

The FY 2024 budget makes some key investments in agencies, but misses opportunities to help everyday Oklahomans.

- For the fiscal year beginning July 1, 2023 (FY 2024), the Oklahoma state [budget](#) is **\$11.8 billion**. This includes the [general appropriations bill](#) and several other bills that make smaller, more targeted appropriations.
- When adjusted for inflation and population growth, the FY 2024 budget is **12 percent smaller than the FY 2000 budget** of \$13.3 billion and 3.3 percent larger than the current year's budget (FY 2023) of \$11.4 billion (excluding supplemental appropriations). In nominal dollars, the FY 2024 budget is \$7 billion more than the FY 2000 budget (137 percent larger).
- The full FY 2024 budget was not finalized and passed into law until July 31, 2023, which is unusual since the FY began on July 1, 2023. Lawmakers finalized the budget through a special legislative session, rather than during their typical time period of the regular legislative session.
- In addition to the FY 2024 budget, lawmakers also passed **\$589 million** in supplemental funding for FY 2023. Supplemental funding is often used to help agencies meet unanticipated needs and is not included in the \$11.8 billion FY 2024 budget.
- At the beginning of FY 2023, the state had **\$1.7 billion in savings**. This does not include unspent cash that remains in the General Revenue Fund. (Fig 3)
- The budget makes investments in many state agencies and allocates money for several one-time expenses.
- **Lawmakers missed two key opportunities:**
 - [Modernizing the Sales Tax Relief Credit](#) to provide a tax cut to 576,000 low- and middle-income Oklahomans, nearly half of whom are senior citizens.
 - Making larger, significant investments in all state agencies, almost all of which have lost buying power over the last decade due to inflation and population growth.



Tax credits for private school tuition will cost the state significant revenue every year, but several other provisions are one-time expenditures.

- The most significant tax change is the creation of [voucher tax credits](#) that will subsidize private school tuition and homeschool expenses. When this current measure is fully phased in, the program will cost up to **\$255 million annually**.
- Lawmakers made several other tax changes, including:
 - Eliminating the [franchise tax](#), which will **cost the state \$56 million annually** and lacks a requirement that businesses pass those savings to consumers.
 - Eliminating the “[marriage penalty](#)” from the personal income tax, which will cost [\\$15 million](#) annually.
 - Creating an [income tax credit for caregivers](#) who meet income requirements, which is capped at [\\$1.5 million](#) annually.
- Lawmakers approved several one-time expenditures, including:
 - Creating a [fund](#) to allow the state to self-finance capital projects. The FY 2024 budget makes a **\$600 million investment** in the fund, of which \$349 million has already been approved for projects.
 - Creating two new [housing programs](#) that would fund development, provide gap financing, and help with downpayment assistance. Lawmakers directed **\$215 million** to these projects.
 - Directing **\$180 million** to the newly created [Perform Fund](#), which will provide tax rebates to companies that meet certain requirements.
 - Appropriating **\$145 million** to be used for improvements at an industrial park, which is [reportedly](#) an effort to bring a new Panasonic battery plant to the state.

The budget provides for significant increases to education funding.

- Spending for all [education agencies](#) makes up **48 percent** of the budget, or **\$5.7 billion**.
- Lawmakers increased the budget for common education by **25 percent**, or **\$789 million**, for a total of \$3.97 billion in the FY 2024 budget. Of the new funding, [\\$500 million](#) will go to the [school funding formula](#) and **\$125 million** will be distributed as [Redbud school grants](#), which is a program for schools with low local tax income revenue.
 - Some of the increased funding will be used for [teacher pay raises](#), ranging from \$3,000-\$6,000 annually. Teachers will also now have access to [six weeks of maternity leave](#).
- Most other education agencies will receive sizable budget increases in FY 2024. The budget for the Department of Career and Technology Education will increase by 16 percent to \$165 million, and higher education will receive a 15 percent increase to \$1 billion.
- These are long overdue investments in Oklahoma’s education system. However, adjusted for inflation and population growth, agencies have significantly less buying power now than they did a decade ago.



Investments in health and social services will increase access to health and mental health care.

