

State Board of Equalization



Proposed FY-2024 Revenue Certification

Thursday, December 29, 2022



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OKLAHOMA
Office of Management
& Enterprise Services

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Purpose of December BOE Meeting

Certify revenues accrued in FY-2022 and certify amounts available for appropriation for FY-2024.

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**PRIOR YEAR ACCRUED COLLECTIONS
SCHEDULE 1**

	FY-2022 ESTIMATE Jun 2021	FY-2022 ACTUAL Dec 2022	DIFFERENCE (\$)	DIFFERENCE (%)
General Revenue Fund				
Alcohol Beverage Tax	\$51,166,000	\$47,171,193	(\$3,994,807.00)	-8%
Mixed Beverage Receipts Tax	\$80,569,000	\$95,983,076	\$15,414,076	19%
Cigarette Tax	\$49,541,691	\$42,965,809	(\$6,575,882.00)	-13%
Tobacco Products Tax	\$38,450,334	\$36,731,778	(\$1,718,556.00)	-4%
Franchise Tax	\$53,053,000	\$62,217,443	\$9,164,443	17%
Gross Production Tax-Gas	\$318,144,000	\$668,309,139	\$350,165,139	110%
Gross Production Tax-Oil	\$211,370,000	\$406,414,059	\$195,044,059	92%
Income Tax-Individual	\$2,646,863,721	\$3,149,181,707	\$502,317,986	19%
Income Tax-Corporate	\$208,926,050	\$527,114,968	\$318,188,918	152%
Insurance Premium Tax	\$115,206,322	\$127,036,907	\$11,830,585	10%
Motor Vehicle Taxes	\$45,186,000	\$58,990,960	\$13,804,960	31%
Sales Tax	\$2,164,060,907	\$2,495,226,162	\$331,165,255	15%
Use Tax	\$385,053,314	\$437,992,983	\$52,939,670	14%
Interest & Investments	\$43,000,000	\$79,871,386	\$36,871,386	86%
Other OTC (see Appendix 3)	\$52,230,000	\$77,375,593	\$25,145,593	48%
Collections by Other Agencies (see Appendix 3)	\$178,200,990	\$181,090,089	\$2,889,099	2%
General Revenue Totals	\$6,641,021,328	\$8,493,673,252	\$1,852,651,924	28%
Transfers & Lapses	\$1,000,000	\$0	(\$1,000,000.00)	-100%
Total General Revenue	\$6,642,021,328	\$8,493,673,252	\$1,851,651,924	28%
C.L.E.E.T.	\$2,642,798	\$2,683,370	\$40,572	2%
COMM of LAND OFFICE	\$8,849,414	\$11,634,352	\$2,784,937	31%
MINERAL LEASING	\$5,500,000	\$3,183,651	(\$2,316,349.00)	-42%
OK EDUCATION LOTTERY TRUST FUND	\$61,000,000	\$78,587,377	\$17,587,377	29%
PUBLIC BUILDING	\$1,683,070	\$2,576,943	\$893,873	53%
SPECIAL OCCUPATIONAL HEALTH & SAFETY	\$950,000	\$1,092,626	\$142,626	15%
ALCOHOLIC BEVERAGE CONTROL FUND	\$13,000,000	\$13,774,741	\$774,741	6%
OKLAHOMA PENSION IMPROVEMENT REVOLVING FUND	\$60,000	\$144,965	\$84,965	142%
STATE PUBLIC SAFETY FUND	\$24,367,443	\$21,013,714	(\$3,353,729.00)	-14%
HEALTH CARE ENHANCEMENT FUND	\$155,381,000	\$150,775,559	(\$4,605,441.00)	-3%
GRAND TOTAL	\$6,915,455,053	\$8,779,140,550	\$1,863,685,496	27%

Agenda Item 5

The reported total amount of revenue which accrued in the preceding fiscal year to the General Revenue Fund was \$8,493,673,252 and the total to all certified funds was \$8,779,140,550.

STATUTORILY REQUIRED FINDINGS SCHEDULE 2

Agenda Item 6: Cash Flow Reserve Fund Finding

Pursuant to Title 62, Section 34.54, as amended by HB3206 in the 2016 legislative session, OMES is required to analyze and submit to the State BOE the amount of monies remaining in the General Revenue Cash-flow Reserve Fund which are not necessary for current year cash-flow needs and are available for legislative appropriation.

Finding: Based on December's FY-2023 projections, \$27,373,999 will be available for appropriation.

