

State of Oklahoma

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Revised June 9, 2003

Fiscal Year '04



Budget Review

Senator Mike Morgan
Appropriations Chair

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APPROPRIATIONS OVERVIEW

For the second year in a row, the Legislature faced revenue shortfalls in the current fiscal year (FY'03) and the certified revenue estimates for the forthcoming fiscal year (FY'04).

- ◆ For FY'03 the Office of State Finance estimated that state appropriations would experience an annual shortfall of \$352.3 million in general revenue, a reduction of 7.85 percent.

- ✓ State Department of Education is also impacted by a \$74.9 million shortfall in the HB 1017 Education Reform Revolving Fund, leaving common education with a total budget reduction of 9.51 percent. A supplemental appropriation was provided to reduce the cut to 8.2 percent.

- ◆ For FY'04 the State Board of Equalization certified a total of \$4,922 million in total available revenue.

- ✓ Compared to the original FY'03 appropriation level this is a reduction of \$677.6 million, or 12.1 percent;

- ✓ When compared to the revised FY'03 appropriation level this is a reduction of \$326.4 million, or 6.2 percent.

- ◆ To offset the FY'04 shortfall the Legislature implemented several budgetary actions. These actions included:

- ✓ Using the Governor's Emergency Declaration to access over \$36 million from the Constitutional Reserve Fund (Rainy Day Fund) for government operations;

- ✓ Accessing \$36.2 million from the Rainy Day Fund made available through a provision in the State Constitution that allows an amount equal to the general revenue shortfall be appropriated by the Legislature for the succeeding fiscal year;

- ✓ Starting agencies' base appropriation levels from the revised FY'03 levels;

- ✓ Reducing agency appropriations by an average of an additional 9.87 percent from their revised levels. This equates to an average of 16.21 percent when compared to agencies' original FY'03 reduction;

- ✓ Refinancing general obligation and revenue bonds to take advantage of the current interest rates; and

- ✓ Changing the evaluation method for estimating natural gas gross production revenue in the Oklahoma Tax Commission.

Using the budgetary actions and revenue measures, the state appropriated budget for FY'04 is \$5,112,789,399, \$400,602,149 less than the original FY'03 budget. The table below summarizes FY'04 legislative appropriations by subcommittees. For a detailed list of agency budgets see the Agency Appropriation Table on pages 14 and 15.

**Comparison of Funding for
Major Program Areas FY'03-FY'04**
(in millions)

	Original	FY'04	Change	
	FY'03		Approp.	Approp.
Education	3,068.6	2,878.5	-190.1	-6.2
Gen. Gov./Trans.	396.0	335.7	-60.4	-15.2
Health/Soc. Serv.	729.0	700.6	-27.3	-3.7
Human Services	542.1	505.0	-37.1	-6.8
Natural Resources	148.1	112.8	-35.2	-23.8
Public Safety	608.9	569.1	-39.8	-6.5
REAP	15.3	6.0	-9.3	-60.7
Gov. Emergency	5.5	4.0	-1.5	-27.3
Total	5,513.4	5,113.7	-400.6	-7.3

REVENUE MEASURES

- ◆ To help aid in the FY'04 estimated revenue shortfall the Legislature passed several revenue measures. These measures included:
 - ✓ Allocation of the Insurance Premium Tax to the Education Reform Revolving Fund (see below);
 - ✓ Compliance mandates on state employees for state income tax and on state contractors for state sales tax;
 - ✓ An acceleration in sales tax remittance for businesses with more than \$2,500 in monthly sales; and
 - ✓ Investment in new data mining software to check for tax fraud.

The Legislature took action to restore essential state services by providing an additional \$85.8 million through a temporary use of the Insurance Premium Tax. SB 206 provides that the tax, most of which is normally dedicated to the police, fire and law enforcement retirement systems, will be used to help balance the State's budget. In return, the affected retirement systems will be repaid over a five year period in an amount equal to the principal plus 7.5 percent beginning July 1, 2004.

FY'03 SUPPLEMENTALS

Seven agencies received supplemental appropriations for FY'03. These supplementals were funded with FY'02 cash, the Rainy Day Fund and revolving fund revenue. The Governor declared an emergency which authorized the expenditure of one half of the Rainy Day Fund for the Department of Corrections, the Oklahoma Tax Commission, the Office of Juvenile Affairs, the Office of State Finance and common education.

The State Department of Education

While general revenue fund receipts were down 7.85 percent, revenue for the education reform revolving fund was down 16 percent. This was due to decreased corporate tax revenue and sales tax revenue. Since 22 percent of the common education budget is funded by the Education Reform Revolving Fund the resulting cut to the entire agency was 9.5 percent as opposed to the 7.85 percent reduction experienced by most agencies. The Legislature appropriated an additional \$25,486,165 in HB 1240 to reduce their FY'03 cut to 8.2 percent.

The Oklahoma Health Care Authority

The Oklahoma Health Care Authority (OHCA) received a \$7.2 million supplemental appropriation in HB 1246. This bill directed the Department of Human Services (DHS) to transfer \$7.2 million of its anticipated cash carryover to OHCA. DHS was reimbursed later in the session with an increase in its FY'04 General Revenue allocation.

Department of Corrections

The Department of Corrections (DOC) received two supplemental appropriations to address budget shortfalls and operation overruns for FY'03. The agency received \$9.8 million from FY'02 cash in November in HB 1007 to delay the implementation of an agency-wide furlough plan until April 1, 2003. The agency was also appropriated \$9 million in Rainy Day Funds to help cover contract bed expenditures and to reduce the number of furlough days from 23 to 3.

Other Supplemental Appropriations

- ◆ The Oklahoma Indigent Defense System received \$600,000 from the FY'02 State Judicial Fund to pay for conflict counsel.
- ◆ The Court of Criminal Appeals was appropriated \$38,000 from the Office of Attorney General to eliminate the potential for furloughs in the court.
- ◆ The Tax Commission received an FY'03 supplemental appropriation in the amount of \$477,000. These monies were used to hire 250 seasonal employees for the timely processing of income tax returns and refunds to taxpayers.
- ◆ The Office of Juvenile Affairs received a \$100,000 supplemental appropriation for FY'03 from the Legislature. The purpose of the supplemental was to postpone an employee reduction-in-force (RIF) until June 1.
- ◆ The Office of State Finance received \$1 million to pay for expenses related to the implementation of the Statewide Accounting, Human Resources and Purchasing Enterprise system.

RAINY DAY FUND

As a result of the FY'04 budget shortfall, the Legislature was authorized to utilize \$36.2 million from the Rainy Day Fund to offset the decrease in FY'04 general revenue. This is referred to as the budget stabilization portion of Rainy Day. This portion of the fund may only be spent on expenditures for FY'04. Of the \$36.2 million appropriated from the Rainy Day Stabilization Fund:

- ◆ \$15 million was appropriated to the Oklahoma Health Care Authority for FY'04 operations; and
- ◆ \$21.2 million was appropriated to the State Regents for Higher Education for FY'04 operations.

COMMON EDUCATION

For FY'03 common education experienced an 8.2 percent reduction in funds. While most grant programs were cut by 7.85 percent to reflect the shortfall in general revenue, the state aid formula which represents over 77 percent of districts' state funding was reduced by 9.5 percent. The higher reduction is a result of lower than expected corporate tax revenue and sales tax revenue in the Education Reform Revolving Fund. The Legislature appropriated an additional \$25.4 million to reduce the impact to 8.2 percent. Consequently the state aid factor was cut by \$200.

