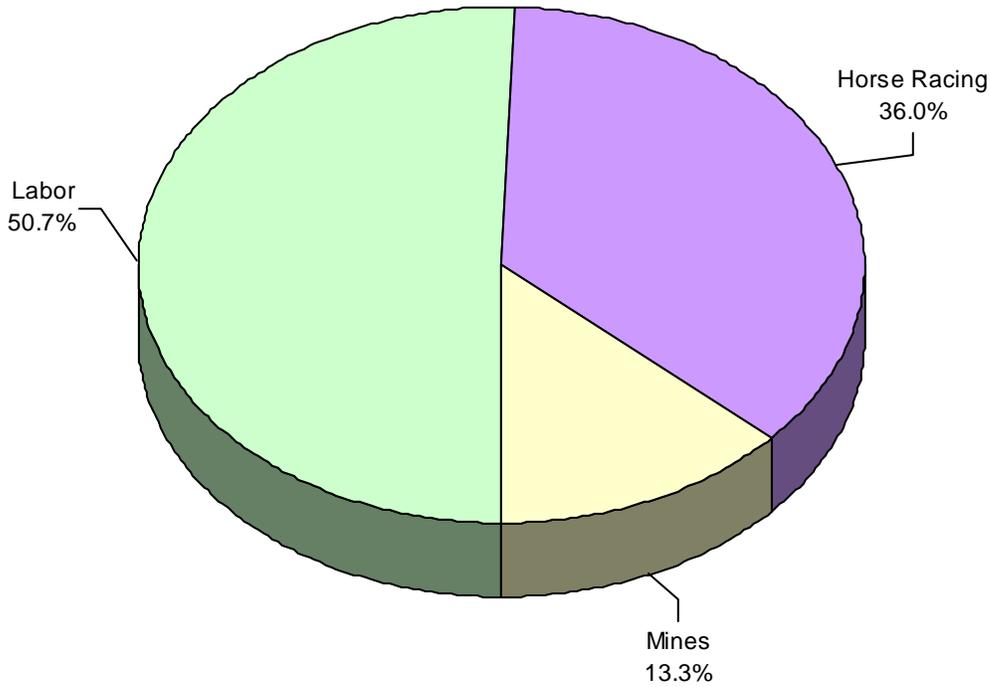
VI. Ten Year Appropriation History



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
FY-03	\$733,716	FY-08	\$669,042

Industry & Labor Subcommittee

Distribution of FY-08 Appropriations



Department of Labor	\$3,760,284
Horse Racing Commission	2,669,568
Department of Mines	<u>1,013,586</u>
Committee Total	\$7,443,438
<u>Non-Appropriated Agencies</u>	
Accountancy Board	
Board of Architects	
Boxing Commission	
Burial Board	
Construction Industries Board	
Cosmetology Board	
Embalmers & Funeral Directors	
Engineers/Surveyors Board	
Real Estate Commission	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Oklahoma Horse Racing Commission

Constantin A. Rieger, Executive Director

Agency # 353

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$2,618,898	56.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	<u>\$50,670</u>	
Total Adjustments	\$50,670	0.0
FY-08 Appropriation and FTE Authorization	\$2,669,568	56.0
Percent Change from FY-07	1.9%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. **SB 984** authorizes Oklahoma's entry into the Interstate Compact on Licensure of Participants in Live Horse Racing with Pari-mutual Wagering. The purpose of the compact is to facilitate growth in the industry by establishing uniform requirements among member states for licensing, participation and wagering.

IV. Budget Resources

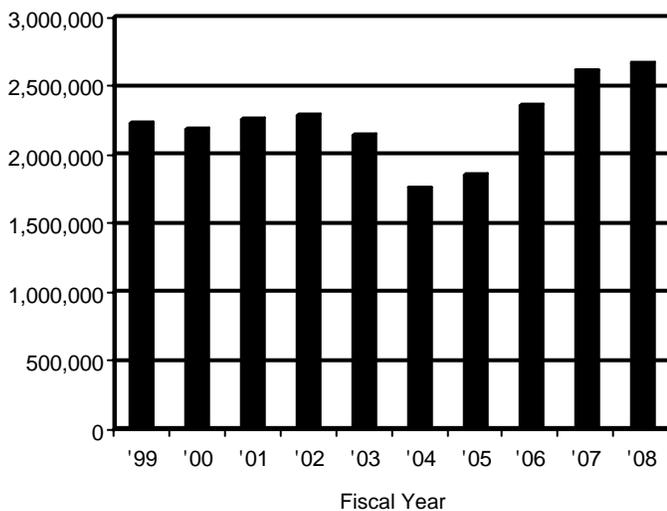
	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$2,618,898	\$2,669,568	1.9%
Revolving and Carryover Funds*	801,800	1,389,800	73.3%
Total	\$3,420,698	\$4,059,368	18.7%

*For FY-08, \$1,311,800 in revolving fund revenue and carryover of \$78,000.

V. Budget References

SB 334, Section 97; HB 1259, Sections 1 through 3

VI. Ten Year Appropriation History



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
FY-03	\$2,144,550	FY-08	\$2,669,568

Department of Labor

Honorable Lloyd Fields, Commissioner of Labor

Agency # 405

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$3,613,893	136.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$46,391	
b. Operations	<u>100,000</u>	
Total Adjustments	146,391	0.0
FY-08 Appropriation and FTE Authorization	\$3,760,284	136.0
Percent Change from FY-07	4.1%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Funding is provided to address increased operational costs of the agency.

III. Policy Issues

- a. **SB 1006** excludes grain elevators from the Elevator Safety Act administered by the Department of Labor.

IV. Budget Resources

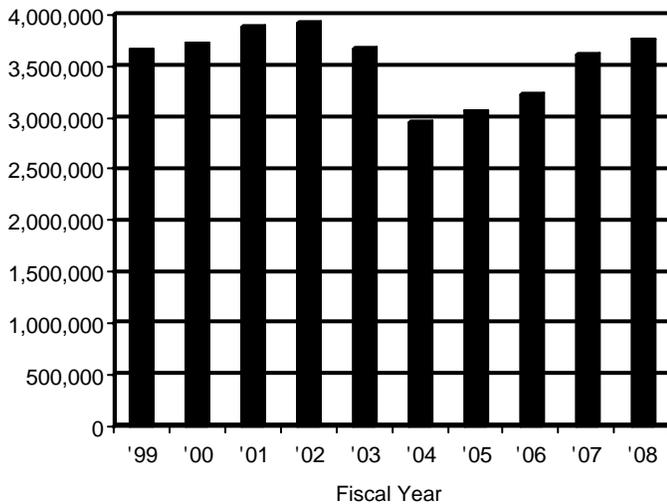
	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$1,839,991	\$1,851,652	0.6%
Occupational Health and Safety Fund	1,773,902	1,908,632	7.6%
Revolving and Carryover Funds*	2,351,537	2,140,099	-9.0%
Federal Funds	2,029,480	1,567,714	-22.8%
Total	\$7,994,910	\$7,468,097	-6.6%

*For FY-08, \$2,140,099 in revolving fund revenue and no anticipated carryover.

V. Budget References

SB 334, Sections 100 through 102; SB 288, Sections 1 through 5

VI. Ten Year Appropriation History



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
FY-03	\$3,678,570	FY-08	\$3,760,284

Department of Mines

Mary Ann Pritchard, Director

Agency # 125

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$997,981	46.5
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$15,605	
Total Adjustments	\$15,605	0.0
FY-08 Appropriation and FTE Authorization	\$1,013,586	46.5
Percent Change from FY-07	1.6%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. **HB 1074** exempts from the Oklahoma Explosives and Blasting Regulation Act, administered by the Department of Mines, employees of the Oklahoma Department of Agriculture, Food, and Forestry and the United States Department of Agriculture, Animal and Plant Health Inspection Service, Wildlife Services who are trained and certified by the United States Department of Agriculture in the safe handling and use of explosive materials in the course of the official duties of such employees.

IV. Budget Resources

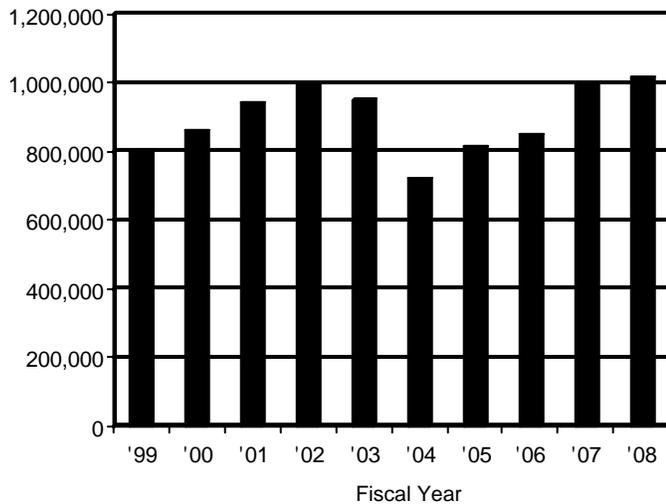
	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$997,981	\$1,013,586	1.6%
Revolving and Carryover Funds*	850,000	1,046,950	23.2%
Federal Funds	980,000	1,090,000	11.2%
Total	\$2,827,981	\$3,150,536	11.4%

*For FY-08, \$976,950 in revolving fund revenue and carryover of \$70,000.

