



FISCAL YEAR
2022

OKLAHOMA

EXECUTIVE BUDGET SUMMARY

SUBMITTED BY

J. KEVIN STITT, GOVERNOR

TO THE FIRST SESSION OF THE 58TH OKLAHOMA LEGISLATURE

FY 2022

Executive Budget

**Governor
J. Kevin Stitt**

February 1, 2021





J. Kevin Stitt
Office of the Governor
State of Oklahoma

To the Citizens of the Great State of Oklahoma and the Oklahoma Legislature:

Oklahomans will always remember the year 2020 with a heavy heart. Like the rest of the nation, our state met one of the greatest challenges we have ever faced.

COVID-19 has dramatically changed our way of life. It has ravaged economies and livelihoods, taken too many lives and tested our ability to move forward.

Yet even in the face of a pandemic, I am proud to report that Oklahoma did indeed move forward. We did not stumble or slow down in our race to becoming a Top Ten state. Therefore, it is with great optimism and hope that I present our budget roadmap for fiscal year 2022.

Oklahoma was one of the first states to fully reopen our economy, allowing our businesses to continue to operate and safely return to work. Keeping our state's economy open was a conscious decision and I stand by it today. Our commitment to put families' livelihoods first has, quite literally, paid off.

Oklahoma is now in a better position than most to meet our state's needs for this next fiscal year. We will improve the lives of Oklahomans through investments in education, health care, infrastructure and economic development and diversification.

The foundation of a Top Ten state is a balanced budget. While assuming a minimal growth rate, we will look for opportunities to save and grow our reserves while keeping our commitment to our children, our seniors and taking care of the most vulnerable.

In keeping with my commitment to transparency, my budget staff, cabinet secretaries, and agency directors continue to collaborate on actual metrics so that hardworking Oklahoma taxpayers can hold state government accountable.

While other states have fallen behind, Oklahoma has launched forward into a new chapter of growth, opportunity and optimism. This budget, though a starting point, reflects that hope and I look forward to working with the Legislature, statewide elected officials, and the people of Oklahoma to keep the momentum moving forward for a better and stronger future for our great state.

Let's get to work!

A handwritten signature in black ink, appearing to read "Kevin Stitt".

J. Kevin Stitt
Governor of Oklahoma



Amanda Rodriguez
Chief Financial Officer
State of Oklahoma

Dear Governor Stitt:

It is a pleasure and an honor to formally present the Fiscal Year 2022 Executive Budget.

Calendar year 2020 was a challenging year, yet we pulled together as Oklahomans and navigated our way through unprecedented circumstances. We have taken a conservative approach with the fiscal year 2022 budget as the country and Oklahoma will continue to navigate unknowns in the wake of the pandemic. What is known - we will continue ensuring every dollar matches the value and vision of Oklahoma becoming a Top Ten state.

The Executive Budget includes an overview of the financial condition of the State of Oklahoma. The current status and trends of revenues, expenditures, liabilities, and assets allow for a sustainable financial strategy for the people of Oklahoma and for development of priorities to improve core services. We continue to improve financial processes and increase collaboration with cabinet secretaries, agency directors, and your staff with focus on accountability and transparency.

Strategic investments are recommended within five core budget criteria 1) live within our means, 2) increase investments in economic diversification, 3) utilize low interest rates to finance infrastructure, 4) ensure a fair system for all Oklahomans and 5) maintain and improve core services.

State reserves have been largely depleted out of necessity in relation to the COVID-19 pandemic, but we remain focused on growing those funds over the coming years as their importance remains clear. This budget recommends a deposit of \$300 million to savings in fiscal year 2022, which will raise total reserves to \$529.9 million.

In summary, the recommended budget is balanced, assumes minimal growth rates as we come out of the pandemic, is focused on opportunities for savings, and makes key investments in important programs while growing reserves. I look forward to working with you on this budget and other important matters in the coming months. We want to thank the Office of Management and Enterprise Services Budget staff and analysts who spent countless hours preparing the Executive Budget. We greatly appreciate their hard work and dedication. Please find the full FY 2022 State of Oklahoma Executive Budget online at the following address:
<https://oklahoma.gov/omes/services/budget/budget-books.html>.

Respectfully,

Amanda Rodriguez
Chief Financial Officer, State of Oklahoma

OKLAHOMA OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES

February 1, 2021

Citizens of the State of Oklahoma
Members of the First Regular Session
of the 58th Legislature

FY 2022 EXECUTIVE BUDGET and HISTORICAL INFORMATION

Governor J. Kevin Stitt's FY 2022 budget consists of his budget recommendations to the 2021 Legislature, as well as a discussion of state revenues, a summary of his proposed budget, and explanations of budget recommendations for state agencies. This document is available on the internet. It can be viewed by accessing the Oklahoma homepage, the homepage of the Office of the Governor, or the homepage of the Office of Management and Enterprise Services. The Oklahoma homepage address is <http://www.ok.gov>



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Executive Summary



Governor's Executive Budget

Executive Summary

Vision

Our purpose as public servants is to change the future for all four million Oklahomans. Our vision is to make Oklahoma **Top Ten**. We want to be Top Ten in education, in job growth, in government accountability and fiscal responsibility, in health care and more. We are committed to growing our economy, addressing critical needs across state government, and ensuring proper accountability and efficiency with Oklahomans' hard-earned tax dollars. We are "One Oklahoma" united around a common vision moving the state forward.

