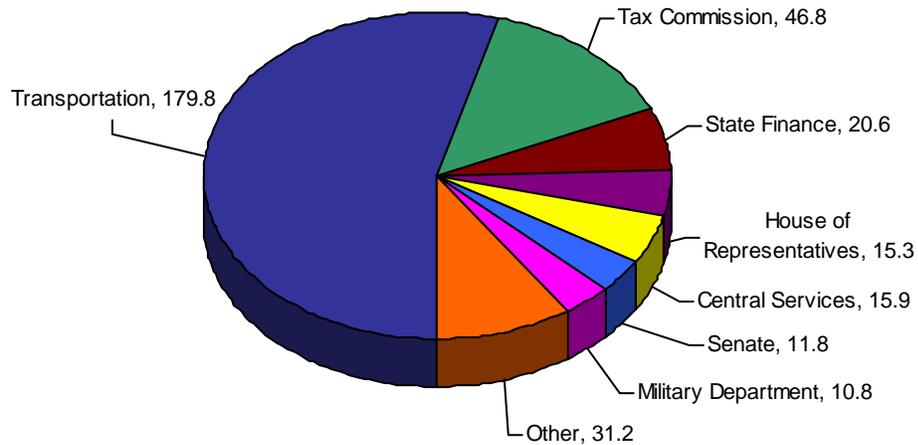


General Government & Transportation Committee

Distribution of FY-11 Appropriations



Transportation	\$179,771,010
Tax Commission	46,830,944
Office of State Finance	20,623,054
Department of Central Services	15,973,031
House of Representatives	15,341,770
Senate	11,759,778
Military Department	10,787,365
Other	
Election Board	8,047,225
Auditor & Inspector	5,152,673
Legislative Service Bureau	4,902,835
Office of Personnel Mgt.	3,913,555
Treasurer	3,903,089
Governor	2,129,671
Emergency Management	692,744
Ethics Commission	545,882
Merit Protection Commission	527,921
Lieutenant Governor	527,699
Space Industry Authority	424,289
Secretary of State	304,426
Bond Advisor	155,556
Subcommittee Total	\$332,314,517

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

General Government and Transportation Subcommittee

Distribution of FY-10 Appropriations

State Auditor and Inspector

State Bond Advisor

Department of Central Services

Election Board

Department of Emergency Management

Ethics Commission

Office of State Finance

Governor

House of Representatives

Legislative Services Bureau

Lieutenant Governor

Merit Protection Commission

Military Department

Office of Personnel Management

Secretary of State

Senate

Space Industry Development

Tax Commission

Department of Transportation

Treasurer

State Auditor and Inspector

Steve Burrage, State Auditor and Inspector

Agency # 300

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization*	\$5,873,200	169.0
a. FY-10 Budget Base Cut	<u>(\$440,490)</u>	
FY-10 Final Appropriation	\$5,432,710	
Per Cent Change from FY-10 Original Appropriation	-7.5%	
FY-11 Base Appropriation	\$5,432,710	
b. FY-11 Budget Base Cut	<u>(\$380,037)</u>	
c. Performance Auditor	\$100,000	
Total Adjustments	<u>(\$280,037)</u>	
FY-11 Appropriation and FTE Authorization	\$5,152,673	140.0**
Per Cent Change from FY-10 Final Appropriation	-5.2%	

*The original FY-10 appropriation was reduced by 7% from the FY-09 appropriation level.

** The FY-11 FTE authorization contained in HB 2370 was vetoed by the Governor.

II. FY-10/FY-11 Appropriations Adjustments Detail

- a. State agencies experienced cuts in monthly General Revenue Fund allocations averaging 7.5 percent as a result of a 15.1 percent revenue shortfall.
- b. The FY-11 base appropriation is decreased by 7 percent, reflecting the ongoing negative effect of the nation-wide economic recession on state revenue sources available for appropriation.
- c. Appropriation is made to fund one full-time-equivalent employee (FTE) specializing in performance audits.

III. FY-10 Policy Issues

SB 857 directs the Oklahoma State University Center for Local Government Technology (OSU-CLGT), in cooperation with the Tax Commission, to offer computer software programs, software and hardware support and employee training to counties currently using services previously provided by the State Auditor and Inspector (SAI). Relocation is necessary because of changes in federal auditing standards that created conflicts between the program and the ability of the auditor to conduct independent audits of counties.

IV. FY-11 Policy Issues

HB 2395 increases filing fees for processing audit-related reports by public accountants or certified public accountants from \$40.00 to \$100.00. The agency estimates the increase will provide additional annual collections of \$100,000. The bill also raises thresholds for transfers of any unencumbered balance in the State Auditor and Inspector Revolving Fund to the General Revenue Fund (GRF) from \$500,000 to \$850,000. The agency requested higher levels to accommodate anticipated savings from administrative efficiencies implemented to meet budget reductions. Historical collection patterns indicate that the adjusted threshold will have no effect on GRF collections.

SB 2034 transfers accounting duties from the State Board of Education to the State Auditor and Inspector (SAI) and requires school districts to pay for the cost of SAI audits. An additional Certified Public Accountant (CPA) is required to review audits and monitor reporting requirements and to coordinate information between the agency and the Board of Accountancy. SAI estimates salary and benefits for the CPA position at \$97,000 annually.

V. FY-10 Budget Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
General Revenue Fund	\$6,315,269	\$5,432,710	-14.0%
Revolving Funds	6,350,000	6,300,000	-0.8%
Total	\$12,665,269	\$11,732,710	-7.4%

VI. FY-11 Budget Resources

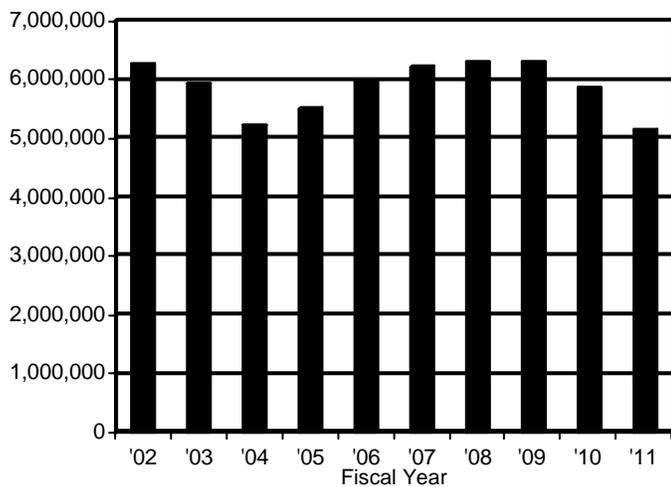
	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
General Revenue Fund	\$5,432,710	\$5,152,673	-5.2%
Revolving Funds*	6,300,000	6,418,000	1.9%
Total	\$11,732,710	\$11,570,673	-1.4%

VII. Budget References

a. FY-10: SB 216, Sections 34 and 35; HB 1156, Section 1

b. FY-11: SB 1561, Sections 38-41

VIII. Ten Year Appropriation History



FY-02	\$6,277,121	FY-07	\$6,219,622
FY-03	\$5,939,515	FY-08	\$6,315,269
FY-04	\$5,226,966	FY-09	\$6,315,269
FY-05	\$5,523,603	FY-10	\$5,432,710
FY-06	\$5,988,786	FY-11	\$5,152,673

Notes:

1. The original FY-10 appropriation to the Office of the State Auditor and Inspector was \$5,873,200.

Office of the State Bond Advisor

Tim Martin, Director

Agency # 582

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization*	\$173,370	3.0
a. FY-10 Base Budget Cut	<u>(\$13,003)</u>	
FY-10 Final Appropriation	\$160,367	
Percent Change from FY-10 Original Appropriation	-7.5%	
FY-11 Base Appropriation	\$160,367	
b. FY-11 Base Budget Cut	<u>(\$4,811)</u>	
Total Adjustments	<u>(\$4,811)</u>	
FY-11 Appropriation and FTE Authorization	\$155,556	3.0
Percent Change from FY-10 Final Appropriation	-3.0%	

*The original FY-10 appropriation was reduced by 7% from the FY-09 appropriation level.

**The FY-11 FTE authorization contained in HB 2370 was vetoed by the Governor.

II. FY-10/FY-11 Appropriations Adjustments Detail

- a. State agencies experienced cuts in monthly General Revenue Fund allocations averaging 7.5 percent as a result of a 15.1 percent revenue shortfall.
- b. The FY-11 base appropriation is decreased by 3.0 percent, reflecting the ongoing negative effect of the nation-wide economic recession on state revenues sources available for appropriation.

III. FY-10 Policy Issues

None.

IV. FY-11 Policy Issues

None.

V. FY-10 Budget Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
General Revenue Fund	\$186,419	\$160,367	-14.0%
Carryover	325,000	360,000	10.8%
Total	\$511,419	\$520,367	1.7%

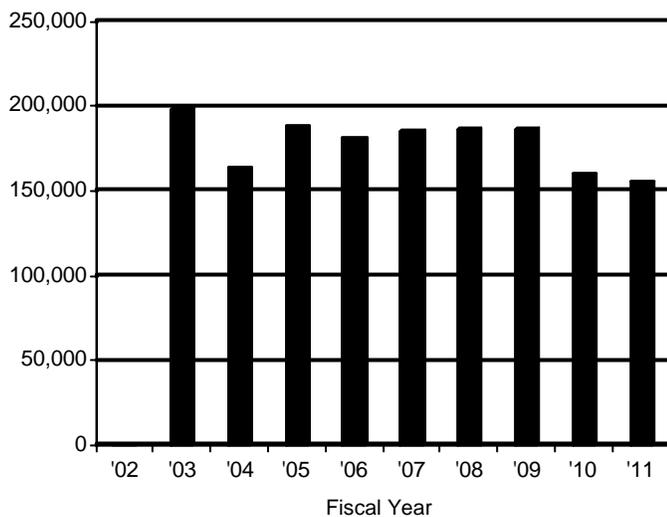
VI. FY-11 Budget Resources

	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
General Revenue Fund	\$160,367	\$155,556	-3.0%
Carryover	360,000	360,000	0.0%
Total	\$520,367	\$515,556	-0.9%

VII. Budget References

- a. FY-10: SB 216, Section 36; SB 87, Section 1
- b. FY-11: SB 1561, Section 37

VIII. Ten Year Appropriation History



FY-02	\$0	FY-07	\$185,117
FY-03	\$198,111	FY-08	\$186,419
FY-04	\$163,527	FY-09	\$186,419
FY-05	\$188,096	FY-10	\$160,367
FY-06	\$181,212	FY-11	\$155,556

Notes:

1. The original FY-10 appropriation to the Office of the State Bond Advisor was \$173,370.

Department of Central Services

John Richard, Director

Agency # 580

I. FY-10/FY-11 Appropriations Adjustment

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization*	\$17,403,253	300.0
a. FY-10 Base Budget Cut	(\$851,052)	
b. FY-10 Supplemental - Building Boilers	\$700,000	
c. Remove Supplemental	<u>(\$700,000)</u>	
FY-10 Final Appropriation	\$16,552,201	
Percent Change from FY-10 Original Appropriation	-4.9%	
FY-11 Base Appropriation	\$16,552,201	
d. FY-11 Base Budget Cut	(\$1,279,170)	
e. Courts Building Rental Funding	\$700,000	
Total Adjustments	<u>(\$579,170)</u>	
FY-11 Appropriation and FTE Authorization	\$15,973,031	275.0**
Percent Change from FY-10 Final Appropriation	-3.5%	

*The original FY-10 appropriation was reduced by 7% from the FY-09 appropriation level.

** The FY-11 FTE authorization contained in HB 2370 was vetoed by the Governor.

II. FY-10/FY-11 Appropriations Adjustments Detail

- a. State agencies experienced cuts in monthly General Revenue Fund allocations averaging 7.5 percent as a result of a 15.1 percent revenue shortfall.
- b. Supplemental funding is provided to replace two aged and defective boilers in the Will Rogers and Sequoyah buildings within the State Capitol Complex.
- c. Supplemental funding is removed as an adjustment to the FY-11 appropriations base.
- d. The FY-11 base appropriation is decreased by 7.7 percent, reflecting the ongoing negative effect of the nation-wide economic recession on state revenues sources available for appropriation.
- e. Funding is provided to meet rental costs of the Wiley Post Historical Building, scheduled to house the State Supreme Court and the State Appellate Courts.

