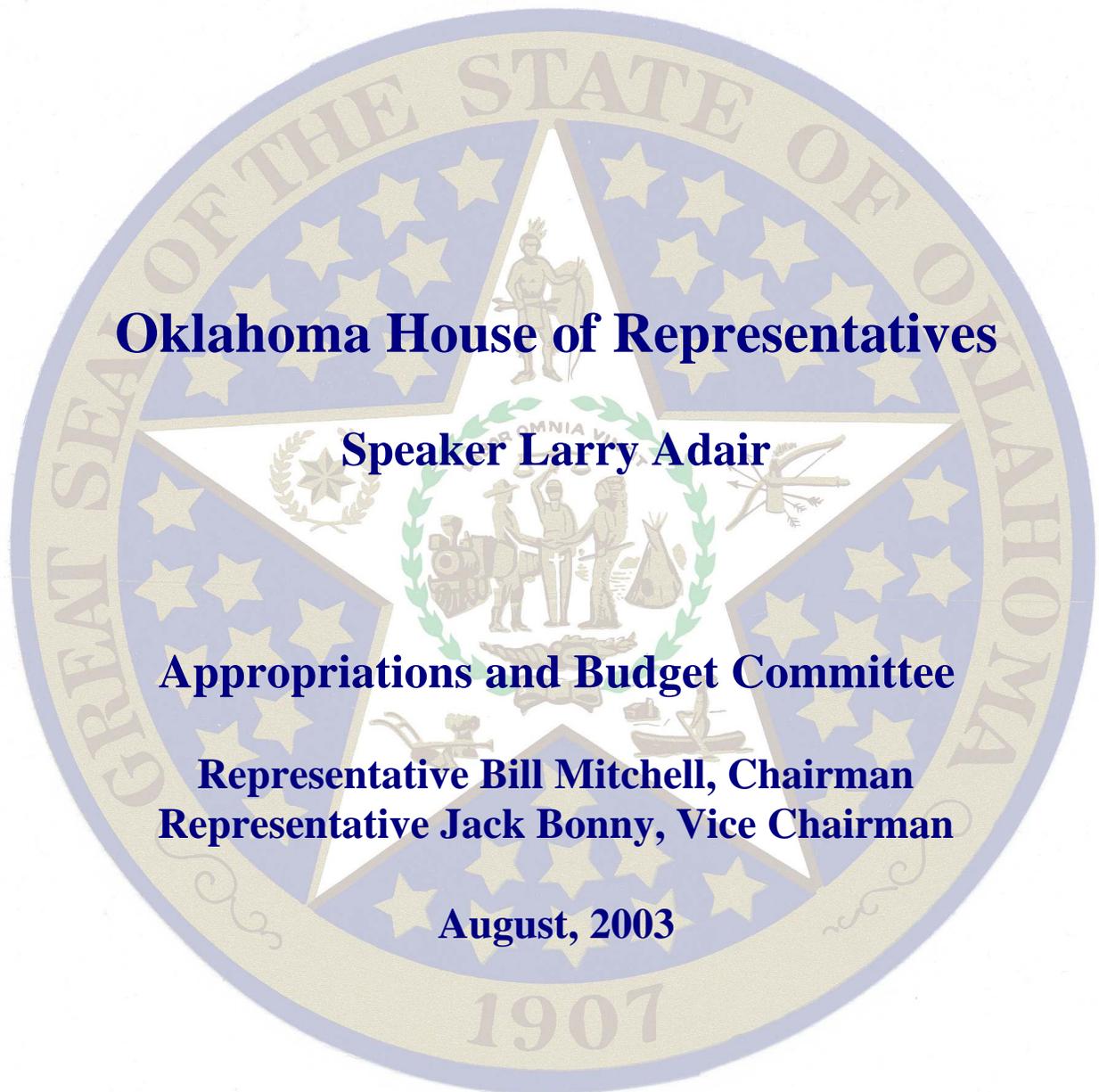


Fiscal Year 2004 Legislative Appropriations



Oklahoma House of Representatives

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August, 2003

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PREFACE AND ACKNOWLEDGMENTS

The primary purpose of this document is to serve as a reference to House members, staff and other interested parties in summarizing the Fiscal Year 2004 Legislative Budget Process. As the final report on appropriations of the 2003 Legislative Session, this document contains specific information relating to the issues addressed in constructing the FY-04 budget for the State of Oklahoma.

This report contains a host of detailed information pertaining to past and present decisions affecting FY-04 appropriations. It is hoped that the content and format are presented in a manner that is useful to members of the House, their constituents and the overall appropriations process. A ten-year appropriation history of each state appropriated agency is included as a final summary for the readers' review.

Each member of the Fiscal Staff is to be commended for making contributions in preparing information for this report, as well as for their professional and dedicated work throughout the 2002 legislative session. Significant contributions to the process were also made by the Legal and Research Divisions. Special thanks are also due to Barbara Porter, Assistant to the Appropriations and Budget Committee.

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

Greg Sawyer
Fiscal Director
House of Representatives

This publication, printed by the Central Printing Division of the Department of Central Services, is issued by the Oklahoma House of Representatives. Three hundred fifty (350) copies have been prepared and distributed at a cost of \$15.02 each to the taxpayers of Oklahoma. Reference copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

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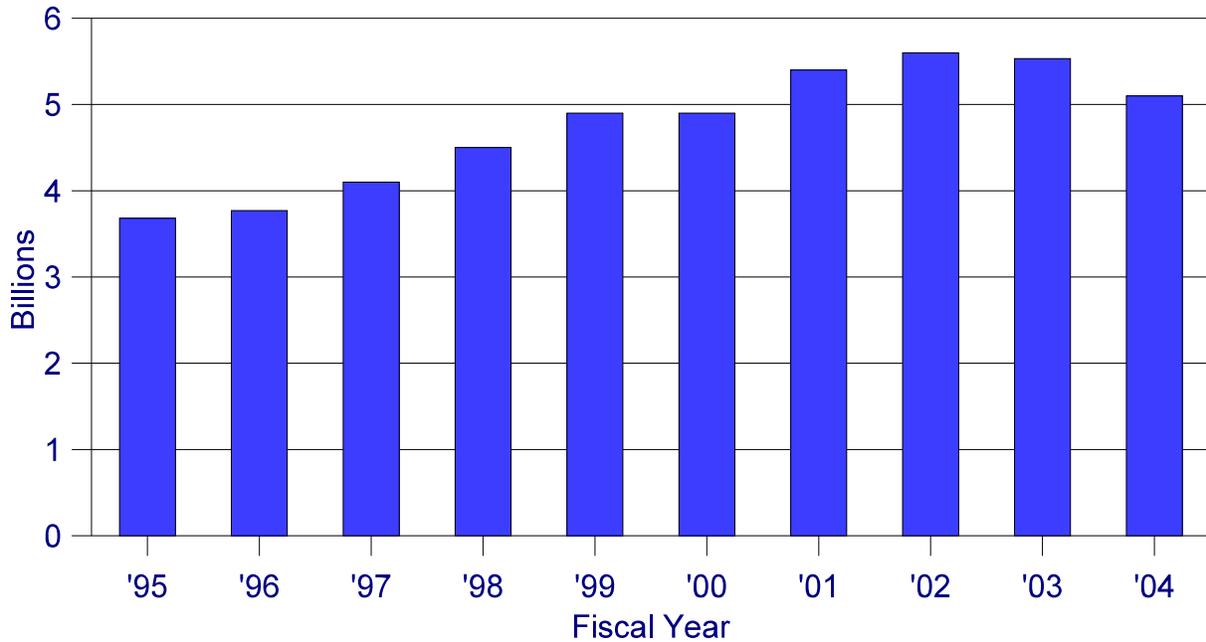
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TEN YEAR APPROPRIATION HISTORY

TOTAL APPROPRIATION LEVEL

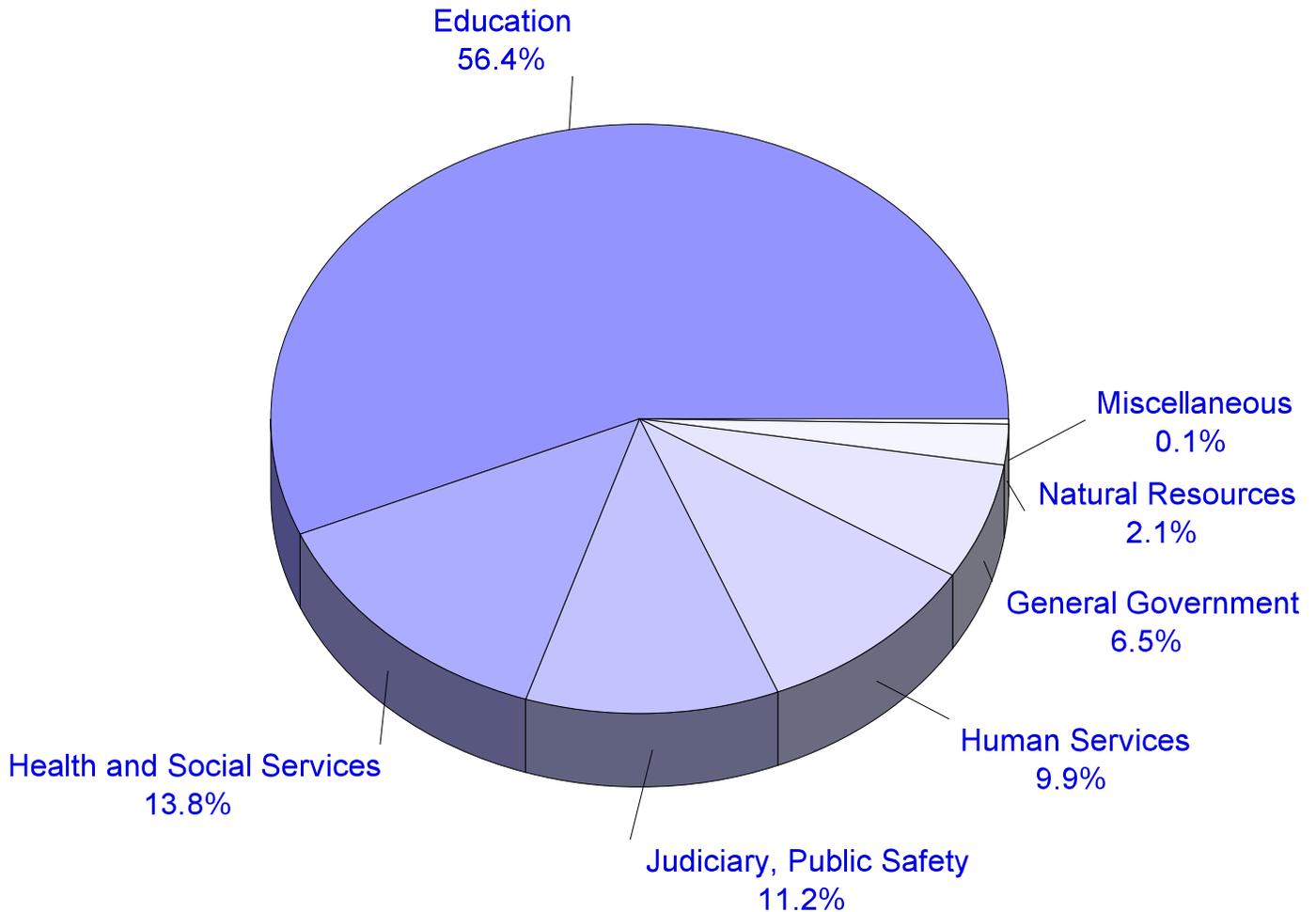


FY-95	\$3,680,714,748	FY-00	\$4,937,170,096
FY-96	\$3,772,109,630	FY-01	\$5,350,656,390
FY-97	\$4,104,977,667	FY-02	\$5,611,514,760
FY-98	\$4,498,606,699	FY-03(Orig.)	\$5,532,095,223
FY-99	\$4,877,234,307	FY-04	\$5,106,597,024

Notes:

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

DISTRIBUTION OF FY-04 APPROPRIATIONS BY SUBCOMMITTEE



Total Appropriations = \$5,106.6 Billion

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

FY-04 APPROPRIATIONS OVERVIEW

Summary

A dismal national economy continued to negatively impact the State's revenue collections and consequent financial health. Mid-year budget reductions implemented by the Office of State Finance were found insufficient to balance the budget resulting in further reductions in September, 2002. By fiscal year end, total FY-04 certification was \$677.7 million lower than the prior year's appropriations or \$328.9 million lower than revised FY-03 appropriations. Given the decision to protect common education funding early in the legislative process, coupled with limited state resources, lawmakers faced the likelihood of drastic service cuts unless additional funds could be found to mitigate such cuts.

Up to the challenge, the Legislature eventually funded an increase in common education as well as kept state agency cuts to a minimum. Final FY-04 legislative appropriations total \$5,106,597,024. This amount is only \$418,976,954, or 7.58%, below the original FY-03 appropriations and \$7,836,575, or .15%, above the revised FY-03 appropriation level. Virtually all agencies realized budget cuts. The only exception was Common Education. The appropriations that support K - 12 schools total \$1,950,875,382, 4.4% below the original FY-03 level, but 5.7% above the revised appropriation level.

Funding Measures

The Legislature managed to increase appropriations authority by \$245 million despite the bleak economic outlook. Through accessing idle funds (\$22.9 million), improving collections and compliance (\$91.1 million), redirecting existing revenue (\$82.2 million), refinancing and restructuring existing debt (\$34.3 million), instituting limited but mostly dedicated fee increases (\$9.6 million), and pursuing federal reimbursements (\$8.4 million), the Legislature insured full common education funding, lessened otherwise critical agency budget cuts and protected state services most affected by the slowing economy.

Service Preservation

In a legislative effort to preserve existing state service levels, agencies such as the Healthcare Authority, the Department of Mental Health and Substance Abuse Services, the Department of Veterans' Affairs and the Department of Human Services realized increases above FY-03 revised levels. However, rising medical costs and increases in service use neutralized any impact that these slightly elevated funding levels may have had in FY-04. For example, despite a \$25 million increase in Medicaid funding, projected reductions of \$50 to \$60 million are required to meet budget due to rising medical costs and increased participation rates. Federal aid received after this Legislative Session currently is offsetting some of these cuts in Medicaid.

Process Reform

Besides implementing more innovative financing techniques, the Legislature also moved to reform the budget process itself in an attempt to reflect state service priorities while managing the budget under a serious economic downturn. Three dramatic changes will impact the appropriations process in the future. The first includes the imposition of a new performance budgeting system using “zero-based” techniques. The new process, adopted in **HB 1256**, directs the Legislative Appropriations Committees to evaluate and report on agency performance by March 1 of each fiscal year and before appropriation measures are passed. The new Legislative Oversight Committee on State Budget Performance was created to monitor and report on this new system.

Secondly, **HB 1249** 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.

The third and most aggressive reform is contained in **HB 1247**. This bill directs that the appropriation for Common Education be presented to the Governor at least twenty-five days prior to when schools offer contracts to teachers for the upcoming school year, but no later than April 1. This legislative directive requires the appropriation process to begin in earnest much earlier than in previous years and is designed to place education funding as the top legislative appropriations priority.

Selected Agency Appropriation Levels

<u>Agency</u>	<u>FY-04</u>	<u>Change From FY-03 Orig.</u>	<u>Change From FY-03 Rev.</u>
Common Education	\$1,950,875,382	-4.4%	+5.7%
Higher Education	\$767,880,403	-9.8%	-4.2%
Career Tech	\$117,322,607	-10.6%	-2.9%
Corrections	\$373,931,566	-4.8%	-1.8%
Healthcare Authority	\$439,000,000	-.81%	+6.15%
Mental Health	\$145,018,006	-3.9%	+4.2%
Health Department	\$53,649,633	-16.6%	-9.7%
Transportation	\$192,185,387	-22.2%	-\$21.4%
Public Safety	\$60,929,532	-12.45%	-5.0%

FY-03 Supplementals

FY-03 appropriations allocations were reduced several times mid fiscal year due to overall declining revenues. All General Revenue Fund appropriations were cut by 7.85%. The appropriations to common schools from the Education Reform Revolving Fund was decreased by 16.2% also as a result of declining revenues.

The mid-year cuts warranted supplemental appropriations for several state agencies, with the largest FY-02 supplemental granted to common schools (\$25,486,165). State agencies receiving supplementals included the Health Care Authority, Juvenile Affairs, Indigent Defense System, the Tax Commission and the Office of State Finance.

The most publicized supplemental need proved to be the Ad Valorem Reimbursement for the Constitutional five-year manufacturers' Ad Valorem exemption. Historically, certain manufacturers are given Ad Valorem tax exemptions for construction of certain projects. The State then reimburses counties, schools, etc., for the loss in revenue. The growth in the exemption program outstripped dedicated funding to the Ad Valorem Reimbursement Fund. To insure state schools received adequate reimbursement, the Legislature appropriated \$14,400,000 in supplemental appropriations for deposit to the Fund. Table 9 provides more detail on all supplemental appropriations.

Capitol Items

Given tight FY-04 budget constraints, the Legislature still managed to finance several capitol improvements. The first and largest was a second authorization of revenue bonds to complete the Oklahoma History Center in the amount of \$18 million. The Center previously had received \$32 million for construction from revenue bonds issued in 1999.

The J.D. McCarty Center also received a second authorization to issue \$4 million in revenue bonds to complete construction of a new facility. The Center originally received an authorization of \$10.3 million in the 1999 revenue bond issue. The additional funds were necessary due to construction delays created by environmental issues at the new facility's chosen site.

Finally, an issuance of \$33 million in revenue bonds was authorized for the construction of the Native American Cultural Center, Museum for the Native American Cultural and Education Authority. Similar to the History Center and the J.D. McCarty facility, the Authority originally received a \$5 million authorization in the 1999 bond issue. This amount is to be matched by federal and municipal funds. Moreover, the Authority is expected to generate sufficient funds to pay the debt service for at least three years.

Fee Increases

As mentioned earlier, limited fee increases were instituted to offset budget deficits. Other fee increases were adopted outside the appropriations process. The majority of these increases are dedicated for specific purposes. The following list summarizes all of the fee changes made during the 2003 Legislative Session:

<u>Fee Item</u>	<u>Bill Number</u>	<u>FY-04 Estimated Revenue</u>	<u>New Revenue Purpose</u>
Beer permits up \$100	HB 1106	\$240,200	Community-Based Substance Abuse Programs
Annual Banking Fee up \$500	HB 1202	91,000	Banking Department Operations
State Park Entrance Day Use Fees	HB 1353	1,000,000	Tourism Operations
Special Events Permit (New)	HB 1356	100,000	General Revenue Fund
Lifetime Hunting/Fishing License	HB 1419	380,975	Wildlife Conservation Trust Fund
Resident Cat/Bear Exhibitor Permit	HB 1566	Minimal	Wildlife Conservation Department Operations
Resident Hunting/Fishing Licenses	HB 1663	3,387,885	Wildlife Conservation Department Operations
Bogus Check/Supervision Fee/DUI, etc.	HB 1771	1,200,000	District Attorney's Operations
Various District Court Fees	SB 81	10,600,000	District Court Operations
Drug Conviction Assessment	SB 46	234,000	Drug Abuse Education/Drug Courts
Flotation Device Fee Change	SB 75	62,000	Scenic River Commission Operations
Deferred Deposit License Fee	SB 583	0	
Hospice Licensing Increase	SB 591	28,000	Department of Health Operations
Pesticide Registration Fee Increase	SB 606	540,000	Department of Agriculture Operations
Controlled Dangerous Substance Registration	SB 611	420,000	Bureau of Narcotics and Dangerous Drugs Operations
Medical Expense Liability Fee	SB 652	594,000	Counties
Motor Vehicle Registration Assessment	SB 1237	<u>6,600,000</u>	Department of Public Safety Operations (Troopers)
Total Fee Increases		\$25,478,060	

Gubernatorial Vetoes

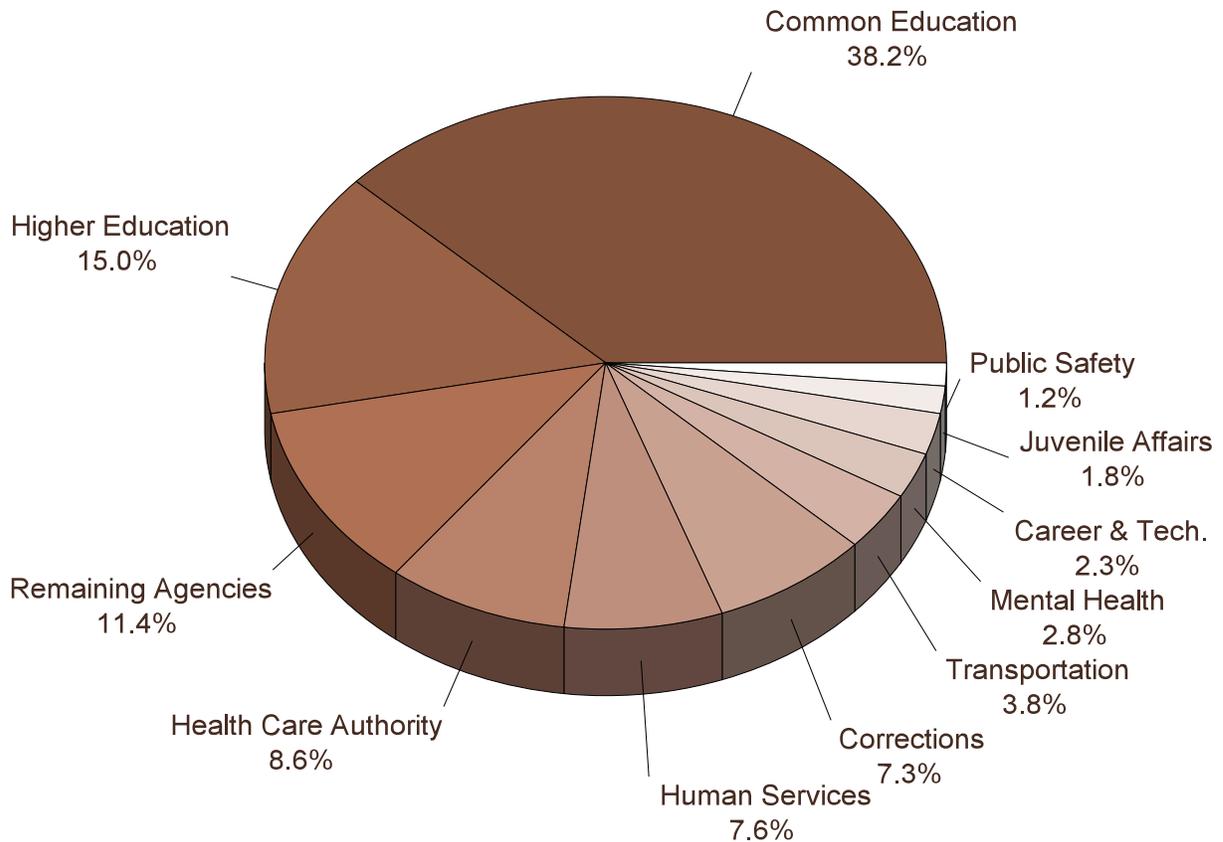
Governor Henry exercised veto authority over two appropriations matters:

HB 1199 - Office of Juvenile Affairs Appropriation Bill - The Governor line-item vetoed language earmarking \$1.4 million for youth services agencies to track juveniles after exiting prevention and detention programs.

SB 198 - This bill, vetoed in its entirety, prohibited spending of any of the federal funds authorized by the federal Job and Growth Tax Relief Reconciliation Act without prior legislative approval.

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

DISTRIBUTION OF FY-04 APPROPRIATIONS TEN LARGEST AGENCIES

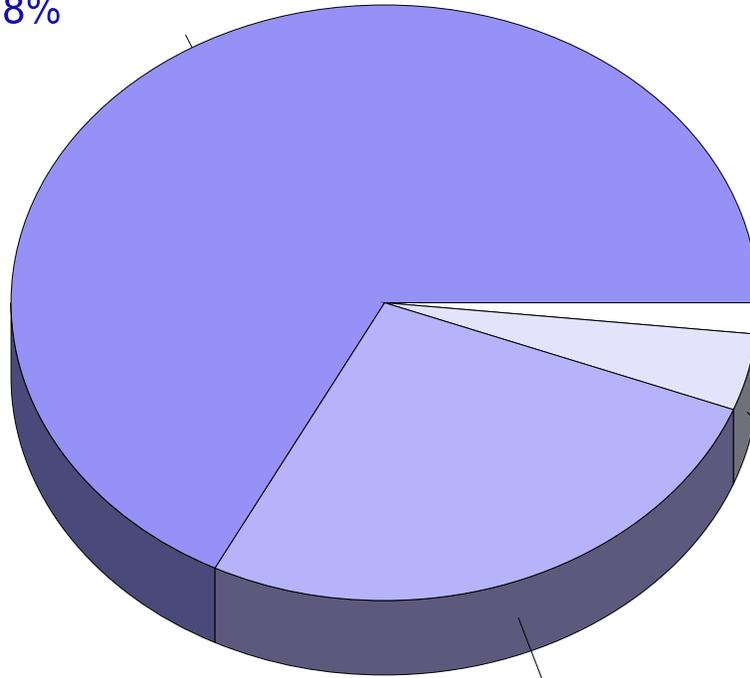


Common Education	\$1,950,625,265
Higher Education	768,130,523
Health Care Authority	439,000,000
Human Services	387,455,619
Corrections	373,931,566
Transportation	192,185,387
Mental Health	145,018,006
Career and Technology	117,822,607
Juvenile Affairs	90,000,000
Public Safety	62,429,532
Subtotal (88.6% of Total)	\$4,526,598,505
Remaining State Agencies	<u>579,998,519</u>
Total Appropriations	\$5,106,597,024

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

EDUCATION SUBCOMMITTEE DISTRIBUTION OF FY-04 APPROPRIATIONS

Board of Education
67.8%



Other
1.5%

Career & Tech.
4.1%

Higher Education
26.7%

Board of Education	\$1,950,625,265
Higher Education	768,130,523
Career and Technology	117,822,607
Other	
OCAST	11,014,880
Department of Libraries	6,166,270
School of Science and Math	6,204,693
Physician Manpower Training	5,017,536
Arts Council	3,864,077
Land Office Commission	4,095,100
Educational Television Authority	3,448,064
Teacher Preparation Commission	1,986,006
Private Vocational Schools	<u>152,989</u>
Subcommittee Total	\$2,878,528,010

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

OKLAHOMA ARTS COUNCIL

Betty Price, Executive Director

Agency #055

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$4,318,483	17.0
a. FY-03 Budget Reduction	<u>(339,001)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$3,979,482	17.0
FY-04 Adjustments		
b. Operating Fund Reduction	<u>(115,405)</u>	
Total Adjustments	<u>(\$115,405)</u>	0.0
FY-04 Appropriation and FTE Authorization	\$3,864,077	17.0
Percent Change from FY-03 to FY-04	(10.5)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency’s FY-04 appropriation represents a further reduction of \$115,405 or 3.39% from the FY-03 adjusted appropriation.

III. POLICY ISSUES

None

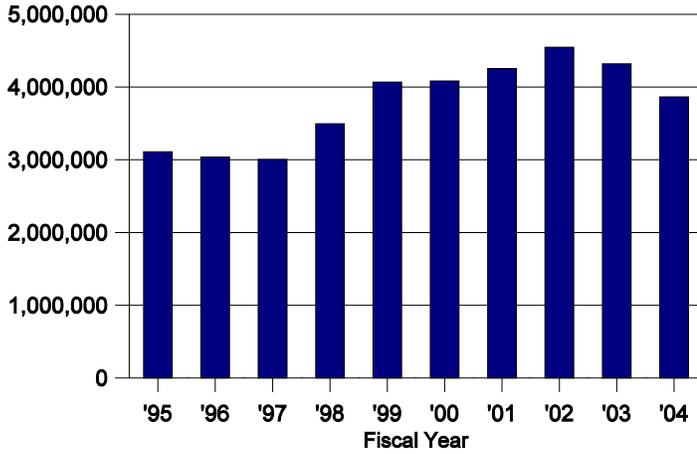
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$4,318,483	\$3,864,077	(10.5)%
Interagency Transfers	370,000	175,085	(52.7)%
Federal Funds	584,100	586,500	0.4%
Total	\$5,272,583	\$4,625,662	(12.3)%

V. BUDGET REFERENCES

HB 1158, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$3,112,095	FY-00	\$4,083,091
FY-96	\$3,038,037	FY-01	\$4,255,497
FY-97	\$3,006,037	FY-02	\$4,545,772
FY-98	\$3,495,267	FY-03(Orig.)	\$4,318,483
FY-99	\$4,069,644	FY-04	\$3,864,077

Notes:

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

STATE BOARD OF CAREER AND TECHNOLOGY EDUCATION

Phil Berkenbile, Acting Director

Agency #800

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$131,196,667	405.0
a. FY-03 Budget Reduction	<u>(10,298,938)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$120,897,729	405.0
FY-04 Adjustments		
b. FY-04 Budget Reduction	(3,575,122)	
c. Training in Industry Program (TIP)	<u>500,000</u>	
Total Adjustments	(\$3,075,122)	0.0
FY-04 Appropriation and FTE Authorization	\$117,822,607	405.0
Percent Change from FY-03 to FY-04	(10.2)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency's FY-04 appropriation represents a further reduction of \$3,575,122 or 2.9% from the FY-03 adjusted appropriation.
- c. An appropriation of \$500,000 was added to the funding base of the TIP program.

III. POLICY ISSUES

- a. **HB 1030** authorizes boards of education of technology centers to be able to conduct board meetings by videoconference.
- b. **HB 1068** requires current members of the State Board of Career and Technology Education to resign as of March 30, 2003 and establishes residence and education requirements for new board members. New board members shall be appointed by April 1, 2003. There was no emergency clause so this bill will become effective on August 29, 2003.
- c. **HB 1123** states legislative intent that institutions of higher education within the Oklahoma State System of Higher Education, private institutions accredited by the Oklahoma State Regents for Higher Education, technology center school districts, schools or training programs licensed, accredited, approved or regulated by any state agency, and private schools licensed by the Oklahoma Board of Private Vocational Schools be prohibited from placing statements in documents or brochures given to students or advertising in publications that credits earned at the institution, training program, or school are fully accepted at another institution or school without having a written agreement with the other institution or school stating that the credits will be fully accepted.

- d. **HB 1278** creates the Oklahoma Education Lottery Act, creates the Oklahoma Lottery Commission, establishes the Lottery Retailer Advisory Board, creates the Oklahoma Education Lottery Trust Fund, creates the Oklahoma Lottery Commission Legislative Oversight Committee and establishes purpose, duties, apportionment and appropriation of lottery proceeds. Monies in the Oklahoma Lottery Trust Fund are appropriated as follows: 45% for kindergarten through twelfth grade public education and early childhood development programs; 45% for tuition, grants, loans and scholarships for citizens to attend colleges and universities that are accredited by the State Regents or are part of the State System of Higher Education and/or institutions operated under the authority of the Department of Career and Technology Education. Other purposes for funding under this category are construction of educational facilities and capital outlay projects for elementary and independent school districts, the Oklahoma State System of Higher Education and career and technology education. Also included are technology, professional training in the application of computers, interactive learning environments in the classroom, and access to the statewide distance learning network for the same educational entities as listed above. In addition, funding is provided for the endowed chairs and professorships and for programs and personnel of the Oklahoma School for the Deaf and the Oklahoma School for the Blind. An additional 5% is to go to the Teachers Retirement System Dedicated Revenue Retirement Fund. All of these funds are to enhance and not supplant other funding.
- e. **HB 1279** specifies that counties, schools, colleges, universities, political subdivisions or any agency receiving state funds shall purchase excess articles and services provided by the Department of Corrections in the state correctional institutions if they are lowest and best bid.
- f. **HB 1654** modifies authorization so that technology centers' boards are to approve all plans and specifications for school buildings which provide vocational-technical education programs and services without State Board review or approval, if the building project is paid for with local levies, state bond monies or a combination of both revenue sources.

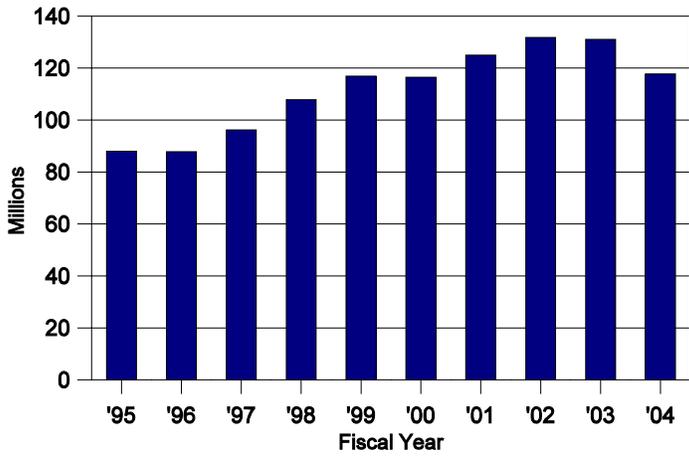
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$131,196,667	\$117,822,607	(10.2)%
Revolving Funds	5,722,244	5,950,697	4.0%
Federal Funds	27,049,649	25,475,799	(5.8)%
Total	\$163,968,560	\$149,249,103	(9.0)%

V. BUDGET REFERENCES

HB 1167, Section 7; SB 20, Sections 1 through 8

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$87,988,105	FY-00	\$116,516,706
FY-96	\$87,760,898	FY-01	\$125,023,744
FY-97	\$96,177,115	FY-02	\$131,846,398
FY-98	\$107,875,417	FY-03(Orig.)	\$131,196,667
FY-99	\$116,939,996	FY-04	\$117,822,607

STATE BOARD OF EDUCATION

Sandy Garrett, State Superintendent

Agency #265

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$2,040,028,941	511.0
a. FY-03 Budget Reduction	(195,041,904)	-111.0
b. Supplemental	<u>25,486,165</u>	_____
Revised FY-03 Appropriation and FTE Authorization	\$1,870,473,202	400.0
FY-04 Adjustments		
c. State Aid Formula	80,402,183	
d. Office of Accountability	<u>(250,120)</u>	<u>(4.0)</u>
Total Adjustments	\$80,152,063	(4.0)
FY-04 Appropriation and FTE Authorization	\$1,950,625,265	396.0
Percent Change from FY-03 to FY-04	(4.4)%	(22.5)%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 9.56%.
- b. The agency received FY-03 supplemental funding of \$25,486,165 which was annualized for FY04.
- c. The State Aid Formula was increased in an effort to replace part of the funding lost in the FY-03 formula budget reduction (-\$161,928,097).
- d. The Office of Accountability including funds, personnel, furniture, supplies and equipment, were transferred from the State Board of Education to the State Regents for Higher Education.

III. POLICY ISSUES

- a. **HB 1123** states legislative intent that institutions of higher education within the Oklahoma State System of Higher Education, private institutions accredited by the Oklahoma State Regents for Higher Education, technology center school districts, schools or training programs licensed, accredited, approved or regulated by any state agency, and private schools licensed by the Oklahoma Board of Private Vocational Schools be prohibited from placing statements in documents or brochures given to students or advertising in publications that credits earned at the institution, training program, or school are fully accepted at another institution or school without having a written agreement with the other institution or school stating that the credits will be fully accepted.

- b. **HB 1153** renames an existing program to the Oklahoma School Voluntary Consolidation and Annexation Act, establishes new dates for access to the School Consolidation Assistance Fund and limits the number of competitive school programs which consolidated or annexed districts receive preference. Bill provisions also state that beginning July 1, 2003, school districts consolidating or annexing districts are exempt from class size requirements for five years, general fund balances are allowable for three years, and the weighted district size calculation is adjusted for three years.
- c. **HB 1278** creates the Oklahoma Education Lottery Act, creates the Oklahoma Lottery Commission, establishes the Lottery Retailer Advisory Board, creates the Oklahoma Education Lottery Trust Fund, creates the Oklahoma Lottery Commission Legislative Oversight Committee and establishes purpose, duties, apportionment and appropriation of lottery proceeds. Monies in the Oklahoma Lottery Trust Fund are appropriated as follows: 45% for kindergarten through twelfth grade public education and early childhood development programs; 45% for tuition, grants, loans and scholarships for citizens to attend colleges and universities that are accredited by the State Regents or are part of the State System of Higher Education and/or institutions operated under the authority of the Department of Career and Technology Education. Other purposes for funding under this category are construction of educational facilities and capital outlay projects for elementary and independent school districts, the Oklahoma State System of Higher Education and career and technology education. Also included are technology, professional training in the application of computers, interactive learning environments in the classroom, and access to the statewide distance learning network for the same educational entities as listed above. In addition, funding is provided for endowed chairs and professorships and for programs and personnel of the Oklahoma School for the Deaf and the Oklahoma School for the Blind. An additional 5% is to go to the Teachers Retirement System Dedicated Revenue Retirement Fund. The remaining 5% is directed to the School Consolidation and Assistance Fund. All of these funds are to enhance and not supplant other funding.
- d. **HB 1279** specifies that counties, schools, colleges, universities, political subdivisions or any agency receiving state funds shall purchase excess articles and services provided by the Department of Corrections in the state correctional institutions if they are the lowest and best bid.
- e. **HB 1343** authorizes school districts to establish fees or charges for Internet-based courses and exempts school districts from liability for payment of any fees or charges for Internet-based courses for a student who has not complied with the district's policies and procedures.
- f. **HB 1408** authorizes two or more school districts to enter into an interlocal cooperative agreement for the purpose of forming buying pools and purchasing cooperatives.
- g. **HB 1527** requires every school district to transmit a copy of the income and expenditures statement to the State Department no later than July 31. The State Department is directed to post the data on its Internet website in a form that is accessible to the public.
- h. **HB 1572** authorizes the boards of education of school districts to solicit and accept any gift, grant or donation of money or property for the school districts' use. These funds may be deposited to the general or building funds. If the gift, grant or donation is for non-capital expenditures and placed in the general fund, the money may be held for future years' expenditures but is exempt from the general fund balance calculation.

i. **HB 1767** creates numerous opportunities for improving Common Education:

Accountability

- Requires a review and comparison of earlier reforms in Oklahoma legislation HB 1017, HB 1759, and federal legislation HR 1, No Child Left Behind to identify duplications or conflicts;
- Creates the School State Aid Funding Study Group to evaluate and make recommendations on the State Aid Formula; provides funding to the Legislative Services Bureau to contract for consultant services;
- Creates the Task Force on School District Administration Reorganization or Consolidation;
- Defines administrative services; requires superintendents to code their time worked as administrative costs regardless of the services performed, except for teaching superintendents; requires an annual report showing the administrative services costs and the percentage of those costs of the district's total expenditures for the preceding year;
- Specifies a teacher working in the same school district in the preceding year may not receive a lower salary and benefits package unless the teacher's duties or hours have changed; provides for forfeiture of State Aid for willfully making such reductions; provides for an additional penalty reduction of the district's State Aid in the amount owed which will be given to the teacher; and, establishes a complaint process to the State Department of Education, which must investigate the complaints; and
- Delays implementation of reforms from HB 1759 due to a lack of funds.

Efficiency

- Establishes a career teacher pre-termination hearing and a probationary teacher hearing;
- Requires the receiving district notify the resident district and parents of the student of the cancellation of the student's transfer by June 1 to be effective for the next school year;
- Modifies Charter School non-renewal notice time limit to 60 days prior to the expiration of the contract;
- Authorizes the school district superintendent to transfer up to a total of 25% of the total appropriation from one account, fund or program category to another, but prohibits a transfer between the general fund and building fund. The State Department must be notified of any fund transfer in writing or electronically;
- Authorizes the VISION Coordinating Committee to enter into cooperative partnerships with private Oklahoma-based companies, and establishes goals and sets standards; and
- Deletes the requirement for reporting to the county clerk reductions of State Aid funding allocations.

Waivers/Deregulations

- Authorizes the State Board to waive class size penalties if caused by economic hardship; requires a report of school districts which exceed class size limitations including districts at 85% bonded indebtedness, and requires the State Board to collect and submit a list of bond projects, categorized by type of project;
- Provides a two-year extension for persons who held a provisional certificate in speech-language pathology during the 1998-99 school year;
- Provides that for school year 2003-2004, a residency committee for teachers may function with only two members;
- Modifies the truancy age from 16 to 12 years for earlier intervention and allows persons 18 years or older to petition the court for expungement of juvenile truancy records;
- Exempts school districts from any financial penalty for administrative services expenditures greater than the current limitations which may occur in 2004 and 2005 school years; and
- Authorizes an automatic waiver from implementing an alternative education program for elementary school districts that do not have one in place currently.

In addition, this bill transfers the Office of Accountability, including funding, personnel, furniture, equipment and supplies from the State Board of Education to the State Regents for Higher Education, while retaining its position in relation to the Education Oversight Board.

- j. **SB 201** transfers \$4.8 million from the Common Education Technology Revolving Fund to the Ad Valorem Reimbursement Fund.
- k. **SB 216** authorizes the boards of two or more school districts to contract with one superintendent to serve as superintendent of the multiple school districts and allows two or more school districts to enter into a mutual or separate contracts with a superintendent, administrator or teacher or with a person to provide support services, to provide those same services, under conditions agreed upon by the districts. Each district must agree to share the employee, enter into agreement related to the division of payments for benefits, travel, etc. and, if not included in the contracts then each district's pro rata share of the employee's retirement contribution shall be paid into the Teachers Retirement System of Oklahoma.
- l. **SB 549** provides a checkoff box on all state personal and corporate income tax forms beginning with 2004, for contributions for the support of Oklahoma Common Schools which may be expended by the State Department of Education and creates the Income Tax Checkoff Revolving Fund for the Support of Oklahoma Common Schools. Bill provisions also provide a checkoff box on all state personal and corporate income tax forms, beginning with 2004, for the support of Oklahoma Road and Highway maintenance and create the Income Tax Checkoff Revolving Fund for the Support of Oklahoma Road and Highway Maintenance, which may be apportioned by the State Transportation Commission. Finally, SB 549 provides the same checkoff box for Support of Oklahoma Medicaid Program and creates the Income Tax Checkoff Revolving Fund for the Support of the Oklahoma Medicaid Program which may be appropriated and expended by the Oklahoma Health Care Authority.

- m. **SB 715** requires that all contracts for employment, or employee information worksheets, for teachers and administrators by a district board of education provide very specific data related to the employee, the employee’s base salary and additional wages and benefits. Beginning with the 2004-05 school year, this data will be included in the districts’ annual personnel report to the State Department of Education.
- n. **SB 801** provides that any school district participating in the statewide alternative education program that does not receive a recommendation for continued funding shall not be funded for the next school year. The district may request a hearing before the State Board prior to its final decision.
- o. **SB 837** defines a “qualified organization”, to include public and certain private schools as well as parent teacher associations and organizations. These groups may organize and participate in the sale of raffle tickets. This section of law becomes void if the Oklahoma Education Lottery Act is not approved by a vote of the people.

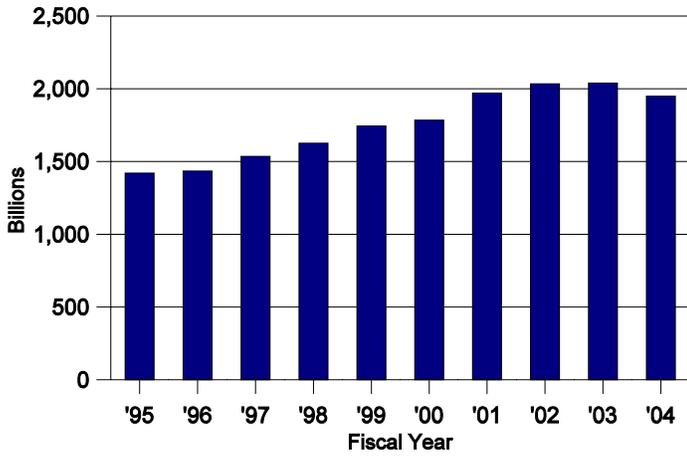
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue	\$1,516,444,726	\$1,396,994,368	(7.9)%
Special Cash	0	1,760,137	N/A
Constitutional Reserve Fund	36,876,086	0	(100.0)%
Education Reform Rev. Fund	461,388,673	524,248,646	13.6%
Common Education Technology Revolving Fund	22,317,261	26,292,114	17.8%
Mineral Leasing - FY-04	0	1,330,000	N/A
Mineral Leasing - FY-03	1,805,000	0	(100.0)%
Mineral Leasing - FY-01	1,197,195	0	(100.0)%
Revolving Funds	1,281,515	1,322,140	3.2%
Federal Funds	493,995,855	544,985,474	10.3%
Total	\$2,535,306,311	\$2,496,932,879	(1.5)%

V. BUDGET REFERENCE

HB 1160, Sections 1 through 5; HB 1162, Sections 1 through 46; HB 1167, Sections 1 through 8;
 HB 1767, Sections 29 through 31

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$1,420,694,338	FY-00	\$1,784,826,960
FY-96	\$1,435,336,213	FY-01	\$1,971,371,430
FY-97	\$1,535,699,774	FY-02	\$2,034,909,788
FY-98	\$1,626,290,254	FY-03(Orig.)	\$2,040,028,941
FY-99	\$1,741,031,635	FY-04	\$1,950,625,265

OKLAHOMA EDUCATIONAL TELEVISION AUTHORITY

Malcolm Wall, Director

Agency #266

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$3,741,795	84.0
a. FY-03 Budget Reduction	<u>(293,731)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$3,448,064	84.0
FY-04 Adjustments		
None		
Total Adjustments	\$0	0.0
FY-04 Appropriation and FTE Authorization	\$3,448,064	84.0
Percent Change from FY-03 to FY-04	(7.9)%	0.0%

I. DETAIL ON BUDGET ADJUSTMENTS

a. Declining revenue collections required mid-year budget cuts of 7.85%.

III. POLICY ISSUES

None

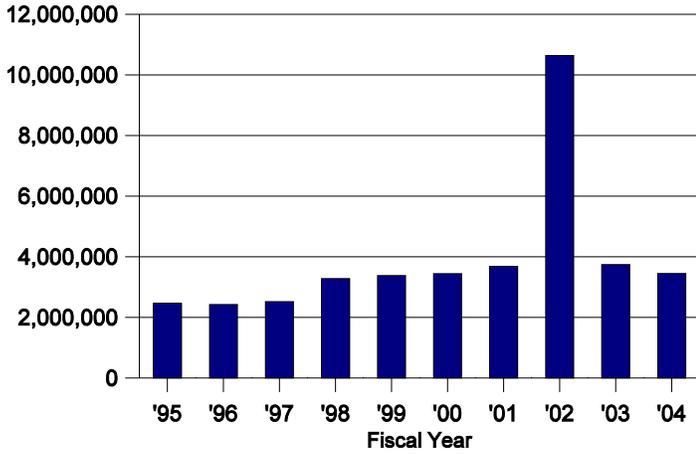
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$3,741,795	\$3,448,064	(7.9)%
Reappropriation	200,000	270,848	35.4%
Federal Grants	900,000	1,889,177	109.9%
Revolving Funds	1,112,068	4,253,962	282.5%
Total	\$5,953,863	\$9,862,051	65.6%

V. BUDGET REFERENCES

HB 1161, Sections 1 through 6

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$2,470,180	FY-00	\$3,441,158
FY-96	\$2,422,367	FY-01	\$3,685,817
FY-97	\$2,518,361	FY-02	\$10,638,732
FY-98	\$3,283,681	FY-03(Orig.)	\$3,741,795
FY-99	\$3,385,382	FY-04	\$3,448,064

Notes:

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

STATE REGENTS FOR HIGHER EDUCATION

Paul Risser, Chancellor

Agency #605

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$851,255,610	N/A
a. FY-03 Budget Reduction	<u>(59,760,038)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$791,495,572	N/A
FY-04 Adjustments		
b. FY-04 Budget Reduction	(23,615,169)	
c. Office of Accountability	<u>250,120</u>	
Total Adjustments	(\$23,365,049)	N/A
FY-04 Appropriation and FTE Authorization	\$768,130,523	N/A
Percent Change from FY-03 to FY-04	(9.8)%	

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.02%.
- b. The agency’s FY-04 appropriation represents a further reduction of \$23,615,169 or 2.98% from the FY-03 adjusted appropriation.
- c. The Office of Accountability, including funding, personnel, furniture, supplies and equipment, were transferred from the State Board of Education to the State Regents for Higher Education.

III. POLICY ISSUES

- a. **HB 1123** states legislative intent that institutions of higher education within the Oklahoma State System of Higher Education, private institutions accredited by the Oklahoma State Regents for Higher Education, technology center school districts, schools or training programs licensed, accredited, approved or regulated by any state agency, and private schools licensed by the Oklahoma Board of Private Vocational Schools be prohibited from placing statements in documents or brochures given to students or advertising in publications that credits earned at the institution, training program, or school are fully accepted at another institution or school without having a written agreement with the other institution or school stating that the credits will be fully accepted.
- b. **HB 1149** authorizes county commissioners to utilize county owned equipment, labor and supplies on property owned by two-year colleges or technical branches of colleges that are members of the Oklahoma State System of Higher Education.

- c. **HB 1167** requires the Oklahoma State Regents for Higher Education to service the fiscal operations of the Office of Accountability by establishing appropriate funds and accounts. Funds and accounts will continue to be subject to control of the Education Oversight Board. Incumbent unclassified employees are transferred without a loss of pay and benefits and operational funding of \$250,120 is transferred in addition to revolving funds which were originally reappropriated to the State Board of Education. The State Regents will allocate these funds to the Office of Accountability for the purpose of continuing performance-based audits of public school districts.
- d. **HB 1278** creates the Oklahoma Education Lottery Act, creates the Oklahoma Lottery Commission, establishes the Lottery Retailer Advisory Board, creates the Oklahoma Education Lottery Trust Fund, creates the Oklahoma Lottery Commission Legislative Oversight Committee, and establishes purpose, duties, apportionment and appropriation of lottery proceeds. Monies in the Oklahoma Lottery Trust Fund are appropriated as follows: 45% for kindergarten through twelfth grade public education and early childhood development programs; 45% for tuition, grants, loans and scholarships for citizens to attend colleges and universities that are accredited by the State Regents or are part of the State System of Higher Education and/or institutions operated under the authority of the Department of Career and Technology Education. Other purposes for funding under this category are construction of educational facilities and capital outlay projects for elementary and independent school districts, the Oklahoma State System of Higher Education and career and technology education. Also included are technology, professional training in the application of computers, interactive learning environments in the classroom and access to the statewide distance learning network for the same educational entities as listed above. In addition, funding is provided for endowed chairs and professorships and for programs and personnel of the Oklahoma School for the Deaf and the Oklahoma School for the Blind. An additional 5% is directed to the Teachers Retirement System Dedicated Revenue Retirement Fund, and the remaining 5% is directed to the School Consolidation and Assistance Fund. The remaining 5% is directed to the School Consolidation and Assistance Fund. All of these funds are to enhance and not supplant other funding.
- e. **HB 1279** specifies that counties, schools, colleges, universities, political subdivisions or any agency receiving state funds shall purchase excess articles and services provided by the Department of Corrections in the state correctional institutions if they are the lowest and best bid.
- f. **HB 1465** creates the Uniform Athlete Agents Act, requires registration of athletic agents, and establishes the procedure for application of registration. The bill authorizes the Secretary of State to refuse to renew a registration, establishes application fees, provides that a student-athlete who voids an agency contract is not required to pay or return any consideration, but requires the athlete agent to give record of the signed contract at the time of execution. Bill provisions further require the athlete agent and student athlete to notify the athletic director of the educational institution where the student-athlete is enrolled, provides civil remedies which includes a fine of not more than \$500, and authorizes an administrative penalty under which the Secretary of State may assess a penalty of no more than \$25,000.
- g. **HB 1748** requires the Oklahoma State Regents for Higher Education submit a report of tuition and fees for the current year for each institution within the state system to the Governor, Speaker of the House of Representatives, President Pro Tempore of the Senate and the minority floor leaders and education committee chairs of both houses. The report must include data on the impact of any tuition or fee increase on the ability of students to meet the costs of attendance,

enrollment patterns and availability of financial aid. Finally, the bill authorizes the State Regents to establish undergraduate resident tuition as follows:

- The comprehensive universities combined average of resident tuition and mandatory fees must be less than the combined average of resident tuition and mandatory fees at the state-supported institutions that are members of the Big Twelve Conference; and, the non-resident combined average of tuition and mandatory fees must be less than 105% of the combined average of non-resident tuition and mandatory fees of state-supported institutions that are members of the Big Twelve Conference.
- The regional universities and two-year colleges combined average of resident tuition and mandatory fees must be less than the combined average of resident tuition and mandatory fees at like-type state supported institutions of higher education as determined by the State Regents that include, but are not limited to, those adjacent to Oklahoma; and, the non-resident combined average of tuition and mandatory fees must be less than 105% of the combined average of non-resident tuition and mandatory fees of like-type state-supported institutions of higher education as determined by the State Regents that include, but are not limited to, those adjacent to Oklahoma.