Agenda Item 7: OHLAP Funding

In compliance with Section 34.87 of Title 62 of the Oklahoma Statutes, the State Regents for Higher Education adopts a funding estimate each year for the needs of the Oklahoma's Promise scholarship program with a portion coming from the General Revenue Fund and a portion coming from the program's trust fund.

Finding: State Regents for Higher Education has adopted an estimate of \$67.7 million to be allocated from the General Revenue Fund for FY-2024 to fund awards allowed pursuant to the Oklahoma Higher Learning Access Act. The amount of money allocated from General Revenue was \$58.8 million in FY-2023 and \$65.4 million in FY-2022. These allocation amounts amounts have been subtracted from the individual income tax numbers for FY-2022 actual, FY-2023 projected, and FY-2024 estimated General Revenue collections respectively.

**REVENUE CERTIFICATION PROPOSALS FOR FY-2024
SCHEDULE 3**

	PROPOSED COLLECTION FY-2024 ESTIMATE Dec 2022	PROPOSED AUTHORITY FY-2024 95% ESTIMATE Dec 2022
General Revenue Fund		
Alcohol Beverage Tax	\$48,988,000	\$46,538,600
Mixed Beverage Receipts Tax	\$104,952,000	\$99,704,400
Cigarette Tax	\$43,638,362	\$41,456,444
Tobacco Products Tax	\$32,152,208	\$30,544,598
Franchise Tax	\$55,074,000	\$52,320,300
Gross Production Tax-Gas	\$701,239,000	\$666,177,050
Gross Production Tax-Oil	\$493,580,000	\$468,901,000
Income Tax-Individual	\$3,489,188,987	\$3,314,729,537
Income Tax-Corporate	\$378,378,998	\$359,460,048
Insurance Premium Tax	\$114,333,216	\$108,616,555
Motor Vehicle Taxes	\$60,128,000	\$57,121,600
Sales Tax	\$2,552,494,323	\$2,424,869,607
Use Tax	\$569,328,794	\$540,862,354
Interest & Investments	\$256,000,000	\$243,200,000
Other OTC (see Appendix 3)	\$72,079,000	\$68,475,050
Collections by Other Agencies (see Appendix 3)	\$158,158,382	\$150,250,463
General Revenue Totals	\$9,129,713,268	\$8,673,227,604
Transfers & Lapses	\$0	\$0
Total General Revenue	\$9,129,713,268	\$8,673,227,604
State Certified Funds		
C.L.E.E.T.	\$2,503,905	\$2,378,710
COMM of LAND OFFICE	\$11,723,596	\$11,137,416
MINERAL LEASING	\$5,022,121	\$4,771,015
OK EDUCATION LOTTERY TRUST FUND	\$65,000,000	\$61,750,000
PUBLIC BUILDING	\$2,024,204	\$1,922,994
SPECIAL OCCUPATIONAL HEALTH & SAFETY	\$1,229,175	\$1,167,717
ALCOHOLIC BEVERAGE CONTROL FUND	\$13,912,834	\$13,217,192
OKLAHOMA PENSION IMPROVEMENT REVOLVING FUND	\$172,172	\$163,563
STATE PUBLIC SAFETY FUND	\$18,500,385	\$17,575,365
HEALTH CARE ENHANCEMENT FUND	\$151,736,000	\$144,149,200
GRAND TOTAL STATE FUNDS	\$9,401,537,660	\$8,931,460,777
Federal Certified Funds		
STATEWIDE RECOVERY FUND	\$256,116,591	\$256,116,591 ¹

Agenda Item 8

The estimate of total certified state revenues is \$9,401,537,660 and the certified state revenue available for appropriation is \$8,931,460,777. The estimate of total certified federal revenue available for appropriation is \$256,116,591.

¹ Federal funds are certified at the full amount of the estimate for appropriation and not subject to the 95% availability rule (Oklahoma Constitution, Article 10, Section 23).

Budget Outlook



OKLAHOMA
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**FY-2024 BUDGET OUTLOOK
SCHEDULE 4**