III. FY-10 Policy Issues

HB 1032 directs the agency to provide monthly accounting, in electronic format, to the Office of State Finance (OSF) listing all state purchase card transactions. OSF will provide public access to the list in a searchable format through the state portal system.

HB 1162 authorizes the agency to enter into a lease-purchase agreement in the amount of \$3,000,000 for a period not to exceed 20 years for the remediation of the Hissom Memorial Treatment Center. DCS anticipates that remedial activities can be accomplished at a cost of somewhat less than the entire authorized amount. Annual debt service of \$150,000 - \$225,000 will be met with existing agency resources.

HB 2016 requires state agencies or other entities organized within the executive branch of state government to use a Trip Optimizer System, which computes the optimum mode and cost of travel by state employees using a motor vehicle. Any agency or entity with employees using personal vehicles as part of their regular duties and who are reimbursed for travel expenses by their agency will not be required to utilize the Trip Optimizer. DCS anticipates that a 10 to 20 percent cost efficiency could be realized through use of the system, with annual savings estimated at between \$500,000 and \$1,000,000.

IV. FY-11 Policy Issues

SB 1714 requires state agencies awarding contracts to private vendors to give preference to goods and services manufactured or produced in Oklahoma if the price, fitness, availability and quality are otherwise equal to goods and services from another state or foreign nation.

V. FY-10 Budget Resources

	<u>FY-09</u>	<u>FY10</u>	<u>% Change</u>
General Revenue Fund	\$15,551,982	\$10,496,251	-32.5%
Public Building Fund	3,161,193	2,955,950	-6.5%
Special Cash Fund	0	3,100,000	100.0%
Carryover	1,050,000	1,539,000	46.6%
Revolving Funds	90,000,000	85,000,000	-5.6%
Total	\$109,763,175	\$103,091,201	-6.1%

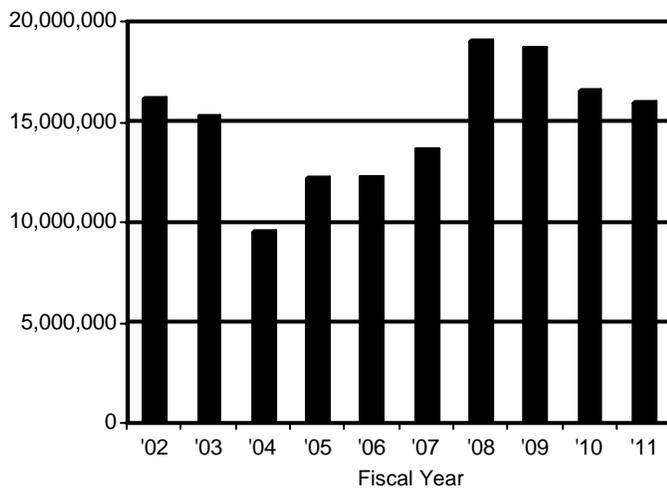
VI. FY-11 Budget Resources

	<u>FY-10</u>	<u>FY11</u>	<u>% Change</u>
General Revenue Fund	\$10,496,251	\$13,808,584	31.6%
Public Building Fund	2,955,950	2,164,447	-26.8%
Special Cash Fund	3,100,000	700,000	-77.4%
Carryover	1,539,000	2,500,000	62.4%
Revolving Funds	85,000,000	80,000,000	-5.9%
Total	\$103,091,201	\$99,173,031	-3.8%

VII. Budget References

- a. FY-10: SB 216, Sections 38-41; SB 89, Sections 1-7 and HB 1162, Section 1
- b. FY-11: SB 1561, Sections 38-41

VIII. Ten Year Appropriation History



FY-02	\$16,194,148	FY-07	\$13,639,156
FY-03	\$15,301,061	FY-08	\$19,053,697
FY-04	\$9,547,361	FY-09	\$18,713,175
FY-05	\$12,234,432	FY-10	\$16,552,201
FY-06	\$12,263,035	FY-11	\$15,973,031

Notes:

1. FY-02 includes Constitutional Reserve (Rainy Day) Fund appropriations for the maintenance and repair of restroom facilities 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.
4. The agency's FY-09 full time- equivalent (FTE) limit is 300.0, a reduction of 20.0 FTE from previous years. The modified limit more closely approximates the actual number of DCS employees (230 in FY-07), while leaving adequate authorized positions to meet seasonal requirements.
5. The original FY-10 appropriation to the Department of Central Services was \$17,403,253.

State Election Board

Paul Ziriak, Secretary

Agency # 270

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization*	\$6,373,569	N/A
a. FY-10 Budget Base Cut	<u>(\$466,768)</u>	
FY-10 Final Appropriation	\$5,906,801	
Percent Change from FY-10 Original Appropriation	-7.3%	
FY-11 Base Appropriation	\$5,906,801	
b. Replace Election Management Funding	\$2,140,424	
Total Adjustments	<u>\$2,140,424</u>	
FY-11 Appropriation and FTE Authorization	\$8,047,225	
Percent Change from FY-10 Final Appropriation	36.2%	N/A

*The original FY-10 appropriation was reduced by 6.4% from the FY-09 appropriation level.

**The FY-11 FTE authorization contained in HB 2370 was vetoed by the Governor.

II. FY-10/FY-11 Appropriations Adjustments Detail

- a. State agencies experienced cuts in monthly General Revenue Fund allocations averaging 7.5 percent as a result of a 15.1 percent revenue shortfall.
- b. Increased election costs and FY-10/FY-11 budget cuts reduced the agency's Election Management funds to a level insufficient to conduct the 2010 elections in the manner mandated by law. The appropriation allows the Election Board to fully meet the costs of the 2010 election cycle.

III. FY-10 Policy Issues

SB 692 submits a legislative referendum to a vote of the people requiring each prospective voter to provide proof of identity. Identification is defined as a document with the name and photograph of the person, and that such document is issued by the federal, Oklahoma state government or a federally recognized Indian tribe. A valid voter identification card may also serve as proof of identity. Should a person not possess proper documentation, the measure provides a provisional voting procedure requiring the voter to sign a statement under oath declaring that the signatory is the voter identified in the precinct book.

SJR 12 proposes an amendment to the Oklahoma Constitution limiting terms of office of certain statewide elected officials. Specifically, the measure provides that a sitting Governor may serve no longer than eight years, which need not be consecutive. The offices of Lieutenant Governor, State Auditor and Inspector, Attorney General, State Treasurer, Commissioner of Labor, Superintendent of Public Instruction and Insurance Commissioner are similarly limited to eight years, while Corporation Commissioners may serve up to 12 years.

HB 1081 modifies notice requirements for substitute candidates in the event of the death of a political party's nominee for office prior to the general election and provides that notice for both county and state candidates will be submitted in writing within fifteen days following the death.

IV. FY-11 Policy Issues

HB 3261 repeals an existing statute requiring candidate filing fees to be forfeited to the election board with which they are filed unless a candidate is unopposed in the primary election, becomes a candidate in a runoff primary election or receives more than fifteen percent of the vote. This measure allows State and County Election Boards to retain all candidate filing fees instead of returning most fees. In a gubernatorial election year, the legislation should produce approximately \$125,000 in revenue for the State Election Board and between \$1,600 and \$2,400 for each County Election Board.

SB 1921 increases the maximum punishment for felony election code violations from two years to five years of imprisonment and the maximum fine from \$5,000 to \$50,000. Misdemeanor fines are increased from \$1,000 to a \$10,000 maximum.

V. FY-10 Budget Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
General Revenue Fund	\$2,805,988	\$5,906,801	110.5%
Special Cash Fund	4,000,000	150,000	-96.3%
Carryover	1,615,000	0	-100.0%
Revolving Funds	573,000	530,000	-7.5%
State Matching Funds (HAVA)	27,306	44,230	62.0%
Federal Funds (HAVA)	26,350,000	29,617,000	12.4%
Total	\$35,371,294	\$36,248,031	2.5%

VI. FY-11 Budget Resources

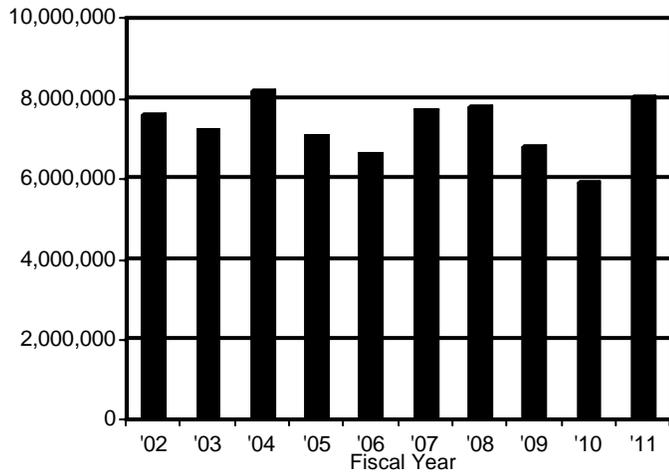
	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
General Revenue Fund	\$5,906,801	\$5,488,094	-7.1%
Special Cash Fund	150,000	2,559,131	1606.1%
Carryover	0	554,000	100.0%
Revolving Funds	530,000	257,112	-51.5%
State Matching Funds (HAVA)	44,230	43,544	-1.6%
Federal Funds (HAVA)	29,617,000	27,705,014	-6.5%
Total	\$36,248,031	\$36,606,895	1.0%

VII. Budget References

a. FY-10: SB 216, Sections 42 and 43; HB 1164, Section 1

b. FY-11: SB 1561, Sections 42 and 43

VIII. Ten Year Appropriation History



FY-02	\$7,607,768	FY-07	\$7,709,951
FY-03	\$7,227,380	FY-08	\$7,785,988
FY-04	\$8,195,395	FY-09	\$6,805,988
FY-05	\$7,072,129	FY-10	\$5,906,801
FY-06	\$6,621,839	FY-11	\$8,047,225

Notes:

1. The original FY-10 appropriation to the State Election Board was \$6,373,569.

Department of Emergency Management

Agency # 309

Albert Ashwood, Director

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization*	\$788,329	32.0
a. FY-10 Budget Base Cut	<u>(\$59,125)</u>	
FY-10 Final Appropriation	\$729,204	
Percent Change from FY-10 Original Appropriation	-7.5%	
FY-11 Base Appropriation	\$729,204	
b. FY-11 Budget Base Cut	<u>(\$36,460)</u>	
Total Adjustments	<u>(\$36,460)</u>	
FY-11 Appropriation and FTE Authorization	\$692,744	30.0**
Percent Change from FY-10 Final Appropriation	-5.0%	

*The original FY-10 appropriation was reduced by 2.3% from the FY-09 appropriation level.

** The FY-11 FTE authorization contained in HB 2370 was vetoed by the Governor.

II. FY-10/FY-11 Appropriations Adjustments Detail

- a. State agencies experienced cuts in monthly General Revenue Fund allocations averaging 7.5 percent as a result of a 15.1 percent revenue shortfall.
- b. The FY-11 base appropriation is decreased by 5 percent, reflecting the ongoing negative effects of the nation-wide economic recession on state revenues sources available for appropriation.

III. FY-10 Policy Issues

None.

IV. FY-11 Policy Issues

None.