In the establishment of resident tuition rates for undergraduate and graduate education, the State Regents are required to balance the affordability vs. the availability of learning opportunities. Consideration will include the level of state appropriations, the state economy, per capita income and cost of living, the college-going and college-retention rates and the availability of financial aid. The combined average of resident tuition rates, non-resident tuition rates and mandatory fees for graduate and professional courses and programs are to remain less than the combined average of like-type courses and programs. An academic services fee are not to exceed the actual costs of the academic services.

This bill repeals separate tuition rates for the technical branches and the special service fees.

- h. **SB 201** transfers \$4,800,000 each from the Higher Education Capital Revolving Fund and the Oklahoma Tuition Scholarship Revolving Fund to the Ad Valorem Reimbursement Fund.
- i. **SB 326** modifies enrollment qualifications for the Oklahoma Higher Learning Access Program by extending enrollment to students in grades eight, nine and ten.
- j. **SB 520** creates the Oklahoma Tuition Equalization Grant Act which provides grants to Oklahoma residents enrolled as undergraduate students in Oklahoma private or independent institutions of higher education which are approved by the State Regents. Bill provisions state eligibility criteria and establish conditions for receiving the \$2,000 grant. First-time freshmen for the 2003-2004 school year are the first class eligible for the grants if funds are available. SB 520 also creates the Oklahoma Tuition Equalization Grant Trust Fund with the State Regents as trustees.
- k. **SB 596** expands eligibility to include non-citizen students for enrollment in an institution within the Oklahoma State System of Higher Education if the student 1) graduated from a public or private high school in Oklahoma or successfully completed the GED, 2) has resided in the state with a parent or guardian at least two years prior to meeting the educational requirement, 3) satisfies admission standards and 4) has secured admission to and enrolled in an institution. These students may satisfy immigration status by filing an affidavit stating the filing of an application or a petition pending with the Bureau of Citizenship and Immigration Services or

filing an affidavit of the intent to do so. Such students will be eligible for scholarships and financial aid regardless of immigration status.

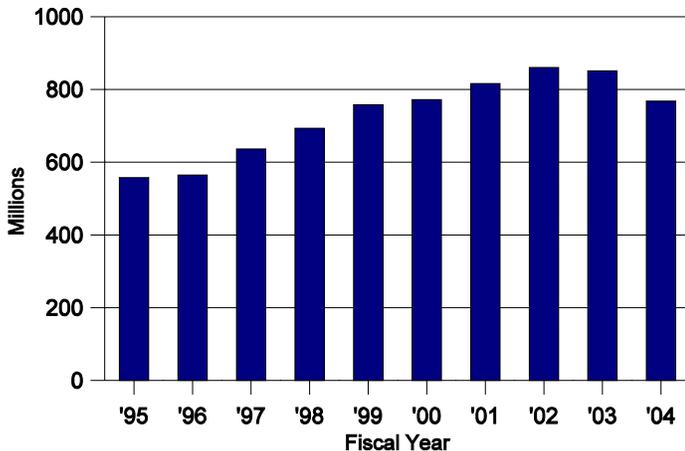
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$761,274,375	\$694,305,131	(8.8)%
Constitutional Reserve Fund	44,800,000	21,199,498	(52.7)%
Higher Education Capital Revolving Fund	22,317,261	26,292,114	17.8%
Oklahoma Tuition Scholarship Revolving Fund	22,317,261	26,292,114	17.8%
Oklahoma Building Bonds 1992 Series A	378,907	11,484	(97.0)%
Oklahoma Building Bonds 1992 Series B	167,806	30,182	(82.0)%
Tuition and Fees	350,521,457	432,655,043	23.4%
Total	\$1,201,777,067	\$1,200,785,566	(0.1)%

V. BUDGET REFERENCES

HB 1767, Sections 29 through 31; SB 172, Sections 1 through 8

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$557,740,270	FY-00	\$772,165,329
FY-96	\$564,806,579	FY-01	\$816,172,157
FY-97	\$636,206,579	FY-02	\$860,475,547
FY-98	\$693,299,391	FY-03(Orig.)	\$851,255,610
FY-99	\$757,862,120	FY-04	\$768,130,523

COMMISSIONERS OF THE LAND OFFICE

Ernest A. Hellwege, Secretary

Agency #410

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$4,095,100	62.5
a. FY-03 Budget Reduction	0	
Revised FY-03 Appropriation and FTE Authorization	\$4,095,100	62.5
FY-04 Adjustments		
None		
Total Adjustments	\$0	0.0
FY-04 Appropriation and FTE Authorization	\$4,095,100	62.5
Percent Change from FY-03 to FY-04	0.0%	0.0%

*This agency does not receive any General Revenue Fund appropriations and was spared any budget reductions.

II. DETAIL ON BUDGET ADJUSTMENTS

- a. None

III. POLICY ISSUES

- a. **SB 318** modifies notice requirements relating to the sale of oil and gas or other mineral leases on public lands and requires the Commissioners of the Land Office to pay the fee for obtaining a real estate appraiser license for any employee who needs the license to perform job duties.

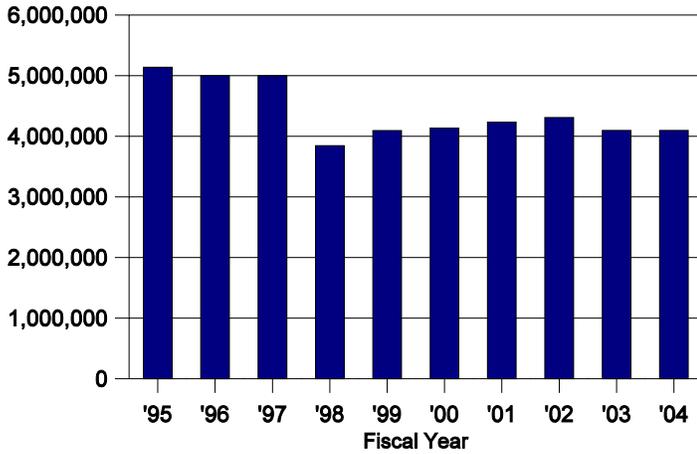
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
Commissioners of the Land Office Fund	\$4,095,100	\$4,095,100	0.0%
Total	\$4,095,100	\$4,095,100	0.0%

V. BUDGET REFERENCES

SB 24, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$5,136,851	FY-00	\$4,135,788
FY-96	\$5,000,000	FY-01	\$4,233,763
FY-97	\$5,000,000	FY-02	\$4,310,632
FY-98	\$3,847,105	FY-03(Orig.)	\$4,095,100
FY-99	\$4,092,947	FY-04	\$4,095,100

Notes:

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

OKLAHOMA DEPARTMENT OF LIBRARIES

Susan McVey, Director

Agency #430

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$6,891,409	82.8
a. FY-03 Budget Reduction	<u>(540,976)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$6,350,433	82.8
FY-04 Adjustments		
b. Operating Fund Reduction	<u>(184,163)</u>	
Total Adjustments	<u>(\$184,163)</u>	0.0
FY-04 Appropriation and FTE Authorization	\$6,166,270	82.8
Percent Change from FY-03 to FY-04	<u>(10.5)%</u>	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency's FY-04 appropriation represents a further reduction of \$184,163 or 2.9% from the FY-03 adjusted appropriation.

III. POLICY ISSUES

None

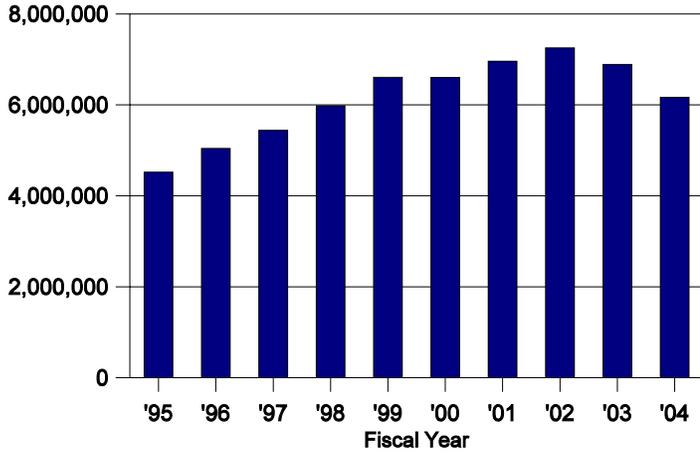
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$6,891,409	\$6,166,270	(10.5)%
Revolving Funds	350,000	350,000	0.0%
Federal Funds	3,212,309	3,107,485	(3.3)%
Total	\$10,453,718	\$9,623,755	(7.9)%

V. BUDGET REFERENCES

SB 30, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$4,521,398	FY-00	\$6,602,568
FY-96	\$5,041,625	FY-01	\$6,960,586
FY-97	\$5,441,625	FY-02	\$7,254,115
FY-98	\$5,982,193	FY-03(Orig.)	\$6,891,409
FY-99	\$6,607,487	FY-04	\$6,166,270

PHYSICIAN MANPOWER TRAINING COMMISSION

Rick Ernest, Director

Agency #619

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$5,606,623	6.0
a. FY-03 Budget Reduction	(408,720)	
Revised FY-03 Appropriation and FTE Authorization	\$5,197,903	6.0
FY-04 Adjustments		
b. Operating Fund Reduction	(180,367)	
Total Adjustments	(\$180,367)	0.0
FY-04 Appropriation and FTE Authorization	\$5,017,536	6.0
Percent Change from FY-03 to FY-04	(10.5)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency's FY-04 appropriation represents a further reduction of \$180,367 or 3.47% from the FY-03 adjusted appropriation.

III. POLICY ISSUES

None

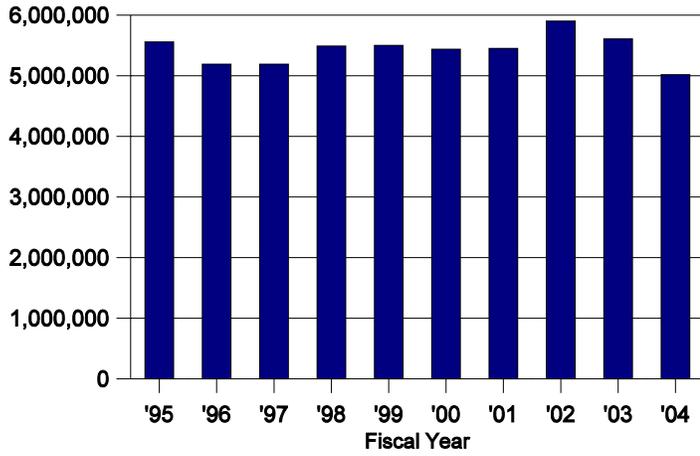
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$5,606,623	\$5,017,536	(10.5)%
Community Residency Fund	280,000	304,000	8.6%
PMTTC Revolving Fund	325,000	244,156	(24.9)%
Nursing Student Assistance Fund	307,000	305,000	(0.7)%
Total	\$6,518,623	\$5,870,692	(9.9)%

V. BUDGET REFERENCES

HB 1165, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$5,557,661	FY-00	\$5,438,784
FY-96	\$5,190,508	FY-01	\$5,449,660
FY-97	\$5,190,508	FY-02	\$5,901,708
FY-98	\$5,490,245	FY-03(Orig.)	\$5,606,623
FY-99	\$5,499,743	FY-04	\$5,017,536

BOARD OF PRIVATE VOCATIONAL SCHOOLS

Dennis Rea, Director

Agency #563

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$166,022	3.0
a. FY-03 Budget Reduction	<u>(13,033)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$152,989	3.0
FY-04 Adjustments		
None		
Total Adjustments	\$0	0.0
FY-04 Appropriation and FTE Authorization	\$152,989	3.0
Percent Change from FY-03 to FY-04	(7.9)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.

III. POLICY ISSUES

- a. **HB 1123** states legislative intent that institutions of higher education within the Oklahoma State System of Higher Education, private institutions accredited by the Oklahoma State Regents for Higher Education, technology center school districts, schools or training programs licensed, accredited, approved or regulated by any state agency, and private schools licensed by the Oklahoma Board of Private Vocational Schools be prohibited from placing statements in documents or brochures given to students or advertising in publications that credits earned at the institution, training program, or school are fully accepted at another institution or school without having a written agreement with the other institution or school stating that the credits will be fully accepted.

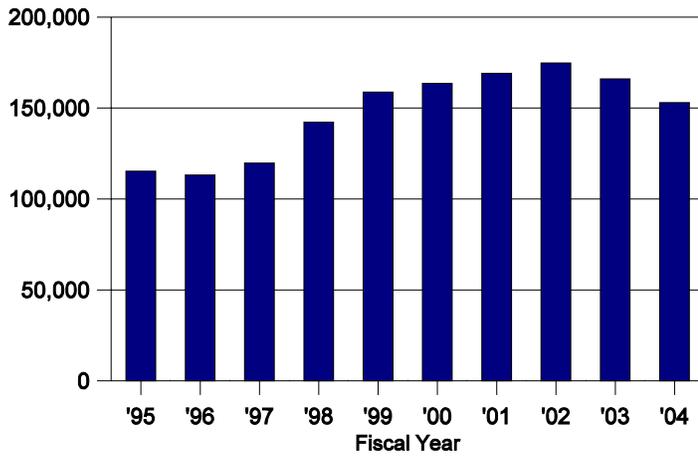
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$166,022	\$152,989	(7.9)%
Total	\$166,022	\$152,989	(7.9)%

V. BUDGET REFERENCES

HB 1166, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$115,315	FY-00	\$163,601
FY-96	\$113,226	FY-01	\$169,117
FY-97	\$119,817	FY-02	\$174,760
FY-98	\$142,283	FY-03(Orig.)	\$166,022
FY-99	\$158,790	FY-04	\$152,989

OKLAHOMA SCHOOL OF SCIENCE AND MATHEMATICS

Edna Manning, President

Agency #629

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$6,522,429	77.0
a. FY-03 Budget Reduction	<u>(512,011)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$6,010,418	77.0
FY-04 Adjustments		
b. <i>Partial Replacement of FY-03 Reduction*</i>	200,000	
c. Partial Replacement of FY-03 Reduction	10,000	
d. Replacement of Bond Debt Service	<u>184,275</u>	
Total Adjustments	\$194,275	0.0
FY-04 Appropriation and FTE Authorization	\$6,204,693	77.0
Percent Change from FY-03 to FY-04	(4.9)%	0.0%

* *This funding was transferred from the Physician Manpower Training Commission and is considered as an increase to the FY-04 base but is not calculated in the total above.*

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency received increased funding of \$200,000 as a partial replacement of the FY-03 reduction.
- c. An increase of \$10,000 in General Revenue was provided as a partial replacement of the FY-03 reduction.
- d. Appropriations in the amount of \$184,275 were provided to offset fixed bond debt expenses.

III. POLICY ISSUES

None

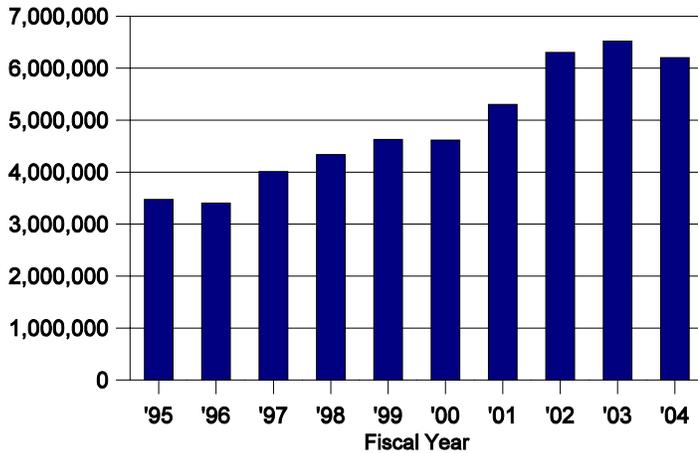
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$6,522,429	\$6,204,693	(4.9)%
Agency Transfer	0	200,000	N/A
Revolving Funds	10,000	10,000	0.0%
Total	\$6,532,429	\$6,414,693	(1.8)%

V. BUDGET REFERENCES

SB 26, Sections 1 through 7

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$3,473,954	FY-00	\$4,618,734
FY-96	\$3,406,437	FY-01	\$5,304,070
FY-97	\$4,010,557	FY-02	\$6,302,098
FY-98	\$4,339,053	FY-03(Orig.)	\$6,522,429
FY-99	\$4,628,895	FY-04	\$6,204,693

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

William Sibley, President

Agency #628

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$12,597,604	24.0
a. FY-03 Budget Reduction	<u>(988,912)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$11,608,692	24.0
FY-04 Adjustments		
b. Operating Fund Reduction	<u>(593,812)</u>	
Total Adjustments	<u>(\$593,812)</u>	0.0
FY-04 Appropriation and FTE Authorization	\$11,014,880	24.0
Percent Change from FY-03 to FY-04	(12.6)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency's FY-04 appropriation represents a further reduction of \$593,812 or 5.12% from the FY-03 adjusted appropriation.

III. POLICY ISSUES

None

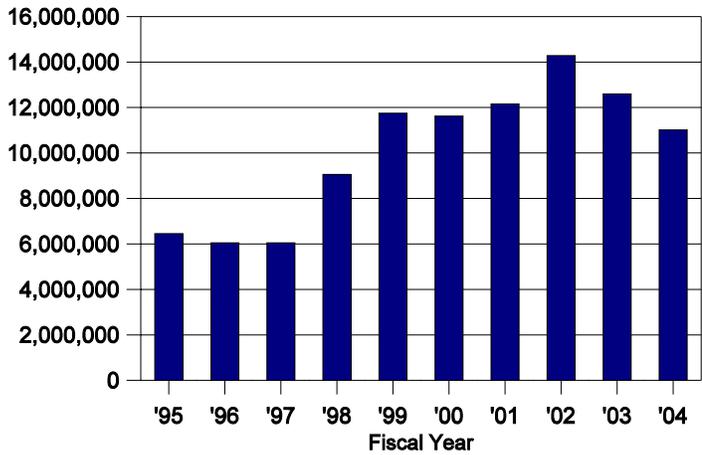
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$12,597,604	\$11,014,880	(12.6)%
Research Support Revolving Fund	12,415,673	15,000,000	20.8%
Federal Funds	445,000	224,751	(49.5)%
Total	\$25,458,277	\$26,239,631	3.1%

V. BUDGET REFERENCES

SB 128, Sections 1 through 5

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$6,451,950	FY-00	\$11,624,513
FY-96	\$6,050,851	FY-01	\$12,158,041
FY-97	\$6,050,851	FY-02	\$14,286,952
FY-98	\$9,059,272	FY-03(Orig.)	\$12,597,604
FY-99	\$11,748,532	FY-04	\$11,014,880

Notes:

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

OKLAHOMA COMMISSION FOR TEACHER PREPARATION

Ted Gillispie, Director

Agency #269

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$2,219,555	8.0
a. FY-03 Budget Reduction	(174,235)	
Revised FY-03 Appropriation and FTE Authorization	\$2,045,320	8.0
FY-04 Adjustments		
b. Operating Fund Reduction	(59,314)	
Total Adjustments	(\$59,314)	0.0
FY-04 Appropriation and FTE Authorization	\$1,986,006	8.0
Percent Change from FY-03 to FY-04	(10.5)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency’s FY-04 appropriation represents a further reduction of \$59,314 or 2.9% from the FY-03 adjusted appropriation.

III. POLICY ISSUES

- a. **HB 1151** requires the teacher preparation system, including local programs, include components which increase teachers’ skills in effective classroom management and student discipline.
- b. **HB 1438** modifies the requirements for superintendents and principals and establishes standards for alternative certification for superintendents and principals.

IV. BUDGET RESOURCES

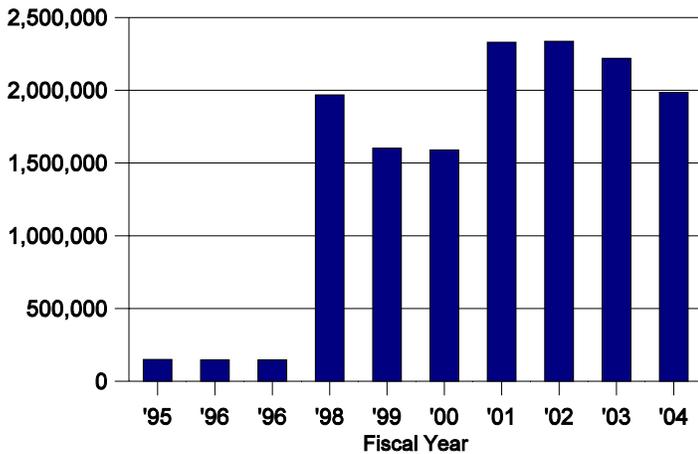
	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$2,219,555	\$1,986,006	(10.5)%
Interagency Transfers	3,472,300	4,551,397	31.1%
Revolving Funds	3,608,768	735,682	(79.6)%
Total	\$9,300,623	\$7,273,085	(21.8)%

Note: The agency will use additional monies from the revolving fund to implement Phase IV of the Professional Development Institute for Reading.

V. BUDGET REFERENCES

HB 1169, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY

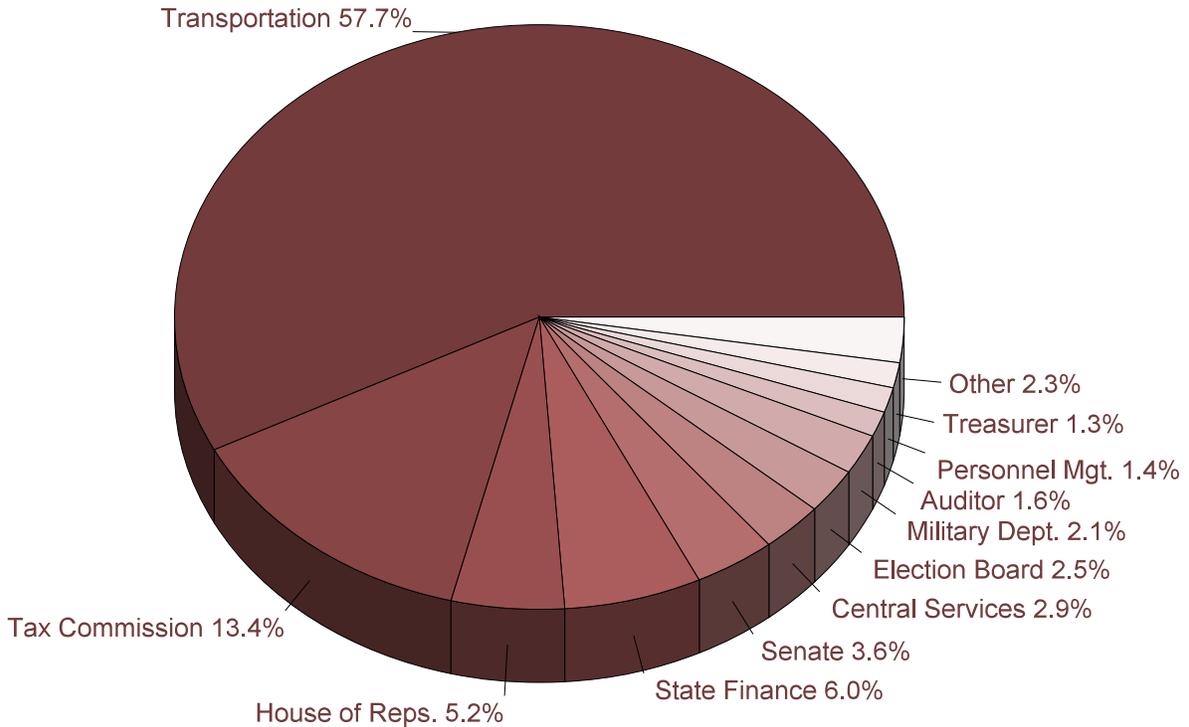


FY-95	\$150,000	FY-00	\$1,589,601
FY-96	\$146,715	FY-01	\$2,330,425
FY-97	\$146,715	FY-02	\$2,336,374
FY-98	\$1,969,114	FY-03(Orig.)	\$2,219,555
FY-99	\$1,602,743	FY-04	\$1,986,006

Notes:

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

GENERAL GOVERNMENT AND TRANSPORTATION SUBCOMMITTEE DISTRIBUTION OF FY-04 APPROPRIATIONS



Transportation	\$192,185,387
Tax Commission	44,601,406
House of Representatives	17,437,944
Office of State Finance	20,080,825
Senate	12,147,920
Department of Central Services	9,547,361
Election Board	8,195,395
Military Department	7,021,379
Auditor and Inspector	5,226,966
Office of Personnel Management	4,602,700
Treasurer	4,377,639
Other	
Governor	2,477,659
Legislative Services Bureau	2,060,968
Emergency Management	666,226
Space Industry Authority	515,851
Merit Protection Commission	504,885
Lieutenant Governor	467,494
Ethics Commission	447,124
Secretary of State	429,494
Bond Advisor	<u>163,527</u>
Subcommittee Total	\$333,158,150

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

STATE AUDITOR AND INSPECTOR

Jeff McMahan, State Auditor and Inspector

Agency #300

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$5,939,515	169.0
a. FY-03 Budget Reduction	<u>(466,252)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$5,473,263	169.0
FY-04 Adjustments		
b. Operational Reductions	<u>(246,297)</u>	
Total Adjustments	<u>(\$246,297)</u>	0.0
FY-04 Appropriation and FTE Authorization	\$5,226,966	169.0
Percent Change from FY-03 to FY-04	(12.0)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The FY-04 budget for the State Auditor and Inspector includes operational adjustments from the original FY-03 budget:

<u>Operational Reductions:</u>	<u>Amounts</u>
• Reduction of 12.0 FTE through attrition and reorganization	(\$640,500)
• Supply, equipment and operations savings	(50,000)
• Contract review and miscellaneous savings	<u>(22,049)</u>
Total Reductions	(\$712,549)

Carryover funds and the allocation of revolving funds were employed to improve the allocation of the reductions among agency programs.

III. POLICY ISSUES

None

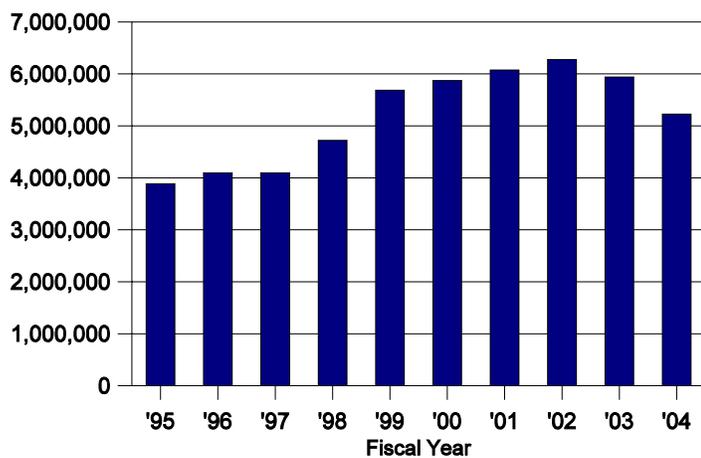
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$5,939,515	\$5,226,966	(12.0)%
Revolving Fund	5,000,000	5,800,000	16.0%
Total	\$10,939,515	\$11,026,966	0.8%

V. BUDGET REFERENCES

HB 1170

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$3,886,060	FY-00	\$5,871,807
FY-96	\$4,096,576	FY-01	\$6,075,964
FY-97	\$4,096,576	FY-02	\$6,277,121
FY-98	\$4,722,559	FY-03(Orig.)	\$5,939,515
FY-99	\$5,685,449	FY-04	\$5,226,966

OFFICE OF THE STATE BOND ADVISOR

James Joseph, State Bond Advisor

Agency #582

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$198,111	5.0
a. FY-03 Budget Reduction	(21,774)	
Revised FY-03 Appropriation and FTE Authorization	\$176,337	5.0
FY-04 Adjustments		
b. Operational Reductions	(12,810)	
Total Adjustments	(\$12,810)	0.0
FY-04 Appropriation and FTE Authorization	\$163,527	5.0
Percent Change from FY-03 to FY-04	(17.5)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The FY-04 budget for the Office of the State Bond Advisor includes operational adjustments from the original FY-03 budget:
 - Eliminate of all non-essential reimbursable travel
 - Discretionary purchases, particularly furniture and equipment
 - Reduce the use of the motor pool, central printing and other operating expenses
 - Increase the budgeting and use of agency revolving funds to \$120,000

III. POLICY ISSUES

- a. **SB 722** creates the new agency of the Office of the State Bond Advisor, which had been a program within the Department of Central Services. All funds and assets of the Bond Advisor were transferred to the new agency effective July 1, 2003. Appropriations for FY-03 and adjustments to the appropriation of the State Bond Advisor reflect the allocation of the appropriation from the Department of Central Services to the Bond Advisor in FY-03.

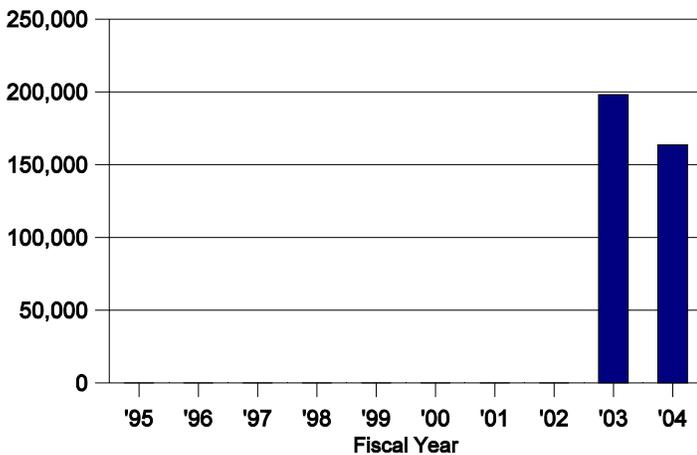
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$198,111	\$163,527	(17.5)%
Revolving Fund	120,433	165,000	37.0%
Total	\$318,544	\$328,527	3.1%

V. BUDGET REFERENCES

SB 180, Section 7

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$0	FY-00	\$0
FY-96	\$0	FY-01	\$0
FY-97	\$0	FY-02	\$0
FY-98	\$0	FY-03(Orig.)	\$198,111
FY-99	\$0	FY-04	\$163,527

Notes:

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

DEPARTMENT OF CENTRAL SERVICES

Pamela Warren, Director

Agency #580

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$15,301,061	390.0
a. FY-03 Budget Reduction	(1,097,206)	
b. Removal of Onetime Funding	(321,640)	
c. Reduction in Debt Service Requirements	<u>(663,802)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$13,218,413	390.0
FY-04 Adjustments		
d. Operational Reductions	(1,007,525)	
e. Creation of the Office of the Bond Advisor	(163,527)	
f. Reduction in Appropriations Resulting from the Authorization of Public Building and Greer Funds	<u>(2,500,000)</u>	
Total Adjustments	(\$3,671,052)	0.0
FY-04 Appropriation and FTE Authorization	\$9,547,361	390.0
Percent Change from FY-03 to FY-04	(37.6)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. Onetime funding for security upgrades in the Capitol Building were removed from the agency's base appropriation level.
- c. Cash reserve funds for outstanding obligations of the Oklahoma Capitol Improvement Authority were replaced by a surety policy in 2003. The cash reserves were placed into the sinking fund for each outstanding issue and may be used for the retirement of principle, thus reducing FY-04 sinking fund payment requirements for the Department of Central Services by \$663,802.
- d. The FY-04 budget for the Department of Central Services includes operational adjustments from the original FY-03 budget:

<u>Operational Reductions:</u>	<u>Amounts</u>
• Administration	(\$170,692)
• Finance	(77,573)
• Asbestos Abatement	(165,775)
• Facilities Services	(509,768)
• Central Purchasing	(398,796)
• Debt Service - 1999 OCIA Series A, B and C	(839,659)
• Data Processing	(122,190)
• All Other Programs and Operations	<u>(805,720)</u>
Total Reductions	(\$3,090,173)

The agency reduced expenditures by eliminating or reducing the number of vehicles operated, cellular telephones, pagers, travel and seminars and service contracts. Carryover funds and the allocation of revolving funds were employed to improve the allocation of the reductions among agency programs.

Most funded vacancies were eliminated, employee furloughs have been established and a voluntary buy-out was offered to employees that were expected to be subject to a reduction-in-force (RIF). Ninety-four percent (94.0%) of the employees offered a buy-out accepted, reducing the number of employees subject to the RIF plan.

- e. **SB 722** creates the new agency of the Office of the State Bond Advisor, which had been a program within the Department of Central Services. All funds and assets of the Bond Advisor were transferred to the new agency effective July 1, 2003. Appropriations for FY-03 and adjustments to the appropriation of the State Bond Advisor reflect the allocation of the appropriation from the Department of Central Services to the Bond Advisor in FY-03.
- f. **SB 180** authorizes the agency to budget \$2,500,000 from the Public Building and Greer Fund in FY-04, a fund whose use is restricted to the construction and maintenance of state buildings (64 O.S., Section 371).

III. POLICY ISSUES

- a. **HB 1171** expands the authorized use of revolving fund revenue to include reasonable operating expenses incurred by the various enterprises of the Department.

- b. **HB 1329** authorizes agencies to offer on-line bidding for procurement of goods and services when it is economically advantageous to do so. The Director of the Department of Central Services will promulgate necessary rules for the implementation of the procedure.
- c. **SB 646** authorizes the State Purchasing Director to explore and investigate cost savings in energy, resource usage, and maintenance contracts and to identify and negotiate contract solutions including, but not limited to, pilot projects to achieve cost savings for the State of Oklahoma.
- d. **SB 722** creates the new agency of the Office of the State Bond Advisor which had been a program within the Department. All funds and assets of the Bond Advisor were transferred to the new agency effective July 1, 2003.

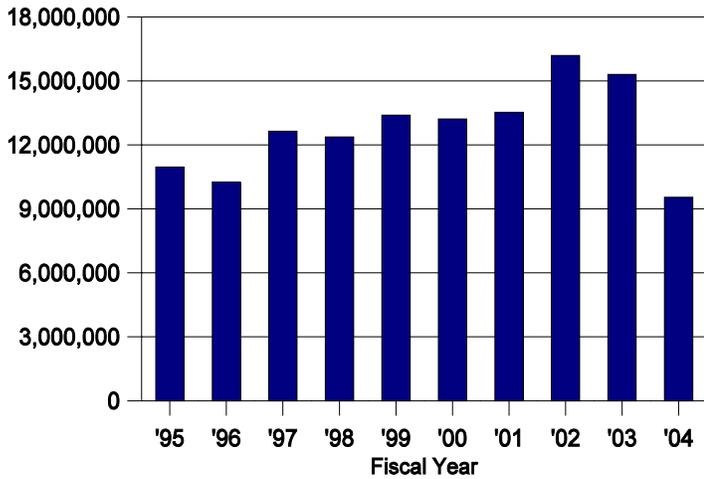
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$13,977,141	\$8,389,216	(40.0)%
Public Building Fund	1,323,920	1,158,145	(12.5)%
Public Building and Greer Fund	0	2,500,000	N/A
Carryover	1,408,006	0	(100.0)%
Revolving Funds	51,091,994	67,640,639	32.4%
Total	\$67,801,061	\$79,688,000	17.5%

V. BUDGET REFERENCES

SB 180

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$10,963,939	FY-00	\$13,224,437
FY-96	\$10,260,727	FY-01	\$13,528,930
FY-97	\$12,641,377	FY-02	\$16,194,148
FY-98	\$12,374,236	FY-03(Orig.)	\$15,301,061
FY-99	\$13,401,583	FY-04	\$9,547,361

Notes:

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

STATE ELECTION BOARD

Michael Clingman, Secretary

Agency #270

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$7,227,380	N/A
a. FY-03 Budget Reduction	<u>(492,914)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$6,734,466	N/A
FY-04 Adjustments		
b. Operational Reductions	(539,071)	
c. Federal Funds Match	<u>2,000,000</u>	
Total Adjustments	\$1,460,929	
FY-04 Appropriation and FTE Authorization	\$8,195,395	N/A
Percent Change from FY-03 to FY-04	13.4%	

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The FY-04 budget for the State Election Board includes operational adjustments from the original FY-03 budget:
 - Reduced parts inventory for voting devices
 - Reduced election system maintenance
 - Reduced office equipment replacement and maintenance
 - Restrictions on precinct official training
 - Limited support contracts for system hardware and software
 - Reductions in travel, supplies and postage
 - Reduced voter registration expense
- c. Funds were provided to match federal funding to be utilized to obtain up to \$37 million in federal funds to implement the provisions of the federal Help America Vote Act of 2002.

III. POLICY ISSUES

- a. **SB 3** moves the Presidential Preference Primary from the second Tuesday in March to the first Tuesday in February.
- b. **SB 175** rescinds a previously scheduled increase in county election board secretary salaries in response to reductions in budget resources.
- c. **SB 192** creates the State Election Board Election System Revolving Fund and the State Election Board Help America Vote Act Revolving Fund in which federal funds, once obtained, will be deposited for finance the implementation of the federal Help America Vote Act of 2002. Improvements to state election system hardware and software, security and election management systems will be undertaken with the use of the federal funds.
- d. **SB 358** modifies the criteria for setting assistant county election board secretary salaries, allows additional precinct workers to be employed to comply with federal voting rights legislation and modifies state absentee voting procedures related to members of the Armed Services and overseas voters in compliance with federal law.
- e. The agency will be required to conduct the quadrennial Presidential Preferential Primary in February, 2004 using existing carryover or unallocated funds.

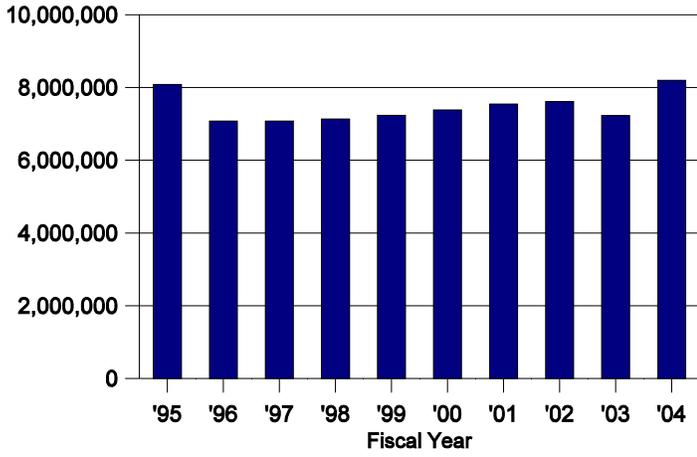
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$6,279,153	\$6,195,395	(1.3)%
Special Cash	948,227	2,000,000	110.9%
Revolving Funds	272,131	250,000	(8.1)%
Total	\$7,499,511	\$8,445,395	12.6%

V. BUDGET REFERENCES

HB 1173

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$8,085,021	FY-00	\$7,384,036
FY-96	\$7,074,657	FY-01	\$7,545,503
FY-97	\$7,074,657	FY-02	\$7,607,768
FY-98	\$7,136,067	FY-03(Orig.)	\$7,227,380
FY-99	\$7,233,451	FY-04	\$8,195,395

DEPARTMENT OF EMERGENCY MANAGEMENT

Albert Ashwood, Director

Agency #309

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$749,202	32.0
a. FY-03 Budget Reduction	(58,812)	
Revised FY-03 Appropriation and FTE Authorization	\$690,390	32.0
FY-04 Adjustments		
b. Operational Reductions	(24,164)	
Total Adjustments	(\$24,164)	0.0
FY-04 Appropriation and FTE Authorization	\$666,226	32.0
Percent Change from FY-03 to FY-04	(11.1)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The FY-04 budget for the Department of Emergency Management includes operational adjustments from the original FY-03 budget:
 - Shift status of selected agency disaster training and response personnel to allow for the use of Federal Emergency Management Agency grants for certain personnel costs.
 - Implement a cost control program to reduce expenditures for travel and telecommunications.
 - Certify purchase of office equipment and supplies.

III. POLICY ISSUES

- a. **HB 1512** modifies the name of the agency to the Oklahoma Department of Emergency Management, removing the word “Civil” from the name.
- b. **SB 138**, Section 4, appropriates \$4,000,000 to the Governor’s Emergency Fund which may be used to assist local governments or individuals and to match federal funds resulting from disasters.

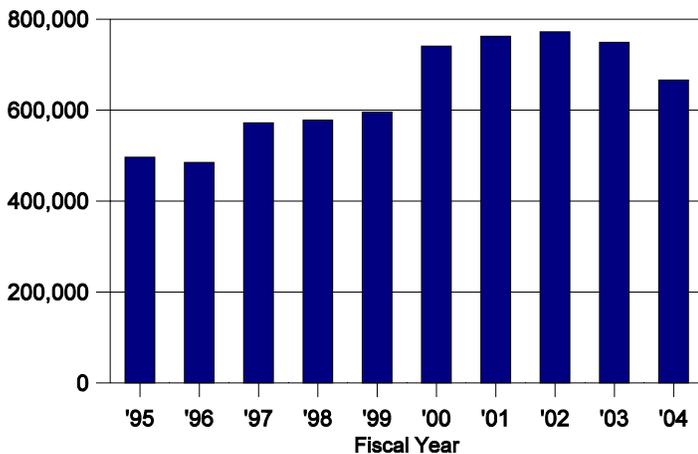
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$749,202	\$666,226	(11.1)%
Revolving Funds	2,831,843	3,445,521	21.7%
Total	\$3,581,045	\$4,111,747	14.8%

V. BUDGET REFERENCES

SB 130

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$496,329	FY-00	\$740,561
FY-96	\$485,063	FY-01	\$762,369
FY-97	\$572,240	FY-02	\$772,373
FY-98	\$578,037	FY-03(Orig.)	\$749,202
FY-99	\$595,969	FY-04	\$666,226

Notes:

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

ETHICS COMMISSION

Marilyn Hughes, Director Agency #296

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$482,321	7.0
a. FY-03 Budget Reduction	<u>(37,862)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$444,459	7.0
FY-04 Adjustments		
b. Operational Reductions	(33,335)	
c. Legal Costs	<u>36,000</u>	
Total Adjustments	\$2,665	
FY-04 Appropriation and FTE Authorization	\$447,124	7.0
Percent Change from FY-03 to FY-04	(7.3)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The FY-04 budget for the Ethics Commission includes the following operational adjustments from the original FY-03 budget: reductions in travel and supply purchasing and limitations of professional contracts.
- c. Funds were appropriated to address attorney fees and costs related to a federal court judgment against the Commission in Oklahomans for Life, Inc. v. Luton, et al.

III. POLICY ISSUES

None

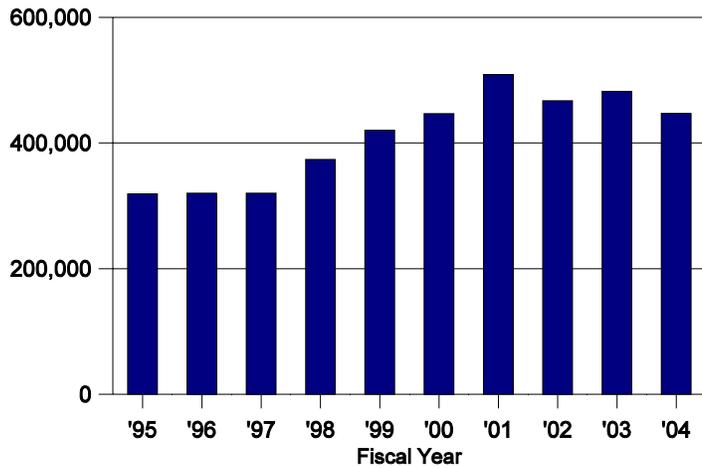
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$482,321	\$447,124	(7.3)%
Revolving Funds	40,000	50,000	25.0%
Carryover	50,000	0	(100.0)%
Total	\$572,321	\$497,124	(13.1)%

V. BUDGET REFERENCES

SB 176; HB 1228

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$318,693	FY-00	\$446,511
FY-96	\$320,284	FY-01	\$508,730
FY-97	\$320,284	FY-02	\$467,321
FY-98	\$373,733	FY-03 (Orig.)	\$482,321
FY-99	\$420,350	FY-04	\$447,124

OFFICE OF STATE FINANCE

Scott Meacham, Director

Agency #090

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$9,953,190	N/A
a. FY-03 Budget Reduction	(662,801)	
b. Removal of Onetime Funding	(1,040,792)	
c. Reduction in Debt Service Requirements	<u>(54,111)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$8,195,486	N/A
FY-04 Adjustments		
d. Operational Reductions	(614,661)	
e. CORE Systems Project	7,000,000	
f. Federal Settlement	4,000,000	
g. Military Facility Strategic Planning	<u>1,500,000</u>	
Total Adjustments	\$11,885,339	N/A
FY-04 Appropriation and FTE Authorization	\$20,080,825	N/A
Percent Change from FY-03 to FY-04	101.8%	

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. Onetime funding for the Communications, Operations, Reporting and Enterprise (CORE) Business System upgrade was removed from the agency's base appropriation level.
- c. Cash reserve funds for outstanding obligations of the Oklahoma Capitol Improvement Authority were replaced by a surety policy in 2003. The cash reserves were placed into the sinking fund for each outstanding issue and may be used for the retirement of principle, thus reducing FY-04 sinking fund payment requirements for the Office of State Finance by \$54,111.
- d. The FY-04 budget for the State Auditor and Inspector includes the following operational reductions from the original FY-03 budget: reduced travel costs, reduced training costs, and review and adjustment of equipment, supply and service costs.

- e. Funding was provided for continued development of the CORE System, an integrated business accounting and reporting system for state government.
- f. Funds appropriated were used to settle a disallowance by the United States Department of Health and Human Services related the use of reserve funds of the Oklahoma State and Education Employees Group Insurance Board (OSEEGIB) in a previous year.
- g. Funds appropriated to the Office of State Finance were transferred to the Oklahoma Military Strategic Planning Commission Incentive Fund for the development of state plan for the retention and expansion of federal military facilities in the state.

III. POLICY ISSUES

None

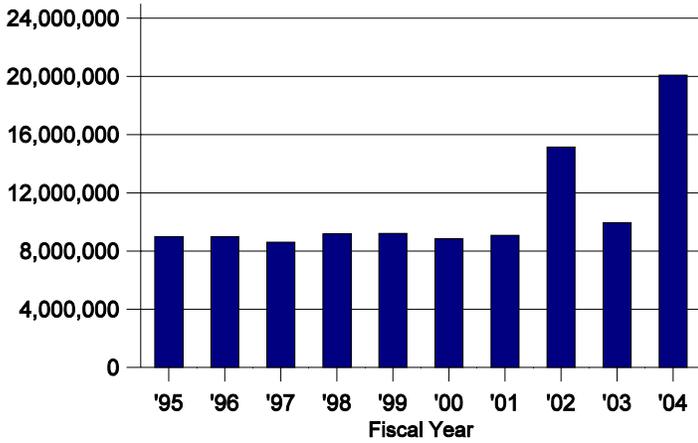
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$8,443,324	\$7,580,825	(10.2)%
Special Cash	469,074	12,500,000	2564.8%
Revolving Funds	9,000,000	9,500,000	5.6%
Constitutional Reserve Fund	1,040,792	0	(100.0)%
Carryover	300,000	300,000	0.0%
Total	\$19,253,190	\$29,880,825	55.2%

V. BUDGET REFERENCES

HB 1174; SB 138, Sections 1 through 3

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$8,996,648	FY-00	\$8,850,901
FY-96	\$8,996,648	FY-01	\$9,075,805
FY-97	\$8,611,590	FY-02	\$15,147,572
FY-98	\$9,168,379	FY-03(Orig.)	\$9,953,190
FY-99	\$9,213,499	FY-04	\$20,080,825

Notes:

1. FY-02 includes \$5,766,100 in onetime appropriations for the Core Business System Upgrade and the VISION Program.

GOVERNOR

Honorable Brad Henry, Governor

Agency #305

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$2,906,729	NA
a. FY-03 Budget Reduction	(228,179)	
Revised FY-03 Appropriation and FTE Authorization	\$2,678,550	N/A
FY-04 Adjustments		
b. Operational Reductions	(200,891)	
Total Adjustments	(\$200,891)	N/A
FY-04 Appropriation and FTE Authorization	\$2,477,659	N/A
Percent Change from FY-03 to FY-04	(14.8)%	

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The FY-04 budget for the Office of the Governor includes the following operational adjustments from the original FY-03 budget: carefully managed travel, limitations on additional or replacement hiring with cost savings through employee attrition where possible and strict monitoring of agency contracting and operating expenses. The use of some available carryover funds will be utilized to offset further operational reductions.

III. POLICY ISSUES

- a. **SB 675** eliminates the cabinet positions of Secretary of Human Resources and Secretary of Tourism, combining the duties of those secretaries into the Secretary of Administration and Secretary of Commerce respectively.