V. Budget References

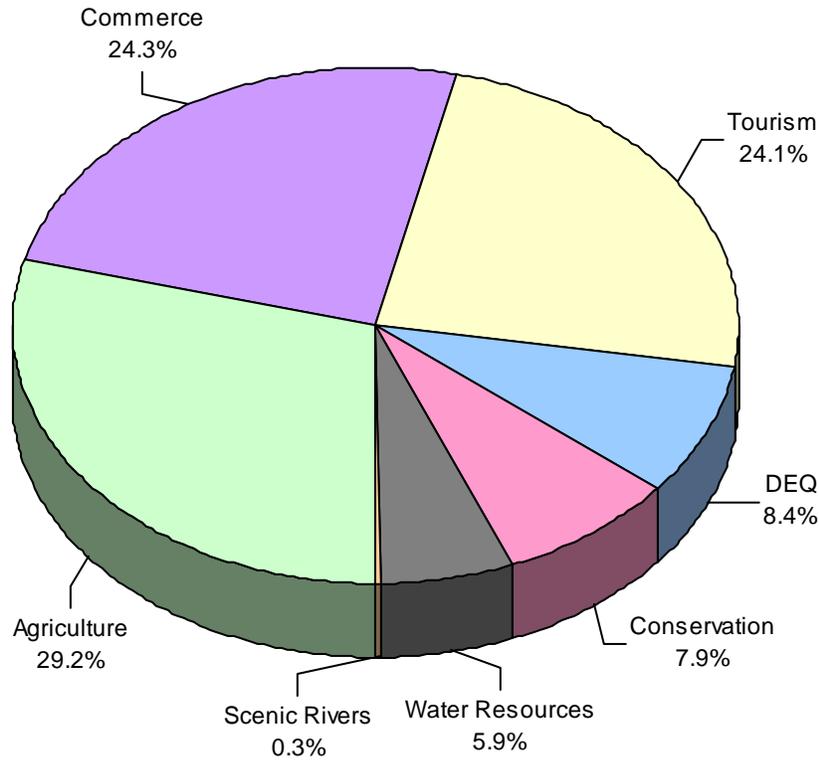
SB 334, Section 103; HB 1265, Sections 1 through 3

VI. Ten Year Appropriation History



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
FY-03	\$949,734	FY-08	\$1,013,586

Natural Resources Committee Distribution of FY-08 Appropriations



Department of Agriculture	\$33,678,049
Department of Commerce	28,104,894
Department of Tourism and Rec.	27,826,991
Department of Environmental Quality (DEQ)	9,728,096
Conservation Commission	9,187,084
Water Resources Board	6,801,524
Scenic Rivers Commission	<u>345,322</u>
Committee Total	\$115,671,960

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Agriculture & Commerce Subcommittee

Distribution of FY-08 Appropriations

Agriculture Department	\$33,678,049
Commerce Department	<u>28,104,894</u>
Subcommittee Total	\$61,782,943
<u>Non-Appropriated Agencies</u>	
Beef Commission	
Boll Weevil Eradication	
Foresters Board	
Peanut Commission	
Sheep and Wool Commission	
Soy Bean Commission	
Veterinarians Board	
Wheat Commission	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Department of Agriculture, Food and Forestry

Terry Peach, Commissioner

Agency # 040

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$28,314,906	515.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$220,279	
b. Made in Oklahoma - Pilot Project	100,000	
c. REI - Western Office	442,864	
d. Tulsa State Fair	100,000	
e. Operational Fire Grants	<u>4,500,000</u>	
Total Adjustments	5,363,143	0.0
FY-08 Appropriation and FTE Authorization	\$33,678,049	515.0
Percent Change from FY-07	18.9%	0.0%
<u>Constitutional Reserve Fund Spillover</u>		
f. Rural Fire Equipment Grant Revolving Fund	\$2,500,000	
g. Justin Whitefield Memorial Youth Expo Endowment	1,000,000	
h. Lab Equipment	<u>250,000</u>	
FY-08 Total Expenditure Authorization	\$37,428,049	

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriation is made for a marketing pilot project through the Made in Oklahoma program.
- c. Funding is provided for the establishment of two Rural Enterprise Institute (REI) offices in western Oklahoma.

- d. The appropriation provides operational funding for the Tulsa State Fair.
- e. Funding provides operational grants to rural fire departments of \$5,100 per department.
- f. Appropriation is made for deposit into the Rural Fire Equipment Grant Revolving Fund to purchase and maintenance of firefighting equipment.
- g. Funding is provided from the Constitutional Reserve Fund spillover in excess of the Fund's constitutional limit to fund the Justin Whitefield Memorial Youth Expo Endowment, to provide agriculture-related scholarships through the Oklahoma Youth Expo program.
- h. Funding is provided from the Constitutional Reserve Fund spillover in excess of the Fund's constitutional limit for the purchase of equipment for a new agriculture testing laboratory.

III. Policy Issues

- a. **HB 1490** is the Eucha-Spavinaw Management Act, whose purpose is to preserve and promote the purposes and agreements of the parties set forth in the Settlement Agreement regarding the Eucha-Spavinaw Watershed, including soil and poultry waste testing.
- b. **HB 1520** creates the Oklahoma Controlled Burn Indemnity Fund, from which landowners suffering property damage from controlled burns can be compensated. The measure also creates a program to educate firefighters on unified command protocols for fire incidents and creates the Firefighter Training Revolving Fund, to be used for payment of firefighter training costs at Oklahoma State University's Fire Service Training programs.
- c. **HB 1527** creates an Oklahoma Agritourism program to stimulate economic growth and viability in rural communities by promoting and fostering agritourism ventures within Oklahoma.
- d. **HB 1695** is the Oklahoma AgrAbility Project Act designed to help agricultural professionals with disabilities to remain in the agriculture industry.

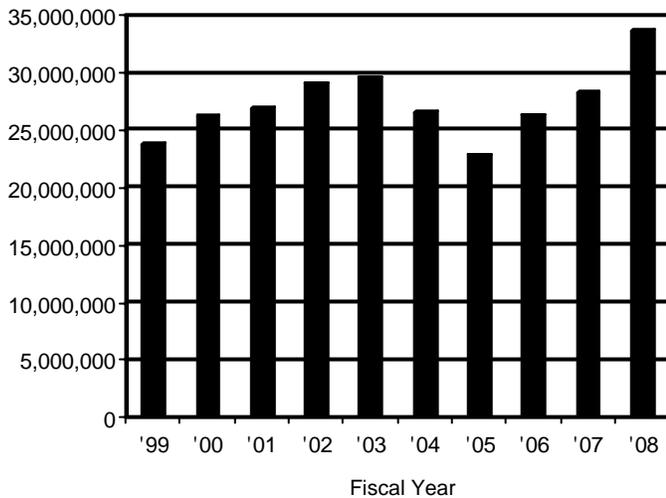
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$28,314,906	\$29,178,049	3.0%
Special Cash Fund	9,400,000	4,500,000	-52.1%
Revolving and Carryover Funds	8,293,391	11,021,755	32.9%
Federal Funds	11,314,688	12,343,181	9.1%
Total	\$57,322,985	\$57,042,985	-0.5%

V. Budget References

SB 334, Section 87; HB 1267, Sections 1 through 12; HB 1105, Sections 1(A)(12), 1(A)(16), and 1(A)(18)

VI. Ten Year Appropriation History



FY-99	\$23,772,700	FY-04	\$26,610,776
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
FY-03	\$29,648,836	FY-08	\$33,678,049

Department of Commerce

Natalie Shirley, Executive Director

Agency # 160

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$25,082,836	185.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$101,058	
b. NACEA Debt Services	2,500,000	
c. Oklahoma Community Institutes	71,000	
d. 2nd Century Entrepreneurship Center	<u>350,000</u>	
Total Adjustments	3,022,058	0.0
FY-08 Appropriation and FTE Authorization	\$28,104,894	185.0
Percent Change from FY-07	12.0%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriation is made for lease payments related to bond obligations issued by the Oklahoma Capitol Improvement Authority (OCIA) to assume payment for development of the Native American Cultural and Education Authority center in Oklahoma City.
- c. Funding is provided for operations of the Oklahoma Community Institutes.
- d. Appropriation is made to fund provisions of **HB 1270**, which provides the framework for the 2nd Century Entrepreneurship Center, a one-stop shop for licenses and permitting for new and expanding businesses.

III. Policy Issues

- a. **SB 609** creates the Oklahoma Bioenergy Center within the agency to focus the collective resources of contributing institutions in the field of bioenergy research. The measure also creates the Oklahoma Bioenergy Center Board and the Oklahoma Bioenergy Center Revolving Fund. Monies for the Center were

appropriated through the Oklahoma Center for the Advancement of Science and Technology and the spillover bill, **HB 1105**.

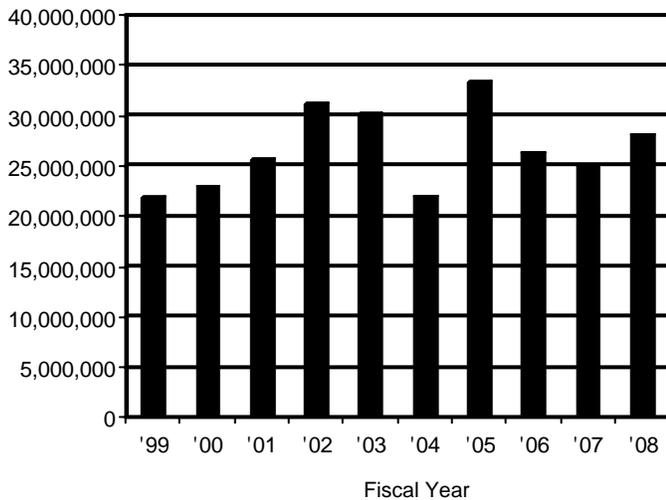
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$25,082,836	\$28,104,894	12.0%
Revolving and Carryover Funds	1,700,000	32,323,577	1801.4%
Federal Funds	78,000,000	81,000,000	3.8%
Total	\$104,782,836	\$141,428,471	35.0%

V. Budget References

SB 334, Section 90; SB 270, Sections 1 through 20

VI. Ten Year Appropriation History



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
FY-03	\$30,241,666	FY-08	\$28,104,894

Note:

1. The FY-02 increase 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.

Tourism & Recreation Subcommittee

Distribution of FY-08 Appropriations

Department of Tourism and Recreation	\$27,826,991
Scenic Rivers Commission	<u>345,322</u>
Subcommittee Total	\$28,172,313
<u>Non-Appropriated Agencies</u>	
Film Commission	
Native American Cultural Center	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Scenic Rivers Commission

Ed Fite, Administrator

Agency # 568

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$339,752	7.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$5,570	
b. FTE Increase	_____	1.0
Total Adjustments	\$5,570	1.0
FY-08 Appropriation and FTE Authorization	\$345,322	8.0
Percent Change from FY-07	1.6%	14.3%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Full-time equivalent employee (FTE) authorization is increased by one to provide additional operational support for the administration of the state's scenic rivers.