Financial Accomplishments

Fiscal Years 2020 and 2021 brought challenges due to the COVID-19 pandemic. Oklahomans have shown great resilience during this unprecedented time. While we hoped for the best, we braced ourselves for the worst and safeguarded Oklahoma's funds by strategically decreasing our spend. The Legislature reduced appropriations, putting Oklahoma in a better financial position heading into fiscal year 2022. These cautious efforts, along with keeping businesses open safely and quickly deploying urgently needed federal dollars, allowed for Oklahoma's economic performance to exceed expectations.

In March 2020, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a package of stimulus funds that established the Coronavirus Relief Fund (CRF) program. Along with direct distributions to state agencies, tribal governments, colleges and educational institutions, and other state entities, CRF funds of \$1.26 billion were provided to Oklahoma in May 2020. In preparation for distribution of these critical dollars, Governor Stitt established CARES FORWARD, a team of cabinet secretaries and public employees with expertise in finance, federal grants, and auditing led by the state's Chief Operating Officer (COO) John Budd and the state's Secretary of Budget Mike Mazzei.

Under CARES FORWARD direction, monies were quickly and strategically deployed across the state to reimburse state agencies and cities and counties for personal protection equipment (PPE) and other unexpected pandemic expenses, as well as to fund strategic projects supporting businesses and needs of citizens. A few of these projects included a statewide business relief program; monies to help long-term care and day care facilities remain open; an eviction mitigation initiative to keep families affected by the pandemic in their homes; funding for surge hospital capacity; additional testing resources for teachers and colleges; funds to shore up Oklahoma's food supply chain and replenish food banks; projects to increase services providing mental health support for law enforcement and front line responders; distributions to support colleges and universities across the state; and others. These timely efforts have allowed the federal relief package awarded to the state to positively affect economic conditions to a much greater extent than originally expected.



Budget Accountability and Transparency

The Governor’s Executive Budget continues to include five years’ worth of historical revenues and expenditures. Each agency report includes **total expenditure dollars**, program descriptions, benchmarks, **and key performance measures**. The state’s checkbook is also published online to make state revenues and expenses transparent.

Continued efforts exist with strong collaboration among the Stitt Administration, cabinet secretaries, and agency directors to strengthen program descriptions, key performance measures, and regional benchmarks to direct the state’s focus to **Top Ten goals and outcomes**.

In order to protect Oklahoma taxpayers, the Stitt Administration has continued **Cost Containment Best Practices** to establish best practice financial controls and reporting across all state agencies.

Cost Containment Best Practices



Financial Condition of the State of Oklahoma

1. **Revenue:** Total tax collections for state expenditures (i.e., total tax revenue) were \$8,963,894,053 for FY 2016 as reported by the Oklahoma Tax Commission Annual Report. Total revenue for FY 2020 was \$10,494,867,627. This represents an **increase of \$1,530,973,574, or 17.1%**, during this five-year period. Comparably, General Revenue (GR), which is only a component of total revenue, went from \$5,204,842,192 in FY 2016 to \$6,273,129,664 in FY 2020, for a 20.6% increase.

Projected General Revenue for FY 2021 is \$6,108,965,544 **for a decrease of \$164.2 million, or 2.7%, from FY 2020 actual collections and \$616.8 million, or 9.2%, less than the original FY 2021 estimate.** The Rainy Day Fund currently has a balance of \$58,670,773. The Revenue Stabilization Fund (RSF) has a balance of \$171,255,485, **for a total reserve between the two funds of \$229,926,259.** This dollar amount is a decrease, due to the COVID-19 pandemic, of \$776.3 million, or 77.2%, from the record reserves of \$1 billion available at the end of FY 2019 and would cover just over one-half of one month of expenses at current budgeted allotments.

Estimated General Revenue for FY 2022 is \$6,257,426,946, an increase of \$148,461,401, or 2.4%, from revised FY 2021 projections.

2. **Expenses:** Total general appropriations (excluding supplementals) for FY 2016 were \$6,897,712,239. Total appropriations for FY 2020 (excluding supplementals) were \$7,924,214,932 – or **an increase over five years of \$1,026,502,693, or 14.9%**. Total appropriations for FY 2021 were \$7,656,768,397, which represents **a decrease of \$267.4 million, or 3.4%, compared with FY 2020.**

The projected expenditure authority for FY 2022 is \$8,464,326,913 (*of which \$720.2 million is projected cash*), which represents a \$631.2 million increase over the FY 2021 authorized expenditures of \$7,833,165,182. We expect this number to change when the State Board of Equalization (SBOE) meets for the final FY 2022 estimate on February 16 (See Appendix A).

Total state expenditures, which include general appropriations, apportionments, agency service charges, and federal grants, were \$17,953,478,000 in FY 2016 according to the audited statements of the Comprehensive Annual Financial Report. Total expenditures for FY 2020 were \$19,753,946,000 — an increase of \$1,800,468,000, or 10% (See Appendix B).