Fiscal Year	Total State-Aid Factor WADM	Dollar Change	% Change in Total Amount
FY'90	\$1,883.40		
FY'91	\$1,953.80	\$70.40	3.7%
FY'92	\$2,085.60	\$131.80	6.7%
FY'93	\$2,160.80	\$75.20	3.6%
FY'94	\$2,241.40	\$80.60	3.7%
FY'95	\$2,269.20	\$27.80	1.2%
FY'96	\$2,295.20	\$26.00	1.1%
FY'97	\$2,358.40	\$63.20	2.8%
FY'98	\$2,385.40	\$27.00	1.1%
FY'99	\$2,437.60	\$52.20	2.2%
FY'00	\$2,504.80	\$67.20	2.8%
FY'01	\$2,578.40	\$73.60	2.9%
FY'02	\$2,673.20	\$94.80	3.7%
FY'03	\$2,472.80	-\$200.40	-7.5%

Note: Due to a revenue shortfall in FY'02, each district's total state aid was reduced by 3.8%.

This reduction is based on a weighted student basis. On a per student basis districts lost \$300/student. Additional appropriations provided for FY'04 will partially replace this cut.

For FY'04 common education was appropriated over \$1.95 billion in HB 1160 and HB 1162. This represents a 4 percent reduction from their original FY'03 appropriated budget and a 4 percent increase from their FY'03 actual revised budget. In order to ensure funding for the state aid formula, health insurance benefits and teachers' retirement, most

grant programs were reduced from 20 percent to 55 percent. In some cases, programs were eliminated.

The State Department of Education's central operations budget was reduced by an additional \$410,715 and their FTE authorization was reduced by 16 FTE. (these numbers do not include the regional education service centers). This represents a total cut of 13 percent from their original FY'03 appropriated budget and a 4 percent cut from their revised FY'03 appropriated budget.

The following education programs received increases or were maintained at their original FY'03 appropriation:

- ◆ Textbook funding was maintained at \$33,000,000. The Legislature also provided districts the flexibility to utilize this funding for textbooks or general operations for the 2003-2004 school year;
- ◆ State Aid funding was increased by \$80,402,183;
- ◆ Certified Teacher's Health Insurance funding was increased by \$13,527,628. This ensures that the state will fund health insurance at the 58 percent level. Districts will fund the difference between the 58 percent provided by the state and 75 percent of the cost;
- ◆ Support Staff Health Insurance funding was increased by \$9,483,311. This ensures 100 percent health care coverage for support employees electing health care coverage;
- ◆ Teacher Retirement Offset Credit funding was increased by \$4,447,161 to cover the unfunded portion in FY'03 and fully fund FY'04. This ensures all teachers will receive retirement credit for service provided;
- ◆ Education Leadership Oklahoma was increased by \$375,000 to provide the \$5,000 annual stipend to an additional 75 national board certified teachers for FY'04; and
- ◆ Testing funding was increased by- \$113,000.

The following education programs were maintained at a 7.85 percent budget cut level:

- ◆ The Great Expectations professional development program;
- ◆ The School Lunch Matching Program;
- ◆ Adult Education Program;
- ◆ Early Intervention Program;
- ◆ Statewide Alternative Education program;

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- ◆ Summer Arts Institute;
- ◆ Office of Accountability; and
- ◆ Oklahoma Ambassador of Teaching.

The following programs were eliminated or were not funded yielding a total savings of \$12,394,128 (savings are noted in parenthesis):

- ◆ 21 Regional Education Service Centers that provide psychometric services to school districts across the state (\$4,683,314);
 - ✓ Reduction in Force of 91 people effective July 1, 2003
- ◆ Psychometric service contracts for five school districts were eliminated (\$776,811);
- ◆ Seven Professional Development Centers that provide a variety of seminars and resource material throughout the year (\$568,569);
 - ✓ Possible reduction in force of seven people responsible for staffing the center.
- ◆ Mentor Teacher Stipends were not funded for 2003-2004 (\$908,758). This program provides up to \$500 to teachers who volunteered to be a mentor teacher to first year resident teachers. School districts may still utilize local and federal funds for this function;
- ◆ School Lunch programs provided additional subsidies to districts over and above the national school lunch program. This amount was eliminated (\$2,582,183).
- ◆ Funding for Special Education Assistance fund was not provided (\$1,036,648) for the 2003-2004 school year. This fund reimburses school districts for special education costs not covered by the federal government or state aid.
- ◆ Funding for the Homeward Bound fund was not provided (\$1,044,686). This fund reimburses school districts for special education costs of children not residing in their district.
- ◆ Community education grants were not funded (\$437,850).
- ◆ Telecommunications grants to higher education institutions for on-line course development were not funded (\$355,309).

The following programs were reduced between 15 and 54 percent for a total savings of \$14,730,048:

- ◆ \$3,000 certified salary increase funding was reduced by \$6,198,826 due to an anticipated

decrease in the number of teachers in districts for FY'04;

- ◆ Professional development funds disbursed to school districts based on their average daily attendance were reduced by 54 percent (\$2,326,945);
- ◆ Funds for reading sufficiency remediation were reduced by 19 percent (\$585,000);
- ◆ The schools attuned professional development program was reduced by 15 percent (\$172,546);
- ◆ Advanced placement grants were reduced 54 percent (\$1,811,169);
- ◆ Alternative and High Challenge grants were reduced by 54 percent (\$761,072);
- ◆ Driver education funds were reduced by 58 percent (\$524,967);
- ◆ Parents as Teachers program grants were reduced by 54 percent (\$1,295,709);
- ◆ Small school cooperative grants and the small school incentive grants were reduced by 54 percent (\$376,444); and
- ◆ The Virtual Internet School in Oklahoma Network program was reduced by 54 percent (\$677,370).

In addition to these actions the Legislature also provided superintendents the flexibility to move 25 percent of funds from one program to another for the 2003-2004 school year.

The ad valorem reimbursement fund with reimburses school districts for lost ad valorem due to state manufacturing exemptions experienced a shortfall during FY'03. To ensure every district was reimbursed for the loss of this funding, Senate Bill 201 transferred \$4.8 million from each of the common education and higher education gross production funds to the ad valorem reimbursement fund.

HB 1767

HB 1767 delayed implementation of programs created under HB 1759 passed during the 1999 legislative session. Programs delayed include:

- ◆ Full-day kindergarten,
- ◆ Continuing math education for teachers,
- ◆ Summer academies for students who do not meet grade level competencies in the 3rd grade,
- ◆ Increasing national board certification stipends from \$5,000 to \$7,000.

- ◆ Alternative education programs for elementary school students, and
- ◆ Additional counselors for school districts with a higher percentage of at-risk youth.

In addition to delaying programs created in HB 1759 (1999), the bill also included the following:

- ◆ Expanded the definition of administrative costs to include all directors, coordinators and anyone working in an administrative capacity and waived the penalties for two years;
- ◆ Created the State Aid Study task force which will review equity and adequacy issues in the state aid formula;
- ◆ Created the School Administrative Reorganization and Consolidation Task Force which will review what savings may be realized by combining administrative duties and costs between districts or by consolidating;
- ◆ Authorized the State Department of Education to waive class size requirements and required districts at 85 percent bonded capacity to list projects; and
- ◆ Lowered the age at which a youth may be charged with truancy in a court of law from 16 to 12.

Other provisions related to charter school renewals, transfers, teacher pay and the Education Leadership Oklahoma program were also included.

POSTSECONDARY EDUCATION

For FY'04 higher education received over \$767.8 million (SB 172). This represents a 9.83 percent reduction from their original FY'03 appropriation and a 2.9 percent reduction from their FY'03 revised allocation. Similar to common education, the regents will reduce funding for grant and higher education programs at a higher level to ensure full funding for scholarship programs.

