2012 Legislative and Budget Process Overview

January 2012
Overview

I. Composition of the Legislature
II. Executive Branch
III. Legislative Session
IV. Policy Path
V. Budget Process
VI. Legislative Resources
House of Representatives
- 101 Members
- Two-Year Elected Terms
- Republicans have controlled House since
- Current Breakdown: 68 Republicans / 31 Democrats (2 vacant)
- 20 Newly Elected Representatives (2010)
  - 16 Republicans, 4 Democrats
- Presided over by Speaker Kris Steele

State Senate
- 48 Members
- Four-Year Staggered Elected Terms
- Republicans gained control of Senate in 2008
- Current Breakdown: 31 Republicans / 15 Democrats (2 vacant)
- 10 Newly Elected Senators (2010)
  - 10 Republicans, 0 Democrats [2 served previously in House]
- Presided over by President Pro-Tempore Brian Bingman
- Lt. Governor Todd Lamb is the President of the Senate
Legislative Salary

Members - $38,400 (base)
President Pro-Tempore and Speaker - $17,932 (additional)
Other Top Leadership - $12,364 (additional)
All Members Receive Travel and Per Diem during Legislative Session

Terms of Office

- Prohibition on holding multiple offices;
- A twelve-year term limit:
  - Years in legislative office do not need not to be consecutive;
  - Years of service in both the Senate and the House of Representatives are added together and included in determining the total number of legislative years in office.
- In the event of a vacancy in the Legislature, the Governor calls a special election to fill the vacancies.
House Majority Leadership

Speaker
Kris Steele (R-Shawnee)

Speaker Pro Tempore
Jeff Hickman (R-Daxoma)

Majority Floor Leader
Dale DeWitt (R-Braman)

Deputy Floor Leader
• Harold Wright (R-Weatherford)

Assistant Majority Floor Leaders
• Gary Banz (R-Midwest City)
• Lisa Billy (R-Purcell)
• George Faught (R-Muskogee)
• Mike Jackson (R-Enid)
• Dennis Johnson (R-Duncan)
• Leslie Osborn (R-Tuttle)

Caucus Chair — Weldon Watson (R-Tulsa)

Caucus Vice-Chair — Harold Wright (R-Weatherford)

Majority Whip
• Skye McNeil (R-Bristow)

Assistant Majority Whips
• Dennis Casey (R-Morrison)
• Marian Cooksey (R-Edmond)
• Corey Holland (R-Marlow)
• Fred Jordan (R-Jenks)
• Steve Martin (R-Bartlesville)
• Randy McDaniels (R-Edmond)
• Mike Sanders (R-Kingfisher)
• Corey Holland (R-Marlow)
• Paul Wesselhoft (R-Moore)
House Minority Leadership

MINORITY LEADER
SCOTT INMAN (D- OKLAHOMA CITY)

DEPUTY MINORITY FLOOR LEADER
• ERIC PROCTOR (D- TULSA)

ASSISTANT MINORITY FLOOR LEADERS
• WES HILLIARD (D- SULPHUR)
• STEVE KOUPLEN (D- BEGGS)
• AL MCAFREY (D- OKLAHOMA CITY)
• JEANNIE McDaniel (D- TULSA)
• WADE RouseLLOT (D – WAGONER)
• MIKE SHELTON (D- OKLAHOMA CITY)

MINORITY FLOOR LEADER
CHUCK HOSKIN (D- VINITA)

MINORITY WHIP
• BEN SHERRE (D- CHOTEAU)

ASSISTANT MINORITY WHIP
• CORY WILLIAMS (D- STILLWATER)

MINORITY CAUCUS CHAIR
• JERRY McPEAK (D- WARNER)

MINORITY CAUCUS VICE-CHAIR
• JOE DORMAN (D- RUSH SPRINGS)

MINORITY CAUCUS SECRETARY
• DONNIE CONDIT (D- McALESTER)
Senate Majority Leadership

PRESIDENT PRO-TEMPORE
Brian Bingman (R-Sapulpa)

ASSISTANT MAJORITY FLOOR LEADERS
• Anthony Sykes (R-Moore)
• Clark Jolley (R-Edmond)
• John Ford (R-Bartlesville)

MAJORITY FLOOR LEADER
Mike Schulz (R-Altus)