- Spending for [health and social services](#) will be **\$1.7 billion**, or 15 percent of the budget.
- The largest percentage increase among these agencies is a **\$122 million (99 percent) increase** to the [University Hospitals Authority, a public-private partnership](#). The budget does not detail the purpose of this increase.
- The Oklahoma Medical Marijuana Authority is now an appropriated agency, with an FY 2024 budget of **\$37 million**.
- Most health and social services agencies will see a budget increase, including the Department of Health with a **16 percent increase** for a total Health Department budget of \$71 million.
- The Health Care Authority budget will **decrease by 29 percent** to \$893 million for the FY 2024 budget. This may be because the agency has received enhanced pandemic-related federal funding for the last several years. Of this budget, [lawmakers specified](#) that \$30 million should be directed towards provider grants for costs related to the health information exchange, \$47 million should fund increased reimbursement for certain facilities, and \$200 million shall be used for one-time payments to critical access hospitals.
- While the original budget package included a requirement that the Department of Mental Health and Substance Abuse Services (DMHSAS) spend [\\$12.5 million](#) on [State Question 781 funding](#), **that bill did not ultimately pass as a part of the FY 2024 budget**. DMHSAS will receive that \$12.5 million as part of their FY 2024 appropriations, but there is no statutory requirement that it be spent in conjunction with SQ 781 requirements.

Lawmakers continued to invest in Oklahomans with disabilities, but missed opportunities to increase funding for other human services agencies.

- Spending on [human services agencies](#) makes up 8 percent of the FY 2024 budget, or **\$909 million**.
- The Oklahoma Human Services will see a relatively flat budget at **\$767 million**. This includes a [\\$10 million](#) investment in serving individuals with developmental disabilities who are waiting for services. This continues the department's [current work](#) to increase accessibility to these services.
- Some other human services agencies will see flat budgets as well, including the Office of Disability Concerns (no change) and the Office of Juvenile Affairs (**0.7 percent decrease**). Because of annual inflation and growth in the state's population, a flat budget is a cut to the agency's buying power.

Funding for public safety is largely in line with last year's funding.

- [Public safety agencies](#) will receive **\$980 million**, or 8 percent of the FY 2024 budget.
- The District Courts will see a budget increase of 13 percent for a total of \$87 million. This includes a **\$4.6 million appropriation for a new program** [that will provide high-quality legal representation for children impacted by the child welfare system and their parents](#).
- The District Attorneys Council will receive an **8 percent increase** for a total budget of \$76 million. In contrast, the Indigent Defense System will see a flat budget of \$25 million.
- The budget for the Bureau of Narcotics and Dangerous Drugs will **decrease by 63 percent**, but lawmakers stated that any lost revenue should be replaced by revenue from a [fee change](#).



Many other agencies saw increased funding.

- Among other agencies, some stand out with significant budget increases, including the Military Department (**46 percent**), the Department of Commerce (**47 percent**), and the Historical Society (**172 percent**).
- **Service Oklahoma will be a [new state agency](#) funded at \$53 million.** Agencies that had previously provided those services, including the Department of Public Safety and the Tax Commission, will see some decrease because of this change.
- Lawmakers directed significant funding to the Water Resources Board for drought relief, spending **\$28 million in FY 2024** and supplementing FY 2023 funding by \$17 million.
- Lawmakers also offered tribes who had [motor vehicle tax compacts](#) (in effect January 2023) and [tobacco compacts](#) (in effect January 2019) the [option to extend or restore Tribal-State agreements by offering specific supplemental terms through the end of 2024](#). Because of disagreements between the legislature and the governor, these bills were not fully approved and passed into law until July 31, 2023.

Lawmakers directed some federal funding through the state budget process this year.

- Lawmakers passed **\$241 million in federal [American Rescue Plan Act \(ARPA\)](#) funding** through the state budget process this year. While this one-time funding is not included in the \$11.8 billion state budget, it will go towards several programs that will benefit Oklahomans.
- The Department of Human Services will receive the largest amount of funding at **\$96 million** for purposes like making child care more accessible and increasing access to nutritious food.
- Responding to climate and emergency needs was another priority as lawmakers directed significant federal funding towards the Water Resources Board (\$38 million) and the Emergency Relief and Impacts Revolving Fund (\$25 million).
- Other projects include bolstering the health care workforce, supporting small businesses, and covering increased costs for programs that were funded last year.