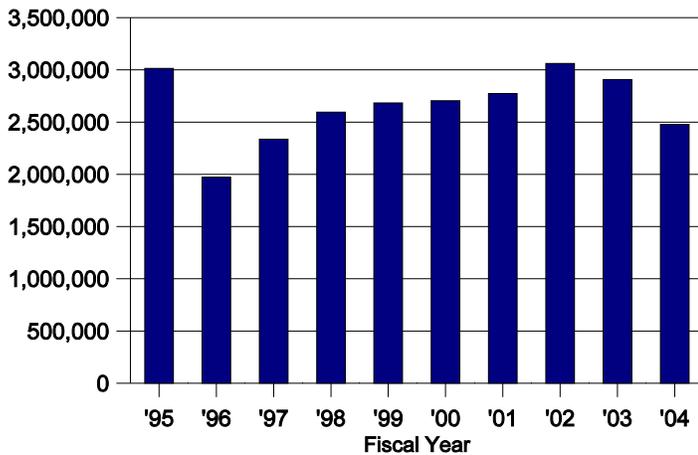
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$2,906,729	\$2,477,659	(14.8)%
Total	\$2,906,729	\$2,477,659	(14.8)%

V. BUDGET REFERENCES

HB 1175

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$3,013,924	FY-00	\$2,704,712
FY-96	\$1,971,300	FY-01	\$2,772,408
FY-97	\$2,335,567	FY-02	\$3,059,715
FY-98	\$2,595,876	FY-03(Orig.)	\$2,906,729
FY-99	\$2,683,149	FY-04	\$2,477,659

Notes:

1. FY-95 includes funding to the State Emergency Fund for reimbursement to state agencies and local governments for costs incurred as a result of disasters and emergencies.
2. FY-97 includes additional funding for the operation of the Governor’s Mansion.

HOUSE OF REPRESENTATIVES

Honorable Larry Adair, Speaker

Agency #422

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$20,457,766	N/A
a. FY-03 Budget Reduction	(1,605,935)	
Revised FY-03 Appropriation and FTE Authorization	\$18,851,831	N/A
FY-04 Adjustments		
b. Operational Reductions	(1,413,887)	
Total Adjustments	(\$1,413,887)	N/A
FY-04 Appropriation and FTE Authorization	\$17,437,944	N/A
Percent Change from FY-03 to FY-04	(14.8)%	

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The FY-04 budget for the House of Representatives includes the following operational adjustments from the original FY-03 budget:
 - Imposition of a strict hiring freeze, with any changes in personnel requiring approval by the Speaker of the House.
 - Restriction of all non-essential travel not related to that required by Members for Legislative Session attendance and other required duties.
 - Reduction in operating expenses, subscriptions, memberships and professional contracts.

III. POLICY ISSUES

None

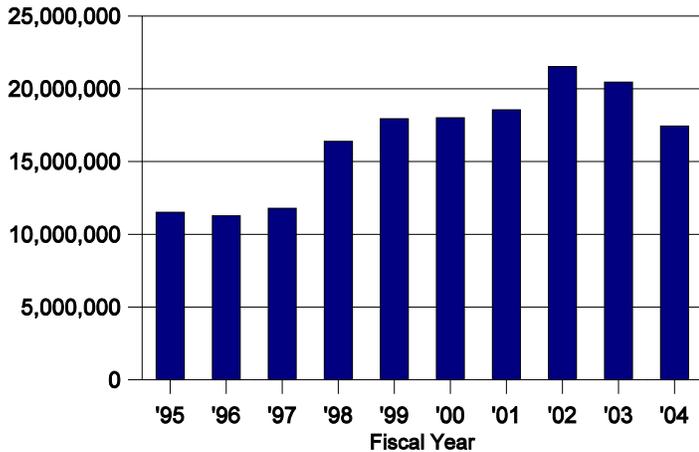
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$20,457,766	\$17,437,944	(14.8)%
Total	\$20,457,766	\$17,437,944	(14.8)%

V. BUDGET REFERENCES

HB 1176

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$11,515,106	FY-00	\$18,009,339
FY-96	\$11,281,117	FY-01	\$18,556,604
FY-97	\$11,789,152	FY-02	\$21,534,490
FY-98	\$16,385,799	FY-03(Orig.)	\$20,457,766
FY-99	\$17,943,958	FY-04	\$17,437,944

Notes:

1. FY-98 includes funding for responsibilities transferred from the Legislative Service Bureau, including bill processing, bill tracking, data processing, special studies and consulting. Also included is funding for increases in mileage and per diem allowances.
2. FY-99 includes funding for a pay increase for House Members as granted by the Board on Legislative Compensation.
3. The FY-02 increase represents additional funds for the production of the Oklahoma Statutes.

LEGISLATIVE SERVICE BUREAU

Joanne Hager, Administrator

Agency #423

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$2,417,878	N/A
a. FY-03 Budget Reduction	(189,804)	
Revised FY-03 Appropriation and FTE Authorization	\$2,228,074	N/A
FY-04 Adjustments		
b. Operational Reductions	(167,106)	
Total Adjustments	(\$167,106)	N/A
FY-04 Appropriation and FTE Authorization	\$2,060,968	N/A
Percent Change from FY-03 to FY-04	(14.8)%	

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The FY-04 budget for the Legislative Service Bureau includes the following operational adjustments from the original FY-03 budget:
 - Reduced expenditures for office equipment, supplies and professional contracts
 - Elimination of non-essential travel.

In addition, the Criminal Justice Resource Center, administered through LSB, will realize the following operational adjustments from the original FY-03 budget:

<u>Operational Reductions:</u>	<u>Amounts</u>
• Early retirements	(\$20,000)
• Increased revenue from sale of research	(25,000)
Total Reductions	(\$45,000)

III. POLICY ISSUES

None

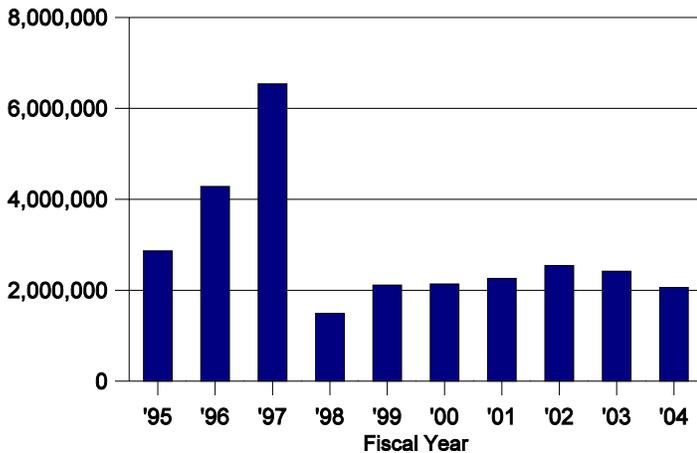
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$2,417,878	\$2,060,968	(14.8)%
Total	\$2,417,878	\$2,060,968	(14.8)%

V. BUDGET REFERENCES

HB 1177

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$2,865,367	FY-00	\$2,138,400
FY-96	\$4,286,151	FY-01	\$2,261,478
FY-97	\$6,539,703	FY-02	\$2,545,135
FY-98	\$1,492,220	FY-03(Orig.)	\$2,417,878
FY-99	\$2,117,344	FY-04	\$2,060,968

Notes:

1. FY-96 includes funds appropriated for renovation of office space in the State Capitol and provide relocation costs necessary during and after office space renovations.
2. FY-97 includes funds appropriated for upgrades to the legislative bill drafting and tracking computer systems.
3. FY-98 appropriations are reduced as a result of the transfer of several agency functions to the House of Representatives and State Senate.
4. FY-99 reflects the transfer of the Criminal Justice Resource Center from the Department of Public Safety.

LIEUTENANT GOVERNOR

Honorable Mary Fallin, Lieutenant Governor

Agency #440

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$548,452	N/A
a. FY-03 Budget Reduction	(43,053)	
Revised FY-03 Appropriation and FTE Authorization	\$505,399	N/A
FY-04 Adjustments		
b. Operational Reductions	(37,905)	
Total Adjustments	(\$37,905)	N/A
FY-04 Appropriation and FTE Authorization	\$467,494	N/A
Percent Change from FY-03 to FY-04	(14.8)%	

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The FY-04 budget for the Office of the Lieutenant Governor includes the following operational adjustments from the original FY-03 budget: carefully managed travel, limitation on additional or replacement hiring with cost savings through employee attrition where possible and strict monitoring of agency contracting and operating expenses. The use of some available carryover funds will be utilized to offset further operational reductions.

III. POLICY ISSUES

None

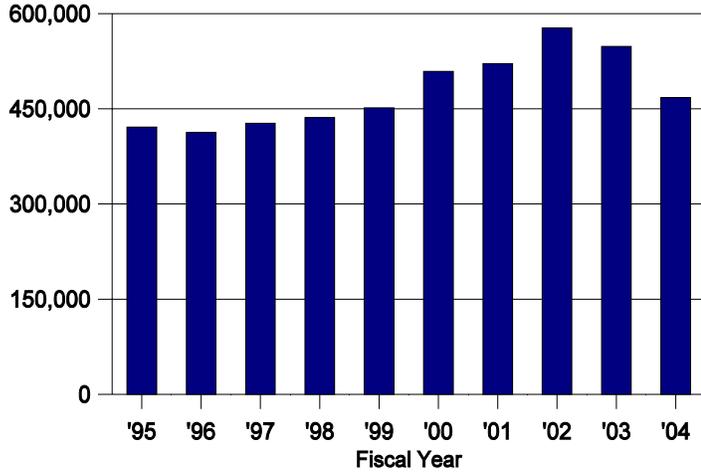
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$548,452	\$467,494	(14.8)%
Carryover	50,000	25,000	(50.0)%
Total	\$598,452	\$492,494	(17.7)%

V. BUDGET REFERENCES

HB 1178

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$421,351	FY-00	\$508,829
FY-96	\$412,444	FY-01	\$521,101
FY-97	\$427,367	FY-02	\$577,318
FY-98	\$435,910	FY-03(Orig.)	\$548,452
FY-99	\$451,560	FY-04	\$467,494

MERIT PROTECTION COMMISSION

James Howard, Director

Agency #298

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$592,319	11.0
a. FY-03 Budget Reduction	<u>(46,497)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$545,822	11.0
FY-04 Adjustments		
b. Operational Reductions	<u>(40,937)</u>	
Total Adjustments	<u>(\$40,937)</u>	0.0
FY-04 Appropriation and FTE Authorization	\$504,885	11.0
Percent Change from FY-03 to FY-04	<u>(14.8)%</u>	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The FY-04 budget for the Merit Protection Commission includes operational reductions from the original FY-03 budget:

<u>Operational Reduction</u>	<u>Amount</u>
• One FTE reduced through voluntary buy out	(\$40,937)

III. POLICY ISSUES

None

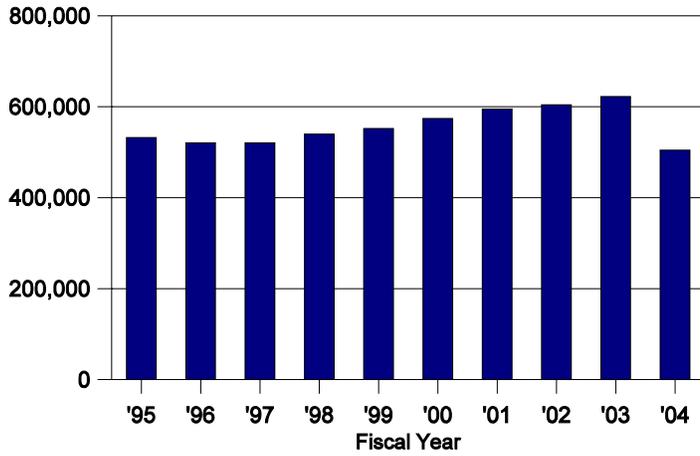
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$592,319	\$504,885	(14.8)%
Revolving Funds	30,000	30,000	0.0%
Total	\$622,319	\$534,885	(14.1)%

V. BUDGET REFERENCES

SB 144

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$532,211	FY-00	\$574,180
FY-96	\$520,743	FY-01	\$595,046
FY-97	\$520,743	FY-02	\$604,407
FY-98	\$539,967	FY-03(Orig.)	\$592,319
FY-99	\$552,162	FY-04	\$504,885

MILITARY DEPARTMENT

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

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$7,895,866	484.0
a. FY-03 Budget Reduction	<u>(619,825)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$7,276,041	484.0
FY-04 Adjustments		
b. Operational Reductions	<u>(254,662)</u>	
Total Adjustments	<u>(\$254,662)</u>	0.0
FY-04 Appropriation and FTE Authorization	\$7,021,379	484.0
Percent Change from FY-03 to FY-04	(11.1)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The FY-04 budget for the Oklahoma Military Department includes the following operational reductions from the original FY-03 budget:

<u>Operational Reductions:</u>	<u>Amounts</u>
• STARBASE Operations - Tulsa and Oklahoma City	(\$165,000)
• 45 th Division Museum Operations	(5,000)
• Data Processing	(10,000)
• Supplies and Warehouse	(25,000)
• Company B Youth Program	(50,000)
• Reductions in Personnel Costs	(261,000)
• Armory and Facility Maintenance	<u>(604,333)</u>
Total Reductions	(\$1,120,333)

III. POLICY ISSUES

- a. **HB 1180** authorizes the sale of land adjacent to the Thunderbird Youth Academy to the City of Pryor to become the site of a community recreation center, which includes a swimming facility. The Academy will have access to the center use by the residents of the Academy.
- b. **SB 703** authorizes the Adjutant General to enter into mutual assistance agreements with other states for the coordination of efforts related to man made and natural events where the use of National Guard assets is required.
- c. The Office of Juvenile Affairs eliminated FY-04 State Transition and Reintegration Services (STARS) program funding totaling over \$4.0 million in FY-03 as part of its cost reduction program. The Military Department had been operating under a contract with Juvenile Affairs to provide monitoring and advisory services for the program.

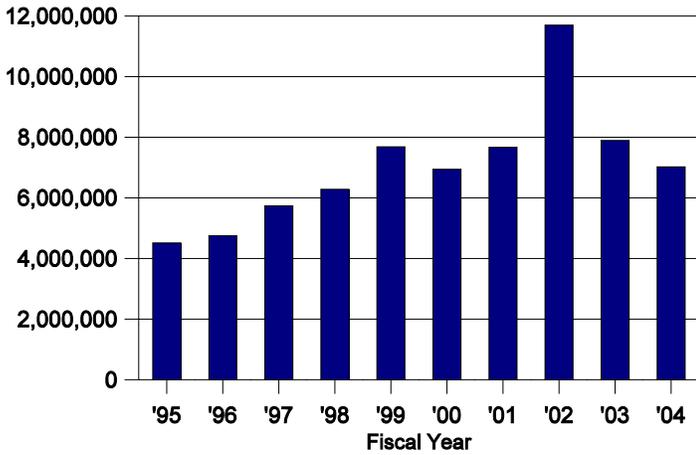
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$7,895,866	\$7,021,379	(11.1)%
Federal Funds	35,000,000	39,000,000	11.4%
Revolving Funds	55,000	50,000	(9.1)%
Total	\$42,950,866	\$46,071,379	7.3%

V. BUDGET REFERENCES

SB 134

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$4,514,065	FY-00	\$6,945,322
FY-96	\$4,755,182	FY-01	\$7,666,836
FY-97	\$5,736,570	FY-02	\$11,700,375
FY-98	\$6,281,543	FY-03(Orig.)	\$7,895,866
FY-99	\$7,687,397	FY-04	\$7,021,379

Notes:

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

OFFICE OF PERSONNEL MANAGEMENT

Oscar Jackson, Jr., Director

Agency #548

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$5,399,774	118.5
a. FY-03 Budget Reduction	(423,883)	
Revised FY-03 Appropriation and FTE Authorization	\$4,975,891	118.5
FY-04 Adjustments		
b. Operational Reductions	<u>(373,191)</u>	
Total Adjustments	(\$373,191)	0.0
FY-04 Appropriation and FTE Authorization	\$4,602,700	118.5
Percent Change from FY-03 to FY-04	(14.8)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The FY-04 budget for the Office of Personnel Management includes the following operational reductions from the original FY-03 budget:

<u>Operational Reductions:</u>	<u>Amounts</u>
• Salaries and benefits - elimination of 17.9 FTE	(\$650,211)
• Reduction in travel	(33,379)
• Reduced equipment purchases	(92,683)
• Elimination of office renovations	(46,762)
• Reduction in supply purchases	(29,212)
• Reduction in telephone expense	(10,154)
• Miscellaneous savings	<u>(1,643)</u>
Total Reductions	(\$864,044)

The agency will utilize available carryover funds for voluntary buyouts of five (5) FTE.

III. POLICY ISSUES

None

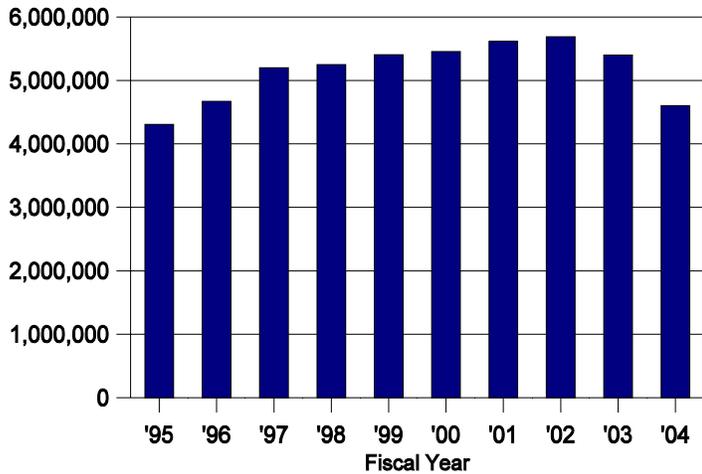
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$5,399,774	\$4,602,700	(14.8)%
Carryover	700,000	500,000	(28.6)%
Revolving Funds	225,000	250,000	11.1%
Total	\$6,324,774	\$5,352,700	(15.4)%

V. BUDGET REFERENCES

SB 146

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$4,307,878	FY-00	\$5,454,225
FY-96	\$4,671,694	FY-01	\$5,617,759
FY-97	\$5,199,412	FY-02	\$5,689,734
FY-98	\$5,250,432	FY-03(Orig.)	\$5,399,774
FY-99	\$5,405,165	FY-04	\$4,602,700

SECRETARY OF STATE

Susan Savage, Secretary of State

Agency #625

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$517,868	40.0
a. FY-03 Budget Reduction	(40,653)	
Revised FY-03 Appropriation and FTE Authorization	\$477,215	40.0
FY-04 Adjustments		
b. Operational Reductions	(47,721)	
Total Adjustments	(\$47,721)	0.0
FY-04 Appropriation and FTE Authorization	\$429,494	40.0
Percent Change from FY-03 to FY-04	(17.1)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The FY-04 budget for the Secretary of State includes operational adjustments from the original FY-03 budget:

<u>Operational Adjustment</u>	<u>Amount</u>
• Use of revolving funds	(\$47,721)

III. POLICY ISSUES

- a. **HB 1465** provides a framework for administrative hearings within the Office of the Secretary of State in instances where the license of a registered agent for athletes is revoked, suspended or denied.
- b. Annual certificate filings for Limited Liability Companies (LLC) and Limited Partnerships (LC) will result in increased FY-04 revenue of an estimated \$583,550. The revenue will fund the Address Confidentiality Program, incorporation of technology for the development and administration of digital signatures, agricultural lien filings and the Internet based business filing system.

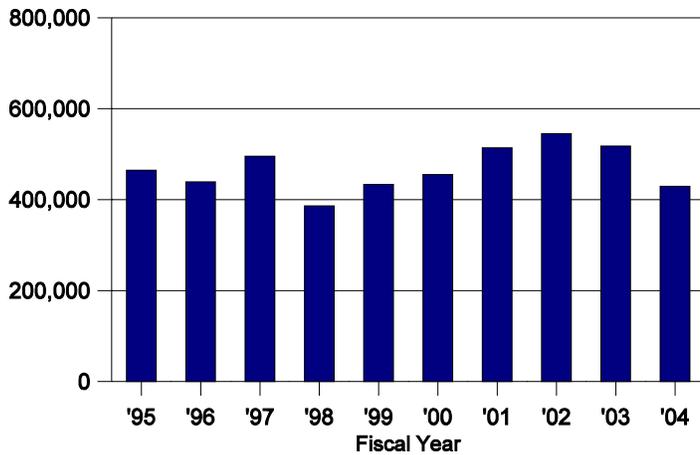
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$517,868	\$429,494	(17.1)%
Carryover	200,000	400,000	100.0%
Revolving Funds	3,200,000	2,950,000	(7.8)%
Total	\$3,917,868	\$3,779,494	(3.5)%

V. BUDGET REFERENCES

HB 1182

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$464,714	FY-00	\$455,582
FY-96	\$439,180	FY-01	\$514,267
FY-97	\$495,557	FY-02	\$545,124
FY-98	\$386,417	FY-03	\$517,868
FY-99	\$433,371	FY-04	\$429,494

Notes:

1. In FY-95 various fee rates were increased, offsetting a decrease in appropriated funds.
2. In FY-97 the Office of Volunteerism was transferred to the Department of Civil Emergency Management.

SENATE

Honorable Cal Hobson, President Pro-Tempore

Agency #421

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$14,251,641	N/A
a. FY-03 Budget Reduction	(1,118,754)	
Revised FY-03 Appropriation and FTE Authorization	\$13,132,887	N/A
FY-04 Adjustments		
b. Operational Reductions	(984,967)	
Total Adjustments	(\$984,967)	
FY-04 Appropriation and FTE Authorization	\$12,147,920	N/A
Percent Change from FY-03 to FY-04	(14.8)%	

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The FY-04 budget for the Senate includes the following operational adjustments from the original FY-03 budget: reduced travel, with out-of-state travel severely restricted, strict limitations on hiring with cost savings through employee attrition where possible and strict monitoring of agency contracting and operating expenses. The use of some available carryover funds will be utilized to offset further operational reductions.

III. POLICY ISSUES

None

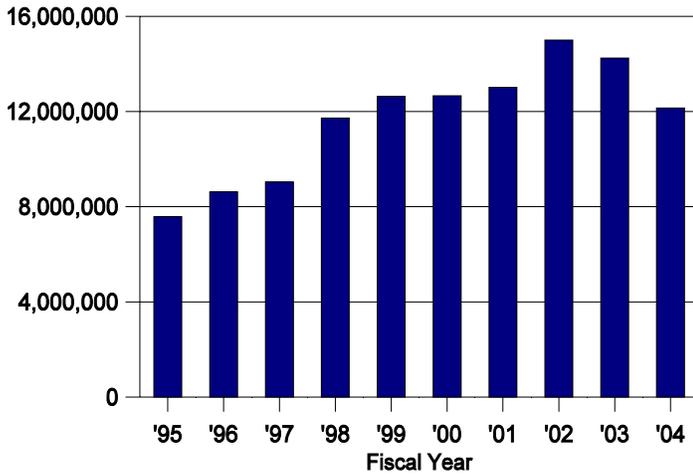
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$14,251,641	\$12,147,920	(14.8)%
Total	\$14,251,641	\$12,147,920	(14.8)%

V. BUDGET REFERENCES

HB 1183

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$7,580,211	FY-00	\$12,665,972
FY-96	\$8,627,026	FY-01	\$13,017,287
FY-97	\$9,040,700	FY-02	\$15,001,727
FY-98	\$11,728,725	FY-03(Orig.)	\$14,251,641
FY-99	\$12,638,823	FY-04	\$12,147,920

Notes:

1. FY-96 funding includes additional appropriations for the renovation of Senate office and parking areas.
2. FY-98 funding includes the transfer of responsibilities and funding from the Legislative Service Bureau.
3. FY-99 includes funding for a pay increase for Senate Members as granted by the Board on Legislative Compensation

OKLAHOMA SPACE INDUSTRY DEVELOPMENT AUTHORITY

Jay Edwards, Executive Director

Agency #346

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$985,000	5.0
a. FY-03 Budget Reduction	(\$77,323)	
b. Onetime Funding Removal	<u>(\$350,000)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$557,677	5.0
FY-04 Adjustments		
c. Operational Reductions	(41,826)	
Total Adjustments	(\$41,826)	0.0
FY-04 Appropriation and FTE Authorization	\$515,851	5.0
Percent Change from FY-03 to FY-04	(47.6)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. Funds were appropriated in FY-03 for the completion of an environmental impact study and a safety study as part of the licensing process for the former Clinton-Sherman Air Base. The Authority has designated the base as its primary location for commercial space development in the State. The funding of \$350,000 was in addition to operating funds and was removed from the agency's appropriations base.
- c. The FY-04 budget for the Oklahoma Space Industry Development Authority includes the following operational reductions from the original FY-03 budget:

<u>Operational Reductions:</u>	<u>Amounts</u>
• Reduce professional services	(\$20,608)
• Reduce travel	(3,665)
• General operating savings	(4,000)
• Miscellaneous expense savings	(15,050)
• Carryover	(16,762)
• Eliminate Internet services at the Spaceport	<u>(17,238)</u>
Total Reductions	(\$77,323)

II. POLICY ISSUES

- a. The Commission continues to complete the necessary requirements, including environmental and safety studies, to obtain licensing from the federal government for the operation of a space port at the Clinton-Sherman site in Burns Flat. FY-04 activity anticipates the completion of the safety study and other required submissions to the federal government. The acquisition of a valid license will provide the environment for the commencement of operations.

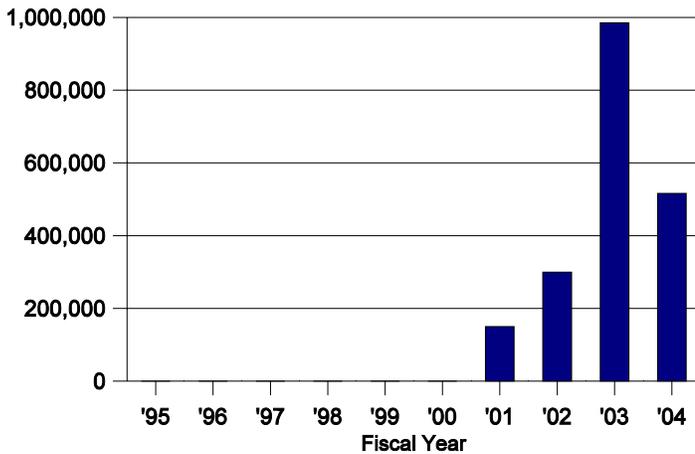
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$985,000	\$515,851	(47.6)%
Revolving Funds	0	400,000	N/A
Total	\$985,000	\$915,851	(7.0)%

V. BUDGET REFERENCES

HB 1184

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	N/A	FY-00	N/A
FY-96	N/A	FY-01	\$150,000
FY-97	N/A	FY-02	\$300,000
FY-98	N/A	FY-03(Orig.)	\$985,000
FY-99	N/A	FY-04	\$515,851

Notes:

- 1. The Space Industry Development Authority was created in FY-01.

TAX COMMISSION

Thomas E. Kemp, Jr., Chairman

Agency #695

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$49,161,169	1,304.0
a. FY-03 Budget Reduction	<u>(3,859,152)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$45,302,017	1,304.0
FY-04 Adjustments		
b. Operational Reductions	(1,200,611)	
c. Gross Production Forecasting System	<u>500,000</u>	
Total Adjustments	<u>(\$700,611)</u>	0.0
FY-04 Appropriation and FTE Authorization	\$44,601,406	1,304.0
Percent Change from FY-03 to FY-04	(9.3)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency implemented a hiring and promotional freeze, reduced employee levels by ninety (90) through attrition, implemented a furlough plan for all employees of six (6) days, curtailed travel and purchasing, eliminated the cost-free electronic filing of income tax returns and realigned employees to maximize the processing of taxpayer filings.

The FY-04 budget for the Oklahoma Tax Commission includes the following operational reductions from the original FY-03 budget:

<u>Operational Reductions:</u>	<u>Amounts</u>
• Loss of an additional forty-eight employees	(\$2,325,000)
• Continued travel restrictions	(120,000)
• Reduced purchasing	<u>(204,787)</u>
Total Reductions	(\$2,649,787)

- c. **HB 1250**, Section 2, appropriates \$500,000 to the Tax Commission for the enhancement of the estimating and forecasting systems and the tax reporting and remittance structure for gross production of natural gas. The Commission will conduct a study of current gross production reporting requirements and procedures. The study includes a review of the data used to forecast annual gross production tax collections.

III. POLICY ISSUES

- a. **HB 1356** authorizes the Tax Commission to require electronic filing of returns and forms used for tax compliance. When practical, the Commission still may allow the filing of paper returns. The legislation continues the policy of utilizing technology advances to reduce processing and filing costs.
- b. **SB 549** adds voluntary income tax check-offs for support of the Common Schools, highway and road maintenance and support of the Medicaid program. The Tax Commission will modify income tax forms to comply with the additional check-offs.
- c. **SB 708** includes model legislation for the State's participation in the multi-state Streamlined Sales and Use Tax Agreement. The Agreement was designed to provide a framework for sales and use tax simplification and standardization related to interstate sales.

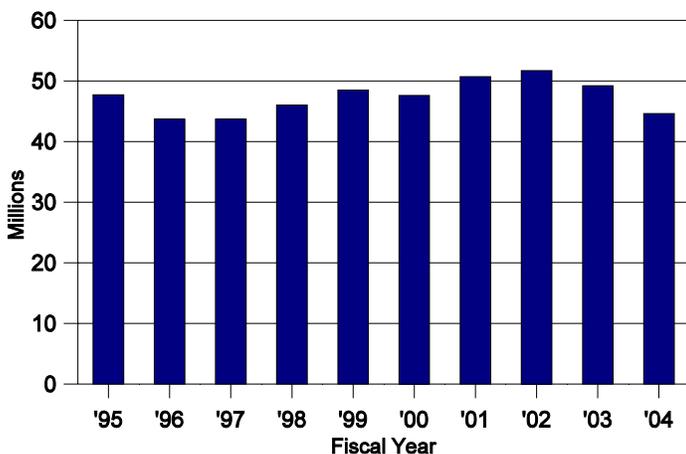
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$49,161,169	\$44,601,406	(9.3)%
Federal Funds	100,000	100,000	0.0%
Revolving Funds	50,000,000	51,000,000	2.0%
Total	\$99,261,169	\$95,701,406	(3.6)%

V. BUDGET REFERENCES

SB 140; HB 1250, Section 2

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$46,686,608	FY-00	\$47,587,292
FY-96	\$43,722,844	FY-01	\$50,680,269
FY-97	\$43,722,844	FY-02	\$51,748,599
FY-98	\$46,029,438	FY-03(Orig.)	\$49,161,169
FY-99	\$48,507,129	FY-04	\$44,601,406

DEPARTMENT OF TRANSPORTATION

Gary Ridley, Director

Agency #345

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$247,008,202	3,125.0
a. FY-03 Budget Reduction	(2,608,420)	
b. CIP Program (Rainy Day Funds)	(17,151,269)	
c. Reduction in Debt Service Requirements	<u>(32,167,004)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$195,081,509	3,125.0
FY-04 Adjustments		
d. Operational Reductions	<u>(2,896,122)</u>	
Total Adjustments	<u>(\$2,896,122)</u>	0.0
FY-04 Appropriation and FTE Authorization	\$192,185,387	3,125.0
Percent Change from FY-03 to FY-04	(22.2)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The Legislature appropriated \$17,151,269 from the Constitutional Reserve “Rainy Day” Fund to supplement funding for the Capital Improvement Road Program (CIP).
- c. The Oklahoma Capitol Improvement Authority completed a refinancing and restructuring of the outstanding obligations related to the CIP program, resulting in a reduction in required debt service sinking fund payments through FY-05. The Series 1998 and Series 2000 Transportation issued were restructured to greatly reduce principle and interest requirements. The Authority will determine whether the purchase of surety policy is feasible in the future with the objective of applying cash reserve funds against future principle payments on the outstanding obligations.
- d. The FY-04 budget for the Oklahoma Department of Transportation includes the following operational reductions from the original FY-03 budget:

<u>Operational Reductions:</u>	<u>Amounts</u>
• CIP Debt Service	(\$43,532,445)
• Engineering Operations*	(10,093,518)
• Asset Preservation	(3,872,953)
• Industrial and Lake Access	(3,825,000)
• State Aid to Roads and Bridges	(1,425,514)
• Other (Net)	<u>3,962,035</u>
Total Reductions	(\$58,787,395)

* Engineering activities may include more federal funding in FY-04, reducing the need for state resources.

III. POLICY ISSUES

- a. Estimated FY-04 transfers from the Oklahoma Transportation Authority from motor fuels are approximately \$6.5 million lower than in FY-03, further reducing agency same year resources.

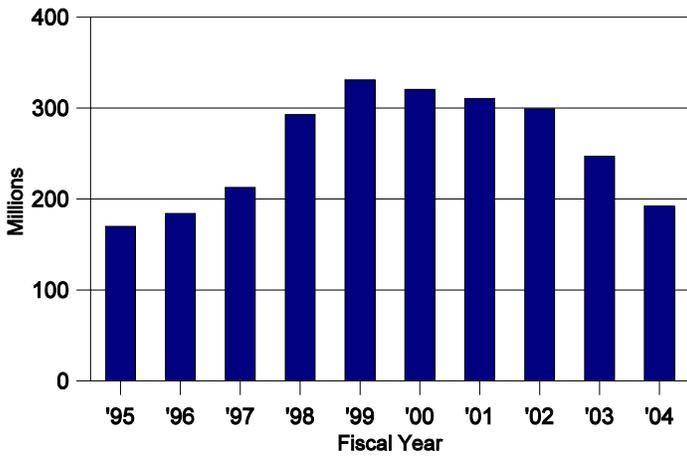
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
Transportation Fund	\$196,628,655	\$192,185,387	(2.3)%
General Revenue Fund	33,228,278	0	(100.0)%
Constitutional Reserve Fund	17,151,269	0	(100.0)%
Revolving Funds	379,743,276	62,831,073	(83.5)%
Federal Funds	493,248,522	454,031,787	(8.0)%
Total	\$1,120,000,000	\$709,048,247	(36.7)%

V. BUDGET REFERENCES

SB 184

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$169,877,413	FY-00	\$320,316,334
FY-96	\$184,055,562	FY-01	\$310,537,259
FY-97	\$212,815,071	FY-02	\$299,154,666
FY-98	\$292,775,410	FY-03(Orig.)	\$247,008,202
FY-99	\$331,375,377	FY-04	\$192,185,387

Notes:

1. FY-97 funding includes \$7,500,000 for the Rural Economic Action Plan (HB 1434) and increased General Revenue Fund support for road construction.
2. FY-98 reflects the passage of HB 1629, the Roads Program, a five-year funding program for highway construction.

TREASURER

Robert Butkin, State Treasurer

Agency #740

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$5,270,092	90.0
a. FY-03 Budget Reduction	<u>(406,048)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$4,864,044	90.0
FY-04 Adjustments		
b. Operational Reductions	<u>(486,405)</u>	
Total Adjustments	(\$486,405)	0.0
FY-04 Appropriation and FTE Authorization	\$4,377,639	90.0
Percent Change from FY-03 to FY-04	(16.9)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The FY-04 budget for the State Treasurer includes the following operational adjustments from the original FY-03 budget:

<u>Operational Adjustments:</u>	<u>Amounts</u>
• Banking services savings	(\$233,217)
• Increased use of Unclaimed Property Revolving Fund	(590,844)
• Savings from warrant imaging initiative, travel cuts, in-house technology use	<u>(68,391)</u>
Total Reductions	(\$892,452)

III. POLICY ISSUES

- a. Balancing of the vault accounts resulted in a transfer of \$28,790 to the Special Cash Fund.

- b. **HB 1580** provides authorization for the increased use of Unclaimed Property Revolving Fund resources for the administration of the program. The statutory limit for administrative uses was increased from one percent (1.0%) to four percent (4.0%).
- c. **SB 515** transfers the administration of the Rural Economic Development Loan program from the State Treasurer to the Department of Agriculture, Food and Forestry.

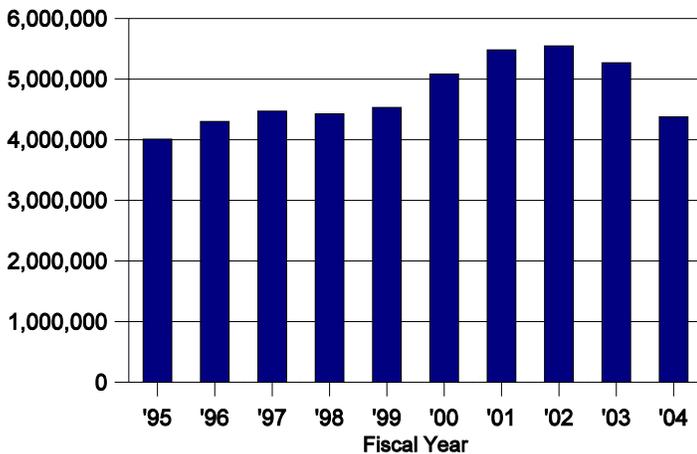
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$5,172,592	\$4,377,639	(15.4)%
Special Cash	97,500	0	(100.0)%
Carryover	44,000	95,000	115.9%
Revolving Funds	2,430,457	2,975,500	22.4%
Total	\$7,744,549	\$7,448,139	(3.8)%

V. BUDGET REFERENCES

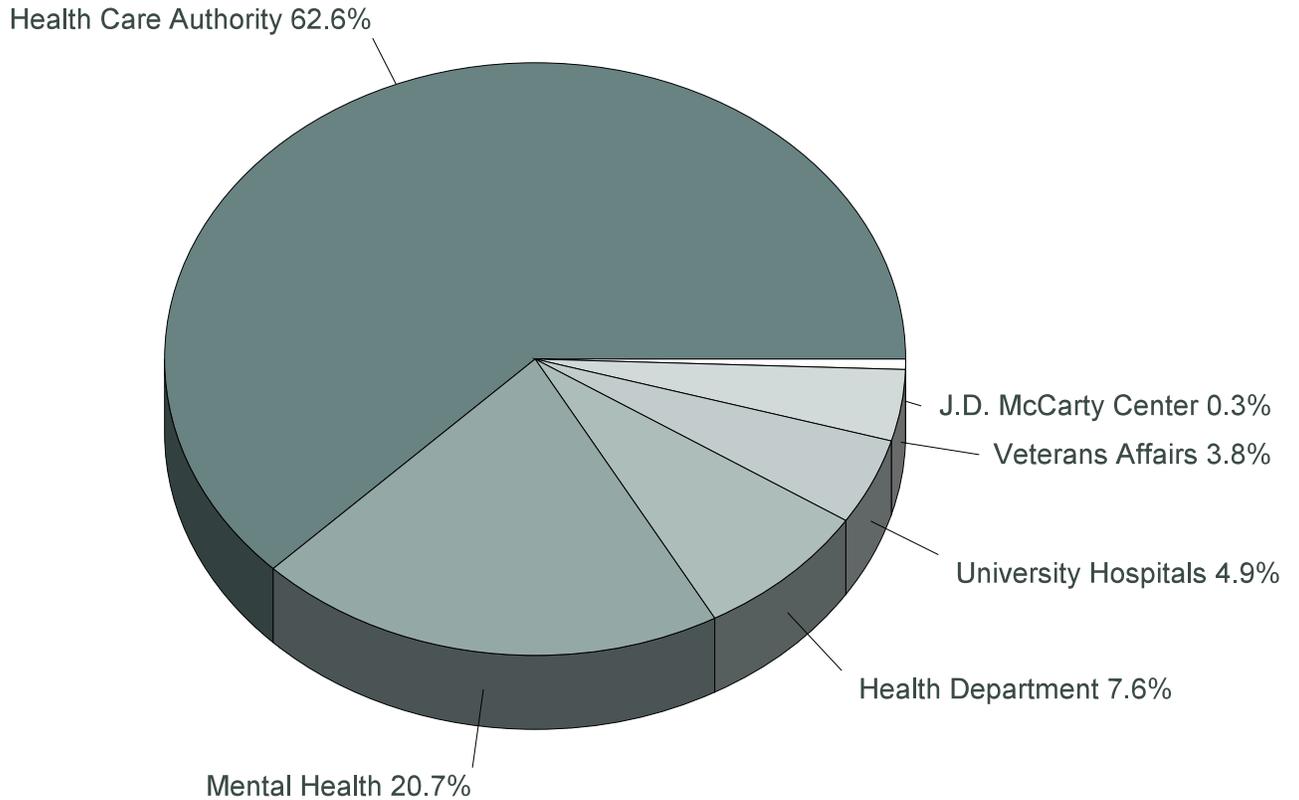
SB 142

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$4,011,139	FY-00	\$5,083,878
FY-96	\$4,301,152	FY-01	\$5,482,722
FY-97	\$4,472,433	FY-02	\$5,547,465
FY-98	\$4,427,153	FY-03(Orig.)	\$5,270,092
FY-99	\$4,532,558	FY-04	\$4,377,639

HEALTH AND SOCIAL SERVICES SUBCOMMITTEE DISTRIBUTION OF FY-04 APPROPRIATIONS



Health Care Authority	\$439,000,000
Mental Health and Substance Abuse	145,018,006
Health Department	53,649,633
University Hospitals Authority	34,598,585
Department of Veterans Affairs	26,943,202
J.D. McCarty Center	<u>2,457,898</u>
Subcommittee Total	\$701,667,324

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

OKLAHOMA HEALTH CARE AUTHORITY

Mike Fogarty, Chief Operating Officer

Agency #807

I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS

	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$449,126,375	285.5
a. FY-02 Budget Shortfall	(6,521,245)	
b. FY-03 Budget Reduction	<u>(29,045,384)</u>	
<i>Onetime Transfer from University Hospitals Authority*</i>	4,500,000	
<i>Onetime Transfer from Dept. of Human Services*</i>	7,200,000	
Revised FY-03 Appropriation and FTE Authorization	\$413,559,746	285.5
FY-04 Adjustments		
Annualizations		
c. Employee Benefit Allowance	57,538	
d. Federal Financial Participation (FFP) Match	3,000,000	
e. FY-03 Fee for Service (FFS) Budget Cuts	(10,203,410)	
f. FY-03 FFS Utilization	2,238,525	
g. Managed Care Organization Fee Revenue (HB1017)	(13,479,685)	
h. Medicare A & B Premiums	481,261	
i. SoonerCare Plus Benefits Cut	(1,771,957)	
j. SoonerCare Choice FY-03 Growth	601,330	
Maintenance		
k. FFS Pharmacy Growth	12,088,173	
l. FFS FY-04 Utilization Increases	8,330,091	
m. Fiscal Agent Re-procurement (EDS)	(970,000)	
n. Fiscal Agent Services (UNISYS)	(1,818,401)	
o. Coding and Compliance Officer	34,415	1.0
p. Durable Medical Equipment Purchasing Analyst	28,625	
q. EDS Table Maintenance	28,625	
r. Microfilm Personnel	34,763	
s. Rate Setting Personnel	71,022	

t. Increase to Mailing Costs and Mail Vehicle	22,500	
u. Medicare A & B Premium Increase	695,007	
v. Nurse Aide Training Reimbursement	226,800	
w. Quality of Care Shortfall	5,339,980	
x. Replace Revenue Enhancement Shortfalls	15,250,534	
y. Restore Onetime Funding FY-02 Carryover	710,700	
z. SoonerCare Choice FY-04 Growth	712,890	
Mandates and Compliance		
aa. Contract Legal Services	300,000	
bb. Contract Actuarial Services	250,000	
cc. Contract Increase SA&I	2,500	
dd. Enhance Eligibility Working Poor	1,887,412	
ee. HIPAA Specialist	32,932	1.0
ff. Olmstead Disability Service Coordinator	31,449	1.0
gg. Provider Enrollment and EFT	41,322	2.0
hh. SSI Rate Adjustment for LTCF for FY-02 & 03	<u>1,185,313</u>	—
Total Adjustments	\$25,440,254	5.0
FY-04 Appropriation and FTE Authorization	\$439,000,000	290.5
Percent Change from FY-03 to FY-04	(2.3)%	1.8%

** The onetime transfers from the University Hospitals Authority and the Department of Human Services were used to avoid further cuts in eligibility as a result of the revenue shortfall and should not be considered as a part of the revised appropriation for FY-03.*

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Unable to appropriate supplemental funds during the final quarter of FY-02, the Legislature used FY-03 funds to cover FY-02 expenses.
- b. Declining revenue collections required mid-year budget cuts of 7.85%.
- c. In January 2003, state employee health insurance premiums increased. Funding was provided to annualize the costs associated with these premium increases.

- d. Each year, the Centers for Medicare and Medicaid Services (CMS) and other federal agencies adjust the federal financial participation calculation to coincide with such factors as inflation and each state's economic status. At the time the appropriation was made, the State of Oklahoma was reportedly required to provide more funds to match Oklahoma's Federal Financial Participation Rate. This increased appropriation would have annualized the costs associated with the increased matching requirement, however federal legislation H.R. 2 altered this amount making the increase necessary only in FY-05. In anticipation of the elimination of the enhanced federal matching rate for FY-04, this increase should remain in the agency's base.
- e. During FY-03, the agency made several cuts between October, 2002, and March, 2003, to the FFS program to address the revenue shortfall experienced by all appropriated state agencies. This reduction annualizes the cuts.
- f. The number of Medicaid clients receiving services and the number of services received per client from FFS providers increased during FY-03. These funds annualize the additional Medicaid services for the eligible clients.
- g. HB 1017 creates a quality assurance fee from managed care organizations contracting with the Health Care Authority. This appropriation annualizes the revenue to be generated by this fee.
- h. During FY-03, the Legislature provided the agency with partial funding to cover anticipated costs associated with Medicare Part A & B premium increases. A funding adjustment is necessary to annualize the cost increases.
- i. During FY-03, the agency made several cuts to the SoonerCare Plus program effective January 1, 2003 to address the revenue shortfall experienced by all appropriated state agencies. This reduction annualizes the cuts.
- j. During FY-03, the number of Medicaid clients enrolled in SoonerCare grew by 10% (from 306,913 to 338,859). Projections showed less than 5% growth for FY-03. These funds annualize Medicaid services for the additional 5% growth in clients.
- k. These funds were provided to meet increased costs associated with projected prescription drug usage and inflation.
- l. This appropriation was provided to meet expenses associated with the increased number of Medicaid eligible clients and the number of services these clients are expected to receive during FY-04 through FFS providers.
- m. During December of 2002, the OHCA began using Electronic Data Systems (EDS) as their information management contractor. This amount reflects a reduction in the contract for FY-04, since FY-03 contained the development phase of the system program.
- n. This reduction in appropriations will result from the transition to the Electronic Data System.

- o. The coding and compliance officer position is necessary to ensure that clinical coding is implemented and that editing is consistent with state plan requirements and OHCA policy and, to the extent possible, that billing remains consistent with industry practices.
- p. Funding allows the agency to hire personnel to recover durable medical equipment no longer used by Medicaid clients and to assess which products could be purchased most efficiently.
- q. The Legislature appropriated these funds to hire personnel responsible for updating and maintaining the various tables in the EDS system.
- r. These funds will be used to hire sufficient employees to keep the microfilming of records updated and current.
- s. This appropriation will provide personnel in the finance section necessary to address requests from state agencies, advocacy groups, and providers for rate adjustments and to monitor GME changes, Medicare and Medicaid reimbursement changes, and hospital and nursing home cost reports.
- t. This is the projected amount needed to cover the increased cost of mail to providers and clients and the replacement of a high mileage mail vehicle during FY-04.
- u. The Legislature provided funding to cover anticipated costs associated with Medicare Part A & B premium increases during FY-04.
- v. The increased funding for nurse aide training is the result of outreach efforts of the State Department of Health and the nursing home industry to encourage nurse aides to attend additional training for better overall quality of care. By law, the Authority reimburses nurse aides for training under certain conditions.
- w. This appropriation was provided to cover the accumulated revenue shortfall in the Quality of Care Fund for FY-02 and 03, as well as the anticipated revenue shortfall for FY-04.
- x. Several revenue enhancements were anticipated during FY-03, but did not occur or did not generate as much revenue as estimated. This funding replaces the revenue that was not generated through these proposed enhancements. Some of these enhancements included the state employee physician plan, the hospital upper payment limit program, the transfer of funds from University Hospitals Authority, and the reduction in anticipated revenue from the managed care organization quality assurance fee as a result of the termination of the contract with Community Care in the SoonerCare Plus program.
- y. The agency used onetime funding from FY-02 carryover to cover ongoing expenses in the FY-03 budget. This funding replaces funds that will not be available from carryover for FY-04.
- z. The Legislature appropriated funds to meet the anticipated growth in the SoonerCare Choice program for FY-04. This growth may be in the form of an increase in clients as well as increase in services used by those clients.

- aa. Due to a lawsuit, these funds were allocated to contract for legal services associated with the agency's involvement in the action.
- bb. Federal mandates in the "Balanced Budget Act of 1997" require that the Medicaid program in each state pay actuarially certified rates to providers. These funds are used to contract for actuarial services regarding these provider rates.
- cc. This is the amount of increase in the FY-04 contract with the State Auditor and Inspector.
- dd. Federal law requires that states provide transitional Medicaid services to Temporary Assistance for Needy Families (TANF) clients who leave TANF and their family members. Additional funds will enable the Authority to begin providing Medicaid services to this population.
- ee. The funding for this position will ensure that the agency is in compliance with the privacy and security requirements of the federal Health Insurance Portability and Accountability Act (HIPAA).
- ff. The Legislature provided a position to assist the agency in working with committees, task forces, and advocacy groups in order to demonstrate "good faith" compliance with the requirements of the Olmstead Decision.
- gg. Effective July 1, 2002, the Office of the State Treasurer ceased to provide the agency with information regarding the electronic fund transfers (EFT) to providers. This funding allows the agency to hire additional personnel to address this issue as well as enrollment issues for new or existing clients.
- hh. During FY-02 & 03, the SSI rate adjustment payments for Long Term Care Facilities (LTCF) were delayed due to revenue shortfalls. These payments are necessary to comply with the provisions of the "Oklahoma 2001 Healthcare Initiative" (HB 2019) passed during the 2000 Legislative Session.

III. POLICY ISSUES

- a. **HB 1017** authorizes the OHCA to assess a quality assurance fee on all health maintenance organizations that have Medicaid managed care contracts administered by the OHCA, provides for certain dates for the assessment, limits certain assessments, specifies uses of the assessments, and allows for the creation of a stand alone Medicaid managed care organization under certain criteria.
- b. **HB 1140** establishes special volunteer licenses for certain physicians and dentists.
- c. **HB 1145** allows counties with populations greater than 500,000 to employ and compensate a doctor to provide indigent patient care for adult and juvenile offenders.

- d. **HB 1268** amends the “Utilization of Unused Prescription Medications Act,” by extending the time allowed to review the program from 18 to 24 months and providing that rules adopted will authorize the use of any remaining medications.
- e. **HB 1442** amends the “Nursing Home Care Act.” Bill provisions modify the list of occurrences in a nursing facility, require notification of the State Department of Health, eliminate the formula for calculating financial resources of a nursing facility, modify the definition of financial resources to be used as criteria, require notification of the State Department of Health and defines serious incidents in nursing facilities that must be reported. This legislation authorizes certified medication aides to distribute medications within a nursing facility and directs the Oklahoma Health Care Authority to determine the fiscal impact of the prohibition from hiring nurse aides in nursing facilities who are not certified and not eligible for placement on the nurse aide registry.
- f. **HB 1713** creates the “Oklahoma Community Hospitals Public Trust Authorities Act” and allows a hospital or multiple hospitals within a county or adjacent counties to create a public trust for the purpose of providing funding and coordination for the delivery of health care to the public including medically indigent persons residing in a designated hospital district. Under bill provisions these community hospital public trust authorities will have the authority to make and enter into contracts, sue and be sued, accept grants and other funds, accept and make intergovernmental transfers to the Oklahoma Health Care Authority, and assess fees, levies, or charges upon any hospital located within the hospital district. HB 1713 also allows these trust authorities coverage by the “Governmental Tort Claims Act,” establishes the Medicaid Payment Reimbursement Fund, requires the Oklahoma Health Care Authority Board to make application for any waiver necessary to authorize Medicaid supplements to hospital districts, and requires certain reports and audits.
- g. **SB 338** requires the State Department of Health to provide a report of the total number of hours and the types of nursing services provided under the Children First program. The bill also requires the Oklahoma Health Care Authority to submit a waiver to the Centers for Medicare and Medicaid Services (CMS) applying for federal matching funds.
- h. **SB 549** requires state income tax returns forms to contain a provision for private donations from income tax refunds to support the Medicaid program.
- i. **SB 610** creates the “Oklahoma Medicaid Program Reform Act of 2003,” directs the Oklahoma Health Care Authority (OHCA) to apply for certain waivers under the “Health Insurance Flexibility Act” (HIFA) for specific purposes and to accomplish specified goals, provides for the phase-in of the waiver based on funding availability, authorizes the implementation of co-payments, premiums and enrollment fees, modifies existing requirements in the managed care and fee for service programs and requires the exchange of certain information between the OHCA and licensed insurers, certain hospitals, and managed care organizations for the purpose of eliminating the payment of claims of individuals that are covered by another insurer.

