

2014 LEGISLATIVE PRIMER



OKPOLICY.ORG



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House of Representatives

- 101 Members
- Two-Year Elected Terms
- Republicans have controlled the House since 2004
- Current Breakdown: 72 Republicans / 29 Democrats
- 16 Newly Elected Representatives (2012)
 - 13 Republicans, 3 Democrats
- Presided over by Speaker T.W. Shannon

Senate

- 48 Members
- Four-Year Staggered Elected Terms
- Republicans gained control of the Senate in 2008
- Current Breakdown: 36 Republicans / 12 Democrats
- 8 Newly Elected Senators (2012)
 - 7 Republicans, 1 Democrat
- 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

Jeff Hickman (R-Fairview)



SPEAKER PRO TEMPORE

Mike Jackson (R-Enid)



MAJORITY FLOOR LEADER

Pam Peterson (R-Tulsa)

MAJORITY LEADERS

- Dennis Johnson (R-Duncan)
- Fred Jordan (R-Tulsa)

ASSISTANT MAJORITY FLOOR LEADERS

- Lee Denney (R-Cushing)
- Charles Ortega (R-Altus)
- Randy McDaniel (R-Oklahoma City)

CAUCUS CHAIR

- Weldon Watson (R-Tulsa)

CAUCUS VICE-CHAIR

- Harold Wright (R-Weatherford)

MAJORITY WHIP

- Todd Thomsen (R-Ada)

ASSISTANT MAJORITY WHIPS

- Mike Sanders (R-Kingfisher)
- Steve Vaughan (R-Ponca City)
- Todd Russ (R-Cordell)
- Sean Roberts (R-Hominy)

CAUCUS SECRETARY

- Elise Hall (R-Oklahoma City)



House Minority Leadership



MINORITY LEADER

Scott Inman (D- Oklahoma City)



MINORITY FLOOR LEADER

- Ben Sherrer (D- Choteau)

DEPUTY MINORITY FLOOR LEADER

- Eric Proctor (D- Tulsa)

ASSISTANT MINORITY FLOOR LEADERS

- Steve Kouplen (D-Beggs)
- Jeannie McDaniel (D-Tulsa)
- Wade Rousellot (D-Wagoner)
- Mike Shelton (D-Oklahoma City)
- Brian Renegar (D-McAlester)
- Emily Virgin (D-Norman)

MINORITY WHIP

- Chuck Hoskin (D-Vinita)

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

- Curtis McDaniel (D-Smithville)



Senate Majority Leadership



PRESIDENT PRO-TEMPORE
Brian Bingman (R-Sapulpa)



MAJORITY FLOOR LEADER
Mike Schultz (R-Altus)

ASSISTANT MAJORITY FLOOR LEADERS

- Cliff Branam (R –Oklahoma City)
- John Ford (R–Tulsa)
- Rob Johnson (R–Yukon)

MAJORITY WHIPS

- Rick Brinkley (R-Tulsa)
- Kim David (R-Porter)
- David Holt (R–Oklahoma City)
- Greg Treat (R-Oklahoma City)

CAUCUS CHAIR

- Bryce Marlatt (R–Woodward)

VICE CAUCUS CHAIR

- A.J. Griffin (R-Guthrie)

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)
- Al McAffrey (D-Oklahoma City)

CAUCUS CHAIR

- Tom Ivester (D-Sayre)

CAUCUS VICE-CHAIR

- Susan Paddack (D-Ada)



Governor as Chief Executive

- Elected to a 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 on the first day of session

Governor Mary Fallin (R)



- Elected November 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)



- **Secretary of the Military:** Major General Myles Deering
- **Chief Information Officer:** Alex Pettit
- **Secretary of Agriculture:** Jim Reese
- **Secretary of Commerce:** Larry V. Parman
- **Secretary of Education and Workforce Development:** Dr. Robert Sommers
- **Secretary of Energy and Environment:** Michael Teague
- **Secretary of Finance, Administration, and Information Technology:** 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:** Chris Bengé
- **Secretary of Tourism:** Deby Snodgrass
- **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 2014 session is designated as the Second Session of the 54th 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 concurrently with regular sessions.



Where Do Bills Come From?

- Request of a government agency or local government
- Request of an interest group
- Request of a constituent
- National model legislation (e.g. NCSL, ALEC)
- Governor
- Legislator's interest
- Interim Study

Preparation

- All bills must be requested and introduced by a legislator
- The deadline to request a bill is December 13, 2013
- The deadline to introduce a bill is January 16, 2014 (with some exceptions – see slide 17)





Volume of Legislation

- 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*)
- In the 2013-2014 Legislative session, Senators filed 2,095 bills and 80 Joint Resolutions; House members filed 2,456 bills and 66 Joint Resolutions.*
- In the previous Legislature (2011-2012), there were a total of 3,147 bills and 224 Joint Resolutions introduced in both Chambers.
- The previous Legislature approved 937 measures. Governor Fallin vetoed 22 of those measures.