MAJORITY WHIPS
• Cliff Branan (R-Oklahoma City)
• Dan Newberry (R-Sand Springs)
• Gary Stanislawski (R-Tulsa)
• Rob Johnson (R-Kingfisher)

CAUCUS CHAIR: Bryce Marlatt (R-Woodward)
VICE CAUCUS CHAIR: David Holt (R-Oklahoma City)
RURAL CAUCUS CHAIR — Ron Justice (R-Chickasha)
Senate Minority Leadership

**MINORITY LEADER**
Sean Burrage (D-Claremore)

**ASSISTANT MINORITY FLOOR LEADERS**
- Roger Ballenger (D-Okmulgee)
- Jerry Ellis (D-Valliant)
- John Sparks (D-Norman)
- Charles Wyrick (D-Fairland)

**MINORITY WHIPS**
- Earl Garrison (D-Muskogee)
- Judy Eason McIntyre (D-Tulsa)

**CAUCUS CHAIR:** Tom Ivester (D-Sayre)
**CAUCUS VICE-CHAIR:** Susan Paddack (D-Ada)
EXECUTIVE BRANCH

Governor as Chief Executive

- Elected four-year term, two-term limit.
- Powers and Duties:
  - Head of state and chief executive for the State of Oklahoma;
  - Commander in Chief of the Oklahoma National Guard;
  - Delivers yearly “State of the State” address to the Legislature (first day of session).

Governor Mary Fallin (Republican)
- Elected Nov. 2010;
- Former Member of Congress, Lieutenant-Governor, House member.
EXECUTIVE BRANCH

Executive Branch Officials (Elected)

Lt. Governor
Todd Lamb

Attorney General
Scott Pruitt

State Treasurer
Ken Miller

Insurance Commissioner
John Doak

State Auditor & Inspector
Gary Jones

Labor Commissioner
Mark Costello

Superintendent of Public Instruction
Janet Barresi

Corporation Commissioners
Dana Murphy (chair)
Bob Anthony
Patrice Douglas
Governor Fallin’s Cabinet (Appointed)

- Adjutant General & Secretary of the Military: Major General Myles Deering
- Chief Information Officer: Alex Pettit
- Secretary of Agriculture: Jim Reese
- Secretary of Commerce and Tourism: Dave Lopez
- Secretary of Education: Dr. Phyllis Hudecki
- Secretary of Energy: Mike Ming
- Secretary of Environment: Gary Sherrer
- Secretary of Finance and Revenue: Preston Doerflinger
- Secretary of Health and Human Services: Dr. Terry Cline
- Secretary of Human Resources and Administration: Oscar Jackson
- Secretary of Safety and Security: Michael C. Thompson
- Secretary of State: Glenn Coffee
- Secretary of Transportation: Gary Ridley
- Secretary of Science and Technology: Dr. Stephen McKeever
- Secretary of Veterans Affairs: Rita Aragon, Maj. Gen (retired)
Regular Session

- Legislative Sessions begin at noon on the first Monday in February and must adjourn by no later than 5:00 p.m. on the last Friday in May.

- However, in odd numbered years (years following an election) the Legislature meets on the Tuesday after the first Monday in January for the sole purpose of determining the outcome of the statewide elections.

- The current 2012 session is designated as the Second Session of the 53rd Legislature.

Special Session

Special sessions can be convened as follows:

- Issued jointly by two-thirds of the members of the Senate and two-thirds of the members of the House of Representatives, OR
- Call of the Governor.

- Special sessions can run concurrent with regular sessions.
**Preparation**

- All bills must be requested and introduced by a legislator;
- Bill Request deadline — December 9, 2011;
- Bill Introduction deadline — January 19, 2012 (with some exceptions — see slide 17);
Legislators may introduce an unlimited number of bills. For non-leadership House members, only eight bills per session may be assigned to regular committees for consideration (extra bills sent to Rules Committee).

972 Senate bills and 45 Joint Resolutions introduced in 2012.

962 House bills and 26 Joint Resolutions introduced in 2012.

In 2011, there were a total of 2,137 bills and 85 Joint Resolutions introduced in both Chambers.*

399 measures were sent to Governor Fallin. She signed 389 (97.4%) and vetoed 10 (2.6%).

http://www.ok.gov/governor/Agenda/Legislation_Signed_Into_Law/index.html

*Excluding those not subject to the deadline for introducing legislation (see “Deadline Exceptions” on slide 17).
How an Idea Becomes a Law
Prepared by Oklahoma House of Representatives Research Staff

1. Ideas come from many sources, e.g., constituents, interest groups, government agencies, interim studies, and the Governor.