HEALTH CARE AUTHORITY

The Oklahoma Health Care Authority (OHCA) base appropriation for FY'04 was allocated in SB 40. The agency, charged with administering the state's Medicaid program, received \$439,000,000. This is a 0.8 percent increase over the agency's original FY'03 appropriation and a 6.2 percent increase over its revised FY'03 appropriation. This still leaves OHCA approximately \$8,700,000 in state funds short of its estimated need for FY'04. The agency plans to offset this shortfall in the following ways:

- ◆ SB 610 mandates that all insurance companies provide information to OHCA which will allow the agency to assure that it is the payer of last resort for all health insurance claims. The agency estimates that this provision will generate \$4.7 million in savings next fiscal year.
- ◆ The agency also anticipates receiving a large infusion of one time funding through the Jobs and Growth Tax Relief Reconciliation Act of 2003 once it is signed by President Bush. This act provides the state of Oklahoma approximately \$100 million in one time support for the state's Medicaid program. OHCA will be the beneficiary of approximately \$71 million of these funds with agencies such as the Department of Human Services, the Department of Mental Health and Substance Abuse Services, the Oklahoma State Department of Health and the Office of Juvenile Affairs receiving the balance. The funds will be distributed over 5 quarters, retroactive to April 1, 2003, in the form of an increase in the federal match rate. The state anticipates receiving the first quarterly payment in July 2003. In addition to balancing its budget for FY'04, OHCA also anticipates restoring many of the benefit reductions that went into place in FY'03 and FY'02 due to the state's revenue failure.

MENTAL HEALTH AND SUBSTANCE ABUSE

The Department of Mental Health and Substance Abuse Services was held harmless from the FY'04 budget cuts that will affect other state agencies (HB 1191). The agency received a base appropriation of \$145,018,006. This is a 4 percent decrease from the agency's FY'03 original appropriation and a 4.2 percent increase over its FY'03 revised appropriation. This budget replaces half of the agency's \$12 million FY'03 budget reduction. Part of the \$6 million restoration will be spent on the following services:

Co-Occurring Disorders (\$1,600,000): Individuals with co-occurring disorders have a diagnosis of both mental illness and addiction. These individuals are best served in programs designed to simultaneously address both illnesses. The agency proposes opening a co-occurring treatment unit in Tulsa at the existing Tulsa Center for Behavioral Health.

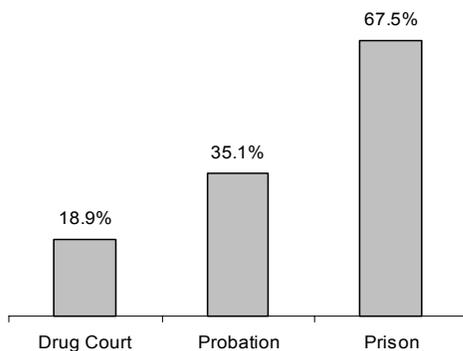
Program for Assertive Community Treatment (\$1,200,000): PACT teams have been shown to be extremely effective. In both national and Oklahoma studies they provided dramatic positive outcomes for persons with serious mental illness. An evaluation of the first 93 Oklahoma PACT clients shows that those clients used 4,353 fewer hospital days in total, or 47 days on average. This funding will allow two additional teams to start up next fall in the metropolitan areas.

Newer Generation Medications (\$500,000): A primary factor in positive outcomes of mental health treatment is appropriate medication. This additional funding for medications will reduce the state's dependence on charitable contributions from pharmaceutical companies.

Adolescent Substance Abuse Treatment (\$500,000): Adolescent substance abuse treatment is nearly non-existent in Oklahoma, with fewer than 60 residential beds available statewide. The National Household Survey on Drug Abuse estimates that 27,000 adolescent Oklahomans use an illicit drug. Of the children in "level E" OJA custody, an estimated 79 percent have substance abuse problems. Treatment of the child addresses the addiction as early as possible and restores the chance of the child becoming a healthy, productive adult.

Drug Courts (\$500,000): There are currently 13 drug courts in planning stages and waiting for funding to begin operations. This funding will be used to fund treatment associated with several of these drug courts so they may begin operations. Drug courts are a proven best practice model, that when run appropriately, reduce recidivism rates.

Re-Arrest Rate After 36 Months



CMHC Contracts (\$625,000): Community Mental Health contracts were reduced by \$3.3 million in FY'03 due to the statewide revenue shortfall. This funding will restore a portion of that cut to contracted facilities. The actual programmatic use of the funding will be negotiated between the Department and the contractor to enhance our system's capacity to provide core services to persons with a severe mental illness.

PUBLIC HEALTH

The base appropriation for the Department of Health will be \$53,649,633 (HB 1189). This is 16 percent less than the agency's original FY'03 appropriation and 9.7 percent less than its revised FY'03 appropriation. The Board of Health chose to deal with this reduction by eliminating the Eldercare Program. Eldercare was a case management and referral program for senior citizens. Approximately \$1.7 million of the funds saved from the elimination of the \$6 million Eldercare Program are being transferred to the Department of Human Services to support the Advantage Waiver Program. The Advantage Program provides home health services to senior citizens. This program, unlike Eldercare, is qualified to receive federal matching funds. Enough state funds were transferred to assure that the same amount of money will be spent on services for senior citizens in FY'04 as in FY'03 once the federal funds are drawn down (\$6 million).

VETERANS AFFAIRS

The Department of Veterans Affairs was held harmless from the cuts that will affect most other state agencies in FY'04. The agency received an appropriation of \$26,943,202 in SB 50 and HB 1193. This is an 1.0 percent increase over the agency's original FY'03 appropriation and 9.5 percent more than its revised FY'03 appropriation. This appropriation includes \$3,550,000 for the operation of the new Lawton Veterans Center which is scheduled to open in September 2003.

COMMISSION ON CHILDREN AND YOUTH

The Oklahoma Commission on Children and Youth (OCCY) was appropriated \$1,550,000 for FY'04 (SB 156). This amount represents an 11.52 percent reduction in state funds from the original FY'03 appropriation, and a 4 percent reduction in state funds from the revised FY'03 appropriation.

To manage the cuts for FY'04, OCCY will implement the following changes:

- ◆ Leave two agency positions vacant;
- ◆ Eliminate the Mental Health expertise oversight contract;
- ◆ Reduce contracts with Child Welfare Expertise, Legal Assistance with the Individuals with Disability Education Act (IDEA), and Juvenile Personnel Training;
- ◆ Reduce JOIN (Joint OK Information Network) and OASIS (OK Areawide Services Information System);
- ◆ Reduce PARB (Post Adjudication Review Board); and
- ◆ Reduce agency data processing.

One of the main functions of OCCY is to promote innovative programs that serve children through the funding of model projects. For this purpose, OCCY created the Positive Youth Development Fund for FY'04. This revolving fund will be used to fund grants to Neighborhood Associations and Community Partnership Boards, and will be administered by the Board of OCCY. The goal of these grants will be to fund programs that contribute to positive youth development and reduce the chances of youth engaging in risk behaviors. Money going into the fund thus far has come from other state agencies, but OCCY hopes to receive some federal funds or private donations in the future.

DEPARTMENT OF REHABILITATION SERVICES

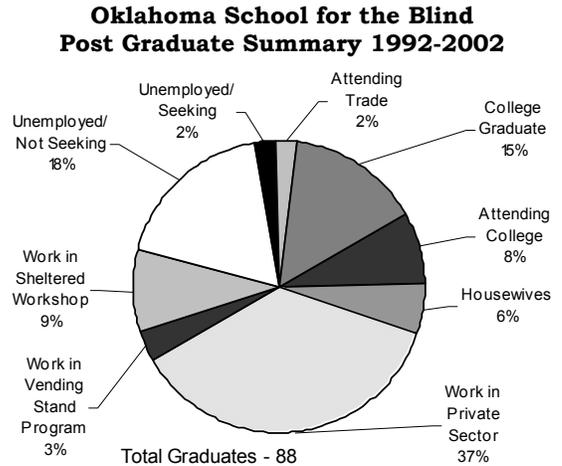
The Department of Rehabilitation Services (DRS) was appropriated \$24,750,000 for FY'04 (HB 1200). This amount represents a 3.23 percent reduction in state funds from the original FY'03 appropriation, and a 5 percent increase in state funds from the revised FY'03 appropriation.