- j. **SB 621** creates a 21 member Task Force on Hospital Emergency Services and Trauma Care to study the effect which ambulatory surgical centers and “boutique” hospitals have on the availability of emergency services and trauma care in Oklahoma as well as their effect on community hospitals’ ability to deliver indigent care and Medicaid services to patients.
- k. **SB 629** creates the “Affordable Access to Health Care Act.” The purpose of this law is to improve the availability of health care services, lower the cost of medical liability insurance, ensure fair and adequate compensation for meritorious health care injury claims, and improve the current medical liability system. This legislation defines certain procedures and terms related to legal actions regarding medical liability, limits non-economic damages to \$300,000, eliminates certain attorney fees, and modifies certain “claims of privilege.”
- l. **SB 686** amends the “Community Hospitals Authority Act,” allows the appropriation of state funds by the Legislature to the Authority, allows participating health care systems to receive funding in addition to existing state Medicaid funding through the Authority, restricts the supplanting of existing Medicaid funding, adds three representatives to the Authority and allows the Authority to employ personnel.

IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$370,004,896	\$414,000,000	11.9%
Constitutional Reserve Funds	69,121,479	15,000,000	(78.3)%
Tobacco Settlement Funds	10,000,000	10,000,000	0.0%
Federal Funds*	2,155,136,374	2,161,638,736	0.3%
Total	\$2,604,262,749	\$2,600,638,736	(0.1)%

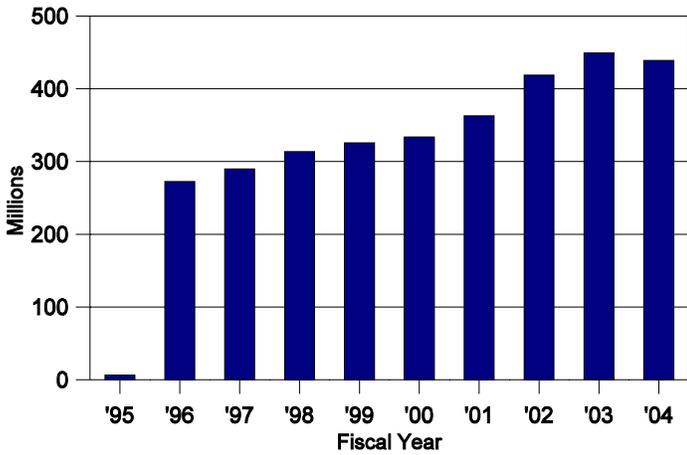
* The Federal Funds do not reflect the increased amount available as a result of the enhanced Federal Medical Assistance Percentage (FMAP) rate during FY-04.

V. BUDGET REFERENCES

HB 1017, Sections 4 and 5; HB 1246, Sections 1 and 2; SB 40, Sections 1 through 11

Note: The transfer of funds in HB 1246 was for the FY-03 budget.

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$6,599,757	FY-00	\$333,797,217
FY-96	\$272,521,974	FY-01	\$362,804,698
FY-97	\$289,835,926	FY-02	\$418,679,264
FY-98	\$313,650,147	FY-03(Orig.)	\$449,126,375
FY-99	\$325,846,050	FY-04	\$439,000,000

Notes:

1. The Oklahoma Health Care Authority was created in HB 1573 for FY-94.
2. FY-95 figure represents full year funding for the Health Care Authority.
3. FY-96 figure reflects the full transfer of Medicaid responsibilities from the Department of Human Services to the Health Care Authority.

HEALTH DEPARTMENT

Dr. Leslie M. Beitsch, Commissioner

Agency #340

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$64,292,965	2,556.3
a. FY-03 Budget Reduction	<u>(4,890,000)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$59,402,965	2,556.3
FY-04 Adjustments		
b. Elimination of Eldercare Funding	(5,897,144)	
c. 13% Reduction of Contractual Services	(349,877)	
d. Sickle Cell Research	23,291	
e. D-DENT	17,779	
f. Contract for Advantage Program Services	18,500	
g. Abstinence and Guidance Program	2,500	
h. Partial Restoration of FY-03 Cuts	<u>431,619</u>	
Total Adjustments	(\$5,753,332)	0.0
FY-04 Appropriation and FTE Authorization	\$53,649,633	2,556.3
Percent Change from FY-03 to FY-04	(16.6)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%
- b. At the recommendation of the State Board of Health, the Legislature eliminated the funding for the Eldercare Program and transferred \$1,736,120 to the Department of Human Services for Advantage Waiver rate adjustments necessary to provide home health services for the Advantage clients previously served through the Eldercare Program.
- c. The Legislature decreased all line-item contractual services by 13% to offset a reduction in revenue certification for FY-04.
- d. Funding was provided to replace a portion of the FY-03 revenue shortfall experienced by the Sickle Cell Research program.

- e. This appropriation restores a portion of D-DENT program funding. This program provides dental services for the low-income elderly.
- f. The Legislature appropriated funds to provide continued Advantage program services for elderly persons in isolated rural areas of the state.
- g. This funding will partially restore FY-03 cuts in the Abstinence and Guidance programs designed to prevent teenage pregnancies.
- h. This appropriation restores a portion of the FY-03 cuts to county health departments and was made to retain personnel in rural areas.

III. POLICY ISSUES

- a. **HB 1034** amends the “Nursing Home Care Act” by removing the Oklahoma State Department of Health’s (OSDH) authority to license, inspect, or regulate any facility operated by the Oklahoma Department of Veterans Affairs (ODVA).
- b. **HB 1140** establishes a special volunteer medical license for physicians who are retired from active practice and wish to donate their expertise for the medical care and treatment of indigent and needy persons, or persons in medically under-served areas of the state. The State Board of Medical Licensure is to be responsible for the issuance of the license without any continuing education requirements.
- c. **HB 1145** authorizes counties with a population greater than 500,000 to employ a doctor to provide indigent patient care for adult and juvenile offenders.
- d. **HB 1442** amends the “Nursing Home Care Act.” Bill provisions modify the list of occurrences in a nursing facility, require notification of the State Department of Health, eliminate the formula for calculating financial resources of a nursing facility, modify the definition of financial resources to be used as criteria requiring notification of the State Department of Health, and defines serious incidents in nursing facilities that must be reported. Other bill provisions apply to the Oklahoma Health Care Authority.
- e. **HB 1467** establishes the “Catastrophic Health Emergency Act” and creates the Catastrophic Health Emergency Planning Task Force. This legislation coordinates, in a single act, the various powers and authorities of the State that may be needed to respond to a terrorist event involving the use of nuclear attack, chemical or biological agents, such as nerve gas, anthrax, or smallpox and sets the maximum amount of state monies authorized for expenditure in a catastrophic health emergency at \$50 million.
- f. **SB 338** requires the State Department of Health to provide a report of the total number of hours and the types of nursing services provided under the Children First program. The bill also requires the Oklahoma Health Care Authority to submit a waiver to the Centers for Medicaid and Medicare Services (CMS) applying for federal matching funds.

- g. **SB 340** makes it unlawful to create, issue, present, or possess a fictitious birth, death, or stillbirth certificate, or to apply for or alter such a certificate under false pretenses, or to make a false statement in the certificate or the application for a certificate. This bill also amends the education requirements and qualifications for a certificate to practice medical micropigmentation.
- h. **SB 343** directs school districts to adopt a policy that permits the self-administration of inhaled asthma medication by a student.
- i. **SB 564** eliminates review and approval by the Child Abuse Training and Coordination Council for multi-disciplinary child abuse teams which are initially accredited along with a child advocacy center by the National Children’s Alliance and designates them as a functioning team.
- j. **SB 588** expands the membership of the Task Force on the Promotion of Children’s Health from 18 to 23 members.
- k. **SB 621** creates a 21 member Task Force on Hospital Emergency Services and Trauma Care to study the effect which ambulatory surgical centers and “boutique” hospitals have on the availability of emergency services and trauma care in Oklahoma as well as their effect on community hospitals’ ability to deliver indigent care and Medicaid services to patients.
- l. **SB 635** creates the “Health Maintenance Organization (HMO) and Risk Based Capital for HMO Acts of 2003.” This legislation provides definitions, allows persons to apply for a certificate of authority from the Insurance Commissioner to operate an HMO in the state, provides that each application contain certain information including financial feasibility plans related to the HMO plan and requires the Insurance Commissioner to forward the application to the Commissioner of Health for certain reviews related to health care services.
- m. **SB 680** creates the Oklahoma Task Force to Eliminate Health Disparities until July 1, 2006, to study and make recommendations to eliminate health and health access disparities among multi-cultural, disadvantaged, and regional populations.
- n. **SJR 21** amends Titles 21 and 63 of the Oklahoma Statutes by changing the name of the “Smoking in Public Places Act” to the “Smoking in Public Places and Indoor Workplaces Act.” Bill provisions clarify definitions regarding stand alone bars, indoor workplaces, and public places, redefine and amend requirements for smoking rooms in nursing facilities, prohibit smoking in state vehicles, prohibit smoking in indoor workplaces with certain exemptions effective November 1, 2003, and require restaurants to build a smoking room or become totally non-smoking by March 1, 2006.

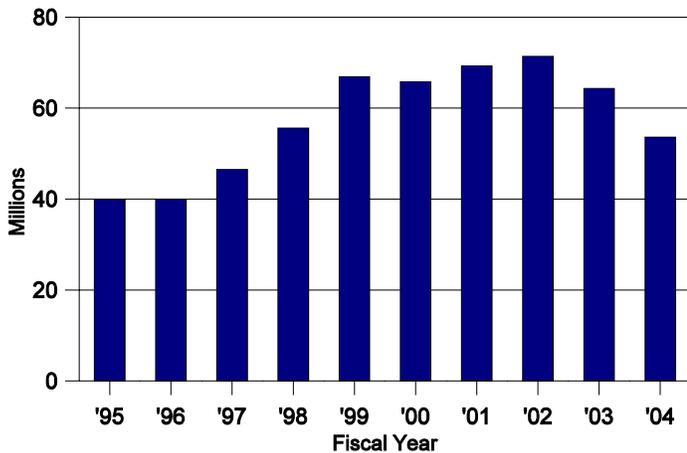
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$62,292,965	\$53,649,633	(13.9)%
Tobacco Settlement Funds	2,000,000	0	(100.0)%
Revolving Funds	40,000,000	37,374,583	(6.6)%
Federal Funds	155,000,000	154,651,217	(0.2)%
Total	\$259,292,965	\$245,675,433	(5.3)%

V. BUDGET REFERENCES

HB 1189, Sections 1 through 14

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$39,922,025	FY-00	\$65,788,803
FY-96	\$39,915,695	FY-01	\$69,300,271
FY-97	\$46,553,053	FY-02	\$71,436,628
FY-98	\$55,618,457	FY-03(Orig.)	\$64,292,965
FY-99	\$66,858,510	FY-04	\$53,649,633

Note:

1. FY-97, FY-98 and FY-99 saw an increase in funding for services for children and pregnant women.

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

Curtis Peters, Director

Agency #670

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$2,946,549	152.0
a. FY-03 Budget Reduction	<u>(231,305)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$2,715,244	152.0
FY-04 Adjustments		
b. Debt Service Reserve Reduction	(557,346)	
c. Bond Payment for Completion of New Facility	300,000	
d. Additional FTE for New Facility	<u>0</u>	<u>30.0</u>
Total Adjustments	(\$257,346)	30.0
FY-04 Appropriation and FTE Authorization	\$2,457,898	182.0
Percent Change from FY-03 to FY-04	(16.6)%	19.7%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%
- b. The Legislature agreed to eliminate the debt service reserves for a number of bonds and replace that reserve amount with an insurance policy of equal value payable to the entities issuing the bonds.
- c. The Legislature appropriated funds to meet the annual bond payments for the bonds authorized in SB 45. This issue allows for the completion of the new facility.
- e. The 30 additional FTE will be needed to operate the new facility. Salaries for these employees will be covered by increased revenue generated by the enhanced ability to serve more children and to receive additional federal reimbursements.

III. POLICY ISSUES

- a. **SB 45** authorizes the Oklahoma Capitol Improvement Authority to issue obligations in an amount not to exceed \$3.5 million for funding the completion of construction of a new facility for the J. D. McCarty Center for Children with Developmental Disabilities.

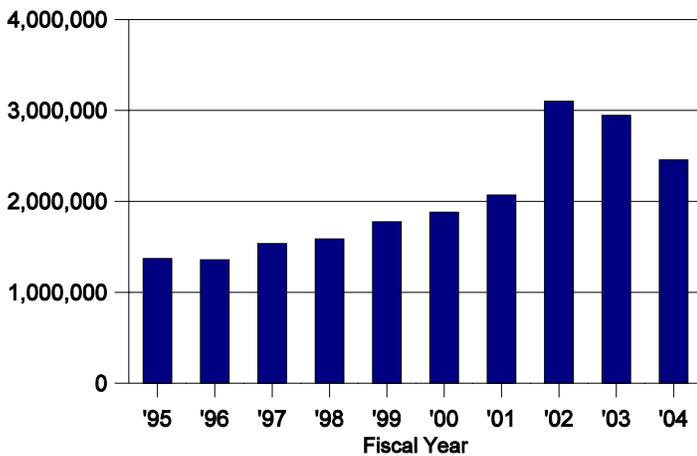
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$2,946,549	\$2,457,898	(16.6)%
Revolving Funds	4,251,839	5,397,314	26.9%
Total	\$7,198,388	\$7,855,212	9.1%

V. BUDGET REFERENCES

SB 44, Sections 1 through 6

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$1,372,126	FY-00	\$1,881,252
FY-96	\$1,357,824	FY-01	\$2,070,083
FY-97	\$1,535,667	FY-02	\$3,101,630
FY-98	\$1,587,182	FY-03(Orig.)	\$2,946,549
FY-99	\$1,775,568	FY-04	\$2,457,898

Notes:

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

Dr. Terry Cline, Commissioner

Agency #452

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$150,924,452	2,651.0
a. FY-03 Budget Reduction	<u>(11,757,409)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$139,167,043	2,651.0
FY-04 Adjustments		
b. Debt Service Reserve Reduction	(149,037)	
c. Co-occurring Treatment Unit at TCBH	1,600,000	
d. Program for Assertive Community Treatment	1,200,000	
e. Mental Health Court - Oklahoma County	100,000	
f. Children’s Systems of Care Services	700,000	
g. New Generation Medications	500,000	
h. Adolescent Residential Treatment Program	500,000	
i. Drug Court Expansion	500,000	
j. Residential Care	75,000	
k. Private CMHC Contracts	625,000	
l. Children’s Trauma Services - DV	100,000	
m. Substance Abuse Services for Women - DV	<u>100,000</u>	
Total Adjustments	\$5,850,963	0.0
FY-04 Appropriation and FTE Authorization	\$145,018,006	2,651.0
Percent Change from FY-03 to FY-04	(3.9)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The Legislature agreed to eliminate the debt service reserves for a number of bonds and replace that reserve amount with an insurance policy of equal value payable to the entities issuing the bonds.

- c. The Legislature provided this appropriation to create a treatment unit in Tulsa at the existing Tulsa Center for Behavioral Health (TCBH) to simultaneously address the needs of those individuals having a diagnosis of both mental illness and addiction.
- d. This funding allows for the expansion of the Program for Assertive Community Treatment (PACT) in Oklahoma by starting two additional teams in Oklahoma City and Tulsa.
- e. This appropriation provides funding for a mental health court pilot project in Oklahoma County.
- f. The Legislature designated these funds to allow the Children's System of Care program to expand to two additional counties.
- g. This appropriation provides additional resources for the Department to spend on new generation medications and to reduce the State's dependence on the charitable contributions by pharmaceutical companies.
- h. With Oklahoma having fewer than 60 residential substance abuse treatment beds for adolescents, this funding increases the amount available for adolescent substance abuse treatment in the state.
- i. There are currently 13 drug courts in various levels of planning. This appropriation funds treatment services at these drug courts as they begin operations during FY-04.
- j. Residential Care facilities provide a critical service in the continuum of care for persons with severe mental illness. This funding will provide an additional 24 beds per day.
- k. Community Mental Health Center contracts were reduced by \$3.3 million in FY-03, due to the revenue shortfall. This funding restores a portion of this cut to each contracted facility.
- l. This funding will provide mental health trauma services to children who have witnessed domestic violence.
- m. Women seeking services as a result of domestic violence and other traumatic situations are frequently also in need of substance abuse services. This funding will provide substance abuse services that are specialized to meet the needs of these victims of domestic violence or trauma.

III. POLICY ISSUES

- a. **HB 1106** amends Title 37, Section 163.7, by increasing the fees related to certain low-point beer permits July 1, 2003, provides for another increase July 1, 2006, provides for the distribution of certain portions of the increased fees for substance abuse treatment and creates the Community-based Substance Abuse Revolving Fund (CSARF).
- b. **HB 1190** authorizes the Board of the Department of Mental Health and Substance Abuse Services (DMHSAS) to create a land trust and to transfer all real property to that trust, prohibits the sale of any property placed into the trust, restricts the type of property that the Board may declare surplus or sell, authorizes the Board to sell any personal property belonging to

DMHSAS and to invest the proceeds, amends the types of proceeds that may be deposited into the agency’s Capital Outlay Fund and requires the Department of Central Services to assist DMHSAS in the transfer of property to the trust.

- c. **HB 1266** amends the “Mental Health Law” by updating and clarifying language, modifying the locations of certain commitment actions, modifying access to certain information to meet federal requirements in the “Health Insurance Portability and Accountability Act” (HIPAA), and renaming certain state-operated facilities. HB 1266 also increases the enrollment fees of alcohol and drug substance abuse courses, allows certain class sizes to be increased from 12 to 24, establishes a new fee and allows the Board of Mental Health and Substance Abuse Services to set the application fees for certification of alcohol and drug substance abuse course instructors, and increases the assessment and evaluation fee for those persons undergoing such procedures as a part of alcohol and drug assessment and evaluation programs related to driver license revocation.
- d. **SB 46** directs the court to require persons convicted of driving under the influence of alcohol or an intoxicating substance or convicted of certain acts in the “Uniform Controlled Dangerous Substance Act” to pay an assessment of \$100 in addition to any other penalties. Bill provisions direct that the assessment be deposited into the Drug Abuse Education and Treatment Revolving Fund for the purpose of funding drug courts and continuing education regarding substance abuse treatment.
- e. **SB 674** amends the “Inpatient Mental Health and Substance Abuse Treatment of Minors Act” by which juveniles can be involuntarily committed to inpatient psychiatric care. The bill makes the process the same for juveniles in voluntary or involuntary cases, and allows for an emergency admission of up to five judicial days before a court order is necessary.

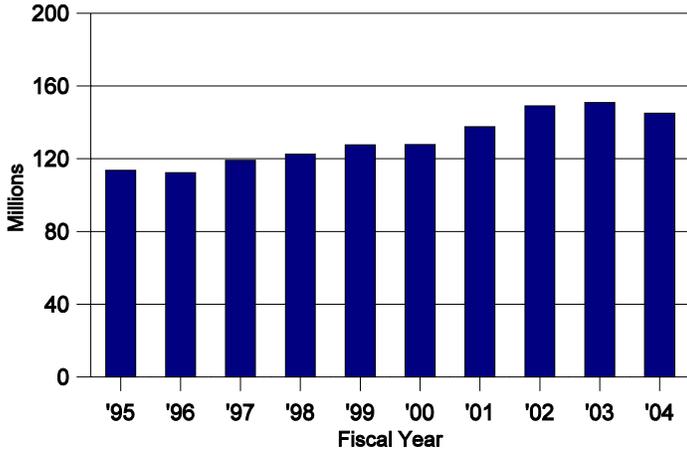
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$149,775,910	\$145,018,006	(3.2)%
Tobacco Settlement Fund	1,148,542	0	(100.0)%
Carryover	650,000	4,091,817	529.5%
Revolving Funds	30,312,347	22,809,563	(24.8)%
Federal Funds	30,459,160	32,136,557	5.5%
Total	\$212,345,959	\$204,055,943	(3.9)%

V. BUDGET REFERENCES

HB 1191, Sections 1 through 9

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$113,643,722	FY-00	\$127,852,286
FY-96	\$112,359,946	FY-01	\$137,561,733
FY-97	\$119,225,738	FY-02	\$149,135,211
FY-98	\$122,491,410	FY-03(Orig.)	\$150,924,452
FY-99	\$127,593,452	FY-04	\$145,018,006

UNIVERSITY HOSPITALS AUTHORITY

Dean Gandy, Director

Agency #825

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$41,499,895	10.0
a. FY-03 Budget Reduction	<u>(3,257,742)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$38,242,153	10.0
FY-04 Adjustments		
b. Debt Service Reserve Reduction	(240,839)	
c. Reduction of GME Programs	<u>(3,402,729)</u>	
Total Adjustments	(\$3,643,568)	0.0
FY-04 Appropriation and FTE Authorization	\$34,598,585	10.0
Percent Change from FY-03 to FY-04	(16.6)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The Legislature agreed to eliminate the debt service reserves for a number of bonds and replace that reserve amount with an insurance policy of equal value payable to the entities issuing the bonds.
- c. This funding reduction to the Graduate Medical Education (GME) programs was necessary to partially offset a reduction in revenue certification for FY-04. The Dean's GME program was reduced by \$1,701,364 and the Hospital's GME program was reduced by \$1,701,365.

III. POLICY ISSUES

None

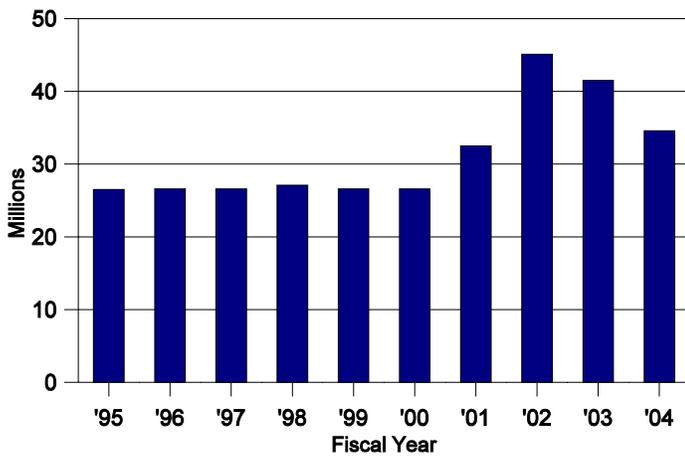
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$41,499,895	\$34,598,585	(16.6)%
Federal Funds	95,541,964	108,575,885	13.6%
Total	\$137,041,859	\$143,174,470	4.5%

V. BUDGET REFERENCES

SB 48, Sections 1 through 5

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$26,476,621	FY-00	\$26,576,556
FY-96	\$26,576,556	FY-01	\$32,497,970
FY-97	\$26,576,556	FY-02	\$45,149,895
FY-98	\$27,146,689	FY-03(Orig.)	\$41,499,895
FY-99	\$26,576,556	FY-04	\$34,598,585

Notes:

1. The FY-02 figure reflects an increase in funding for Graduate Medical Education.

DEPARTMENT OF VETERANS AFFAIRS

Phillip Driskill, Director

Agency #650

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$26,687,506	1,998.0
a. FY-03 Budget Reduction	(2,094,969)	
Revised FY-03 Appropriation and FTE Authorization	\$24,592,537	1,998.0
FY-04 Adjustments		
b. Debt Service Reserve Reduction	(649,335)	
c. Lawton Veterans Center	<u>3,000,000</u>	
Total Adjustments	\$2,350,665	0.0
FY-04 Appropriation and FTE Authorization	\$26,943,202	1,998.0
Percent Change from FY-03 to FY-04	1.0%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The Legislature agreed to eliminate the debt service reserves for a number of bonds and replace that reserve amount with an insurance policy of equal value payable to the entities issuing the bonds.
- c. For FY-03, the Legislature authorized 340 FTE to operate the center and appropriated \$550,000 in start-up funds. For FY-04, the Legislature appropriated an additional \$3,000,000 through HB1193 (\$1.0 million) and SB 50 (\$2.0 million) which allows the Lawton Veterans Center to begin operations on October 1, 2003.

III. POLICY ISSUES

- a. **HB 1034** amends the “Nursing Home Care Act” by removing the Oklahoma State Department of Health’s (OSDH) authority to license, inspect, or regulate any facility operated by the Oklahoma Department of Veterans Affairs (ODVA).
- b. **HB 1059** allows American Ex-Prisoner of War flags to be flown over state property.

- c. **HB 1126** extends the period of time from July 1, 2003, until July 1, 2008, whereby the Department of Veterans Affairs and War Veterans Commission is allowed to enter into agreements with public trusts, state agencies, or boards or commissions in connection with the issuance of any bond or evidence of indebtedness.
- d. **SB 376** provides that all proceeds from the use, sale, or lease of properties under the control of the War Veterans Commission shall be deposited into the Capital Improvement Revolving Fund.

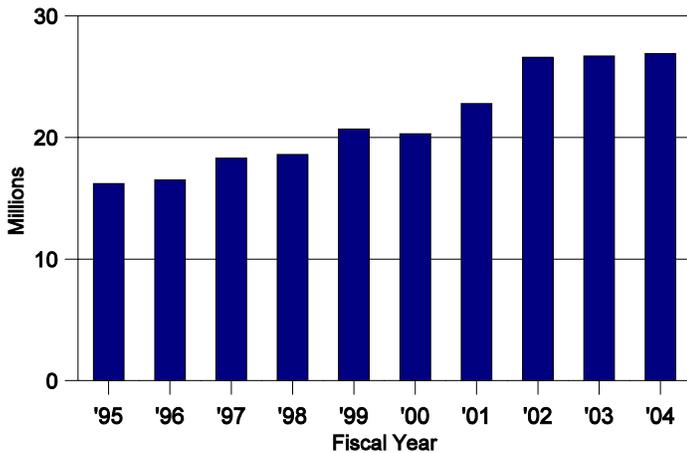
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$26,687,506	\$24,943,202	(6.5)%
Special Cash	0	2,000,000	N/A
Revolving Funds	24,779,689	27,235,597	9.9%
Federal Funds	23,574,589	25,561,903	8.4%
Total	\$75,041,784	\$79,740,702	6.3%

V. BUDGET REFERENCES

HB 1193, Sections 1 through 6; SB 50, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY

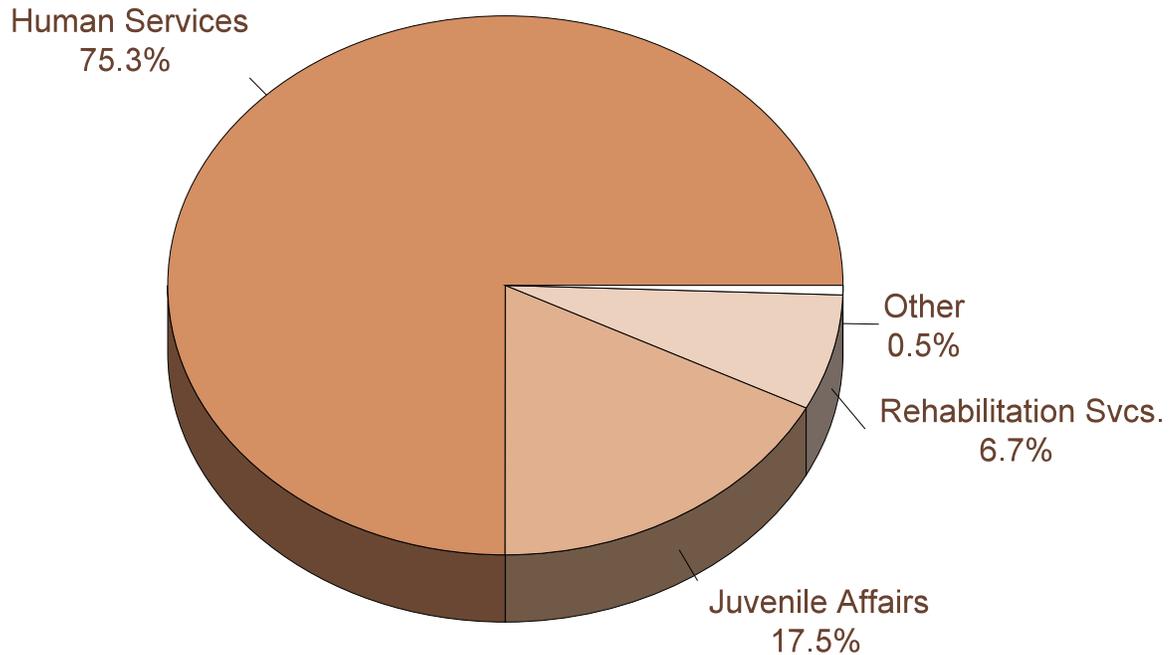


FY-95	\$16,231,683	FY-00	\$20,316,847
FY-96	\$16,526,798	FY-01	\$22,791,233
FY-97	\$18,297,269	FY-02	\$26,570,641
FY-98	\$18,625,135	FY-03(Orig.)	\$26,687,506
FY-99	\$20,654,195	FY-04	\$26,943,202

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 SUBCOMMITTEE DISTRIBUTION OF FY-04 APPROPRIATIONS



Department of Human Services	\$387,455,619
Office of Juvenile Affairs	90,000,000
Rehabilitation Services	24,750,000
Other	
Commission on Children and Youth	1,550,000
Human Rights Commission	650,000
Office of Handicapped Concerns	356,000
Indian Affairs Commission	244,000
Subcommittee Total	\$505,005,619

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

OKLAHOMA COMMISSION ON CHILDREN AND YOUTH

Janice Hendryx, Director

Agency #127

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$1,751,885	25.5
a. FY-03 Budget Reduction	(137,523)	
Revised FY-03 Appropriation and FTE Authorization	\$1,614,362	25.5
FY-04 Adjustments		
b. FY-04 Budget Reduction	(64,362)	
Total Adjustments	(\$64,362)	0.0
FY-04 Appropriation and FTE Authorization	\$1,550,000	25.5
Percent Change from FY-03 to FY-04	(11.5)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency’s FY-04 appropriation represents a further reduction of \$64,362 or 3.99% from the FY-03 adjusted appropriation.

III. POLICY ISSUES

- a. **SB 156** creates the Positive Youth Development Revolving Fund for the Oklahoma Commission on Children and Youth for the purpose of funding grants and contracts for community-based positive youth development programs.

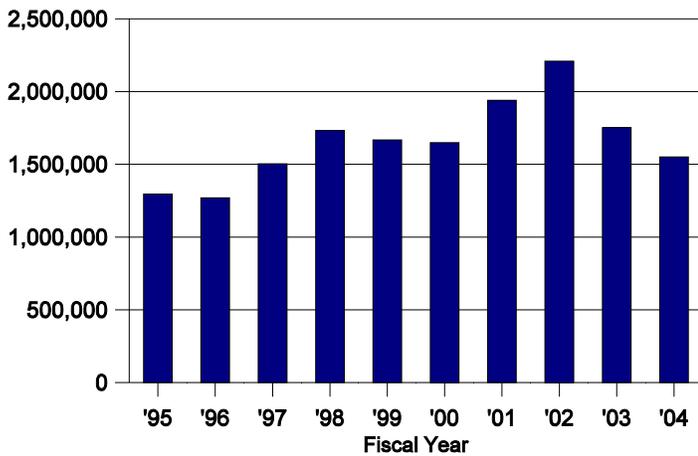
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$1,751,885	\$1,550,000	(11.5)%
Carryover	368,769	310,000	(15.9)%
Federal Funds	1,840,140	1,276,102	(30.7)%
Revolving Funds	150,000	140,000	(6.7)%
Total	\$4,110,794	\$3,276,102	(20.3)%

V. BUDGET REFERENCES

SB 156, Sections 1 through 7

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$1,295,604	FY-00	\$1,649,688
FY-96	\$1,269,539	FY-01	\$1,940,308
FY-97	\$1,503,318	FY-02	\$2,209,406
FY-98	\$1,733,063	FY-03(Orig.)	\$1,751,885
FY-99	\$1,667,706	FY-04	\$1,550,000

Notes:

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

OFFICE OF HANDICAPPED CONCERNS

Steve Stokes, Director

Agency #326

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$386,278	8.0
a. FY-03 Budget Reduction	(29,145)	
Revised FY-03 Appropriation and FTE Authorization	\$357,133	8.0
FY-04 Adjustments		
b. FY-04 Budget Reduction	(1,133)	
Total Adjustments	(\$1,133)	0.0
FY-04 Appropriation and FTE Authorization	\$356,000	8.0
Percent Change from FY-03 to FY-04	(7.8)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency's FY-04 appropriation represents a further reduction of \$1,133 or 0.32% from the FY-03 adjusted appropriation.

III. POLICY ISSUES

None

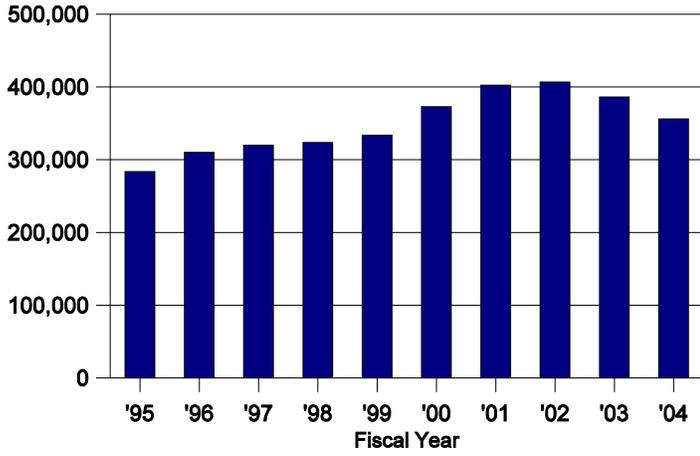
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$386,278	\$356,000	(7.8)%
Federal Funds	120,000	125,000	4.2%
Total	\$506,278	\$481,000	(5.0)%

V. BUDGET REFERENCES

SB 158, Sections 1 through 6

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$283,570	FY-00	\$372,968
FY-96	\$310,126	FY-01	\$402,233
FY-97	\$320,160	FY-02	\$406,608
FY-98	\$323,517	FY-03(Orig.)	\$386,278
FY-99	\$333,870	FY-04	\$356,000

HUMAN RIGHTS COMMISSION

Kenneth Kendricks, Director

Agency #355

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$790,374	28.0
a. FY-03 Budget Reduction	(62,044)	
Revised FY-03 Appropriation and FTE Authorization	\$728,330	28.0
FY-04 Adjustments		
b. FY-04 Budget Reduction	(78,330)	
Total Adjustments	(\$78,330)	0.0
FY-04 Appropriation and FTE Authorization	\$650,000	28.0
Percent Change from FY-03 to FY-04	(17.8)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency's FY-04 appropriation represents a further reduction of \$78,330 or 10.75% from the FY-03 adjusted appropriation.

III. POLICY ISSUES

None

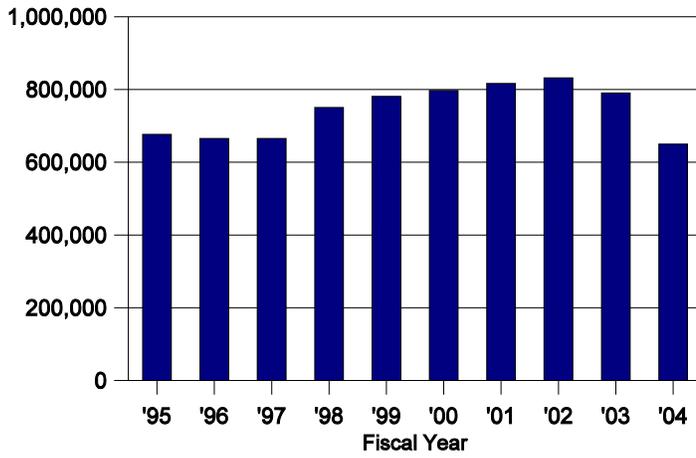
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$790,374	\$650,000	(17.8)%
Federal Funds	559,000	585,000	4.7%
Total	\$1,349,374	\$1,235,000	(8.5)%

V. BUDGET REFERENCES

SB 160, Sections 1 through 6

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$676,634	FY-00	\$797,678
FY-96	\$665,373	FY-01	\$816,753
FY-97	\$665,373	FY-02	\$831,973
FY-98	\$750,543	FY-03(Orig.)	\$790,374
FY-99	\$781,430	FY-04	\$650,000

DEPARTMENT OF HUMAN SERVICES

Howard Hendrick, Director

Agency #830

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$410,923,039	7,864.0
a. FY-03 Budget Reduction	<u>(26,831,423)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$384,091,616	7,864.0
FY-04 Adjustments		
b. Partial Restoration of FY-03 Cuts	1,627,883	
c. Advantage Waiver Rate Adjustment	<u>1,736,120</u>	
Total Adjustments	\$3,364,003	0.0
FY-04 Appropriation and FTE Authorization	\$387,455,619	7,864.0
Percent Change from FY-03 to FY-04	(5.7)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The Legislature restored a portion of the cuts received by the agency due to the FY-03 revenue shortfall.
- c. This funding was transferred from the Subcommittee on Health and Social Services' allocation by the Legislature for continuation in services to Advantage Waiver clients previously served through the State Department of Health.

III. POLICY ISSUES

- a. **HB 1094** requires the Oklahoma Department of Human Services and other state agencies to make staff available to the Oklahoma Partnership for School Readiness Board for consultation and staff support to assist in the implementation of the "Oklahoma Partnership for School Readiness Act" and in the establishment of a foundation to assist in the improvement of funding from various public and private sources for early childhood education programs at the community level.
- b. **HB 1246** transfers \$7,200,000 from DHS to the Oklahoma Health Care Authority. This transfer eliminates the need for further reductions in Medicaid eligibility standards, provider rates, or services provided to Medicaid recipients during FY-03.

- c. **HB 1259** amends Title 10 and expands the conditions used by the court to determine the best interest of a minor child with regard to grandparent visitation rights. This bill also requires the court to consider the importance of continuity of the grandparent in the life of a child over twelve years of age as well as the reasonable preference of the child and the fitness of the parents.
- d. **HB 1323** amends the “Protective Services for Vulnerable Adults Act” by providing explicit authority for the Adult Protective Services staff of the Department of Human Services to access and obtain copies of medical records of clients whose situations are under investigation. Prior to the enactment of this legislation, many medical offices and facilities required DHS employees to obtain court orders before the information could be released.
- e. **HB 1681** amends the “Protective Services for Vulnerable Adults Act” by clarifying language in the Act and providing clearer legal framework for DHS employees regarding the implementation of the Adult Protective Services program. This legislation requires findings of investigations be sent to other agencies, authorize vulnerable adults to prevent notification of certain persons under specific conditions, and modifies procedures to protect vulnerable adults from abuse, neglect, and exploitation.
- f. **SB 431** provides for the assessment of a \$200 per month per child fine against an insurer or an employer that fails to comply with the requirements of the National Medical Support Notice as it relates to health insurance coverage for a child through an insurer of a noncustodial parent, directs that the fines collected be deposited to the Child Support Revenue Enhancement Fund and directs the Department of Human Services to promulgate rules.
- g. **SB 564** eliminates review and approval by the Child Abuse Training and Coordination Council for multi-disciplinary child abuse teams which are initially accredited along with a child advocacy center by the National Children’s Alliance and designates them as a functioning team
- h. **SB 631** amends Title 21 to include new language regarding fines and imprisonment for convicted perpetrators of abuse, sexual abuse, or exploitation of vulnerable adults.

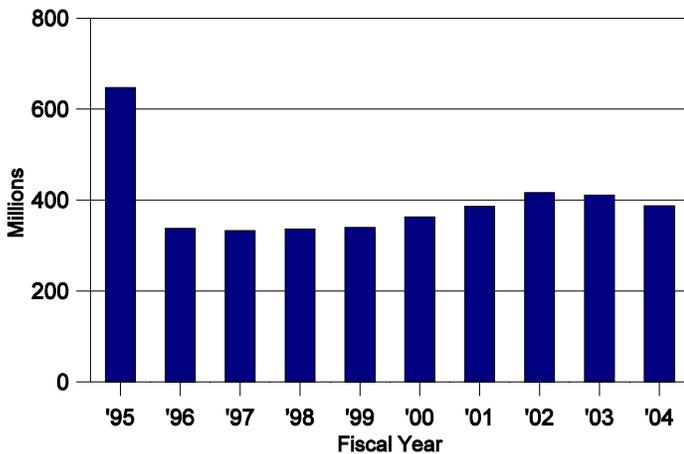
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$341,801,561	\$370,114,629	8.3%
Tobacco Settlement Funds	20,000,000	17,340,990	(13.3)%
Constitutional Reserve Fund	49,121,478	0	(100.0)%
Carryover	35,000,000	30,387,245	(13.2)%
Title XIX and Reimbursements	0	121,807,552	N/A
Federal Funds	915,093,685	805,929,813	(11.9)%
Total	\$1,361,016,724	\$1,345,580,229	(1.1)%

V. BUDGET REFERENCES

Hb 1197, Sections 1 through 11

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$647,288,669	FY-00	\$362,713,658
FY-96	\$337,765,839	FY-01	\$386,227,781
FY-97	\$332,975,784	FY-02	\$416,396,819
FY-98	\$336,227,588	FY-03(Orig.)	\$410,923,039
FY-99	\$339,685,593	FY-04	\$387,455,619

Notes:

1. The decrease in the FY-96 appropriation level is due to the separation of or creation of the following entities from the Department of Human Services: State Department of Rehabilitation Services and the University Hospitals Authority.

INDIAN AFFAIRS COMMISSION

Barbara Warner, Director

Agency #360

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$276,685	405.0
a. FY-03 Budget Reduction	(21,720)	
Revised FY-03 Appropriation and FTE Authorization	\$254,965	405.0
FY-04 Adjustments		
b. FY-04 Budget Reduction	(10,965)	
Total Adjustments	(\$10,965)	0.0
FY-04 Appropriation and FTE Authorization	\$244,000	405.0
Percent Change from FY-03 to FY-04	(11.8)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency’s FY-04 appropriation represents a further reduction of \$10,965 or 4.3% from the FY-03 adjusted appropriations.

III. POLICY ISSUES

None

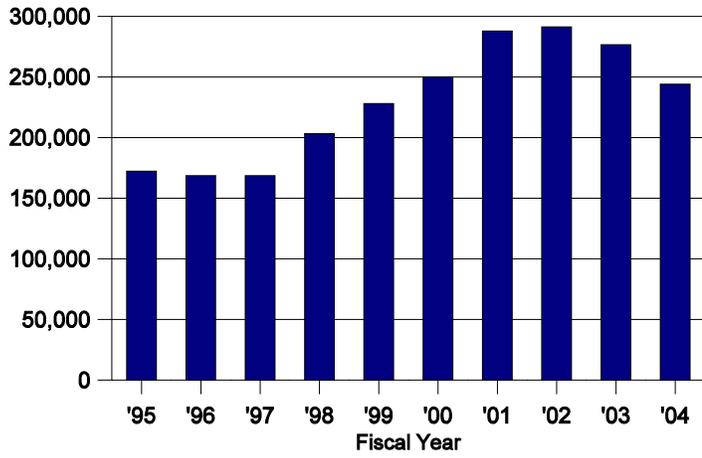
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$276,685	\$244,000	(11.8)%
Carryover	26,000	39,950	53.7%
Revolving Funds	9,000	0	(100.0)%
Total	\$311,685	\$283,950	(8.9)%

V. BUDGET REFERENCES

SB 162, Sections 1 through 7

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$172,262	FY-00	\$250,161
FY-96	\$168,672	FY-01	\$287,843
FY-97	\$168,672	FY-02	\$291,247
FY-98	\$203,302	FY-03(Orig.)	\$276,685
FY-9	\$228,009	FY-04	\$244,000

OFFICE OF JUVENILE AFFAIRS

Richard DeLaughter, Director

Agency #400

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$102,368,528	1,206.5
a. FY-03 Budget Reduction	(8,035,929)	
b. FY-03 Supplemental (SB 188)	<u>100,000</u>	
Revised FY-03 Appropriation and FTE Authorization	\$94,432,599	1,206.5
FY-04 Adjustments		
c. FY-04 Budget Reduction	(6,028,300)	
d. Specialized Community Home Contract	50,000	
e. Southwestern OSU Group Home Contract	22,064	
f. Level E Group Home Contracts	52,304	
g. Regional Secure Detention Center Contracts	71,333	
h. Juvenile Tracking System through CARS*	<u>1,400,000</u>	
Total Adjustments	(\$4,432,599)	0.0
FY-04 Appropriation and FTE Authorization	\$90,000,000	1,206.5
Percent Change from FY-03 to FY-04	(12.1)%	0.0%

** This item was vetoed by the Governor. The Board of Juvenile Affairs voted to use these funds for Prevention and Early Gang Intervention programs.*

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The Legislature provided a supplemental appropriation to postpone the termination of several employees until FY-04.
- c. The agency's budget was further decreased by 6.4% to offset a reduction in revenue certification for FY-04. The Legislature recommended that this reduction be accomplished by completing the Reduction In Force (RIF) planned by the agency, eliminating the Prevention and Early Gang Intervention program contracts, eliminating the Military Mentoring program, and eliminating the STARS contract with the Oklahoma Military Department.

- d. This funding allows for continuation of the contract for the specialized community group home in Grove.
- e. This appropriation partially restores the FY-03 cuts of the Southwestern OSU Group Home contracts.
- f. This funding restores a portion of the cuts to the Level E Group Home contracts during FY-03.
- g. The Legislature appropriated funds to partially restore the FY-03 budget cuts to the Regional Secure Detention Center contracts.
- h. It was the intent of the Legislature that these funds be used by the CARS program to provide a tracking system for juveniles previously served by the STARS program. The Governor vetoed this item contained in Section 2 of HB 1197 stating that the purpose of the veto was to allow the Board of Juvenile Affairs more flexibility in the expenditure of these funds.

III. POLICY ISSUES

- a. **HB 1145** allows counties with populations greater than 500,000 to employ and compensate a doctor to provide medical services for indigent patient care and care for adult and juvenile offenders.
- b. **HB 1259** amends Title 10 and expands the conditions used by the court to determine the best interest of a minor child with regard to grandparent visitation rights. This legislation also requires the court to consider the importance of continuity of the grandparent in the life of a child over twelve years of age as well as the reasonable preference of the child and the fitness of the parents.
- c. **SB 188** provides a supplemental appropriation of \$100,000 for FY-03 to postpone the implementation of the proposed reduction in force plan filed by OJA until FY-04.
- d. **SB 674** amends the “Inpatient Mental Health and Substance Abuse Treatment of Minors Act” by which juveniles can be involuntarily committed to inpatient psychiatric care, makes the process the same for juveniles in voluntary or involuntary cases and allows for an emergency admission of up to five judicial days before a court order is necessary.
- e. **SB 705** authorizes OJA to obtain criminal background checks for employees from the Oklahoma State Bureau of Investigation (OSBI) in lieu of requesting this information from previous states of residence and permits OJA to obtain fingerprint checks on foster parents directly from the OSBI.

V. BUDGET RESOURCES

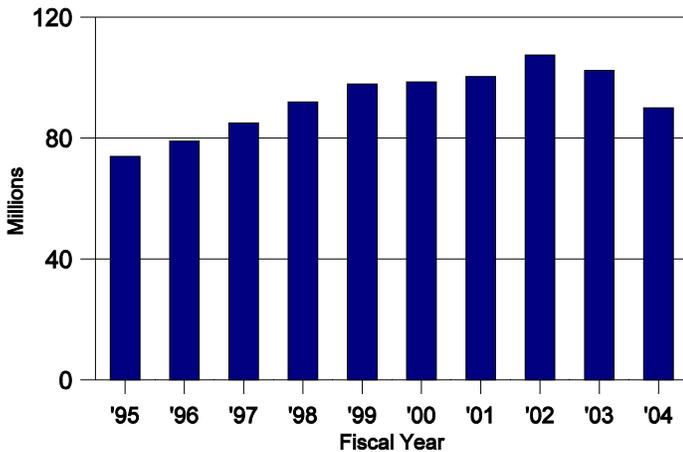
	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$102,368,528	\$90,000,000	(12.1)%
Onetime Transfer from OSDH	250,000	0	N/A
Carryover	1,670,013	510,074	(69.5)%
Federal Funds	18,191,898	16,576,786	(8.9)%
Total	\$122,480,439	\$107,086,860	(12.6)%

V. BUDGET REFERENCES

HB 1199, Sections 1 through 8; SB 188, Sections 1 through 4

Note: The Governor vetoed one item in Section 2 of HB 1199 that designated \$1,400,000 for the tracking of juveniles.

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$73,977,648	FY-00	\$98,610,847
FY-96	\$78,501,069	FY-01	\$100,422,925
FY-97	\$84,776,594	FY-02	\$107,466,872
FY-98	\$92,076,144	FY-03(Orig.)	\$102,368,528
FY-99	\$97,824,095	FY-04	\$90,000,000

DEPARTMENT OF REHABILITATION SERVICES

Linda Parker, Director

Agency #805

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$25,576,817	813.0
a. FY-03 Budget Reduction	<u>(\$2,007,780)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$23,569,037	813.0
FY-04 Adjustments		
b. Debt Service Reserve Reduction	(730,501)	
c. Partial Restoration of FY-03 Cuts	<u>1,911,464</u>	
Total Adjustments	\$1,180,963	0.0
FY-04 Appropriation and FTE Authorization	\$24,750,000	813.0
Percent Change from FY-03 to FY-04	(3.2)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%
- b. The Legislature agreed to eliminate the debt service reserves for a number of bonds and replace that reserve amount with an insurance policy of equal value payable to the entities issuing the bonds.
- c. The Legislature made adjustments to the FY-04 appropriation of this agency equaling \$1,180,963 to restore a portion of the FY-03 cuts. It is the intent of the Legislature that \$497,460 be used for Vocational Rehabilitation and Visual Services, \$234,597 be spent for the Oklahoma School for the Blind, and \$448,906 be spent for the Oklahoma School for the Deaf.