2. BILL REQUESTED: because the legislator thinks it will make a good law.

3. The sponsor requests bill to be researched and drafted.

4. BILL FILED WITH CLERK: numbered, printed.

5. BILL INTRODUCED AND READ TWO TIMES: Speaker assigns to committee(s) or directly to calendar.

6. COMMITTEE CONSIDERATION: Bill reported do pass, do pass with amendments, do pass with committee substitute, or, in rare cases, do not pass.

7. TO SENATE: The bill goes through the same process as in the House. The vote requirement is 25 votes for passage of a bill (except for revenue raising measures which need 37 votes) and 33 for emergency clauses.

8. FLOOR CONSIDERATION: Bill scheduled on calendar. Bill is expeditiously amended, engrossed, debated and voted upon. Passage on Third Reading requires 51 votes, unless it is a revenue raising measure which requires 76 votes. Emergency clauses require 66 votes.

9. HOUSE and SENATE adopt conference report. Passage of the bill on Fourth Reading does not permit amendment. Vote requirements are the same as for Third Reading.

10. CONFERENCE COMMITTEE: Bill does not pass.

11. BILL Passes:

   a. House returns to concurrence action
   b. House concurs and passes bill on Fourth Reading

12. TO SECRETARY OF STATE:

   a. Bill becomes law on 20th day after bill is adjournment or on specified date with emergency clause

13. Two-thirds vote in each house overrides veto, unless an emergency clause is part of the bill requiring a three-fourths vote

14. Passage veto:

   a. Pocket veto for bills passed during last 5 days of session

15. Legislature does not override veto

* The House has used, by rule, a system permitting the Speaker to predesignate measures to committees so that they can consider but not act officially on them, before the Legislature meets in February.

** The House of Representatives also uses a consent calendar. A committee or the Speaker can put a measure on the consent calendar whereby no amendments or debate are allowed.

*** House rule provides that for bills which are defeated on final passage in House, bills on that subject may not be considered during the remainder of that Legislature.
### Legislative Deadlines: 2012 Session

<table>
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<tr>
<th>Event Description</th>
<th>Date</th>
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<tr>
<td>First Legislative Day -- convenes at noon</td>
<td>Monday, February 6, 2012</td>
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<tr>
<td>Double-assigned Senate bills in first committee</td>
<td>Thursday, February 20, 2012</td>
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<td>Senate Bills in Senate Committees (except those double-assigned)</td>
<td>Thursday, February 27, 2012</td>
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<tr>
<td>House Bills in House Committees and double-assigned Senate Bills</td>
<td>Thursday, March 1, 2012</td>
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<td>Third reading of measures in chamber of origin</td>
<td>Thursday, March 15, 2012</td>
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<tr>
<td>Double-assigned House bills in Senate Committee</td>
<td>Thursday, March 29, 2012</td>
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<tr>
<td>House Bills in Senate Committees (except those double-assigned)</td>
<td>Thursday, April 5, 2012</td>
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<tr>
<td>Senate Bills in House Committees and double-assigned House Bills deadline</td>
<td>Thursday, April 12, 2012</td>
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<tr>
<td>Third reading of measures in opposite chamber</td>
<td>Thursday, April 26, 2012</td>
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<tr>
<td>Sine Die Deadline, Adjournment, no later than 5:00 p.m.</td>
<td>Friday, May 25, 2012</td>
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*Exceptions to these deadlines are listed on the following slide.*
Deadline Exceptions

Some measures are not subject to deadlines and can be introduced and dealt with at any time during session. Major deadline exceptions are:

- Bills or joint resolutions authored by Appropriations Committee chairs and vice-chairs which affect the receipt, expenditure or budgeting of state funds;
- Bills or joint resolutions authored by the Senate President Pro Tem and House Speaker which are deemed necessary for the preservation of the public peace, health and safety;
- Joint resolutions introduced to approve or disapprove agency rules (Senate rules only);

Exceptions also apply to bills merging duplicate sections of law, Ethics Commission rules, special laws, and redistricting bills

Found in Senate Rule 16-1, Section C and House Rule 6.1, Section b.
First Reading

- Bill introduced by legislator;
- Bill “read” into the House or Senate Journal;
- Procedural motion – no votes required.