*Excluding those not subject to the deadline for introducing legislation (see "Deadline Exceptions" on slide 17).

Legislative Deadlines: 2014 Session



Deadline for bill draft requests	Friday, December 13, 2013
Substantive language deadline	Friday, December 20, 2013
Bill introduction deadline at 4:00 p.m.	Thursday, January 16, 2014
Legislative session begins at noon	Monday, February 3, 2014
Third reading of measures in chamber of origin	Thursday, March 13, 2014
Double-assigned House bills in Senate Committee	Thursday, March 27, 2014
House Bills in Senate Committees (except those double-assigned)	Thursday, April 3, 2014
Senate Bills in House Committees and double-assigned House Bills deadline	Thursday, April 10, 2014
Third reading of measures in opposite chamber	Thursday, April 24, 2014
Sine Die Deadline, Adjournment, no later than 5:00 p.m.	Friday, May 30, 2014

*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: 16 full standing committees and 6 appropriations subcommittees.
- House: 21 full standing committees and 12 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

Appropriations

	CHAIR	VICE-CHAIR
Appropriations	Sen. Clark Jolley (R-Edmond)	Sen. Ron Justice (R-Chickasha)
<u>Subcommittees</u>		
Education	Sen. Jim Halligan (R-Stillwater)	Sen. John Ford (R-Bartlesville)
General Govt. & Transportation	Sen. Bryce Marlatt (R-Woodward)	Sen. Cliff Branan (R-Oklahoma City)
Health & Human Services	Sen. Kim David (R-Wagoner)	Sen. Greg Treat (R-Oklahoma City)
Public Safety & Judiciary	Sen. Rob Johnson (R-Yukon)	Sen. Don Barrington (R-Lawton)
Natural Resources	Sen. Ron Justice (R-Chickasha)	Sen. Eddie Fields (R-Wynona)
Non-Appropriated Agencies	Sen. Patrick Anderson (R-Enid)	Sen. David Holt (R-Oklahoma City)

Standing Committees

COMMITTEE	CHAIR	VICE-CHAIR
Agriculture and Rural Development	Sen. Eddie Fields (R-Wynona)	Sen. Ron Justice (R-Chickasha)
Business & Commerce	Sen. Dan Newberry (R-Tulsa)	Sen. Anthony Sykes (R-Moore)
Education	Sen. John Ford (R-Bartlesville)	Sen. Gary Stanislawski (R-Tulsa)
Energy	Sen. Cliff Branan (R-Oklahoma City)	Sen. Bryce Marlatt (R-Woodward)
Finance	Sen. Mike Mazzei (R-Tulsa)	Sen. Rick Brinkley (R-Owasso)
General Government	Sen. Greg Treat (R-Oklahoma City)	Sen. Roger Ballenger (D-Okmulgee)
Health and Human Services	Sen. Brian Crain (R-Tulsa)	Sen. Rob Standridge (R-Norman)
Judiciary	Sen. Anthony Sykes (R-Moore)	Sen. Rob Johnson (R-Yukon)
Public Safety	Sen. Don Barrington (R-Lawton)	Sen. Kim David (R-Wagoner)
Insurance	Sen. Bill Brown (R-Broken Arrow)	Sen. Cliff Aldridge (R-Choctaw)
Pensions	Sen. Rick Brinkley (R-Owasso)	Sen. Corey Brooks (R-Washington)
Rules	Sen. A.J. Griffin (R-Guthrie)	Sen. Rob Johnson (R-Yukon)
Tourism & Wildlife	Sen. Harry Coates (R-Seminole)	Sen. Josh Brecheen (R-Coalgate)
Transportation	Sen. Gary Stanislawski (R-Tulsa)	Sen. Kyle Loveless (R-Oklahoma City)
Veterans & Military Affairs	Sen. Frank Simpson (R-Springer)	Sen. Mark Allen (R-Spiro)

House Committee Structure and Chairs

Appropriations

Appropriations

Subcommittees

CareerTech

Common Education

General Government

Higher Education

Human Services

Judiciary

Natural Resources & Regulatory Services

Non-Appropriated

Public Health & Social Services

Public Safety

Revenue & Tax

Transportation

CHAIR

Rep. Scott Martin (R-Norman)

Rep. Skye McNiell (R-Bristow)