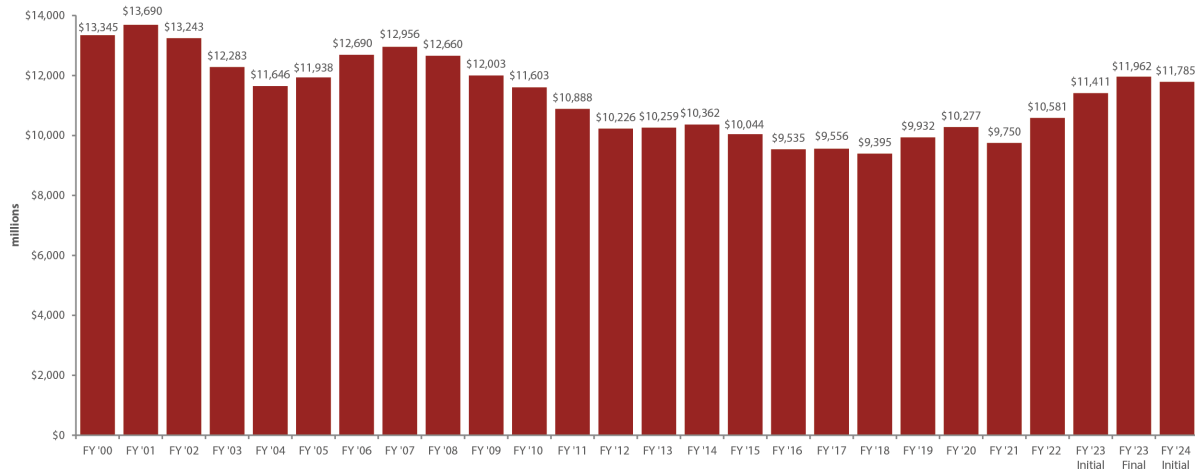
This budget makes some key investments, but many choices still heavily benefit wealthy individuals and corporations over everyday Oklahomans.

- The FY 2024 [budget](#) makes some good and overdue investments, including a \$500 million increase to the school funding formula and sizable increases to most state agency budgets.
- With the exception of private school voucher tax credits, the budget largely protects state revenue. This is vitally important for future years, as [the state's gross receipts fell in April](#) and the state's economic future is [uncertain](#).
- Lawmakers missed opportunities to impact everyday Oklahomans, like providing inflation relief to low- and middle-income earners by expanding the Sales Tax Relief Credit.
- Despite this year's investments, most state agencies still have less buying power than they did in 2009. Moving forward, lawmakers should continue to protect state revenue, prioritize the restoration of decades of budget cuts, and provide meaningful assistance to low- and middle-income Oklahomans.



State Appropriations FY 2000 - FY 2024, Adjusted for Inflation and Population Growth

In millions of 2023 dollars, adjusted by State & Local Government Implicit Price Deflator.
Except where noted, all years are final, including mid-year cuts and supplementals.

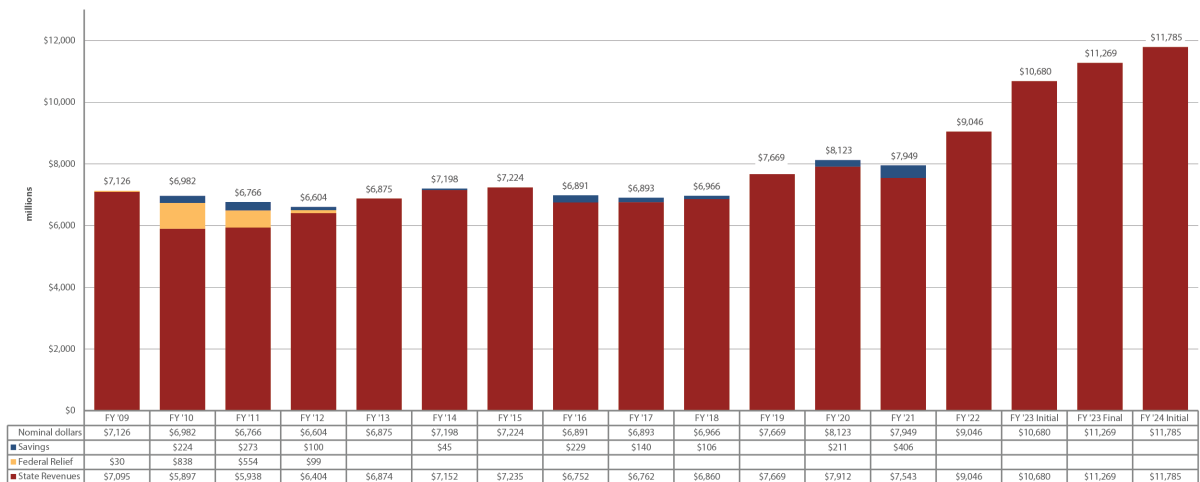


Source: OK Policy analysis of appropriations bills and Federal Reserve Economic Data.