The following 15 individual agencies account for more than 90% of total state expenditures:



Agency	FY 2021 State Appropriation	Apportionment and/or fees *	Federal **	Total
Oklahoma Health Care Authority	\$975,239,368	\$1,343,881,703	\$3,361,426,237	\$5,680,547,308
State Department of Education	\$2,992,729,814	\$46,541,894	\$721,615,284	\$3,760,886,992
Department of Human Services	\$697,831,158	\$140,923,000	\$1,432,105,146	\$2,270,859,304
Department of Transportation	\$170,000,000	\$1,128,088,000	\$616,023,281	\$1,914,111,281
State Regents of Higher Education	\$770,414,742	\$436,879,220	\$0	\$1,207,293,962
Department of Corrections	\$531,112,247	\$100,060,000	\$2,091,901	\$633,264,148
Department of Mental Health and Substance Abuse Services	\$334,915,240	\$90,622,558	\$48,049,284	\$473,587,082
Department of Health	\$52,337,964	\$157,014,014	\$195,967,180	\$405,319,158
Office of Management and Enterprise Services	\$86,386,169	\$276,647,804	\$2,120,307	\$365,154,280
Department of Public Safety	\$95,201,888	\$69,637,630	\$16,732,076	\$181,571,594
Other Public Safety Agencies (AG, OBN, DAC, OSBI)	\$86,773,065	\$73,006,485	\$44,257,974	\$204,037,524
Department of Career and Technology Education	\$137,471,871	\$5,404,499	\$27,880,850	\$170,757,220
Department of Veterans Affairs	\$33,316,393	\$32,521,929	\$102,127,361	\$167,965,683
Department of Rehabilitation Services	\$34,875,002	\$11,879,410	\$86,744,401	\$133,498,813
Office of Juvenile Affairs	\$93,033,434	\$1,992,333	\$1,162,462	\$96,188,229
Department of Commerce	\$17,739,680	\$2,161,246	\$35,908,874	\$55,809,800

**Apportionment and/or fees* reflect estimates calculated from FY 2021 agency budgets filed with the Office of Management and Enterprise Services.
 ** Grants documented from the FY 2019 Oklahoma Single Audit Report; will not include direct CARES Act funding received. The Regents for Higher Education are not included in the State Single Audit. Accordingly, no federal funds are reported for them in this chart.

ADDITIONAL NOTES:

1. Direct apportionment to Oklahoma Teachers' Retirement System from tax revenue sources for FY 2020 was \$325,809,591, which would place this pension system in the top 15 of state agency expenditures.
2. If expenditures by other public safety agencies are considered as listed above, overall public safety spending would rise to ninth on this list.
3. State Department of Education: According to the [2020 School District Revenue Report](#), total revenues available to public schools in Oklahoma were **\$10 billion**, with \$2.8 billion from local sources, \$186 million from intermediate/county sources, and \$2.7 billion cash forward and other miscellaneous revenue, in addition to the appropriated amount of \$2.9 billion.
4. State Regents for Higher Education: According to the [FY 2020 Educational and General Budgets Summary and Analysis](#), total revenues available to universities, colleges, and constituent agencies were **\$2.4 billion**, with \$1.4 billion from tuition and fees and \$318 million from other sources, in addition to the appropriated amount of \$770 million.
5. Department of Career and Technology Education: According to the [FY 2020 Oklahoma Technology Center Revenue Report](#), local technology centers received an additional \$377.9 million from local sources (\$330.4 million from property taxes,



\$25.5 million from tuition and fees, \$21.9 million from other local sources) and \$25 million from federal sources. Local technology center funding from state appropriations totaled \$101.4 million for FY 2020, bringing total available to the technology centers to **\$504.3 million**.

3. **Liabilities and Pension Obligations:** Total Net Tax-Backed Debt for the state of Oklahoma as of Dec. 31, 2020, is approximately **\$2,215,486,490** according to the Deputy Treasurer for Debt Management. Total annual debt service for FY 2021 is approximately **\$245,271,576**, which represents **3.6%** of the FY 2021 General Revenue Fund Appropriation Authority.

In FY 2022, **debt service is expected to increase to \$254,845,018, which would represent 3.7% if GRFAA rises to the current BOE estimate. Debt service is scheduled to begin a steady decline after FY 2022.** These numbers suggest that, heading into FY 2022, **the state does have sufficient bond capacity for important priorities.** The state’s general obligation bond rating is currently **AA**. The state has no outstanding general obligation debt. For “lease-backed” bonds, the primary financing apparatus for state projects, the credit rating is **AA-**. Continual structured deficits did result in a downgrade in 2017 from AA. Standard and Poor’s has assigned a “negative outlook” to the state’s credit rating indicating a one-in-three chance that they will take action to further downgrade the rating within the current year.