Rep. Lee Denney (R-Cushing)

Rep. Mike Christian (R-Oklaoma City)

Rep. Lisa Billy (R-Lindsay)

Rep. Jason Nelson (R-Oklaoma City)

Rep. Mark McCullough (R-Sapulpa)

Rep. Don Armes (R-Faxon)

Rep. Sally Kern (R-Oklaoma City)

Rep. Doug Cox (R-Grove)

Rep. Mike Ritze (R-Broken Arrow)

Rep. Earl Sears (R-Bartlesville)

Rep. Mike Sanders (R-Kingfisher)

VICE-CHAIR

Rep. Tom Newell (R-Seminole)

Rep. John Enns (R-Enid)

Rep. Katie Henke (R-Tulsa)

Rep. John Echols (R-Oklaoma City)

Rep. Randy Grau (R-Edmond)

Rep. Jadine Nollan (R-Sand Springs)

Rep. Scott Biggs (R-Chickasha)

Rep. Josh Cockroft (R-Tecumseh)

Rep. David Brumbaugh (R-Broken Arrow)

Rep. Arthur Hulbert (R-Ft. Gibson)

Rep. Bobby Cleveland (R-Norman)

Rep. Charles McCall (R-Atoka)

Rep. Jason Smalley (R-Stroud)

Standing Committees

COMMITTEE

Administrative Rules, Govt. Oversight, & Repealer

Agriculture & Wildlife

Common Education

Economic Development & Financial Services

Energy & Aerospace

General Government

Government Modernization

Higher Education & CareerTech

Human Services

Insurance

Judiciary

Long-term Care & Senior Services

Public Health

Public Safety

Rules

States' Rights

Tourism & International Relations

Transportation

Utility & Environmental Regulation

Veterans & Military Affairs

CHAIR

Rep. Gus Blackwell (R-Laverne)

Rep. Dale DeWitt (R-Braman)

Rep. Ann Coody (R-Lawton)

Rep. Randy McDaniel (R-Oklaoma City)

Rep. John Trebilcock (R-Broken Arrow)

Rep. Paul Wesselhoft (R-Midwest City)

Rep. Jason Murphy (R-Guthrie)

Rep. Harold Wright (R-Weatherford)

Rep. Pat Ownbey (R-Ardmore)

Rep. Dan Kirby (R-Tulsa)

Rep. Leslie Osborn (R-Mustang)

Rep. David Dank (R-Oklaoma City)

Rep. David Derby (R-Owasso)

Rep. Steve Martin (R-Bartlesville)

Rep. Todd Russ (R-Cordell)

Rep. Lewis Moore (R-Arcadia)

Rep. Charles Ortega (R-Altus)

Rep. Charlie Joyner (R-Midwest City)

Rep. Colby Schwartz (R-Yukon)

Rep. Gary Banz (R-Midwest City)

VICE-CHAIR

Rep. Dan Fisher (R-El Reno)

Rep. Steve Vaughan (R-Ponca City)

Rep. Dennis Casey (R-Morrison)

Rep. Dustin Roberts (R-Durant)

Rep. Weldon Watson (R-Tulsa)

Rep. Terry O'Donnell (R-Catoosa)

Rep. Mike Turner (R-Edmond)

Rep. Justin Wood (R-Shawnee)

Rep. Anastasia Pittman (D-Oklaoma City)

Rep. Marty Quinn (R-Claremore)

Rep. Aaron Stiles (R-Norman)

Rep. Donnie Condit (D-McAlester)

Rep. Glen Mulready (R-Tulsa)

Rep. Ken Walker (R-Tulsa)

Rep. Marian Cooksey (R-Edmond)

Rep. Sean Roberts (R-Hominy)

Rep. R.C. Pruett (D-Antlers)

Rep. John Bennett (R-Sallisaw)

Rep. Mark McBride (R-Moore)

Rep. Tommy Hardin (R-Madill)

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.



Third Reading

- 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 2/3^{rds} 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 sent to the other chamber.



Opposite 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.



After Third Reading

- 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 2/3rd 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 3/4th 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

1. Go to **www.oklegislature.gov**
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:
 - The Oklahoma Constitution requires a balanced budget.
 - Under SQ 640, 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.
 - Appropriations cannot be increased year to year by more than 12 percent plus inflation.
- Appropriation totals are based on projected revenue as certified by the Equalization Board in December (preliminary) and in February (final).
- The 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 at <http://okpolicy.org/resources/online-budget-guide/>.