Oklahoma State Appropriations, FY 2009 - FY 2024

in millions of 2023 dollars, final includes mid-year cuts & supplementals except where noted.

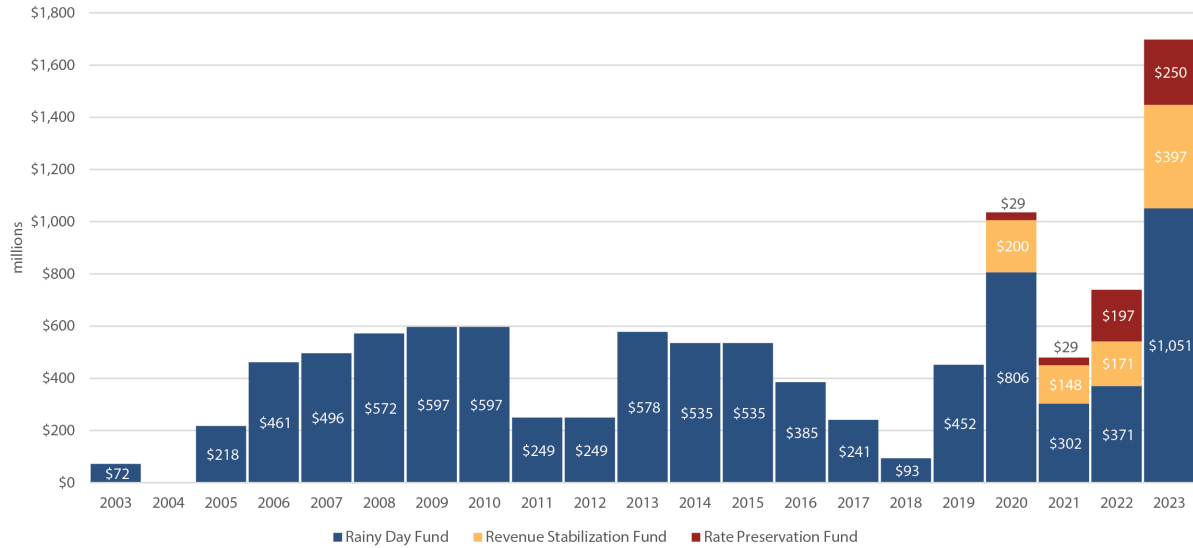


Source: OK Policy analysis of appropriations bills.





State Savings Balances, FY '01 - FY '23



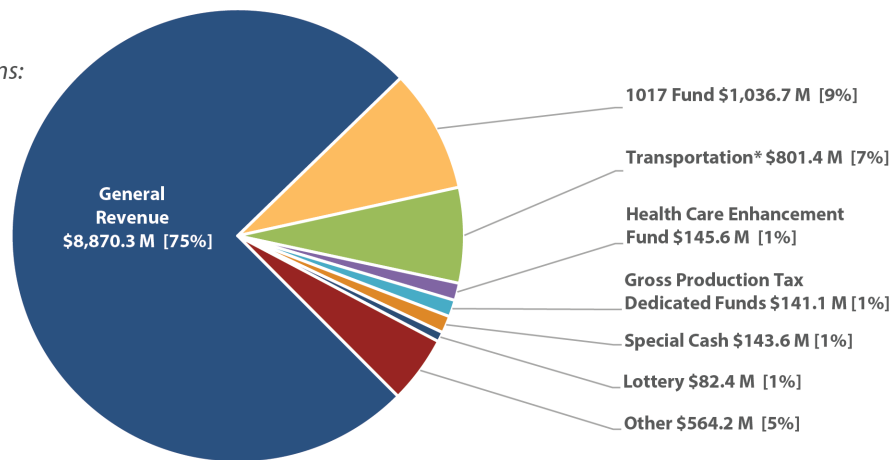
Note: All balances are as of beginning of the fiscal year. Excludes unbudgeted cash and balances from all other funds. Source: FY 2001-22: State of Oklahoma Executive Budget, Fiscal Year 2021. FY 2023: State of Oklahoma Executive Budget, Fiscal Year 24.