V. Budget Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
General Revenue Fund	\$1,156,604	\$1,063,800	-8.0%
Revolving Funds	4,003,692	2,149,304	-46.3%
Federal Funds	7,047,828	8,833,366	25.3%
Total	\$12,208,124	\$12,046,470	-1.3%

VI. Budget Resources

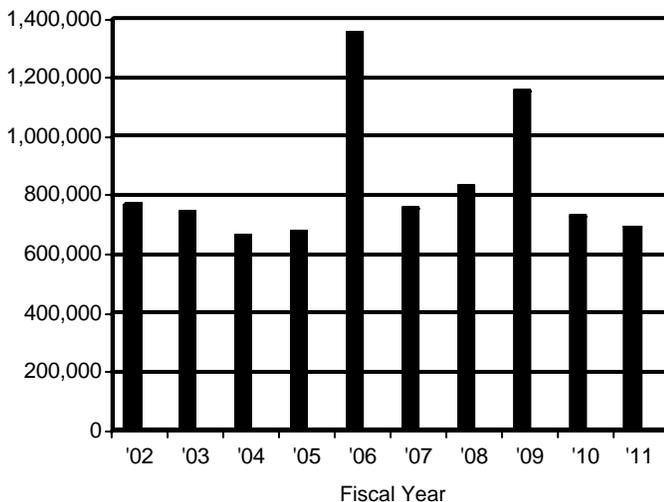
	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
General Revenue Fund	\$1,063,800	\$692,744	-34.9%
Revolving Funds	2,149,304	1,111,374	-48.3%
Federal Funds	8,833,366	11,795,145	33.5%
Total	\$12,046,470	\$13,599,263	12.9%

VII. Budget References

a. FY-10: SB 216, Section 54; HB 2328, Section 1

b. FY-11: SB 1561, Section 44

VIII. Ten Year Appropriation History



FY-02	\$772,373	FY-07	\$756,843
FY-03	\$749,202	FY-08	\$836,604
FY-04	\$666,226	FY-09	\$1,156,604
FY-05	\$680,972	FY-10	\$729,204
FY-06	\$1,355,561	FY-11	\$692,744

Notes:

1. The FY-06 increase represents a one-time state match to renovate the state Emergency Command Center.
2. The original FY-10 appropriation to the Department of Emergency Management was \$788,329.

Ethics Commission

Marilyn Hughes, Director

Agency # 296

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization*	\$621,203	7.0
a. FY-10 Budget Base Cut:	<u>(46,590)</u>	
FY-10 Final Appropriation	\$574,613	
Percent Change from FY-10 Original Appropriation	-7.5%	
FY-11 Base Appropriation	\$574,613	
b. FY-11 Budget Base Cut	(28,731)	
Total Adjustment	<u>(28,731)</u>	
FY-11 Appropriation and FTE Authorization	\$545,882	7.0
Percent Change from FY-10 Final Appropriation	-5.0%	

*The original FY-10 appropriation was reduced by 7% from the FY-09 appropriation level.

**The FY-11 FTE authorization contained in HB 2370 was vetoed by the Governor.

II. FY-10/FY-11 Appropriations Adjustments Detail

- a. State agencies experienced cuts in monthly General Revenue Fund allocations averaging 7.5 percent as a result of a 15.1 percent revenue shortfall.
- b. The FY-11 base appropriation is decreased by five percent, reflecting the ongoing negative effect of the nation-wide economic recession on state revenue sources available for funding.

III. FY-10 Policy Issues

None.

IV. FY-11 Policy Issues

HB 2408 allocates the first \$25,000 per year derived from Candidate Contributor Report late fee assessments to the Ethics Commission Fund with any amount exceeding \$25,000 to the General Revenue Fund (GRF). Formerly, all collections were deposited to the credit of the GRF. Under the provisions of the measure, the agency will cease mailing candidate verification forms previously required by the Political Subdivisions Ethics Act, but will make them available online at the Commission website. The agency estimates late fee collections of \$14,000 annually and saving of \$5,000 per year in printing and mailing costs.

V. Budget Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
General Revenue Fund	\$667,960	\$558,225	-16.4%
Revolving Funds	80,000	141,526	76.9%
Total	\$747,960	\$699,751	-6.4%

VI. Budget Resources

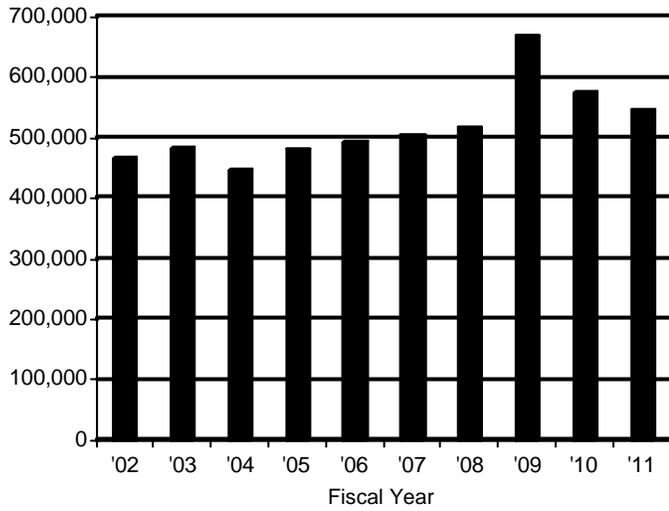
	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
General Revenue Fund	\$558,225	\$545,882	-2.2%
Revolving Funds	141,526	101,472	-28.3%
Total	\$699,751	\$647,354	-7.5%

VII. Budget References

a. FY-10: SB 216, Section 45; SB 95, Section 1

b. FY-11: SB 1561, Section 45

VIII. Ten Year Appropriation History



FY-02	\$467,321	FY-07	\$504,039
FY-03	\$482,321	FY-08	\$517,960
FY-04	\$447,124	FY-09	\$667,960
FY-05	\$480,747	FY-10	\$574,613
FY-06	\$492,277	FY-11	\$545,882

Notes:

1. The original FY-10 appropriation to the Ethics Commission was \$621,203.

Office of State Finance

Michael Clingman, Director

Agency # 090

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization	\$23,081,434	N/A
a. FY-10 Budget Base Cut	<u>(\$906,108)</u>	
FY-10 Final Appropriation	\$22,175,326	
Percent Change from Original FY-10 Appropriation	-3.9%	
FY-11 Base Appropriation	\$22,175,326	
b. FY-11 Budget Base Cut	<u>(\$1,552,272)</u>	
Total Adjustments	<u>(\$1,552,272)</u>	
FY-11 Appropriation and FTE Authorization	\$20,623,054	N/A
Percent Change from FY-10 Final Appropriation	-7.0%	

II. FY-10/FY-11 Appropriations Adjustments Detail

- a. State agencies experienced cuts in monthly General Revenue Fund allocations averaging 7.5 percent as a result of a 15.1 percent revenue shortfall.
- b. The FY-11 base appropriation is decreased by 7 percent, reflecting the ongoing negative effect of the nation-wide economic recession on state revenue sources available for appropriation.

III. FY-10 Policy Issues

HB 1170 creates the position of Chief Information Officer (CIO), a cabinet-level office with authority over the Information Services Division (ISD) of the agency and will develop an action plan to coordinate and modernize all information technology and communications systems in state government. The CIO is authorized to approve statewide contracts for software, hardware, consulting services and telecommunications. The State Regents for

Higher Education, its institutions and the OneNet telecommunication network are exempt from oversight under the Act. Cost savings achieved through implementation of the plan will be realized within two years of the CIO appointment date, and are to be not less than fifteen percent (15%) of total FY-09 information technology and telecommunications expenditures.

HB 1111 directs executive branch state agencies converting to a multi-monthly payroll system to consult with OSF on the timing of conversion. All state employees hired during the six months prior to any conversion will be placed on either a multi-monthly payroll or a supplemental payroll system. State agencies may offer current employees the option to convert to a multi-monthly system and may establish an employee payroll conversion bank to bridge any gaps created by the conversion, comprised of eighty leave hours and up to forty hours sick leave. Institutions within the Oklahoma State System for Higher Education are exempt from the provisions of the measure.

HB 1032 directs all executive branch agencies, boards or commissions issuing licenses or permits to utilize the state portal system to offer web-based original and renewal applications for licenses or permits by July 1, 2010.

IV. FY-11 Policy Issues

HB 3422 requires OSF to update the state website with “Open Books 2.0” by January 1, 2011. Open Books 2.0 is a more expansive online database in which expenditures are listed individually. Information is searchable by term including the names of recipients, entities making expenditures and dates of expenditures. No later than eighteen months after Open Books 2.0 is online, the agency will establish an online archive for each fiscal year.

V. FY-10 Budget Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
General Revenue Fund	\$12,081,134	\$11,175,326	-7.5%
Special Cash	11,000,000	11,000,000	0.0%
Revolving Funds	13,000,000	13,500,000	3.8%
Carryover	1,375,000	1,425,000	3.6%
Total	\$37,456,134	\$37,100,326	-0.9%

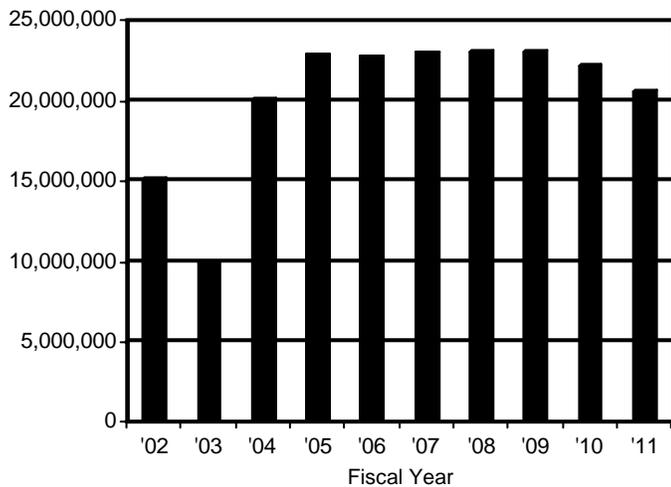
VI. FY-11 Budget Resources

	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
General Revenue Fund	\$11,175,326	\$9,623,054	-13.9%
Special Cash	11,000,000	11,000,000	0.0%
Revolving Funds	13,500,000	12,034,163	-10.9%
Federal ARRA Funds	0	288,332	NA
Carryover	1,425,000	3,470,279	143.5%
Total	\$37,100,326	\$36,415,828	-1.8%

VII. Budget References

- a. FY-10: SB 216, Sections 46 and 47
- b. FY-11: SB 1561, Sections 46 and 47

VIII. Ten Year Appropriation History



FY-02	\$15,147,572	FY-07	\$23,000,204
FY-03	\$9,953,190	FY-08	\$23,081,434
FY-04	\$20,080,825	FY-09	\$23,081,434
FY-05	\$22,866,800	FY-10	\$22,175,326
FY-06	\$22,756,515	FY-11	\$20,623,054

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-09 includes funds for payments on the CORE System.
3. The original FY-10 appropriation to the Office of State Finance was \$23,081,434.

Governor

Honorable Brad Henry, Governor

Agency # 305

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization*	\$2,475,642	N/A
a. FY-10 Base Budget Cut	(\$185,673)	
b. State Emergency Fund Supplemental Funding	\$15,000,000	
c. Remove Supplemental Funding	<u>(\$15,000,000)</u>	
FY-10 Final Appropriation	\$2,289,969	
Percent Change from FY-10 Original Appropriation	-7.5%	
FY-11 Base Appropriation	\$2,289,969	
d. FY-11 Budget Base Cut	(\$160,298)	
Total Adjustments	<u>(\$160,298)</u>	
FY-11 Appropriation and FTE Authorization	\$2,129,671	<u>N/A</u>
Percent Change from FY-10 Final Appropriation	-7.0%	

*The original FY-10 appropriation was reduced by 7% from the FY-09 appropriation level.

**The FY-11 FTE authorization contained in HB 2370 was vetoed by the Governor.

II. FY-10/FY-11 Appropriations Adjustments Detail

- a. State agencies experienced cuts in monthly General Revenue Fund allocations averaging 7.5 percent as a result of a 15.1 percent revenue shortfall.
- b. Discretionary budget stabilization funds provided through the American Recovery and Reinvestment Act (ARRA) are allocated to the State Emergency Fund to meet state reimbursement commitments related to prior state disaster and emergency events.
- c. Supplemental funding for the State Emergency Fund is removed in establishing the FY-11 appropriations base.

d. The FY-11 base appropriation is decreased by 7 percent, reflecting the ongoing negative effect of the nation-wide economic recession on state revenue sources available for appropriation.