BUDGET PROCESS

Budget Timeline

January	February	March	April	May	June
Governor Submits the Executive Budget to the Oklahoma State Legislature for Consideration	Legislature in Session				State agencies submit budget work program to Office of Management & Enterprise Services for approval
	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				
July	August	September	October	November	December
July 1 Beginning of the new Fiscal Year		State agencies submit budget request to the Office of Management & Enterprise Services	OMES 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

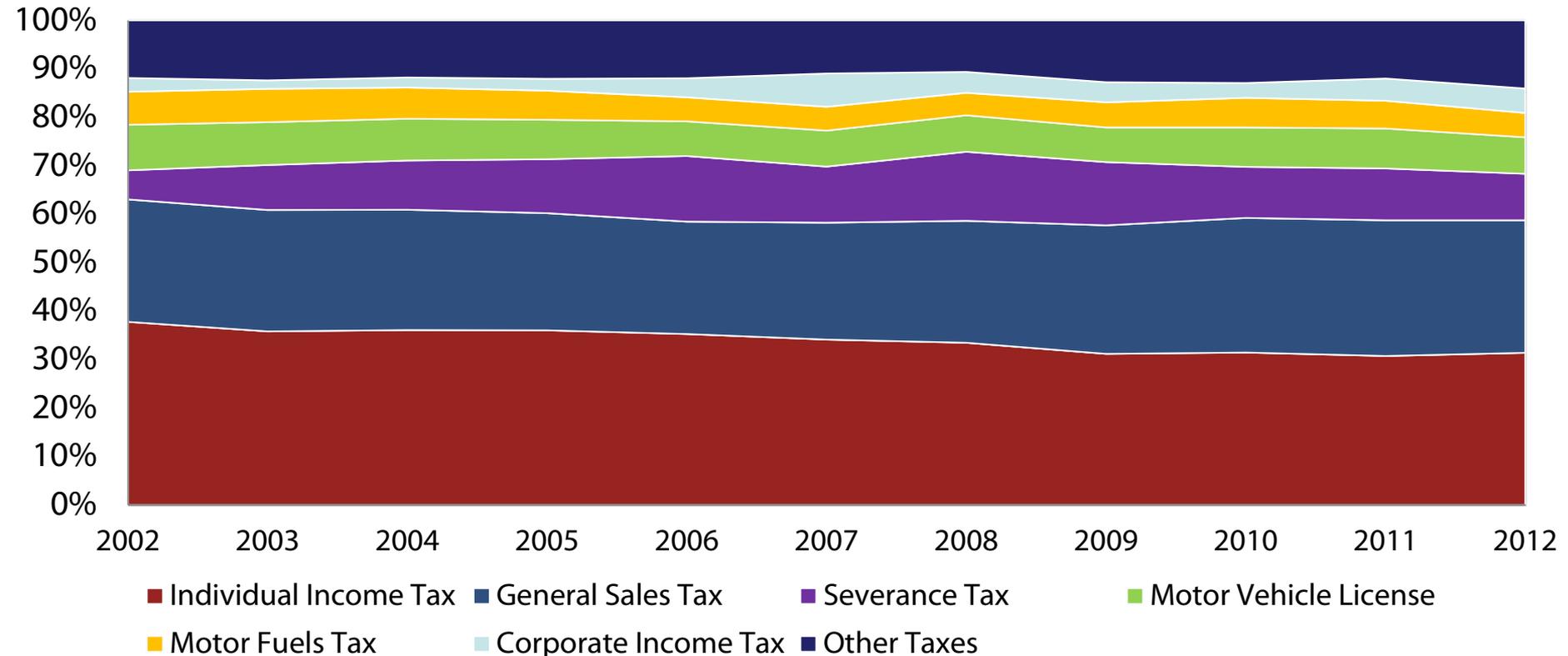
BUDGET PROCESS

Tax Collections

The six largest sources accounted for 86 percent of all tax revenues in 2012:

- Personal Income Tax – 31.4%
- General Sales Tax – 27.3%
- Gross Production Tax (Severance) – 9.6%
- Motor Vehicle Tax – 7.5%
- Motor Fuels Tax – 5.0%
- Corporate Income Tax – 5.0%

Oklahoma State Tax Collections, 2002-2012 (Source: US Census Bureau)