III. Policy Issues

- a. None

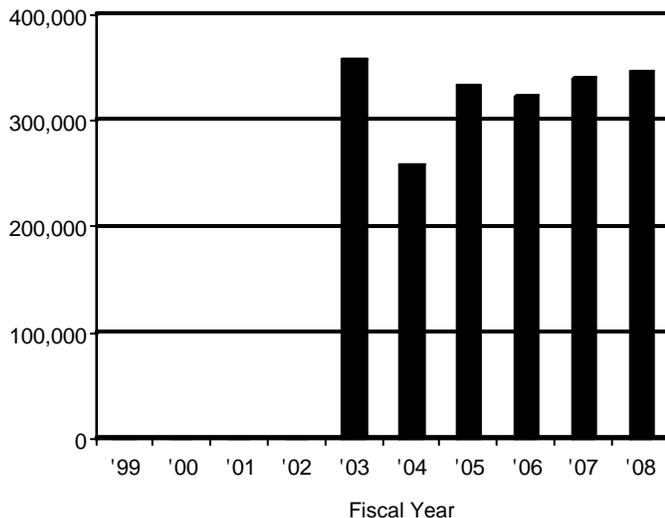
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$339,752	\$345,322	1.6%
Revolving Funds	179,216	179,216	0.0%
Federal Funds	377,743	377,743	0.0%
Total	\$896,711	\$902,281	0.6%

V. Budget References

SB 334, Section 104; SB 292, Sections 1 through 4

VI. Ten Year Appropriation History



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
FY-03	\$357,805	FY-08	\$345,322

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

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$27,073,374	810.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$305,805	
b. Capitol Welcome Center	191,000	
c. Multi-county Organizations	250,000	
d. State Park Admission Exemption	36,136	
e. Removal of Tsa La Gi	<u>-29,324</u>	
Total Adjustments	753,617	0.0
FY-08 Appropriation and FTE Authorization	\$27,826,991	810.0
Percent Change from FY-07	2.8%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriation is made to construct and operate a welcome center in the Capitol.
- c. Funding is provided for operational increases related to multi-county organizations.
- d. The appropriation offsets any potential loss to the agency resulting from an exemption of admission fees to state parks for senior citizens.
- e. **SB 470** transfers Tsa La Gi from the Department of Tourism and Recreation to the Historical Society. Funding is reduced to reflect the transfer.

III. Policy Issues

- a. **HB 1112** authorizes the issuance of bonds in the amount of \$9,000,000 for the completion of necessary improvements to purchase the old Journal Record building.
- b. **SB 623** modifies the Compete with Canada Film Act by reducing the budget thresholds of a filmed work required to qualify for incentives. The changes are intended to attract more independent and smaller film projects using local talent and professional services.
- c. **SB 470** is Lake Murray Infrastructure Support Act, requiring the agency to submit to the Tax Commission the precise boundaries of the Lake Murray Designated Area. Once the area is established, 25 percent of incremental sales tax revenue remitted from the Designated Area is to be deposited in the Oklahoma Recreation and Development Revolving Fund to ensure proper maintenance and continued development of the Lake Murray area.

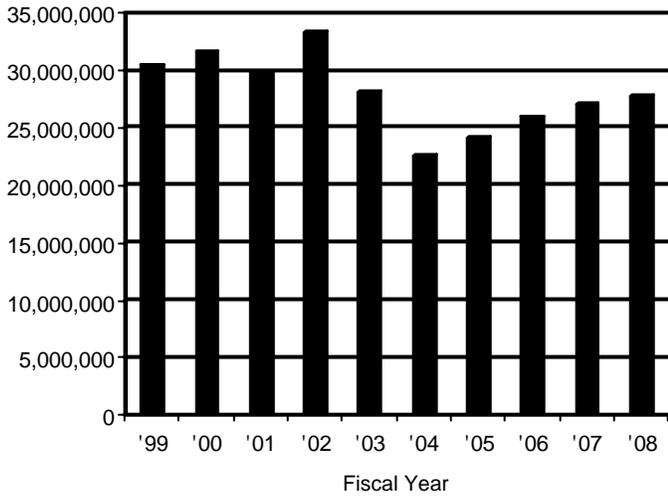
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$27,073,374	\$27,826,991	2.8%
Revolving and Carryover Funds	35,000,000	47,338,790	35.3%
Federal Funds	1,800,000	2,800,000	55.6%
Total	\$63,873,374	\$77,965,781	22.1%

V. Budget References

SB 334, Section 105; HB 1278, Sections 1 through 5

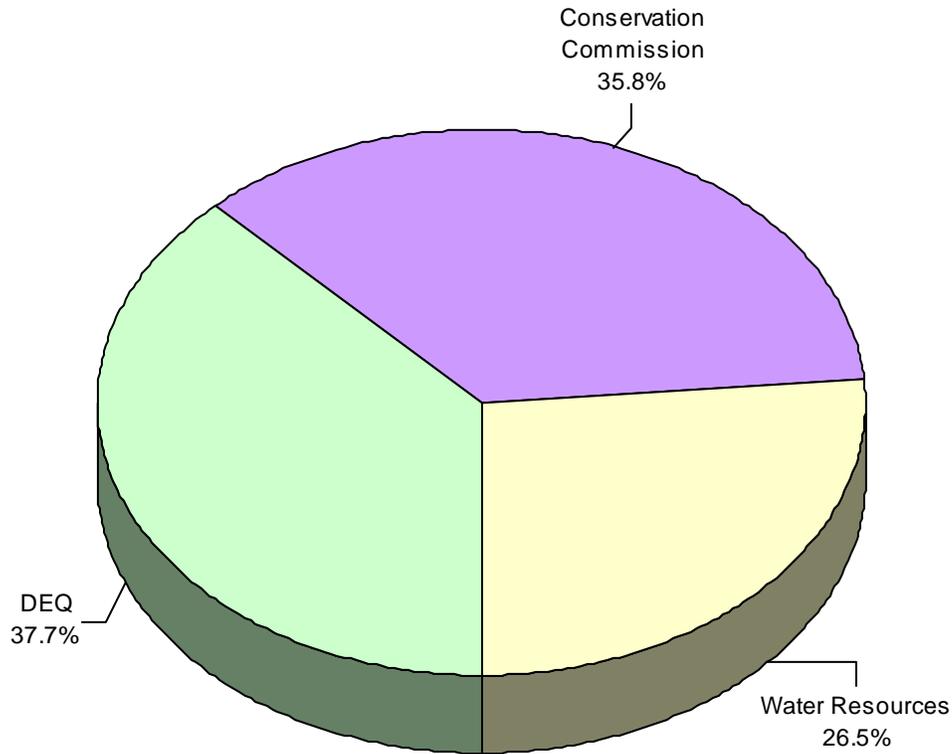
VI. Ten Year Appropriation History



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
FY-03	\$28,177,594	FY-08	\$27,826,991

Environment & Wildlife Subcommittee

Distribution of FY-08 Appropriations



Department of Environmental Quality (DEQ)	\$9,728,096
Conservation Commission	9,187,084
Water Resources Board	<u>6,801,524</u>
Committee Total	\$25,716,704
<u>Non-Appropriated Agencies</u>	
Wildlife Conservation Commission	

Excludes supplemental appropriations, reappropriations, and Rainy Day spillover transfers.
Includes capital and one-time expenditures.

Conservation Commission

Mike Thralls, Executive Director

Agency # 645

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$8,953,795	62.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	\$83,289	
b. Operations	<u>150,000</u>	
Total Adjustments	\$233,289	0.0
FY-08 Appropriation and FTE Authorization	\$9,187,084	62.0
Percent Change from FY-07	2.6%	0.0%
<u>Constitutional Reserve Fund Spillover</u>		
c. Rehabilitation of Flood Control Structures	<u>\$6,500,000</u>	
FY-08 Total Expenditure Authorization	\$15,687,084	

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.
- b. Appropriation is made to offset rising operating costs.
- c. Funding is provided from the Constitutional Reserve Fund spillover in excess of the Fund's constitutional limit to match federal funds of up to \$13.0 million for repair and maintenance of flood control structures.

III. Policy Issues

- a. None

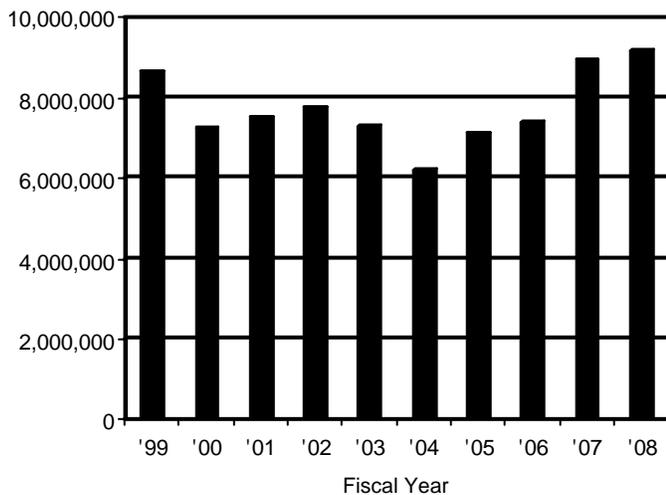
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$8,953,795	\$9,187,084	2.6%
Revolving and Carryover Funds	5,391,950	10,950,000	103.1%
Federal Funds	14,613,260	18,671,428	27.8%
Total	\$28,959,005	\$38,808,512	34.0%

V. Budget References

SB 334, Section 91; SB 272, Sections 1 through 4; HB 1105, Section 1(A)(13)

VI. Ten Year Appropriation History



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
FY-03	\$7,287,094	FY-08	\$9,187,084

Notes:

1. FY-05 figure does not include \$500,000 in REAP Funds from the Gross Production Tax.
2. FY-06 figure does not include \$2.4 million in REAP Funds from the Gross Production Tax.
3. 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.

Department of Environmental Quality

Steven Thompson, Executive Director

Agency # 292

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$9,525,217	571.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	<u>\$202,879</u>	
Total Adjustments	\$202,879	0.0
FY-08 Appropriation and FTE Authorization	\$9,728,096	571.0
Percent Change from FY-07	2.1%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. **SB 747** amends provisions of the waste tire inspection process, giving the agency expanded responsibilities over the inspection of waste tire facilities previously under the oversight of the Tax Commission. The measure modifies the apportionment of waste tire fee collections to reflect the new directives.