	FY-2023 Jun 2022 APPROPRIATIONS AUTHORITY	FY-2023 Jun 2022 AUTHORIZED EXPENDITURES	FY-2024 Dec 2022 APPROPRIATIONS AUTHORITY
CERTIFIED			
General Revenue Fund	\$7,064,534,033	\$6,871,511,961	\$8,673,227,604
CLEET Fund	\$2,513,699	\$2,513,699	\$2,378,710
Mineral Leasing Fund	\$4,750,000	\$4,750,000	\$4,771,015
OHSA Fund	\$1,186,873	\$1,186,873	\$1,167,717
Public Building Fund	\$1,705,508	\$1,705,508	\$1,922,994
Commissioners of the Land Office Fund	\$9,603,286	\$6,703,421	\$11,137,416
OK Education Lottery Trust Fund	\$57,000,000	\$57,000,000	\$61,750,000
State Public Safety Fund	\$19,987,055	\$19,987,055	\$17,575,365
Health Care Enhancement Fund	\$148,825,100	\$148,825,100	\$144,149,200
Alcoholic Beverage Control Fund	\$13,477,750	\$13,477,750	\$13,217,192
OK Pension Improvement Rev Fund	\$141,968	\$0	\$163,563
TOTAL CERTIFIED FUNDS	\$7,323,725,272	\$7,127,661,367	\$8,931,460,777
AUTHORIZED			
ERRF (1017) Fund	\$909,342,945	\$890,120,375	\$1,033,655,730
Common Ed. Technology Fund (GP-Oil)	\$47,025,701	\$47,025,701	\$47,025,701
OK Student Aid Fund (GP - Oil)	\$47,025,701	\$47,025,701	\$47,025,701
Higher Ed. Capital Fund (GP - Oil)	\$47,025,701	\$47,025,701	\$47,025,701
Tobacco Fund	\$12,572,152	\$12,572,152	\$13,102,080
Judicial Revolving Fund	\$23,097,008	\$23,097,008	\$25,895,523
Transportation Fund	\$216,543,366	\$193,878,499	\$219,911,938
ROADS Fund	\$590,000,000	\$590,000,000	\$590,000,000
Teachers Retirement System Revolving Fund	\$401,906,190	\$401,906,190	\$454,955,340
TOTAL AUTHORIZED FUNDS	\$2,294,538,764	\$2,252,651,327	\$2,478,597,714
Total Certified and Authorized Funds	\$9,618,264,036	\$9,380,312,694	\$11,410,058,491
STATEWIDE RECOVERY FUND	\$930,206,306	\$140,046,527	\$256,116,591 ¹
SPECIAL CASH FUND APPROPRIATIONS	\$82,064,867	\$82,064,867	\$473,489
CASH FLOW RESERVE FUND	\$114,665,239	\$114,665,239	\$27,373,999 ²
ADD'L REV FUND APPROPRIATIONS	\$0	\$30,188,549 ³	\$0
GENERAL REVENUE SURPLUS APPROPRIATIONS	\$0	\$452,992,364	\$1,326,636,201
TOTAL ALL FUNDS	\$10,745,200,448	\$10,200,270,240	\$13,020,658,771

¹ Statewide Recovery Fund includes total ARPA funds and interest received after all administrative expenses paid and appropriations made. Federal funds are certified at the full amount of the estimate for appropriation and not subject to the 95% availability rule (Oklahoma Constitution, Article 10, Section 23).

² All remaining cash in the Cash Flow Reserve Fund is expected to be available for appropriation due to adequate funds in the General Revenue Fund and higher than expected FY-23 General Revenue projections.

³ \$12,500,000 appropriated from Oklahoma Medical Marijuana Authority Revolving Fund; \$28,957,134 appropriated from the Opioid Lawsuit Settlement Fund; \$86,600,000 appropriated from the Master Teacher Program Fund.

Appendices



OKLAHOMA
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BUDGET DETAIL BY FUND (Non-Restricted Funds)
Appendix 1

	FY-2023 APPROPRIATION AUTHORITY* 2022 SESSION Jun 2022	FY-2023 AUTHORIZED EXPENDITURES 2022 Session Jun 2022	FY-2024 APPROPRIATION AUTHORITY* 2023 SESSION Dec 2022
NON-RESTRICTED FUNDS			
GENERAL REVENUE FUND			
Certified	\$7,064,534,034	\$6,871,511,961	\$8,673,227,604
Prior Year Certified	\$245,027,636	\$245,027,636	\$193,022,073
Cash	\$834,856,031	\$456,515,976	\$1,326,636,201
TOTAL	\$8,144,417,701	\$7,573,055,573	\$10,192,885,878
C.L.E.E.T. FUND			
Certified	\$2,513,699	\$2,513,699	\$2,378,710
Cash	\$0	\$0	\$172,712
TOTAL	\$2,513,699	\$2,513,699	\$2,551,422
MINERAL LEASING FUND			
Certified	\$4,750,000	\$4,750,000	\$4,771,015
Cash	\$240,763	\$240,763	\$0
TOTAL	\$4,990,763	\$4,990,763	\$4,771,015
OHSA FUND			
Certified	\$1,186,873	\$1,186,873	\$1,167,717
Cash	\$557,896	\$557,896	\$190,126
TOTAL	\$1,744,769	\$1,744,769	\$1,357,843
PUBLIC BUILDING FUND			
Certified	\$1,705,508	\$1,705,508	\$1,922,994
Cash	\$552,467	\$552,467	\$0
TOTAL	\$2,257,975	\$2,257,975	\$1,922,994
SPECIAL CASH FUND			
Cash	\$82,064,867 ¹	\$82,064,867 ¹	\$473,489
TOTAL	\$82,064,867	\$82,064,867	\$473,489
STATEWIDE RECOVERY FUND			
Certified	\$930,206,306	\$140,046,527	\$256,116,591
SUBTOTAL NON-RESTRICTED FUNDS	\$9,168,196,080	\$7,806,674,173	\$10,460,079,233