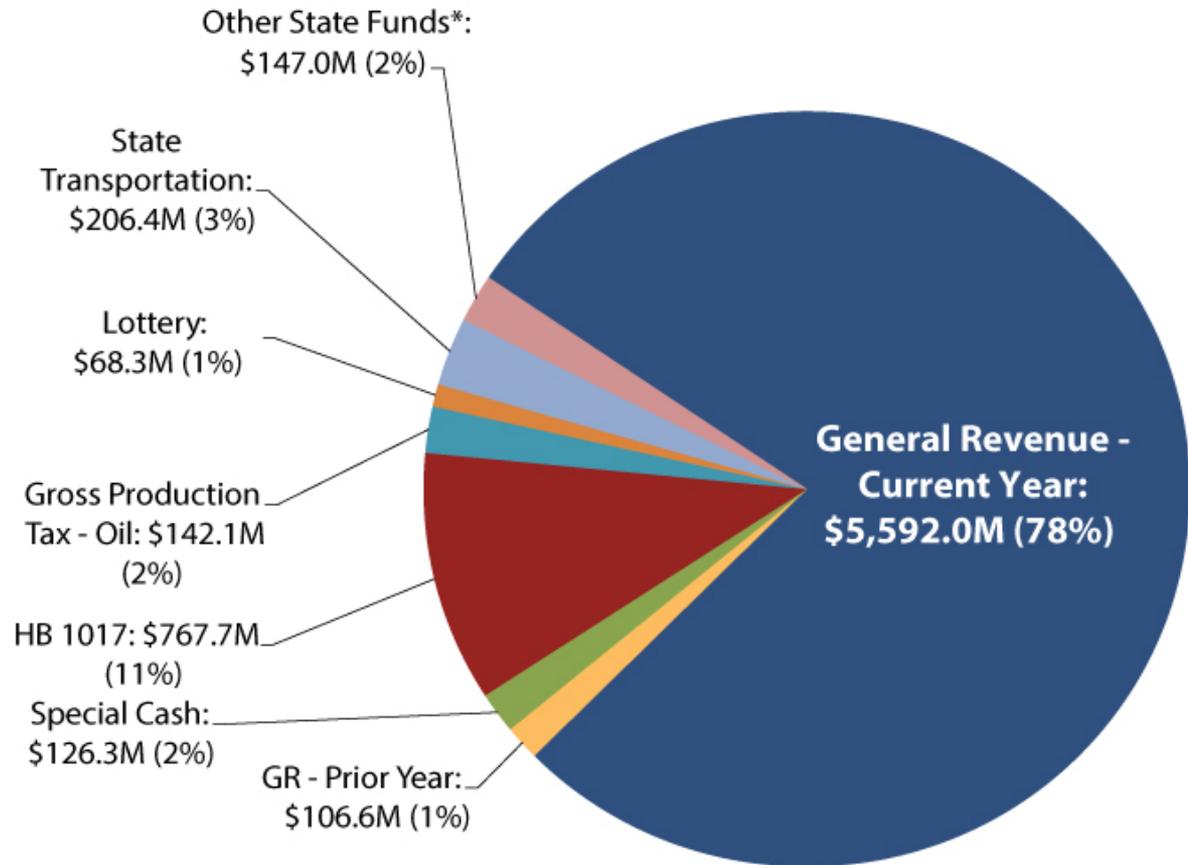
Appropriating Revenue

- 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 percent 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 percent 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).