Second Reading

- Preliminary action for the referral of bills to committee for discussion and debate;
- Occurs the day following first reading;
- By order of the House Speaker or Senate Pro-Tempore, the bill can be placed directly on the calendar for the consideration of the legislative body (the next legislative day).
Committee Assignment

Bill assignments are determined by legislative leadership

- Floor Leaders in consultation with the President Pro-Tem/Speaker

Committee Structure

- Each committee and subcommittee has a Chair and Vice-Chair appointed by leadership
  - Chairs are all members of the majority party;
  - Some Vice-Chairs in both chambers are members of the minority.

- Senate: 15 full standing committees and 5 appropriations subcommittees.

- House: 19 full standing committees and 8 appropriations subcommittees.

- Bills referred to the Appropriations Committee are further assigned to subcommittees for discussion and vote.

- Under new (2011) Senate rules, bills affecting the receipt, expenditure or budgeting of state funds may be double-assigned to the Appropriations or Finance Committee in addition to their regular committee.
# Senate Committee Structure and Chairs

<table>
<thead>
<tr>
<th>STANDING COMMITTEES</th>
<th>APPROPRIATIONS</th>
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<tbody>
<tr>
<td><strong>Committee</strong></td>
<td><strong>Chair</strong></td>
<td><strong>Vice-Chair</strong></td>
<td><strong>Chair</strong></td>
</tr>
<tr>
<td>Business and Labor</td>
<td>Sen. Dan Newberry (R- Tulsa)</td>
<td>Sen. David Holt (R- Oklahoma City)</td>
<td>Sen. David Holt (R- Oklahoma City)</td>
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<tr>
<td>Finance</td>
<td>Sen. Mike Mazzei (R-Tulsa)</td>
<td>Sen. Rick Brinkley (R-Owasso)</td>
<td>Sen. Rick Brinkley (R-Owasso)</td>
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<tr>
<td>Health and Human Resources</td>
<td>Sen. Brian Crain (R-Tulsa)</td>
<td>Sen. Sean Burrage (D-Claremore)</td>
<td>Sen. Sean Burrage (D-Claremore)</td>
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<tr>
<td>Retirement &amp; Insurance</td>
<td>Sen. Bill Brown (R-Broken Arrow)</td>
<td>Sen. Cliff Aldridge (R-Midwest City)</td>
<td>Sen. Cliff Aldridge (R-Midwest City)</td>
</tr>
</tbody>
</table>
# House Committee Structure and Chairs

## APPROPRIATIONS

**APPROPRIATIONS & BUDGET COMMITTEE**
- Rep. Earl Sears (R-Bartlesville), Chair
- Rep. Scott Martin (R-Norman), Vice-Chair

**GEN GOVT & TRANSPORTATION SUBCOMMITTEE**
- Rep. Guy Liebmann (R-Ok. City), Chair
- Rep. Harold Wright (R-Weatherford), Vice-Chair

**HUMAN SERVICES SUBCOMMITTEE**
- Rep. Jason Nelson (Okla City), Chair
- Rep. Richard Morrissette (D-Okla City), Vice-Chair

**PUBLIC HEALTH & SOCIAL SERVICES SUBCOMMITTEE**
- Rep. Doug Cox (R-Grove), Chair
- Rep. Marian Cooksey (R-Edmond), Vice-Chair

**NATURAL RESOURCES & REG. AFFAIRS SUBCOMMITTEE**
- Rep. Don Armes (R-Faxon), Chair
- Rep. Leslie Osborn (R-Tuttle), Vice-Chair