Total pension obligations for the State of Oklahoma as of July 1, 2020, are \$45,892,000,000 with actuarial value of assets at \$35,188,000,000 for a **funding status of 76.7% and an unfunded liability of \$10,704,000,000**. Multiple reform measures have put the states seven pension systems on a path to fiscal stability, but the Teachers’ Retirement System at 67.3% funded and the Firefighters Pension and Retirement System at 70.4% still need many more years to achieve financial soundness. Attempts to weaken previous reforms or add additional costs to the system will negatively affect progress and could harm the state’s bond rating (See Appendix C). Details on each state system can be found in the following table:

Comparison of Liabilities and Assets with Funding Ratio Included (In Millions)

FY 2020	Accrued Liability	Actuarial Assets	Unfunded Accrued Liability	Funded Ratio
OFPRS	\$4,103	\$2,888	\$1,215	70.4%
OPERS	\$10,943	\$10,212	\$731	92.3%
OLERS	\$1,232	\$1,088	\$144	88.3%
OPPRS	\$2,736	\$2,757	(\$21)	95.8%
OTRS	\$26,410	\$17,769	\$8,641	67.3%
Wildlife	\$135	\$119	\$16	88.2%
URSJJ	\$333	\$355	(\$22)	106.4%
TOTAL	\$45,892	\$35,188	\$10,704	76.7%



4. Capital Assets:

The State of Oklahoma owns 85,757,655 square feet of real property. Years of inattention to proper maintenance have resulted in an enormous backlog of capital needs. The Long-Range Capital Planning Commission provides state leadership recommendations to fund the state's capital needs and policy recommendations to continue reforming how the state manages its real property assets. In the most recent report, the commission recommends **total investments over an eight-year period of more than \$280,000,000** to address critical maintenance needs, health and safety issues, and renovations to streamline agency footprints.

The Commissioners of the Land Office (CLO) owns over 750,000 surface acres and manages the leasing of over 1.1 million mineral acres and commercial properties which are leased to provide distributions to education beneficiaries. The value of the land and property is over \$105 million. The CLO also owns an **investment portfolio of \$2,227,676,321** (June 30, 2020). \$127 million was distributed for FY 2020, compared with a distribution of \$132 million for FY 2019.

The state's highway system includes 12,254 miles of highways and 6,800 bridges. ODOT's Rail Programs Division oversees and monitors five different railroad companies operating through leases on approximately 126 miles of operating, state-owned track. The Oklahoma Turnpike Authority owns and operates 606 miles of expressway. These infrastructure assets have not been recently valued in dollar terms as capital assets. In 2019, the American Road and Transportation Builders Association rated Oklahoma number 2 in the nation for reducing our structurally deficient bridges by 900 during the period from 2014 to 2018. Thanks to the Oklahoma Legislature's ongoing commitment to transportation, **Oklahoma has improved from 49th place nationally for highway bridge conditions in 2004 to ninth place as reported in 2020.**

The Tobacco Settlement Endowment Trust Fund is a state grant-making trust established with payments from the 1998 Master Settlement Agreement between 46 states and the tobacco industry, devoted to preventing cancer and cardiovascular disease. Since 2008, an average of \$61 million has been allocated annually to the endowment, which has grown to \$1.3 billion as of June 30, 2019.

The Grand River Dam Authority is a component unit of the State of Oklahoma, using revenues earned as a public power utility to finance conservation and reclamation. GRDA boasts assets of \$1,827,470,820 (period ending Dec. 31, 2019), but after liabilities of \$1,110,137,417, reports a **net asset position of \$676,438,114. Total revenues for 2019 were \$424,980,985** and GRDA improved its net position by \$53,947,584.