¹ 1SB1040 directs the following transfers to the Special Cash Fund: Sec. 137 - \$22,664,867 from the State Transportation Fund; Sec. 138 - \$30,000,000 from the Unclaimed Property Fund; Sec. 139 - \$7,800,000 from the Insurance Commissioner Rev Fund; Sec. 140 - \$7,800,000 from the Secretary of State Rev Fund, Sec. 141 - \$6,000,000 from the Oklahoma Tax Commission, and Sec. 142 - \$7,800,000 from the Weigh Station Improvement Fund

(Continued)

BUDGET DETAIL BY FUND (Restricted Funds)
Appendix 1 (Continued)

	FY-2023 EXPENDITURE AUTHORITY* 2022 SESSION Jun 2022	FY-2023 AUTHORIZED EXPENDITURES 2022 Session Jun 2022	FY-2024 EXPENDITURE AUTHORITY* 2023 Session Dec 2022
RESTRICTED FUNDS			
COMMISSION OF THE LAND OFFICE FUND			
Certified	\$9,603,286	\$6,703,421	\$11,137,416
Cash	\$0	\$0	\$0
TOTAL	\$9,603,286	\$6,703,421	\$11,137,416
OK EDUCATION LOTTERY TRUST FUND			
Certified	\$57,000,000	\$57,000,000	\$61,750,000
Cash	\$27,535,983	\$27,535,983	\$20,637,378
TOTAL	\$84,535,983	\$84,535,983	\$82,387,378
STATE PUBLIC SAFETY FUND			
Certified	\$19,987,055	\$19,987,055	\$17,575,365
Cash	\$0	\$0	\$1,156,059
TOTAL	\$19,987,055	\$19,987,055	\$18,731,424
HEALTH CARE ENHANCEMENT FUND			
Certified	\$148,825,100	\$148,825,100	\$144,149,200
Cash	\$14,362,576	\$14,362,576	\$3,914,484
TOTAL	\$163,187,676	\$163,187,676	\$148,063,684
ALCOHOLIC BEVERAGE CONTROL FUND			
Certified	\$13,477,750	\$13,477,750	\$13,217,192
Cash	\$1,792,158	\$1,792,158	\$1,104,455
TOTAL	\$15,269,908	\$15,269,908	\$14,321,647
OKLAHOMA PENSION IMPROVEMENT REV FUND			
Certified	\$141,968	\$0	\$163,563
Cash	\$175,495	\$0	\$199,065
TOTAL	\$317,463	\$0	\$362,628
SUBTOTAL RESTRICTED FUNDS	\$292,901,371	\$289,684,043	\$275,004,178
TOTAL-RESTRICTED & NON-RESTRICTED	\$9,461,097,451	\$8,096,358,216	\$10,735,083,410
COMMON ED. TECH FUND			
Revolving Fund Estimate	\$47,025,701	\$47,025,701	\$47,025,701
OK. STUDENT AID FUND			
Revolving Fund Estimate	\$47,025,701	\$47,025,701	\$47,025,701
HIGHER ED. CAPITAL FUND			
Revolving Fund Estimate	\$47,025,701	\$47,025,701	\$47,025,701
ERRF (1017) FUND			
Revolving Fund Estimate	\$909,342,945	\$890,120,375	\$1,033,655,730
TOBACCO SETTLEMENT FUND			
Revolving Fund Estimate	\$12,572,152	\$12,572,152	\$13,102,080
STATE JUDICIAL REVOLVING FUND			
Revolving Fund Estimate	\$23,097,008	\$23,097,008	\$25,895,523
STATE TRANSPORTATION FUND			
Revolving Fund Estimate	\$216,543,366	\$193,878,499	\$219,911,938
ROADS Fund			
Revolving Fund Estimate	\$590,000,000	\$590,000,000	\$590,000,000
TEACHERS RETIREMENT SYSTEM REVOLVING FUND			
Revolving Fund Estimate	\$401,906,190	\$401,906,190	\$454,955,340
TOTAL	\$11,755,636,215	\$10,349,009,543	\$13,213,681,124
**ADDITIONAL BUDGETARY AUTHORIZATIONS:			
Cash Flow Reserve Fund	\$114,665,239	\$114,665,239	\$27,373,999
Constitutional Reserve Fund	\$0	\$0	\$0
Revenue Stabilization Fund	\$0	\$0	\$0
TOTAL AUTHORIZED BUDGET	\$11,998,358,588	\$10,591,731,916	\$13,241,055,123