**REVENUE & TAXATION SUBCOMMITTEE**
- Rep. David Dank (R-Oklahoma City), Chair
- Rep. Pat Ownbey (R-Ardmore), Vice-Chair

## COMMITTEE

**Administrative Rules and Agency Oversight**
- Rep. George Faught (R-Muskogee)
- Rep. Phil Richardson (R-Minco)
- Rep. Ann Coody (R-Lawton)
- Rep. Randy McDaniel (R-Edmond)
- Rep. Ron Peters (R-Tulsa)
- Rep. Dennis Johnson (R-Duncan)
- Rep. Jason Murphy (R-Guthrie)
- Rep. Todd Thomsen (R-Ada)
- Rep. Gary Banz (R-Midwest City)
- Rep. Pam Peterson (R-Tulsa)
- Rep. Charles Key (R-Oklahoma City)
- Rep. Fred Jordan (R-Jenks)
- Rep. Sally Kern (R-Oklahoma City)
- Rep. John Enns (R-Enid)
- Rep. Sue Tibbs (R-Tulsa)
- Rep. Gary Banz (R-Midwest City)
- Rep. T.W. Shannon (R-Lawton)
- Rep. Paul Wesselhoft (R-Moore)

**Agriculture, Wildlife and Environment**
- Rep. Purcy Walker (D-Elk City)
- Rep. Todd Russ (R-Cordell)
- Rep. Jabar Shumate (D-Tulsa)
- Rep. Charles Ortega (R-Altus)
- Rep. Mike Jackson (R-Enid)
- Rep. Mike Christian (R-Oklahoma City)
- Rep. Wes Hilliard (D-Sulphur)
- Rep. Steve Koupelen (D-Beggs)
- Rep. Jabar Shumate (D-Tulsa)
- Rep. Mike Sanders (R-Kingfisher)
- Rep. Dan Kirby (R-Tulsa)
- Rep. Colby Schwarz (R-Yukon)
- Rep. R.C. Pruett (D-Antlers)
- Rep. David Derby (R-Owasso)
- Rep. Steve Martin (R-Bartlesville)
- Rep. Welden Watson (R-Tulsa)
- Rep. Charlie Joyner (R-Midwest City)
- Rep. Lewis Moore (R-Edmond)
Committee Hearing

- Bills are considered by committees only if put on the agenda by the chair.

- Committee hearings may offer opportunities for supporters and opponents of legislation to have their voices heard.

- Bills can be changed through amendments. A substantial change to a bill is rewritten as a “Committee Substitute.”

- Bills are reported from committee with recommendations:
  - If the bill is not heard or it fails to receive a simple majority vote, it is said to “die in committee” (or “report progress”);  
  - If the bill received a “do pass” motion and secured a majority vote of the committee members, the bill is printed and placed on the general order for consideration by the full body of the chamber.

- Bills assigned to the Appropriations Committee must be approved by the subcommittee and the full committee before advancing.
From committee, bills are placed on General Order and then brought up for a third reading for the full body of the chamber.

Substantial changes to a bill are written as a “Floor Substitute.” House rules require that Floor Substitutes be submitted 48 hours prior to a bill’s hearing.

All bills must receive support from a majority of the full membership to pass (51 votes in the House, 25 in the Senate). Emergency Clauses attached to bills and measures that change the constitution require 2/3rds majority vote.

All bills have titles. If members “Strike the Title,” the bill becomes “defective” or “crippled.” This action ensures that it will come back for further consideration. This mostly happens to bills containing financial impacts to the state or that are works in progress.

Bills that pass are transmitted to the other chamber.
Following successful passage of a bill in its chamber of origin, it becomes “engrossed” and is sent to the opposite chamber.

Bills advance through the same process of First Reading, Second Reading, committee consideration, and Third Reading as in the original chamber.

- There are some variations in the procedures used by each chamber as specified by the House and Senate Rules.
- Bills can have their titles stricken during this process.
- For bills that already have stricken titles, the second chamber may “Strike the Enacting Clause,” which further ensures that the bill will not advance without further consideration by both chambers.

If bills pass the opposite chamber unchanged, it becomes “enrolled” and is sent to the Governor for her/his action.

If bills are amended in any way, they are returned to the original chamber for additional consideration.
Once the bill returns to the original chamber, the author can:

- Move to accept the amendments. If approved by a vote of the chamber, it is moved to Fourth Reading and Final Passage under the same rules as Third Reading; OR
- Move to reject the amendments and send the bill to conference committee.

Bills with stricken titles and/or enacting clauses must be sent to a conference committee to advance further.