Even though the Legislature gave DRS an increase in appropriations from the revised FY'03 number, DRS still must reduce certain programs in order to provide the state dollars elsewhere to maximize federal matching dollars. DRS will perform a number of functions with their partial replacement for FY'04:

- ◆ Open Priority Group 1 and work waiting list for Priority Group 2;
- ◆ Fully match all available federal funds in FY'04 (\$40,000,000), and avoid an MOE (Maintenance of Effort) penalty. Operating and payroll

budgets at the OK Library for the Blind and Physically Handicapped will be reduced to increase state matching funds for Vocational Rehabilitation/Visual Services (VR/VS);

- ◆ Reinstate summer programs at the Oklahoma School for the Blind (OSB) and the Oklahoma School for the Deaf (OSD);



- ◆ Continue to reduce Braille Educational Services (BES) by 30.2 percent and distribute five Braille textbooks per child. National Clearinghouse funds and State Department of Education funds will be used to purchase these books;
- ◆ Reduce the Oklahoma Library for the Blind and Physically Handicapped (OLBPH) by 13.4 percent, but OLBPH will stay open. Reorganization of space at OLBPH to accommodate a larger number of VR/VS staff will further increase shared operating expenses.

OFFICE OF JUVENILE AFFAIRS

The Office of Juvenile Affairs (OJA) was appropriated \$90,000,000 for FY'04 (HB 1199). This represents a 12.1 percent decrease from their original FY'03 state appropriation level, and a 4.7 percent decrease from their revised FY'03 appropriation.

To manage the general revenue shortfall of FY'04, OJA will implement the following:

- ◆ Reduce their administrative and support staff budget by 4.4 percent by implementing a reduction in force (RIF); this will garner \$1.2 million in savings. OJA was able to eliminate some vacancies, but still had to offer 22 severance packages due to the RIF. The RIF will go into effect July 15, 2003;
- ◆ Reduce funding for the Gang Intervention Program; and

- ◆ Reduce funding for the STARS Program, which provides tracking of juveniles within OJA.

DEPARTMENT OF HUMAN SERVICES

The Department of Human Services (DHS) was appropriated \$387,455,619 for FY'04 (HB 1197). This amount represents a 5.7 percent reduction from the original FY'03 state appropriation, and a 0.9 percent increase from the revised FY'03 appropriation.

Although DHS saw a slight increase in the FY'04 budget, they still must make reductions. After examination of all divisions of the agency, DHS identified \$10,888,798 in new reductions for FY'04. Annualization of FY'03 cuts will also garner \$2,710,000. However, DHS had \$4,614,320 in accelerated FY'04 budget reductions and revenue enhancements. Since these actions provided savings in FY'03, the savings for '04 will be slightly reduced. When all budget balancing actions are taken, DHS will reduce a total of \$8,895,680 from the FY'04 budget.

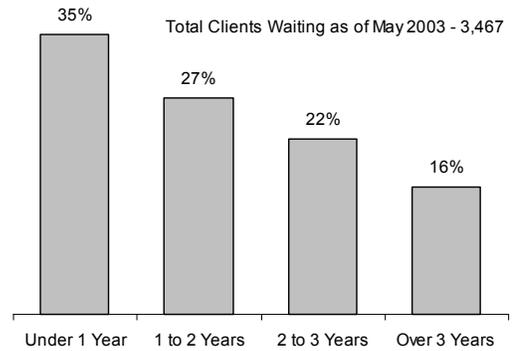
Some important reductions for FY'04 will include:

- ◆ \$2.5 million from elimination of 146 vacancies;
- ◆ Elimination of at least 60 additional FTE through a Voluntary Out Benefit Offer (VOBO);
- ◆ \$967,516 from elimination of the Emergency Response System within the Aging Services Division; and
- ◆ \$3.7 million from the Developmental Disabilities Services Division (DDSD).

The waiting list within DDSD has become an issue for DHS due to the high costs of some plans of care, as well as increased program participation. Anyone currently on the waiting list has been proven to be in need of services, but is waiting for those services to become available.

Due to increased program participation and the high cost of treatment plans, the Department of Human Services is unable to serve all eligible clients in the Developmentally Disabled Service Division.

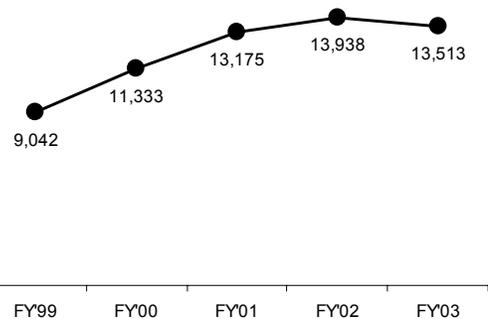
Percent of Clients on the DDSD Waiting List



DHS will continue to tackle the waiting list in the Developmental Disabilities Services Division (DDSD), which has grown significantly in FY'03. As of May 19th, there were 3,467 applicants on the list.

The FY'04 appropriation included \$1.7 million from the Health Department to increase the Case Management Rate for the Advantage Program, which had to pick up clients and employees from the discontinued Eldercare program in the Health Department. The Eldercare program was eliminated due to the revenue shortfall. The Advantage Program, only available to Medicaid clients, provides elderly Oklahomans a home health alternative to nursing homes. The number of Advantage clients alone has risen almost 50 percent in the past four years; in 1999, DHS had 9,042 Advantage clients. In 2003, that number had risen to 13,513.

Number of Clients Served in the Advantage Program



DHS reduced funding to some Senior Nutrition programs in FY'03. Most senior nutrition sites have handled the cuts without incident, but for some very small sites it has been more difficult. Six sites in communities with fewer than 3,000 residents have closed thus far and four additional sites are no longer cooking sites, but solely satellite sites.

Due to cuts made in FY'03 and cuts that will be made in FY'04, DHS will lose a total of \$24 million in federal funding. \$15 million of this loss is associated with Medicaid (Title XIX) programs.

COURTS

The Legislature granted an appropriation of \$11,962,341 in SB 84 for the Supreme Court. Although the Court did not take a cut for FY'04, funds were reduced from the Supreme Court's allocation for debt service reduction (\$541,112). Based on this debt service reduction, the Court's appropriation for FY'04 is 4.3 percent below its revised FY'03 appropriation and 11.7 percent below its original FY'03 appropriation. To manage the FY'04 budget, the court will leave positions vacant.

The state's 77 district courts were provided an appropriation of \$40,897,067 in SB 80. This resulted in a stand still budget for the district courts in FY'04. The appropriation was a 3.6 percent increase from the district courts revised FY'03 appropriation. To manage the budget for FY'04, the district courts will leave various positions vacant and possibly reduce operating hours for staff.

The Court of Criminal Appeals was appropriated \$2,634,378 in SB 78. This amounted to a stand still budget when compared with the court's revised FY'03 budget, which included a supplemental of \$38,000.00 and a 6.5 percent decrease from the court's original FY'03 appropriation. In order to realize the increase in appropriations, the Legislature annualized the court's FY'03 Supplemental (\$38,000). The court will try to maintain its operations throughout FY'04 without furloughing any employees.

SB 86 appropriated \$3,691,957 to the Workers' Compensation Court. This amounted to a 7.1 percent cut over the revised FY'03 appropriation and a 14.3 percent cut from the court's original FY'03 appropriation. To manage the cut, the court plans to use accumulated savings in the court's revolving fund.

The Oklahoma Indigent Defense System (OIDS) was appropriated \$14,243,912 in SB 93. This represents a 7.7 percent reduction from their original FY'03 appropriation and a 4 percent reduction from their revised FY'03 allocation. OIDS has proposed using attrition, furloughs, and cuts in county contracts to handle their FY'04 obligations.