III. FY-10 Policy Issues

None.

IV. FY-11 Policy Issues

None.

V. FY-10 Budget Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
General Revenue Fund	\$2,661,981	\$2,289,969	-14.0%
Total	\$2,661,981	\$2,289,969	-14.0%

VI. FY-11 Budget Resources

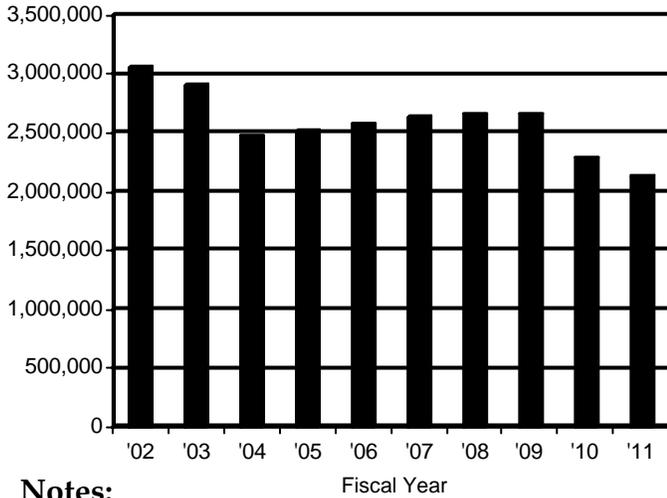
	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
General Revenue Fund	\$2,289,969	\$2,129,671	-7.0%
Total	\$2,289,969	\$2,129,671	-7.0%

VII. Budget References

a. FY-10: SB 216, Section 48

b. FY-11: SB 1561 Section 48

VIII. Ten Year Appropriation History



FY-02	\$3,059,715	FY-07	\$2,641,163
FY-03	\$2,906,729	FY-08	\$2,661,981
FY-04	\$2,477,659	FY-09	\$2,661,981
FY-05	\$2,522,708	FY-10	\$2,289,969
FY-06	\$2,578,710	FY-11	\$2,129,671

Notes:

1. The original FY-10 appropriation to the Office of the Governor was \$2,475,642.

House of Representatives

Honorable Chris Benge, Speaker

Agency # 422

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization*	\$17,834,084	N/A
a. FY-10 Budget Base Cut	<u>(\$1,337,557)</u>	
FY-10 Final Appropriation	\$16,496,527	
Percent Change from FY-10 Original Appropriation	-7.5%	
FY-11 Base Appropriation	\$16,496,527	
b. FY-10 Budget Base Cut	<u>(\$1,154,757)</u>	
Total Adjustments	<u>(\$1,154,757)</u>	
FY-11 Appropriation and FTE Authorization	\$15,341,770	N/A
Percent Change from FY-10 Final Appropriation	-7.0%	

*The original FY-10 appropriation was reduced by 7% from the FY-09 appropriation level.

**The FY-11 authorization contained in HB 2370 was vetoed by the Governor.

II. FY-10/FY-11 Appropriations Adjustments Detail

- a. State agencies experienced cuts in monthly General Revenue Fund allocations averaging 7.5 percent as a result of a 15.1 percent revenue shortfall.
- b. The FY-11 base appropriations is decreased by 7 percent, reflecting the ongoing negative effect of the nation-wide economic recession on state revenue sources available for appropriation.

III. FY-10 Policy Issues

SB 643 provides that, upon completion of the Wiley Post Historical Building renovations, management and control of space by the Legislature in the State Capitol Building will include space previously occupied by the Supreme Court, the Court of Criminal Appeals and space used by the appellate courts.

IV. FY-11 Policy Issues

None.

V. FY-10 Budget Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
General Revenue Fund	\$19,176,434	\$16,496,527	-14.0%
Total	\$19,176,434	\$16,496,527	-14.0%

VI. FY-11 Budget Resources

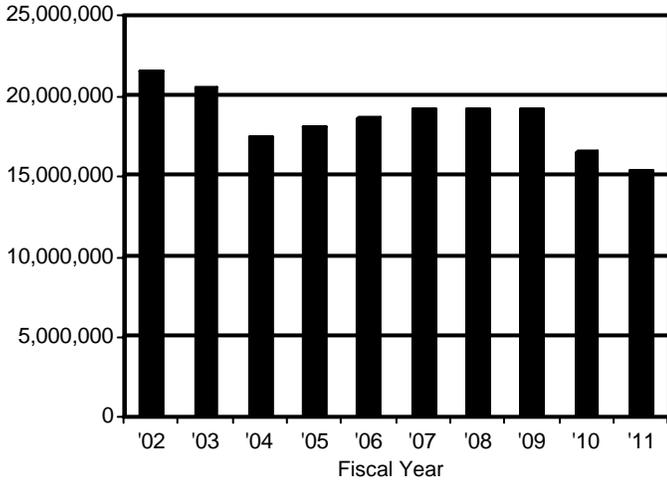
	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
General Revenue Fund	\$16,496,527	\$15,341,770	-7.0%
Total	\$16,496,527	\$15,341,770	-7.0%

VII. Budget References

a. FY-10: SB 216, Section 49

b. FY-11: SB 1561, Section 49

VI. Ten Year Appropriation History



FY-02	\$21,534,490	FY-07	\$19,176,434
FY-03	\$20,457,766	FY-08	\$19,176,434
FY-04	\$17,437,944	FY-09	\$19,176,434
FY-05	\$18,080,670	FY-10	\$16,496,527
FY-06	\$18,629,154	FY-11	\$15,341,770

Notes:

1. The FY-02 increase represents additional funds for the production and distribution of the Oklahoma Statutes.
2. The original FY-10 appropriation to the House Representatives was \$17,834,084.

Legislative Service Bureau

Dale Wythe, Administrator

Agency # 423

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization	\$5,537,153	N/A
a. FY-10 Budget Base Cut	<u>(\$265,287)</u>	
FY-10 Final Appropriation	\$5,271,866	
Percent Change from FY-10 Original Appropriation	-4.8%	
FY-11 Base Appropriation	\$5,271,866	
b. FY-11 Budget Base Cut	<u>(\$369,031)</u>	
Total Adjustments	<u>(\$369,031)</u>	
FY-101 Appropriation and FTE Authorization	\$4,902,835	N/A
Percent Change from FY-10 Final Appropriation	-7.0%	

II. FY-10/FY-11 Appropriations Adjustments Detail

- a. State agencies experienced cuts in monthly General Revenue Fund allocations averaging 7.5 percent as a result of a 15.1 percent revenue shortfall.
- b. The FY-11 base appropriation is decreased by 7 percent, reflecting the ongoing negative effect of the nation-wide economic recession on state revenue sources available for appropriation.

IV. FY-10 Policy Issues

None.

III. FY-11 Policy Issues

None.

V. FY-10 Budget Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
General Revenue Fund	\$5,537,349	\$5,271,866	-4.8%
Total	\$5,537,349	\$5,271,866	-4.8%

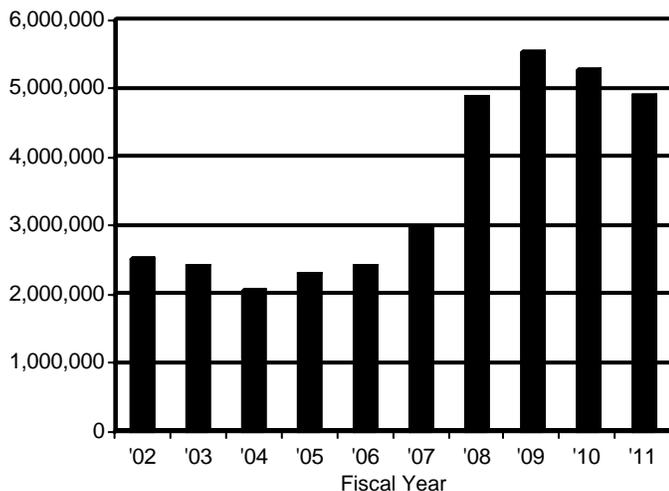
VI. FY-11 Budget Resources

	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
General Revenue Fund	\$5,271,866	\$4,902,835	-7.0%
Total	\$5,271,866	\$4,902,835	-7.0%

VII. Budget References

- a. FY-10: SB 216, Sections 50-51
- b. FY-11: SB 1561, Section 50

VIII. Ten Year Appropriation History



FY-02	\$2,545,135	FY-07	\$2,995,021
FY-03	\$2,417,878	FY-08	\$4,887,349
FY-04	\$2,060,968	FY-09	\$5,537,349
FY-05	\$2,303,193	FY-10	\$5,271,866
FY-06	\$2,415,783	FY-11	\$4,902,835

Notes:

1. FY-08 includes funding to meet the costs of the printing of bound volumes made available to state agencies, and independent audit of the Department of Corrections and the Council of State Governments annual meeting.
2. The original FY-10 appropriation to the Legislative Service Bureau was \$5,537,153.

Lieutenant Governor

Honorable Jari Askins, Lieutenant Governor

Agency # 440

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization*	\$613,425	N/A
a. FY-10 Budget Base Cut	<u>(\$46,007)</u>	
FY-10 Final Appropriation	\$567,418	
Percent Change from FY-10 Original Appropriation	-7.5%	
FY-11 Base Appropriation	\$567,418	
b. FY-11 Budget Base Cut	<u>(\$39,719)</u>	
Total Adjustments	<u>(\$39,719)</u>	
FY-11 Appropriation and FTE Authorization	\$527,699	N/A
Percent Change from FY-10 Final Appropriation	-7.0%	

*The original FY-10 appropriation was reduced by 7% from the FY-09 appropriation level.

**The FY-11 FTE authorization contained in HB 2370 was vetoed by the Governor.

II. FY-10/FY-11 Appropriations Adjustments Detail

- a. State agencies experienced cuts in monthly General Revenue Fund allocations averaging 7.5 percent as a result of a 15.1 percent revenue shortfall.
- b. The FY-11 base appropriation is decreased by 7 percent, reflecting the ongoing negative effect of the nation-wide economic recession on state revenue sources available for appropriation.

III. FY-10 Policy Issues

None.

IV. FY-11 Policy Issues

None.

V.
FY-10
Budget
Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
General Revenue Fund	\$659,597	\$567,418	-14.0%
Carryover	0	0	0.0%
Total	\$659,597	\$567,418	-14.0%

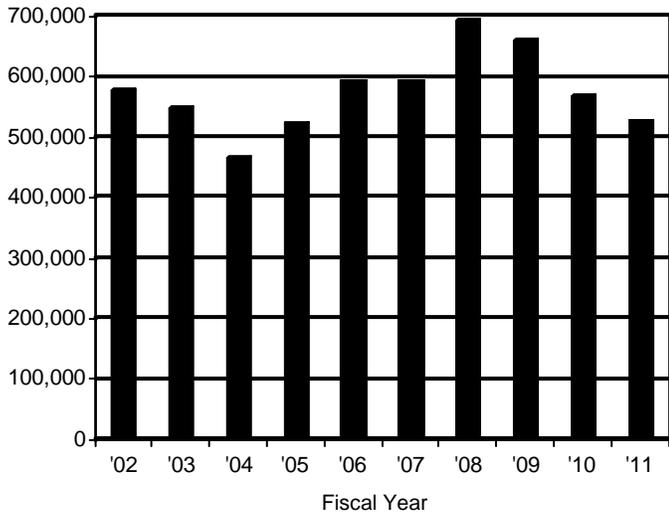
VI. FY-11 Budget Resources

	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
General Revenue Fund	\$567,418	\$527,699	-7.0%
Carryover	0	0	0.0%
Total	\$567,418	\$527,699	-7.0%

VII. Budget References

- a. FY-10: SB 216, Section 52
- b. FY-11: SB 1561, Section 51

VIII. Ten Year Appropriation History



FY-02	\$577,318	FY-07	\$592,436
FY-03	\$548,452	FY-08	\$693,197
FY-04	\$467,494	FY-09	\$659,597
FY-05	\$523,259	FY-10	\$567,418
FY-06	\$592,436	FY-11	\$527,699

Notes:

1. The original FY-10 appropriation to the Office of the Lieutenant Governor was \$613,425.

Merit Protection Commission

Susan Bussey, Executive Director

Agency # 298

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization	\$613,684	11.0
a. FY-10 Budget Base Cut	<u>(\$46,026)</u>	
FY-10 Final Appropriation	\$567,657	
Percent Change from FY-10 Original Appropriation	-7.5%	
FY-11 Base Appropriation	\$567,657	
b. FY-11 Budget Base Cut	<u>(\$39,736)</u>	
Total Adjustments	<u>(\$39,736)</u>	
FY-11 Appropriation and FTE Authorization	\$527,921	9.0*
Percent Change from FY-10 Final Appropriation	-7.0%	

*The original FY-10 appropriation was reduced by 7% from the FY-09 appropriation level.