FY 2024 Appropriations by Revenue Source

in millions

Total FY 24 Appropriations:
\$11,785 M

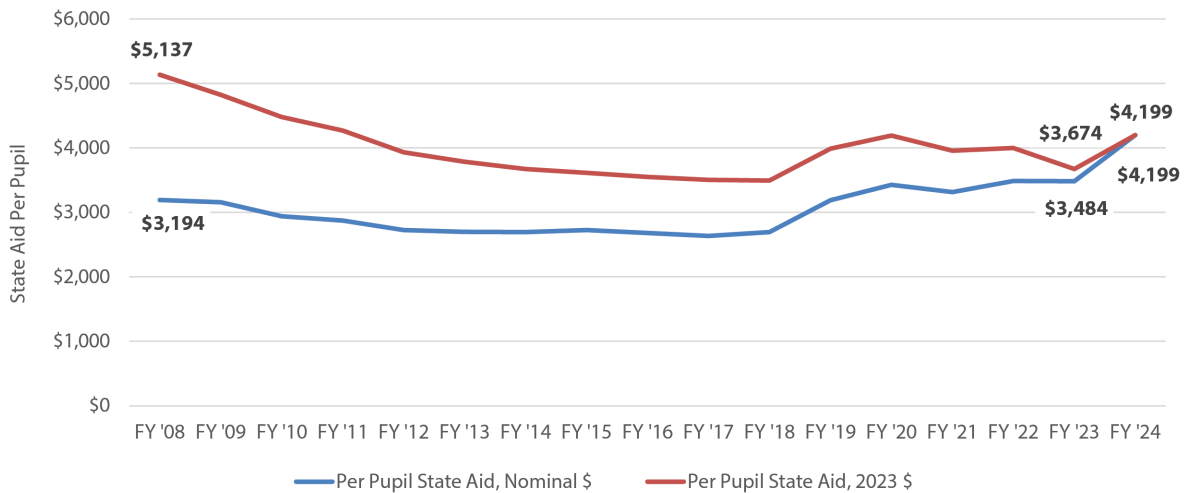


NOTE: * Transportation includes the ROADS Fund, which has been excluded from budgets in some prior years. Source: OK Policy analysis of FY 2024 appropriations bills.





Oklahoma Public School State Aid Formula Funding, FY '08 - FY '24



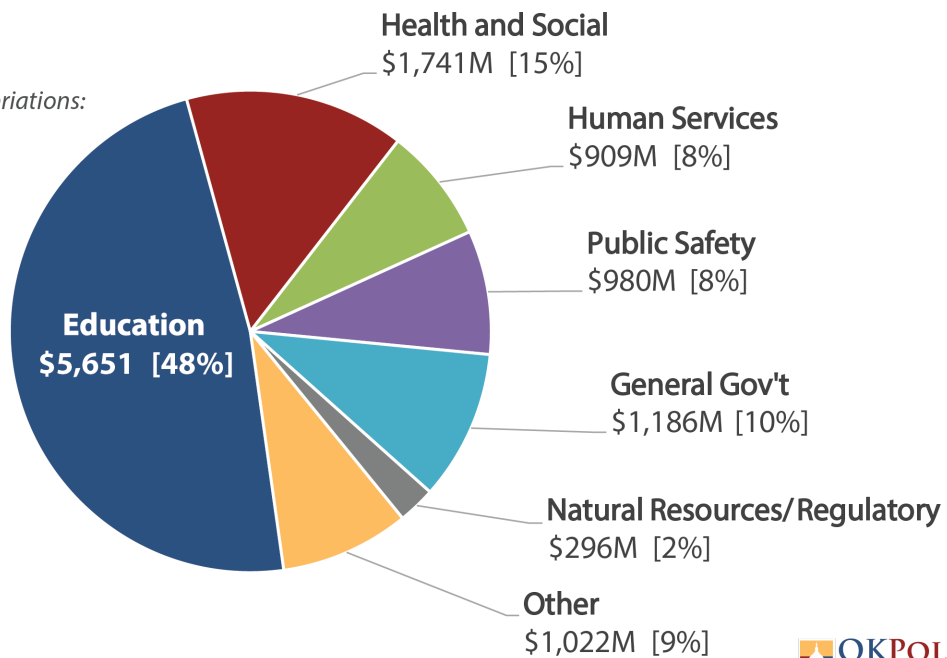
Source: FY 2008-22: State Department of Education. FY '23 and '24: calculated by OK Policy from appropriation bills and 5-year average of enrollment growth.