III. POLICY ISSUES

- a. **HB 1415** authorizes the teachers at the Oklahoma School for the Blind and the Oklahoma School for the Deaf to have many of the same rights and privileges afforded to public school teachers. This legislation directs the Commission for Rehabilitation Services to adopt administrative rules regarding teacher evaluation policies, grievance procedures, professional development and sets a minimum salary schedule for instructional and administrative personnel at these schools. HB 1415 also amends the "Oklahoma Personnel Act" by modifying the categories of certain employees of these schools.

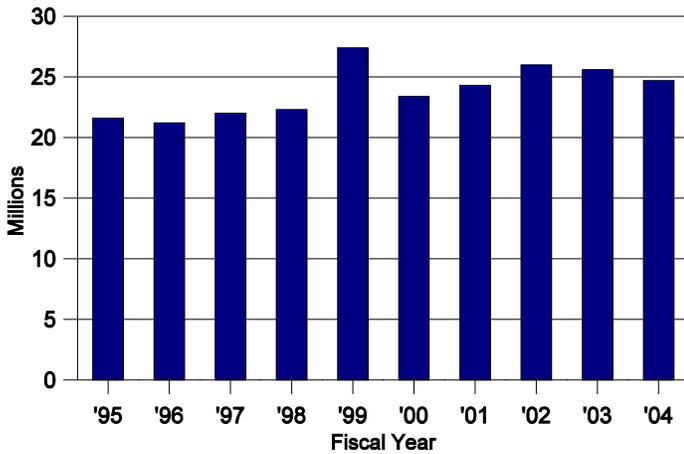
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$25,576,817	\$24,750,000	(3.2)%
Federal Funds	85,673,183	80,750,000	(5.7)%
Total	\$111,250,000	\$105,500,000	(5.2)%

V. BUDGET REFERENCES

HB 1200, Sections 1 through 10

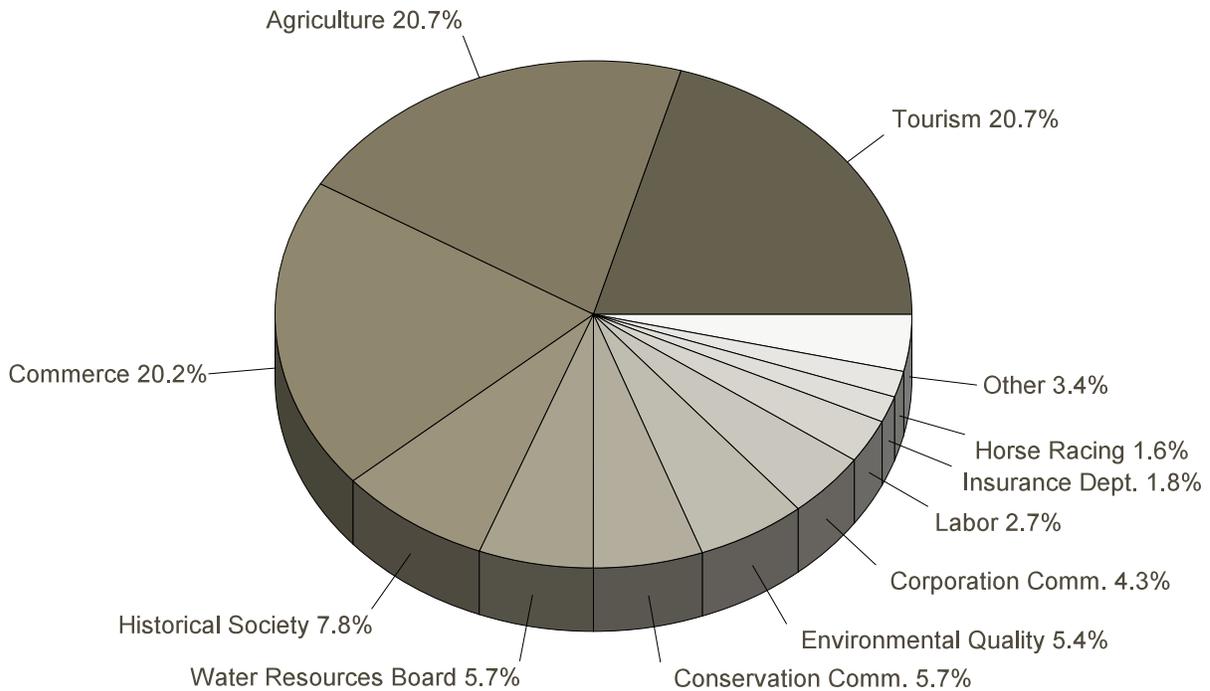
VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$21,627,399	FY-00	\$23,403,864
FY-96	\$21,218,385	FY-01	\$24,283,206
FY-97	\$21,895,133	FY-02	\$25,953,544
FY-98	\$22,774,247	FY-03(Orig.)	\$25,576,817
FY-99	\$27,398,751	FY-04	\$24,750,000

NATURAL RESOURCES AND REGULATORY SERVICES SUBCOMMITTEE

DISTRIBUTION OF FY-04 APPROPRIATIONS



Tourism and Recreation	\$22,616,482
Agriculture Department	22,610,776
Commerce Department	22,008,606
Historical Society	8,537,394
Water Resources Board	6,228,494
Conservation Commission	6,220,557
Dept. of Environmental Quality	5,928,921
Corporation Commission	4,736,959
Department of Labor	2,958,570
Insurance Department	2,072,157
Horse Racing Commission	1,761,748
Other	
Will Rogers Memorial Commission	792,798
Department of Mines	722,124
Commission on Consumer Credit	602,747
Centennial Commission	526,503
Securities Commission	501,088
J. M. Davis Memorial Comm.	299,604
Scenic Rivers Commission	<u>258,156</u>
Subcommittee Total	\$109,383,684

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

DEPARTMENT OF AGRICULTURE, FOOD AND FORESTRY

Terry Peach, Commissioner

Agency #040

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$29,648,837	515.0
a. FY-03 Budget Reduction	<u>(1,934,935)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$27,713,902	515.0
FY-04 Adjustments		
b. OCIA Bond Payment Changes	(361,258)	
c. Eliminate FY-03 Funding Increases	(4,287,554)	
d. Operational Reductions	(2,558,314)	
e. Operational Adjustments	<u>2,104,000</u>	
Total Adjustments	(\$5,103,126)	0.0
FY-04 Appropriation and FTE Authorization	\$22,610,776	515.0
Percent Change from FY-03 to FY-04	(23.7)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The Oklahoma Capital Improvement Board refinanced the bond reserve fund of the 1999 bonds related to the Boll Weevil program. The Department's appropriation was reduced by the realized savings.
- c. All increased appropriations provided for FY-03 were removed from the Department's base funding level.
- d. The following table shows the operational reductions to the Department's FY-04 appropriation:

<u>Operational Reductions:</u>	<u>Amounts</u>
• Reduction in Force (16.6 Positions)	(\$659,393)
• Reduce Rural Fire Equipment Purchase Program	(45,000)
• Reduce Rural Fire Vehicle Purchase Program	(145,000)
• Reduce Fire Training Center Construction Funds	(60,690)
• Reduce Rural Fire 80/20 Grant Match Program	(200,000)

<u>Operational Reductions:</u>	<u>Amounts</u>
• Suspend Funding for Volunteer Fire Fighter Retirement Program	(50,000)
• Reduce Professional Service Contracts	(302,333)
• Reduce Appropriation by Pesticide Fee Increase (SB 606)	(540,000)
• Reduce Poultry Line Item	(155,744)
• Suspend Ag Enhancement and Diversification Program	(250,000)
• Reduce Rural Enterprises Inc. Line Item	(34,127)
• Suspend Wheat Root Rot Research Program	(20,645)
• Suspend Peanut Pod Rot Research Program	(35,000)
• Reduce Ag Mediation Program	(15,173)
• Reduce IFMAPS Program	(26,965)
• Reduce OSU Animal Diagnostic Lab	(7,426)
• Reduce Minority Farm Outreach Program (REAP)	<u>(10,818)</u>
Total Reductions	(\$2,558,314)

e. After adjusting for FY-03 operational reductions, the following funds were added to the Department's FY-04 appropriation:

<u>Operational Adjustments:</u>	<u>Amounts</u>
• Offset Administrative Losses to Limit Reductions in Force	\$1,000,000
• Agency Risk Management Payment	135,000
• Agency Workers Compensation Increases	90,000
• Program for Pesticide Disposal Program (SB 606)	100,000
• Langston University Agriculture Program	150,000
• Arabian Horse Show	60,000
• Youth Exposition FFA Scholarship Program	50,000
• Made In Oklahoma Program	250,000
• Market and Development Program	100,000
• Volunteer Fire Fighter Workers Compensation	<u>169,000</u>
Total Adjustments	\$2,104,000

III. POLICY ISSUES

- a. The Legislature removed \$800,000 from the 80/20 rural fire protection matching grant program and allowed the Department to use the funds for operations. When combined with the \$1 million operation adjustment, the Legislature provided \$1.8 million to offset operating losses. The Department continues to maintain that the budget is short by \$1.2 million to \$1.9 million due to various internal problems and claims this shortage may result in additional reductions in force.

The internal funding difficulties are a result of the declining General Revenue Fund collections during FY-02 and FY-03 requiring mid-year budget cuts. The combined losses for the agency from the two GR allocations reductions were \$2,875,694. According to the Department, increases in insurance costs combined with a growing payroll and a failure to address declining general revenue through long term solutions contributed to its budget problems.

As previously mentioned, the FY-04 appropriation included a reduction in force of 16.6 positions. The Department indicates that the number may increase to between 40 and 60 positions. Any reduction in force may be offset by the voluntary retirement of employees who are eligible to, but have not, retired. The Department estimates that there are 59 such employees within the agency although it has no indication who will voluntarily retire or how much may be saved.

- b. **HB 1101** requires state agencies to offer unclassified state employees with one year or more of continuous service the same severance package as classified if the unclassified employees' separation is due to a reduction in force. This bill, along with SB 196, also adds 18 Agricultural Marketing Coordinator III positions and one Mammal Control Officer position to the Department's list of employees who may be in the unclassified service.
- c. **HB 1535** amends the Organic Food Act by authorizing the Department of Agriculture to establish a certification program and associated fees related to organic agricultural products. The bill also extends the Oklahoma Ethanol Development Advisory Committee to 2006 from 2003 and clarifies Board of Agriculture appointments.
- d. **SB 150** allows for consultation between the Secretary of the Environment and the Secretary of Agriculture as it relates to the disbursement of federal environmental grant funds.
- e. **SB 606** increases the annual registration fee for pesticides from \$100 to \$160 and creates a \$100,000 "unwanted pesticide disposal" program. The pesticide fee increase is expected to generate \$540,000 per year. The Department was instructed to use the increased fee income to offset its FY-04 appropriation reductions.
- f. The State Regents for Higher Education decreased its fire training service budget for FY-04 by 55% from \$1.1 million to \$502,273. The cut will impact training programs for volunteer firefighters throughout the state. The Regents report that a portion of the federal homeland security grants to the State may be available to replace the cuts.

IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$28,286,201	\$17,610,776	(37.7)%
Special Cash	1,362,635	5,000,000	266.9%
Revolving and Carryover Funds	7,534,707	7,814,169	3.7%
Federal Funds	5,838,716	5,838,716	0.0%
Total	\$43,022,259	\$36,263,661	(15.7)%

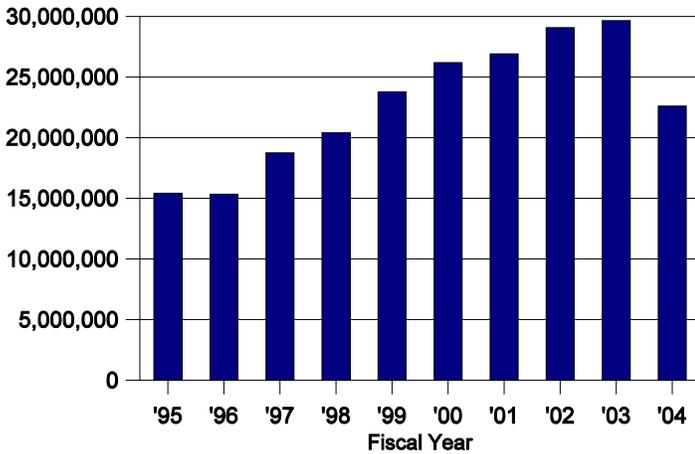
Note:

Federal funds received by the agency are deposited into the agency revolving fund.

V. BUDGET REFERENCES

HB 1201

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$15,421,137	FY-00	\$26,194,047
FY-96	\$15,343,176	FY-01	\$26,908,940
FY-97	\$18,752,231	FY-02	\$29,076,961
FY-98	\$20,046,235	FY-03(Orig.)	\$29,648,836
FY-99	\$23,772,700	FY-04	\$22,610,776

Notes:

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

STATE BANKING COMMISSION

Mick Thompson, Commissioner

Agency #065

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$3,107,821	46.0
a. FY-03 Budget Reduction	(243,964)	
Revised FY-03 Appropriation and FTE Authorization	\$2,863,857	46.0
FY-04 Adjustments		
b. Eliminate FY-04 Appropriations	(2,863,857)	(46.0)
Total Adjustments	(\$2,863,857)	(46.0)
FY-04 Appropriation and FTE Authorization	\$0	0.0
Percent Change from FY-03 to FY-04	(100.0)%	-100.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The State Banking Department was converted to a non-appropriated state agency for FY-04. As a result, the General Revenue appropriation was eliminated.

III. POLICY ISSUES

- a. **HB 1202**, the appropriation bill for the State Banking Department, includes the following provisions in order to make the Department a non-appropriated state agency:
 - Requires the Oklahoma State Banking Commissioner to deposit \$1,050,000 into the General Revenue Fund no later than March 1, 2004. The deposit is equal to the loss in state general revenue funds based on what the Department would have been appropriated for FY-04 (\$2.55 million) as compared to certified deposits into the state general revenue fund for FY-04 (\$3.6 million).
 - Authorizes the State Banking Commissioner to promulgate emergency rules related to fees and assessments created by the act.
 - Authorizes the State Banking Board to establish the State Banking Commissioner salary within limits established by the Legislature.

- Increases the bank or trust company annual fee from \$500 to \$1,000. The change will impact 180 state chartered bank and ten trust companies and generate approximately \$95,000 of fee income.
 - Establishes the credit union annual fee of \$1,000 in statutes. The fee is currently included in agency rules.
 - Deposits bank, credit union and savings and loan association assessments into the State Banking Department Revolving Fund and authorizes the Department to charge and collect special assessments.
 - Effective January 1, 2005, requires the State Banking Department to deposit 20% of gross revenues from the assessment into the State General Revenue Fund in lieu of the 10% required by Section 211 of Title 62 of the Oklahoma Statutes. The deposits will be approximately \$720,400 per year based on current assessment collections.
- b. **HB 1254**, which relates to the director salary and FTE limits for non-appropriated state agencies, establishes an FTE limit for the Department of 46.0 and a Commissioner salary limit of \$110,000 per year. Both limits are unchanged from FY-03.

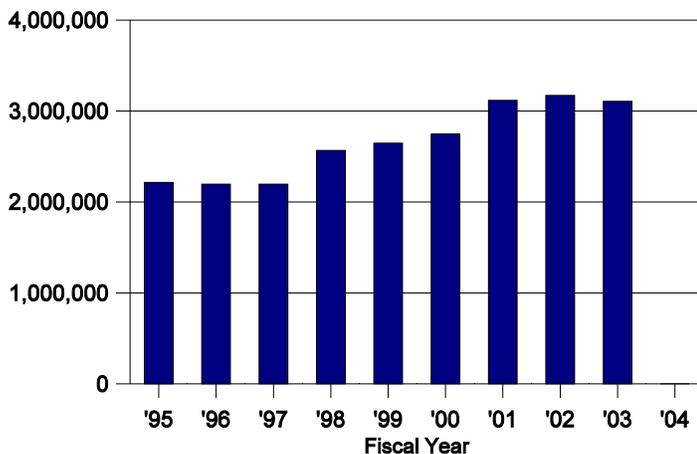
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$3,107,821	\$0	(100.0)%
Revolving Funds	505,710	0	(100.0)%
Total	\$3,613,531	\$0	(100.0)%

V. BUDGET REFERENCES

HB 1202

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$2,215,869	FY-00	\$2,746,546
FY-96	\$2,196,379	FY-01	\$3,118,816
FY-97	\$2,196,379	FY-02	\$3,171,246
FY-98	\$2,567,183	FY-03(Orig.)	\$3,107,821
FY-99	\$2,646,501	FY-04	\$0

CAPITOL COMPLEX AND CENTENNIAL COMMISSION

J. Blake Wade, Executive Director

Agency #007

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$640,904	12.0
a. FY-03 Budget Reduction	<u>(50,311)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$590,593	12.0
FY-04 Adjustments		
b. Eliminate Two Positions through Volunteer Retirements or Reduction in Force	<u>(64,090)</u>	<u>0.0</u>
Total Adjustments	(\$64,090)	0.0
FY-04 Appropriation and FTE Authorization	\$526,503	12.0
Percent Change from FY-03 to FY-04	(17.9)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency will meet its FY-04 appropriation level by eliminating two funded positions.

III. POLICY ISSUES

None

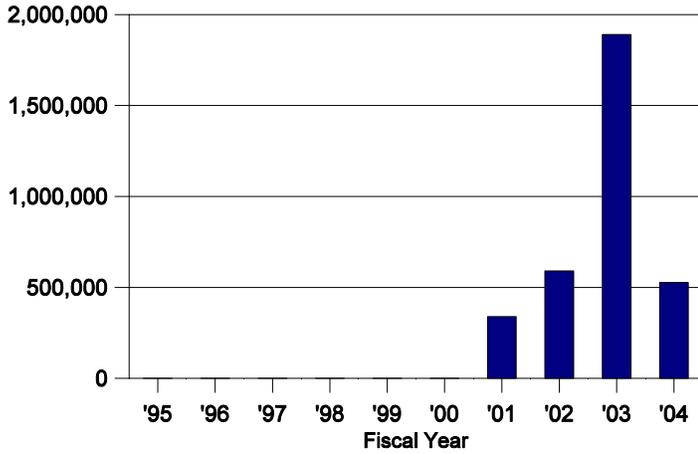
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$640,904	\$526,503	(17.9)%
Constitutional Reserve Fund	1,250,000	0	(100.0)%
Revolving Funds	74,000	45,000	(39.2)%
Total	\$1,964,904	\$571,503	(70.9)%

V. BUDGET REFERENCES

SB 114

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	N/A	FY-00	N/A
FY-96	N/A	FY-01	\$340,000
FY-97	N/A	FY-02	\$590,904
FY-98	N/A	FY-03(Orig.)	\$1,890,904
FY-99	N/A	FY-04	\$526,503

Notes:

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

DEPARTMENT OF COMMERCE

Kathy Taylor, Executive Director

Agency #160

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$30,241,666	185.0
a. FY-03 Budget Reduction	<u>(1,874,770)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$28,366,896	185.0
FY-04 Adjustments		
b. Remove FY-03 Appropriation Increases	(10,658,176)	
c. OCIA Bond Payment Changes	(95,000)	
d. Operational Reductions	(1,603,925)	
e. Operational Adjustments	<u>5,998,811</u>	
Total Adjustments	(\$6,358,290)	0.0
FY-04 Appropriation and FTE Authorization	\$22,008,606	185.0
Percent Change from FY-03 to FY-04	(27.2)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. All increased appropriations provided to the Department for FY-03 were removed from the Department's base funding level.
- c. The Oklahoma Capital Improvement Board refinanced the bond reserve fund of the 1996 bonds related to the purchase of the Department of Commerce building. The Department's appropriation was reduced by realized savings.
- d. The following table shows the operational reductions for both the Department's FY-03 general revenue allocation decrease and FY-04 appropriation amounts:

<u>Operational Reductions:</u>	<u>Amounts</u>
• Suspend Housing Trust Fund	(\$1,000,000)
• Suspend SEEDS Program	(212,225)
• General Operations Reductions and Reorganization (Includes Volunteer Retirement and Reduction in Force of 23 Positions)	(\$1,346,008)

<u>Operational Reductions:</u>	<u>Amounts</u>
• Community Action Agency Reductions	(93,888)
• Head Start Program and Administrative Reductions	(441,430)
• Substate Planning Economic Development Match	(55,396)
• Pass Through Reductions	<u>(329,748)</u>
Total Reductions	(\$3,478,695)

- e. After adjusting for FY-03 operational reductions, the following funds were added to the Department's FY-04 appropriation:

<u>Operational Adjustments:</u>	<u>Amounts</u>
• Quality Awards Foundation	\$50,000
• Community Action Agency Enterprise Zone Program	\$500,000
• Substate Planning Districts, Partial Restoration of Cuts	4,466,858
• Rural Enterprises Inc., Partial Restoration of Cuts	\$37,258
• Native American Cultural Authority Bond Payment	\$101,696
• Restore Substate Planning District Match Funds Cuts and Increase Amount from \$446,745 to \$550,000	\$158,558
• Other Operational Adjustments	\$80,000
• OSU Small Manufacturing Program	\$300,000
• Capital Improvement Planning Program	<u>\$304,441</u>
Total Adjustment	\$5,998,811

III. POLICY ISSUES

- a. **HB 1396** creates a seven member Strategic Military Planning Commission. Five of the members are appointed by the Governor and two are legislative. The bill requires the Commission to make annual comprehensive reports of its findings concerning the various Oklahoma military bases to the Speaker, Governor and President Pro Tempore of the Senate no later than December 31 of each year.

- b. **HB 1397** creates a revolving fund within the Oklahoma Department of Commerce for the Strategic Military Planning Commission. Bill provisions limit expenditures of the Fund to units of local government, require that the local governments demonstrate that they may be impacted by a military base or facility realignment, require the Commission to develop a plan to expend funds, and provide that the incentive funds be matched with local funds.
- c. **SB 73** authorizes the Oklahoma Capitol Improvement Authority to issue up to \$33 million of bonds for the completion of the Native American Cultural Authority. From FY-04 through FY-07 the debt service payments are to be made from the leasing of the property to outside sources. Beginning in FY-08 and for each fiscal year thereafter the debt service will be appropriated by the Legislature as lease payments from the State.
- d. **SB 126**, Section 9, reappropriates and redesignated \$192,428 from the Department of Public Safety to the Department of Commerce for economic development projects administered through the substate planning districts.
- e. **SB 138**, Section 3, appropriates \$1.5 million to the Office of State Finance for the Military Planning Commission Incentive Fund which is administered by the Department of Commerce.
- f. **SB 439** creates the International Trade Processing Center and Authority. The bill also authorizes government entities to lease, lend, grant or convey any property to an international trade authority under certain conditions and within certain limitations. The bill authorizes the Department of Commerce to aid an international trade processing authority in developing a trade processing center.
- g. **SB 675** eliminates the Cabinet Secretary for Tourism and Recreation and combines it with that of the Cabinet Secretary of Commerce.
- h. The Native American Cultural Authority was appropriated \$101,696 for its FY-04 OCIA Bond payment. After the Legislature adjourned the Authority was notified that it had to pay \$223,528. The Authority will have to absorb the \$121,832 through its other appropriations and carryover funds. The Authority was appropriated \$475,000 for its FY-04 operating budget and ended FY-03 with a revolving fund cash balance of \$335,893.

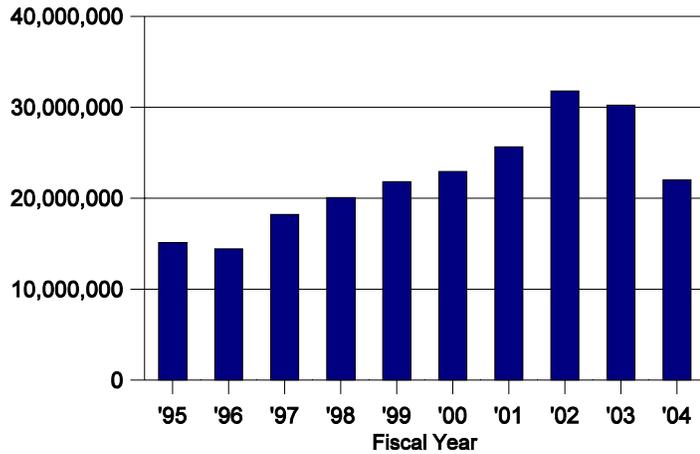
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$29,762,513	\$22,008,606	(26.1)%
Special Cash	479,153	0	(100.0)%
Reappropriation and Redesignation	0	192,428	N/A
Revolving and Carryover Funds	2,488,257	2,660,135	6.9%
Federal Funds	45,769,234	43,018,815	(6.0)%
Total	\$78,499,157	\$67,879,984	(13.5)%

V. BUDGET REFERENCES

SB 126

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$15,122,203	FY-00	\$22,934,902
FY-96	\$14,450,472	FY-01	\$25,653,941
FY-97	\$18,203,600	FY-02	\$31,175,324
FY-98	\$20,070,376	FY-03(Orig.)	\$30,241,666
FY-99	\$21,830,694	FY-04	\$22,008,606

Notes:

1. FY-97 includes increases for Commerce operations and the Head Start Program.
2. The FY-02 figure reflects an increase in community development programs.

CONSERVATION COMMISSION

Mike Thralls, Executive Director

Agency #645

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$7,287,094	17.0
a. FY-03 Budget Reduction	<u>(572,037)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$6,715,057	17.0
FY-04 Adjustments		
b. Operational Reductions	(769,500)	
c. Operational Adjustments	275,000	
d. FTE Adjustment (SB 148, Section 4 and SB 149)		<u>45.0</u>
Total Adjustments	(\$494,500)	45.0
FY-04 Appropriation and FTE Authorization	\$6,220,557	62.0
Percent Change from FY-03 to FY-04	(14.6)%	264.7%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The following table shows the operational reductions for the Commission's FY-04 appropriation:

<u>Operational Reductions:</u>	<u>Amounts</u>
• Reduction of Data Processing and GIS Equipment and Supply Purchases	(\$38,500)
• Reduction of Attorney General Contract	(40,000)
• Reduction of Watershed Operations and Maintenance	(140,000)
• Suspend Operating Funds to Districts with Cash Assets Above \$25,000	(186,000)

<u>Operational Reductions:</u>	<u>Amounts</u>
• Offset Reduction of State Funds with Increase in Federal Grant Funds	(65,000)
• Redesignate Cost Share Reserve Funds for Administration	<u>(300,000)</u>
Total Reductions	(\$769,500)

- c. After adjusting for FY-03 operational reductions, the following funds were added to the agency's FY-04 appropriation:

<u>Operational Adjustments:</u>	<u>Amounts</u>
• Conservation District Secretaries	\$175,000
• Conservation District Liability Insurance	<u>100,000</u>
Total Adjustments	\$275,000

- d. **SB 148**, Section 4 and **SB 149** transfers approximately 37 full-time and 11 part-time employees from local conservation district employment to state employment status within the Conservation Commission. The employees had been added as local district employees over the years to administer various state and federal grant programs but were actually supervised by the Conservation Commission's central office staff. SB 149 will allow the employees to continue to receive their longevity benefits without a disruption in years of service.

Due to the change from local district employment to state employment the employees will receive an increase under the Flexible Benefit Allowance. The cost to shift the employees to the Commission payroll is estimated to be \$68,906. Of that amount, \$53,804 will be absorbed through federal grant funds and \$15,102 will be absorbed through state cost share and other program funds.

To avoid morale problems at the local district level, the Commission will also raise the Flexible Benefit Allowance for all Conservation District employees from \$187.18 per month at the local district level to \$319.51 per month as provided for by the State. The Commission will use federal grant funds and Cost Share carryover funds to pay for this change.

Under State law (Section 1363 (15) of Title 74 of the Oklahoma Statutes), local conservation districts are specifically excluded from the definition of "participating employer" for the purpose of participating in the State Flexible Benefit Allowance. Sections 1315, 1342 and 1348 of Title 74, however, allow each district to establish their own allowance and maintain their own flexible benefit program. According to the Commission, funding constraints forced the local conservation districts to keep their benefit allowance at \$187.18 per month per employee. By providing the funding necessary to increase the flexible benefit allowance each district employee will receive the same benefit allowance as state employees.

III. POLICY ISSUES

- a. **SB 155** allocated a portion of the gross production tax deposited into the Rural Economic Development Program (REAP) to the Conservation Commission. The funds are allocated for the following programs:

<u>Program Description</u>	<u>Amounts</u>
• Conservation Cost Share	\$500,000
• State Match for Federal 319 Nonpoint Source Pollution Clean Lakes Program (Wister Lake)	160,000
• State Match for Small Watershed Rehabilitation Program	500,000
• Conservation District Equipment	<u>100,000</u>
Total Adjustments	\$1,260,000

- b. Pursuant to the FY-04 appropriation as detailed in the previous section, the following Conservation Districts may not receive \$3,000 in operating funds from the state based on their cash assets, which were in excess of \$25,000 in 2002:

Conservation Districts With Cash Assets Above \$25,000 in 2002:

- | | | |
|------------------------|------------------------|-------------------|
| • Adair County | • Grady County | • North Caddo |
| • Alfalfa County | • Grant County | • Nowata County |
| • Arbuckle | • Greer County | • Okmulgee County |
| • Beaver County | • Harmon County | • Osage County |
| • Bryan | • Harper County | • Ottawa County |
| • Cherokee County | • Haskell County | • Pawnee County |
| • Cimarron County | • Jackson County | • Payne County |
| • Coal County | • Jefferson County | • Pontotoc County |
| • Cotton County | • Kay County | • Rogers County |
| • Craig County | • Latimer County | • Shawnee |
| • Custer County | • Little River | • Stephens County |
| • Deer Creek | • Logan County | • Talihina |
| • Delaware County | • Love County | • Texas County |
| • Dewey County | • Major County | • Upper Washita |
| • East Canadian County | • McClain County | • Washita County |
| • East Woods County | • Mountain View | • West Caddo |
| • Ellis County | • N. Fork of Red River | • Woods County |
| • Garfield County | • Noble County | • Woodward County |
| • Garvin | | |

V. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$7,287,094	\$6,220,557	(14.6)%
REAP Fund from Gross Production Tax	2,122,000	1,260,000	(40.6)%
Revolving and Carryover Funds	1,488,163	1,680,000	12.9%
Federal Funds	7,459,838	16,754,939	124.6%
Total	\$18,357,095	\$25,915,496	41.2%

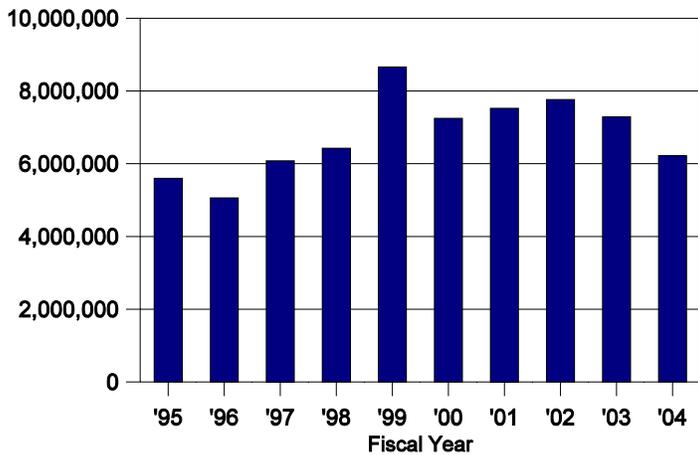
Note:

FY-03 includes funds for Tar Creek cleanup and carryover from various FY-02 projects.

V. BUDGET REFERENCES

SB 148

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$5,596,347	FY-00	\$7,246,731
FY-96	\$5,059,032	FY-01	\$7,522,104
FY-97	\$6,081,236	FY-02	\$7,764,094
FY-98	\$6,425,381	FY-03(Orig.)	\$7,287,094
FY-99	\$8,663,416	FY-04	\$6,220,557

Notes:

1. FY-95 figure includes Rainy Day Fund appropriation for Watershed Safety.
2. FY-99 figure includes Rainy Day Fund appropriation for cost share program.
3. FY-00 figure does not include \$500,000 Rainy Day Fund appropriation transfer for cost share program.

COMMISSION ON CONSUMER CREDIT

Don Hardin, Administrator

Agency #635

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$733,716	16.0
a. FY-03 Budget Reduction	<u>(57,597)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$676,119	16.0
FY-04 Adjustments		
b. Increase Use of Revolving Funds	(33,651)	
c. Savings from Retirement	<u>(39,721)</u>	
Total Adjustments	(\$73,372)	0.0
FY-04 Appropriation and FTE Authorization	\$602,747	16.0
Percent Change from FY-03 to FY-04	(17.9)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The Commission will offset a portion of its FY-04 cut with increased use of its Mortgage Brokers Recovery Fund. As of May 31, 2003 the Fund balance was \$235,780.
- c. The Commission will maintain a vacant position through FY-04 created after the retirement of one staff member.

III. POLICY ISSUES

- a. **SB 583** creates the Deferred Deposit Lending Act. Bill provisions create a licensing program for deferred deposit lenders along with other limitations and criteria for making deferred deposit loans. The bill requires the Administrator of Consumer Credit to maintain a list of approved consumer credit counselors. SB 583 authorizes the Administrator of Consumer Credit to receive and act on complaints, to provide counseling and to provide an additional study of the program.

The bill also creates new licensing fees for deferred deposit lender licenses which include: application and renewal fees of \$250; annual examination fee of \$300; investigation fee of \$500; first license renewal fee \$250; and an annual license renewal fee for applications with more than one location of \$250 per location. Bill provisions create a revolving fund within the Department of Consumer Credit to administer the program.

Finally, SB 583 exempts supervised lenders and pawnbrokers, banks and other lending institutions. As a result of the exemptions, the Department of Consumer Credit cannot determine how many entities will be licensed under the provisions of the bill because all lenders currently operating in the state will be exempt from the regulations established by the bill.

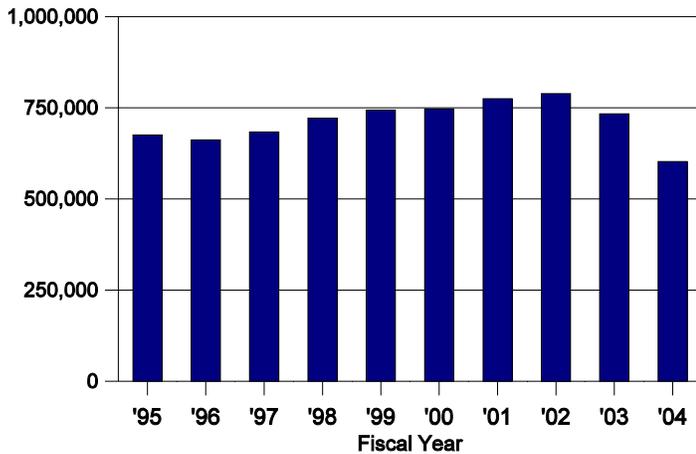
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$733,716	\$602,747	(17.9)%
Revolving and Carryover Funds	156,408	222,871	42.5%
Total	\$890,124	\$825,618	(7.2)%

V. BUDGET REFERENCES

HB 1206

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$675,652	FY-00	\$747,090
FY-96	\$662,013	FY-01	\$774,670
FY-97	\$683,795	FY-02	\$788,942
FY-98	\$721,791	FY-03(Orig.)	\$733,716
FY-99	\$743,934	FY-04	\$602,747

CORPORATION COMMISSION

Denise Bode, Chairman

Agency #185

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$9,735,621	453.0
a. FY-03 Budget Reduction	<u>(764,246)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$8,971,375	453.0
FY-04 Adjustments		
b. Shift General Revenue Appropriations to Rural Economic Action Plan (REAP) Gross Production Tax	(3,260,854)	
c. Reorganization of Agency	<u>(973,562)</u>	
Total Adjustments	(\$4,234,416)	0.0
FY-04 Appropriation and FTE Authorization	\$4,736,959	453.0
Percent Change from FY-03 to FY-04	(51.3)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. **HB 1207**, Section 2, provides the Corporation Commission with access to \$3,260,854 of the Gross Production Tax collections currently being deposited into the Rural Economic Action Plan Water Projects Fund. The Commission’s appropriation of \$7.9 million includes the \$3.26 million of Gross Production Tax collections.
- c. The Commission will offset its FY-04 cut with the implementation of a reorganization plan that will result in a reduction in force or early retirement of 45 positions and maintenance of seven vacant but funded positions. The Commission paid each employee 70% of one week’s pay for each year of service, a lump sum payment of \$3,500, longevity, 18 months of health insurance, FICA and unemployment. The up-front cost to eliminate the 45 positions was \$1,420,616. The annual savings is \$2,357,356.

III. POLICY ISSUES

- a. **HB 1207**, Section 4, requires the Commission to spend at least \$225,000 on the Tulsa Field Office. Section 5 of the bill requires the Commission to continue to operate four existing oil and gas division field offices.

- b. **HB 1207**, Sections 6 and 7, authorize the Commission to access up to 10% of the Mineral Owners Escrow Fund for administration. The change will increase the amount the Commission can access for administration from \$45,000 per year to approximately \$100,000.

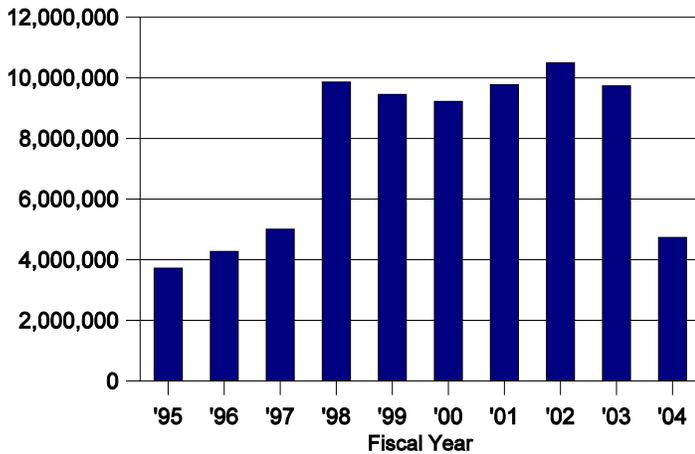
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$9,735,621	\$4,736,959	(51.3)%
Gross Production Tax REAP Fund	0	3,260,854	N/A
Revolving and Carryover Funds	17,277,200	17,356,632	0.5%
Federal Funds	895,419	1,163,349	29.9%
Total	\$27,908,240	\$26,517,794	(5.0)%

V. BUDGET REFERENCES

HB 1207

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$3,721,188	FY-00	\$9,222,199
FY-96	\$4,271,557	FY-01	\$9,773,537
FY-97	\$5,009,636	FY-02	\$10,502,244
FY-98	\$9,859,093	FY-03(Orig.)	\$9,735,621
FY-99	\$9,455,793	FY-04	\$4,736,959

Note:

1. FY-98 appropriation increase is due to a General Revenue appropriation which replaced the abolished Conservation Revolving Fund.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Steven Thompson, Executive Director

Agency #292

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$7,460,880	572.0
a. FY-03 Budget Reduction	<u>(585,679)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$6,875,201	572.0
FY-04 Adjustments		
b. Operational Reductions	<u>(946,280)</u>	<u>(1.0)</u>
Total Adjustments	<u>(\$946,280)</u>	<u>(1.0)</u>
FY-04 Appropriation and FTE Authorization	\$5,928,921	571.0
Percent Change from FY-03 to FY-04	(20.5)%	(0.2)%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The following table shows the operational reductions to the Department’s FY-04 appropriation:

<u>Operational Reductions</u>	<u>Amounts</u>
• Rural Water Association Contract Adjustment (\$68,000 of the amount displayed was shifted to the REAP Gross Production Tax for the Association, SB 155)	(\$100,000)
• Solid Waste Contract for Landfill Gas Incentive Payment	(200,000)
• Local Assistance Engineering Contracts (Elimination)	(65,000)
• Solid Waste Research Institute - Tahlequah (Elimination)	(55,000)
• Solid Waste Contract for Land Restoration with Conservation Commission	(105,000)
• Solid Waste Recycling Equipment for Local Government	(50,000)
• Solid Waste Community Based Environmental Project Reductions	(100,000)
• Association of County Commissioners Solid Waste Program Reduction (Green Boxes, Trash Cops)	(100,000)

- Employee Attrition (71,280)
 - Use of Solid Waste Fee for Oklahoma City and Tulsa City County Environmental Employees (100,000)
- Total Reductions (946,280)**

III. POLICY ISSUES

None

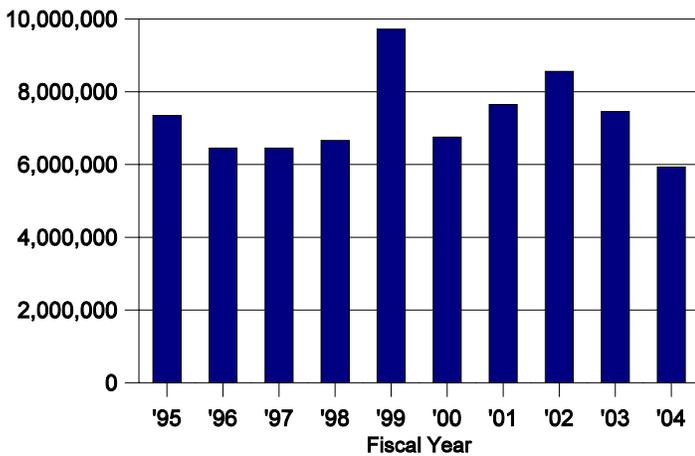
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$7,460,880	\$5,928,921	(20.5)%
Revolving and Carryover Funds	19,442,616	19,426,000	(0.1)%
Federal Funds	14,029,432	14,030,000	0.0%
Total	\$40,932,928	\$39,384,921	(3.8)%

V. BUDGET REFERENCES

HB 1208

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$7,347,730	FY-00	\$6,756,370
FY-96	\$6,450,577	FY-01	\$7,651,276
FY-97	\$6,450,577	FY-02	\$8,556,880
FY-98	\$6,664,675	FY-03(Orig.)	\$7,460,880
FY-99	\$9,725,613	FY-04	\$5,928,921

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.

OKLAHOMA HISTORICAL SOCIETY

Dr. Bob Blackburn, Executive Director

Agency #350

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$10,515,233	168.0
a. FY-03 Budget Reduction	<u>(825,447)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$9,689,786	168.0
FY-04 Adjustments		
b. Remove Onetimes from FY-03	(236,000)	
c. OCIA Bond Payment Changes	(1,131,076)	
d. Replace General Revenue Failure and Budget Cuts Applied to OCIA Bond Payments	558,260	
e. Eliminate Vacant Positions and Implement a Reduction in Force	(500,963)	
f. Pass-Through Contract Adjustments	<u>157,387</u>	
Total Adjustments	(\$1,152,392)	0.0
FY-04 Appropriation and FTE Authorization	\$8,537,394	168.0
Percent Change from FY-03 to FY-04	(18.8)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. Onetime appropriations from FY-03 were removed from the agency’s base. The appropriations included matching funds for the Chisolmn Trail Museum (\$100,000), the Governor’s bust (\$17,000), roof repairs at the State Capitol Publishing Company Museum (\$22,000), Anadarko Indian Expo (\$22,000), Higher Education Hall of Fame (\$25,000), City of Choctaw Veterans Museum (\$50,000).
- c. The Oklahoma Capital Improvement Board refinanced the bond reserve fund of the 1999 bonds related to the Oklahoma History Center. The agency appropriation was reduced by the realized savings.
- d. In FY-02, the agency received an appropriation of \$2,620,876 as a debt service payment to the Oklahoma Capital Improvement Authority for the \$32 million in bonds issued for the construction of the Oklahoma History Center. The Historical Society was required to make the payment in full to OCIA even though appropriations allocations were being reduced due to declining general revenue collections and subsequent budget cuts. This adjustment replaces the amount the agency absorbed in cuts in order to meet appropriation losses since FY-02.

- e. The agency identified approximately seven positions within its budget that were funded in FY-03 but remained vacant due to budget cuts. The savings from eliminating those positions from the budget will be approximately \$220,000. The agency will implement a reduction in force which may involve the elimination of between 10 to 15 positions depending on the up front cost of the plan.
- f. Adjustments were made to the agency pass through contracts for FY-04 as follows:

Pass Through Description	Amount of Reduction	Amount Remaining	Amount Restored	FY-04 Contract Amount
Atoka Confederate Museum	(\$9,000)	\$9,000	\$0	\$9,000
Black Culture Museum	0	0	35,000	35,000
Kerr Conference Center	(12,600)	12,600	0	12,600
Muskogee Multicultural Division	(15,000)	15,000	0	15,000
Humanities Council	(16,500)	16,500	0	16,500
Fort Reno	(11,250)	11,250	26,250	37,500
Jazz Hall of Fame	(13,500)	13,500	0	13,500
Rogers State College	(54,000)	0	0	0
Chisolm Trail Museum	0	0	100,000	100,000
Tulsa Race Riot	<u>(67,500)</u>	<u>554,512</u>	<u>195,488</u>	<u>750,000</u>
Total Adjustments	(\$199,350)	\$632,362	\$356,738	\$989,100

III. POLICY ISSUES

- a. The Legislature authorized the Oklahoma Capital Improvement Authority to issue \$32 million for the construction of a new Oklahoma History Center in FY-99. The center's original construction cost, however, was \$46 million for a 204,000 square foot center. The lack of funding for the project required the agency to scale down the center and separate construction into phases. A slow bid process as well as insufficient funds caused delays. As a result, bid responses were higher than anticipated. Inflation in the construction costs coupled with the lack of funding resulted in a new cost to complete the history center at an estimated \$59 million.

SB 117 authorizes the Oklahoma Capital Improvement Authority to issue up to \$18 million of bonds for the purpose of completing construction on the Oklahoma History Center. Of the \$18 million, approximately \$16.5 million will be available for construction. The debt service on the bonds will be structured so that the first payments will not be due until fiscal year 2006. The bill also authorizes the Oklahoma Capital Improvement Authority to use \$2 million of the interest earnings from the previous bond issue for continued construction of the Oklahoma History Center.

The original bond issue of \$32 million combined with the \$2 million of interest and \$16.5 million of original bonds will provide the Historical Society with \$50.5 million. The balance of the center will be completed with private donations.

- b. **SB 527** eliminates certain restrictions related to fees and charges, directs fees into the agency revolving fund and increases the amount of money the Historical Society can maintain in its petty cash fund for museums and sites. The bill also authorizes the agency to charge admission fees at museums and historical sites, to sell surplus property and deposit all proceeds from any sale into the agency revolving fund. Finally, SB 527 repeals antiquated statutes related to various funds and prior transfers of properties.

The agency is already charging entrance fees at its most popular museums. Income from the fees are not substantial. The agency reports that if the Historical Society Board approves entrance fees at other sites, increases will not take effect until next year thus delaying implementation for several additional months.

Museums and Sites Charging Entrance Fees

<u>Facility</u>	<u>FY-02 Collections</u>
Pioneer Woman	\$7,498.00
Rt 66	38,120.75
Fort Gibson	9,958.28
Spiro Mounds	153.00
Overholser Mansion (OKC)	<u>4,114.42</u>
Total FY-02 Collections	\$59,842.45

- c. In FY-99 the Legislature agreed to provide the agency with \$200,000 per year for operations of the new History Center until the center’s estimated increased operating budget of \$1 million was met. Between FY-99 and FY-02 the agency received \$562,500 to hire staff for the history center. The agency did not receive funds in FY-03 or FY-04 for the History Center operations and has delayed or eliminated hiring due to declining FY-02 and FY-03 general revenue collections and subsequent budget cuts.

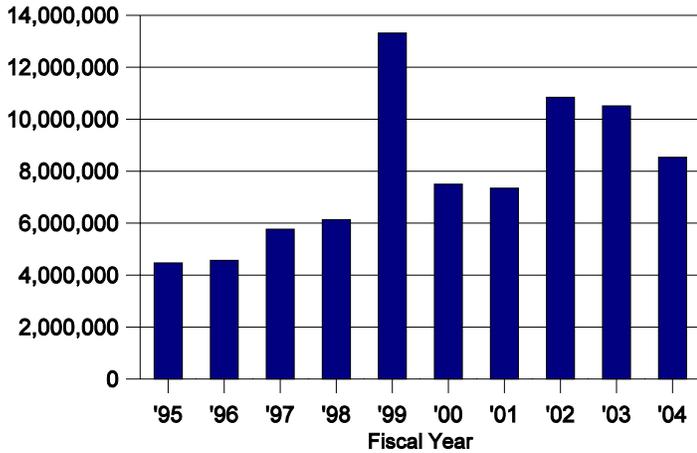
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$10,515,233	\$8,537,394	(18.8)%
Revolving and Carryover Funds	2,000,000	2,450,000	22.5%
Federal Funds (revised per budget)	300,000	339,100	13.0%
Total	\$12,815,233	\$11,326,494	(11.6)%

V. BUDGET REFERENCES

SB 116

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$4,470,314	FY-00	\$7,504,120
FY-96	\$4,573,378	FY-01	\$7,347,030
FY-97	\$5,769,097	FY-02	\$10,847,233
FY-98	\$6,134,486	FY-03(Orig.)	\$10,515,233
FY-99	\$13,318,146	FY-04	\$8,537,394

Notes:

1. FY-97 figure includes increased support for local societies and sites.
2. FY-99 figure includes Rainy Day appropriations for the Murrah Memorial and maintenance and repair of historical sites.
3. The FY-02 increase was due to increases in support for museum sites and the new State History Center.

HORSE RACING COMMISSION

Gordon Hare, Director

Agency #353

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$2,144,550	43.0
a. FY-03 Budget Reduction	(\$168,347)	
Revised FY-03 Appropriation and FTE Authorization	\$1,976,203	43.0
FY-04 Adjustments		
b. Reduce Travel	(8,000)	
c. Eliminate Equipment Purchases and Rentals	(9,750)	
d. Maintain Vacant Positions	(96,706)	
e. Increase Access to Oklahoma Bred Program	(100,000)	
Total Adjustments	(\$214,456)	0.0
FY-04 Appropriation and FTE Authorization	\$1,761,747	43.0
Percent Change from FY-03 to FY-04	(17.9)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency plans to reduce travel of license clerks, law enforcement personnel, stewards, official veterinarians, horse identifiers and other agency personnel.
- c. Elimination of a variety of equipment purchases including faxes, pagers and cell phones, and the elimination of annual rental of the public address system used by the Commission during meetings will realize \$9,750 in savings.
- d. The agency will maintain the following vacant positions: three agents, two Oklahoma Bred positions and part-time employees used during the Tulsa County and Tulsa State Fair meets, accounting for \$96,706 in annual savings.
- e. **HB 1210**, Section 4, was amended to authorize the agency to access up to 10% of the Oklahoma Breeding Development Program Fund for administration. Funds accessed for the purpose of administration are subject to an annual audit.

III. POLICY ISSUES

- a. The Oklahoma horse racing industry has been in decline for the last few years. The decline is due in part to the increase in Indian gaming which offers its customers a wide variety of activities within a given facility. One of the activities includes off track / simulcast wagering on horse races. In addition, the Oklahoma horse racing industry has suffered from an increase in Internet gaming which allows people to wager on horse races through their computers. Finally, new tracks in surrounding states, especially Texas, along with favorable laws allowing for expanded activities and larger purses for horse owners at those tracks has saturated the competitive horse racing market.

During the 2003 legislative session, a bill to allow Oklahoma's horse racing tracks to offer other types of gaming activities at their facilities did not pass. States where gaming at the race tracks has been expanded have experienced an increase in attendance, wagers and horse owner purses.