**The FY-11 FTE authorization contained in HB 2370 was vetoed by the Governor.

II. FY-10/FY-11 Appropriations Adjustments Detail

- a. Monthly allocations are reduced by an average of 7.5 percent to address the FY-10 revenue short falls.
- b. The FY-11 base appropriation is decreased by 7 percent, reflecting the ongoing negative effect of the nation-wide economic recession on state revenue sources available for appropriation.

III. FY-10 Policy Issues

None.

IV. FY-11 Policy Issues

None.

V. FY-10 Budget Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
General Revenue Fund	\$613,684	\$567,657	-7.5%
Revolving Funds	2,000	34,000	1600.0%
Total	\$615,684	\$601,657	-2.3%

VI. FY-11 Budget Resources

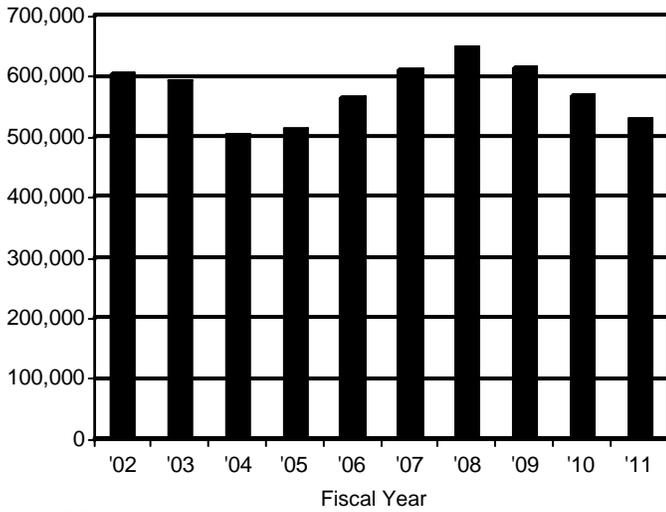
	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
General Revenue Fund	\$567,657	\$527,921	-7.0%
Revolving Funds	34,000	22,000	-35.3%
Total	\$601,657	\$549,921	-8.6%

VII. Budget References

a. FY-10: SB 216, Section 53; SB 107, Section 1

b. FY-11: SB 1561, Section 52

VIII. Ten Year Appropriation History



FY-02	\$604,407	FY-07	\$611,434
FY-03	\$592,319	FY-08	\$648,684
FY-04	\$504,885	FY-09	\$613,684
FY-05	\$512,154	FY-10	\$567,657
FY-06	\$565,684	FY-11	\$527,921

Notes:

1. The original FY-10 appropriation to the Merit Protection Commission was \$613,684.

Military Department

Agency # 025

Major General Myles Deering, Adjutant General

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization*	\$12,251,559	484.0
a. FY-10 Budget Base Cut	(\$918,864)	
b. Supplemental - Replace Debt Service Cuts	<u>\$41,508</u>	
FY-10 Final Appropriation	\$11,374,203	
Percent Change from FY-10 Original Appropriation	-7.5%	
FY-11 Base Appropriation	\$11,374,203	
c. FY-11 Budget Base Cut	(\$586,838)	
Total Adjustments	<u>(\$586,838)</u>	
FY-11 Appropriation and FTE Authorization	\$10,787,365	
Percent Change from FY-10 Final Appropriation	-5.2%	450.0**

*The original FY-10 appropriation was reduced by 6.7% from the FY-09 appropriation level.

** The FY-11 FTE authorization contained in HB 2370 was vetoed by the Governor.

II. FY-10 /FY-11 Appropriations Adjustments Detail

- a. State agencies experienced cuts in monthly General Revenue Fund allocations averaging 7.5 percent as a result of a 15.1 percent revenue shortfall.
- b. Supplemental appropriation is made to replace debt service funding previously cut from the FY-10 budget base.

- c. The FY-11 base appropriation is decreased by 5.2 percent, reflecting the ongoing negative effect of the nation-wide economic recession on state revenue sources available for appropriation.

III. FY-10 Policy Issues

SB 881 exempts active duty, National Guard or reserve military income received by resident military personnel, resulting in an annual total tax savings of \$12.8 million when fully implemented.

IV. FY-11 Policy Issues

None.

V. FY-10 Budget Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
General Revenue Fund	\$13,136,076	\$12,528,039	-4.6%
Revolving Funds	2,300,698	2,209,780	-4.0%
Federal Funds	43,916,277	49,669,878	13.1%
Total	\$59,353,051	\$64,407,697	8.5%

VI. FY-11 Budget Resources

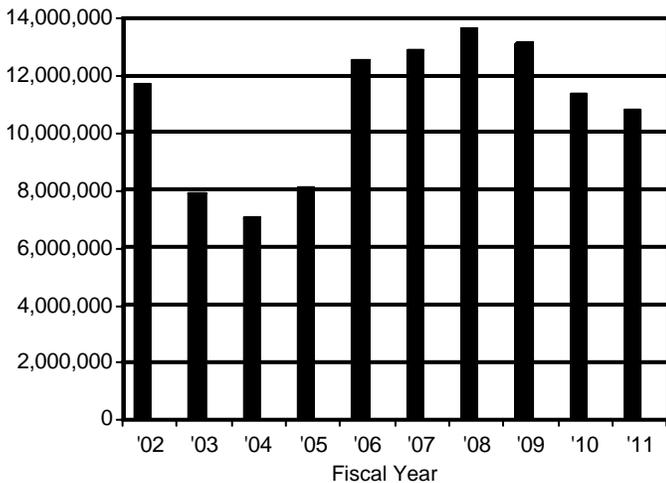
	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
General Revenue Fund	\$12,528,039	\$10,812,365	-13.7%
Revolving Funds	2,209,780	360,484	-83.7%
Federal Funds	49,669,878	50,904,906	2.5%
Total	\$64,407,697	\$62,077,755	-3.6%

VII. Budget References

a. FY-10: SB 216, Section 54; SB 109, Section 1

b. FY-11: SB 1561, Section 53

VIII. Ten Year Appropriation History



FY-02	\$11,700,375	FY-07	\$12,898,334
FY-03	\$7,895,866	FY-08	\$13,654,939
FY-04	\$7,021,379	FY-09	\$13,132,301
FY-05	\$8,062,531	FY-10	\$11,374,203
FY-06	\$12,546,432	FY-11	\$10,787,365

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.
3. The increase in FY-10 federal funding from \$53.7 million to \$122.6 million is for the construction of four Armed Force Reserve Centers (AFRC), as part of the armory consolidation program under the provisions of the Base Realignment and Closure Act (BRAC). The AFRCs are one hundred percent federally funded and the facilities will be shared by the Oklahoma National Guard and the U.S. Army Reserves.
4. Construction of four Armed Force Reserve Centers (AFRC) under the provisions of the Base Realignment and Closure Act (BRAC) will be completed in FY-11, as is reflected in the sizeable decrease in FY-11 federal funding.
5. The original FY-10 appropriation to the Oklahoma Military Department was \$12,251,559.

Office of Personnel Management

Oscar Jackson, Jr., Director

Agency # 548

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization*	\$4,549,323	105.0
a. FY-10 Budget Base Cut	<u>(\$341,199)</u>	
FY-10 Final Appropriation	\$4,208,124	
Percent Change from FY-10 Original Appropriation	-7.5%	
FY-11 Base Appropriation	\$4,208,124	
b. FY-11 Budget Base Cut	<u>(\$294,569)</u>	
Total Adjustments	<u>(\$294,569)</u>	
FY-11 Appropriation and FTE Authorization	\$3,913,555	85.0**
Percent Change from FY-10 Final Appropriation	-7.0%	

*The original FY-10 appropriation was reduced by 7% from the FY-09 appropriation level.

** The FY-11 FTE authorization contained in HB 2370 was vetoed by the Governor.

II. FY-10/FY-11 Appropriations Adjustments Detail

- a. State agencies experienced cuts in monthly General Revenue Fund allocations averaging 7.5 percent as a result of a 15.1 percent revenue shortfall.
- b. The FY-11 base appropriation is decreased by 7 percent, reflecting the ongoing negative effect of the nation-wide economic recession on state revenue sources available for appropriation.

III. FY-10 Policy Issues

None.

IV. FY-11 Policy Issues

SB 1659 prohibits any executive branch entity from exceeding minimum overtime entitlement provisions of the Fair Labor Standards Act except as provided in the measure. SB 1669 also permits the use of accrued compensatory time within one hundred eighty days following the day on which it was accrued. Current law provides for use following the pay period in which the leave was accrued.

V. FY-10 Budget Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
General Revenue Fund	\$4,891,745	\$4,208,214	-14.0%
Carryover	734,120	855,992	16.6%
Revolving Funds	147,862	154,784	4.7%
Total	\$5,773,727	\$5,218,990	-9.6%

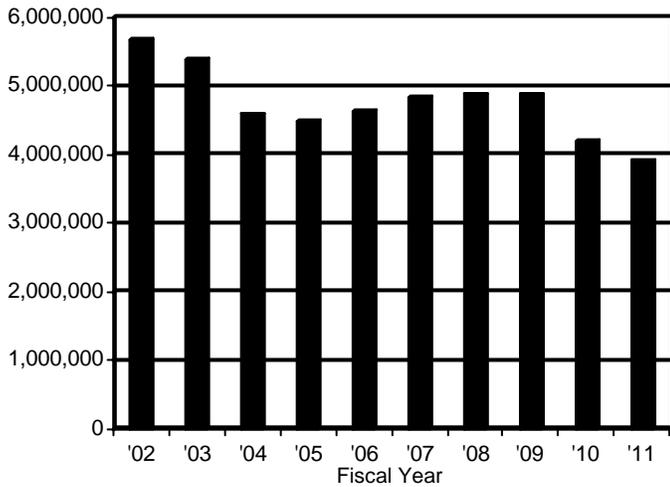
VI. FY-11 Budget Resources

	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
General Revenue Fund	\$4,208,214	\$3,913,555	-7.0%
Carryover	855,992	774,216	-9.6%
Revolving Funds	154,784	213,701	38.1%
Total	\$5,218,990	\$4,901,472	-6.1%

VII. Budget References

- a. SB 216, Section 55; SB 111, Section 1
- b. SB 1561, Section 54

VIII. Ten Year Appropriation History



FY-02	\$5,689,734	FY-07	\$4,848,371
FY-03	\$5,399,774	FY-08	\$4,891,745
FY-04	\$4,602,700	FY-09	\$4,891,745
FY-05	\$4,497,011	FY-10	\$4,208,214
FY-06	\$4,633,249	FY-11	\$3,913,555

Notes:

1. The original FY-10 appropriation to the Office of Personnel Management was \$4,549,323.

Secretary of State

Susan Savage, Secretary of State

Agency # 625

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization*	\$353,881	N/A
a. FY-10 Budget Base Cut	<u>(\$26,541)</u>	
FY-10 Final Appropriation	\$327,340	
Percent Change from FY-10 Original Appropriation	-7.5%	
FY-11 Base Appropriation	\$327,340	
b. FY-11 Budget Base Cut	<u>(\$22,914)</u>	
Total Adjustments	<u>(\$22,914)</u>	
FY-11 Appropriation and FTE Authorization	\$304,426	
Percent Change from FY-10 Final Appropriation	-7.0%	N/A

*The FY-10 appropriation was reduced by 7% from the FY-09 appropriation level.