Conference Committee

- A bill must be assigned to a conference committee for it to advance.
- Committees contain at least three members assigned by House and Senate leadership.
- Appropriations bills and bills with budgetary impacts may be referred to the General Conference Committee on Appropriations (GCCA).
- Beginning in 2011, the House has established eight permanent standing conference committees that hold public meetings and votes. Previously, few conference committees other than the GCCA actually met.
- On the Senate side, conference committee negotiations remain closed to the public.
Conference Committee Reports

A Conference Committee can:

- Accept the amendments from both houses.
- Reject the amendments of both houses and propose a Conference Committee Substitute.
- Conference Committee Substitutes can at times bear little resemblance to the original legislation proposed. They may contain language from bills that were defeated or not heard earlier in session.

Action taken by a Conference Committee results in a Conference Committee Report (CCR). The report must gain a majority of signatures from members assigned to the committee from each chamber.

CCRs must be filed and posted online for a minimum of 24 hours before they can be considered by the House.

CCRs are submitted to a vote of the originating chamber first. Reports can be approved or rejected, but not amended.

If a CCR is approved, it is then brought up for a vote on fourth and final reading. If approved, the CCR is brought to the second chamber for approval.

If a CCR is rejected, another conference may be requested with the same or different members appointed by the two chambers.
Action by the Governor

An enrolled bill approved by both chambers is transmitted to the Governor. The Governor can do the following:

- Sign the bill into law within five days.
- Allow the bill to become law by taking no action within five days when the legislature is in session.
- Veto the entire bill. The legislature can override the Governor by a $2/3$rd majority vote (68 votes from the House and 32 from the Senate). If the bill contains an emergency clause, the veto must be overridden by a $3/4$th majority vote (76 votes from the House and 36 from the Senate).
- Line-item veto spending items in appropriations bills. Such vetoes are similarly subject to being overridden by the legislature.
- Following legislative adjournment, the Governor has fifteen days to sign the bill, veto a bill, or exercise a “pocket veto” by taking no action.
To Find the Status and History of a Bill


2. Under the “Legislation” menu:
   - Select “Basic Bill Search” if you know the bill number and it is from the current session.
   - Select “Advanced Search Form” if you want to find multiple bills, bills from previous sessions, and/or all bills authored by a particular legislator.
   - Select “Text of Measures” to see all measures in a particular session and chamber, or select “Search Text of Measures” to find a particular word or phrase in a current bill.

*NOTE:* “Introduced” is the initial version of a bill. “Engrossed” is the version that passed the first chamber. “Enrolled” is the final version.
Revenue and Budget

The legislature appropriates for the upcoming fiscal year (July 1 to June 30).

Constitutional Tax & Budget Restrictions:
- Constitutional requirement for a balanced budget.
- Tax increases must be approved by a 3/4ths vote of the legislature or a vote of the people at the time of the next general election (SQ 640).
- Annual limit on appropriations increases are set at 12% plus inflation.

Appropriation totals are based on projected revenue as certified by the Equalization Board in December (preliminary) and in February (final).

Board projects upcoming revenue for the year for each appropriated fund based on estimates of tax collections.

For a complete discussion of the budget process and glossary of terms, see OK Policy's Online Budget Guide:
http://okpolicy.org/online-budget-guide
# Budget Process Timeline

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
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<tbody>
<tr>
<td>Governor Submits the Executive Budget to the Oklahoma State Legislature for Consideration</td>
<td>Legislature in Session</td>
<td>Legislative Review of State Agency Budgets</td>
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<td>State agencies submit budget work program to Office of State Finance for approval</td>
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<td>Final Review of Available Revenue for Expenditure by State Legislature by the State Board of Equalization</td>
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<tr>
<td>July 1 Beginning of the New Fiscal Year</td>
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- **June 30**
- **End of Fiscal Year**

- Legislature in Session
- Legislative Review of State Agency Budgets
- Passage of Budgets for State Agencies
- Final Review of Available Revenue for Expenditure by State Legislature by the State Board of Equalization
- OSF Reviews State Agency Budget Requests; House and Senate Committees Hold Agency Performance Review Hearings
- Preliminary Certification of State Revenue by the State Board of Equalization for next year
BUDGET PROCESS

Tax Collections

STATE REVENUE

Six Largest Sources accounted for 87% of all Tax Revenues – 2010

- Personal Income Tax - 31.4%
- General Sales Tax - 27.8%
- Gross Production Tax (Severance) - 10.5%
- Motor Vehicle Tax - 8.2%
- Motor Fuels Tax - 6.1%
- Corporate Income Tax - 3.1%

State Tax Collections by Major Tax Type, Oklahoma, 1990-2010 (Source: US Census Bureau)
The largest fund subject to appropriations is the General Revenue (GR) Fund.