The state currently has four tracks: Remington Park in Oklahoma City, Blue Ribbon Downs in Sallisaw which is in bankruptcy, Will Rogers Downs in Claremore which has not had race days since 2001, and Fair Meadows in Tulsa.

According to the Horse Racing Commission, Blue Ribbon Downs in Sallisaw requested only 40 days of racing for the 2004 season compared to 84 in 2003, Fair Meadows in Tulsa asked for 28 days for 2004 compared to 36 in 2003 while Will Rogers Downs in Claremore requested 12 race days in 2004 in anticipation of new gaming laws this year but is not expected to run any because the laws did not pass. Remington Park requested 128 days of racing for 2004 to comply with statutory application requirements, however the track is expected to reduce its request to approximately 82 race days it is conducting in 2003.

The decline in the industry is illustrated by the following two charts:

Total Net Wagered by Track - Live Race Days and Simulcast for 1999 through 2002

<u>Race Tracks</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>Total Decrease 1999-02</u>
Blue Ribbon Downs	\$22,740,234	\$21,481,725	\$23,430,070	\$23,347,682	\$607,448
Fair Meadows at Tulsa	56,830,481	54,574,364	49,435,260	51,327,985	(5,502,496)
Remington Park	129,853,040	112,847,706	96,847,882	83,087,802	(46,765,238)
Will Rogers Downs	<u>8,086,941</u>	<u>6,482,517</u>	<u>5,283,283</u>	<u>0</u>	<u>(8,086,941)</u>
Total	\$217,510,696	\$195,386,312	\$174,996,495	\$157,763,469	(\$59,747,227)

Total Attendance by Track: 1999 through 2002

<u>Race Tracks</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>Total Decrease 1999-02</u>
Blue Ribbon Downs	89,662	78,625	76,758	71,740	(17,922)
Fair Meadows at Tulsa	218,541	199,084	183,450	200,794	(17,747)
Remington Park	481,313	447,185	366,982	242,613	(238,700)
Will Rogers Downs	<u>42,276</u>	<u>31,478</u>	<u>31,550</u>	<u>0</u>	<u>(42,276)</u>
Total	831,792	756,372	658,740	515,147	(316,645)

The decline in the Oklahoma horse racing industry is causing a decline in live race days at Oklahoma's tracks. As a result, the Oklahoma Horse Racing Commission will be able to meet its FY-04 budget reductions because the demand for staff and services declines as race days are decreased.

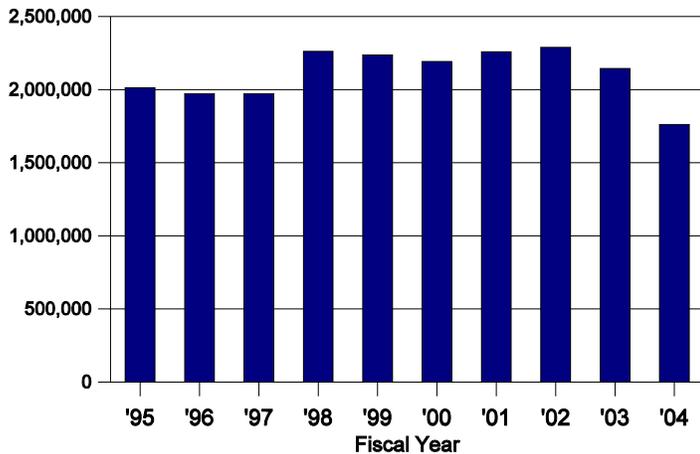
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$2,144,550	\$1,761,748	(17.9)%
Revolving Funds	646,000	646,000	0.0%
Total	\$2,790,550	\$2,407,748	(13.7)%

V. BUDGET REFERENCES

HB 1210

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$2,013,291	FY-00	\$2,192,000
FY-96	\$1,972,285	FY-01	\$2,258,390
FY-97	\$1,972,285	FY-02	\$2,290,006
FY-98	\$2,261,354	FY-03(Orig.)	\$2,144,550
FY-99	\$2,236,354	FY-04	\$1,761,748

INSURANCE DEPARTMENT

Carroll Fisher, Commissioner

Agency #385

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$2,872,013	143.0
a. FY-03 Budget Reduction	(225,513)	
Revised FY-03 Appropriation and FTE Authorization	\$2,646,500	143.0
FY-04 Adjustments		
b. Increase Use of Revolving Funds	(679,217)	
c. Reduce Travel and Data Processing Expenses	(49,007)	
d. SB 635: HMO Reform	153,881	
Total Adjustments	(\$574,343)	0.0
FY-04 Appropriation and FTE Authorization	\$2,072,157	143.0
Percent Change from FY-03 to FY-04	(27.9)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency agreed to utilize revolving fund cash balances to offset budget cuts for FY-04.
- c. The agency plans to reduce travel and data processing expenses generating \$49,007 in anticipated annual savings.
- d. **SB 635** creates the Health Maintenance Organization (HMO) and Risk Based Capital for HMO Acts of 2003. The bill requires the Insurance Commission to review and analyze certain applications and financial documents of HMOs. Bill provisions require the Commissioner to issue certificates of operation and provide for enforcement of state law including suspensions of operations and revocation of certificates of authority to operate. SB 635 also authorizes the Insurance Commissioner to levy assessments not to exceed 2% of premiums written to other HMOs to cover claims and expenses of insolvent HMOs.

An allowance against the budget cuts was made to allow the hiring of at least 2 claims analysts, a financial analyst and an attorney. The Insurance Department indicates that regulatory fees paid to the Department as provided by the bill will amount to no more than \$3,500 per year. According to the State Department of Health web site, there are 7 HMOs currently operating in the State.

The bill places the financial regulatory requirements, policy approval and complaint review currently applicable to other insurance companies under the insurance department. The Health Department will continue to administer quality assurance, credentialing and external review.

III. POLICY ISSUES

- a. **HB 1211**, Section 4, transfers \$200,000 from the Insurance Commissioner Revolving Fund to the Special Cash Fund.

HB 1211, Section 5, transfers \$250,000 from the Bail Bondsmen Revolving Fund to the Special Cash Fund.

- b. **SB 629** creates the Affordable Access to Health Care Act. The Act requires insurers to file closed claim reports with certain information related to the claim to the Insurance Department within a certain amount of time after the claim has been closed. The Department is required to compile the data into an annual report which is to be made available to the public in written form as well as electronically. SB 629 authorizes the Insurance Commissioner to contract with a private statistical agent for the purpose of compiling data and making the annual report and requires the Commissioner to monitor and review medical professional liability rates to determine if the rates are justified. Increased costs of administering this Act will be absorbed through revolving fund income.

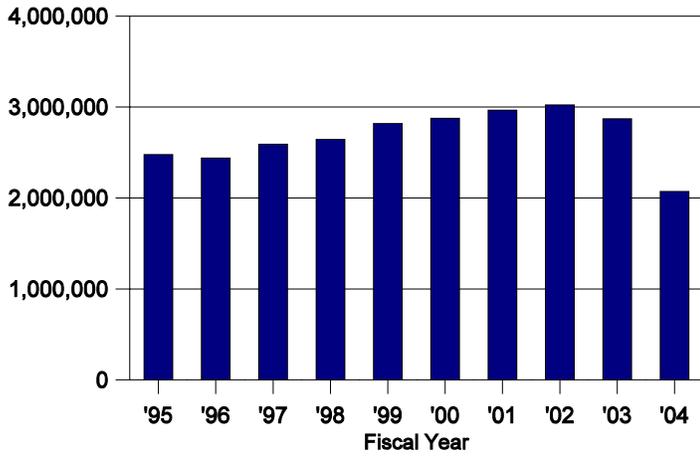
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$2,872,013	\$2,072,157	(27.9)%
Revolving and Carryover Funds	5,060,141	5,979,635	18.2%
Federal Funds	399,714	397,389	(0.6)%
Total	\$8,331,868	\$8,449,181	1.4%

V. BUDGET REFERENCES

HB 1211

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$2,477,632	FY-00	\$2,877,952
FY-96	\$2,438,639	FY-01	\$2,965,978
FY-97	\$2,591,203	FY-02	\$3,023,172
FY-98	\$2,644,204	FY-03(Orig.)	\$2,872,013
FY-99	\$2,818,030	FY-04	\$2,072,157

J.M. DAVIS MEMORIAL COMMISSION

Duane Kyler, Chief Administrative Officer

Agency #204

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$364,704	10.5
a. FY-03 Budget Reduction	<u>(28,629)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$336,075	10.5
FY-04 Adjustments		
b. Reductions	<u>(36,471)</u>	
Total Adjustments	(\$36,471)	0.0
FY-04 Appropriation and FTE Authorization	\$299,604	10.5
Percent Change from FY-03 to FY-04	(17.9)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency will use revolving fund balances to offset budget cuts for FY-04 amounting to \$28,470 and plans to discontinue bill board advertising on the turnpike netting \$8,000 in annual savings.

III. POLICY ISSUES

None

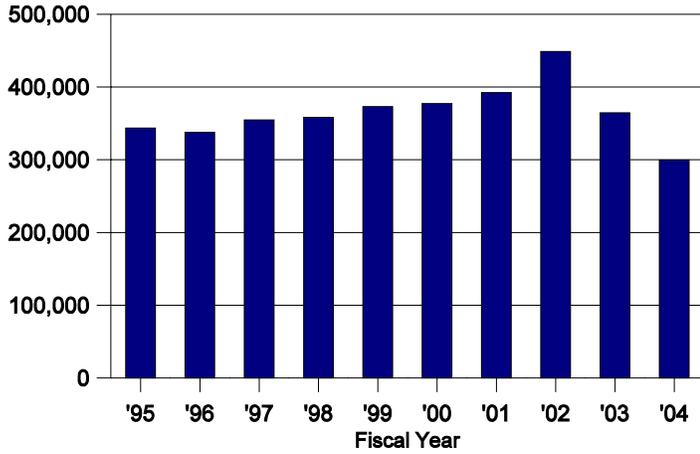
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$364,704	\$299,604	(17.9)%
Revolving Funds	130,000	169,396	30.3%
Total	\$494,704	\$469,000	(5.2)%

V. BUDGET REFERENCES

SB 118

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$343,606	FY-00	\$377,308
FY-96	\$337,721	FY-01	\$392,397
FY-97	\$354,782	FY-02	\$448,704
FY-98	\$358,249	FY-03(Orig.)	\$364,704
FY-99	\$373,244	FY-04	\$299,604

DEPARTMENT OF LABOR

Brenda Reneau-Wynn, Commissioner

Agency #405

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$3,678,570	136.0
a. FY-03 Budget Reduction	<u>(\$187,047)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$3,491,523	136.0
FY-04 Adjustments		
b. Voluntary Out Early Retirement Program	(198,145)	
c. Delay DP/Telephone Equipment Purchases	(255,000)	
d. Reduce Other Administrative Costs	<u>(79,808)</u>	
Total Adjustments	(\$532,953)	0.0
FY-04 Appropriation and FTE Authorization	\$2,958,570	136.0
Percent Change from FY-03 to FY-04	(19.6)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency will offer voluntary out / early retirement or a reduction in force of 10 to 15 employees in an effort to meet its budget reduction. The agency also plans to maintain five vacant positions.
- c. Delaying the purchase of various data processing and telecommunication equipment will realize \$255,000 in FY-04 savings.
- d. The agency will reduce other administrative expenses such as supplies, travel, training and purchase of education materials for an annual savings of \$79,808.

III. POLICY ISSUES

None

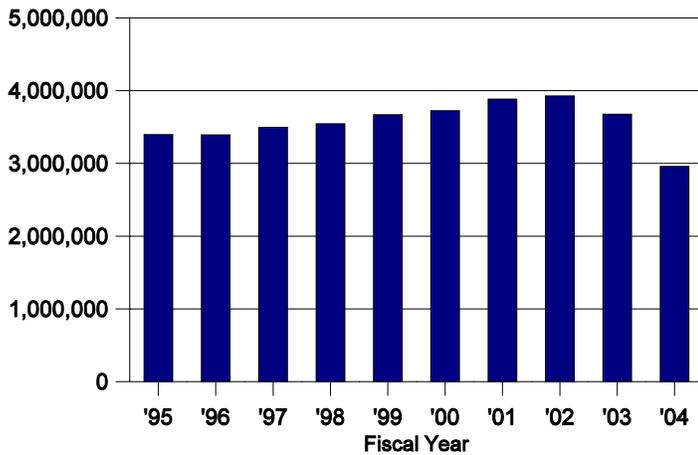
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$2,382,770	\$1,355,464	(43.1)%
Occupational Health and Safety Fund	1,295,800	1,603,106	23.7%
Revolving and Carryover Funds	2,050,000	1,958,280	(4.5)%
Federal Funds	1,424,600	1,878,322	31.8%
Total	\$7,153,170	\$6,795,172	(5.0)%

V. BUDGET REFERENCES

SB 64

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$3,395,954	FY-00	\$3,725,830
FY-96	\$3,392,071	FY-01	\$3,882,940
FY-97	\$3,494,659	FY-02	\$3,927,178
FY-98	\$3,547,165	FY-03(Orig.)	\$3,678,570
FY-99	\$3,668,984	FY-04	\$2,958,570

LIQUEFIED PETROLEUM GAS BOARD

Bill Glass, Administrator

Agency #445

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$434,148	10.0
a. FY-03 Budget Reduction	<u>(\$34,081)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$400,067	10.0
FY-04 Adjustments		
b. Eliminate FY-04 Appropriations	<u>(400,067)</u>	<u>(10.0)</u>
Total Adjustments	(\$400,067)	(10.0)
FY-04 Appropriation and FTE Authorization	\$0	0.0
Percent Change from FY-03 to FY-04	(100.0)%	-100.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The Liquefied Petroleum Gas Board was converted to a non-appropriated state agency for FY-04. As a result, the General Revenue appropriation was eliminated.

III. POLICY ISSUES

- a. **HB 1214**, the appropriation bill for the Liquefied Petroleum Gas Board, includes the following provisions in order to make the agency a non-appropriated state agency:
 - Authorizes the Oklahoma Liquefied Petroleum Gas Board to establish fees by rule and, for FY-04, authorizes the Oklahoma Liquefied Petroleum Gas Board to promulgate emergency rules related to fees as provided for by the act.
 - Effective July 1, 2004, requires the Oklahoma Liquefied Petroleum Gas Board Administrator to deposit 20% of gross revenues from its collections into the State General Revenue Fund in lieu of the 10% required by Section 211 of Title 62 of the Oklahoma Statutes. The deposits will be approximately \$110,000 per year based on current collections.
 - Creates a revolving fund for the Oklahoma Liquefied Petroleum Gas Board for operations and requires all fees and funds from any source be deposited into the Fund.

- Requires the Administrator of the Oklahoma Liquefied Petroleum Gas Board to establish a schedule of payments with the Director of State Finance and to transfer \$193,380 to the State General Revenue Fund by the end of FY-04. The transfer is equal to the loss in state general revenue funds based on what the Board would have been appropriated in FY-04 (\$356,652) as compared to certified deposits into the state general revenue fund for FY-04 (\$550,032).

b. **HB 1254**, which relates to the director salary and FTE limits for non-appropriated state agencies, establishes an FTE limit for the Board of 10.0 and an Administrator salary limit of \$44,555 per year. Both limits are unchanged from FY-03.

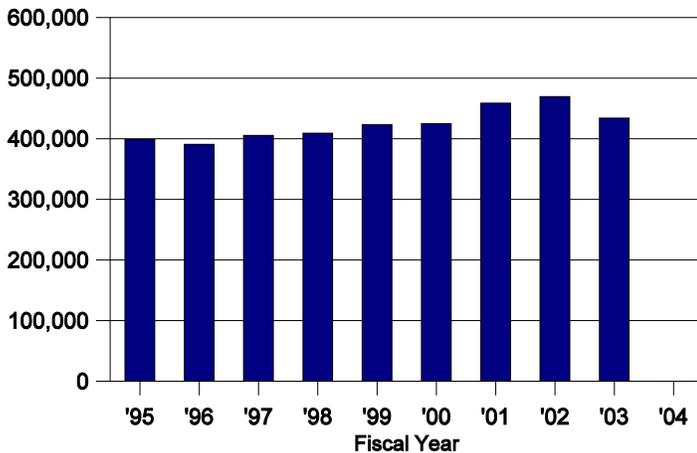
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$434,148	\$0	(100.0)%
Carryover	72,000	0	(100.0)%
Total	\$506,148	\$0	(100.0)%

V. BUDGET REFERENCES

HB 1214

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$398,584	FY-00	\$424,937
FY-96	\$390,958	FY-01	\$458,777
FY-97	\$405,590	FY-02	\$469,648
FY-98	\$409,057	FY-03(Orig.)	\$434,148
FY-99	\$423,200	FY-04	\$0

DEPARTMENT OF MINES

Mary Ann Pritchard, Director

Agency #125

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$949,734	51.5
a. FY-03 Budget Reduction	<u>(47,079)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$902,655	51.5
FY-04 Adjustments		
b. Reductions	<u>(180,531)</u>	<u>(5.0)</u>
Total Adjustments	<u>(\$180,531)</u>	<u>(5.0)</u>
FY-04 Appropriation and FTE Authorization	\$722,124	46.5
Percent Change from FY-03 to FY-04	<u>(24.0)%</u>	<u>(9.7)%</u>

II. DETAIL ON BUDGET ADJUSTMENTS

a. Declining revenue collections required mid-year budget cuts of 7.85%.

b. The agency will achieve its FY-04 budget reductions as follows:

- Use Revolving Funds for Oklahoma Miner Training Institute (\$20,000)
- Vehicle Savings (14,000)
- Data Processing Reductions (10,000)
- Increase Fine Collections (Civil Penalties) (10,000)
- Reduce Hearing Examiner Contracts (4,000)
- Eliminate Interagency Agreement with Kiamichi Career Tech. For 1 Position (3,750)
- Eliminate Temporary Employee Blasting Inspector (25,000)
- Implement Early Retirement Voluntary Out Program for 2 Positions (17,250)
- Reduction in Force of 1 FTE (17,920)
- Use Revolving Fund Carryover (58,611)
- Total (\$180,531)**

III. POLICY ISSUES

None

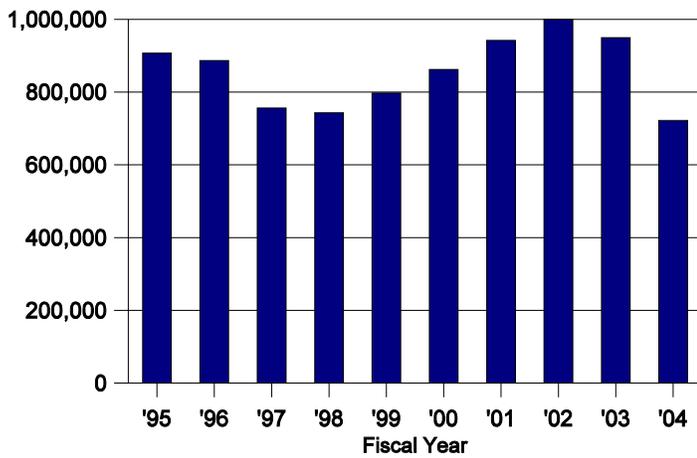
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$599,734	\$472,124	(21.3)%
Special Cash	350,000	250,000	(28.6)%
Revolving and Carryover Funds	926,371	1,007,060	8.7%
Federal Funds	1,156,696	958,935	(17.1)%
Total	\$3,032,801	\$2,688,119	(11.4)%

V. BUDGET REFERENCES

HB 1215

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$907,502	FY-00	\$862,011
FY-96	\$886,513	FY-01	\$942,282
FY-97	\$756,513	FY-02	\$999,823
FY-98	\$742,895	FY-03(Orig.)	\$949,734
FY-99	\$797,566	FY-04	\$722,124

SCENIC RIVERS COMMISSION

Ed Fite, Administrator

Agency #568

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$357,805	7.0
a. FY-03 Budget Reduction	(28,088)	
Revised FY-03 Appropriation and FTE Authorization	\$329,717	7.0
FY-04 Adjustments		
b. Reductions	(71,561)	
Total Adjustments	(\$71,561)	0.0
FY-04 Appropriation and FTE Authorization	\$258,156	7.0
Percent Change from FY-03 to FY-04	(27.9)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency will achieve its FY-04 budget reductions as follows:

• Flotation Device Fee Increase (SB 75)	(\$62,123)
• Reduce Advertising and Promotion	(2,400)
• Reduce Data Processing	(1,950)
• Reduce Equipment Purchases	(5,088)
Total	(\$71,561)

III. POLICY ISSUES

- a. **SB 75** changes the commercial and privately owned flotation device fee structure from a per device charge to a per person charge. The bill also clarified the Oklahoma Tax Commission's responsibility to audit the fees being collected for the Scenic River Commission.
- b. **SB 357** re-creates the Oklahoma Scenic Rivers Commission until 2009.

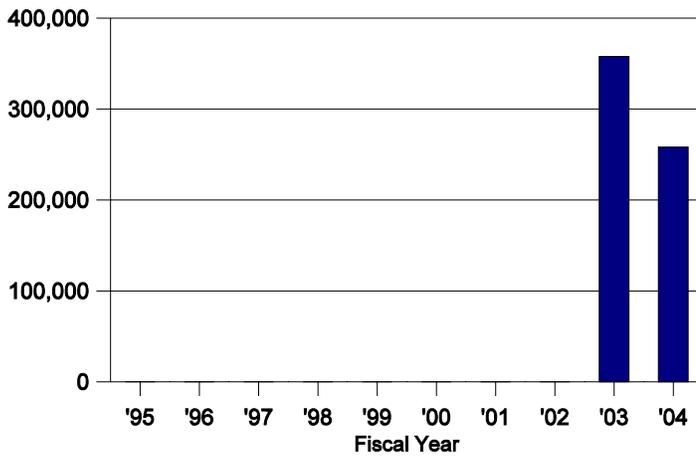
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$357,805	\$258,156	(38.6)%
Revolving Funds	\$107,000	\$133,500	19.9%
Total	\$464,805	\$391,656	(18.7)%

V. BUDGET REFERENCES

SB 74

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	N/A	FY-00	N/A
FY-96	N/A	FY-01	N/A
FY-97	N/A	FY-02	N/A
FY-98	N/A	FY-03(Orig.)	\$357,805
FY-99	N/A	FY-04	\$258,156

Note:

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

SECURITIES COMMISSION

Irving Faught, Administrator

Agency #630

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$694,615	34.0
a. FY-03 Budget Reduction	<u>(54,527)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$640,088	34.0
FY-04 Adjustments		
b. Reductions	<u>(139,000)</u>	<u>(2.0)</u>
Total Adjustments	(\$139,000)	(2.0)
FY-04 Appropriation and FTE Authorization	\$501,088	32.0
Percent Change from FY-03 to FY-04	(27.9)%	(5.9)%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency will achieve its FY-04 budget reductions by increasing reliance on the Revolving Fund. The Revolving Fund had a cash balance of \$611,428 at the end of FY-02 and a cash balance of \$1,516,374 at the end of FY-03.

III. POLICY ISSUES

- a. **HB 1218**, Section 4, transfers \$800,000 from the Department of Securities Revolving Fund to the Special Cash Fund.
- b. **SB 724** creates the Oklahoma Uniform Securities Act of 2002. The bill updates the securities code making it uniform with national and federal policies. The bill also repeals various sections of the Securities Code which are rewritten in the Act. The Act does not take effect until July 1, 2004 to allow the regulated industry to comply with the changes in the Code.

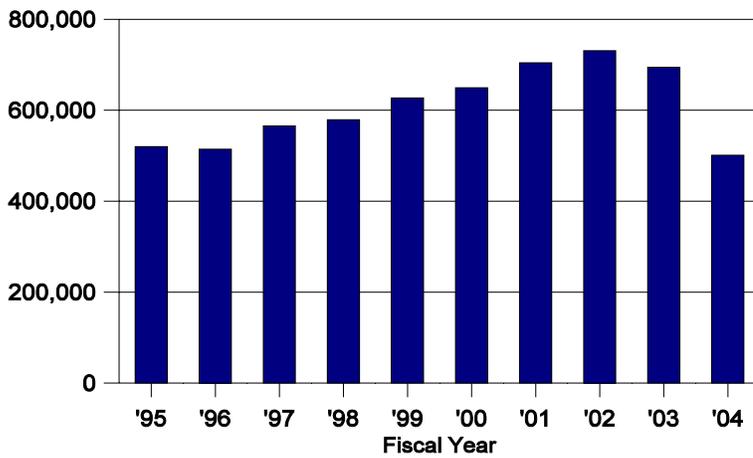
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$694,615	\$501,088	(27.9)%
Revolving and Carryover Funds	1,991,987	2,052,198	3.0%
Total	\$2,686,602	\$2,553,286	(5.0)%

V. BUDGET REFERENCES

HB 1218

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$520,279	FY-00	\$649,298
FY-96	\$514,471	FY-01	\$704,525
FY-97	\$565,553	FY-02	\$731,174
FY-98	\$578,927	FY-03(Orig.)	\$694,615
FY-99	\$627,123	FY-04	\$501,088

DEPARTMENT OF TOURISM AND RECREATION

Ralph McCalmont, Interim Executive Director

Agency #566

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$28,177,594	808.0
a. FY-03 Budget Reduction	<u>(2,040,846)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$26,136,748	808.0
FY-04 Adjustments		
b. OCIA Bond Payment Changes	(189,390)	
c. Eliminate FY-03 Funding Increases	(2,179,560)	
d. Operational Reductions	(2,599,806)	
e. Operational Adjustments	970,813	
f. Allowance to Repay Environmental Loans	<u>477,677</u>	
Total Adjustments	(\$3,520,266)	0.0
FY-04 Appropriation and FTE Authorization	\$22,616,482	808.0
Percent Change from FY-03 to FY-04	(19.7)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The Oklahoma Capital Improvement Board refinanced the bond reserve fund for the 1995 \$11.8 million of Tourism and Recreation bonds related to the construction of golf courses, park improvements and welcome centers. The Department's appropriation was reduced by realized savings.
- c. All increased appropriations provided to the Department for FY-03 were removed from the Department's base funding level.

d. The following table shows the operational reductions to the Department's FY-04 appropriation:

<u>Operational Reductions</u>	<u>Amount</u>
• Administrative Reduction	(\$323,232)
• Oklahoma Today Magazine	(21,673)
• Travel and Tourism Promotion	(273,237)
• Tourism Information Centers	(148,777)
• Parks, Resorts and Golf Course Operations	(1,692,435)
• MultiCounty Organizations	(94,170)
• Pass Through Appropriations	<u>(46,282)</u>
Total Reductions	(\$2,599,806)

e. After adjusting for FY-03 operational reductions, the following funds were added to the Department's FY-04 appropriation:

<u>Operational Reductions</u>	<u>Amount</u>
• Frontier Country Marketing Program	\$50,000
• Greenwood Cultural Center (Restore Reduction)	32,936
• Shakespeare Festival (Restore Reduction)	96,587
• Tenkiller Lake Association Scuba Program	25,000
• Park Naturalist at Bernice State Park	50,000
• Multicounty Organizations (Restore Reduction)	476,398
• Jazz Hall of Fame (Restore Reduction)	43,915
• Red Earth (Restore Reduction)	6,587
• Restore Bond Refinance	<u>189,390</u>
Total Reductions	\$970,813

f. An allowance was made to the FY-04 budget allowing the Department to use up to \$477,674 for the purpose of repaying any financial assistance loans the Department may receive from the Oklahoma Water Resources Board for remediation regarding environmental issues within the state park, resort and golf course system.

At the beginning of FY-03 portions of three state parks were ordered closed by the Department of Environmental Quality for environmental violations. The parks were Sequoyah, Texoma and Tenkiller. The Department worked with the Oklahoma Water Resources Board, the Department of Environmental Quality and the U.S. Army Corps of Engineers to establish a remediation plan, cost estimates and financing to address the environmental issues at each park.

The following table shows an estimated cost to remediate each park:

<u>Park</u>	<u>Amount</u>
• Sequoyah State Park (estimate)	\$1,500,413
• Texoma	2,781,238
• Tenkiller	<u>1,870,242</u>
Total Costs	\$6,151,893

III. POLICY ISSUES

- a. **HB 1219**, Section 2, authorizes the Department to access up to \$400,000 of Tourism Tax funds for purposes of the MultiCounty Organization program. The bill limits access to the funds to multicounty organizations receiving less than 22% of the base funding.
- b. In order to accommodate the FY-04 budget reductions, the Department plans to implement a reduction in force of approximately 30 employees throughout the state park, golf course, resort and information centers system. The Department also eliminated an additional 17 positions through the state voluntary retirement program.

During FY-03 the Department eliminated 18 central office employees to accommodate the declining general revenue collections and prepare for FY-04 reductions. The Department saved approximately \$590,489 from the central office personnel changes.

Finally, the Department will reduce and adjust hours of operation among the various state parks throughout the system to achieve necessary savings. The adjustments will reflect seasonal changes and visitation at state parks.

- c. **HB 1353** authorizes the Department of Tourism and Recreation to establish a park entrance fee and an annual pass for the state park system. The bill creates a State Park System Improvement Revolving Fund, requires all day use and entrance fee charges be deposited into the Fund and limits expenditures from the fund to capital improvements at the parks where charges are collected.

Entrance fee collections will depend on how the Department administers the program. Department projections show no more than \$1 million from fee revenue. House staff estimate that collections could be between \$1 million and \$2 million.

The 2002 National Association of State Park Directors report indicates that only eight states do not have a park entrance fee. Each state where the entrance fee exists has its own unique system of collections. A review of states with similar state populations as Oklahoma (Connecticut, Kansas, Mississippi, Oregon and South Carolina) indicate that in FY-01 park entrance fees generated between \$1.8 million and \$2.2 million in five of the six states. The only exception was Mississippi which only generated \$274,270 from its entrance fee.

- d. **HB 1478** shifts \$490,000 from Lake Murray originally allocated for an enclosed swimming pool and improvements in the 1996 revenue bond issue to cabin renovations and improvements. The bill authorizes the Department of Tourism and Recreation to use any monies derived from annual appropriations to repay obligations to the Water Resources Board.
- e. **HCR 1013** authorizes the Department to transfer property to other entities as follows: acreage in Vinita to the City of Vinita, Choctaw Creek Park to the City of Choctaw and Crowder Lake State Park to Southwestern Oklahoma State University.
- f. **SB 371** allows state employees to purchase the Oklahoma Today magazine through payroll deductions.
- g. **SB 733** authorizes the Department of Tourism and Recreation to enter into agreements with lease concessionaires to make necessary repairs or improvements to properties owned by the state and to negotiate reduced payments to the state over a five year period to cover some or all of the costs of the repairs or improvements.

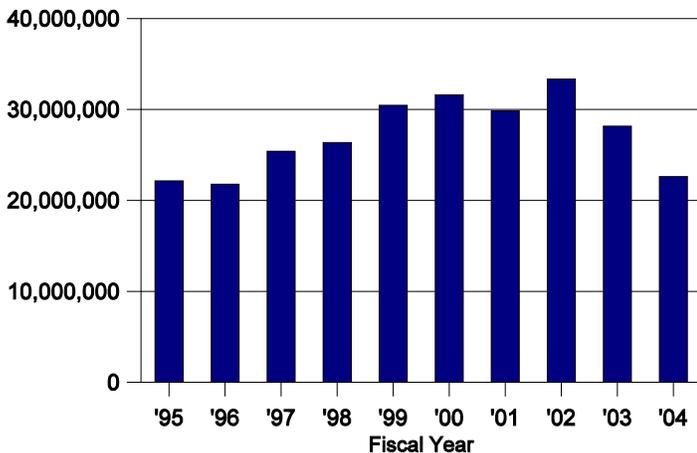
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$26,477,594	\$22,616,482	(14.6)%
Special Cash	1,700,000	0	(100.0)%
Federal Funds	2,002,049	1,614,007	(19.4)%
Revolving and Carryover Funds	31,753,000	30,315,422	(4.5)%
Total	\$61,932,643	\$54,545,911	(11.9)%

V. BUDGET REFERENCES

HB 1219

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$22,163,054	FY-00	\$31,621,425
FY-96	\$21,790,703	FY-01	\$29,862,485
FY-97	\$25,406,329	FY-02	\$33,350,273
FY-98	\$26,374,039	FY-03(Orig.)	\$28,177,594
FY-99	\$30,476,969	FY-04	\$22,616,482

WATER RESOURCES BOARD

Duane Smith, Executive Director

Agency #835

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$8,069,143	91.0
a. FY-03 Budget Reduction	<u>(\$633,428)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$7,435,715	91.0
<i>Duties and Operations</i>	\$3,839,143	
<i>REAP Water Project Fund</i>	\$4,230,000	
FY-04 Adjustments		
b. Remove Onetime Water Study Funding	(115,000)	
c. Operational Reductions & REAP Water Project Fund Reductions	(2,092,221)	
d. BUMP Funding	<u>1,000,000</u>	
Total Adjustments	(\$1,207,221)	0.0
FY-04 Appropriation and FTE Authorization	\$6,228,494	91.0
<i>Duties and Operations</i>	\$4,028,476	
<i>REAP Water Project Fund</i>	\$2,200,018	
Percent Change from FY-03 to FY-04	(22.8)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. Onetime funding for water studies conducted during FY-03 were removed from the agency's base appropriation.
- c. The following table shows the operational reductions for the Water Resources Board's FY-04 appropriation:

<u>Operational Reductions:</u>	<u>Amounts</u>
• Reduce Professional Service Contracts	(\$14,773)
• Reduce Contract with Rural Water Association	(50,852)
• Reduce Other Operating Expenses	(\$59,502)

<u>Operational Reductions:</u>	<u>Amounts</u>
• Reduce Travel Budget	(52,442)
• Reduce Equipment Purchases	(66,725)
• Reduce the USGS Stream Gaging Cooperative Program (may be shifted to Tribal and local Government cooperatives)	(150,000)
• Reduce REAP Water Project Fund by 17.85%	(422,927)
• Reduce REAP Water Project Fund by \$1 million and Shift to BUMP Program, Conservation Commission Secretaries (\$175,000) and Conservation District Liability Insurance (\$100,000)	<u>(1,275,000)</u>
Total Reductions	(\$2,092,221)

d. REAP Water Project Fund appropriations were shifted to the Beneficial Use Monitoring Program (BUMP) for FY-04. The BUMP program was created in 1998 as part of a comprehensive statewide water quality program. The BUMP program provides the State with a water use monitoring system that documents beneficial use impairments, identifies impairment sources, detects water quality trends and facilitates the prioritization of pollution control activities.

III. POLICY ISSUES

- a. **SB 150** allows for consultation between the Secretary of the Environment and the Secretary of Agriculture as it relates to the disbursement of federal environmental grant funds.
- b. **SB 155** allocates a portion of the gross production tax deposited into the Rural Economic Development Program (REAP) to the Water Resources Board. The funds are allocated for the following programs:

<u>Program Description</u>	<u>Amount</u>
• Arbuckle-Simpson Aquifer Study	\$270,000
• Ongoing Water Studies	250,000
• Matching Funds for Emergency Grant to Repair Fairfax Dam	15,000
• Rural Water Association (\$68,000 to replace DEQ Reduction and \$50,000 for Board Training Program)	<u>118,000</u>
Total Adjustment	\$653,000

c. **SB 288** relates to temporary water permits. The bill establishes a moratorium on the issuance of temporary water permits for certain sensitive sole source groundwater basins or sub-basins. The bill also establishes a moratorium on municipal or other political subdivisions from entering into contracts for water from sensitive sole source groundwater basins. The moratoriums are to remain in effect until the Oklahoma Water Resources Board conducts and completes certain hydrological studies and approves certain maximum annual yields for the impacted groundwater basins and sub-basins.

- d. **SB 408**, Section 9, requires the Secretary of Environment to direct a comprehensive study of the watershed area of Grand Lake. The study will include the Grand River Dam Authority, Department of Environmental Quality, the Water Resources Board, Department of Agriculture, Food and Forestry, the Department of Commerce, Scenic Rivers Commission, Conservation Commission and Department of Wildlife Conservation.

Section 10 of the bill directs the Board of Directors of the Grand River Dam Authority to transfer \$125,000 to Grand Gateway Economic Development Association for the study. In addition, at least \$50,000 of the funds allocated to the Water Resources Board will be used for the study.

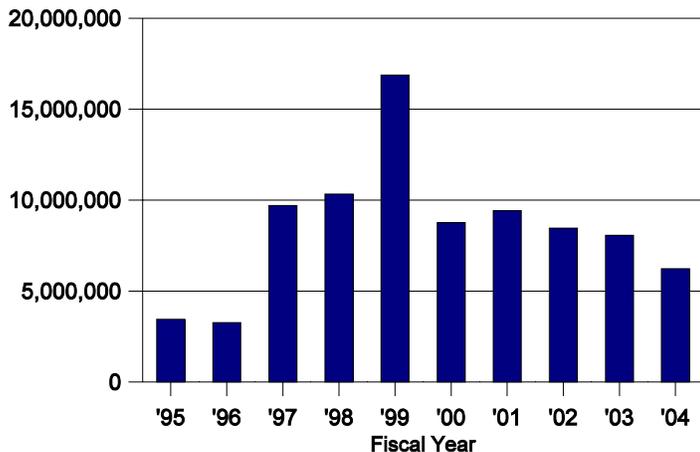
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$8,069,143	\$6,228,494	(22.8)%
Revolving and Carryover Funds	1,973,400	2,043,856	3.6%
USGS Cooperative Program	130,000	251,650	93.6%
Federal Funds	8,461,738	11,560,003	36.6%
Total	\$18,634,281	\$20,084,003	7.8%

V. BUDGET REFERENCES

SB 154

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$3,447,074	FY-00	\$8,761,689
FY-96	\$3,261,552	FY-01	\$9,418,598
FY-97	\$9,700,453	FY-02	\$8,461,854
FY-98	\$10,338,477	FY-03(Orig.)	\$8,069,143
FY-99	\$16,877,343	FY-04	\$6,228,494

Notes:

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

WILL ROGERS MEMORIAL COMMISSION

Michelle Lefevre-Carter, Director

Agency #880

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$965,062	16.5
a. FY-03 Budget Reduction	<u>(75,757)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$889,305	16.5
FY-04 Adjustments		
b. Reductions	<u>(96,507)</u>	
Total Adjustments	(\$96,507)	0.0
FY-04 Appropriation and FTE Authorization	\$792,798	16.5
Percent Change from FY-03 to FY-04	(17.9)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency plans to reduce FY-04 operations as follows:

• Eliminate Positions and Maintain Vacancies	(\$48,882)
• Eliminate Children Museum, Vinita Glass House Display & Education Outreach Program	(20,000)
• Reduce Funding for Will Rogers Papers	<u>(27,625)</u>
Total	(\$96,507)

III. POLICY ISSUES

None

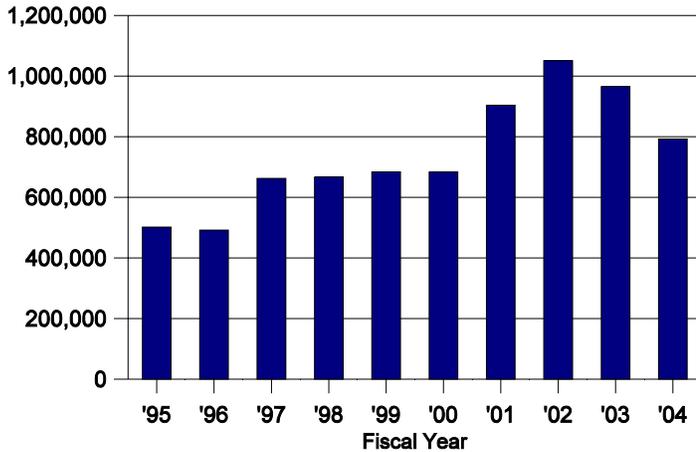
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$965,062	\$792,798	(17.9)%
Revolving Funds	74,938	36,000	(52.0)%
Total	\$1,040,000	\$828,798	(20.3)%

V. BUDGET REFERENCES

SB 120

VI. TEN YEAR APPROPRIATION HISTORY

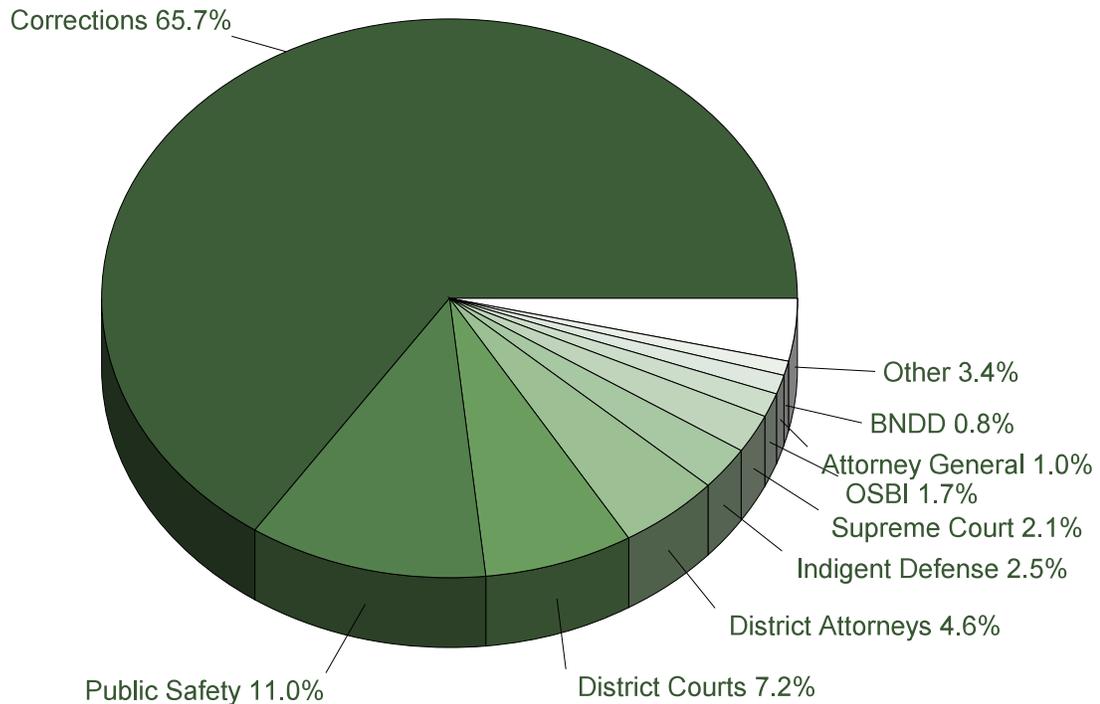


FY-95	\$501,868	FY-00	\$683,640
FY-96	\$491,645	FY-01	\$904,323
FY-97	\$662,933	FY-02	\$1,051,197
FY-98	\$666,896	FY-03(Orig.)	\$965,062
FY-99	\$684,169	FY-04	\$792,798

Notes:

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

JUDICIARY, PUBLIC SAFETY AND LAW ENFORCEMENT SUBCOMMITTEE DISTRIBUTION OF FY-03 APPROPRIATIONS



Corrections Department	\$373,931,566
Department of Public Safety	62,429,532
District Courts	40,897,067
District Attorneys/DAC	25,972,055
Indigent Defense System	14,243,912
Supreme Court	11,962,341
Bureau of Investigation (OSBI)	9,441,383
Attorney General	5,794,927
Narcotics and Dangerous Drugs (BNDD)	4,859,814
Other	
Workers' Compensation Court	3,691,957
Alcoholic Beverage Laws Commission (ABLE)	3,431,691
Medicolegal Investigations	3,257,458
Law Enforcement Education & Training (CLEET)	2,649,441
Court of Criminal Appeals	2,634,378
Pardon and Parole Board	2,115,485
Fire Marshal	1,504,323
Council on Judicial Complaints	267,999
Subcommittee Total	\$569,085,329

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

ALCOHOLIC BEVERAGE LAW ENFORCEMENT (ABLE) COMMISSION

Keith Burt, Director

Agency #030

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$4,010,797	71.0
a. FY-03 Budget Reduction	<u>(\$314,848)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$3,695,949	71.0
FY-04 Adjustments		
b. Reduction in Force (7.0 FTE)	<u>(264,258)</u>	
Total Adjustments	<u>(\$264,258)</u>	0.0
FY-04 Appropriation and FTE Authorization	\$3,431,691	71.0
Percent Change from FY-03 to FY-04	(14.4)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The Commission will RIF four Senior Agents, two Customer Services Representatives and one Program Network Administrator to address the FY-04 budget cut of \$264,258. The actual annual cost savings is \$306,338:

<u>Position</u>	<u>Savings</u>
Senior Agents (4.0 FTE)	\$193,296
Customer Service Representatives (2.0 FTE)	\$66,416
Program Network Administrator (1.0 FTE)	<u>\$46,626</u>
Total Reductions	\$306,338

III. POLICY ISSUES

None

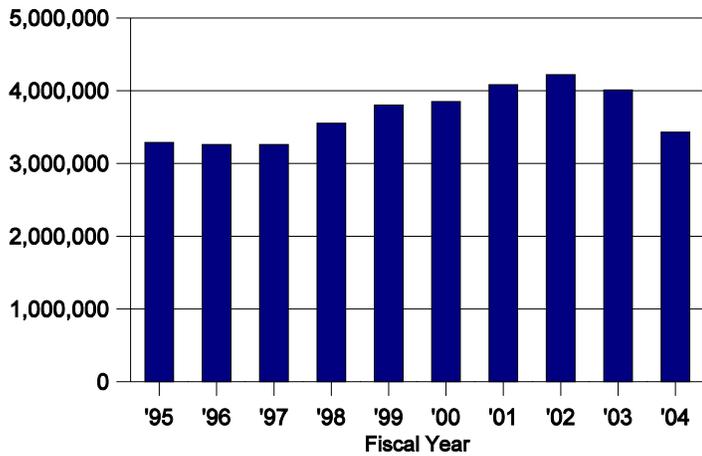
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$4,010,797	\$3,431,691	(14.4)%
Revolving Funds	270,000	270,000	0.0%
Total	\$4,280,797	\$3,701,691	(13.5)%

V. BUDGET REFERENCES

HB 1222, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$3,289,910	FY-00	\$3,852,862
FY-96	\$3,260,876	FY-01	\$4,084,576
FY-97	\$3,260,876	FY-02	\$4,221,892
FY-98	\$3,555,144	FY-03(Orig.)	\$4,010,797
FY-99	\$3,803,032	FY-04	\$3,431,691

ATTORNEY GENERAL

W.A. "Drew" Edmondson, Attorney General

Agency #049

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$7,107,784	173.0
a. FY-03 Budget Reduction	<u>(546,186)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$6,561,598	173.0
FY-04 Adjustments		
b. General Operating Reductions	<u>(134,680)</u>	
c. Personnel Reduction	<u>(631,991)</u>	
Total Adjustments	<u>(\$766,671)</u>	0.0
FY-04 Appropriation and FTE Authorization	\$5,794,927	173.0
Percent Change from FY-03 to FY-04	(18.5)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. Following is a list of the operational reductions totaling \$134,680:

<u>Operational Reductions</u>	<u>Amounts</u>
Travel Expenses	(\$17,100)
Legal Publications and Journals	(33,450)
Court Appointed Special Advocates	(38,176)
Computer Hardware and Software	(22,922)
Inter- and Intra-Agency Payments	<u>(23,032)</u>
Total Reductions	(134,680)

- c. Funding (\$340,260) for the entire Consumer Protection Unit was shifted from appropriated funds to the AG's ASA 705 Consumer Protection Fund. Two vacancies in administration were not filled reducing personnel costs by \$64,330. Legal services reduced the General Counsel budget by \$130,000; Litigation section was reduced by \$74,261; and the Environmental Protection Unit was reduced by \$23,140. The result of these reductions are that the AG's office will have nine positions they will hold vacant and fourteen positions that will no longer be funded from appropriated funds.

III. POLICY ISSUES

None

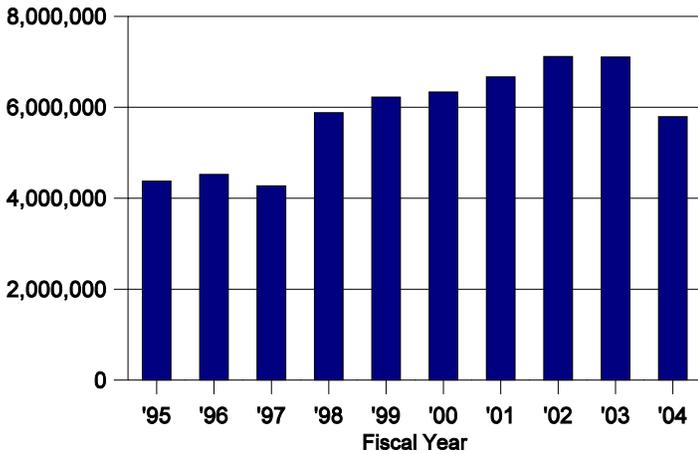
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$7,107,784	\$5,794,927	(18.5)%
Carryover	25,000	10,000	(60.0)%
Revolving Funds	3,425,000	4,403,659	28.6%
Federal Funds	1,150,000	1,246,250	8.4%
Total	\$11,707,784	\$11,454,836	(2.2)%

V. BUDGET REFERENCES

SB 88, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$4,378,068	FY-00	\$6,335,764
FY-96	\$4,524,897	FY-01	\$6,669,686
FY-97	\$4,276,147	FY-02	\$7,116,561
FY-98	\$5,881,176	FY-03(Orig.)	\$7,107,784
FY-99	\$6,223,246	FY-04	\$5,794,927

DEPARTMENT OF CORRECTIONS

Ron Ward, Director

Agency #131

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$407,828,555	5,844.6
a. Constitutional Reserve "Rainy Day" Funding	(15,000,000)	
b. FY-03 Budget Reduction	(30,837,042)	
Revised FY-03 Appropriation and FTE Authorization	\$361,991,513	5,844.6
FY-04 Adjustments		
c. General Operating Funds	11,940,053	
Total Adjustments	\$11,940,053	0.0
FY-04 Appropriation and FTE Authorization	\$373,931,566	5,844.6
Percent Change from FY-03 to FY-04	(8.3)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Onetime "Rainy Day" funds used to offset the FY-02 revenue shortfall were removed from the agency's base funding level.
- b. Declining revenue collections required mid-year budget cuts of 7.85%.
- c. The Legislature appropriated an additional \$11,940,053 for general operations. The total FY-04 appropriation of \$373,931,566 is estimated to be \$21.1 million less than the \$395,079,434 needed to avoid further employee furloughs, address a 20 percent FTE vacancy rate, cope with a 98 percent inmate occupancy level at state facilities, and address continued deferment of facility maintenance and equipment replacement.

III. POLICY ISSUES

- a. **HB 1007X** provided the Department of Corrections with a supplemental appropriation in the amount of \$9,800,000.
- b. **SB 190** provided the Department of Corrections with a supplemental appropriation in the amount of \$9,000,000.
- c. Several pieces of legislation were introduced this session that would impact the offender population growth and resulting bed space needs, however, none passed. The Department contends that the FY-04 appropriation level will not meet the estimated cost of agency services for a full year. Current projections show sufficient funds for approximately nine months of operational costs inclusive of private prison beds, contract county jails, halfway houses, and county jail backup beds.