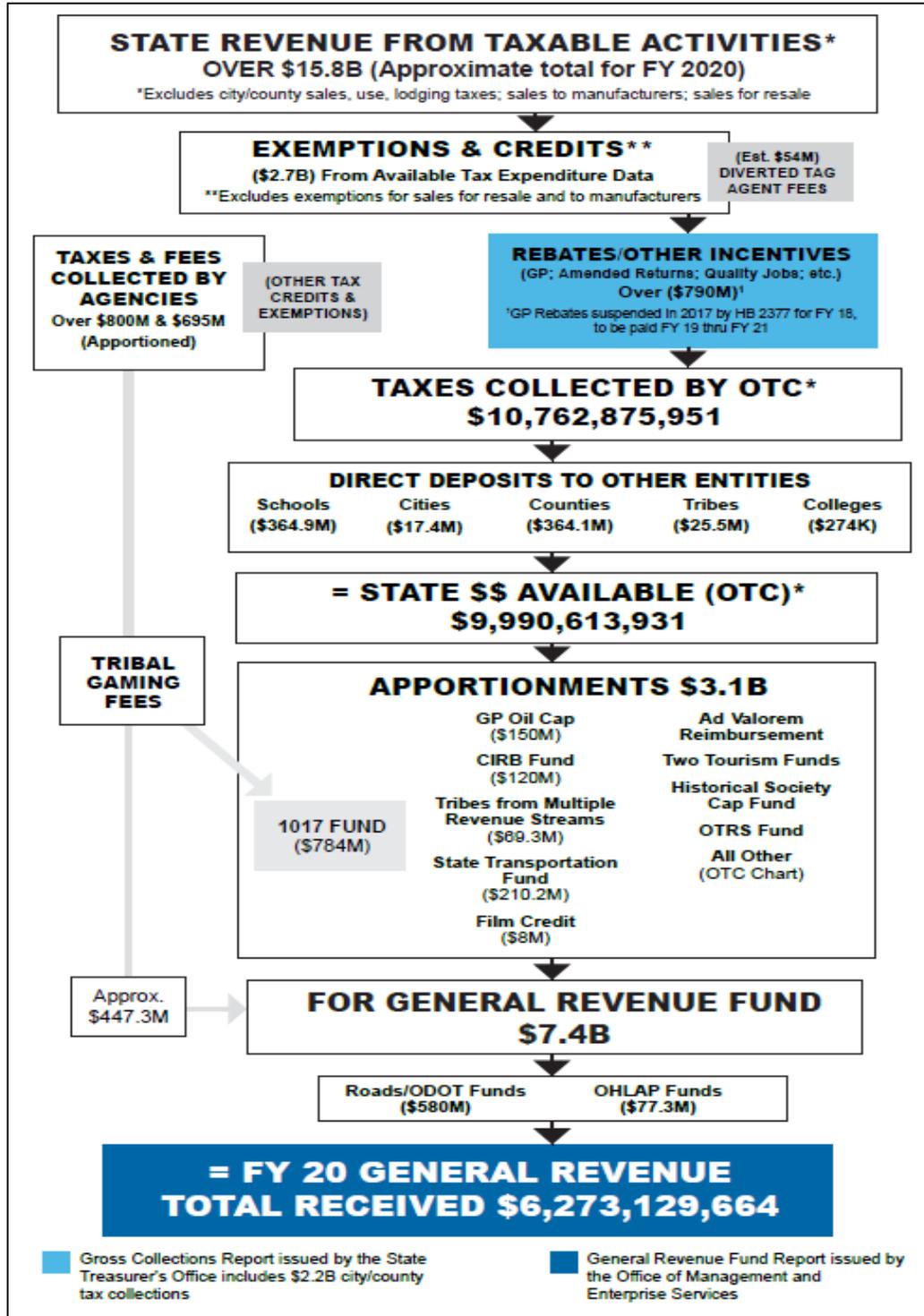
5. Cost of Income Tax Preference Items and Sales Tax Exemptions:

For the completed 2018 tax year, total income tax credits, rebates, deductions and exemptions cost **\$1,647,605,315** (See Appendix D).



For sales taxes, after common market practice preferences for basic distribution, manufacturing and agriculture, the remaining sales tax exemptions cost is **\$1,007,824,259** (See Appendix D).

Estimates of revenue collections and related statutory treatments for FY 2020 are depicted in the chart below.



Recommended Financial Strategy

Live Within Our Means

- **Maintain FY 2022 total state appropriations to the recurring base of FY 2021. State appropriations in FY 2021 were \$7,833,165,545.** The FY 2021 one-time expense items total \$51,573,844 for an updated recurring base for FY 2022 of **\$7,781,591,701**. The Governor proposes to only fund critical items, placing focus on keeping our recurring expenditure base in line with our level of recurring revenue.
- The COVID-19 pandemic showed us first-hand the importance of strong reserves in times of crisis. We recommend working with the Legislature on statutory language to facilitate a **deposit to the Revenue Stabilization Fund of \$300 million** to rebuild reserves and safeguard our core service funding in the wake of the pandemic.
- Seek opportunities across agencies in **cost savings and efficiency improvements while maintaining core services** to further build a structurally sound budget and continuously streamline and improve all areas of state government.

Increase Investments in Economic Diversification

- **Deposit \$20 million to the Quick Action Closing Fund** allowing administration to close deals, make actual offers, and package new potential offers **in the pursuit of major high-wage, job growth opportunities.**
- **Fund an Accelerator and Ecosystem Development Program** that leverages \$15 million in state funds with private dollars **to provide an integrated, statewide initiative encouraging new entrepreneurial ventures throughout Oklahoma.**
- Work with the Legislature to create a **remote worker initiative through the Department of Commerce to bring new remote workers and taxpayers to Oklahoma.**

Utilize Low Interest Rates to Finance Infrastructure

- Financing plans to **take advantage of the low interest rate environment** to pursue and accelerate Top Ten infrastructure goals to include the following:
 - Oklahoma Department of Transportation (ODOT) will pursue a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for rural two-lane safety enhancement projects and plans to collaborate with the Legislature on authorizations for bonding and federal loans. The Governor proposes to restore the full statutory allocation of State Transportation Funds to ODOT due to ODOT's ROADS Fund of \$180 million being redirected to the Education Reform Revolving Fund in FY 2021 and FY 2022. This additional funding helps ODOT continue to move forward on their Eight-Year Construction Work Plan which contains critically needed transportation improvement projects for Oklahoma's interstate, U.S. and state highways, and bridges.

Ensure Fair System for all Oklahomans

- Partner with the Legislature to **address the issue of rising costs and insufficient collections to fund reimbursement for the five-year manufacturing exemption from ad valorem taxes.** Total reimbursement cost for the upcoming year is estimated at about \$155 million. In FY 2020, approximately \$35.9 million was covered by collections to the Ad Valorem Reimbursement Fund.