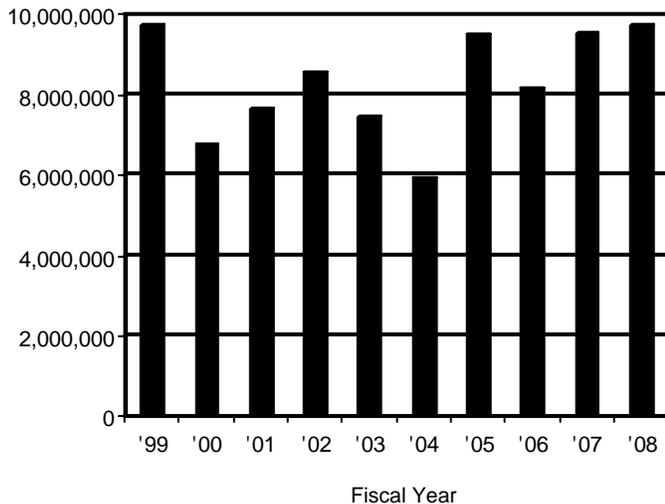
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$9,525,217	\$9,728,096	2.1%
Revolving and Carryover Funds	30,384,623	32,189,310	5.9%
Federal Funds	13,766,108	16,332,411	18.6%
Total	\$53,675,948	\$58,249,817	8.5%

V. Budget References

SB 334, Section 95; HB 1273, Sections 1 through 5

VI. Ten Year Appropriation History



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
FY-03	\$7,460,880	FY-08	\$9,728,096

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 for FY-06 is due to the removal of one-time funding for the Tar Creek Relocation Act.

Water Resources Board

Duane Smith, Executive Director

Agency # 835

I. FY-08 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-07 Appropriation and FTE Authorization	\$6,744,617	91.0
FY-08 Funding Adjustments:		
a. State Employee Pay Increase Annualization	<u>\$56,907</u>	
Total Adjustments	\$56,907	0.0
FY-08 Appropriation and FTE Authorization	\$6,801,524	91.0
Percent Change from FY-07	0.8%	0.0%

II. FY-08 Appropriations Adjustments Detail

- a. Funding annualizes the five percent pay increase for state employees that began October 1, 2006.

III. Policy Issues

- a. None

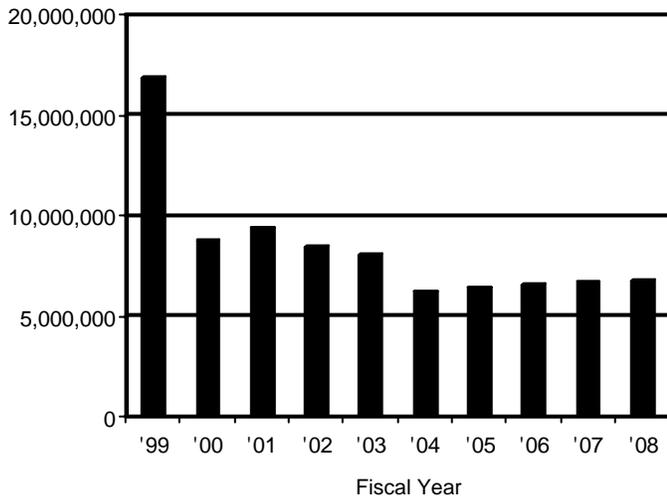
IV. Budget Resources

	<u>FY-07</u>	<u>FY-08</u>	<u>% Change</u>
General Revenue Fund	\$6,744,617	\$6,801,524	0.8%
Revolving and Carryover Funds	4,185,423	9,731,000	132.5%
REAP Water Project Funds	1,100,000	2,200,000	100.0%
Federal Funds	10,000,000	12,662,000	26.6%
Total	\$22,030,040	\$31,394,524	42.5%

V. Budget References

SB 334, Section 106; SB 296, Sections 1 through 5

VI. Ten Year Appropriation History



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
FY-03	\$8,069,143	FY-08	\$6,801,524

Note:

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.

Supplementary Data

Table 1
FY-08 Appropriations by Source

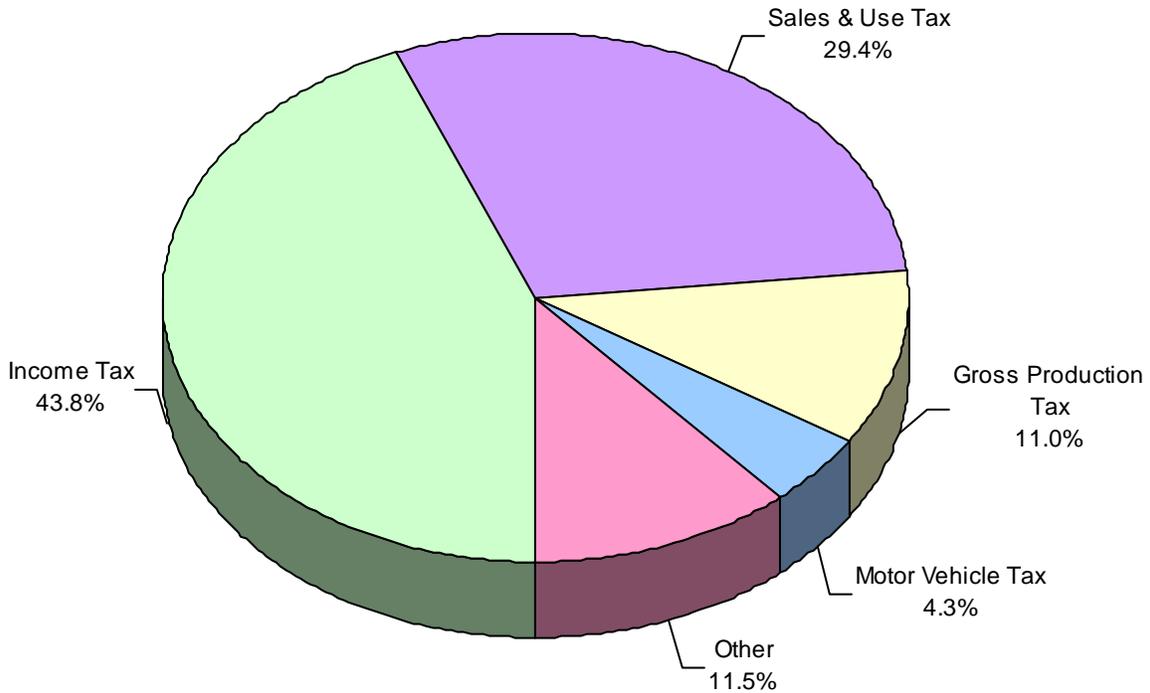
<u>Fund Name</u>	<u>Funds Available</u>	<u>Funds Appropriated</u>
FY-08 General Revenue	\$5,553,100,269	\$5,552,033,986
FY-07 General Revenue	10,187,741	10,187,741
FY-06 General Revenue	<u>133,718,653</u>	<u>133,718,653</u>
Total General Revenue	\$5,697,006,663	\$5,695,940,380
Other Funds		
FY-08 Mineral Leasing Fund	4,560,000	4,560,000
FY-06 Mineral Leasing Fund	2,226,981	2,226,981
FY-08 Commissioners of the Land Office	8,085,640	4,864,881
FY-07 Commissioners of the Land Office	2,362,463	0
FY-06 Commissioners of the Land Office	1,406,025	0
Judicial Revolving Fund	36,224,661	36,224,661
FY-08 Public Building Fund	1,694,545	1,694,545
FY-06 Public Building Fund	820,876	820,876
FY-08 OSHA Fund	1,601,700	1,601,700
FY-06 OSHA Fund	306,932	306,932
FY-08 CLEET Fund	3,427,076	3,427,076
FY-06 CLEET Fund	395,737	395,737
G.O. Bond Fund Series A	154,248	0
G.O. Bond Fund Series B	62,437	0
Tobacco Settlement Revolving Fund	10,165,000	10,165,000
Special Cash	124,627,000	124,627,000
One-Stop Trucking Fund	<u>3,060,116</u>	<u>3,060,116</u>
Total Other Funds	\$201,181,437	\$193,975,505
Total Appropriations	\$5,898,188,100	\$5,889,915,885
Education Reform Revolving Fund	689,724,223	689,724,223
State Transportation Fund	217,869,721	217,869,721
Lottery Trust Fund	88,593,058	88,593,058
OHLAP Gaming Fund	10,750,238	10,750,238
Common Education Technology Revolving Fund	50,374,284	50,374,284
Higher Education Scholarship Revolving Fund	50,374,284	50,374,284
Higher Education Capital Revolving Fund	50,374,284	50,374,284
Private Vocational School Revolving Fund	193,304	193,304
Total 2007 Session Appropriations	\$7,056,441,496	\$7,048,169,281
Minus: FY-07 Supplemental Appropriations		(116,063,211)
Total FY-08 Appropriations		\$6,932,106,070

Table 2
Certified Revenue Funds
FY-07 to FY-08 Comparison

<u>General Revenue Fund</u>	<u>FY-07</u> <u>Estimated</u>	<u>FY-08</u> <u>Estimated</u>	<u>Percent</u> <u>Change</u>
Alcoholic Beverage Tax	18,301,000	19,880,000	8.6
Mixed Beverage Receipts Tax	25,211,000	28,100,000	11.5
Beverage Tax	24,394,000	25,143,000	3.1
Cigarette Tax	31,013,012	38,535,830	24.3
Tobacco Products Tax	14,391,820	14,795,699	2.8
Franchise Tax	40,474,000	42,253,000	4.4
Gross Production Tax - Gas	711,427,752	624,935,260	(12.2)
Gross Production Tax - Oil	50,903,503	29,263,089	(42.5)
Income Tax - Individual	2,360,530,408	2,161,688,042	(8.4)
Income Tax - Corporate	193,144,380	452,104,775	134.1
Estate Tax	65,996,000	47,351,000	(28.3)
Insurance Premium Tax	61,800,000	49,280,000	(20.3)
Motor Vehicle Taxes and Fees	221,204,000	255,885,000	15.7
Sales Tax	1,489,149,046	1,599,399,937	7.4
Use Tax	119,514,366	155,794,694	30.4
Interest and Investments	111,000,000	152,845,269	37.7
Other Taxes, Fees and Licenses	167,970,257	160,154,821	(4.7)
Transfers and Lapses	1,000,000	1,000,000	0.0
Total General Revenue	5,707,424,544	5,858,409,416	2.6
Special Funds	18,956,699	20,388,380	7.6
Lottery	123,930,000	86,226,862	(30.4)
Total Revenue	\$5,850,311,243	\$5,965,024,658	2.0