The Council on Judicial Complaints received \$267,999 in SB 82. This represents a reduction of 11.2 percent from their original FY'03 appropriation and a reduction of 3.6 percent from their FY'03 revised appropriation.

LAW ENFORCEMENT

For Fiscal Year 2004, the Alcoholic Beverage Laws Enforcement Commission (ABLE) received an appropriation of \$3,431,691 (HB 1222). As with most of the law enforcement agencies, ABLE's cut for FY'04 was 7.1 percent above the already reduced FY'03 appropriation. ABLE's FY'04 appropriation was 14.4 percent below its original FY'03 appropriation. To achieve the reduction for FY'04, ABLE plans to initiate a Reduction-in-Force plan for seven FTE. This plan is contingent on the Commission's approval.

The Oklahoma State Bureau of Investigation (OSBI) was another law enforcement agency that took a 4.1 percent cut over its revised FY'03 appropriation for FY'04. The FY'04 appropriation is 12.1 percent below the agency's original FY'03 appropriation. The OSBI was appropriated \$9,441,383 in HB 1231 and SB 102. OSBI's plan for its FY'04 budget includes: 1) maintaining eight positions vacant 2) reducing equipment, supplies, and travel purchases; 3) eliminating an Attorney General contract; 4) eliminating an Academy during the year; and 5) possibly closing outlying offices.

SB 90 appropriated \$25,972,055 to the DAC. This represents a 14.3 percent reduction from their original FY'03 appropriation and a 7.1 percent reduction from their revised FY'03 allocation. The District Attorneys Council is looking at a mixture of furloughs, salary cuts, and Reduction-in-Forces throughout the 27 districts in the State.

SB 88 appropriated \$5,794,927 to the Attorney General (AG). This represents an 18.5 percent reduction from their original FY'03 appropriation and an 11.8 percent reduction from their revised FY'03 allocation. To manage the cut for FY'04, the AG's office plans to move its Consumer Protection Division to its 705 fund. The 705 Fund is funded through Anti-Trust settlements and No-Call fees and fines. The funding source for the 705 fund is non-recurring. The Consumer Protection Division will be moved to the 705 fund for fiscal year 2004. Because of the potential new Federal No-Call Registry, the 705 Fund may not be able to handle the Consumer Protection Division in FY'05, due to a possible reductions in No-Call funds. The AG's office is also looking into the possibility of furloughs sometime during the fiscal year.

HB 1229 appropriated \$1,504,323 to the State Fire Marshal, for its FY'04 operations. This represents a 19.7 percent cut from their original FY'03 appropriation and a 12.9 percent cut from the agency's revised FY'03 appropriation. The reason for the increased reduction is due to the Governor's signing of emergency rules allowing the Fire Marshal to raise certain inspection costs that should generate approximately \$200,000 in additional revenue for the Fire Marshal's office. To manage the FY'04 cut, the Fire Marshal plans on not filling two vacancies and using additional revolving fund revenue.

\$4,859,814 was appropriated to the Bureau of Narcotics and Dangerous Drugs (BNDD) for FY'04 (HB 1235). This resulted in an 11 percent cut from the agency's revised FY'03 appropriation and an 18 percent cut from the agency's original FY'03 appropriation. Like the Fire Marshal above, BNDD took a large cut due to certain fee increase revenue going to the agency. SB 611 increased registration fees for hospitals and pharmacies to be in line with federal fees. This increase should raise approximately \$400,000 annually. To handle the operations for FY'04, BNDD plans to leave nine vacancies unfilled and reduce the budgets for overtime, evidence, motor vehicles, and data processing.

The Council on Law Enforcement Education and Training (CLEET) received a 7.1 percent budget reduction from their revised FY'03 appropriation for FY'04. CLEET's FY'04 appropriation amounted to an overall 8.1 percent cut from the original FY'03 appropriation. HB 1233 appropriated \$2,649,441 to CLEET. To balance the FY'04 budget, the council plans on leaving three positions vacant; reducing the travel, data processing, and supplies budgets, eliminating one basic Academy, and reducing motor pool expenses.

The Board of Medicolegal Investigations was appropriated \$3,257,458 in HB 1234 for FY'04. This amounted to a 9.8 percent decrease over the agency's revised FY'03 appropriation and a 16.9 percent from the agency's original FY'03 appropriation. To help offset the cut, the medical examiner's office plans to maintain three positions vacant; consolidate Comanche County investigations into the existing Investigator District 4, use an answering service instead of a dispatcher, and eliminate the toxicology laboratory instrument service contract.

The Department of Public Safety (DPS) received \$62,429,532 in state appropriated revenue for FY'04 (SB 104 and SB 105). DPS's appropriation was 2.7 percent below its revised FY'03 appropriation and 10.3 percent below its original FY'03 appropriation. To manage this cut, DPS is planning to furlough every DPS employee 23 days during FY'04. DPS is also planning to use savings from its digital driver license contract to help with the FY'04 budget.

HB 1237, otherwise known as the Tag fee bill, passed both houses during the last days of session. The bill temporarily increases tag fees for two years. From September 2003 through August 2005, vehicle tags will be increase by two dollars (\$2.00). In Oklahoma, there are approximately 3.4 million registered vehicles. It is estimated by the Oklahoma Tax Commission that in FY'04 (10 months) the new fee will generate \$5.6 million. For FY'05 the Tax Commission estimates that the fee will generate \$6.8 million. The Department of Public Safety will utilize all revenue from the tag fee increase to avoid employee furloughs and fund salary step increases for highway patrol troopers. It was estimated that

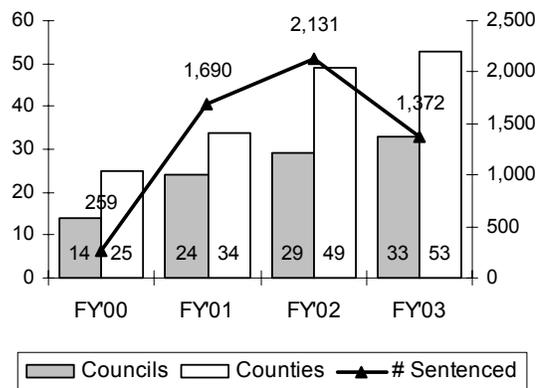
DPS's furlough plan, while saving the agency \$4.5 million, could end up costing the State Judicial Fund far more in the fines generated by Oklahoma Highway Patrolman. The remaining funds raised by the tag fee will go to pay for Legislatively mandated step increase for all highway patrol troopers, including those coming off the one-year probationary period.

CORRECTIONS

For FY'04, the Department of Corrections (DOC) received \$373,931,566 in state appropriations in HB 1224. This amounted to a 1.8 percent decrease from DOC's revised FY'03 appropriation (including supplementals) and a 4.8 percent cut from its original FY'03 appropriation.

Again this year, DOC's appropriation contained a line item for Community Sentencing in the amount of \$6,000,000. Since the inception of the program in FY'00, 34 planning councils encompassing 61 counties have participated in sentencing 4,718 offenders to community sentences.

Community Sentencing Program History



The Pardon and Parole Board received funding in the amount of \$2,115,485 through HB 1236. This represented a 2.5 percent cut from the revised FY'03 appropriation and a 10.2 percent cut from the original FY'03 appropriation. The agency plans to implement a voluntary Reduction-in-Force plan, with the possibility of a mandatory Reduction-in-Force plan.

AGRICULTURE

HB 1201 appropriated \$22,509,903 for the Department of Agriculture. This amounts to a 24 percent reduction from their original FY'03 appropriation and an 18.8 percent reduction from their revised FY'03 allocation. To manage this

reduction the agency is targeting administrative costs, travel expenses, vehicle purchases and specific programs that had the ability to absorb the cuts. The goal was to minimize the impact on field services provided by the Department.