- Reduce the number of classified employees and **reform current merit protection system**. This proposal aims to reward good performers and retain a high-quality workforce.
- **Reduce corporate income tax** through exemptions in a phased approach, **encouraging additional businesses to relocate to Oklahoma, increasing jobs and Oklahoma's overall tax base**.

Maintain and Improve Core Services

In collaboration with legislative leaders, we propose the following items of critical need:

- **Expand Medicaid coverage** in Oklahoma under ACA (Endorses SQ 802) for \$164,138,054. Medicaid expansion will provide quality health care to over one million Oklahoma SoonerCare (Medicaid) members. Funding for expansion will be offset by revenue optimization initiatives.
- **Improve and modernize Government structure to further collaborate and coordinate services** to best serve Oklahoma for future generations. The Governor believes in a streamlined, accountable, and collaborative state government that puts Oklahomans first by strategically redistributing resources to customer-centric missions and innovative initiatives. A step in this direction includes the **consolidation of Oklahoma Health Care Authority with the Health Department and the Department of Mental Health and Substance Abuse Services**.
- Revenues of \$125,700,000 to Teachers' Retirement System, Firefighter Pension System, Police Pension System and the Law Enforcement Retirement System were directed to the Education Reform Revolving Fund in FY 2021. The Governor's budget proposes to **pay back pension apportionment making those pension systems whole rather than delaying the repayment**. This **allows the pension systems to regain their financial standing and begin earning interest on these funds**. The Governor's budget also proposes to work with the Legislature to prevent this redirection in FY 2022.
- Increased budget needs and investments to **maintain and improve core services** for FY 2022:
 - **Oklahoma State Department of Education (OSDE)** – funding of \$17,041,764 to meet the statutory obligation of the state to pay health insurance to certified and support personnel.
 - **Oklahoma School of Science and Mathematics (OSSM)** – funding of \$618,000 to replace HVAC system to control humidity levels in buildings ensuring no excessive moisture and mold growth, creating a healthier learning environment.
 - **Department of Human Services (DHS)** – funding of \$2,000,000 to reduce the Developmental Disabilities Services (DDS) waitlist, helping individuals with developmental disabilities and their families help themselves to lead safer, healthier, more independent and productive lives.
 - **Oklahoma Department of Corrections (ODOC)** – funding of \$7,000,000 to continue the rollout of a new offender management system replacing the 25-year-old prior system, ensuring more reliable data and a more efficient process.
 - **Oklahoma Department of Corrections (ODOC)** – funding of \$2,303,508 allowing for a per diem increase for CoreCivic to house 1,314 medium security and 360 maximum security inmates. This allows the agency to address different types of bed needs and make necessary adjustments.



- **Office of Educational Quality and Accountability (OEQA)** – funding of \$575,000 will allow the Jobs for America’s Graduates – Oklahoma (JAG - OK) program to continue its valuable mission helping at-risk youth of great promise succeed both in school and on the job, leading to productive and rewarding careers.
- **Office of the Chief Medical Examiner (OCME)** – funding of \$1,500,000 for the completion of Tulsa building construction. Upon completion, the OCME will be able to apply for national accreditation, improve recruitment and retention of forensic pathologists and complete patient examinations in a timely manner.
- **Office of Management and Enterprise Services (OMES)** – funding of \$5,030,000 to safeguard the state’s assets against cybersecurity threats, especially given the remote work environment and increased risk to repair the damage and mitigate the effects if compromised.
- **Office of Management and Enterprise Services (OMES)** – funding of \$13,726,876 for Microsoft O365 licensing statewide. This is a strategic funding investment helping state agencies see significant rate reductions for desktop support services by OMES.
- **District Courts** – supplemental funding of \$10,000,000 for payroll needs due to a decrease in collections to the State Judicial Fund.
- **Oklahoma State Election Board** – funding of \$250,000 for increased costs due to redistricting following the FY 2020 U.S. Census. The State Legislature and county commissions will redraw lines to adjust for population. County election boards must then adjust precinct lines to match new district lines, update voter registration street guide information and create new precinct maps.
- **Long-Range Capital Planning Commission** – funding of \$7,500,000 to catch-up and eventually stay in front of deferred maintenance and small capital projects (<\$2.5 million).



