

Senate Budget Brief

A Summary of Budget News and Actions

Subcommittee Chair calls joint meeting a success

Several Appropriations Subcommittees have concluded joint performance hearings with their House counterparts. Senator Jim Halligan gives his feedback on the meetings.

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Legislature Gets First Look at Executive Budget

Governor Mary Fallin delivered her third State of the State address to the State Legislature on Monday, outlining her priorities for the coming session. She also unveiled her executive budget, which includes targeted increases in some agencies for specific needs, standstill budgets for many other agencies, and some reductions. (See Executive Budget Highlights, page 3.)

Senator Ron Justice, Vice Chair of Appropriations said legislative leaders would be taking a closer look at the governor's proposed budget in the coming days.

"As with every executive budget, there are probably going to be points on which we agree, and others where we may have different views and priorities," said Justice, R-Chickasha. "Ultimately it is the Legislature that has the Constitutional mandate of writing and passing a balanced budget, but certainly the Governor plays a part in that process."

The presentation of the executive budget is one of the first big events in the budget process once the session begins. The next will be the final certification by the State Equalization Board on February 19, which will give officials a much clearer picture of the available revenue for the 2014 budget.

Governor's Proposed Supplemental Appropriations

\$8.5 million for Flexible Benefit Allowance for Teachers. This is to cover costs that will exceed the projections available during the 2012 legislative session. Actual costs have risen due to subsequent increases in the number of teachers and support staff, as well as increasing costs to provide their benefits.

\$10 million to restore the exterior façade of the State Capitol and commission an engineering study for total renovation of the building.

SENATE APPROPRIATIONS COMMITTEE

Senator Clark Jolley, Chair
Senator Ron Justice, Vice Chair

Performance Reviews Presented in Joint Hearings

By **Jim Halligan, Chairman, Subcommittee on Education**

Under Oklahoma statutes, state agencies must appear each year before their respective appropriations subcommittee for a performance review.

Traditionally, those agencies have made these required presentations two times, appearing before both the Senate and House subcommittees. This year, Senate Appropriations Chairman Clark Jolley encouraged all the subcommittee chairs to hold joint Senate/House performance meetings when possible.



My subcommittee and our house counterparts were able to do that, and I was extremely pleased by the level of cooperation between our members and staff and theirs. I think this was also good for the agencies involved as they were able to make a single presentation rather than having to go through the exact same material twice.

Overall, I was very impressed with the presentations. They were well prepared and provided important historical information, good overviews of their current situations and articulated their visions for the future. The word frugal was used many times, and I was gratified with the efforts of agencies in our subcommittee to identify savings and increase efficiencies. Naturally, I realize the importance of common education in creating a better future for Oklahoma children, and for our state as a whole. I agree with the need to address funding for the reforms that have been enacted with the goal of improving public education.

I was particularly impressed by the presentation by the State Arts Council. They frequently get a 12 to 1 match on our investment, which is outstanding. They also did an excellent job of showing how economic development and the development of the arts go hand in hand in communities throughout Oklahoma.

From my perspective, the joint hearings were a very efficient way to prepare for the budget work still ahead this session, and I would like to see these cooperative presentations continued next year.

In case you missed it...

The new Senate Appropriations website is up and running. By going to the Senate's permanent URL (<http://appropriations.oksenate.gov/>), you can view streaming audio and video from all appropriations and subcommittee meetings, access all documents and other information handed out during committee meetings, review legislation and view committee votes.

You can also access the new Appropriations website through www.oksenate.gov.

Highlights of Gov. Fallin's Executive Budget

Note: The Governor uses the figures from the December Certification provided by the Board of Equalization. The Legislature will utilize the February numbers.

Education

Common Education Funding

In the two previous legislative sessions, Governor Fallin has worked with State Superintendent of Public Instruction Janet Barresi and the Legislature to pass critical education reforms that will increase accountability and strengthen our education system. In order to help fund and implement these reforms, the governor's executive budget includes a \$13.5 million funding increase for the Department of Education.

General Government

Department of Transportation

Supporting the statutory increase in the State Transportation Fund of \$2,124,891. This increase is in addition to the statutory increases in the ROADS Fund and the CIRB Fund, both of which will aid in timely implementation of Governor Fallin's Bridge Improvement and Turnpike Modernization Plan.

Ethics Commission

Appropriating an additional \$125,000 to the Ethics Commission to help bolster its operational budget.

Emergency Management

The Governor's budget also recommends appropriating \$1 million to the State Emergency Fund in order to stay ahead of the cost of inevitable natural disasters and to more expediently reimburse cities and counties. This fund is administered by OEM.

Health and Human Services

Health Care Authority

The Governor is requesting \$40 million

to cover approximately 60,000 Oklahomans who are already eligible to be on Medicaid but are not presently enrolled. These individuals are commonly known as the "woodwork eligible." The request also covers the annualizations and maintenance costs for the Medicaid program.

Department of Mental Health and Substance Abuse Services

The Governor's budget includes \$16 million in additional funds for the Department. Within this request, \$1 million will be used to annualize the two crisis centers from the FY'2013 budget and \$2.5 million to add a third crisis center. The Governor is also requesting \$2.3 million for the Systems of Care program. Governor Fallin has included \$1.2 million for new prescription drug abuse prevention and treatment initiatives. The Governor has requested \$500,000 for suicide prevention.

Department of Human Services

The Governor is requesting \$40 million in additional funding to implement Year 2 of the Pinnacle Plan. These funds along with the \$25 million from FY'2013 will provide over 65% of the funds needed for the five-year Pinnacle Plan. The Governor also proposes \$5.9 million in rate increases for developmental disability community service providers.

Public Safety and Judiciary

Department of Corrections

In order to address offender population growth and other challenges, the governor proposes appropriating an additional \$1 million to the Department of Corrections.

Department of Public Safety

Over the last several years, the Oklahoma Highway Patrol has

experienced a considerable decline in state troopers. As a result of Trooper Academy funding in FY-2013, the Oklahoma Highway Patrol graduated its first group of cadets (30) since 2009. As a sign of the governor's ongoing commitment to the safety of all Oklahomans, this Executive Budget annualizes the \$5 million appropriated in FY-2013 for a Trooper Academy through the Department of Public Safety.

Medical Examiner

Governor Fallin proposes annualizing the \$2.5 million appropriation made to the Medical Examiner's office as it continues pursuing re-accreditation, which is critical to the effective implementation of its mission.

Natural Resources

Quick Action Closing Fund

The Governor recommends dedicating \$5 million to the Quick Action Closing Fund, in order to continue the State's efforts to retain and attract businesses. The Oklahoma Quick Action Closing Fund can be expended by the Governor for economic development and related infrastructure development to locate or retain a high-impact business project or facility in Oklahoma. The Oklahoma Department of Commerce is responsible for the administration of the fund.

Oklahoma Youth Expo

The Governor's budget eliminates the \$2 million of funding for the Oklahoma Youth Expo, as it was a one-time allocation. The Oklahoma Youth Expo provides a venue and program to display the finest quality market and breeding livestock in the country to facilitate agricultural production projects, and to fund higher education opportunities for hundreds of youth pursuing studies in agriculture.