

**Oklahoma State Department of Health  
Board of Health Finance Committee Brief  
June 2015**

**OKLAHOMA STATE DEPARTMENT OF HEALTH  
SFY 2015 BUDGET AND EXPENDITURE FORECAST: AS OF 5/26/2015**

**SUMMARY**

<u>Division</u>	<u>Current Budget</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Forecasted Expenditures</u>	<u>Surplus/(Deficit)</u>	<u>Performance Rate</u>
Public Health Infrastructure	\$24,795,200	\$14,062,152	\$3,742,891	\$5,380,856	\$1,609,301	93.51%
Protective Health Services	\$59,424,114	\$46,400,526	\$4,972,393	\$8,250,868	(\$199,673)	100.34%
Prevention & Preparedness Services	\$61,978,557	\$36,270,358	\$18,657,141	\$5,224,435	\$1,826,623	97.05%
Information Technology	\$7,292,390	\$2,662,142	\$4,465,704	\$0	\$164,544	97.74%
Health Improvement Services	\$20,642,546	\$12,899,319	\$3,341,125	\$2,737,159	\$1,664,942	91.93%
Community & Family Health Services	\$248,394,952	\$169,683,894	\$18,916,364	\$57,142,291	\$2,652,404	98.93%
<b>Totals:</b>	<b>\$422,527,759</b>	<b>\$281,978,391</b>	<b>\$54,095,617</b>	<b>\$78,735,609</b>	<b>\$7,718,142</b>	<b>98.17%</b>

<90%	90% - 95%	95% - 102.5%	102.5% - 105%	>105%
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**Expenditure Forecast Assumptions**

- Payroll forecasted through June 30, 2015
- Encumbrances shown as actual as of the report date
- Expenditure forecasts limited to realistic amounts expected to spend out during the current budget period
- Surplus/(Deficit) is projected as of June 30, 2015

**Explanation of Change**

- The prior month's report showed all divisions in a "green light" status, except for Public Health Infrastructure and Health Improvement Services, which were in a "yellow light" status.
- This month, Public Health Infrastructure and Health Improvement Services remain in a "yellow light" status. Both have marginally improved from the prior month, .97% and 1.37%, respectively.
- This month, all other divisions are in a "green light" status.
- This report is a tool used for the budget management process. As the end of year approaches, anticipated expenditures become more definitive. So, changes such as those seen this month are typical towards the end of the year.
- Overall the Department is forecasted to spend 98.17% of its budget, which is an increase of .42% from the previous month.
- All expenditures will be monitored closely and adjustments in spending will be made as needed to ensure optimal budget performance for the Department.

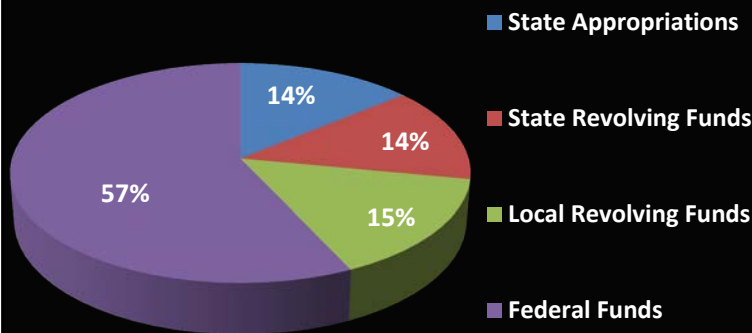
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**OKLAHOMA STATE DEPARTMENT OF HEALTH REVOLVING FUNDS**

**What is a revolving fund?**

- The Oklahoma Legislature creates revolving funds to account for revenues collected that are intended to be expended for a special purpose
- Revolving funds are created by law and codified in Oklahoma Statute
- Funds are appropriated when deposited
- By law, specific state revenues are deposited into a revolving fund
- An agency can only expend revolving funds for its intended purpose
- Revolving funds are continuing, not subject to fiscal year limitations; if the funds are not spent in the fiscal year deposited, they may be carried forward to the subsequent fiscal year but only for the originally intended purpose
- Revolving funds given to the OSDH vary widely in type of revenue, amount of revenue and purpose

**OSDH FY 15 Budget by Fund Type**



**Diversification of Revenues**

- Revolving funds are one of three fund types used by the OSDH
  - State Appropriations
  - Revolving Funds
  - Federal Funds
- Usually, activities funded from revolving funds are not impacted by reductions in State general revenue or federal contracts and grant awards
- In recent years, the Oklahoma Legislature has been looking at agency revolving funds as revenue available for appropriation for other purposes

**A Look at Revolving Funds in the SFY16 Budget**

- OSDH will utilize 21 different revolving funds for State Fiscal Year 2016 (SFY16) budget
- Preliminary expenditure estimates from state revolving funds of \$95.9 million for SFY16
- Expenditure levels from OSDH revolving funds range from \$315 to just under \$63 Million

**Example 1: Oklahoma Lupus License Plate Revolving Fund – SFY '16 Estimated Exp. \$7,000**

- Purpose: To increase lupus awareness, education, outreach, referral, research or treatment in Oklahoma
- Designated Use: To provide grants to the Lupus Foundation of Oklahoma
- Revenue Source: A portion (\$25) of fees paid for Lupus Awareness and Education license plates

**Example 2: Trauma Care Assistance Revolving Fund – SFY'16 Estimated Exp. \$24 Million**

- Purpose: To stabilize the State's Trauma Care system by reimbursing Trauma Care Providers for uncompensated care
- Provider Types
  - Recognized trauma facilities
  - Licensed ambulance services
  - Physicians
- Revenue Sources
  - Portion of tobacco products tax
  - Portion of motor registration fees
  - Portion of driver's license fees
  - Various criminal penalties
  - 18 sources in all