Source: Office of State Finance

Certified Revenue Funds FY-08 Estimated



Income Tax	\$2,613,792,817
Sales and Use Tax	1,755,194,631
Gross Production Tax	654,198,349
Motor Vehicle Tax	<u>255,885,000</u>
Subtotal	\$5,279,070,797
Other	<u>685,953,861</u>
Total Revenue	\$5,965,024,658

Table 3
FY-08 Appropriations by Agency

	FY-07 Appropriations	FY-08 Appropriations	Dollar Change	Percent Change
RULES COMMITTEE				
Election Board	7,709,951	7,785,988	76,037	1.0
Ethics Commission	504,039	517,960	13,921	2.8
Subtotal	8,213,990	8,303,948	89,958	1.1
EDUCATION COMMITTEE				
Education, Board of	2,348,041,255	2,480,155,207	132,113,952	5.6
Land Commission	4,828,535	4,864,881	36,346	0.8
School of Science and Mathematics	7,230,508	7,585,732	355,224	4.9
Teacher Preparation Commission	2,050,705	2,059,982	9,277	0.5
Career and Technology Education	147,287,358	154,864,391	7,577,033	5.1
Higher Education, Regents for	933,933,880	1,053,949,576	120,015,696	12.9
Physicians Manpower Training Commission	5,470,499	5,523,502	53,003	1.0
Private Vocational Schools, Board of	192,245	193,304	1,059	0.6
Arts Council	4,442,810	5,150,967	708,157	15.9
Capitol Complex/Centennial Commission	1,062,291	1,066,511	4,220	0.4
Educational Television Authority	5,164,350	8,394,383	3,230,033	62.5
J.M. Davis Memorial Commission	382,166	535,403	153,237	40.1
Historical Society	14,480,963	14,687,451	206,488	1.4
Libraries, Department of	6,847,731	7,294,856	447,125	6.5
Will Rogers Memorial Commission	925,196	1,083,702	158,506	17.1
Subtotal	3,482,340,492	3,747,409,848	265,069,356	7.6
JUDICIARY AND PUBLIC SAFETY COMMITTEE				
Attorney General	12,798,702	13,944,449	1,145,747	9.0
Court of Criminal Appeals	3,083,013	3,489,631	406,618	13.2
District Attorneys, DAC	39,092,742	39,920,210	827,468	2.1
District Courts	54,403,272	57,674,778	3,271,506	6.0
Indigent Defense System	16,206,256	16,304,008	97,752	0.6
Judicial Complaints, Council on	282,503	283,729	1,226	0.4
Pardon and Parole Board	2,555,018	2,577,581	22,563	0.9
Supreme Court	16,878,678	19,420,570	2,541,892	15.1
Workers' Compensation Court	4,888,334	5,242,033	353,699	7.2
ABLE Commission	3,965,159	3,925,266	(39,893)	(1.0)
Corrections, Department of	456,004,876	477,543,364	21,538,488	4.7
Fire Marshal	2,052,561	2,270,855	218,294	10.6
Investigation, State Bureau of	13,351,567	17,316,450	3,964,883	29.7
Law Enforcement Education and Training	3,265,473	4,410,370	1,144,897	35.1
Medicolegal Investigations, Board of	4,587,380	4,825,625	238,245	5.2
Narcotics and Dangerous Drugs	6,320,763	6,773,895	453,132	7.2
Public Safety, Department of	90,051,236	98,370,391	8,319,155	9.2
Emergency Management	756,843	836,604	79,761	10.5
Military Department	12,898,334	13,654,939	756,605	5.9
Subtotal	743,442,710	788,784,748	45,342,038	6.1
GENERAL GOVERNMENT AND TRANSPORTATION SUBCOMMITTEE				
Auditor and Inspector	6,219,622	6,315,269	95,647	1.5
Finance, Office of State	23,000,204	23,081,434	81,230	0.4
Governor	2,641,163	2,661,981	20,818	0.8
House of Representatives	19,176,434	19,176,434	0	0.0
Legislative Service Bureau	2,995,021	4,887,349	1,892,328	63.2
Lieutenant Governor	592,436	693,197	100,761	17.0
Secretary of State	525,434	530,517	5,083	1.0

Senate	13,561,067	14,699,125	1,138,058	8.4
Treasurer	4,632,697	4,668,763	36,066	0.8
Transportation, Department of	285,411,848	217,869,721	(67,542,127)	(23.7)
Bond Advisor	185,117	186,419	1,302	0.7
Central Services, Department of	13,639,156	19,053,697	5,414,541	39.7
Merit Protection Commission	611,434	648,684	37,250	6.1
Personnel Management, Office of	4,848,371	4,891,745	43,374	0.9
Tax Commission	47,711,604	48,201,340	489,736	1.0
Subtotal	425,751,608	367,565,675	(58,185,933)	(13.7)
PUBLIC HEALTH COMMITTEE				
Health Care Authority	701,964,163	771,709,298	69,745,135	9.9
Health Department	71,234,131	73,786,143	2,552,012	3.6
J.D. McCarty Center	4,278,944	4,452,961	174,017	4.1
Mental Health and Substance Abuse	194,703,800	207,529,129	12,825,329	6.6
University Hospitals	41,665,342	41,865,342	200,000	0.5
Veterans Affairs, Department of	39,324,159	40,282,600	958,441	2.4
Subtotal	1,053,170,539	1,139,625,473	86,454,934	8.2
HUMAN SERVICES COMMITTEE				
Handicapped Concerns, Office of	381,813	412,769	30,956	8.1
Human Services, Department of	535,797,324	557,107,190	21,309,866	4.0
Rehabilitation Services, Department of	29,213,250	29,474,679	261,429	0.9
Children and Youth, Commission on	2,101,609	2,334,473	232,864	11.1
Juvenile Affairs, Office of	104,219,585	110,060,812	5,841,227	5.6
Human Rights Commission	704,310	710,226	5,916	0.8
Indian Affairs Commission	257,732	258,466	734	0.3
Subtotal	672,675,623	700,358,615	27,682,992	4.1
ENERGY AND TECHNOLOGY COMMITTEE				
Corporation Commission	14,083,860	15,270,533	1,186,673	8.4
Science and Technology, Center for	22,442,616	22,456,507	13,891	0.1
Space Industry Development Authority	528,571	530,340	1,769	0.3
Subtotal	37,055,047	38,257,380	1,202,333	3.2
ECONOMIC DEVELOPMENT AND FINANCIAL SERVICES COMMITTEE				
Insurance Department	2,444,856	2,515,943	71,087	2.9
Consumer Credit Commission	661,263	669,042	7,779	1.2
Labor, Department of	3,613,893	3,760,284	146,391	4.1
Mines, Department of	997,981	1,013,586	15,605	1.6
Horse Racing Commission	2,618,898	2,669,568	50,670	1.9
Subtotal	10,336,891	10,628,423	291,532	2.8
NATURAL RESOURCES COMMITTEE				
Agriculture, Food and Forestry, Department of	28,314,906	33,678,049	5,363,143	18.9
Commerce, Department of	25,082,836	28,104,894	3,022,058	12.0
Scenic Rivers Commission	339,752	345,322	5,570	1.6
Tourism and Recreation, Department of	27,073,374	27,826,991	753,617	2.8
Conservation Commission	8,953,795	9,187,084	233,289	2.6
Environmental Quality, Department of	9,525,217	9,728,096	202,879	2.1
Water Resources Board	6,744,617	6,801,524	56,907	0.8
Subtotal	106,034,497	115,671,960	9,637,463	9.1
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	\$6,554,521,397	\$6,932,106,070	\$377,584,673	5.8