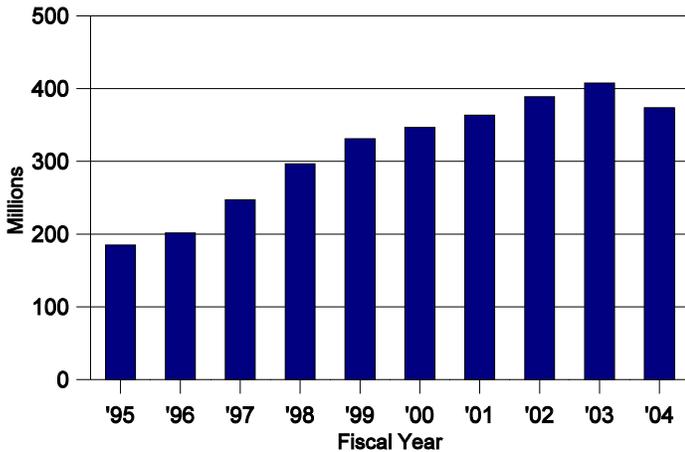
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$392,828,555	\$373,931,566	(4.8)%
Rainy Day Funds	15,000,000	0	(100.0)%
Revolving Funds	50,000,000	58,868,672	17.7%
Federal Funds	5,000,000	7,811,600	56.2%
Carryover	2,500,000	3,000,000	20.0%
Total	\$465,328,555	\$443,611,838	(4.7)%

V. BUDGET REFERENCES

HB 1224, Section 1; HB 1007X, Section 1; SB 190, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$185,166,721	FY-00	\$346,829,779
FY-96	\$201,662,429	FY-01	\$364,253,162
FY-97	\$247,128,472	FY-02	\$388,762,900
FY-98	\$296,504,307	FY-03(Orig.)	\$407,828,555
FY-99	\$331,165,993	FY-04	\$373,931,566

Notes:

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

COURT OF CRIMINAL APPEALS

Charles A. Johnson, Presiding Judge

Agency #199

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$2,817,556	36.0
a. FY-03 Budget Reduction	(\$221,178)	
Revised FY-03 Appropriation and FTE Authorization	\$2,596,378	36.0
FY-04 Adjustments		
b. Operational Increase	38,000	
Total Adjustments	\$38,000	0.0
FY-04 Appropriation and FTE Authorization	\$2,634,378	36.0
Percent Change from FY-03 to FY-04	(6.5)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The Court was provided with \$38,000 to annualize the amount that SB 79 transfers from the Attorney General’s ASA Evidence Fund to the Court to prevent the furlough of all Court employees for five days over five months. The \$38,000 replaces the final FY-03 revenue shortfall amount of 1.35%.

III. POLICY ISSUES

- a. **SB 79** transfers \$38,000 from the Attorney General’s ASA Evidence Fund to the Court of Criminal Appeals to prevent furloughs in FY-03.

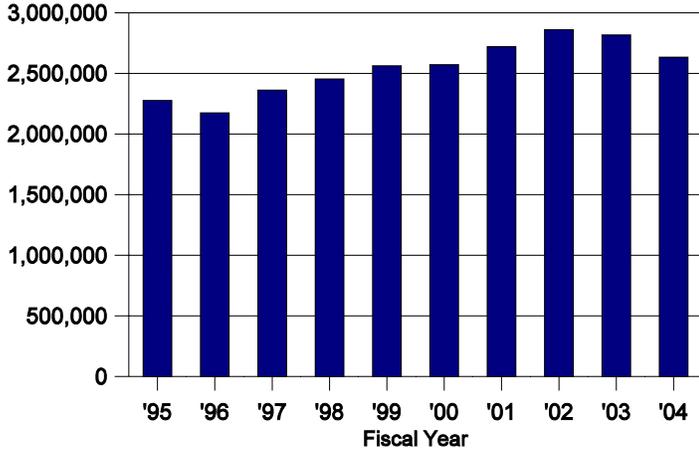
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$2,817,556	\$2,634,378	(6.5)%
Carryover	100,000	33,000	(67.0)%
Total	\$2,917,556	\$2,667,378	(8.6)%

V. BUDGET REFERENCES

SB 78, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$2,276,738	FY-00	\$2,571,828
FY-96	\$2,174,361	FY-01	\$2,720,270
FY-97	\$2,362,575	FY-02	\$2,861,916
FY-98	\$2,454,390	FY-03(Orig.)	\$2,817,556
FY-99	\$2,562,879	FY-04	\$2,634,378

DISTRICT ATTORNEYS AND DISTRICT ATTORNEYS COUNCIL

Suzanne Atwood, Executive Coordinator

Agency #220

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$30,307,624	1241.0
a. FY-03 Budget Reduction	<u>(2,335,581)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$27,972,043	1,241.0
FY-04 Adjustments		
b. General Operating Reductions	(222,037)	
c. Payroll Cost Savings	(716,102)	
d. Furlough Cost Savings	(174,458)	
e. Reduction in Force Cost Savings	<u>(887,391)</u>	
Total Adjustments	(\$1,999,988)	0.0
FY-04 Appropriation and FTE Authorization	\$25,972,055	1,241.0
Percent Change from FY-03 to FY-04	(14.3)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.71%.
- b. Following is a list of the operational reductions totaling \$222,037:

<u>Operational Reduction</u>	<u>Amounts</u>
Cancel All Training Conferences	(\$78,551)
Reduced Witness and Expert Fees	(73,573)
Reduced Legal Intern Budget	(16,003)
Reduced General Operating Expenses	<u>(53,910)</u>
Total Reductions	(\$222,037)

- c. The Council has shifted payroll costs from the General Revenue Fund to the Bogus Check Fund, Forfeiture Fund and other agency funding sources. The redirection of the payroll cost totals \$716,102.

- d. The Council plans to furlough employees saving \$174,458. This action would result in furloughing 76 employees for the maximum 23 days.
- e. The Council will RIF 18 FTE statewide (7 Secretaries, 9 Assistant District Attorneys and 2 Investigators). This action will result in a cost savings of \$887,391 for FY-04.

III. POLICY ISSUES

- a. **HB 1771** provides for three new revenue sources for the DA's: a \$20 suspended and deferred sentence supervision fee (estimated to collect \$50,000), \$10, \$15 and \$25 fee for various traffic violations (estimated to collect \$1.1 million), and a \$15 fee for juvenile cases (estimated to collect \$100,000). These fees are estimated to collect \$1.2 million annually. All fees will be deposited into the District Attorney's Revolving Fund.

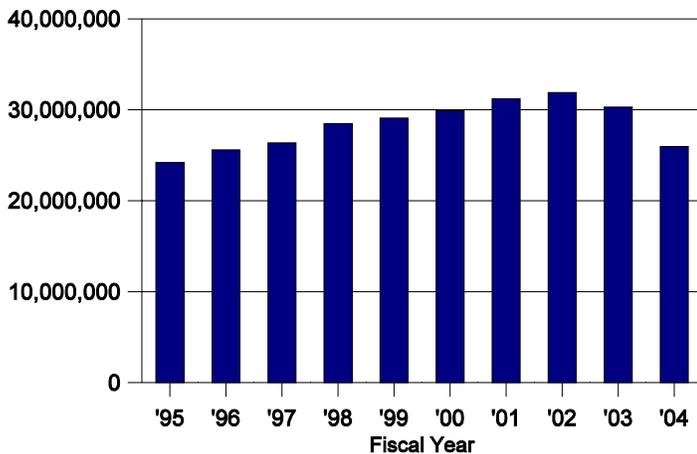
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$30,307,624	\$25,972,055	(14.3)%
Carryover	1,200,000	330,000	(72.5)%
Revolving Funds	48,992,376	42,800,000	(12.6)%
Federal Funds	19,000,000	20,700,000	8.9%
Total	\$99,500,000	\$89,802,055	(9.7)%

V. BUDGET REFERENCES

SB 90, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$24,219,173	FY-00	\$29,880,853
FY-96	\$25,611,743	FY-01	\$31,213,067
FY-97	\$26,373,310	FY-02	\$31,902,762
FY-98	\$28,485,500	FY-03(Orig.)	\$30,307,624
FY-99	\$29,099,939	FY-04	\$25,972,055

DISTRICT COURTS

Joseph M. Watt, Chief Justice

Agency #219

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$40,897,067	642.0
a. FY-03 Budget Reduction	<u>(1,417,253)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$39,479,814	642.0
FY-04 Adjustments		
b. Restore FY-03 Budget Cuts	<u>1,417,253</u>	<u>1.0</u>
Total Adjustments	\$1,417,253	1.0
FY-04 Appropriation and FTE Authorization	\$40,897,067	643.0
Percent Change from FY-03 to FY-04	0.0%	0.2%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The District Court was held harmless from budget cuts at the FY-03 appropriation level. FY-03 budget cuts resulting from declining revenue collections were restored for FY-04.

III. POLICY ISSUES

- a. **SB 80** adds an additional FTE for a new District Judge position in Cleveland County. Funding for this position was provided in FY-03.
- b. **SB 81** raises a number of court fees. The estimated annual collection from the fee increases is \$10 million to be deposited into the State Judicial Fund.

<u>Case Type</u>	<u>Current Fee</u>	<u>Fee Increase</u>	<u>New Fee</u>	<u>Projected Filings</u>	<u>New Funds Collected</u>	<u>@ 80% Collection</u>
Civil, < \$10,000	\$83	\$65	\$148	24,891	\$1,617,915	\$1,294,332
Civil, > \$10,000	\$83	\$78	\$161	38,818	\$3,027,804	\$2,422,243
Small Claims	\$35	\$10	\$45	88,808	\$888,080	\$710,464
Marriage Licenses* (\$5 or \$25)		\$25	\$5 & \$50	27,012	\$675,300	\$540,240
Divorces	\$83	\$58	\$141	28,119	\$1,630,902	\$1,304,722
Beer Licenses	\$150	\$0	\$150	3,932	\$0	\$0
Private Process Serve	\$10	\$15	\$25	1,004	\$15,060	\$12,048
DUI-Misdemeanor	\$183	\$100	\$283	8,327	\$832,700	\$666,160
DUI-Felony	\$183	\$100	\$283	187	\$18,700	\$14,960

<u>Case Type</u>	<u>Current Fee</u>	<u>Fee Increase</u>	<u>New Fee</u>	<u>Projected Filings</u>	<u>New Funds Collected</u>	<u>@ 80% Collection</u>
Request for Jury	\$61	\$289	\$350	1,900	\$549,100	\$439,280
Probate	\$83	\$50	\$133	9,570	\$478,500	\$382,800
Motion for Summary Judgement	New Fee	\$50	\$50	8,000	\$400,000	\$320,000
Traffic-Speeding (1-10 MPH)	\$57	\$20	\$77	27,688	\$553,760	\$443,008
Traffic-Other	\$73	\$15	\$88	111,894	\$1,678,410	\$1,342,728
Preparation for Appeal-Non-Jury Trial	\$100	\$100	\$200	250	\$25,000	\$20,000
Preparation for Appeal-Jury Trial	\$100	\$200	\$300	750	\$150,000	\$120,000
\$10 Surcharge on All Filings	\$0	\$0	\$0	450,000	\$0	\$0
Total Estimated Collections					\$12,541,231	\$10,032,985

c. **SB 205** provides the Indigent Defense System with a supplemental appropriation of \$600,000 from the State Judicial Fund to address 20 pending capital trial conflict cases.

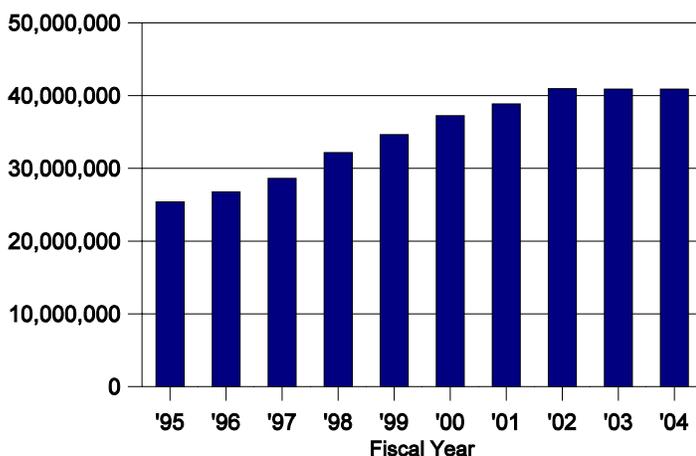
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$18,554,183	\$11,010,040	(40.7)%
State Judicial Fund	22,342,884	29,887,027	33.8%
Carryover	750,000	500,000	(33.3)%
Federal Funds	500,000	500,000	0.0%
Total	\$42,147,067	\$41,897,067	(0.6)%

V. BUDGET REFERENCES

SB 80, Sections 1 through 4

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$25,400,732	FY-00	\$37,257,237
FY-96	\$26,784,877	FY-01	\$38,853,817
FY-97	\$28,642,624	FY-02	\$40,971,275
FY-98	\$32,182,185	FY-03(Orig.)	\$40,897,067
FY-99	\$34,647,308	FY-04	\$40,897,067

STATE FIRE MARSHAL

Robert Doke, Fire Marshal

Agency #310

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$1,875,056	33.0
a. FY-03 Budget Reduction	(\$147,192)	
Revised FY-03 Appropriation and FTE Authorization	\$1,727,864	33.0
FY-04 Adjustments		
b. Savings from Vacant FTE Positions	(97,000)	
c. Savings from Operational Reductions	(126,541)	
Total Adjustments	(\$223,541)	0.0
FY-04 Appropriation and FTE Authorization	\$1,504,323	33.0
Percent Change from FY-03 to FY-04	(19.8)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency plans to achieve necessary savings by leaving vacant the following three FTE positions: Fire Protection Engineer (\$42,000); Public Information Officer (\$30,000); and Public Education Officer (\$25,000).
- c. The agency also will offset FY-04 budget cuts with a reduction in general operating expenditures such as travel, office supplies, motor pool, and library costs.

III. POLICY ISSUES

- a. The State Fire Marshal was provided the authority through the Office of the Governor and upon the approval of emergency rules to begin charging plan review fees on all building blueprints, sprinkler systems, and alarm systems, and inspection fees on all new and add-on construction, jails, daycare centers, prisons and schools. Two years ago when the Fire Marshal was authorized to start charging fees and a revolving fund was established for the deposit of these fees, the Legislature requested that the agency not charge state entities. Approval of the emergency rules this session allows the agency to charge state entities.

The new fees are expected to generate an additional \$200,000. Over the last two years, the current fees have generated about \$200,000. It is anticipated that in FY-04, the Fire Marshal should collect \$400,000. Based on these estimated fee collections the agency's general revenue appropriation base was reduced by \$100,000.

- b. **HB 1229** authorizes an increase in the maximum cap on the State Fire Marshal Revolving Fund from \$300,000 to \$400,000.

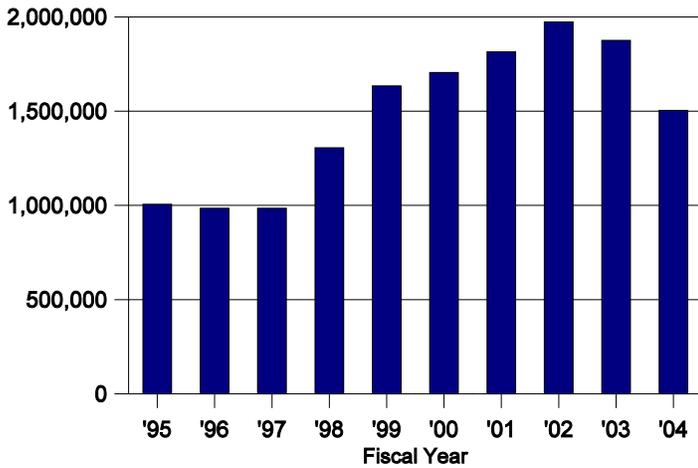
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$1,875,056	\$1,504,323	(19.8)%
Revolving Funds	145,500	400,000	174.9%
Total	\$2,020,556	\$1,904,323	(5.8)%

V. BUDGET REFERENCES

HB 1229, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$1,006,070	FY-00	\$1,705,235
FY-96	\$985,709	FY-01	\$1,815,364
FY-97	\$985,709	FY-02	\$1,973,743
FY-98	\$1,306,637	FY-03(Orig.)	\$1,875,056
FY-99	\$1,634,410	FY-04	\$1,504,323

INDIGENT DEFENSE SYSTEM

Jim Bednar, Executive Director

Agency #047

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$15,440,273	85.0
a. FY-03 Budget Reduction	(\$1,196,361)	
Revised FY-03 Appropriation and FTE Authorization	\$14,243,912	85.0
FY-04 Adjustments		
b. FY-03 Operational Reduction	0	
Total Adjustments	\$0	0.0
FY-04 Appropriation and FTE Authorization	\$14,243,912	85.0
Percent Change from FY-03 to FY-04	(7.7)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The Oklahoma Indigent Defense System (OIDS) was held harmless from further FY-03 budget cuts in an effort to maintain current program service levels.

III. POLICY ISSUES

- a. **SB 205** provides OIDS with a supplemental appropriation of \$600,000 derived from the State Judicial Fund to address approximately 20 pending capital trial conflict cases.
- b. **SB 93** increases the Indigent Defense System program category limit section from three to six categories to establish greater agency accountability. Bill provisions also establish the Director's salary limit at \$110,463.

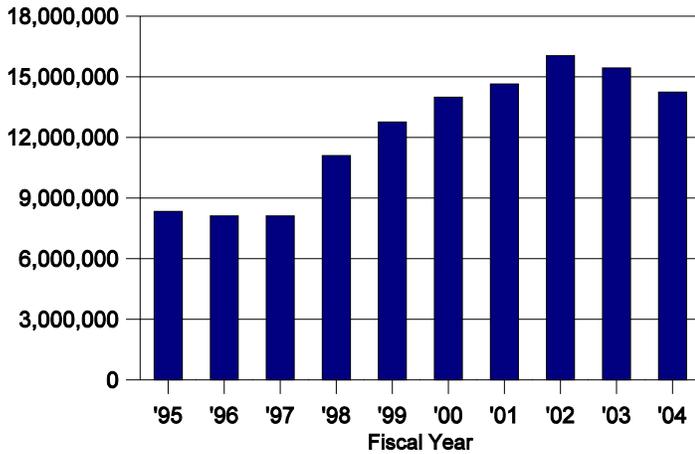
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$15,440,273	\$14,243,912	(7.7)%
Carryover	1,884,727	1,307,677	(30.6)%
Revolving Funds	1,349,500	700,000	(48.1)%
Total	\$18,674,500	\$16,251,589	(13.0)%

V. BUDGET REFERENCES

SB 93, Section 1; SB 205, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$8,334,419	FY-00	\$13,986,560
FY-96	\$8,122,264	FY-01	\$14,648,539
FY-97	\$8,122,264	FY-02	\$16,042,393
FY-98	\$11,105,049	FY-03(Orig.)	\$15,440,273
FY-99	\$12,757,570	FY-04	\$14,243,912

Notes:

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

OKLAHOMA STATE BUREAU OF INVESTIGATION

Tom Jordan, Acting Director

Agency #308

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$10,742,452	305.0
a. FY-03 Budget Reduction	(\$843,282)	
Revised FY-03 Appropriation and FTE Authorization	\$9,899,170	305.0
FY-04 Adjustments		
b. FTE Positions Unfilled	(295,787)	
c. Eliminate OSBI Academy	(95,000)	
d. Operational Reductions	(317,000)	
e. Oil Field Investigators (2.0 FTE)	<u>250,000</u>	<u>2.0</u>
Total Adjustments	(\$457,787)	2.0
FY-04 Appropriation and FTE Authorization	\$9,441,383	307.0
Percent Change from FY-03 to FY-04	(12.1)%	0.7%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The Bureau will save \$295,787 by leaving eight FTE positions vacant: one Public Information Representative, three Sr. Agents, two Criminalists, and two Fingerprint Technician Trainees. The actual annual cost savings is \$300,000.
- c. The Bureau will realize \$95,000 in annual savings by eliminating the annual investigative academy. Funding originally was provided in FY-02 for the academy. Savings include \$47,000 for professional services, \$35,000 in travel costs, and \$13,000 for supplies, printing and rental costs.
- d. The following is a list of agency operational reductions totaling \$317,000:

<u>Operational Reductions</u>	<u>Amounts</u>
Closing of Three Regional Facilities	(\$25,000)
Reduce Overtime Budget	(70,000)
Eliminate Assistant AG Contract	(60,000)
Reduce Travel and Training Budgets	(38,000)
Modify Annual Employee Training	(25,000)
Reduce Supply Budget by 20%	(48,000)
Reduce Lab Supply Budget by 10%	<u>(51,000)</u>
Total Reductions	(\$317,000)

- e. The Legislature appropriated \$250,000 for two Oil Field Investigators that will provide for oil field theft investigations.

III. POLICY ISSUES

None

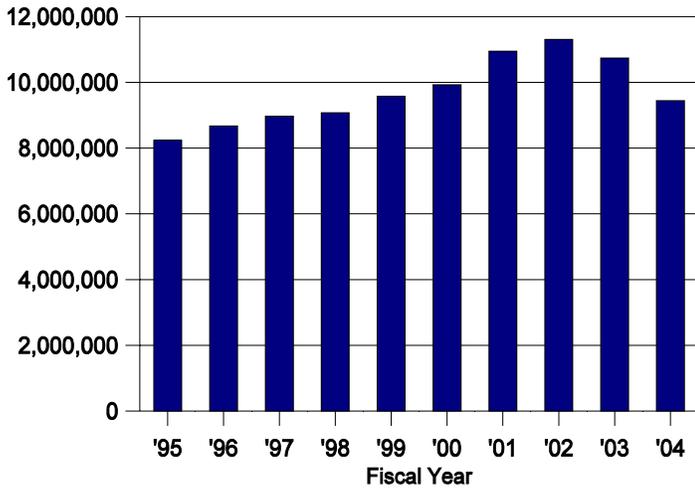
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$10,742,452	\$9,441,383	(12.1)%
Carryover Funds	0	605,000	N/A
Revolving Funds	15,248,300	12,631,221	(17.2)%
Federal Funds	2,874,246	2,065,802	(28.1)%
Total	\$28,864,998	\$24,743,406	(14.3)%

V. BUDGET REFERENCES

HB 1231, Section 1; SB 102, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$8,239,623	FY-00	\$9,930,247
FY-96	\$8,677,147	FY-01	\$10,950,072
FY-97	\$8,968,685	FY-02	\$11,307,844
FY-98	\$9,076,669	FY-03(Orig.)	\$10,742,452
FY-99	\$9,579,808	FY-04	\$9,441,383

COUNCIL ON JUDICIAL COMPLAINTS

Eric Mitts, Administrative Secretary

Agency #678

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$301,681	2.0
a. FY-03 Budget Reduction	(\$23,682)	
Revised FY-03 Appropriation and FTE Authorization	\$277,999	2.0
FY-04 Adjustments		
b. Operational Reductions	(10,000)	
Total Adjustments	(\$10,000)	0.0
FY-04 Appropriation and FTE Authorization	\$267,999	2.0
Percent Change from FY-03 to FY-04	(11.2)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The Council will save \$5,000 by reducing the number of monthly board meetings from twelve to six in FY-04. Reducing court reporter expenses will realize an additional \$5,000 in annual savings.

III. POLICY ISSUES

None

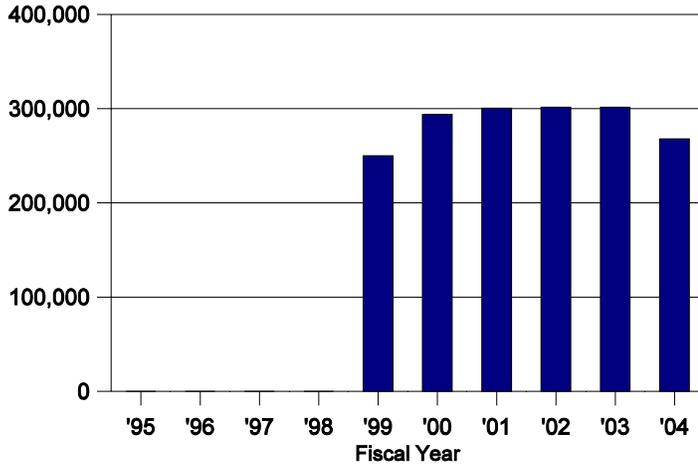
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$301,681	\$267,999	(11.2)%
Carryover	\$45,000	\$53,000	17.8%
Total	\$346,681	\$320,999	(7.4)%

V. BUDGET REFERENCES

SB 82, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	N/A	FY-00	\$293,904
FY-96	N/A	FY-01	\$300,504
FY-97	N/A	FY-02	\$301,681
FY-98	N/A	FY-03(Orig.)	\$301,681
FY-99	\$250,000	FY-04	\$267,999

Notes:

1. The Council on Judicial Complaints was created as a separate agency for FY-99.

COUNCIL ON LAW ENFORCEMENT EDUCATION AND TRAINING

Jeanie Nelson, Director

Agency #415

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$2,883,685	41.0
a. FY-03 Budget Reduction	<u>(\$30,223)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$2,853,462	41.0
FY-04 Adjustments		
b. Administrative Decrease	(3,400)	
c. Operational Reductions	(142,757)	
d. Private Security Reductions	<u>(57,864)</u>	
Total Adjustments	<u>(\$204,021)</u>	0.0
FY-04 Appropriation and FTE Authorization	\$2,649,441	41.0
Percent Change from FY-03 to FY-04	(8.1)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency will cut their administrative budget by \$3,400 by reducing purchase of supplies and travel expenses.
- c. Following is a list of the agency training reductions totaling \$142,757:

<u>Training Reductions</u>	<u>Amounts</u>
Instructors (2.0 FTE)	(\$94,000)
Data Processing	(10,000)
Travel	(6,749)
Motor Pool	(4,008)
Eliminate One Basic Academy	<u>(28,000)</u>
Total Reductions	(\$142,757)

d. Following is a list of the private security reductions totaling \$57,864:

<u>Private Security Reductions</u>	<u>Amounts</u>
Investigator (1.0 FTE)	\$48,693
Data Processing	\$5,000
Supplies	<u>\$4,171</u>
Total Reductions	\$57,864

III. POLICY ISSUES

a. **HB 1227** and **SB 426** provide language that re-established the CLEET Training Center Revolving Fund that had been inadvertently eliminated in FY-03.

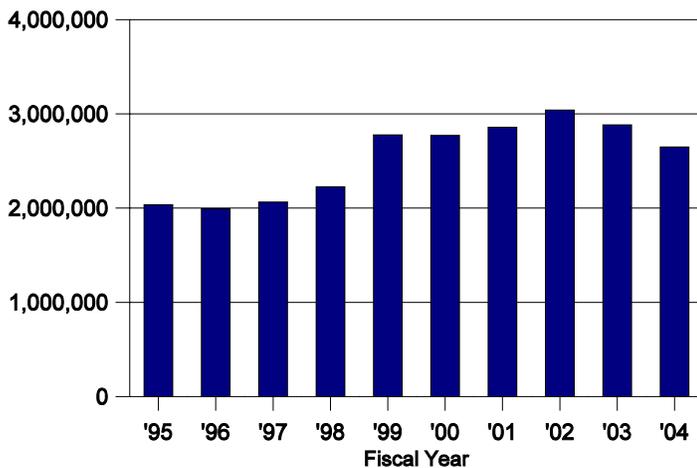
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$385,000	\$296,913	(22.9)%
CLEET Fund	2,498,685	2,352,528	(5.8)%
Revolving Fund	8,000	49,000	512.5%
Carryover	38,000	7,000	(81.6)%
Total	\$2,929,685	\$2,705,441	(7.7)%

V. BUDGET REFERENCES

HB 1233, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$2,037,261	FY-00	\$2,771,522
FY-96	\$1,993,062	FY-01	\$2,858,635
FY-97	\$2,063,830	FY-02	\$3,050,458
FY-98	\$2,226,483	FY-03(Orig.)	\$2,883,685
FY-99	\$2,777,814	FY-04	\$2,649,441

BOARD OF MEDICOLEGAL INVESTIGATIONS

Dr. Fred Jordan, Chief Medical Examiner

Agency #342

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$3,918,936	70.5
a. FY-03 Budget Reduction	(\$307,636)	
Revised FY-03 Appropriation and FTE Authorization	\$3,611,300	70.5
FY-04 Adjustments		
b. Possible Furlough/RIF	(78,377)	
c. FTE Positions Unfilled	(132,892)	
d. Operational Reductions	(142,573)	
Total Adjustments	(\$353,842)	0.0
FY-04 Appropriation and FTE Authorization	\$3,257,458	70.5
Percent Change from FY-03 to FY-04	(16.9)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The agency plans to furlough and/or RIF, to achieve \$78,377 in annual savings. This action would result in furloughing all employees (70 FTE) about eight days. The agency will attempt volunteer furloughs and will tier the furloughs where higher paid employees will be on furlough first to achieve relatively greater payroll cost savings.
- c. The agency will save \$132,892 by leaving three positions vacant: Tulsa Investigator (\$35,416); OKC Investigator (\$49,739); and a Tulsa PA position (\$47,737).
- d. Following is a list of agency operational reductions totaling \$142,573 in annual savings:

<u>Operational Reductions</u>	<u>Amounts</u>
Toxicology Lab Service Contract	(\$29,700)
Increase Long Distance Sign-Outs	(17,650)
Replace Existing Telecommunications	(15,000)
Discontinue Clothing Allowance	(7,140)

<u>Operational Reductions</u>	<u>Amounts</u>
Biohazard Waste Contract Change	(7,200)
Under-fill Retiring Employee Positions	(39,883)
Substitute Grant Funds/Appropriated Funds	(10,000)
Consolidate County Investigations-District 4	(16,000)
Total Reductions	(\$142,573)

III. POLICY ISSUES

None

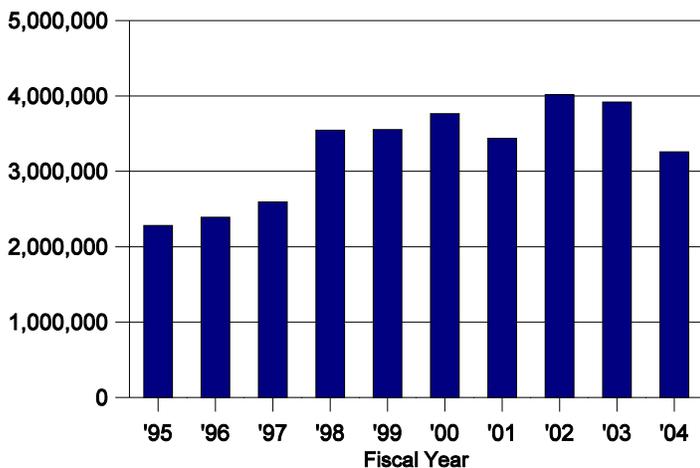
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$3,918,936	\$3,257,458	(16.9)%
Carryover	50,000	20,000	(60.0)%
Revolving Funds	680,000	400,000	(41.2)%
Federal Funds	660,000	843,689	27.8%
Total	\$5,308,936	\$4,521,147	(14.8)%

V. BUDGET REFERENCES

HB 1234, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$2,279,961	FY-00	\$3,764,338
FY-96	\$2,391,391	FY-01	\$3,438,913
FY-97	\$2,594,072	FY-02	\$4,016,775
FY-98	\$3,544,014	FY-03(Orig.)	\$3,918,936
FY-99	\$3,555,031	FY-04	\$3,257,458

BUREAU OF NARCOTICS AND DANGEROUS DRUGS

Lonnie Wright, Director

Agency #477

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$5,925,357	109.0
a. FY-03 Budget Reduction	<u>(465,141)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$5,460,216	109.0
FY-04 Adjustments		
b. Operational Reductions	(556,803)	
c. OSTAR Program Reduction	<u>(43,599)</u>	
Total Adjustments	<u>(\$600,402)</u>	0.0
FY-04 Appropriation and FTE Authorization	\$4,859,814	109.0
Percent Change from FY-03 to FY-04	(18.0)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. Following is a list of the operational reductions totaling \$556,803 in annual savings. The cuts include reduced rent, travel, insurance, equipment, and professional services expenses. Approximately \$400,000 of these reductions will be addressed using the Bureau Revolving Fund. The agency's general revenue base was cut by \$210,000.

<u>Operational Reductions</u>	<u>Amounts</u>
Administrative Reductions	(\$209,619)
Enforcement Reductions	<u>(347,184)</u>
Total Reductions	(\$556,803)

- c. The Oklahoma Schedule Two Abuse Reduction Program (OSTAR) was reduced by \$43,599. The Bureau eliminated a professional service contract that assists in tracking prescription drugs statewide. Bureau staff will assume responsibility of services formally provided by the contract.

III. POLICY ISSUES

- a. **SB 611** increases several fees: canine trainers and handlers license from \$35 to \$70; practitioners license from \$35 to \$70; home care agency license from \$35 to \$70; distributor license from \$50 to \$100; and manufacture license from \$15 to \$20. These fee increases are estimated to generate an additional \$400,000 per year and will be deposited into the agency’s revolving fund.

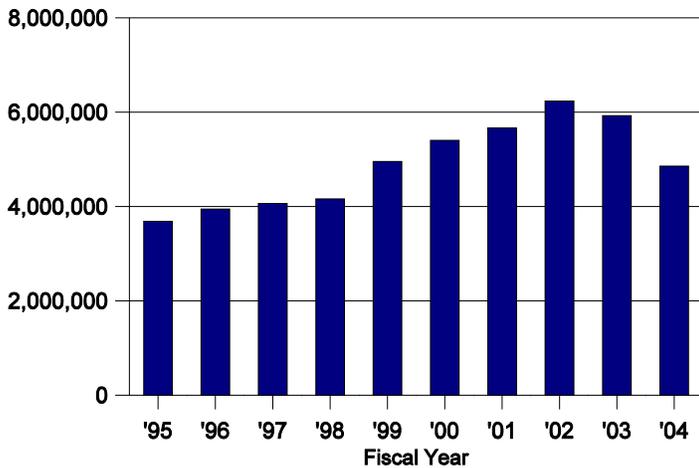
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$5,925,357	\$4,859,814	(18.0)%
Revolving Funds	3,582,151	3,982,369	11.2%
Federal Funds	2,792,492	0	(100.0)%
Carryover	300,000	3,757,817	1152.6%
Total	\$12,600,000	\$12,600,000	0.0%

V. BUDGET REFERENCES

HB 1235, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$3,687,601	FY-00	\$5,404,809
FY-96	\$3,947,711	FY-01	\$5,665,596
FY-97	\$4,064,315	FY-02	\$6,237,218
FY-98	\$4,163,782	FY-03(Orig.)	\$5,925,357
FY-99	\$4,954,174	FY-04	\$4,859,814

PARDON AND PAROLE BOARD

Terry Jenks, Director

Agency #306

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$2,355,603	47.0
a. FY-03 Budget Reduction	<u>(\$184,915)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$2,170,688	47.0
FY-04 Adjustments		
b. Voluntary Reduction in Force	<u>(55,203)</u>	
Total Adjustments	(\$55,203)	0.0
FY-04 Appropriation and FTE Authorization	\$2,115,485	47.0
Percent Change from FY-03 to FY-04	(10.2)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. Three agency FTE volunteered to retire earlier than originally projected. The cost for FY-04 includes longevity and buy-out costs for two Investigator II's and one Business Manager. The actual annual cost savings is \$58,154.

III. POLICY ISSUES

None

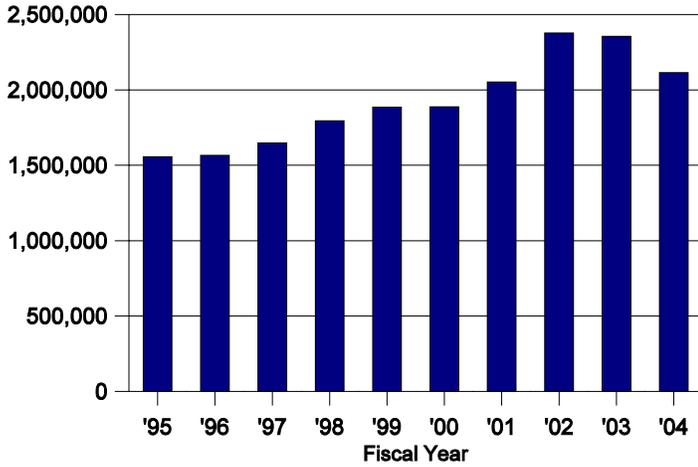
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$2,355,603	\$2,115,485	(10.2)%
Carryover	50,000	15,000	N/A
Total	\$2,405,603	\$2,130,485	(11.4)%

V. BUDGET REFERENCES

HB 1236, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$1,556,632	FY-00	\$1,887,950
FY-96	\$1,565,369	FY-01	\$2,052,545
FY-97	\$1,648,077	FY-02	\$2,377,711
FY-98	\$1,794,291	FY-03(Orig.)	\$2,355,603
FY-99	\$1,885,752	FY-04	\$2,115,485

DEPARTMENT OF PUBLIC SAFETY

Bob Ricks, Commissioner

Agency #585

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$69,594,193	1,548.0
a. FY-03 Budget Reduction	<u>(5,457,844)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$64,136,349	1,548.0
FY-04 Adjustments		
b. Savings from OHP Retirements	(1,302,440)	
c. Savings from Vacant FTE Positions	(205,095)	
d. Payroll Savings	<u>(199,282)</u>	
Total Adjustments	(\$1,706,817)	0.0
FY-04 Appropriation and FTE Authorization	\$62,429,532	1,548.0
Percent Change from FY-03 to FY-04	(10.3)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The Department will realize an annual savings of approximately \$1,302,440 from the retirement of twenty Oklahoma Highway Patrol Troopers.
- c. An annual savings of approximately \$205,095 is projected by leaving six driver license examiner positions vacant.
- d. The Department will realize an annual payroll cost savings of approximately \$199,282 from a continued active duty military call-up.

III. POLICY ISSUES

- a. **HB 1237** authorizes a \$2.00 fee on all vehicles registered. The Department estimates that the fee will generate \$6.6 million to offset FY-03 budget cuts and to prevent a furlough and/or a RIF of Troopers. The fee is authorized for a two year period and is deposited into the agency's revolving fund.
- b. **SB 46** provides for a \$100 assessment on driving under the influence of intoxicating substances and is estimated to generate \$234,000 annually. SB 46 provides that collections be deposited into the Drug Abuse Education and Treatment Revolving Fund at the Department of Mental Health.

- c. **SB 105** appropriates \$1.5 million to the Department of Public Safety for the purpose of providing additional capitol complex security.
- d. **SB 126** reappropriates \$192,428 from the Department of Public Safety to the Department of Commerce for economic development projects.
- e. **SB 426** authorizes the Department to hire a Chaplain, transfers the Drug Countermeasure Unit to the Board of Tests for Alcohol and Drug Influence, and increases the amount of revenue deposited into the Public Safety Patrol Vehicle Revolving Fund for the purchase of vehicles and aircraft from \$3.0 million to \$3.5 million.

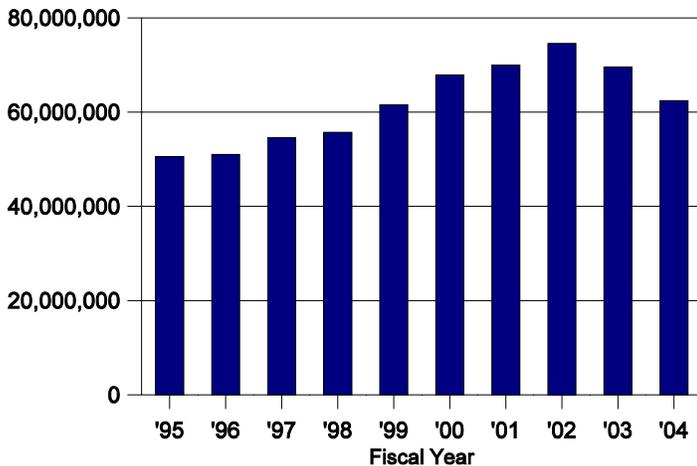
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$69,526,680	\$61,845,905	(11.0)%
CLEET Funds	67,513	583,627	764.5%
Revolving Funds	43,775,807	40,400,000	(7.7)%
Federal Funds	14,300,000	61,000,000	326.6%
Carryover	1,300,000	0	(100.0)%
Total	\$128,970,000	\$163,829,532	27.0%

V. BUDGET REFERENCES

SB 104, Sections 1 and 2; SB 105, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$50,571,602	FY-00	\$67,915,246
FY-96	\$51,024,134	FY-01	\$69,992,993
FY-97	\$54,573,835	FY-02	\$74,596,430
FY-98	\$55,732,863	FY-03(Orig.)	\$69,594,193
FY-99	\$61,544,635	FY-04	\$62,429,532

SUPREME COURT

Joseph M. Watt, Chief Justice

Agency #677

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$13,543,032	166.0
a. FY-03 Budget Reduction	<u>(1,039,578)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$12,503,454	166.0
FY-04 Adjustments		
b. Bond Refinancing Savings	<u>(541,113)</u>	
Total Adjustments	(\$541,113)	0.0
FY-04 Appropriation and FTE Authorization	\$11,962,341	166.0
Percent Change from FY-03 to FY-04	(11.7)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. Preliminary analysis indicated that the Supreme Court would save \$541,113 from the refinancing of debt service payments. However, the final calculation showed an annual cost savings of only \$353,441, resulting in a funding loss to the Supreme Court of \$187,672. The Court is currently using the Supreme Court Revolving Fund to address the loss.

III. POLICY ISSUES

- a. **SB 476** expands the use of the State Supreme Court Revolving Fund allowing expenditures for unforeseen emergencies that impact the operation of the Court.

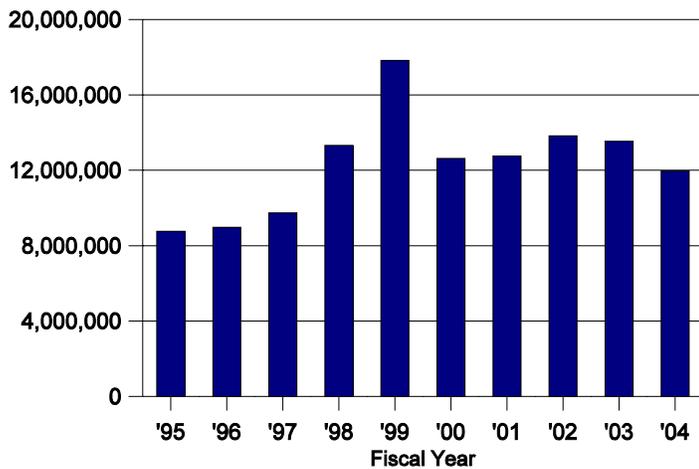
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$13,543,032	\$11,962,341	(11.7)%
Carryover	1,000,000	500,000	(50.0)%
Revolving Funds	9,500,000	11,500,000	21.1%
Federal Funds	600,000	600,000	0.0%
Total	\$24,643,032	\$24,562,341	(0.3)%

V. BUDGET REFERENCES

SB 84, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$8,766,059	FY-00	\$12,624,659
FY-96	\$8,968,906	FY-01	\$12,757,207
FY-97	\$9,739,882	FY-02	\$13,823,343
FY-98	\$13,321,078	FY-03(Orig.)	\$13,543,032
FY-99	\$17,831,522	FY-04	\$11,962,341

Notes:

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

WORKERS' COMPENSATION COURT

Richard L. Blanchard, Presiding Judge

Agency #369

<u>I. DETAIL OF FY-04 APPROPRIATIONS ADJUSTMENTS</u>		
	<u>Funding</u>	<u>FTE</u>
FY-03 Appropriation and FTE Authorization	\$4,306,464	108.0
a. FY-03 Budget Reduction	<u>(\$330,207)</u>	
Revised FY-03 Appropriation and FTE Authorization	\$3,976,257	108.0
FY-04 Adjustments		
b. Use of Revolving Funds	<u>(284,300)</u>	
Total Adjustments	(\$284,300)	0.0
FY-04 Appropriation and FTE Authorization	\$3,691,957	108.0
Percent Change from FY-03 to FY-04	(14.3)%	0.0%

II. DETAIL ON BUDGET ADJUSTMENTS

- a. Declining revenue collections required mid-year budget cuts of 7.85%.
- b. The Court will use \$284,300 of accumulated funds from the Court's Revolving Fund to address FY-04 general operating expenses. The use of the Court's Revolving Fund in FY-04 will substantially impact current balances and could create a budget shortfall in FY-05.

III. POLICY ISSUES

None

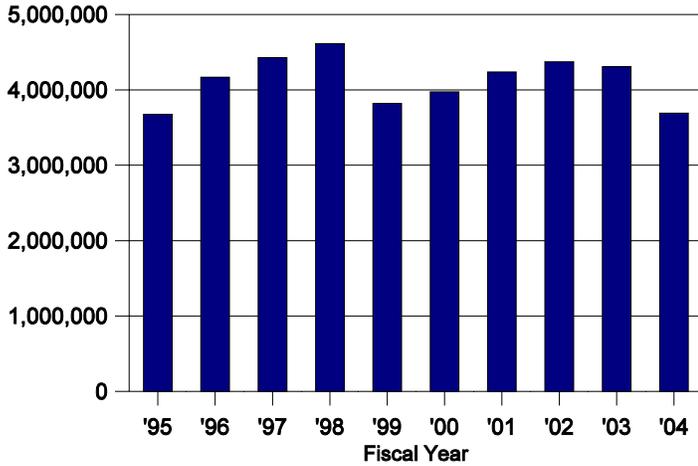
IV. BUDGET RESOURCES

	<u>FY-03</u>	<u>FY-04</u>	<u>% Change</u>
General Revenue Fund	\$4,306,464	\$3,691,957	(14.3)%
Revolving Funds	2,175,034	2,093,000	(3.8)%
Total	\$6,481,498	\$5,784,957	(10.7)%

V. BUDGET REFERENCES

SB 86, Section 1

VI. TEN YEAR APPROPRIATION HISTORY



FY-95	\$3,673,846	FY-00	\$3,974,430
FY-96	\$4,168,157	FY-01	\$4,238,754
FY-97	\$4,428,251	FY-02	\$4,372,691
FY-98	\$4,614,933	FY-03(Orig.)	\$4,306,464
FY-99	\$3,189,535	FY-04	\$3,691,957

Notes:

1. FY-96 includes annualization of FY-95 Supplemental Appropriation to fund reform legislation adopted during Special Session in November, 1994.
2. FY-99 reflects removal of onetime equipment funds from the Court's base.