The Rural Firefighters were provided additional funding to cover the cost of Workers' Compensation Insurance.

The Legislature continued funding of a project at OSU to assist small manufacturing facilities in rural Oklahoma. The New Product Development Center for Small Rural Manufacturers will assist the state's small rural manufacturers in developing new products and processes, thus increasing their sustainability and profitability.

The Legislature provided \$250,000 for the promotion of the Made in Oklahoma Coalition. The purpose of the coalition is to promote and create brand awareness for Oklahoma food products.

CONSERVATION COMMISSION

The Conservation Commission was appropriated \$6,220,557 in SB 148. This represents a 14.6 percent reduction from their original FY'03 appropriation and a 7.4 percent reduction from their revised FY'03 allocation. To manage the reduction the agency is targeting administrative costs, travel expenses, vehicle purchases and specific programs. The goal was to reduce the impact on field services provided by the Department.

The Legislature funded the Conservation Commission's cost-share program at \$500,000. The program will fund locally led animal waste management, water quality and soil conservation priorities throughout the state to address non-point source pollution.

The Legislature also provided funding for two requests from local Conservation Districts, replacing a federal budget cut and an increase in liability insurance. Funding used for the salaries of district employees, \$175,000, was cut by the federal government and replaced by the Legislature. The liability insurance for the local district offices has increased over 100 percent; the Legislature provided \$100,000 to help defray the cost of the coverage.

The Legislature appropriated \$500,000 to match federal funds made available to rehabilitate upstream flood control structures throughout the state. Out of the total 10,500 watershed structures in the United States, Oklahoma maintains 2,100 or 20 percent of the total number. Many of these structures will require rehabilitation and repair as they reach the end of their usable life within the next five years.

Funds were also made available to match federal funds for non-point source pollution implementation programs at Lake Wister, Fort Cobb, and Stillwater Creek.

ENVIRONMENT

The Legislature dedicated \$1 million to the implementation of the sixth year of the Beneficial Use Monitoring Program (BUMP). The program is designed to provide a comprehensive monitoring effort to protect the quality of the state's water resources. (SB 154)

HB 1208 appropriated \$5,928,921 to the Department of Environmental Quality (DEQ), a 20.5 percent cut from their original FY'03 appropriated budget and a 13.8 percent cut from their revised FY'03 allocation. Like other agencies, the DEQ will manage the reduction by targeting administrative costs, travel expenses, vehicle purchases and reducing other programs and services. The goal is to reduce the impact on field services provided by the agencies.

TOURISM

The Legislature reduced the appropriations to the Tourism and Recreation Department by 22.41 percent (HB 1219), targeting administrative cost, travel expenses, vehicle purchases and specific programs that had the ability to absorb the cuts. The goal was to reduce the impact on field services provided by the agency.

The Legislature funded \$475,000 to fund environmental projects at five of the state parks. The funding will ensure safe treatment of water and wastewater for the next twenty years.

The Legislature continued its funding for the Multi-county Organizations Matching Funds Program in the amount of \$476,000. The program will allow Oklahoma's 19 qualifying lake and country associations to expend additional resources for local promotion and advertising.

OKLAHOMA DEPARTMENT OF TRANSPORTATION (ODOT)

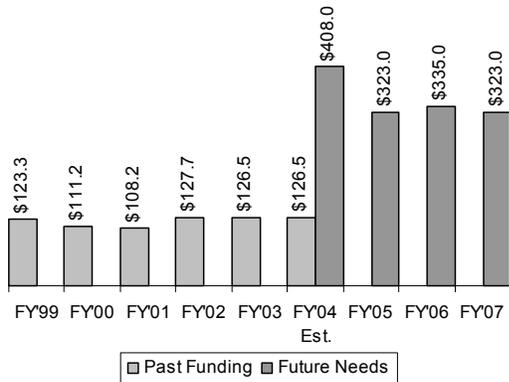
Due to the FY'03 revenue shortfall, ODOT's General Revenue appropriation was reduced by 7.85 percent (\$2,608,420). To manage the deficit, the agency employed restored Capital Improvement Program (CIP) funding (\$1.7 million) and cut administrative, operations, engineering and maintenance expenditures (\$908,000).

Fiscal Year 2004 Budget Review

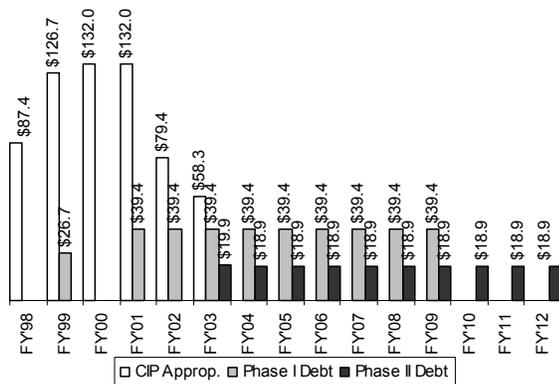
The department's FY'04 Operating Budget was cut 4.3 percent (\$8.01 million). To address the reduction, the Department will decrease administrative expenditures (data processing, contingencies, motor carriers, ODOT buildings) by \$4,500,000, maintenance activities by \$2,865,000, operations by \$700,000 and engineering by \$100,000.

The FY'03 allocation reduction and the FY'04 appropriation cut total 5.7 percent in budget reductions; these cuts weigh most heavily on the agency's roads and bridges maintenance program: Already facing a backlog of some \$1.2 billion in projects, ODOT will now fall further behind in its efforts to address a problem that, on average, costs Oklahoma motorists \$350 each year in additional fuel and repair expenditures.

**ODOT Maintenance
Past Funding vs. Future Needs**



CIP Funding/Debt Service



OKLAHOMA TAX COMMISSION

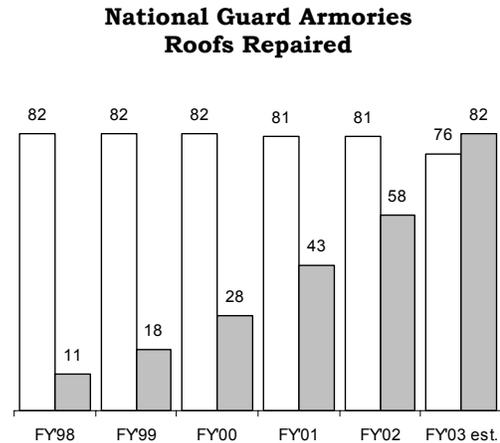
The agency's FY'03 appropriation was cut by 7.85 percent (\$3,859,152). To manage the reduction, the Commission mandated six days of furlough for employees whose annual rate of pay was over \$25,000, and two days for its remaining FTE; in addition, the agency scaled back Tax Internet Services by \$450,000 (the measure will not affect low income users). Finally, OTC initiated a hiring freeze which eliminated 106 FTE through attrition.

The Commission's FY'04 appropriation is \$44,601,406, a 9.3 percent cut from their original FY'03 appropriation and a 2.6 percent cut from their revised FY'03 allocation. To address the reduction, the agency will continue the hiring freeze begun in FY'03, a measure which is expected to reduce its FTE count by 48. Furloughs will be implemented if two cost-saving measures worth \$1.5 million (the elimination of license tag renewal notices, and electronic filing mandates) are not passed into law.

HB 1250 appropriated \$500,000 in General Revenue Funds to the Tax Commission for the enhancement of its tax reporting and remittance programs, and for its revenue forecasting system. Potential benefits from this appropriation should: provide better estimations of oil and gas revenues; allow companies to electronically file returns; reduce the overhead associated with maintaining the revenue forecasting system; reduce the number of employees necessary to process returns and refunds and provide better records for mineral interest owners.