Other major funds have restricted purposes.

The legislature cannot appropriate more than 95% of certified funds for the upcoming year. This allows for a budgetary cushion in case of a revenue shortfall.

During the fiscal year, if GR falls below 95% of the certified projection, a budget shortfall is declared and across-the-board cuts proportional to the shortfall become necessary.

Some funds are not certified and the legislature can appropriate 100% of the projected revenues.

e.g. HB 1017 Education Reform Fund
BUDGET PROCESS

Appropriating Revenue

- In current year, about 75% of all appropriations are from the General Revenue (GR) Fund
- Usually over 80%, but less in FY ’11 and FY’12 due to federal money from the stimulus bill (ARRA) and Rainy Day Fund allocations
- HB 1017 Education Reform Fund is 2nd largest state source — 10%

State Appropriations by Revenue Source, in Millions, FY ‘12

- General Revenue - Current Year: $4,968.2 M (76%)
- General Revenue - Prior Year: $49.6 M (1%)
- Gross Production Tax - Oil: $142.1 M (2%)
- Lottery: $64.2 M (1%)
- State Transportation: $106.7 M (2%)
- Other State Funds: $346.0 M (5%)
- ARRA--Medicaid: $98.8 M (1%)
- HB 1017: $634.9 M (10%)
- Rainy Day Fund: $100.0 M (1%)

Total Appropriations: $6,510.5 million

*Rainy Day Fund money transferred to Special Cash Fund in 2010
General Revenue collections exceeding 100% of certification are deposited in the Constitutional Reserve Fund (known as the Rainy Day Fund), created in 1985.

Money in the Rainy Day Fund can be spent as follows:

- Up to $10 million from the RDF on tax incentives for at-risk manufacturers [SQ 725, 2006]
BUDGET PROCESS

Rainy Day Fund

Rainy Day Balances, FY ‘01 to FY ‘12
(opening balance in $ millions)

FY ’03 and FY ’04 – Rainy Day Fund depleted
FY ’06, ’07, ’08 – Rainy Day Fund filled to constitutional cap.
RDF spent in 2010 Session for FY ‘10 and FY ‘11 operations
$100 million transferred to Special Cash Fund and set aside for appropriation in FY ’12
FY ‘11 surplus of $249.2 million; projected FY ‘12 surplus of $223.2 million
Three main funding sources pay for government operations and programs:

- State Appropriated Funds,
- Federal Funds, and
- Revolving Funds (fees, millage, co-pays, etc).

State agencies combine funding streams and sources.

State agencies are either *appropriated* or *non-appropriated*.

- Non-appropriated agencies are funded through fees, assessments, contributions, etc. (examples: Oklahoma Public Employees Retirement System, State Banking Department, Board of Nursing, and others).
State appropriations fell in FY’03 and FY’04 then recovered strongly between FY’05 and FY’08. Funding was largely flat in FY ‘09 as tax cuts kicked in;

When the recession hit, state revenues plummeted and budgets were cut in FY ’10, FY ‘11 and FY ‘12; federal assistance and Rainy Day Fund limited the magnitude of cuts;

Initial FY ‘13 certification is $6.531 billion, or $20 million more than FY ‘12
BUDGET PROCESS

State Appropriations by Appropriations Subcommittee, FY ’12
(total appropriations: $6,510.5 million)

<table>
<thead>
<tr>
<th>State Appropriations</th>
<th>Amount ($ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>$3,408.0</td>
</tr>
<tr>
<td>Health &amp; Social Services</td>
<td>$1,312.2</td>
</tr>
<tr>
<td>Public Safety</td>
<td>$723.1</td>
</tr>
<tr>
<td>Human Services</td>
<td>$666.5</td>
</tr>
<tr>
<td>General Government</td>
<td>$256.7</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>$132.4</td>
</tr>
<tr>
<td>Other</td>
<td>$11.5</td>
</tr>
</tbody>
</table>
State Appropriations by State Agency, FY ’12

