

# Budget Brief

## A Summary of Budget News and Actions

### Commentary from Committee Vice Chair

Providing a glimpse at the REAP program and how it benefits rural Oklahoma and infrastructure in small communities.

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## Agencies Request Over \$1B In Additional State Spending

The appropriations requested by the Oklahoma's appropriated agencies, if granted, would result in a deficit in state government spending by \$1.19 billion dollars.

As covered in the last *Budget Brief*, state revenues are still approximately \$150 million dollars short of the prior year's appropriation amount – basically another budget year with a hole in spending. But three agencies are requesting increased appropriations totaling more than the hole in spending is currently projected.

The biggest increase request is from the Oklahoma Health Care Authority, the state's Medicaid administrator. OHCA has asked for \$224,110,000 in new spending by the state. Second is the Department of Human Services, which asked for \$193,569,000 more than they spent last year. The monies requested by DHS are before completion of the plan required by the settlement of the federal court case in Tulsa. The third highest increase is from the State Department of Education, which is asking the legislature to restore \$157,980,000 in their cuts from previous years.

As Senate committees complete their work on performance reviews and budget hearings, the House will begin their work at the beginning of the legislative session.

### Requests by Subcommittee

|                                 |                        |
|---------------------------------|------------------------|
| Education                       | \$253,988,407          |
| General Govt/<br>Transportation | \$25,860,000           |
| Health/Human<br>Services        | \$583,719,035          |
| Natural<br>Resources            | \$83,157,476           |
| Public Safety &<br>Judiciary    | \$93,543,227           |
| <b>TOTAL</b>                    | <b>\$1,040,268,145</b> |

**SENATE APPROPRIATIONS COMMITTEE**

Senator Clark Jolley, Chair  
Senator Ron Justice, Vice Chair

## REAPing What Oklahoma Sows

By Senator Ron Justice, Vice Chair and Natural Resources Subcommittee Chair

The economy of Oklahoma continues to show improvement; however, it is important that caution is used in planning the 2012-13 Budget. Residents in the state requested efficiency in state spending and much of that has been accomplished with many Oklahoma agencies having cut their budgets by an as much as 24 percent. This has not been an easy task but shows the importance of working together to accomplish a statewide goal.

Our Senate Appropriation Subcommittees are holding hearings on budget requests from agencies and beginning to work on developing the budget for 2012-13. Committees are well aware of the continued emphasis from taxpayers across the state to be efficient in the use of tax dollars.

In developing the budget last year there were several areas where it was necessary to use one-time money. For this reason and the necessity to replenish the rainy day fund there will likely be a need for additional cuts among some agencies or a stand still budget at best.

One area that has drawn much attention and concern is the Rural Economic Action Plan (REAP). The REAP program has been extremely important in rural Oklahoma in helping maintain the infrastructure in rural Oklahoma. The program was put in place in 1996 to assist the general improvement of living and working conditions in predominantly rural areas of the state.

Examples of how some of these dollars are regularly used include water line construction and repair, water treatment, water acquisition, distribution or recovery, sewer line construction and repair, rural road and street construction and improvement, health and medical care, volunteer fire departments and other related projects. Continued improvement and assistance in these and other areas of rural Oklahoma has helped these rural businesses and industries grow which also helped the economic growth of the state.

Wise use of taxpayer dollars to repair and enhance our infrastructure through budget items such as REAP expand opportunities for small business and industry and the jobs that come with them. In today's economic environment, promoting a healthy state economy must continue to be a priority as the 2012-13 budget is developed.



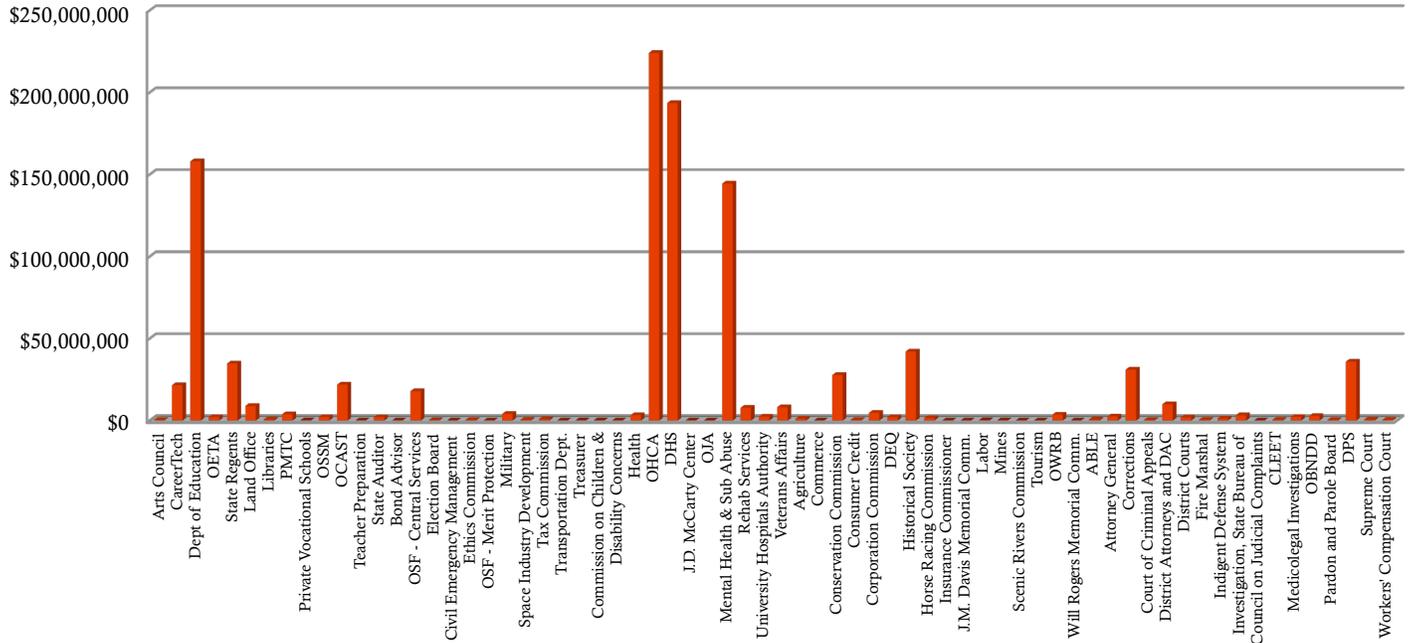
## About Dually Assigned Bills...

So why does a bill have to be heard in the policy committee and also get dually assigned to the Appropriations Committee? If the policy has a corresponding cost, then it is necessary to get the perspective of both the policy committee to decide if it is good policy and then the Appropriations Committee to make sure it is affordable and whether it should be a priority in receiving state dollars.

In years past, the policy committees had a more limited role to play because virtually all policy bills that might cost money were simply sent to the Appropriations Committee. By dually assigning bills, the importance of the policy committees was raised to a higher level.

# A Look at the Increased Budget Requests

## Dollar Increase Requested



## Percent Increase Requested

