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## Oklahoma Policy Institute

### **BUDGET TRENDS AND HIGHLIGHTS - OCTOBER 2012**

#### **State revenue collections have not fully recovered from the downturn**

- Tax collections are at historically low levels as a share of state personal income.
- FY 2010 General Revenue (GR) collections fell 22.4 percent below pre-downturn levels (FY 2008).
- FY 2012 revenue collections were up 20.0 percent from FY '10 but remain 6.9 percent below their pre-downturn peak.
- Revenues for the first two months of FY 2013 are down 2.8 percent from last year and are barely on pace with estimates, due primarily to weak natural gas prices and payments to energy producers for deferred exemptions

#### **After three straight years of budget cuts, the FY 2013 budget is up 3.8 percent**

- Total appropriations for FY 2013 are \$6.855.8 million.
- This was an increase of \$253 million, or 3.8 percent, from final FY 2012 budget (including supplementals).
- It was \$269 million, or 3.8 percent, less than FY 2009 budget.

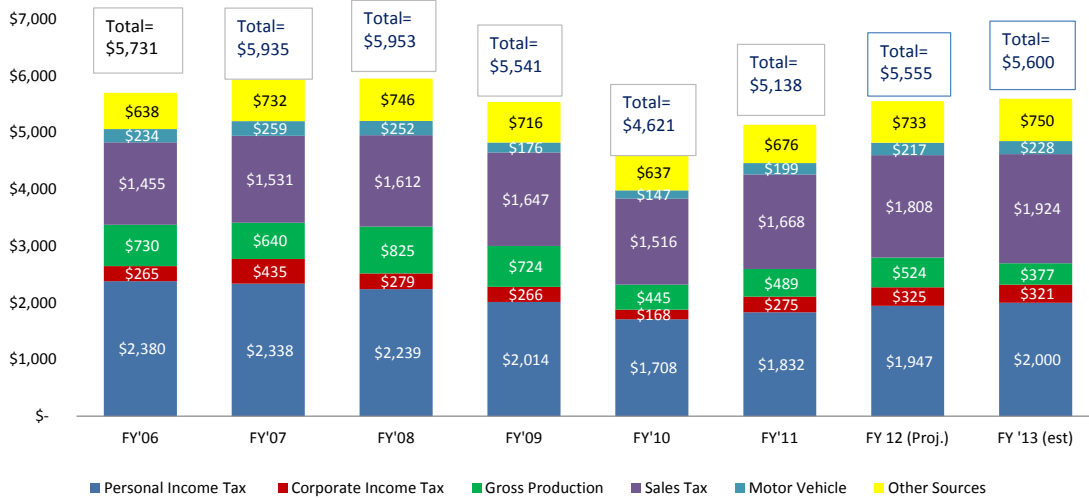
#### **Most agencies are receiving flat funding in FY '13**

- Of the 78 agencies that receive appropriated funds, 46 were appropriated the same amount or less than in FY 2012.
- Several agencies received funding increases in FY 2013 for targeted priorities. The largest increases went to the Department of Transportation, Department of Human Services and Oklahoma Health Care Authority.
- Education agencies received no additional funding or very small increases. After cuts of \$235 million over the past 4 years, support for public schools through the state aid formula was held flat for FY 2013.

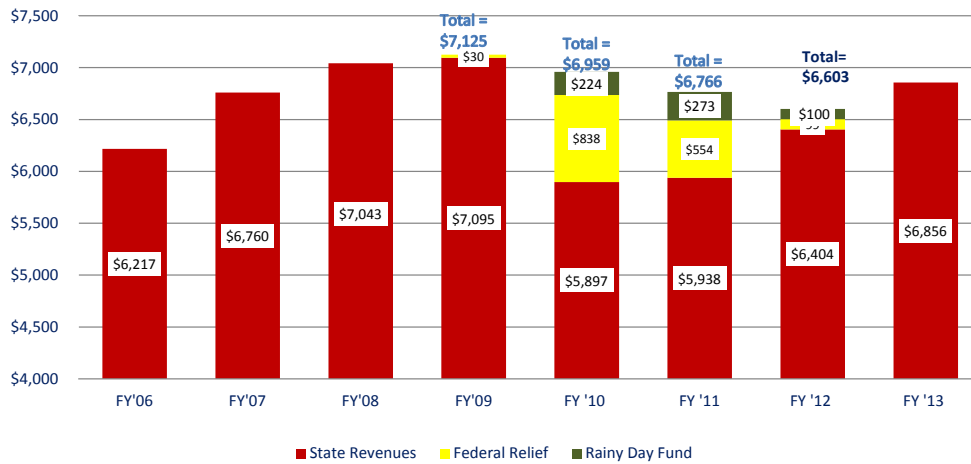
#### **The state faces significant short-term and long-term fiscal challenges.**

- State funding for most agencies is at least 20 percent less than four years ago.
- State government employs 10 percent fewer employees than three years ago and 5 percent fewer than in 2001—despite population growth, heavier caseloads, and new mandates and responsibilities.
- No agencies have been funded to cover rising operating and employee benefit costs for at least four years.
- Oklahoma has long waiting lists to serve individuals with developmental disabilities and provide treatment for those with mental illness and addiction.
- In the years ahead, additional funding will be needed to meet critical obligations, including implementing the child welfare reform plan, improving educational outcomes, repairing roads and bridges, protecting our water systems, providing fair compensation to state employees.
- Over the longer-term, Oklahoma faces a structural budget deficit associated with an aging population and decaying infrastructure, along with an outdated tax system.

Oklahoma General Revenue Collections, FY '06 - FY '13 (in \$ millions)



State Appropriations, FY '06- FY '13  
(in \$ Millions, includes supplementals, excludes Rainy Day "spillover" funds)



FY '13 Appropriations: Total and 10 Largest Agencies (in \$millions)