Table 4
FY-08 Total Budgetary Resources

	FY-08 Appropriations	Reappropriation/ Carryover/ Transfers	Revolving Funds	Federal Funds	Total Resources
RULES COMMITTEE					
Election Board	\$7,785,988	\$666,000	\$1,357,000	\$29,393,000	\$39,201,988
Ethics Commission	517,960	0	200,000	0	717,960
Subtotal	8,303,948	666,000	1,557,000	29,393,000	39,919,948
EDUCATION COMMITTEE					
Education, Board of	2,480,155,207		2,924,652	589,471,741	3,072,551,600
Land Commission	4,864,881	0	0	0	4,864,881
School of Science and Mathematics	7,585,732	0	10,000	0	7,595,732
Teacher Preparation Commission	2,059,982	4,235,285	1,274,695	0	7,569,962
Career and Technology Education	154,864,391	0	9,529,103	24,513,131	188,906,625
Higher Education, Regents for	1,053,949,576	671,976,227	0	0	1,725,925,803
Physicians Manpower Training	5,523,502	0	1,324,924	0	6,848,426
Private Vocational Schools, Board of	193,304	0	0	0	193,304
Arts Council	5,150,967	175,085	0	610,800	5,936,852
Capitol Complex/Centennial Commission	1,066,511	0	3,000	430,489	1,500,000
Educational Television Authority	8,394,383	0	5,161,383	665,813	14,221,579
J.M. Davis Memorial Commission	535,403	0	74,561	0	609,964
Historical Society	14,687,451	0	2,300,000	370,000	17,357,451
Libraries, Department of	7,294,856	0	375,000	3,491,045	11,160,901
Will Rogers Memorial Commission	1,083,702	0	17,000	0	1,100,702
Subtotal	3,747,409,848	676,386,597	22,994,318	619,553,019	5,066,343,782
JUDICIARY AND PUBLIC SAFETY COMMITTEE					
Attorney General	13,944,449	160,000	7,259,345	5,939,334	27,303,128
Court of Criminal Appeals	3,489,631	75,000	0	0	3,564,631
District Attorneys, DAC	39,920,210	800,000	34,079,790	33,500,000	108,300,000
District Courts	57,674,778	1,000,000	6,500,000	500,000	65,674,778
Indigent Defense System	16,304,008	1,500,697	1,761,687	0	19,566,392
Judicial Complaints, Council on	283,729	65,000	0	0	348,729
Pardon and Parole Board	2,577,581	100,000	0	0	2,677,581
Supreme Court	19,420,570	3,085,000	20,000,000	1,000,000	43,505,570
Workers' Compensation Court	5,242,033	0	1,573,967	0	6,816,000
ABLE Commission	3,925,266	0	410,000	0	4,335,266
Corrections, Department of	477,543,364	4,000,000	64,987,672	10,500,000	557,031,036
Fire Marshal	2,270,855	0	600,000	0	2,870,855
Investigation, State Bureau of	17,316,450	350,000	25,458,550	1,500,000	44,625,000
Law Enforcement Education and Training	4,410,370	665,000	2,918,000	0	7,993,370
Medicolegal Investigations, Board of	4,825,625	125,000	1,933,089	338,128	7,221,842
Narcotics and Dangerous Drugs	6,773,895	100,000	3,598,803	2,127,302	12,600,000
Public Safety, Department of	98,370,391	0	47,762,230	136,350,000	282,482,621
Emergency Management	836,604	0	3,471,924	0	4,308,528
Military Department	13,654,939	0	1,500,000	53,145,061	68,300,000
Subtotal	788,784,748	12,025,697	223,815,057	244,899,825	1,269,525,327
GENERAL GOVERNMENT AND TRANSPORTATION SUBCOMMITTEE					
Auditor and Inspector	6,315,269	0	6,330,000	0	12,645,269
Finance, Office of State	23,081,434	0	12,924,000	1,300,000	37,305,434
Governor	2,661,981	0	0	0	2,661,981
House of Representatives	19,176,434	0	0	0	19,176,434
Legislative Service Bureau	4,887,349	0	0	0	4,887,349
Lieutenant Governor	693,197	0	0	0	693,197
Secretary of State	530,517	0	3,465,506	0	3,996,023
Senate	14,699,125	0	0	0	14,699,125

Treasurer	4,668,763	175,000	3,011,159	0	7,854,922
Transportation, Department of	217,869,721	0	408,754,515	675,565,568	1,302,189,804
Bond Advisor	186,419	328,411	0	0	514,830
Central Services, Department of	19,053,697	1,400,000	95,477,203	0	115,930,900
Merit Protection Commission	648,684	0	27,000	0	675,684
Personnel Management, Office of	4,891,745	582,567	174,700	0	5,649,012
Tax Commission	48,201,340	0	89,798,660	0	138,000,000
Subtotal	367,565,675	2,485,978	619,962,743	676,865,568	1,666,879,964
PUBLIC HEALTH COMMITTEE					
Health Care Authority	771,709,298	45,000,000	494,283,112	2,609,351,324	3,920,343,734
Health Department	73,786,143	0	86,000,000	206,000,000	365,786,143
J.D. McCarty Center	4,452,961	0	9,300,000	0	13,752,961
Mental Health and Substance Abuse	207,529,129	5,870,966	42,999,606	43,161,553	299,561,254
University Hospitals	41,865,342	0	0	80,605,959	122,471,301
Veterans Affairs, Department of	40,282,600	4,500,000	32,003,108	33,802,448	110,588,156
Subtotal	1,139,625,473	55,370,966	664,585,826	2,972,921,284	4,832,503,549
HUMAN SERVICES COMMITTEE					
Handicapped Concerns, Office of	412,769	0	0	140,000	552,769
Human Services, Department of	557,107,190	26,998,945	0	1,145,235,430	1,729,341,565
Rehabilitation Services, Department of	29,474,679	8,451,096	3,960,755	98,023,470	139,910,000
Children and Youth, Commission on	2,334,473	191,000	165,000	824,527	3,515,000
Juvenile Affairs, Office of	110,060,812	0	1,354,657	13,532,606	124,948,075
Human Rights Commission	710,226	2,500	0	595,000	1,307,726
Indian Affairs Commission	258,466	10,000	0	0	268,466
Subtotal	700,358,615	35,653,541	5,480,412	1,258,351,033	1,999,843,601
ENERGY AND TECHNOLOGY COMMITTEE					
Corporation Commission	15,270,533	0	19,532,662	1,033,338	35,836,533
Science and Technology, Center for	22,456,507	0	14,900,000	0	37,356,507
Space Industry Development Authority	530,340	0	889,052	635,241	2,054,633
Subtotal	38,257,380	0	35,321,714	1,668,579	75,247,673
ECONOMIC DEVELOPMENT AND FINANCIAL SERVICES COMMITTEE					
Insurance Department	2,515,943	0	8,685,168	951,789	12,152,900
Consumer Credit Commission	669,042	10,000	828,737	0	1,507,779
Labor, Department of	3,760,284	0	2,140,099	1,567,714	7,468,097
Mines, Department of	1,013,586	70,000	976,950	1,090,000	3,150,536
Horse Racing Commission	2,669,568	78,000	1,311,800	0	4,059,368
Subtotal	10,628,423	158,000	13,942,754	3,609,503	28,338,680
NATURAL RESOURCES COMMITTEE					
Agriculture, Food and Forestry, Department of	33,678,049	0	11,021,755	12,343,181	57,042,985
Commerce, Department of	28,104,894	0	32,323,577	81,000,000	141,428,471
Scenic Rivers Commission	345,322	0	179,216	377,743	902,281
Tourism and Recreation, Department of	27,826,991	0	47,338,790	2,800,000	77,965,781
Conservation Commission	9,187,084	0	10,950,000	18,671,428	38,808,512
Environmental Quality, Department of	9,728,096	0	32,189,310	16,332,411	58,249,817
Water Resources Board	6,801,524	0	11,931,000	12,662,000	31,394,524
Subtotal	115,671,960	0	145,933,648	144,186,763	405,792,371
MISCELLANEOUS AGENCIES/APPROPRIATIONS					
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	\$6,932,106,070	\$782,746,779	\$1,733,593,472	\$5,951,448,574	\$15,399,894,895

Table 5
**Agency Directors and Judicial Salaries/
 Full-Time Equivalent Employees (FTE) Limitation
 FY-08**

<u>Agency</u>	<u>Maximum Salary Limit</u>	<u>Maximum FTE Limit</u>
Accountancy Board	75,424 (a)	11.0
Agriculture, Food, and Forestry, Department of (Secretary of Agriculture)	87,005 (b)	515.0
Alcoholic Beverage Laws Enforcement Commission (ABLE)	75,705	71.0
Architects, Landscape Architects, and Interior Designers, Board of Governors of Licensed	80,000 (a)	4.0
Arts Council	64,680	17.0
Attorney General	126,500 (c)	179.5
Auditor and Inspector, State	109,250 (c)	169.0
Banking Department	137,239 (a,d)	46.0
Bond Advisor	None (e)	3.0
Capital Investment Board	109,225 (a)	4.0
Career and Technology Education, Department of	112,455	406.0
Centennial Commission, Capitol Complex and	83,580	12.0
Central Services, Department of	90,451	320.0
Children and Youth, Commission on	65,205	27.5
Chiropractic Examiners, Board of	63,301 (a)	3.0
Commerce, Department of (Secretary of Commerce and Tourism)	None (b,e)	185.0
CompSource Oklahoma (Board of Managers of the State Insurance Fund)	116,536 (a)	591.0
Conservation Commission	72,938	62.0
Consumer Credit, Commission on	61,336	16.0
Corporation Commission	--	547.0
Chairman	111,250 (c)	--
Commissioners	109,250 (c)	--
Director of Administration	None (e)	--
Corrections, Department of	132,309	5,894.6
Cosmetology, Board of	63,301 (a)	16.0
Criminal Appeal, Court of	--	36.0
Presiding Judge	135,700 (f)	--
Judge	131,000 (f)	--
Dentists, Board of	75,687 (a)	5.0
District Attorneys Council	--	1,308.0
District Attorney	116,081 (g)	--
Executive Coordinator, District Attorneys Council	None (e)	--

<u>Agency</u>	<u>Maximum Salary Limit</u>	<u>Maximum FTE Limit</u>
District Courts	--	654.0
District Judge	118,450 (h)	75.0
Associate Judge (population 30,000+)	109,250 (h)	32.0
Associate Judge (population under 30,000)	109,250 (h)	45.0
Special Judge	100,050 (h)	89.0
Education, Department of	118,450 (c)	410.0
Educational Television Authority, Oklahoma (OETA)	69,419	84.0
Election Board	79,860	None
Emergency Management, Department of	75,705	32.0
Employees Benefits Council, Oklahoma State	109,225 (a)	38.0
Employment Security Commission	126,080 (a)	1,150.0
Engineers and Land Surveyors, Board of Licensure for Professional	75,424 (a)	9.0
Environmental Quality, Department of	99,922	572.0
Ethics Commission	None (e)	7.0
Finance, Office of State	None (e)	None
Fire Marshal Commission	73,625	34.0
Firefighters Pension and Retirement System	109,226 (a)	13.0
Funeral Board	63,301 (a)	5.0
Governor	140,000 (c)	None
Grand River Dam Authority	137,239 (a)	None
Handicapped Concerns, Office of	49,455	8.0
Health Care Authority	133,455	434.5
Health, Department of (Secretary of Health)	194,250 (b)	2,530.0
Higher Education, Regents for	None (e)	None
Historical Society	91,360	173.0
Horse Racing Commission	87,255	56.0
House of Representatives	--	None
Speaker	56,332 (i)	--
Majority and Minority Leaders	50,764	--
Representatives	38,400	--
Human Rights Commission	64,386	28.0
Human Services, Department of (Secretary of Human Services)	None (b,e)	7,804.0
Indian Affairs Commission	51,555	6.0
Indigent Defense System	118,191	85.0
Industrial Finance Authority, Oklahoma	109,225 (a)	10.0
Insurance Department	109,250 (c)	153.0
Investigation, Oklahoma State Bureau of (OSBI)	80,138	317.0
J.D. McCarty Center for Children with Developmental Disabilities	95,000	213.0
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 (c)	136.0