**The FY-11 authorization contained in HB 2370 was vetoed by the Governor.

II. FY-10/FY-11 Appropriations Adjustments Detail

- a. State agencies experienced cuts in monthly General Revenue Fund allocations averaging 7.5 percent as a result of a 15.1 percent revenue shortfall.
- b. The FY-11 base appropriation is decreased by 7 percent, reflecting the ongoing negative effect of the nation-wide economic recession on state revenue sources available for appropriation.

III. FY-10 Policy Issues

HB 1186 transfers \$3.5 million from the Secretary of State Revolving Fund to the Special Cash Fund of the State Treasury.

HB 2148 designates the Secretary of State as the agent for service of process for a limited cooperative association or foreign cooperative when the association or cooperative does not appoint or maintain a domestic agent. The agency estimates the cost to modify its information technology systems to accommodate the new entities at between \$43,000-\$161,000.

SB 800 directs the Secretary of State to publish, in at least one newspaper of general circulation, a notice of the filing of electoral petitions and any apparent sufficiency or insufficiency of an initiative or referendum petition. Notice includes a statement that any citizen of the state may file a protest related to the constitutionality of any petition.

IV. FY-11 Policy Issues

SB 1132, the Uniform Limited Partnerships Act of 2010, provides new filing types and changes in forms related to the Uniform Limited Partnerships regulated by the Secretary of State. Modifications include: forms for Domestic Foreign LLPs, Name Change Reservation Period, New Entity Types- LLLP, Conversion During Merger Filing, Certificate of Authorization, Change Date for Filing Annual Report, Declaration of Dissolution, Reinstatement of Dissolved Partner, LP Perpetual Duration and Removal of LP Fees.

V. FY-10 Budget Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
General Revenue Fund	\$380,517	\$327,340	-14.0%
Revolving Funds	4,761,000	4,320,000	-9.3%
Total	\$5,141,517	\$4,647,340	-9.6%

	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
General Revenue Fund	\$327,340	\$304,426	-7.0%
Revolving Funds	4,320,000	3,871,001	-10.4%
Total	\$4,647,340	\$4,175,427	-10.2%

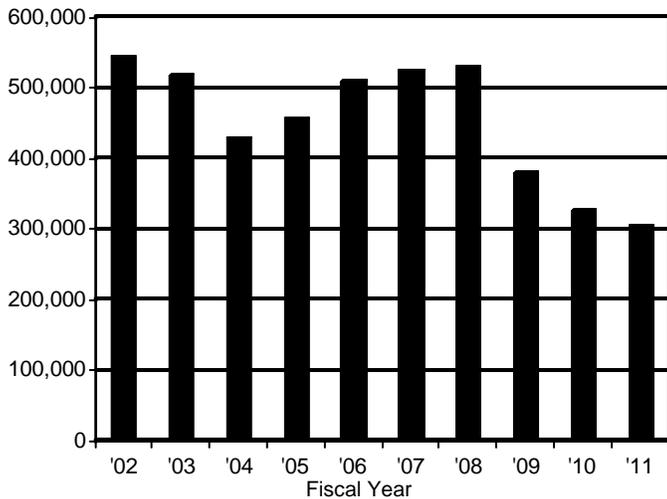
**VI.
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VII. Budget References

- a. FY-10: SB 216, Section 5; HB 2276, Section 58; HB 2318, Section 2 and SB 1247, Section 1
- b. FY-11: SB 1561, Section 55

VIII. Ten Year Appropriation History



FY-02	\$545,124	FY-07	\$525,434
FY-03	\$517,868	FY-08	\$530,517
FY-04	\$429,494	FY-09	\$380,517
FY-05	\$456,927	FY-10	\$327,340
FY-06	\$510,184	FY-11	\$304,426

Notes:

1. The original FY-10 appropriation to the Office of the Secretary of State was \$353,881.

Senate

Honorable Glenn Coffee, President Pro-Tempore
Agency # 421

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization*	\$13,670,186	N/A
a. FY-10 Budget Base Cut	<u>(\$1,025,264)</u>	
FY-10 Final Appropriation	\$12,644,922	
Percent Change from FY-10 Original Appropriation	-7.5%	
FY-11 Base Appropriation	\$12,644,922	
b. FY-11 Budget Base Cut	(\$885,144)	
Total Adjustments	<u>(\$885,144)</u>	
FY-11 Appropriation and FTE Authorization	\$11,759,778	N/A
Percent Change from FY-10 Final Appropriation	-7.0%	

*The original FY-10 appropriation was reduced by 7% from the FY-09 appropriation level.

**The FY-11 FTE authorization contained in HB 2370 was vetoed by the Governor.

II. FY-10/FY-11 Appropriations Adjustments Detail

- a. State agencies experienced cuts in monthly General Revenue Fund allocations averaging 7.5 percent as a result of a 15.1 percent revenue shortfall.

b. The FY-11 Base Appropriation is decreased by 7 percent, reflecting the ongoing negative effect of the nation-wide economic recession on state revenue sources available for appropriation.

III. FY-10 Policy Issues

None.

IV. FY-11 Policy Issues

None.

V. FY-10 Budget Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
General Revenue Fund	\$14,699,125	\$12,644,922	-14.0%
Total	\$14,699,125	\$12,644,922	-14.0%

VI. FY-11 Budget Resources

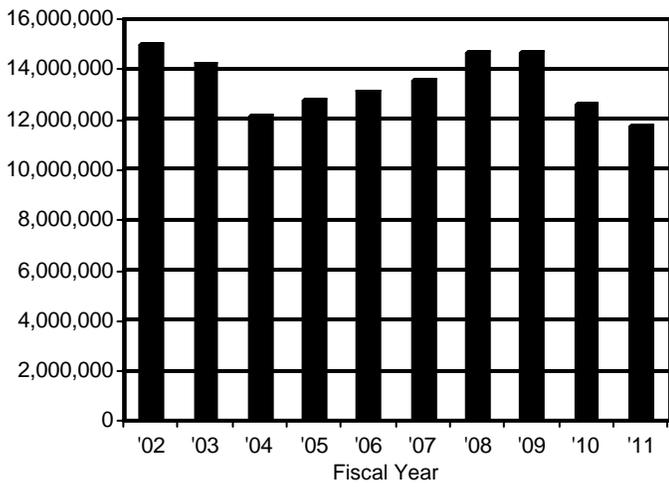
	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
General Revenue Fund	\$12,644,922	\$11,759,778	-7.0%
Total	\$12,644,922	\$11,759,778	-7.0%

VII. Budget References

a. FY-10: SB 216, Section 57

b. FY-11: SB 1561 Section 56

VIII. Ten Year Appropriation History



FY-02	\$15,001,727	FY-07	\$13,561,067
FY-03	\$14,251,641	FY-08	\$14,699,125
FY-04	\$12,147,920	FY-09	\$14,699,125
FY-05	\$12,769,707	FY-10	\$12,644,922
FY-06	\$13,146,893	FY-11	\$11,759,778

Notes:

1. The original FY-10 appropriation to the Oklahoma State Senate was \$13,670,186.

Oklahoma Space Industry Development Authority

Agency #346

William Hourie, Executive Director

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization*	\$493,216	5.0
a. FY-10 Budget Base Cut	<u>(\$36,991)</u>	
FY-10 Final Appropriation	\$456,225	
Percent Change from FY-10 Original Appropriation	-7.5%	
FY-11 Base Appropriation	\$456,225	
a. FY-11 Budget Base Cut	<u>(\$31,936)</u>	
Total Adjustments	<u>(\$31,936)</u>	
FY-11 Appropriation and FTE Authorization	\$424,289	4.0**
Percent Change from FY-10 Final Appropriation	-7.0%	

*The original FY-10 appropriation was reduced by 7% from the FY-09 appropriation level.

** The FY-11 FTE authorization contained in HB 2370 was vetoed by the Governor.

II. FY-10/FY-11 Appropriations Adjustments Detail

- a. State agencies experienced cuts in monthly General Revenue Fund allocations averaging 7.5 percent as a result of a 15.1 percent revenue shortfall.

b. The FY-11 base appropriation is decreased by 7 percent, reflecting the ongoing negative effect of the nation-wide economic recession on state revenue sources available for appropriation.

III. FY-10 Policy Issues

None.

IV. FY-11 Policy Issues

None.

V. FY-10 Budget Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
General Revenue Fund	\$530,340	\$456,225	-14.0%
Carryover Funds	650,584	443,458	-31.8%
Federal Funds	380,139	918,296	141.6%
Total	\$1,561,063	\$1,817,979	16.5%

VI. FY-11 Budget Resources

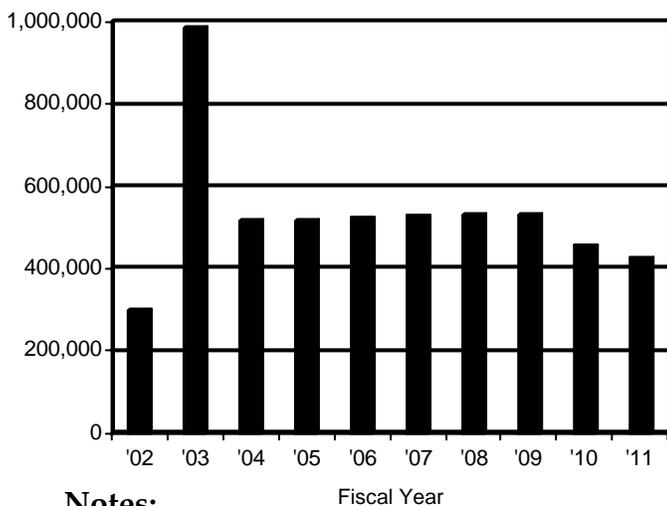
	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
General Revenue Fund	\$456,225	\$424,289	-7.0%
Carryover Funds	443,458	233,068	-47.4%
Federal Funds	918,296	1,018,296	10.9%
Total	\$1,817,979	\$1,675,653	-7.8%

VII. Budget References

a. FY-10: SB 216, Section 58; HB 1190, Sections 1 and 4

b. FY-11: SB 1561, Section 57

VIII. Ten Year Appropriation History



FY-02	\$300,000	FY-07	\$528,571
FY-03	\$985,000	FY-08	\$530,340
FY-04	\$515,851	FY-09	\$530,340
FY-05	\$518,323	FY-10	\$456,225
FY-06	\$523,264	FY-11	\$424,289

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.
3. The original FY-10 appropriation to the Space Industry Development Authority was \$493,216.

Tax Commission

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

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization*	\$46,303,723	1,150.0
a. FY-10 Budget Base Cut	(\$3,472,779)	
b. Supplemental - Partially Restore Base Cut	\$1,000,000	
FY-10 Final Appropriation	\$43,830,944	
Percent Change from FY-10 Original Appropriation	-7.5%	
FY-11 Base Appropriation	\$43,830,944	
c. Sales Tax Enhancement Program	\$3,000,000	
Total Adjustments	<u>\$3,000,000</u>	
FY-11 Appropriation and FTE Authorization	\$46,830,944	950.0**
Percent Change from FY-10 Final Appropriation		6.8%

*The original FY-10 appropriation was reduced by 4.4% from the FY-09 appropriation level.

** The FY-11 FTE authorization contained in HB 2370 was vetoed by the Governor.

II. FY-10/FY-11 Appropriations Adjustments Detail

- a. State agencies experienced cuts in monthly General Revenue Fund allocations averaging 7.5 percent as a result of a 15.1 percent revenue shortfall.

- b. Supplemental appropriation is provided to hire revenue-generating employees lost to a hiring freeze implemented by the agency to address FY-10/FY-11 budget reductions.
- c. Appropriation is made to initiate an enhanced use tax compliance program related to sales made to Oklahomans by out-of-state vendors as provided in HB 2359. An additional thirty four compliance FTE are to be hired at a cost of \$2.1 million, with the remaining funds allocated for travel and equipment, advertising to out-of-state purchasers and computer programming and maintenance.