The agency's appropriation base has been cut by 13.3 percent over the last two fiscal years. In January of 2002, the agency had 1,112 FTE. As a result of the budget shortfall they are at 990 and expect to fall to 940 by the end of FY'04. The impact of these reductions includes: a slow down in the issue of business licenses and permits, a decreased ability to update computer files used by law enforcement and motor license agents, delays in the processing of taxpayer information and extended completion of the processing of tax returns during the peak season. Finally, the cuts have resulted in lost opportunities for revenue collection and an increase in taxpayer complaints.

OKLAHOMA TAX COMMISSION Treasury Offset Program Net Collections		
	Volume	Net Collections
FY'01	461	\$198,397.09
FY'02	6,218	\$3,237,383.64
FY'03	5,739	\$2,595,578.23
Total (as of 5/1/03)	12,418	\$6,031,358.96



OKLAHOMA MILITARY DEPARTMENT

The agency's FY'03 allocation was reduced by 7.85 percent (\$619,825). To manage the reduction, the department cut its National Guard Armory maintenance budget and limited data processing expenditures.

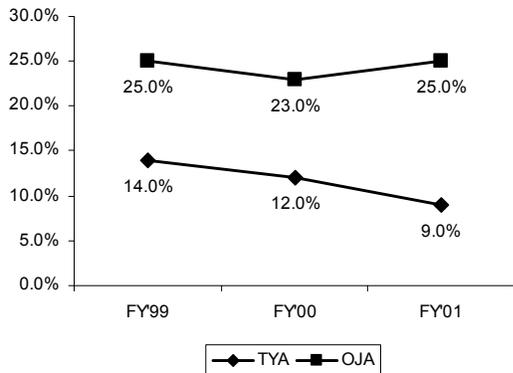
For FY'04, the Legislature appropriated \$7,021,379 to the Military Department. This reflects an 11.1 percent reduction from their original FY'03 appropriation and a 3.5 percent reduction from their revised FY'03 allocation. To address the cut the agency will implement a Reduction-in-Force of five FTE and eliminate three more positions through attrition.

The agency's base appropriation has been cut by 11.1 percent over the past two fiscal years; it is estimated that the reduction will cost the department a minimum of \$600,000 in lost federal matching funds for its youth programs, which are slated to absorb the entire FTE reduction.

OTHER ISSUES

SB 138 contained two appropriations for agencies governed by the appropriations subcommittee on General Government and Transportation: First, the Office of State Finance received \$7,000,000 from the Special Cash Fund to continue the implementation of its CORE project, a statewide business computer system that will enhance the delivery of state services to include: web interfaces, financial tracking, the licensing process and a more integrated human resources management capability. Second, the Governor's Emergency Fund was allotted \$4,000,000 from the Special Cash Fund to pay toward the state's share of four federally declared disasters dating back to the December 2000 ice storm. The remaining debt is \$21.02 million.

**Recidivism Rates
T-Bird Youth Academy/Office of Juvenile Affairs**



SUMMARY OF APPROPRIATIONS

Agency	FY'03 Original Appropriation	FY'03 Revised Appropriation w/Supplementals	FY'04 Appropriation	\$ Change from Orig. FY'03	% Change from Orig. FY'03	%Change from Rev. FY'03
Subcommittee on Education						
Arts Council	\$4,318,483	\$3,979,482	\$3,864,077	(\$454,406)	-10.5%	-2.9%
Career and Technology Education	\$131,196,667	\$120,897,729	\$117,822,607	(\$13,374,060)	-10.2%	-2.5%
Education, State Department of	\$2,040,028,941	\$1,871,498,539	\$1,950,875,385	(\$89,153,556)	-4.4%	4.2%
Educational Television Authority	\$3,741,795	\$3,448,064	\$3,448,064	(\$293,731)	-7.9%	0.0%
Higher Education, Regents for	\$851,255,610	\$791,495,572	\$767,880,401	(\$83,375,209)	-9.8%	-3.0%
Land Office, Commissioners of	\$4,095,100	\$4,095,100	\$4,095,100	\$0	0.0%	0.0%
Libraries, Department of	\$6,891,409	\$6,350,434	\$6,166,270	(\$725,139)	-10.5%	-2.9%
Physician Manpower Training Commission	\$5,606,623	\$5,197,903	\$5,017,536	(\$589,087)	-10.5%	-3.5%
Private Vocational Schools, Board of	\$166,022	\$152,989	\$152,989	(\$13,033)	-7.9%	0.0%
Science & Technology, Center for	\$12,597,604	\$11,608,689	\$11,014,880	(\$1,582,724)	-12.6%	-5.1%
Science & Math, School of	\$6,522,429	\$6,010,418	\$6,204,693	(\$317,736)	-4.9%	3.2%
Teacher Preparation, Commission on	\$2,219,555	\$2,045,320	\$1,986,006	(\$233,549)	-10.5%	-2.9%
Subtotal	\$3,068,640,238	\$2,826,780,239	\$2,878,528,008	(\$190,112,230)	-6.2%	1.8%
Subcommittee on General Government and Transportation						
Auditor and Inspector	\$5,939,515	\$5,473,263	\$5,226,966	(\$712,549)	-12.0%	-4.5%
Central Services, Department of	\$15,301,061	\$14,203,855	\$12,210,888	(\$3,090,173)	-20.2%	-14.0%
Civil Emergency Management Administration	\$749,202	\$690,390	\$666,226	(\$82,976)	-11.1%	-3.5%
Election Board	\$7,227,380	\$6,734,466	\$8,195,395	\$968,015	13.4%	21.7%
Ethics Commission	\$482,321	\$444,459	\$447,125	(\$35,196)	-7.3%	0.6%
Finance, Office of State Governor	\$8,912,398	\$9,249,597	\$20,080,825	\$11,168,427	125.3%	117.1%
House of Representatives	\$2,906,729	\$2,678,551	\$2,477,660	(\$429,069)	-14.8%	-7.5%
Legislative Service Bureau	\$20,457,766	\$18,851,831	\$17,437,944	(\$3,019,822)	-14.8%	-7.5%
Lt. Governor	\$2,417,878	\$2,228,075	\$2,060,969	(\$356,909)	-14.8%	-7.5%
Merit Protection Commission	\$548,452	\$505,399	\$467,494	(\$80,958)	-14.8%	-7.5%
Military, Department of	\$592,319	\$545,822	\$504,885	(\$87,434)	-14.8%	-7.5%
Military, Department of	\$7,895,866	\$7,276,041	\$7,021,379	(\$874,487)	-11.1%	-3.5%
Personnel Management	\$5,399,774	\$4,975,892	\$4,602,700	(\$797,074)	-14.8%	-7.5%
Secretary of State	\$517,868	\$477,215	\$429,494	(\$88,374)	-17.1%	-10.0%
Senate	\$14,251,641	\$13,132,887	\$12,147,920	(\$2,103,721)	-14.8%	-7.5%
Space Industry Development Authority	\$985,000	\$907,678	\$515,852	(\$469,148)	-47.6%	-43.2%
Tax Commission	\$49,161,169	\$45,779,017	\$44,601,406	(\$4,559,763)	-9.3%	-2.6%
Transportation, Department of	\$247,008,202	\$244,399,782	\$192,185,387	(\$54,822,815)	-22.2%	-21.4%
Treasurer	\$5,270,092	\$4,864,044	\$4,377,639	(\$892,453)	-16.9%	-10.0%
Subtotal	\$396,024,633	\$383,418,264	\$335,658,154	(\$60,366,479)	-15.2%	-12.5%
Subcommittee on Health and Social Services						
Health Care Authority	\$442,605,130	\$420,759,746	\$439,000,000	(\$3,605,130)	-0.8%	4.3%
Health, Department of	\$64,292,965	\$59,402,965	\$53,649,633	(\$10,643,332)	-16.6%	-9.7%
J.D. McCarty Center	\$2,946,549	\$2,715,244	\$2,457,898	(\$488,651)	-16.6%	-9.5%
Mental Health & Substance Abuse Services	\$150,924,452	\$139,167,043	\$145,018,006	(\$5,906,446)	-3.9%	4.2%
University Hospitals Authority	\$41,499,895	\$38,242,153	\$34,598,585	(\$6,901,310)	-16.6%	-9.5%
Veterans Affairs, Department of	\$26,687,506	\$24,592,537	\$26,943,202	\$255,696	1.0%	9.6%
Subtotal	\$728,956,497	\$684,879,688	\$701,667,324	(\$27,289,173)	-3.7%	2.5%