ONE-TIME EXPENSES FROM FY 2021
 (Additional information and discussion necessary for FY 2022 consideration)

Health Care Authority	
Additional claim week	\$15,977,697
Military	
HQ flood remediation	2,000,000
Thunderbird Youth Academy	1,000,000
Deferred maintenance	1,000,000
Readiness centers	3,200,000
Department of Commerce	
ReBranding one-time	1,000,000
Economic development	1,850,000
Department of Rehabilitation Services	
OSD efficiency initiative	2,509,293
University Hospitals	
Hearts for Hearing	2,000,000
Election Board	
State match for Election Security Grant	1,164,069
CARES Act Grant match	206,000
Tourism and Recreation	
Bond Defeasance	750,000
Conservation Commission	
Poultry PPP program (watershed planning)	500,000
DEQ	
Rural Water Association (water projects)	500,000
Historical Society	
Stafford Museum	250,000
Will Rogers Memorial	70,000
FY 2020 Supplementals and Other One-Times	
Teachers Retirement Credit - SDE	9,824,315
Rate Preservation Fund	4,092,470
Kerr-Edmondson Building move	2,470,000
Multiple Injury Trust Fund	1,000,000
Regents (Quartz Mountain)	210,000
Total Adjustments to Recurring Base	\$ 51,573,844



**SUMMARY BY AGENCY
FY 2022**

Agency	FY 2021 Appropriation	Funding Adjustments	FY 2022 Proposed Budget
EDUCATION	\$ 3,947,211,053	\$ 18,234,764	\$ 3,965,445,817
GENERAL GOV'T & TRANS	\$ 385,545,842	\$ 46,645,680	\$ 432,191,522
HEALTH AND HUMAN SERVICES	\$ 2,387,858,214	\$ (41,651,531)	\$ 2,346,206,683
NATURAL RESOURCES	\$ 137,828,417	\$ 30,080,000	\$ 167,908,417
PUBLIC SAFETY & JUDICIARY	\$ 845,125,234	\$ 10,803,508	\$ 855,928,742
OTHER & SUPPLEMENTALS	\$ 129,596,785	\$ (17,596,785)	\$ 112,000,000
TOTAL	\$ 7,833,165,545	\$ 46,515,636	\$ 7,879,681,181

FY 2022 Summary

December BOE Authority \$ 8,464,326,913

REVENUES

Pension Apportionment \$ (125,700,000)
TOTAL REVENUES \$ (125,700,000)

SUPPLEMENTALS AND OTHER NEW EXPENDITURES

FY21 District Court Supplemental \$ (10,000,000)
 Increase in Ad Valorem Reimbursement \$ (12,000,000)
 Payback Pension Apportionment \$ (125,700,000)
 Savings Deposit \$ (300,000,000)
 Maintenance of State Buildings Revolving Fund \$ (7,500,000)
TOTAL SUPPLEMENTALS AND OTHER NEW EXPENDITURES \$ (455,200,000)

TOTAL AVAILABLE REVENUE \$ **8,338,626,913**
TOTAL EXPENDITURES/REDUCTIONS \$ **(8,334,881,181)**
REMAINING BALANCE \$ **3,745,732**

Agency	FY 2021 Appropriation	Funding Adjustments	FY 2022 Proposed Budget
State Department of Education	\$ 2,992,729,814	\$ 17,041,764	\$ 3,009,771,578
State Regents for Higher Education	\$ 770,414,742		\$ 770,414,742
Department of Career & Technology Education	\$ 137,471,871		\$ 137,471,871
Oklahoma Center for Adv. Of Science & Technology	\$ 13,796,542		\$ 13,796,542
Office of Educational Quality & Accountability	\$ 1,567,209	\$ 575,000	\$ 2,142,209
Commissioner of the Land Office	\$ 8,379,276		\$ 8,379,276
Oklahoma School of Science and Math	\$ 6,033,373	\$ 618,000	\$ 6,651,373
Department of Libraries	\$ 4,346,315		\$ 4,346,315
Physician Manpower Training Commission	\$ 6,946,877		\$ 6,946,877
State Arts Council	\$ 2,796,030		\$ 2,796,030
Oklahoma Educational Television Authority	\$ 2,729,004		\$ 2,729,004
TOTAL EDUCATION	\$ 3,947,211,053	\$ 18,234,764	\$ 3,965,445,817

Agency	FY 2021 Appropriation	Funding Adjustments	FY 2022 Proposed Budget
Department of Transportation	\$ 170,000,000	\$ 36,208,873	\$ 206,208,873
Oklahoma Tax Commission	\$ 43,177,267		\$ 43,177,267
Office of Management and Enterprise Services	\$ 86,386,169	\$ 18,756,876	\$ 105,143,045
House of Representatives	\$ 19,078,327		\$ 19,078,327
Senate	\$ 11,017,919		\$ 11,017,919
Oklahoma Military Department	\$ 16,411,582	\$ (7,200,000)	\$ 9,211,582
State Election Board	\$ 9,737,617	\$ (1,120,069)	\$ 8,617,548
Legislative Service Bureau	\$ 16,723,391		\$ 16,723,391
State Auditor and Inspector	\$ 4,300,315		\$ 4,300,315
Oklahoma State Treasurer	\$ 2,742,651		\$ 2,742,651
Governor	\$ 3,557,940		\$ 3,557,940
State Ethics Commission	\$ 687,956		\$ 687,956
Office of Emergency Management	\$ 505,859		\$ 505,859
Lt. Governor	\$ 464,665		\$ 464,665
Merit Protection Commission	\$ 385,929		\$ 385,929
Space Industry Development Authority	\$ 368,255		\$ 368,255
TOTAL GEN. GOV'T & TRANSPORTATION	\$ 385,545,842	\$ 46,645,680	\$ 432,191,522