FY 2014 Appropriations Revenue Sources



* Includes \$45 million from Rainy Day Fund for tornado relief

Total: \$7.159 billion

Rainy Day Fund

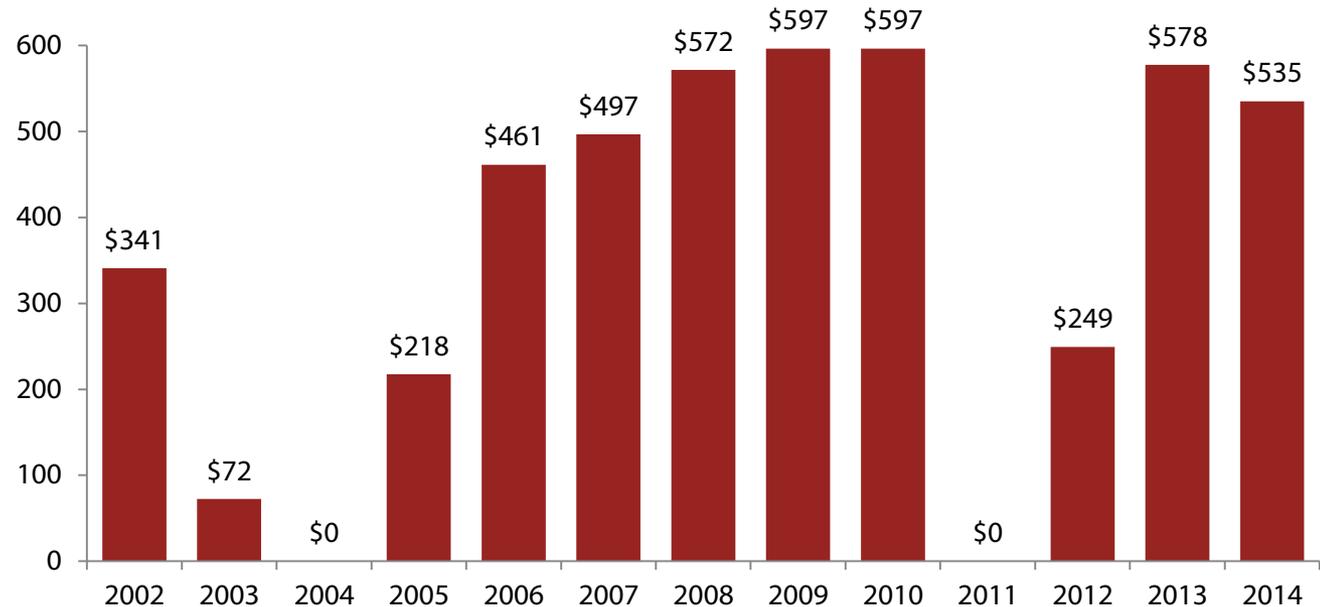
- General Revenue collections exceeding 100% of certification are deposited in the Constitutional Reserve Fund (known as the Rainy Day Fund), created in 1985.
- Money in the Rainy Day Fund can be spent as follows:
 - Up to $3/8^{\text{th}}$ for a shortfall in *current year General Revenue collections*;
 - Up to an additional $3/8^{\text{th}}$ if projected General Revenues collections for the *upcoming year are below* General Revenue collections for the current fiscal year;
 - Up to an additional $1/4^{\text{th}}$ upon declaration of an Emergency and legislative approval; and
 - Up to \$10 million from the RDF on tax incentives for at-risk manufacturers [SQ 725, 2006]



Rainy Day Fund History