Total Appropriations: $6,511 million

FY ’12 Appropriations: Total and 10 Largest Agencies

10 Largest Agencies — 89.3%

Common Education
Higher Education
Health Care Authority
Department of Human Services
Department of Corrections
Department of Transportation
Mental Health Department
Career & Technology Education
Juvenile Affairs
Public Safety

All Other Agencies — 10.7%

67 State Agencies

Notes:
Transportation also received $70 from bond issue; OHCA excludes revenue from hospital provider assessment (SHOPP)
<table>
<thead>
<tr>
<th>Year</th>
<th>Governor</th>
<th>House Speaker</th>
<th>Senate Pro Tem</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>Mary Fallin</td>
<td>Kris Steele</td>
<td>Brian Bingman</td>
</tr>
<tr>
<td>2009-10</td>
<td>Brad Henry</td>
<td>Chris Benge</td>
<td>Glenn Coffee</td>
</tr>
<tr>
<td>2007-08</td>
<td>Brad Henry</td>
<td>Lance Cargill/Chris Benge</td>
<td>Mike Morgan &amp; Glenn Coffee</td>
</tr>
<tr>
<td>2005-06</td>
<td>Brad Henry</td>
<td>Todd Hiatt</td>
<td>Cal Hobson/ Mike Morgan</td>
</tr>
<tr>
<td>2003-04</td>
<td>Brad Henry</td>
<td>Larry Adair</td>
<td>Cal Hobson</td>
</tr>
<tr>
<td>2001-02</td>
<td>Frank Keating</td>
<td>Larry Adair</td>
<td>Stratton Taylor</td>
</tr>
<tr>
<td>1999-00</td>
<td>Frank Keating</td>
<td>Lloyd Benson</td>
<td>Stratton Taylor</td>
</tr>
<tr>
<td>1997-98</td>
<td>Frank Keating</td>
<td>Lloyd Benson</td>
<td>Stratton Taylor</td>
</tr>
<tr>
<td>1995-96</td>
<td>Frank Keating</td>
<td>Glen Johnson</td>
<td>Stratton Taylor</td>
</tr>
<tr>
<td>1993-94</td>
<td>David Walters</td>
<td>Glen Johnson</td>
<td>Bob Cullison</td>
</tr>
<tr>
<td>1991-92</td>
<td>David Walters</td>
<td>Glen Johnson</td>
<td>Bob Cullison</td>
</tr>
<tr>
<td>1989-90</td>
<td>Henry Bellmon</td>
<td>Jim Barker/Steve Lewis</td>
<td>Bob Cullison</td>
</tr>
<tr>
<td>1987-88</td>
<td>Henry Bellmon</td>
<td>Jim Barker</td>
<td>Rodger Randle</td>
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<tr>
<td>1985-86</td>
<td>George Nigh</td>
<td>Jim Barker</td>
<td>Rodger Randle</td>
</tr>
<tr>
<td>1983-84</td>
<td>George Nigh</td>
<td>Dan Draper/Jim Barker</td>
<td>Melvin York</td>
</tr>
<tr>
<td>1981-82</td>
<td>George Nigh</td>
<td>Dan Draper</td>
<td>Melvin York</td>
</tr>
<tr>
<td>1979-80</td>
<td>George Nigh</td>
<td>Dan Draper</td>
<td>Gene Howard</td>
</tr>
</tbody>
</table>
LEGISLATIVE RESOURCES

Helpful Online Resources

> Updated Budget and Tax Information and the Online Budget Guide
   ➡️ www.OKPOLICY.org

> Oklahoma Legislature Home Page
   ➡️ www.oklegislature.gov
   o Link to House and Senate Homepages
   o Check Legislation — status, wording, intent, etc
   o Search OK Statutes and Constitution

> State Homepage
   ➡️ www.ok.gov

> Office of State Finance
   ➡️ www.ok.gov/OSF/
   o Governor’s Annual Budget
   o Certification Estimates

> Open Book — Oklahoma’s Finances
   ➡️ www.ok.gov/OKAA/
   o State spending and budget info

> State Treasurer’s Office
   ➡️ www.ok.gov/treasurer/
   ➡️ Monthly Revenue Reporting
FOR MORE INFORMATION:

Email – info@okpolicy.org

www.OKPOLICY.org