FY '24 Budget by Function

in millions

Total FY 24 Appropriations: \$11,785 M



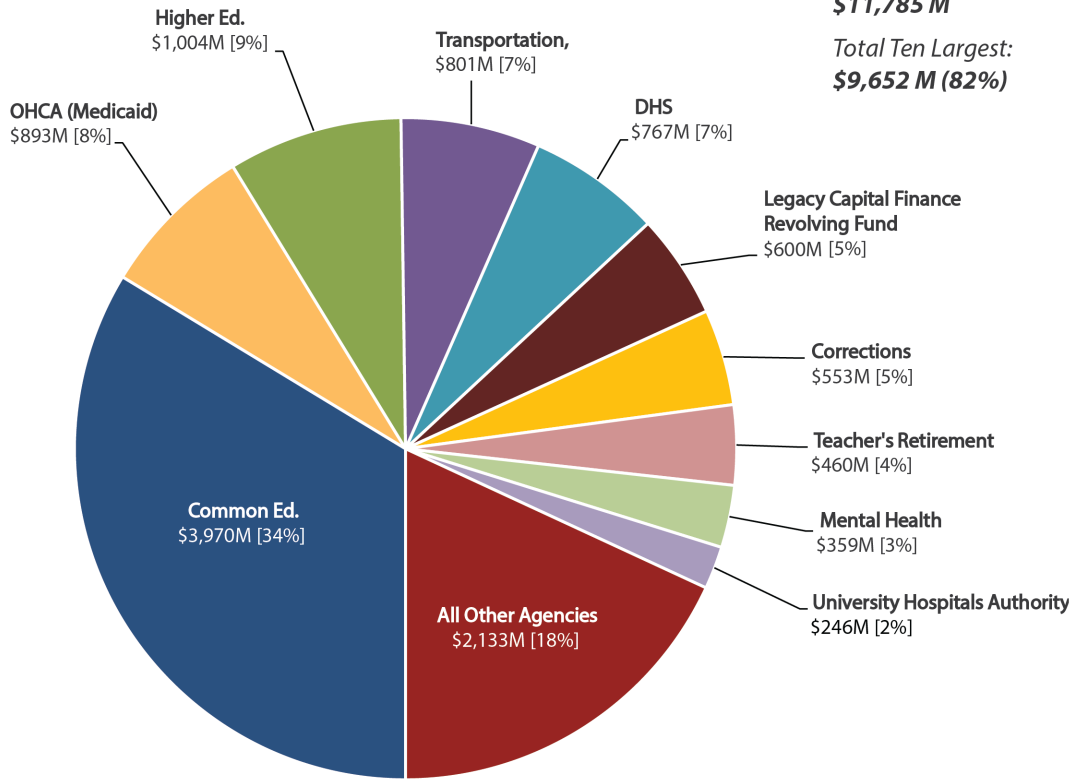
Source: OK Policy analysis of FY 2024 appropriations bills.





Appropriations to Ten Largest and Remaining Agencies, FY 2024

in millions



Total FY 24 Appropriations:

\$11,785 M

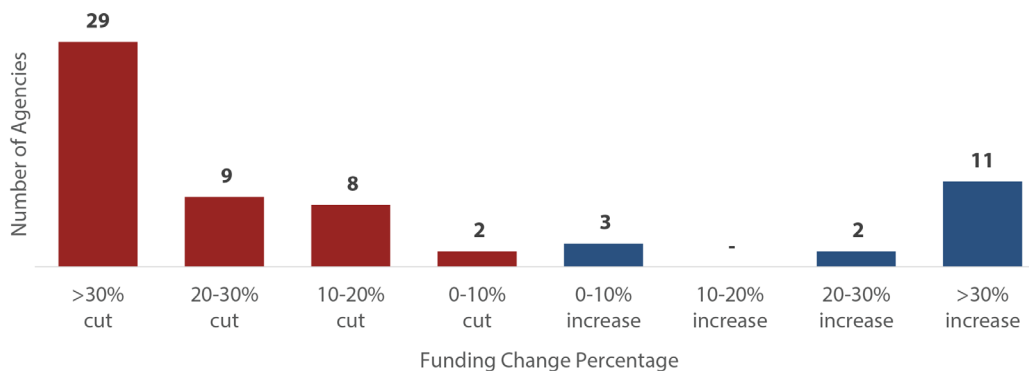
Total Ten Largest:

\$9,652 M (82%)

Source: OK Policy analysis of FY 2024 appropriations bills.



Change in Real Agency Funding, FY 09 - FY 24, by Number of Agencies



Note: Graph is adjusted for inflation and population growth. In years prior to FY 23 budget highlights, this graph used nominal dollars. Only accounts for agencies that were funded in both FY '09 and FY '24. Source: OK Policy analysis of FY 2009 and FY 2024 appropriations bills, and Federal Reserve Economic Data.