- FY '03 - '04: Rainy Day Fund (RDF) depleted
- FY '06 - '08: RDF 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 FY '12
- \$249.2 million deposited at end of FY '11
- Additional \$328.3 million deposited at end of FY '12
- \$45 million spent on tornado relief and \$2.7 million deposited in FY '13

Rainy Day Fund Fiscal Year Opening Balances (in \$ millions)



State Budget

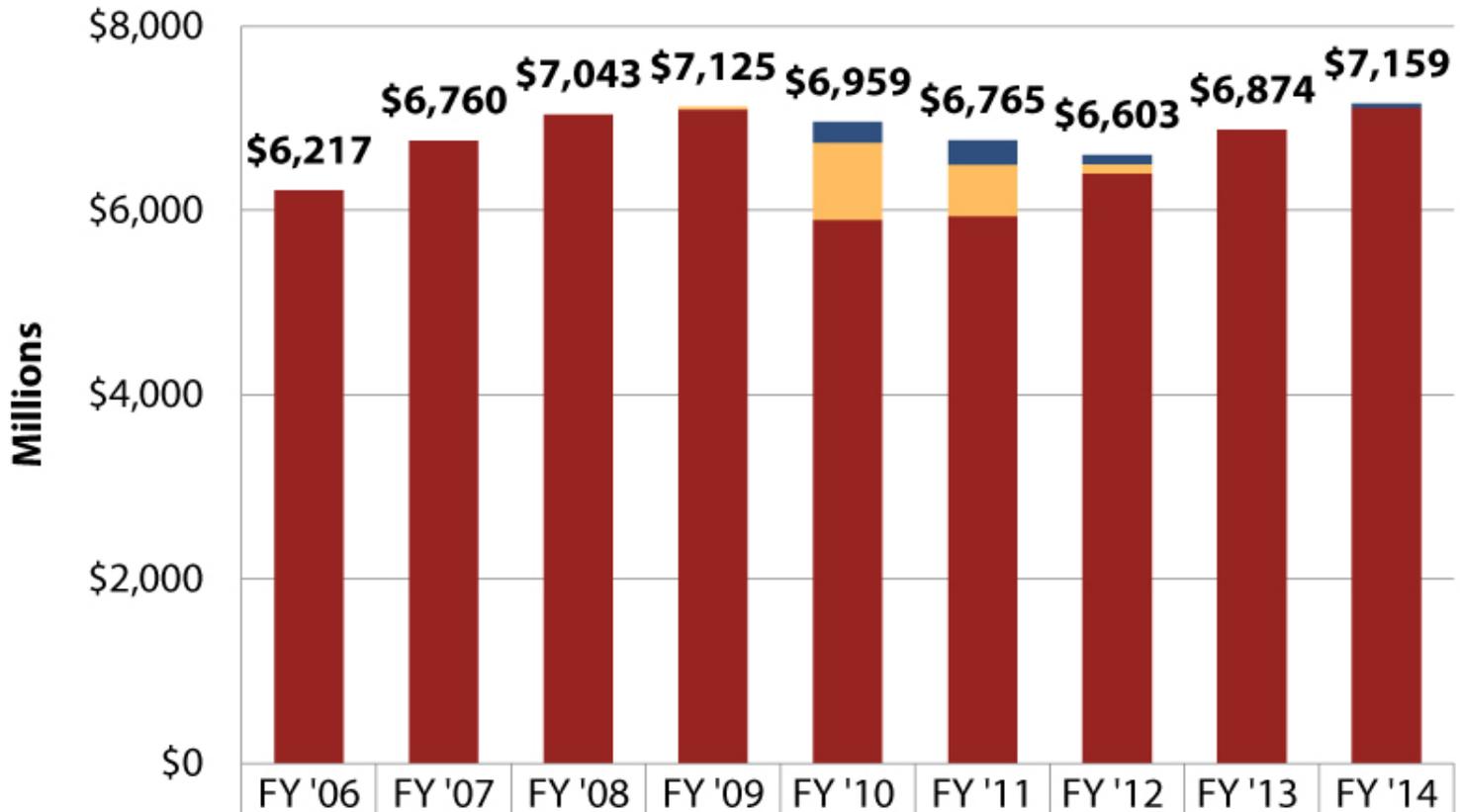
- State agencies combine funding streams and sources. Three main funding sources pay for government operations and programs:
 - State Appropriated Funds,
 - Federal Funds, and
 - Revolving Funds (fees, millage, co-pays, etc).
- State agencies are either *appropriated* or *non-appropriated*.
 - Non-appropriated agencies are funded through fees, assessments, contributions, etc. (examples: Oklahoma Public Employees Retirement System, State Banking Department, Board of Nursing, and others).