<u>Agency</u>	<u>Maximum Salary Limit</u>	<u>Maximum FTE Limit</u>
Land Office, Commissioners of the	77,805	63.0
Law Enforcement Education and Training, Council on (CLEET)	73,500	52.0
Law Enforcement Retirement System	None (j)	None
Legislative Services Bureau	None (e)	None
Libraries, Department of	77,805	82.8
Lieutenant Governor	109,250 (c)	None
Liquefied Petroleum Gas Board	75,424 (a)	10.0
Marginally Producing Oil and Gas Wells, Commission on	75,424 (a)	5.0
Medical Licensure and Supervision, Board of	91,392 (a)	29.0
Medicolegal Investigations, Board of	185,955	78.5
Merit Protection Commission	65,205	11.0
Mental Health and Substance Abuse Services, Department of	133,455	2,575.0
Military Department (Secretary of the Military)	146,250 (b,k)	484.0
Mines, Department of	62,370	46.5
Motor Vehicle Commission	75,424 (a)	6.0
Narcotics and Dangerous Drugs Control, Bureau of (BNDD)	96,305	109.0
Nursing, Board of	91,392 (a)	26.0
Nursing Home Administrators, Board of Examiners for	63,301 (a)	4.0
Optometry, Board of Examiners In	N/A (a)	3.0
Osteopathic Examiners, Board of	75,687 (a)	7.0
Pardon and Parole Board	70,455	47.0
Peanut Commission	63,300 (a)	2.0
Personnel Management, Office of (OPM) (Secretary of Human Resources and Administration)	80,955 (b)	105.0
Pharmacy, Board of	None (a,l)	9.0
Physician Manpower Training Commission (PMTTC)	73,500	7.0
Police Pension and Retirement System	109,227 (a)	12.0
Private Vocational Schools, Board of	50,500	3.0
Psychologists, Board of Examiners of	63,301 (a)	2.0
Public Employees Retirement Systems	116,536 (a)	63.0
Public Safety, Department of (DPS) (Secretary of Safety and Security)	111,133 (b)	1,550.0
Real Estate Commission	91,392 (a)	26.0
Rehabilitation Services, Department of	80,750	784.0
Scenic Rivers Commission	49,078	10.0
Science and Mathematics, School of	75,685	83.0
Science and Technology, Center for the Advancement of	96,027	25.0
Secretary of State	94,500 (b)	None
Securities Commission	137,329 (a)	None
Senate	--	None
President Pro Tempore	56,332 (i)	--
Majority and Minority Leaders	50,764 (i)	--
Senators	38,400 (i)	--

<u>Agency</u>	<u>Maximum Salary Limit</u>	<u>Maximum FTE Limit</u>
Social Workers, State Board of Licensed	63,301 (a)	1.0
Space Industry Development Authority	91,455	5.0
Speech-Language Pathology and Audiology, Board of Examiners for	51,412 (a)	2.0
State and Education Employees Group Insurance Board (OSEEGIB)	116,536 (a)	178.0
Student Loan Authority	116,536 (a)	85.0
Supreme Court	--	215.0
Chief Justice	140,000 (m)	--
Justice	131,000 (m)	--
Court of Civil Appeals Presiding Judge	126,500 (m)	--
Judge	124,200 (m)	--
Administrator	124,200	--
Tax Commission	--	1,150.0
Chairman	118,450 (n)	--
Commissioners	118,450 (n)	--
Administrator	None (e)	--
Teachers' Retirement System	116,536 (a)	52.0
Teacher Preparation, Commission for	72,515	10.0
Tourism and Recreation Department	86,310	810.0
Transportation, Department of (DOT)	117,705	2,850.0
Treasurer (Secretary of Finance and Administration)	109,250 (b,c)	90.0
University Hospitals Authority	None (e)	10.0
Used Motor Vehicle and Parts Commission	75,424 (a)	12.0
Veterans Affairs, Department of	99,750	1,998.0
Veterinary Medical Examiners, Board of	63,301 (a)	6.0
Water Resources Board (OWRB)	92,655	91.0
Wheat Utilization, Research and Market Development Commission	75,424 (a)	7.0
Will Rogers Memorial Commission	None (e)	16.5
Workers Compensation Court	--	108.0
Judges	118,450 (o)	--
Administrator	106,605 (p)	--

Notes:

- a. Salary ranges and FTE limits for non appropriated agencies are set by statute (Title 74 O.S. Supp. 2006, Sections 3601.1 and 3601.2). For changes to statutory ranges and limits for FY-08, please see Enrolled House Bill No. 1122 of the 1st Session of the 51st Oklahoma Legislature.

- b. The individuals in those positions also serve as cabinet secretaries. Title 74 O.S. Supp. 2006, Section 10.5, establishes annual compensation limits for Cabinet Secretaries. Should the Cabinet Secretary also serve as Agency Director the greater limit shall apply. Cabinet Secretaries salary limitations include:

Secretary of Human Resources and 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	80,000
Secretary of Human Services	80,000
Secretary of Safety and Security	85,000
Secretary of State (4)	65,000
Secretary of Veteran Affairs	65,000

Positions and respective salaries of cabinet secretaries not created by 74 O.S. Section 10.5 include:

Secretary of Environment (1)	\$101,955
Secretary of the Military (2)	146,250
Secretary of Science/Technology (3)	201,000
Secretary of State (4)	94,500
Secretary of Transportation (5)	109,200

1. The Secretary of Environment is created in statute (Title 27A O.S. Supp. 2006, Section 1-2-101) but has no statutory limit and the salary is paid through the Governor's office;
2. 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 O.S. 2001, Section 27);
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. 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 (Title 74 O.S. Supp. 2006, Section 10.5);
 5. The Secretary of Transportation's salary is paid through the Oklahoma Turnpike Authority.
- c. 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 became effective in 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. 2001, 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 judge (\$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).
- d. The Banking Commissioner's salary is set by the Banking Board (Title 6 O.S. Supp. 2006, Section 201.1) but can be no more than the limit set by the legislature (\$137,239).
- e. The following appropriated agency directors have no salary limit set in either statute or agency appropriation bill:

Agency/Title	Annual Salary
Bond Advisor, State	\$122,800
Commerce, Department of- Director	112,500
Corporation Commission- Dir. Of Admin.	86,205
DA's Council- Exec. Coordinator	116,081
Ethics Commission- Exec. Director	84,802
Finance, Office of State- Director	102,900
Higher Education, Regents for- Chancellor	273,000
Human Services, Department of- Director	162,750
Legislative Services Bureau- Director	83,384
Tax Commission- Administrator	113,933
University Hospital Authority- Exec. Director	157,500
Will Rogers Commission- Director	79,006

- f. The salaries for Judges of the Court of Criminal Appeals are set by the Board on Judicial Compensation (Title 20 O.S. Supp. 2006, Section 3.4). The salaries listed became effective July 1, 2006:

Court of Criminal Appeals:	
Presiding Judge	\$135,700
Judge	131,000

- g. District Attorney salaries are established by statute. Effective July 1, 2006, the salary of a district attorney is 98% of the salary of a district judge. When applying this formula the current salary of a district attorney is equal to \$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 (Title 19 O.S. Supp. 2006, Section 215.30).
- h. District Court Judges' compensation is set by the Board on Judicial Compensation (Title 20 O.S. Supp. 2006, Section 3.4). The salaries listed became effective July 1, 2006:

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

- i. Legislative salaries are established by the Board of Legislative Compensation. (Constitution, Article 5 Section 21; Title 74 O.S. 2001, Section 291.2).
- j. The salary of the Executive Director of the Law Enforcement Retirement System is established by the Oklahoma Law Enforcement Retirement Board (Title 47 O.S. 2001, Section 2-303(H)). The Executive Director's current annual salary is \$84,735.
- k. The salary of the Adjutant General is limited by statute to the compensation equivalent to the Adjutant's federally recognized rank (Title 44 O.S. 2001, Section 27). The Adjutant General's current annual salary is \$146,250.
- l. The salary of the Executive Director of the Board of Pharmacy is set by statute (Title 59 O.S. Supp. 2006, Section 353.5). The Board shall determine the salary based upon the regional average for registered pharmacists, or FY-08 such amount equals \$109,725.
- m. 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. 2006, Section 3.4). The salaries listed became effective July 1, 2006:

Supreme Court:	
Chief justice	\$140,000
Justice	131,000
Court of Civil Appeals:	
Presiding Judge	\$126,500
Judge	124,200

- n. Salaries of the Tax Commissioners are set by statute. In accordance with Title 68 O.S. Supp. 2006, Section 102.1 (c) the commissioners salaries are to be paid equally to that of a judge of the Workers Compensation Court, (\$118,450), for those appointed after January 2003. All Commissioners have been appointed or reappointed since January 2003.
- o. Salaries for the Judges of the Workers Compensation Court are set by statute, (Title 85 O.S. 2001, Section 1.2), to be equivalent to the salary paid to a District Judge of the state (\$118,450).
- p. The salary of the Administrator of the Workers Compensation Court is set by statute, (Title 85 O.S., Supp. 2006, Section 1.3), to be 90% of the salary of a Judge on the Workers Compensation Court. When applying this formula the current salary of the Administrator of the Workers Compensation Court is equal to \$106,605.