III. FY-10 Policy Issues

SB 318 authorizes the agency to publish an Internet list of delinquent taxpayers with debt of over \$25,000 for more than 90 days after appeal rights have expired. The costs of debt collection are transferred to delinquent taxpayers. OTC estimates the measure will generate approximately \$49.5 million in revenue. SB 318 also increases maximum fees for account collection from 20% to 35% and modifies electronic withholding tax reporting to include all employers who are required to remit payment using a federal semiweekly schedule.

SB 658 increases penalties for failure to timely register a vehicle. Penalties are increased from 25 cents per day to a maximum penalty of \$1.00 per day. The measure apportions the increased revenue:

- 25 percent as apportioned under current law.
- 25 percent retained by tag agents.
- 50 percent apportioned to the General Revenue Fund in FY-10, and in subsequent years to the State Highway Construction and Maintenance Fund.

SB 857 directs the Oklahoma State University Center for Local Government Technology (OSU-CLGT), in cooperation with the Tax Commission, to offer the computer software and hardware programs and employee training to counties currently using the services previously provided by the State Auditor and Inspector.

SB 881 exempts active duty, National Guard or reserve military income received by resident Oklahoma members of the U.S. Armed Forces from state income tax resulting in an annual total tax savings of \$12.8 million when fully implemented.

IV. FY-11 Policy Issues

HB 2359 establishes the “Retailer Compliance Initiative” to increase compliance of use tax remittance on goods and services sold in Oklahoma by out-of-state vendors, and the “Consumer Compliance Initiative” to encourage reporting and payment by consumers liable for the remittance of Oklahoma use taxes. The measure imposes legal requirements on vendors to invoice, collect and remit use tax and prohibits retailers from advertising that there is no tax due on purchases made from the retailer for use in this state.

HB 2432 provides for deferral of payments of gross production tax rebates for the production periods ending June 30, 2010 and June 30, 2011 on horizontally drilled and deep wells completed beyond 15,000 feet. Deferred payments will be paid over a three-year period beginning July 1, 2012, in a monthly amount equaling 1/36th of the total amount of claims filed. The measure also provides for an adjusted tax rate for approved horizontal and deep wells completed beyond 15,000 feet, to be remitted on the monthly tax report commencing July 1, 2011, and equals four percent on qualifying deep well and one percent on qualified horizontals well production..

HB 3024 provides a sunset date of June 30, 2010, for tax credits on investments in qualified electric motor vehicles and limits the hydrogen fuel cell portion of the credit to tax year 2010. The measure also grants an exemption to the tax credit moratorium enacted under SB 1267 for zero-emission facilities and for historic rehabilitation activities, delaying the ability to claim credits until after July 1, 2011.

SB 1267 provides a moratorium from July 1, 2010 through June 30, 2012 for various state income tax credits as detailed in Table below:

Cite	Description of Credit	FY11	FY12
27A O.S. 2001 Section 2-1--303	Recycling, reduction hazardous waste equip.	\$1,650	\$3,300
68 O.S.Sec 2357	Gas Used in Manufacturing Credit	39,500	79,000
68 O.S.Sec 2357.4	Investment/New Jobs Credit	14,248,500	28,497,000
68 O.S.Sec 2357.6	Energy Assistance Conservation Fund	10,500	21,000

68 O.S.Sec 2357.11	Coal Credit	2,138,000	4,276,000
68 O.S.Sec 2357.25	Agricultural Producers Credit	1,258,500	2,517,000
68 O.S.Sec 2357.26	Employers Providing Child Care Programs	16,500	33,000
68 O.S.Sec 2357.27	Businesses Providing Child Care Services	99,000	198,000
68 O.S.Sec 2357.30	Small Business Guaranty Fee Credit	113,500	227,000
68 O.S.Sec 2357.32A	Electricity Generated by Zero-Emission Facilities	619,500	1,239,000
68 O.S.Sec 2357.32B	Manufacturers of Small Wind Turbines	387,500	775,000
68 O.S.Sec 2357.33	Food Service Establishments Hepatitis A Vaccination	9,500	19,000
68 O.S.Sec 2357.41	Qualified Rehabilitation Expenditures	335,500	671,000
68 O.S.Sec 2357.46	Construction of Energy Efficient Homes	1,888,000	3,776,000
68 O.S.Sec 2357.47	Modification Expenses Paid for an Injured Employee	16,750	33,500
68 O.S.Sec 2357.59	Qualified Recycling Facility	16,000	32,000
68 O.S.Sec 2357.66	Qualified Ethanol Facility	2,500	5,000
68 O.S.Sec 2357.67	Qualified Biodiesel Facility	-	-
68 O.S.Sec 2357.81	Local Development & Enterprise Zone Incentive	-	-
68 O.S.Sec 2357.100	Poultry Litter Credit	86,500	173,000
68 O.S.Sec 2357.101	Film or Music Project Credit	17,000	34,000
68 O.S.Sec 2357.102	Dry Fire Hydrant Credit	22,500	45,000
68 O.S.Sec 2357.104	Railroad Modernization Credit	565,000	1,130,000
68 O.S.Sec 2357.203	Breeders of Specially Trained Canines	64,500	129,000
68 O.S.Sec 2357.30..	Qualified Employer in Aerospace Sector	3,552,000	5,904,000
68 O.S.Sec 2370	Rural Economic Development Loans Credit	17,500	35,000
68 O.S.Sec 2370.3	Stafford Loan Origination Fee	174,500	349,000
68 O.S.Sec 54006	Research & Development New Jobs Credit	7,000	14,000
	Total Revenue Savings	25,707,400	50,214,800

SB 1590 provides a moratorium on Small Business Capital Formation and Rural Venture Capital Formation tax credits, for investments made on or after June 1, 2010, through December 31, 2011.

SB 1396 decouples the state from federal income tax provisions relating to cancellation of debt income. Under the provisions of the American Recovery and Reinvestment Act of 2009, the cancellation of debt income is deferred and not included in taxable income.

SB 1397 permits taxpayers to choose electronic notification of their annual motor vehicle registration renewal date. Those not electing this paperless method will continue to receive notice by mail. The Tax Commission will provide information on its public website relating to electronic notices and fees.

SB 1589 creates a subclass of wireless telecommunications property for purposes of central assessment of value. The measure reduces the assessment ratio to 12.0% for new investments beginning in tax year 2010. Existing investments will continue to be assessed by county assessors.

SB 1954 requires the Oklahoma Tax Commission (OTC) online motor vehicle registration system to provide tax payers-with a choice between a motor license agent and the Tax Commission for processing of motor vehicle registrations. Motor license agents will receive fees provided by statute, less a \$1.56 in administrative costs, for registration renewals processed by a motor license agent through the system, While retaining \$5.00 for each online registration.

V. FY-10 Budget Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
General Revenue Fund	\$50,201,340	\$43,200,304	-13.9%
Revolving Funds	1,250,000	95,589,232	7547.1%
Total	\$51,451,340	\$138,789,536	169.7%

	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
General Revenue Fund	\$43,200,304	\$48,865,690	13.1%
Revolving Funds	95,589,232	101,741,441	6.4%
Total	\$138,789,536	\$150,607,131	8.5%

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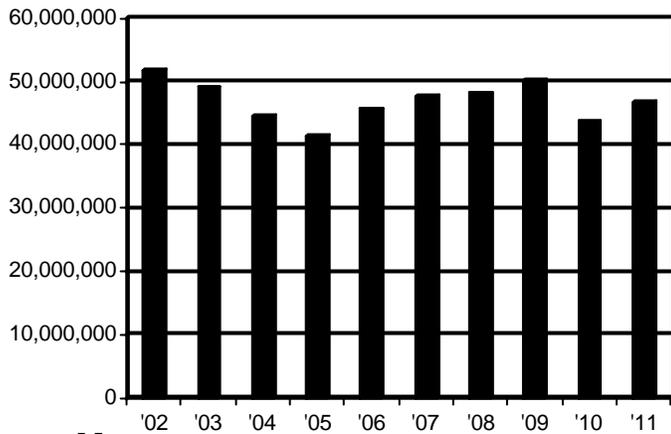
Budget Resources

VII. Budget References

a. FY-10: SB 216, Sections 59-61; SB 119, Sections 1-2

b. FY-11: SB 1561, Sections 58-60

VIII. Ten Year Appropriation History



FY-02	\$51,748,599	FY-07	\$47,711,604
FY-03	\$49,161,169	FY-08	\$48,201,340
FY-04	\$44,601,406	FY-09	\$50,201,340
FY-05	\$41,462,019	FY-10	\$43,830,944
FY-06	\$45,626,291	FY-11	\$46,830,944

Notes:

Fiscal Year

1. The original FY-10 appropriation to the Oklahoma Tax Commission was \$46,303,723.

Department of Transportation

Gary Ridley, Director

Agency # 345

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 State Transportation Fund and FTE Authorization*	\$208,741,314	2,850.0
a. FY-10 Budget Base Cut	<u>(\$15,655,599)</u>	
FY-10 Final Appropriation	\$193,085,715	
Percent Change from FY-10 Original Appropriation	-7.5%	
FY-11 Base Appropriation	\$193,085,715	
b. FY-10 Budget Base Cut	\$78,314,705	
c. Increase Bond Authorization	\$65,000,000	
Total Adjustments	<u>\$13,314,705</u>	
FY-11 Final Appropriation	\$179,771,010	
Percent Change from FY-10 Final Appropriation	-6.9%	2,650**

*The original FY-10 appropriation was reduced by 7.5% from the FY-09 appropriation level.

** The FY-11 FTE authorization contained in HB 2370 was vetoed by the Governor.

II. FY-10/ FY-11 Appropriations/Authorizations Adjustments Detail

	FY-10	FY-11 (Est)	\$ Difference	% Difference
State Transportation Fund	\$193,085,715	\$114,771,010	-\$78,314,705	-40.6%
Rebuilding Oklahoma Access & Drive	\$185,000,000	\$220,700,000	\$35,700,000	19.3%
Safety Fund				
County Improvement For Roads & Bridges Fund	\$82,609,350	\$80,000,000	-\$2,609,350	-3.2%
High Priority State Bridge Fund	\$7,650,000	\$5,800,000	-\$1,850,000	-24.2%
Gross Production - Oil	\$524,196	\$16,000,000	\$15,475,804	2952.3%
Retention of Investment Earnings	\$500,000	\$500,000	\$0	0.0%
Oklahoma Tourisem & 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%
Bond Authorization	\$0	\$65,000,000	\$65,000,000	100/0%
TOTALS	\$474,369,261	\$507,771,010	\$33,401,749	7.0%

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

Oklahoma received approximately \$503.9 million in ARRA funds for state and local bridge construction and improvements and public transit projects. Funds allocations include:

- Transportation - Highways & Bridges - \$464.7 million
 - State Highway System - \$356.4 million
 - Statewide Transportation Program - \$108.3. million
 - Oklahoma City \$33.7 million
 - Tulsa \$22.6 million
 - Counties- \$26 million
 - Statewide Sidewalks - \$26 million
- Public Transportation – \$39.2 million
 - Urban - \$22.2 million (Buses & Light Rail)
 - Rural - \$16.9 million (Buses & Vans)

ODOT allocated all ARRA State Highway System funds (\$464.7 million) to 274 projects identified in the Eight Year Construction Program, allowing the agency to accelerate the starting date for 250 projects within the Program. Under the provisions of the Act, the Governor has certified that ARRA funds have not be used to supplant the planned expenditure of state funds.

State Funding Sources

State Transportation Fund - Consists primarily of significant portions of the motor fuels excise tax. In FY-09, \$60.3 million (61.8 percent) of the diesel tax and \$136.6 million (46.4%) of the gas tax was allocated to the Fund.

Rebuilding Oklahoma Access & Driver Safety (ROADS) Fund – Annual incremental deposits of \$35.7 million are made from the General Revenue Fund until a base funding level of \$400 million is reached in FY-17. This base figure includes \$70.0 million for annual CIP debt service, with increasing amounts available for state road and bridge maintenance as debt service requirements diminish until full retirement in FY-15.