BUDGET PROCESS

State Appropriations, FY 2006 to FY 2014

(in \$ millions; includes supplementals, Rainy Day spillover funds)



	FY '06	FY '07	FY '08	FY '09	FY '10	FY '11	FY '12	FY '13	FY '14
■ Rainy Day Fund					\$224	\$273	\$100		\$45
■ Federal Aid				\$30	\$838	\$554	\$99		
■ State Revenues	\$6,217	\$6,760	\$7,043	\$7,095	\$5,897	\$5,938	\$6,404	\$6,874	\$7,114

Appropriations History



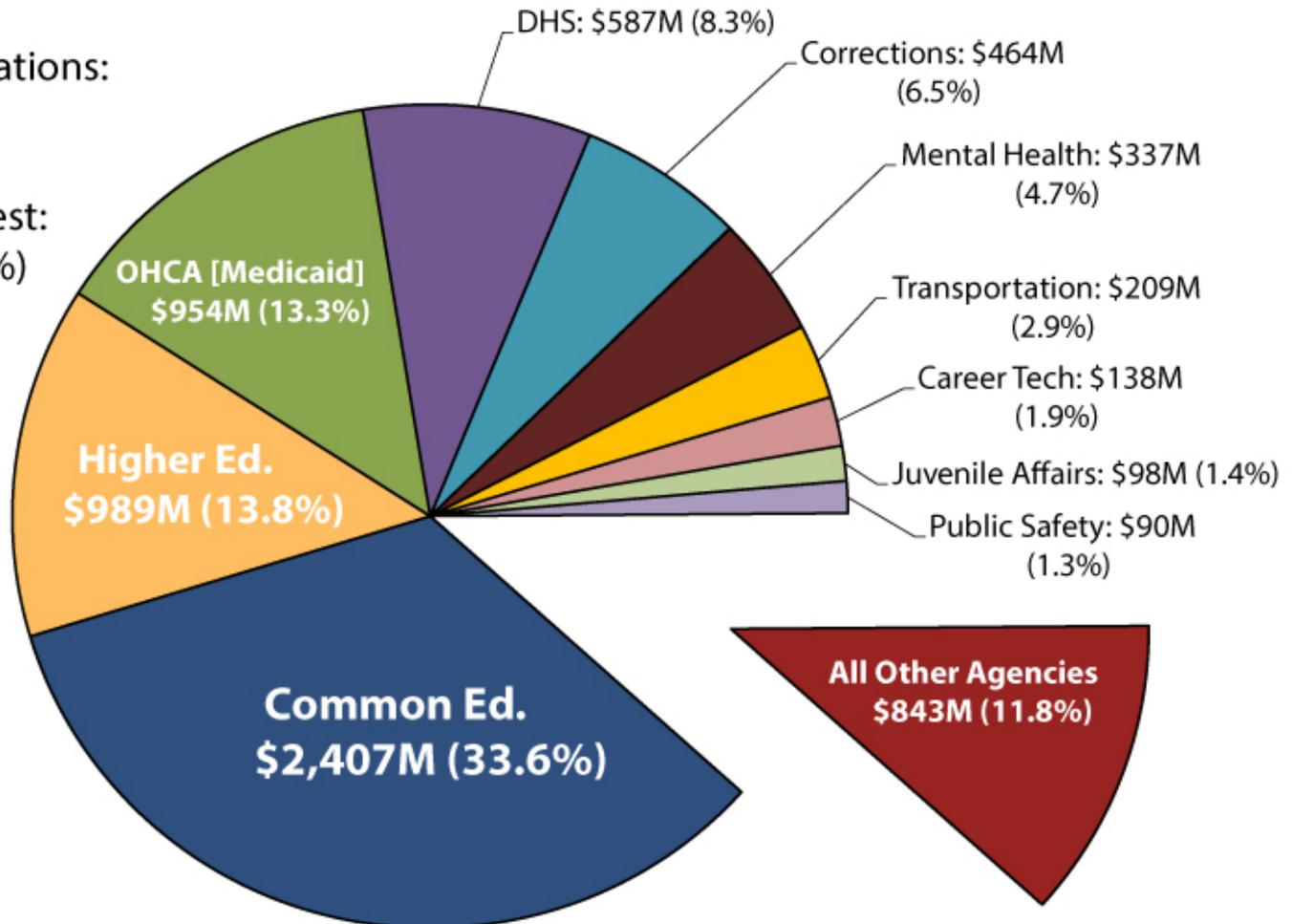
- Appropriations fell in FY'03 and '04, then recovered strongly from FY'05 – '08. Funding was largely flat in FY'09 as tax cuts kicked in.
- State revenues plummeted and budgets were cut in the recession from FY '10 - '12. Federal stimulus dollars and the Rainy Day Fund limited the magnitude of cuts.
- Budgets have recovered gradually since FY'12, but increases have not kept up with inflation. In 2013 dollars, the FY'14 budget is \$572 million below FY '09.
- Most agencies received flat funding in FY '14. Of the 73 appropriated agencies, boards, and commissions, 39 received the same amount or less than in FY'13.

BUDGET PROCESS

FY 2014 Appropriations to Ten Largest Agencies (total includes \$45M from Rainy Day Fund for tornado relief)

Total Appropriations:
\$7,158.7M

Total Ten Largest:
\$6,316M (88.2%)



Total: \$7.159 billion

Recent Office Holders



	Governor	House Speaker	Senate Pro Tem
2013-14	Mary Fallin	T.W. Shannon	Brian Bingman
2011-12	Mary Fallin	Kris Steele	Brian Bingman
2009-10	Brad Henry	Chris Benge	Glenn Coffee
2007-08	Brad Henry	Lance Cargill/ Chris Benge	Mike Morgan/Glenn Coffee
2005-06	Brad Henry	Todd Hiatt	Cal Hobson/Mike Morgan
2003-04	Brad Henry	Larry Adair	Cal Hobson
2001-02	Frank Keating	Larry Adair	Stratton Taylor
1999-00	Frank Keating	Lloyd Benson	Stratton Taylor
1997-98	Frank Keating	Lloyd Benson	Stratton Taylor
1995-96	Frank Keating	Glen Johnson	Stratton Taylor
1993-94	David Walters	Glen Johnson	Bob Cullison
1991-92	David Walters	Glen Johnson	Bob Cullison
1989-90	Henry Bellmon	Jim Barker/Steve Lewis	Bob Cullison
1987-88	Henry Bellmon	Jim Barker	Rodger Randle
1985-86	George Nigh	Jim Barker	Rodger Randle
1983-84	George Nigh	Dan Draper/Jim Barker	Marvin York
1981-82	George Nigh	Dan Draper	Marvin York
1979-80	George Nigh	Dan Draper	Gene Howard

Helpful Online Resources

- The Online Budget Guide, County-Level Data App, OK Policy Blog, and more at **www.okpolicy.org**
- Oklahoma Legislature Home Page: **www.oklegislature.gov**
 - Link to House and Senate Homepages
 - Check Legislation – status, wording, intent, etc
 - Search OK Statutes and Constitution
- State Homepage: **www.ok.gov**
- Office of State Finance: **www.ok.gov/OSF/**
 - Governor’s Annual Budget
 - Certification Estimates
- Open Books – Oklahoma’s Finances: **www.ok.gov/okaa/**
 - 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