Supplementary Data

Table 1

FY-04 APPROPRIATIONS BY SOURCE

<u>Fund Name</u>	<u>Funds Available</u>	<u>Funds Appropriated</u>
FY-04 General Revenue	\$4,175,900,533	\$4,174,895,398
FY-02 General Revenue	<u>9,847,481</u>	<u>9,800,000</u>
Total General Revenue	\$4,185,748,014	\$4,184,695,398
Other Funds		
Constitutional Reserve (Rainy Day) Fund	36,199,498	36,063,165
Constitutional Reserve (Rainy Day) Fund Stabilization Balance	36,199,498	36,199,498
FY-04 Mineral Leasing Fund	1,330,000	1,330,000
FY-04 Commissioners of the Land Office	5,700,720	4,095,100
FY-04 Judicial Fund	29,887,027	29,887,027
FY-02 Judicial Fund	2,370,519	2,370,519
FY-04 Public Building Fund	1,158,145	1,158,145
Special Cash	30,029,045	30,029,045
FY-04 OSHA	1,503,660	1,503,660
FY-02 OSHA	99,446	99,446
FY-04 CLEET Fund	2,446,493	2,446,493
FY-02 CLEET Fund	489,662	489,662
FY-04 State Transportation Fund	192,185,387	192,185,387
Tobacco Settlement Fund	27,340,990	27,340,990
G.O. Bonds Fund Series A	11,484	11,484
G.O. Bonds Fund Series B	<u>30,182</u>	<u>30,182</u>
Total Other Funds	\$366,981,756	\$365,239,803
Total Appropriations - 2003 Session	\$4,552,729,770	\$4,549,935,201
Education Reform Revolving Fund	524,266,360	524,248,646
Common Education Technology Revolving Fund	26,292,114	26,292,114
Higher Education Scholarship Revolving Fund	26,292,114	26,292,114
Higher Education Capital Revolving Fund	26,292,114	26,292,114
Total 2003 Session Appropriations	\$5,155,872,472	\$5,153,060,189
Minus: FY-03 Supplemental Appropriations		(46,463,165)
Total FY-04 Appropriations		\$5,106,597,024

Table 2

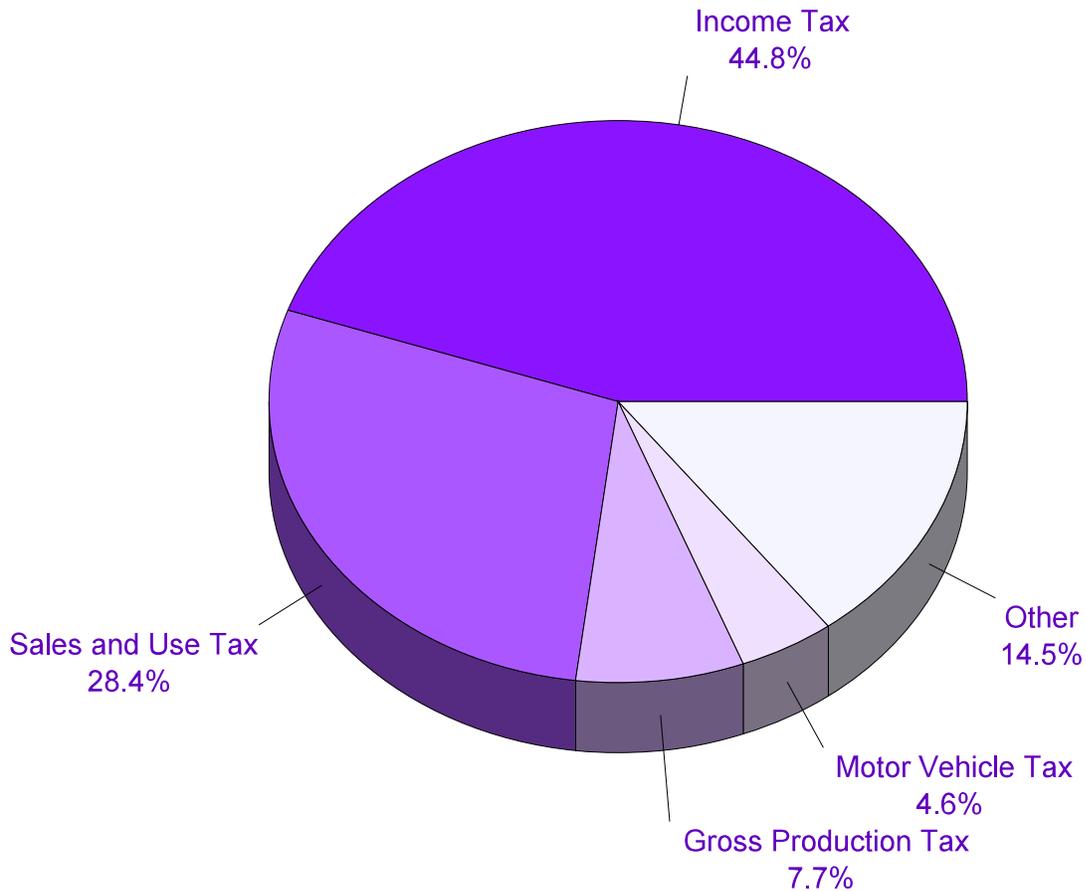
Certified Revenue Funds

FY-03 to FY-04 Comparison

General Revenue Fund	FY-03 Estimated	FY-04 Estimated	Percent Change
Alcoholic Beverage Tax	\$14,291,000	\$14,871,000	4.1%
Mixed Beverage Receipts Tax	20,295,000	19,156,000	(5.6)%
Beverage Tax	24,376,000	24,390,000	0.1%
Cigarette Tax	25,334,559	54,452,418	114.9%
Tobacco Products Tax	11,373,000	11,665,000	2.6%
Franchise Tax	41,327,000	41,785,000	1.1%
Gross Production Tax - Gas	277,190,000	358,728,000	29.4%
Income Tax - Individual	2,169,849,053	1,991,489,148	(8.2)%
Income Tax - Corporate	134,451,509	87,336,866	(35.0)%
Estate Tax	91,823,000	84,852,000	(7.6)%
Insurance Premium Tax	62,275,000	0	(100.0)%
Motor Vehicle Taxes	252,912,337	214,236,000	(15.3)%
Sales Tax	1,327,320,151	1,238,943,304	(6.7)%
Use Tax	75,034,599	79,331,118	5.7%
Interest and Investments	55,378,431	36,669,911	(33.8)%
Other Taxes, Fees and Licenses	140,457,514	136,695,007	(2.7)%
Transfers and Lapses	1,600,000	1,200,000	(25.0)%
Total General Revenue	\$4,725,288,153	\$4,395,800,772	(7.0)%
Special Funds	35,876,459	44,237,942	23.3%
Transportation Fund	202,662,822	202,300,407	(0.2)%
Total Revenue	\$4,963,827,434	\$4,642,339,121	(6.5)%

Source: Office of State Finance

CERTIFIED REVENUE FUNDS FY-04 ESTIMATED



Income Tax	\$2,078,826,014
Sales and Use Tax	1,318,274,422
Gross Production Tax	358,728,000
Motor Vehicle Tax	<u>214,236,000</u>
Subtotal	\$3,970,064,436
Other	<u>672,274,685</u>
Total Revenue	\$4,642,339,121

Table 3
FY-04 APPROPRIATIONS BY AGENCY

	FY-03 Original Appropriations	FY-04 Appropriations	Dollar Change	Percent Change
EDUCATION SUBCOMMITTEE				
Arts Council	\$4,318,483	\$3,864,077	(\$454,406)	(10.5)%
Career and Technology Education	131,196,667	117,822,607	(13,374,060)	(10.2)%
Education, Board of	2,040,028,941	1,950,625,265	(89,403,676)	(4.4)%
Educational Television Authority	3,741,795	3,448,064	(293,731)	(7.9)%
Higher Education, Regents of	851,255,610	768,130,523	(83,125,087)	(9.8)%
Land Commission	4,095,100	4,095,100	0	0.0%
Libraries, Department of	6,891,409	6,166,270	(725,139)	(10.5)%
Physician Manpower Training Comm.	5,606,623	5,017,536	(589,087)	(10.5)%
Private Vocational Schools, Board of	166,022	152,989	(13,033)	(7.9)%
School of Science and Mathematics	6,522,429	6,204,693	(317,736)	(4.9)%
Science and Technology, Center for	12,597,604	11,014,880	(1,582,724)	(12.6)%
Teacher Preparation Commission	2,219,555	1,986,006	(233,549)	(10.5)%
Subtotal	\$3,068,640,238	\$2,878,528,010	(\$190,112,228)	(6.2)%
GENERAL GOVERNMENT SUBCOMMITTEE				
Auditor and Inspector	\$5,939,515	\$5,226,966	(\$712,549)	(12.0)%
Bond Advisor	0	163,527	163,527	N/A
Central Services, Department of	15,301,061	9,547,361	(5,753,700)	(37.6)%
Election Board	7,227,380	8,195,395	968,015	13.4%
Emergency Management	749,202	666,226	(82,976)	(11.1)%
Ethics Commission	482,321	447,124	(35,197)	(7.3)%
Finance, Office of State	9,953,190	20,080,825	10,127,635	101.8%
Governor	2,906,729	2,477,659	(429,070)	(14.8)%
House of Representatives	20,457,766	17,437,944	(3,019,822)	(14.8)%
Legislative Services Bureau	2,417,878	2,060,968	(356,910)	(14.8)%
Lieutenant Governor	548,452	467,494	(80,958)	(14.8)%
Merit Protection Commission	592,319	504,885	(87,434)	(14.8)%
Military Department	7,895,866	7,021,379	(874,487)	(11.1)%
Personnel Management, Office of	5,399,774	4,602,700	(797,074)	(14.8)%
Secretary of State	517,868	429,494	(88,374)	(17.1)%
Senate	14,251,641	12,147,920	(2,103,721)	(14.8)%
Space Industry Development Authority	985,000	515,851	(469,149)	(47.6)%
Tax Commission	49,161,169	44,601,406	(4,559,763)	(9.3)%
Transportation, Department of	247,008,202	192,185,387	(54,822,815)	(22.2)%
Treasurer	5,270,092	4,377,639	(892,453)	(16.9)%
Subtotal	\$397,065,425	\$333,158,150	(\$63,907,275)	(16.1)%
HEALTH AND SOCIAL SERVICES SUBCOMMITTEE				
Health Care Authority	449,126,375	439,000,000	(10,126,375)	(2.3)%
Health Department	64,292,965	53,649,633	(10,643,332)	(16.6)%
J.D. McCarty Center	2,946,549	2,457,898	(488,651)	(16.6)%
Mental Health and Substance Abuse	150,924,452	145,018,006	(5,906,446)	(3.9)%
University Hospitals Authority	41,499,895	34,598,585	(6,901,310)	(16.6)%
Veterans Affairs, Department of	26,687,506	26,943,202	255,696	1.0%
Subtotal	\$735,477,742	\$701,667,324	(\$33,810,418)	(4.6)%
HUMAN SERVICES SUBCOMMITTEE				
Children and Youth, Commission on	\$1,751,885	\$1,550,000	(\$201,885)	(11.5)%
Handicapped Concerns, Office of	386,278	356,000	(30,278)	(7.8)%
Human Rights Commission	790,374	650,000	(140,374)	(17.8)%
Human Services, Department of	410,923,039	387,455,619	(23,467,420)	(5.7)%
Indian Affairs Commission	276,685	244,000	(32,685)	(11.8)%
Juvenile Affairs, Office of	102,368,528	90,000,000	(12,368,528)	(12.1)%
Rehabilitation Services	25,576,817	24,750,000	(826,817)	(3.2)%
Subtotal	\$542,073,606	\$505,005,619	(\$37,067,987)	(6.8)%

	FY-03 Original Appropriations	FY-04 Appropriations	Dollar Change	Percent Change
NATURAL RESOURCES AND REGULATORY SERVICES SUBCOMMITTEE				
Agriculture Department	\$29,648,836	\$22,610,776	(\$7,038,060)	(23.7)%
Banking Department	3,107,821	0	(3,107,821)	(100.0)%
Capitol Complex/Centennial Commission	1,890,904	526,503	(1,364,401)	(72.2)%
Commerce, Department of	\$30,241,666	\$22,008,606	(\$8,233,060)	(27.2)%
Conservation Commission	7,287,094	6,220,557	(1,066,537)	(14.6)%
Consumer Credit, Commission on	733,716	602,747	(130,969)	(17.9)%
Corporation Commission	9,735,621	4,736,959	(4,998,662)	(51.3)%
Environmental Quality, Department of	7,460,880	5,928,921	(1,531,959)	(20.5)%
Historical Society	10,515,233	8,537,394	(1,977,839)	(18.8)%
Horse Racing Commission	2,144,550	1,761,748	(382,802)	(17.9)%
Insurance Department	2,872,013	2,072,157	(799,856)	(27.9)%
J.M. Davis Memorial Commission	364,704	299,604	(65,100)	(17.9)%
Labor Department	3,678,570	2,958,570	(720,000)	(19.6)%
Liquefied Petroleum Gas Board	434,148	0	(434,148)	(100.0)%
Mines, Department of	949,734	722,124	(227,610)	(24.0)%
Native American Cultural Authority	392,638	0	(392,638)	(100.0)%
Scenic Rivers Commission	357,805	258,156	(99,649)	(27.9)%
Securities Commission	694,615	501,088	(193,527)	(27.9)%
Tourism and Recreation	28,177,594	22,616,482	(5,561,112)	(19.7)%
Water Resources Board	8,069,143	6,228,494	(1,840,649)	(22.8)%
Will Rogers Memorial Commission	965,062	792,798	(172,264)	(17.9)%
Subtotal	\$149,722,347	\$109,383,684	(\$40,338,663)	(26.9)%
JUDICIARY, PUBLIC SAFETY AND LAW ENFORCEMENT SUBCOMMITTEE				
ABLE Commission	\$4,010,797	\$3,431,691	(\$579,106)	(14.4)%
Attorney General	7,107,784	5,794,927	(1,312,857)	(18.5)%
Corrections, Department of	407,828,555	373,931,566	(33,896,989)	(8.3)%
Court of Criminal Appeals	2,817,556	2,634,378	(183,178)	(6.5)%
District Attorneys, DAC	30,307,624	25,972,055	(4,335,569)	(14.3)%
District Courts	40,897,067	40,897,067	0	0.0%
Fire Marshal	1,875,056	1,504,323	(370,733)	(19.8)%
Indigent Defense System	15,440,273	14,243,912	(1,196,361)	(7.7)%
Investigation, Bureau of	10,742,452	9,441,383	(1,301,069)	(12.1)%
Judicial Complaints, Council on	301,681	267,999	(33,682)	(11.2)%
Law Enforcement Education and Training	2,883,685	2,649,441	(234,244)	(8.1)%
Medicolegal Investigations, Board of	3,918,936	3,257,458	(661,478)	(16.9)%
Narcotics and Dangerous Drugs	5,925,357	4,859,814	(1,065,543)	(18.0)%
Pardon and Parole Board	2,355,603	2,115,485	(240,118)	(10.2)%
Public Safety, Department of	69,594,193	62,429,532	(7,164,661)	(10.3)%
Supreme Court	13,543,032	11,962,341	(1,580,691)	(11.7)%
Workers' Compensation Court	4,306,464	3,691,957	(614,507)	(14.3)%
Subtotal	\$623,856,115	\$569,085,329	(\$54,770,786)	(8.8)%
MISCELLANEOUS AGENCIES/APPROPRIATIONS				
Rural Economic Action Plan Fund (REAP)	15,259,750	6,000,000	(9,259,750)	(60.7)%
State Emergency Fund	0	3,768,908	3,768,908	N/A
Subtotal	\$15,259,750	\$9,768,908	(\$5,490,842)	(36.0)%
GRAND TOTAL	\$5,532,095,223	\$5,106,597,024	(\$425,498,199)	(7.7)%

Table 3a
FY-03 BUDGET REDUCTIONS BY AGENCY

	FY-03 Original Appropriations	FY-03 Revised Appropriations	Dollar Change	Percent Change
EDUCATION SUBCOMMITTEE				
Arts Council	\$4,318,483	\$3,979,482	(\$339,001)	(7.9)%
Career and Technology Education	131,196,667	120,897,729	(10,298,938)	(7.9)%
Education, Board of	2,040,028,941	1,846,082,238	(193,946,703)	(9.5)%
Educational Television Authority	3,741,795	3,448,064	(293,731)	(7.9)%
Higher Education, Regents of	851,255,610	791,495,572	(59,760,038)	(7.0)%
Land Commission	4,095,100	4,095,100	0	0.0%
Libraries, Department of	6,891,409	6,350,433	(540,976)	(7.9)%
Physician Manpower Training Comm.	5,606,623	5,197,903	(408,720)	(7.3)%
Private Vocational Schools, Board of	166,022	152,989	(13,033)	(7.9)%
School of Science and Mathematics	6,522,429	6,010,418	(512,011)	(7.9)%
Science and Technology, Center for	12,597,604	11,608,692	(988,912)	(7.9)%
Teacher Preparation Commission	2,219,555	2,045,320	(174,235)	(7.9)%
Subtotal	\$3,068,640,238	\$2,801,363,940	(\$267,276,298)	(8.7)%
GENERAL GOVERNMENT SUBCOMMITTEE				
Auditor and Inspector	\$5,939,515	\$5,473,263	(\$466,252)	(7.9)%
Capital Improvement Authority	0	0	0	N/A
Central Services, Department of	15,301,061	14,203,855	(1,097,206)	(7.2)%
Election Board	7,227,380	6,734,466	(492,914)	(6.8)%
Emergency Management	749,202	690,390	(58,812)	(7.9)%
Ethics Commission	482,321	444,459	(37,862)	(7.9)%
Finance, Office of State	9,953,190	8,249,597	(1,703,593)	(17.1)%
Governor	2,906,729	2,678,550	(228,179)	(7.9)%
House of Representatives	20,457,766	18,851,831	(1,605,935)	(7.9)%
Legislative Services Bureau	2,417,878	2,228,074	(189,804)	(7.9)%
Lieutenant Governor	548,452	505,399	(43,053)	(7.9)%
Merit Protection Commission	592,319	545,822	(46,497)	(7.9)%
Military Department	7,895,866	7,276,041	(619,825)	(7.9)%
Personnel Management, Office of	5,399,774	4,975,891	(423,883)	(7.9)%
Secretary of State	517,868	477,215	(40,653)	(7.9)%
Senate	14,251,641	13,132,887	(1,118,754)	(7.9)%
Space Industry Development Authority	985,000	907,677	(77,323)	(7.9)%
Tax Commission	49,161,169	45,302,017	(3,859,152)	(7.9)%
Transportation, Department of	247,008,202	244,399,782	(2,608,420)	(1.1)%
Treasurer	5,270,092	4,864,044	(406,048)	(7.7)%
Subtotal	\$397,065,425	\$381,941,260	(\$15,124,165)	(3.8)%
HEALTH AND SOCIAL SERVICES SUBCOMMITTEE				
Health Care Authority	449,126,375	413,580,991	(35,545,384)	(7.9)%
Health Department	64,292,965	59,402,965	(4,890,000)	(7.6)%
J.D. McCarty Center	2,946,549	2,715,245	(231,304)	(7.9)%
Mental Health and Substance Abuse	150,924,452	139,167,043	(11,757,409)	(7.8)%
University Hospitals Authority	41,499,895	38,242,153	(3,257,742)	(7.9)%
Veterans Affairs, Department of	26,687,506	24,592,537	(2,094,969)	(7.9)%
Subtotal	\$735,477,742	\$677,700,934	(\$57,776,808)	(7.9)%
HUMAN SERVICES SUBCOMMITTEE				
Children and Youth, Commission on	\$1,751,885	\$1,614,362	(\$137,523)	(7.9)%
Handicapped Concerns, Office of	386,278	357,133	(29,145)	(7.5)%
Human Rights Commission	790,374	728,330	(62,044)	(7.9)%
Human Services, Department of	410,923,039	384,091,616	(26,831,423)	(6.5)%
Indian Affairs Commission	276,685	254,965	(21,720)	(7.9)%
Juvenile Affairs, Office of	102,368,528	94,332,599	(8,035,929)	(7.9)%
Rehabilitation Services	25,576,817	23,569,037	(2,007,780)	(7.9)%
Subtotal	\$542,073,606	\$504,948,042	(\$37,125,564)	(6.8)%

	FY-03 Original Appropriations	FY-03 Revised Appropriations	Dollar Change	Percent Change
NATURAL RESOURCES AND REGULATORY SERVICES SUBCOMMITTEE				
Agriculture Department	\$29,648,836	\$27,713,902	(\$1,934,934)	(6.5)%
Banking Department	3,107,821	2,863,857	(243,964)	(7.9)%
Capitol Complex/Centennial Commission	1,890,904	590,593	(1,300,311)	(68.8)%
Commerce, Department of	\$30,241,666	\$28,366,896	(\$1,874,770)	(6.2)%
Conservation Commission	7,287,094	6,715,057	(572,037)	(7.9)%
Consumer Credit, Commission on	733,716	676,119	(57,597)	(7.9)%
Corporation Commission	9,735,621	8,971,375	(764,246)	(7.9)%
Environmental Quality, Department of	7,460,880	6,875,201	(585,679)	(7.9)%
Historical Society	10,515,233	9,689,786	(825,447)	(7.9)%
Horse Racing Commission	2,144,550	1,976,203	(168,347)	(7.9)%
Insurance Department	2,872,013	2,646,560	(225,453)	(7.9)%
J.M. Davis Memorial Commission	364,704	336,075	(28,629)	(7.9)%
Labor Department	3,678,570	3,491,523	(187,047)	(5.1)%
Liquefied Petroleum Gas Board	434,148	400,067	(34,081)	(7.9)%
Mines, Department of	949,734	902,655	(47,079)	(5.0)%
Native American Cultural Authority	392,638	361,816	(30,822)	(7.9)%
Scenic Rivers Commission	357,805	329,717	(28,088)	(7.9)%
Securities Commission	694,615	640,088	(54,527)	(7.9)%
Tourism and Recreation	28,177,594	26,099,103	(2,078,491)	(7.4)%
Water Resources Board	8,069,143	7,435,715	(633,428)	(7.9)%
Will Rogers Memorial Commission	965,062	889,305	(75,757)	(7.9)%
Subtotal	\$149,722,347	\$137,971,613	(\$11,750,734)	(7.8)%
JUDICIARY, PUBLIC SAFETY AND LAW ENFORCEMENT SUBCOMMITTEE				
ABLE Commission	\$4,010,797	\$3,695,949	(\$314,848)	(7.9)%
Attorney General	7,107,784	6,561,598	(546,186)	(7.7)%
Corrections, Department of	407,828,555	361,991,513	(45,837,042)	(11.2)%
Court of Criminal Appeals	2,817,556	2,596,378	(221,178)	(7.9)%
District Attorneys, DAC	30,307,624	27,972,043	(2,335,581)	(7.7)%
District Courts	40,897,067	39,479,814	(1,417,253)	(3.5)%
Fire Marshal	1,875,056	1,727,864	(147,192)	(7.9)%
Indigent Defense System	15,440,273	14,243,912	(1,196,361)	(7.7)%
Investigation, Bureau of	10,742,452	9,899,170	(843,282)	(7.9)%
Judicial Complaints, Council on	301,681	277,999	(23,682)	(7.9)%
Law Enforcement Education and Training	2,883,685	2,853,462	(30,223)	(1.0)%
Medicolegal Investigations, Board of	3,918,936	3,611,300	(307,636)	(7.9)%
Narcotics and Dangerous Drugs	5,925,357	5,460,216	(465,141)	(7.9)%
Pardon and Parole Board	2,355,603	2,170,688	(184,915)	(7.9)%
Public Safety, Department of	69,594,193	64,136,349	(5,457,844)	(7.8)%
Supreme Court	13,543,032	12,503,454	(1,039,578)	(7.7)%
Workers' Compensation Court	4,306,464	3,976,257	(330,207)	(7.7)%
Subtotal	\$623,856,115	\$563,157,966	(\$60,698,149)	(9.7)%
MISCELLANEOUS AGENCIES/APPROPRIATIONS				
Rural Economic Action Plan Fund (REAP)	15,259,750	14,061,860	(1,197,890)	(7.9)%
State Emergency Fund	0	5,501,000	5,501,000	N/A
Subtotal	\$15,259,750	\$19,562,860	\$4,303,110	28.2%
GRAND TOTAL	\$5,532,095,223	\$5,086,646,615	(\$445,448,608)	(8.1)%

Table 4

FY-04 TOTAL BUDGETARY RESOURCES

	FY-04 Appropriations	Reappropriation/ Carryover/ Transfers	Federal Funds	Revolving Funds	Total Resources
EDUCATION SUBCOMMITTEE					
Arts Council	\$3,864,077	\$175,085	\$586,500	\$0	\$4,625,662
Career and Technology Education	117,822,607	0	25,475,799	5,950,697	149,249,103
Education, Board of	1,950,625,265	0	544,985,474	1,322,140	2,496,932,879
Educational Television Authority	3,448,064	270,848	1,889,177	4,253,962	9,862,051
Higher Education, Regents of	768,130,523	0	0	0	768,130,523
Land Commission	4,095,100	0	0	0	4,095,100
Libraries, Department of	6,166,270	0	3,107,485	350,000	9,623,755
Physician Manpower Training Commission	5,017,536	0	0	853,156	5,870,692
Private Vocational Schools, Board of	152,989	0	0	0	152,989
School of Science and Mathematics	6,204,693	200,000	0	10,000	6,414,693
Science and Technology, Center for	11,014,880	0	224,751	15,000,000	26,239,631
Teacher Preparation Commission	1,986,006	4,551,397	0	735,682	7,273,085
Subtotal	\$2,878,528,010	\$5,197,330	\$576,269,186	\$28,475,637	\$3,488,470,163
GENERAL GOVERNMENT AND TRANSPORTATION SUBCOMMITTEE					
Auditor and Inspector	\$5,226,966	\$0	\$0	\$5,800,000	\$11,026,966
Bond Advisor, Office of the State	163,527	0	0	165,000	328,527
Central Services, Department of	9,547,361	0	0	70,140,639	79,688,000
Election Board	8,195,395	0	0	250,000	8,445,395
Emergency Management, Department of	666,226	0	0	3,445,521	4,111,747
Ethics Commission	447,124	0	0	50,000	497,124
Finance, Office of State	20,080,825	300,000	0	9,500,000	29,880,825
Governor	2,477,659	0	0	0	2,477,659
House of Representatives	17,437,944	0	0	0	17,437,944
Legislative Services Bureau	2,060,968	0	0	0	2,060,968
Lieutenant Governor	467,494	25,000	0	0	492,494
Merit Protection Commission	504,885	0	0	30,000	534,885
Military Department	7,021,379	0	39,000,000	50,000	46,071,379
Personnel Management, Office of	4,602,700	500,000	0	250,000	5,352,700
Secretary of State	429,494	400,000	0	2,950,000	3,779,494
Senate	12,147,920	0	0	0	12,147,920
Space Industry Development Authority	515,851	0	0	400,000	915,851
Tax Commission	44,601,406	0	100,000	51,000,000	95,701,406
Transportation	192,185,387	0	454,031,787	62,831,073	709,048,247
Treasurer	4,377,639	95,000	0	2,975,500	7,448,139
Subtotal	\$333,158,150	\$1,320,000	\$493,131,787	\$209,837,733	\$1,037,447,670
HEALTH AND SOCIAL SERVICES SUBCOMMITTEE					
Health Care Authority	\$439,000,000	\$0	\$2,161,638,736	\$0	\$2,600,638,736
Health Department	53,649,633	0	154,651,217	37,374,583	245,675,433
J.D. McCarty Center	2,457,898	0	0	5,397,314	7,855,212
Mental Health and Substance Abuse	145,018,006	4,091,817	32,136,557	22,809,563	204,055,943
University Hospitals Authority	34,598,585	0	108,575,885	0	143,174,470
Veterans' Affairs, Department of	26,943,202	0	25,561,903	27,235,597	79,740,702
Subtotal	\$701,667,324	\$4,091,817	\$2,482,564,298	\$92,817,057	\$3,281,140,496
HUMAN SERVICES SUBCOMMITTEE					
Children and Youth Commission	\$1,550,000	\$310,000	\$140,000	\$1,276,102	\$3,276,102
Handicapped Concerns, Office of	356,000	0	125,000	0	481,000
Human Rights Commission	650,000	0	585,000	0	1,235,000
Human Services, Department of	387,455,619	30,387,245	927,737,365	0	1,345,580,229
Indian Affairs Commission	244,000	39,950	0	0	283,950
Juvenile Affairs, Office of	90,000,000	510,074	16,576,786	0	107,086,860
Rehabilitation Services, Department of	24,750,000	0	80,750,000	0	105,500,000
Subtotal	\$505,005,619	\$31,247,269	\$1,025,914,151	\$1,276,102	\$1,563,443,141
NATURAL RESOURCES AND REGULATORY SERVICES SUBCOMMITTEE					
Agriculture Department	\$22,610,776	\$0	\$5,838,716	\$7,814,169	\$36,263,661
Banking Department	0	0	0	0	0
Capitol Complex/Centennial Commission	526,503	0	0	45,000	571,503
Commerce, Department of	22,008,606	192,428	43,018,815	2,660,135	67,879,984
Conservation Commission	6,220,557	0	16,754,939	2,940,000	25,915,496

	FY-04 Appropriations	Reappropriation/ Carryover/ Transfers	Federal Funds	Revolving Funds	Total Resources
Consumer Credit, Commission on	602,747	0	0	222,871	825,618
Corporation Commission	4,736,959	0	1,163,349	20,617,486	26,517,794
Environmental Quality, Department of	5,928,921	0	14,030,000	19,426,000	39,384,921
Historical Society	8,537,394	0	339,100	2,450,000	11,326,494
Horse Racing Commission	1,761,748	0	0	646,000	2,407,748
Insurance Department	2,072,157	0	397,389	5,979,635	8,449,181
J.M. Davis Memorial Commission	299,604	0	0	169,396	469,000
Labor Department	2,958,570	0	1,878,322	1,958,280	6,795,172
Liquefied Petroleum Gas Board	0	0	0	0	0
Mines, Department of	722,124	0	958,935	1,007,060	2,688,119
Scenic Rivers Commission	258,156	0	0	133,500	391,656
Securities Commission	501,088	0	0	2,052,198	2,553,286
Tourism and Recreation	22,616,482	0	1,614,007	30,315,422	54,545,911
Water Resources Board	6,228,494	0	11,811,653	2,043,856	20,084,003
Will Rogers Memorial Commission	792,798	0	0	36,000	828,798
Subtotal	\$109,383,684	\$192,428	\$97,805,225	\$100,517,008	\$307,898,345
JUDICIARY, PUBLIC SAFETY AND LAW ENFORCEMENT SUBCOMMITTEE					
ABLE Commission	\$3,431,691	\$0	\$0	\$270,000	\$3,701,691
Attorney General	5,794,927	10,000	1,246,250	4,403,659	11,454,836
Corrections, Department of	373,931,566	3,000,000	7,811,600	58,868,672	443,611,838
Court of Criminal Appeals	2,634,378	33,000	0	0	2,667,378
District Attorneys, DAC	25,972,055	330,000	20,700,000	42,800,000	89,802,055
District Courts	40,897,067	500,000	500,000	0	41,897,067
Fire Marshal	1,504,323	0	0	400,000	1,904,323
Indigent Defense System	\$14,243,912	1,307,677	0	700,000	16,251,589
Investigation, Bureau of	9,441,383	605,000	2,065,802	12,631,221	24,743,406
Council on Judicial Complaints	267,999	53,000	0	0	320,999
Law Enforcement Education and Training	2,649,441	7,000	0	49,000	2,705,441
Medicolegal Investigations, Board of	3,257,458	20,000	843,689	400,000	4,521,147
Narcotics and Dangerous Drugs	4,859,814	3,757,817	0	3,982,369	12,600,000
Pardon and Parole Board	2,115,485	15,000	0	0	2,130,485
Public Safety, Department of	62,429,532	0	61,000,000	40,400,000	163,829,532
Supreme Court	11,962,341	500,000	600,000	11,500,000	24,562,341
Workers' Compensation Court	3,691,957	0	0	2,093,000	5,784,957
Subtotal	\$569,085,329	\$10,138,494	\$94,767,341	\$178,497,921	\$852,489,085
MISCELLANEOUS					
Emergency Fund	3,768,908	0	0	0	3,768,908
Rural Economic Action Plan Fund (REAP)	6,000,000	0	0	0	6,000,000
Subtotal	\$9,768,908	\$0	\$0	\$0	\$9,768,908
GRAND TOTAL	\$5,106,597,024	\$52,187,338	\$4,770,451,988	\$611,421,458	\$10,540,657,808

Table 5

**AGENCY DIRECTORS AND JUDICIAL SALARIES/
FULL-TIME EQUIVALENT EMPLOYEES (FTE) LIMITATION
FY-04**

<u>Agency</u>	<u>Maximum Salary Limit</u>		<u>Maximum FTE Limit</u>
Accountancy Board	\$57,000	(m)	8.0
Agriculture, Department of (Secretary of Agriculture)	76,000	(a)	515.0
Alcoholic Beverage Laws Enforcement Council (ABLE)	70,000		71.0
Architects and Landscape Architects	50,000	(m)	4.0
Arts Council	54,500		17.0
Attorney General	103,109	(b)	173.0
Auditor and Inspector, State	87,875	(b)	169.0
Banking Department	110,000	©)	46.0
Capital Investment Board	76,000	(m)	4.0
Career and Technology Education, State Board of	105,000		405.0
Centennial Commission/Capitol Complex	77,500		12.0
Central Services, Department of (Deputy Secretary of Human Resources and Administration)	74,520	(a)	390.0
Children and Youth Commission	60,000		25.5
Chiropractic Examiners, Board of	31,496	(m)	3.0
Civil Emergency Management Administration	70,000		32.0
Commerce, Department of (Secretary of Commerce and Tourism)	105,660	(a)	185.0
Cosmetology Board	42,000	(m)	16.0
Conservation Commission	60,184		17.0
Consumer Credit Commission	56,316		16.0
Corporation Commission	--		453.0
Chairman	89,875	(b)	--
Commissioners	87,875	(b)	--
General Administrator	82,000		--
Corrections, Department of	110,000		5,844.6
Criminal Appeal, Court of	--		36.0
Presiding Judge	110,299	(d)	--
Judge	106,706	(d)	--
Dentists, Board of Governors of Registered	57,226		5.0
District Attorneys, District Attorneys Council	--		1,241.0
District Attorney	93,980	(e)	--
Executive Coordinator, District Attorneys Council	None	(n)	--
District Courts			642.0
District Judge	95,898	(f)	73.0
Associate Judge (population 30,000 +)	87,875	(f)	32.0
Associate Judge (population under 30,000)	85,500	(f)	45.0
Special Judge	80,750	(f)	84.0
Education, Department of	98,898	(b)	511.0
Educational Television Authority (OETA)	59,116		84.0

<u>Agency</u>	<u>Maximum Salary Limit</u>		<u>Maximum FTE Limit</u>
Election Board	73,957		None
Embalmers and Funeral Directors Board	59,000	(m)	5.0
Employees Benefits Council	74,291	(m)	31.0
Employment Security Commission	83,000	(m)	1,150.0
Engineers and Land Surveyors Board, Professional	48,000	(m)	7.0
Environmental Quality, Department of	82,000		572.0
Ethics Commission	None	(n)	7.0
Finance, Office of State (Secretary of Finance)	90,000	(a)	167.0
Fire Marshal	56,049		33.0
Firefighters' Pension and Retirement System	85,000	(a)	13.0
Governor	110,299	(b)	None
Grand River Dam Authority	115,000	(m)	524.0
Handicapped Concerns, Office of	45,000		8.0
Health Care Authority	125,500		285.5
Health Department	185,000		2,556.3
Higher Education, Regents for	None	(n)	None
Historical Society			168.0
Executive Director	72,000		
Deputy Executive Director	62,000		
Horse Racing Commission	67,059		43.0
House of Representatives	56,332	(g)	None
Majority and Minority Leaders	50,764		--
Representatives	38,400		--
Human Rights Commission	59,220		28.0
Human Services (DHS) (Secretary of Human Services)	None	(a)(n)	7,864.0
Indian Affairs Commission	47,000		6.0
Indigent Defense System	None	(n)	85.0
Industrial Finance Authority/Development Finance Authority	93,178	(m)	15.0
Insurance Department	99,875	(b)	143.0
Insurance Fund, Board of Managers of the	96,000	(m)	591.0
Investigation, Oklahoma State Bureau of (OSBI)	74,000		305.0
J.D. McCarty Center	70,000		152.0
J.M. Davis Memorial Commission	72,000		10.5
Judicial Complaints, Council on	76,320		2.0
Juvenile Affairs, Office of	90,000		1,206.5
Labor, Department of	80,750	(b)	136.0
Land Office, Commissioners of the	72,000		62.5
Law Enforcement Education and Training, Council on	52,136		41.0
Law Enforcement Retirement System	58,000	(n)	None
Legislative Services Bureau	None		None
Libraries, Department of	72,000		81.8
Lieutenant Governor	85,500	(b)	None
Liquefied Petroleum Gas Board	44,556		10.0

<u>Agency</u>	<u>Maximum Salary Limit</u>		<u>Maximum FTE Limit</u>
Marginally Producing Oil and Gas Wells, Commission on	58,000		4.0
Medical Licensure and Supervision, Board of	79,000	(h)(m)	29.0
Medicolegal Investigations, Board of	175,000		70.5
Merit Protection Commission	60,000		11.0
Mental Health and Substance Abuse Services	125,000		2,651.0
Military Department	118,224	(a)(o)	484.0
Mines, Department of	53,000		51.5
Motor Vehicle Commission	51,931	(m)	4.0
Narcotics and Dangerous Drugs, Bureau of (BNDD)	72,000		109.0
Nursing, Board of	65,000	(m)	21.0
Nursing Homes, Board of	44,943	(m)	4.0
Optometry Board	None	(m)	2.0
Osteopathic Examiners, Board of	66,000	(m)	7.0
Pardon and Parole Board	65,000		47.0
Peanut Commission	47,121	(m)	2.0
Personnel Management, Office of (OPM) (Secretary of Human Resources and Administration)	65,661	(a)	116.5
Pharmacy, Board of	77,000	(m)	9.0
Physician Manpower Training Commission (PMTTC)	50,822		6.0
Police Pension and Retirement System	85,000	(m)	11.0
Private Vocational Schools, Board of	40,281		3.0
Psychologists Board	34,656	(m)	2.0
Public Employees Retirement System (OPERS)	90,000	(m)	51.0
Public Safety, Department of (DPS) (Secretary of Safety and Security)	85,000	(a)	1,548.0
Real Estate Commission	62,000	(m)	26.0
Rehabilitation Services, Department of	75,000		813.3
Scenic Rivers Commission	44,640		7.0
Science and Mathematics, Oklahoma School of	69,981		77.0
Science and Technology, Oklahoma Center for the Advancement of	75,380		24.0
Secretary of State	65,000	(a)	41.0
Securities Commission	110,000		34.0
Senate	56,332	(g)	None
Majority and Minority Leaders	50,764		--
Senators	38,400		--
Social Workers Board	34,760	(m)	1.0
Space Industry Development Authority	85,000		5.0
Speech Pathology and Audiology Board	28,000	(m)	2.0
State and Education Employees Group Insurance Board	93,494	(m)	173.0
Student Loan Authority	98,000	(m)	51.0

<u>Agency</u>	<u>Maximum Salary Limit</u>		<u>Maximum FTE Limit</u>
Supreme Court	--		166.0
Chief Justice	110,299	(i)	--
Justice	106,706	(i)	--
Court of Civil Appeals Presiding Judge	103,109	(i)	--
Judge	101,714	(i)	--
Administrator	97,624		--
Tax Commission	--		1,304.0
Chairman	85,000	(j)	--
Commissioners	84,500	(j)	--
Administrator	None		--
Teachers Retirement System	90,000	(m)	52.0
Teacher Preparation Commission	62,200		8.0
Tourism and Recreation, Department of	74,000	(a)	805.0
Transportation, Department of (DOT)	110,000		3,125.0
Treasurer	87,875	(b)	90.0
University Hospitals Authority	None	(n)	10.0
Used Motor Vehicle and Parts Commission	53,905	(m)	12.0
Veterans Affairs, Department of	75,000		1,998.0
Veterinary Medical Examiners, Board of	34,950	(m)	6.0
Water Resources Board	80,000		91.0
Wheat Commission	57,000	(m)	7.0
Will Rogers Memorial Commission	None	(n)	16.5
Workers' Compensation Court	--		108.0
Judges	95,898	(k)	--
Administrator	86,308	(l)	--

Notes:

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

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

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

Secretary of State	\$90,000
Secretary of Environment (2)	\$85,000
Secretary of Science/Technology (3)	275,000
Secretary of Transportation (4)	133,200
Adjutant General (5)	118,224

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

3. The Attorney General shall receive a salary equal to the salary received by the Presiding Judge of the Court of Civil Appeals (\$103,109);
4. The State Superintendent of Public Instruction shall receive a salary equal to the salary received by a district judge (\$95,898);
5. Each member of the Corporation Commission shall receive a salary equal to the salary received by an associate district judge in a county with a population of over thirty thousand (30,000) (\$87,875);

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

6. The State Treasurer shall receive a salary equal to the salary received by an associate district judge in a county with a population of over thirty thousand (30,000) (\$87,875);
7. The State Auditor and Inspector shall receive a salary equal to the salary received by an associate district judge in a county with a population of over thirty thousand (30,000) (\$87,875);
8. The State Insurance Commissioner shall receive a salary equal to the salary received by an associate district judge in a county with a population of over thirty thousand (30,000) (\$87,875);

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

9. The Commissioner of Labor shall receive a salary equal to the salary received by a special judge (\$80,750).
- c. The Banking Commissioner's salary is set by the Banking Board (Title 6 O.S. Supp. 2003, Section 201.1) but can be no more than the limit set by the Legislature.
 - d. The salaries for Judges of the Court of Criminal Appeals are set in Statute (Title 20 O.S. 2001, Section 31.2).
 - e. District Attorney salaries are established by statute (Title 19 O.S. 2001, Section 215.30). Effective July 1, 2003, the salary of a district attorney will be 98% of the salary of a district judge, or \$93,980. In counties with a population of four hundred thousand (400,000) or more, salaries for district and assistant district attorneys may be supplemented by the county. Such supplement shall not exceed 25% of the salary provided by the state.
 - f. District Court Judges' compensation are set in Statute (Title 20 O.S. 2001, Section 92.1A).
 - g. Legislative salaries are established by the Board on Legislative Compensation.
 - h. The State Board of Medical Licensure and Supervision was combined with the Podiatry Board and State Board of Examiners of Perfusionists.
 - i. The salaries for Justices of the Supreme Court and the Court Civil of Appeals Judges are set in statute (Title 20 O.S. 2001, Section 3.1 and Section 30.2A).

- j. Salaries of the Tax Commissioners are set by statute (Title 68 O.S. Supp. 2002, Section 102.1). Effective January, 2005, salaries will be equal to that paid to a judge of the Workers' Compensation Court.
- k. Salaries for the Judges of the Workers' Compensation Court are set by statute (Title 85 O.S. 2001, Section 1.2).
- l. The salary of the Administrator of the Workers' Compensation Court is set by statute to be 90% of the salary of a Judge on the Workers' Compensation Court (Title 85 O.S. 2001, Section 1.3).
- m. Salaries and FTE limits are set by statute (Title 74 O.S. Supp. 2003, Section 3601).
- n. The following appropriated agency directors have no salary limit set in either statute or agency reconciliation bill:

Agency/Title	Annual Salary
DA's Council Executive Coordinator	\$ 83,295
Ethics Commission Director	78,663
Regents for Higher Education Chancellor	250,000
DHS Director	125,004
Indigent Defense System Director	110,463
Native American Cultural Authority	80,000
Will Rogers Commission Director	73,144
University Hospital Authority	112,000
Law Enforcement Retirement Board	58,000
State Bond Advisor	112,000

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

Table 6

**CONSTITUTIONAL RESERVE (RAINY DAY) FUND
FY-04 APPROPRIATIONS**

FY-03 Supplemental Appropriations:

Common Education (HB 1240)	\$25,486,165
Corrections (SB 190)	9,000,000
Office of State Finance - CORE Project Contract (SB 189)	1,000,000
Tax Commission (SB 191)	477,000
Office of Juvenile Affairs (SB 188)	<u>100,000</u>
Subtotal - FY-03 Supplemental Appropriations	\$36,063,165

FY-04 Appropriations:

Higher Education (SB 172)	\$21,199,498
Health Care Authority (SB 40)	<u>15,000,000</u>
Subtotal - FY-04 Appropriations	\$36,199,498

Grand Total - CRF Appropriations **\$72,262,663**

Note: Grand total includes Emergency and Stabilization Fund balances.

Table 7

CONSTITUTIONAL RESERVE (RAINY DAY) FUND HISTORY

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

Notes:

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

Table 8

TOBACCO SETTLEMENT PAYMENT HISTORY

November, 1999	\$1,723,439		Attorney General Legal Fees Reimbursement
December, 1999	25,582,536		Total
		23,135,095	General Revenue Fund
		2,447,441	* Attorney General Revolving Fund
January, 2000	22,283,576		Total
		20,885,370	General Revenue Fund
		1,398,206	* Attorney General Revolving Fund
April, 2000	36,448,915		To Tobacco Settlement Revolving Fund
FY-01 Actual	64,902,424		
		11,695,198	To Tobacco Settlement Revolving Fund
		50,006,072	To Tobacco Endowment Trust Fund
FY-02 Actual	75,872,921		
		37,085,259	To Tobacco Settlement Revolving Fund
		37,906,358	To Tobacco Endowment Trust Fund
		881,318	Attorney General Revolving Fund
FY-03 Actual	76,024,898		
		32,521,355	To Tobacco Settlement Revolving Fund
		41,813,694	To Tobacco Endowment Trust Fund
		1,689,849	To Attorney General Revolving Fund
FY-04 Certified	69,207,475		
		27,340,990	To Tobacco Settlement Revolving Fund
		41,011,485	To Tobacco Endowment Trust Fund
		855,000	To Attorney General Revolving Fund
Total	\$68,352,475		

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

Table 9

FY-03 SUPPLEMENTAL APPROPRIATIONS

Financial Support of Schools - HB 1240	\$25,486,165
Ad Valorem Reimbursement - SB 201	14,400,000
Department of Corrections - SB 190	9,000,000
Department of Corrections - HB 1007X	9,800,000
State Finance - CORE Project - SB 189	1,000,000
Tax Commission - SB 191	477,000
Office of Juvenile Affairs - SB 188	<u>100,000</u>
Total	\$60,263,165

OTHER SUPPLEMENTAL ACTIONS

Health Care Authority - HB 1246	\$7,200,000
- Transfer of funds from the Department of Human Services	
Indigent Defense System - SB 205	600,000
- Transfer of funds from the Court Fund	
Court of Criminal Appeals - SB 79	38,000
- Transfer of funds from the Attorney General's office	
Total	\$7,838,000
Total FY-03 Supplemental Actions	\$68,101,165

Table 10
SELECTED FINANCIAL DATA ON MAJOR RETIREMENT SYSTEMS

		Fund Assets	Total Fund Liability	Current Unfunded Liability ¹	Funded Ratio %	Asset Mix %					Number Invest. Manag.	
						Domestic Equities	Domestic Bonds	Cash and Equivalents	Int'l Bonds & Equities	Real Estate		Other
Teachers Retirement System	2002	\$6,310,930,799	\$12,275,914,905	\$5,694,984,106	51.4	46.7	37.4	1.6	13.3	0.0	0.0	22
	2001	\$5,959,008,704	\$11,591,087,229	\$5,632,078,525	51.4	48.9	37.2	3.2	10.7	0.0	0.0	19
Public Employees Retirement System	2002	\$5,299,781,370	\$6,639,720,469	\$1,339,939,099	79.8	42.7	43.5	0.6	13.0	0.0	0.0	14
	2001	\$5,110,226,650	\$6,190,228,108	\$1,080,001,458	82.6	44.6	41.4	2.2	11.8	0.0	0.0	16
Firefighters Pension & Retirement System	2002	\$1,457,170,001	\$1,858,079,585	\$400,909,584	78.4	48.9	36.9	0.0	10.1	0.0	0.0	16
	2001	\$1,438,496,849	\$1,734,900,620	\$296,403,771	82.9	51.3	33.7	2.4	12.6	0.0	0.0	15
Police Pension and Retirement System	2002	\$1,370,024,000	\$1,554,288,324	\$184,264,324	88.1	36.1	27.7	0.0	18.3	0.2	17.7	27
	2001	\$1,319,041,000	\$1,443,404,052	\$124,363,052	91.4	39.7	26.8	3.1	17.9	0.2	12.3	24
Law Enforcement Retirement System	2002	\$570,337,000	\$632,401,783	\$62,064,783	90.2	47.3	38.3	0.0	9.3	5.0	0.0	10
	2001	\$538,328,000	\$508,443,076	-\$29,884,924	105.9	46.1	36.6	2.5	9.9	4.9	0.0	9
Uniform Retirement System for Justices and Judges	2002	\$193,010,895	\$130,227,043	-\$62,783,852	148.2	34.1	55.1	10.1	0.6	0.0	0.0	11
	2001	\$184,909,669	\$139,157,241	-\$45,752,428	132.9	37.2	52.3	2.2	8.3	0.0	0.0	11

Sources: Fund assets, total liability, unfunded liability and funded ratio data is taken from reports submitted by the consulting actuaries to the state systems for the plan year ending June 30, 2002 and 2001. Asset mix and investment manager information is taken from Oklahoma State Pension Commission; Investment Performance Analysis, Quarter Ending 6/30/2001, New England Pension Consultants. Note: The reported market value of funds' assets in the June 30, 2001, performance analysis are slightly higher than those noted in the "Fund Assets" column, due to the actuary's use of projections to establish present value.

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

Table 11
SELECTED MEMBERSHIP DATA ON MAJOR RETIREMENT SYSTEMS

		Number of Participants						
		Actives	Terminated Vested	Disabled, Retired and Beneficiaries	Average Earnings of Active Participant	Average Age of Actives	Average Service of Actives Yrs	Average Annual Benefit Payment ¹
Teachers Retirement System	2002	85,366	3,575	36,515	\$35,695	44.9	11.1	\$15,344 ²
	2001	84,387	3,459	35,188	\$35,438	44.7	11.0	\$14,621 ²
Public Employees Retirement System	2002	44,292	5,392	21,452	\$32,745	45.2	10.4	\$11,812
	2001	43,696	4,100	20,863	\$30,141	45.0	10.5	\$11,030
Firefighters Pension and Retirement System ⁴	2002	10,868	997	7,897	\$45,228 ³	37.4 ³	8.4 ³	\$22,998 ⁴
	2001	10,773	915	7,745	\$43,216 ³	37.3 ³	8.6 ³	\$21,818 ⁴
Police Pension and Retirement System	2002	4,197	52	2,205	\$41,820 ³	36.7 ³	9.2 ³	\$25,153
	2001	4,182	55	2,119	\$40,186 ³	36.5 ³	9.1 ³	\$24,110
Law Enforcement Retirement System	2002	1,243	20	985	\$44,342 ³	39.3 ³	9.9 ³	\$27,585
	2001	1,217	19	955	\$43,197 ³	40.2 ³	11.1 ³	\$23,417
Uniform Retirement System for Judges and Justices	2002	266	12	153	\$96,784	54.5	12.0	\$43,142
	2001	261	12	156	\$91,220	54.0	11.7	\$40,275

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

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

GLOSSARY



GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

HB 1249 of the 2003 Session, 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 2004 (FY-04) runs from July 1, 2003 to June 30, 2004].

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

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

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

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

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

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

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

REAP: Rural Economic Action Plan.

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

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

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

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

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

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

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

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

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

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

Bill Index - By Bill

Bill	Section	Agency	Bill	Section	Agency
HB 1007X	1	Corrections, Department of (Supplemental)	SB 64	1-3	Labor, Department of
HB 1158	1	Arts Council	SB 74	1	Scenic Rivers Commission
HB 1160	2-4	Education, Board of	SB 78	1	Criminal Appeals, Court of
HB 1161	1	Educational Television Authority (OETA)	SB 80	1-4	District Courts
HB 1162	1-5	Education, Board of	SB 82	1	Judicial Complaints, Office of
HB 1165	1	Physicians Manpower Training Commission	SB 84	1-3	Supreme Court
HB 1166	1	Private Vocational Schools, Board of	SB 86	1	Workers' Compensation Court
HB 1167	1-3	Education, Board of	SB 88	1	Attorney General
	5	Career and Technology Education	SB 90	1	District Attorneys Council
	31	Higher Education, Regents for	SB 93	1	Indigent Defense System
HB 1169	1	Teacher Preparation Commission	SB 102	1	Investigation, State Bureau of (OSBI)
HB 1170	1-2	Auditor and Inspector	SB 104	1-2	Public Safety, Department of
	3	Rural Economic Action Plan (REAP)	SB 105	1	Public Safety, Department of
HB 1173	1-4	Election Board	SB 114	1	Centennial Commission
HB 1174	1	Finance, Office of State	SB 116	1	Historical Society
HB 1175	1	Governor	SB 118	1	J.M. Davis Museum
HB 1176	1	House of Representatives	SB 120	1	Will Rogers Memorial Commission
HB 1177	1-2	Legislative Service Bureau	SB 126	1-8	Commerce, Department of
HB 1178	1	Lieutenant Governor	SB 128	1	Science and Technology, Oklahoma Center for
HB 1182	1	Secretary of State	SB 130	1	Emergency Management
HB 1183	1	Senate	SB 134	1	Military Department
HB 1184	1	Space Industry Development Authority	SB 138	1-3	Finance, Office of State
HB 1189	1	Health, Department of		4	Emergency Fund
HB 1191	1	Mental Health and Substance Abuse Services	SB 140	1-2	Tax Commission
HB 1193	1	Veterans' Affairs, Department of	SB 142	1-2	Treasurer, Office of State
HB 1197	1-2	Human Services, Department of	SB 144	1	Merit Protection Commission
HB 1199	1	Juvenile Affairs, Office of	SB 146	1	Personnel Management, Office of
HB 1200	1	Rehabilitation Services, Department of	SB 148	1	Conservation Commission
HB 1201	1-2	Agriculture, Department of	SB 154	1-2	Water Resources Board
HB 1202		Banking Department	SB 156	1	Children and Youth, Commission on
HB 1206	1	Consumer Credit, Commission on	SB 158	1	Handicapped Concerns, Office of
HB 1207	1	Corporation Commission	SB 160	1	Human Rights Commission
HB 1208	1	Environmental Quality, Department of	SB 162	1	Indian Affairs Commission
HB 1210	1	Horse Racing Commission	SB 172	1-7	Higher Education, Regents for
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HB 1214		Liquefied Petroleum Gas Board	SB 180	1-4, 6	Central Services, Department of
HB 1215	1-2	Mines, Department of		7	Bond Advisor
HB 1218	1	Securities Commission	SB 184	1-3	Transportation, Department of
HB 1219	1	Tourism and Recreation, Department of	SB 188	1	Juvenile Affairs, Office of (Supplemental)
HB 1222	1	Alcoholic Beverage Laws Enforcement (ABLE)	SB 189	1	Finance, Office of State (Supplemental)
HB 1224	1	Corrections, Department of	SB 190	1	Corrections, Department of (Supplemental)
HB 1228	1	Ethics Commission	SB 191	1	Tax Commission (Supplemental)
HB 1229	1	Fire Marshal, State	SB 205	1	Indigent Defense System (Supplemental)
HB 1231	1	Investigation, State Bureau of (OSBI)			
HB 1233	1-3	Law Enforcement Education (CLEET)			
HB 1234	1	Medicolegal Investigations, Board of			
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