County Improvement for Roads & Bridges Fund - The Fund received increasing annual percentages (five percent, ten percent, and fifteen percent) of most motor vehicle collections. The fifteen percent Fund cap was reached in FY-10 with an estimated \$82.6 million made available. Funds are administered by the Transportation Commission and distributed to the counties through equal allocations to the eight state transportation districts for county roads and bridge projects..

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, with an estimated apportionment of approximately \$7.7 million annually. Funds are used for the construction or reconstruction of bridges on the state highway system that are of the highest priority as determined 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 apportionments of \$3.0 million from the General Revenue Fund are made for establishing, expanding, improving and maintaining rural and urban public mass transportation services.

Gross Production - Oil – The County Bridge and Road Fund (CBRF) receives 4.28% of total oil tax revenues. SB 2173 (2010) modified the allocation of these funds, distributing them directly to the counties based on a formula developed and approved by ODOT

Investment Earnings – Investment income from the County Bridge and Road Improvement Fund, The County Road Machinery and Equipment Revolving Fund and the County Improvement for Roads and Bridges Fund is allowed to accrue to each specific fund, rather than to the General Revenue Fund.

III. FY-10 Policy Issues

SB 658 increases penalties for failure to timely register a vehicle. Penalties are increased from 25 cents per day to a maximum penalty of \$1.00 per day. The measure apportions the increased revenue:

- 25 percent as apportioned under current law
- 25 percent retained by tag agents
- 50 percent apportioned to the General Revenue Fund in FY-10, and in subsequent years, to the State Highway Construction and Maintenance Fund.

SB 832 authorizes county commissioners to enter into cooperative agreements with the Oklahoma Turnpike Authority for the purpose of replacement, expansion or repair of functionally obsolete and structurally deficient bridges which cross over or under turnpikes. The expenditures for such projects are made from any federal, state or county public funds appropriated and earmarked for such purpose. The Oklahoma Cooperative Circuit Engineering Districts Board selects and prioritizes the bridge replacement projects based on criteria which include high traffic volume and current bridge safety assessments.

HB 1759 increases the amount counties can be reimbursed for force account road and bridge projects from \$200,000 to \$400,000. Force account road and bridge construction is defined as the direct performance of highway construction work done by a county employing the labor, equipment, materials and supplies of the county and used under its direct control. Increasing the force account limits allows a county to employ its own resources for more road and bridge projects and thereby realize savings in costs and time.

IV. FY-11 Policy Issues

SB 1466 increases incremental funding to the “Rebuilding Oklahoma Access and Driver Safety Fund” (ROADS) to \$35.7 million annually until a cap of \$400 million is reached. The ROADS Fund was created in FY-06 (HB 1078) to address critical state highway

construction, major repair and maintenance needs. Incremental annual allocations of \$35.7 million from FY-12 to FY-16 and a final deposit of \$6.5 million in FY-17 will bring the ROADS Fund to the \$400 million cap. The measure also transfers \$100,756,780 from the State Transportation Fund (STF) to the Special Cash Fund. The transfer reflects an FY-11 reduction of \$13,314,706, or 7% of the FY-11 STF base level and is computed:

➤ Increased ODOT Bond Authorization -	\$65,000,000
➤ FY-10 7.5% T-Fund Cut -	\$15,665,598
➤ FY-11 7% Fund Cut -	\$13,314,706
➤ Difference FY-10/FY-11 T-Fund Certification -	\$ 2,885,926
➤ Motor Fuel Purchaser Discount -	\$ 3,900,55
Total	\$100,766,780

HB 2971 transfers interest derived from investments credited to the Emergency and Transportation Revolving Fund (ETRF) to the Statewide Circuit Engineering District Revolving Fund (CEDRF). The ETRF provides funding allowing counties to address, emergency projects that are reimbursable by federal and/or state funds. The CEDRF provides funding to eight Circuit Engineering Districts (CED) which enables the various counties to operate as a cooperative to achieve efficiencies and economies of scale for transportation-related projects. The measure provides an additional funding source to the Circuit Engineering Districts to meet CED county transportation responsibilities and duties. In 2009, the Emergency and Transportation Revolving Fund received \$408,000 in investment income.

SB 2173 allocates gasoline, diesel and gross production taxes from the County Bridge and Road Improvement Fund (CBRI) directly to the various counties based on a formula developed and approved by ODOT. Additionally, interest earned on the CBRI Fund that formerly went to the Statewide Circuit Engineering District Revolving Fund is eliminated and instead allocates equivalent percentages of gasoline, diesel and gross productions taxes. The measure is intended to expedite the allocation of funds to the counties and to enhance budget oversight of the CBRI Fund.

V. FY-10 Budget Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
Transportation Fund	\$207,591,448	\$193,085,715	-7.0%
General Revenue Fund	100,000	0	0.0%
Revolving Funds	421,444,244	706,525,452	67.6%
Federal Funds	819,654,355	812,234,611	-0.9%
Total	\$1,448,790,047	\$1,711,845,778	18.2%

VI. FY-11 Budget Resources

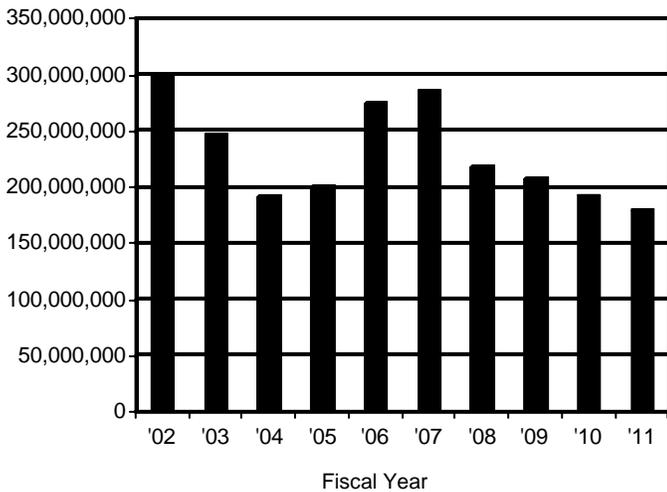
	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
Transportation Fund	\$193,085,715	\$114,771,010	-40.6%
Bond Authorization	0	65,000,000	100.0%
Revolving Funds	706,525,452	830,931,931	17.6%
Federal Funds	812,234,611	628,633,412	-22.6%
Total	\$1,711,845,778	\$1,639,336,353	-4.2%

VII.

Budget References

- a. FY-10: SB 216, Section 64; SB 121, Sections 1-2
- b. FY-11 SB 1561, Section 64-65

VIII. Ten Year Appropriation History



FY-02	\$299,154,666	FY-07	\$285,411,848
FY-03	\$247,008,202	FY-08	\$217,869,721
FY-04	\$192,185,387	FY-09	\$207,691,448
FY-05	\$200,875,804	FY-10	\$193,085,715
FY-06	\$275,148,137	FY-11	\$179,771,010

Notes:

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).
3. The original FY-10 State Transportation Fund Authorization was \$208,741,314.

Treasurer

Honorable Scott Meacham, State Treasurer
Agency # 740

I. FY-10/FY-11 Appropriations Adjustments

	<u>Funding</u>	<u>FTE</u>
FY-10 Appropriation and FTE Authorization*	\$4,341,950	90.0
a. FY-10 Budget Base Cut	(<u>\$318,147</u>)	
FY-10 Final Appropriation	\$4,023,803	
Percent Change from FY-10 Original Appropriation	-7.5%	
FY-11 Base Appropriation	\$4,023,803	
b. FY-11 Budget Base Cut	(\$120,714)	
Total Adjustments	(<u>\$120,714</u>)	
FY-11 Appropriation and FTE Authorization	\$3,903,089	75.0**
Percent Change from FY-10 Final Appropriation	-3.0%	

*The original FY-10 appropriation was reduced by 7.5% from the FY-09 appropriation level.

** The FY-11 FTE authorization contained in HB 2370 was vetoed by the Governor.

II. FY-10/FY-11 Appropriations Adjustments Detail

- a. State agencies experienced cuts in monthly General Revenue Fund allocations averaging 7.5 percent as a result of a 15.1 percent revenue shortfall.
- b. The FY-11 base appropriation is decreased by 3 percent, reflecting the ongoing negative effect of the nation-wide economic recession on state revenue sources available for appropriation.

III. FY-10 Policy Issues

HB 1196 directs the transfer of \$20.0 million from the Unclaimed Property Fund to the Special Cash Fund of the State Treasury and appropriates \$2.0 million from the Special Cash Fun to pay for state land reimbursements.

HB 1780 allocates a portion of the State Land Reimbursement Fund to each county equal to the percentage of all eligible state-owned land. The measure changes the manner in which funds are distributed to the counties but does not modify the amount deposited to the credit of the Fund. HB 1780 also allows the Treasurer to charge participants in the state blended investment portfolio up to 2.5 basis points (1/40th of one percent) for expenses incurred in managing the portfolio, A charge related to interagency spending costs.

IV. FY-11 Policy Issues

HB 3315 increases fees for handling and processing rejected warrant items processed from \$0.42 to \$1.00 per item. Fees for handling a stop-payment item on behalf of a state agency is raised from \$10.00 to \$15.00 for each item; maximum stop payment fees are increased from \$250.00 to \$325.00 per day. HB 3315 is a cost savings initiative intended to properly account for an agency's service costs and to bring the fee structure more in line with banking industry standards, although fees remain below industry benchmarks.

V. FY-10 Budget Resources

	<u>FY-09</u>	<u>FY-10</u>	<u>% Change</u>
General Revenue Fund	\$4,568,763	\$3,923,803	-11.9%
Special Cash	100,000	100,000	0.0%
Carryover	450,000	1,300,000	188.9%
Revolving Funds	3,950,000	5,404,000	36.8%
Total	\$9,068,763	\$10,727,803	19.4%

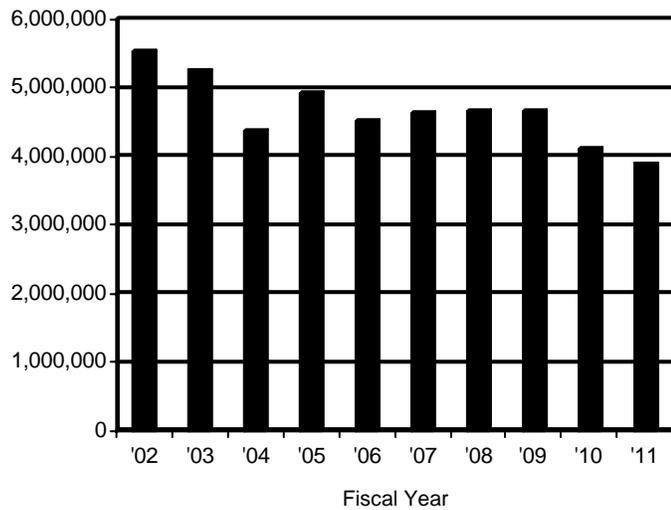
VI. FY-11 Budget Resources

	<u>FY-10</u>	<u>FY-11</u>	<u>% Change</u>
General Revenue Fund	\$3,923,803	\$3,803,089	-3.1%
Special Cash	100,000	100,000	0.0%
Carryover	1,300,000	1,500,000	15.4%
Revolving Funds	5,404,000	4,516,491	-16.4%
Total	\$10,727,803	\$9,919,580	-7.5%

VII. Budget References

- a. FY-10: SB 216, Sections 62-63; HB 2382, Section 1
- b. FY-11: SB 1561, Sections 61-62

VIII. Ten Year Appropriation History



FY-02	\$5,547,465	FY-07	\$4,632,697
FY-03	\$5,270,092	FY-08	\$4,668,763
FY-04	\$4,377,639	FY-09	\$4,668,763
FY-05	\$4,926,592	FY-10	\$4,023,303
FY-06	\$4,524,498	FY-11	\$3,903,089

Notes:

1. The original FY-10 appropriation to the State Treasurer was \$4,341,950.