Fiscal Year 2004 Budget Review

Agency	FY'03 Original Appropriation	FY'03 Revised Appropriation w/Supplementals	FY'04 Appropriation	\$ Change from Orig. FY'03	% Change from Orig. FY'03	%Change from Rev. FY'03
Subcommittee on Human Services						
Children and Youth, Commission on	\$1,751,885	\$1,614,362	\$1,550,000	(\$201,885)	-11.5%	-4.0%
Handicapped Concerns, Office of	\$386,278	\$357,133	\$356,000	(\$30,278)	-7.8%	-0.3%
Human Rights Commission	\$790,374	\$728,330	\$650,000	(\$140,374)	-17.8%	-10.8%
Human Services, Department of	\$410,923,039	\$384,091,616	\$387,455,619	(\$23,467,420)	-5.7%	0.9%
Indian Affairs, Commission of	\$276,685	\$254,965	\$244,000	(\$32,685)	-11.8%	-4.3%
Juvenile Affairs	\$102,368,528	\$94,432,599	\$90,000,000	(\$12,368,528)	-12.1%	-4.7%
Rehabilitation Services, Department of	\$25,576,817	\$23,569,037	\$24,750,000	(\$826,817)	-3.2%	5.0%
Subtotal	\$542,073,606	\$505,048,042	\$505,005,619	(\$37,067,987)	-6.8%	-0.01%
Subcommittee on Natural Resources and Regulatory Services						
Agriculture, Department of	\$29,648,836	\$27,713,902	\$22,618,776	(\$7,030,060)	-23.7%	-18.4%
Banking, Department of	\$3,107,821	\$2,863,857	\$0	(\$3,107,821)	-100.0%	-100.0%
Centennial Commission	\$640,904	\$590,593	\$526,503	(\$114,401)	-17.8%	-10.9%
Commerce, Department of	\$30,241,666	\$28,366,896	\$22,201,034	(\$8,040,632)	-26.6%	-21.7%
Conservation Commission	\$7,287,094	\$6,715,057	\$6,220,557	(\$1,066,537)	-14.6%	-7.4%
Consumer Credit, Department of	\$733,716	\$676,119	\$602,747	(\$130,969)	-17.9%	-10.9%
Corporation Commission	\$9,735,621	\$8,971,375	\$7,997,813	(\$1,737,808)	-17.8%	-10.9%
Environmental Quality, Department of	\$7,460,880	\$6,875,201	\$5,928,921	(\$1,531,959)	-20.5%	-13.8%
Historical Society	\$10,515,233	\$9,689,787	\$8,537,394	(\$1,977,839)	-18.8%	-11.9%
Horse Racing Commission	\$2,144,550	\$1,976,203	\$1,761,748	(\$382,802)	-17.8%	-10.9%
Insurance Commissioner	\$2,872,013	\$2,646,560	\$2,072,157	(\$799,856)	-27.9%	-21.7%
J.M. Davis Memorial Commission	\$364,704	\$336,075	\$299,604	(\$65,100)	-17.8%	-10.9%
Labor, Department of	\$3,678,570	\$3,491,523	\$2,958,570	(\$720,000)	-19.6%	-15.3%
Liquefied Petroleum Gas Board	\$434,148	\$400,067	\$0	(\$434,148)	-100.0%	-100.0%
Mines, Department of	\$949,734	\$902,655	\$722,124	(\$227,610)	-24.0%	-20.0%
Scenic Rivers Commission	\$357,805	\$329,717	\$258,156	(\$99,649)	-27.9%	-21.7%
Securities Commission	\$694,615	\$640,088	\$501,088	(\$193,527)	-27.9%	-21.7%
Tourism and Recreation, Department of	\$28,177,594	\$26,099,103	\$22,616,482	(\$5,561,112)	-19.7%	-13.3%
Water Resources Board	\$8,069,143	\$7,435,716	\$6,228,494	(\$1,840,649)	-22.8%	-16.2%
Will Rogers Memorial Commission	\$965,062	\$889,305	\$792,798	(\$172,264)	-17.9%	-10.9%
Subtotal	\$148,079,709	\$137,609,799	\$112,844,965	(\$35,234,744)	-23.8%	-18.0%
Subcommittee on Public Safety and Judiciary						
Alcoholic Beverage Laws Enforcement	\$4,010,797	\$3,695,950	\$3,431,691	(\$579,106)	-14.4%	-7.1%
Attorney General	\$7,107,784	\$6,561,598	\$5,794,927	(\$1,312,857)	-18.5%	-11.7%
Corrections, Department of	\$392,828,555	\$380,791,513	\$373,931,566	(\$18,896,989)	-4.8%	-1.8%
Court of Criminal Appeals	\$2,817,556	\$2,634,378	\$2,634,378	(\$183,178)	-6.5%	0.0%
District Attorneys and DAC	\$30,307,624	\$27,972,043	\$25,972,055	(\$4,335,569)	-14.3%	-7.1%
District Courts	\$40,897,067	\$39,479,814	\$40,897,067	\$0	0.0%	3.6%
Fire Marshal	\$1,875,056	\$1,727,864	\$1,504,323	(\$370,733)	-19.8%	-12.9%
Indigent Defense System	\$15,440,273	\$14,843,912	\$14,243,912	(\$1,196,361)	-7.7%	-4.0%
Investigation, State Bureau of	\$10,742,452	\$9,899,169	\$9,441,383	(\$1,301,069)	-12.1%	-4.6%
Judicial Complaints, Council on	\$301,681	\$277,999	\$267,999	(\$33,682)	-11.2%	-3.6%
Law Enforcement Education and Training	\$2,883,685	\$2,853,462	\$2,649,441	(\$234,244)	-8.1%	-7.1%
Medicolegal Investigations, Board of	\$3,918,936	\$3,611,300	\$3,257,458	(\$661,478)	-16.9%	-9.8%
Narcotics and Dangerous Drugs, Bureau of	\$5,925,357	\$5,460,217	\$4,859,814	(\$1,065,543)	-18.0%	-11.0%
Pardon and Parole Board	\$2,355,603	\$2,170,688	\$2,115,485	(\$240,118)	-10.2%	-2.5%
Public Safety, Department of	\$69,594,193	\$64,136,349	\$62,429,532	(\$7,164,661)	-10.3%	-2.7%
Supreme Court	\$13,543,032	\$12,503,454	\$11,962,341	(\$1,580,691)	-11.7%	-4.3%
Workers' Compensation Court	\$4,306,464	\$3,976,254	\$3,691,957	(\$614,507)	-14.3%	-7.1%
Subtotal	\$608,856,115	\$582,595,964	\$569,085,329	(\$39,770,786)	-6.5%	-2.3%
Rural Economic Action Plan	\$15,259,750	\$14,061,860	\$6,000,000	(\$9,259,750)	-60.7%	-57.3%
Governor's Emergency Fund	\$5,501,000	\$5,501,000	\$4,000,000	(\$1,501,000)	-27.3%	-27.3%
GRAND TOTAL	\$5,513,391,548	\$5,139,894,856	\$5,112,789,399	(\$400,602,149)	-7.3%	-0.5%