**SUMMARY BY AGENCY
FY 2022**

Agency	FY 2021 Appropriation	Funding Adjustments	FY 2022 Proposed Budget
Oklahoma Health Care Authority	\$ 1,000,039,368	\$ (9,172,976)	\$ 990,866,392
Department of Human Services	\$ 713,831,158	\$ 2,000,000	\$ 715,831,158
Department of Mental Health & Substance Abuse	\$ 334,915,601	\$ (29,969,262)	\$ 304,946,339
Office of Juvenile Affairs	\$ 93,033,436		\$ 93,033,436
Department of Health	\$ 58,337,964		\$ 58,337,964
University Hospitals Authority	\$ 66,691,554	\$ (2,000,000)	\$ 64,691,554
Department of Veteran Affairs	\$ 33,316,393		\$ 33,316,393
Department of Rehabilitation Services	\$ 34,875,002	\$ (2,509,293)	\$ 32,365,709
OSU Medical Authority	\$ 45,488,996		\$ 45,488,996
J.D. McCarty Center	\$ 4,750,507		\$ 4,750,507
Commission on Children and Youth	\$ 2,295,414		\$ 2,295,414
Office of Disability Concerns	\$ 282,821		\$ 282,821
TOTAL HEALTH & SOCIAL SERVICES	\$ 2,387,858,214	\$ (41,651,531)	\$ 2,346,206,683

Agency	FY 2021 Appropriation	Funding Adjustments	FY 2022 Proposed Budget
Department of Agriculture	\$ 26,989,607		\$ 26,989,607
Department of Tourism and Recreation	\$ 21,524,457	\$ (750,000)	\$ 20,774,457
Department of Commerce	\$ 17,739,680	\$ 32,150,000	\$ 49,889,680
Historical Society	\$ 11,871,018	\$ (320,000)	\$ 11,551,018
Oklahoma Corporation Commission	\$ 16,865,856		\$ 16,865,856
REAP	\$ 13,126,817		\$ 13,126,817
Conservation Commission	\$ 12,658,644	\$ (500,000)	\$ 12,158,644
Department of Environmental Quality	\$ 7,188,879	\$ (500,000)	\$ 6,688,879
Oklahoma Water Resources Board	\$ 5,205,323		\$ 5,205,323
Department of Labor	\$ 3,578,213		\$ 3,578,213
Department of Mines	\$ 769,933		\$ 769,933
J.M. Davis Memorial Commission	\$ 309,990		\$ 309,990
TOTAL NATURAL RES. & REG. SVCS	\$ 137,828,417	\$ 30,080,000	\$ 167,908,417

Agency	FY 2021 Appropriation	Funding Adjustments	FY 2022 Proposed Budget
Department of Corrections	\$ 531,112,247	\$ 9,303,508	\$ 540,415,755
Department of Public Safety	\$ 95,201,888		\$ 95,201,888
District Courts	\$ 67,980,361		\$ 67,980,361
District Attorneys and District Attorneys Council	\$ 56,642,149		\$ 56,642,149
Supreme Court	\$ 16,212,078		\$ 16,212,078
Oklahoma Indigent Defense System	\$ 17,508,363		\$ 17,508,363
Attorney General	\$ 11,058,746		\$ 11,058,746
Oklahoma State Bureau of Investigation	\$ 15,926,840		\$ 15,926,840
Office of the Chief Medical Examiner	\$ 17,771,703	\$ 1,500,000	\$ 19,271,703
Oklahoma Bureau of Narcotics and Dangerous Drugs	\$ 3,145,330		\$ 3,145,330
Court of Criminal Appeals	\$ 4,022,707		\$ 4,022,707
Council on Law Enforcement Education and Training	\$ 3,370,833		\$ 3,370,833
Alcoholic Beverage Laws Enforcement Commission	\$ 2,898,589		\$ 2,898,589
Pardon and Parole Board	\$ 2,273,400		\$ 2,273,400
TOTAL PUBLIC SAFETY & JUDICIARY	\$ 845,125,234	\$ 10,803,508	\$ 855,928,742

	FY 2021 Appropriation	Funding Adjustments	FY 2022 Proposed Budget
Rate Preservation Fund	\$ 4,092,470	\$ (4,092,470)	\$ -
Multiple Injury Trust Fund	\$ 1,000,000	\$ (1,000,000)	\$ -
Ad Valorem Reimbursement	\$ 112,000,000		\$ 112,000,000
TR Credit - SDE	\$ 9,824,315	\$ (9,824,315)	\$ -
Regents	\$ 210,000	\$ (210,000)	\$ -
Move Kerr-Edmondson	\$ 2,470,000	\$ (2,470,000)	\$ -
TOTAL OTHER & SUPPLEMENTALS	\$ 129,596,785	\$ (17,596,785)	\$ 112,000,000

Increases to agency appropriations are described in the Executive Summary.

Reduction of One-Times to agency appropriations are listed on Page 12.

Mental Health reduction in appropriation is due to offsets that will occur with Medicaid Expansion and the IMD Waiver.

The entire proposed Ad Valorem Reimbursement Fund amount of \$124M is a supplemental appropriation.