Table 6
Constitutional Reserve (Rainy Day) Fund History

Fiscal Year	Beginning Balance	Deposits	Lapses	Appropriations	Ending Balance
1989	\$0	\$77,994,351	\$0	(\$26,000,000)	\$51,994,351
1990	51,994,351	100,810,258	0	(75,000,000)	77,804,609
1991	77,804,609	73,929,614	0	(30,000,000)	121,734,223
1992	121,734,223	75,117,212	10,464	(61,878,177)	134,983,722
1993	134,983,733	0	25,176	(43,867,903)	91,140,995
1994	91,140,995	0	0	(45,570,498)	45,570,497
1995	45,570,497	0	3,555	0	45,574,052
1996	45,574,052	0	0	(22,688,345)	22,885,707
1997	22,885,707	91,402,205	12,909	(52,825,496)	61,475,325
1998	61,475,325	247,042,462	388,745	(154,444,000)	154,462,532
1999	154,462,532	142,898,076	1,119,324	(148,621,410)	149,858,522
2000	149,858,522	0	28,700	(74,929,261)	74,957,961
2001	74,957,961	82,584,612	9,826	0	157,552,399
2002	157,552,399	261,904,617	299,087	(78,771,287)	340,984,816
2003	340,984,816	0	0	(268,585,822)	72,398,994
2004	72,398,994	0	0	(72,262,663)	136,331
2005	136,331	208,800,000	0	0	208,936,331
2006	208,936,331	243,800,000	0	0	452,736,331
2007	452,736,331	42,953,837	0	0	495,690,168
2008	495,690,168	75,908,459	0	0	571,598,627
Totals		\$1,725,145,703	\$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 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 toward taxpayer rebates, research and economic development as set forth in HB 1193 (2005).
- The fund also reached the maximum with the FY-06 deposit, resulting in approximately \$520.4 million in funds above the maximum, of which \$457.3 million was transferred by the Legislature for various initiatives (listed in Table 8 of FY-07 Legislative Appropriations).
- The FY-07 deposit resulted in reaching the maximum with approximately \$151.5 million in funds in excess. The Legislature transferred \$139.8 million for various initiatives as detailed in Table 7.
- 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
FY-08 Constitutional Reserve Fund Spillover

Oklahoma Teachers' Retirement System	\$10,000,000
State Emergency Fund	10,000,000
State Board of Education – Teacher Targeted Salaries	22,000,000
Regents for Higher Education Operations	20,000,000
Regents for Higher Education Capital Improvements	16,500,000
Centennial Commission Projects	15,000,000
Interoperable Telecommunications System Study	5,500,000
University of Central Oklahoma Forensics Building	4,000,000
OCAST Seed Capital Program	500,000
Oklahoma Bioenergy Center	6,000,000
Langston University USDA Match	1,800,000
Rural Fire Equipment Grants	2,500,000
Conservation Commission Federal Flood Control Match	6,500,000
Corrections Private Prison and Halfway House Contracts	5,000,000
Educare Program	5,000,000
Whitefield Memorial Youth Expo Endowment	1,000,000
Space Industry Development Authority Capital Improvements	2,000,000
Agriculture Laboratory Equipment	250,000
Public Safety Vehicle Replacement	1,000,000
School for the Deaf/School for the Blind Capital Improvements	2,000,000
Career Technology Aerospace Industries Training Program	1,200,000
Mental Health Smart on Crime Initiative	2,000,000
Gang Intervention	<u>50,000</u>
Total	\$139,800,000

HB 1105 provides for the transfer of Constitutional Reserve (“Rainy Day”) Spillover funds and creates the Private Prison and Halfway House Capacity Development Revolving Fund for the Department of Corrections.

Table 8

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
FY-07	2,778,523	13,084,283	47,588,421		63,451,228

Table 9

FY-07 Supplemental Appropriations

Education

Common Education	
▪ Ad Valorem Reimbursement Fund	\$18,800,000
▪ Teacher Salaries and Benefits	41,500,000
Higher Education	
▪ OHLAP	5,500,000
Career Technology	
▪ Teacher Salaries and Benefits	2,757,806

General Government and Transportation

Central Services	
▪ Building Maintenance and Operations	3,200,000

Public Safety and Judiciary

Corrections	
▪ Contract Bed Shortfall	9,664,573
▪ Operations	23,000,000
Court of Criminal Appeals	
▪ Operations	125,000
CLEET	
▪ Ada Facility Furnishings and Operations	815,832
Military Department	
▪ Federal Match for Facilities	1,500,000
Department of Public Safety	
▪ Oversize/Overweight Permit System	100,000

Public Health

Health Department	
▪ Examiners for Long-Term Care Administrators	100,000

Human Services

Office of Juvenile Affairs	
▪ Craig County Facility Construction and Operations	4,300,000

Energy and Technology

Corporation Commission	
▪ Replacement of Federal Funds	3,100,000

Natural Resources

Tourism and Recreation	
▪ Land Sale Reimbursement	1,600,000

Total - FY-07 Supplemental Appropriations	\$116,063,211
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Table 10
Selected Financial Data on Major Retirement Systems

		Asset Mix %										
		Actuarial Value of Assets	Actuarial Accrued Liability	Current Unfunded Liability ¹	Funded Ratio %							Invest. Mgrs
						Domestic Equities	Fixed Income	Cash and Short Term Investments	Int'l Gov. Bonds & Equities	Real Estate	Other	
Teachers Retirement System	2006	\$7,470,433,915	\$15,143,357,820	\$7,672,923,905	49.3	47.7	28.0	5.6	18.7	0.0	0.0	25
	2005	\$6,952,687,592	\$14,052,434,061	\$7,099,746,469	49.5	52.3	26.8	4.9	16.0	0.0	0.0	21
	2004	\$6,660,918,318	\$14,080,148,332	\$7,419,230,014	47.3	51.0	23.0	7.4	18.6	0.0	0.0	21
Public Employees Retirement System	2006	\$5,654,276,043	\$7,914,657,886	\$2,260,381,843	71.4	41.7	38.1	1.0	19.2	0.0	0.0	11
	2005	\$5,450,664,963	\$7,575,419,808	\$2,124,754,845	72.0	44.1	38.4	1.5	16.0	0.0	0.0	11
	2004	\$5,412,166,797	\$7,114,778,205	\$1,702,611,408	76.1	48.4	37.3	5.4	8.9	0.0	0.0	11
Firefighters Pension & Retirement	2006	\$1,546,486,429	\$2,666,305,915	\$1,119,819,486	58.0	45.9	20.8	2.0	10.7	0.0	20.7	15
	2005	\$1,485,516,048	\$2,332,601,300	\$847,085,252	63.7	45.0	27.4	2.5	10.9	0.0	14.2	14
	2004	\$1,473,396,552	\$2,233,519,875	\$760,123,323	66.0	47.0	30.1	2.2	10.6	0.0	10.1	15
Police Pension & Retirement System	2006	\$1,490,208,000	\$1,910,059,072	\$419,851,072	78.0	45.7	14.4	2.2	6.9	0.0	30.8	44
	2005	\$1,423,834,000	\$1,811,572,114	\$387,738,114	78.6	41.6	17.1	2.4	7.1	0.0	31.8	40
	2004	\$1,399,975,000	\$1,727,162,602	\$327,187,802	81.1	41.4	18.8	0.8	7.4	0.0	31.6	36
Law Enforcement Retirement System	2006	\$651,671,000	\$772,269,163	\$120,598,163	84.8	52.0	27.1	2.3	10.5	6.8	1.3	8
	2005	\$630,245,000	\$751,771,788	\$121,526,788	83.8	52.1	28.7	1.7	10.4	6.4	0.6	11
	2004	\$604,131,000	\$689,800,577	\$85,669,577	87.6	52.8	29.2	1.6	9.8	6.3	0.3	9
Unif. Retirement System for Justices & Judges	2006	\$210,376,209	\$205,305,048	-\$5,071,161	102.5	35.9	47.2	0.6	16.3	0.0	0.0	4
	2005	\$203,951,085	\$187,556,845	-\$16,394,240	108.7	37.8	47.0	2.1	13.1	0.0	0.0	4
	2004	\$201,141,649	\$166,275,941	-\$34,865,708	121.0	37.8	45.1	4.4	12.7	0.0	0.0	4

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, 2006, 2005, 2004. Asset mix and investment manager information is derived from actual market values provided in such reports and excludes Receivables.

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.

Table 11
Selected Membership Data on Major Retirement Systems

Participant Information

		Actives	Terminated Vested	Disabled, Retired and Beneficiaries	Average Earnings of Active Participants	Average Age of Actives	Average Service of Actives in Years	Average Annual Retiree Benefit Payment
Teachers Retirement System	2006	87,194	6,606	41,782	\$38,476	45.7	11.6	\$17,199
	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
Public Employees Retirement System	2006	45,472	5,568	24,372	\$34,490	46.2	10.7	\$14,379
	2005	43,918	5,521	23,679	\$33,112	45.7	10.5	\$13,684
	2004	43,000	5,482	22,990	\$32,185	45.7	10.6	\$13,420
Firefighters Pension and Retirement System	2006	11,409 ¹	1,180	8,509	\$53,527 ^{1 2}	38.9 ^{1 2}	12.4 ^{1 2}	\$25,752 ^{1 2}
	2005	10,999 ¹	1,113	8,347	\$51,392 ^{1 2}	38.7 ^{1 2}	12.3 ^{1 2}	\$24,791 ^{1 2}
	2004	10,780 ¹	1,070	8,184	\$49,226 ^{1 2}	38.6 ^{1 2}	12.3 ^{1 2}	\$24,149 ^{1 2}
Police Pension and Retirement System	2006	4,141 ¹	80	2,548	\$49,309 ¹	37.9 ¹	10.2 ¹	\$28,010 ¹
	2005	4,016 ¹	79	2,447	\$47,024 ¹	37.6 ¹	10.0 ¹	\$26,925 ¹
	2004	3,895 ¹	74	2,373	\$45,073 ¹	37.5 ¹	9.9 ¹	\$26,577 ¹
Law Enforcement Retirement System	2006	1,170 ¹	26	1,119	\$48,817 ¹	39.5 ¹	10.6 ¹	\$30,391 ¹
	2005	1,103 ¹	24	1,041	\$46,148 ¹	40.0 ¹	11.1 ¹	\$28,664 ¹
	2004	1,129 ¹	21	1,024	\$43,288 ¹	39.4 ¹	10.5 ¹	\$28,637 ¹
Uniform Retirement System for Justices and Judges	2006	272	10	180	\$101,223	55.7	12.1	\$56,560
	2005	266	9	175	\$93,287	55.2	11.7	\$52,880
	2004	270	8	168	\$95,241	55.1	12.0	\$48,519

Source: Reports submitted by the consulting actuaries to the state systems for the plan year ending June 30, 2006, 2005, 2004.

Footnotes: (1) Excludes information on those active participants that participate in the plan's Deferred Option Program.
(2) Excludes information on volunteer firefighters.

Glossary

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

REAP: Rural Economic Action Plan.

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

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

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

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

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

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

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

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

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

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