CERTIFIED FUND COMPARISONS
Appendix 2

	FY-2022 Actual Dec 2022	FY-2023 Projection Dec 2022	FY-2024 Estimate Dec 2022	CHANGE IN FY-24 Estimate From FY-22 Actual	CHANGE IN FY-24 Estimate From FY-23 Projection
General Revenue Fund					
Alcohol Beverage Tax	\$47,171,193	\$47,062,000	\$48,988,000	\$1,816,807	\$1,926,000
Mixed Beverage Receipts Tax	\$95,983,076	\$103,973,000	\$104,952,000	\$8,968,924	\$979,000
Cigarette Tax	\$42,965,809	\$43,527,926	\$43,638,362	\$672,553	\$110,435
Tobacco Products Tax	\$36,731,778	\$30,156,520	\$32,152,208	(\$4,579,570)	\$1,995,688
Franchise Tax	\$62,217,443	\$53,383,000	\$55,074,000	(\$7,143,443)	\$1,691,000
Gross Production Tax-Gas	\$668,309,139	\$688,287,460 ¹	\$701,239,000	\$32,929,861	\$12,951,540
Gross Production Tax-Oil	\$406,414,059	\$507,432,000	\$493,580,000	\$87,165,941	(\$13,852,000)
Income Tax-Individual	\$3,149,181,707	\$3,348,596,055	\$3,489,188,987	\$340,007,280	\$140,592,932
Income Tax-Corporate	\$527,114,968	\$500,569,958	\$378,378,998	(\$148,735,970)	(\$122,190,960)
Insurance Premium Tax	\$127,036,907	\$114,333,216	\$114,333,216	(\$12,703,691)	\$0
Motor Vehicle Taxes	\$58,990,960	\$59,045,000	\$60,128,000	\$1,137,040	\$1,083,000
Sales Tax	\$2,495,226,162	\$2,548,519,450 ²	\$2,552,494,323	\$57,268,160	\$3,974,873
Use Tax	\$437,992,983	\$528,218,976	\$569,328,794	\$131,335,811	\$41,109,818
Interest & Investments	\$79,871,386	\$186,000,000	\$256,000,000	\$176,128,614	\$70,000,000
Other OTC (see Appendix 3)	\$77,375,593	\$75,503,000	\$72,079,000	(\$5,296,593)	(\$3,424,000)
Collections by Other Agencies (see Appendix 3)	\$181,090,089	\$161,956,101	\$158,158,382	(\$22,931,708)	(\$3,797,719)
General Revenue Totals	\$8,493,673,252	\$8,996,563,662	\$9,129,713,268	\$636,040,016	\$133,149,606
Transfers & Lapses	\$0	\$0	\$0	\$0	\$0
Total General Revenue	\$8,493,673,252	\$8,996,563,662	\$9,129,713,268	\$636,040,016	\$133,149,606
C.L.E.E.T.	\$2,683,370	\$2,581,306	\$2,503,905	(\$179,465)	(\$77,401)
COMM of LAND OFFICE	\$11,634,352	\$11,979,823	\$11,723,596	\$89,244	(\$256,227)
MINERAL LEASING	\$3,183,651	\$4,759,482	\$5,022,121	\$1,838,470	\$262,639
OK EDUCATION LOTTERY TRUST FUND	\$78,587,377	\$60,000,000	\$65,000,000	(\$13,587,377)	\$5,000,000
PUBLIC BUILDING	\$2,576,943	\$2,483,481	\$2,024,204	(\$552,739)	(\$459,277)
SPECIAL OCCUPATIONAL HEALTH & SAFETY	\$1,092,626	\$1,241,952	\$1,229,175	\$136,549	(\$12,777)
ALCOHOLIC BEVERAGE CONTROL FUND	\$13,774,741	\$13,843,615	\$13,912,834	\$138,093	\$69,219
OKLAHOMA PENSION IMPROVEMENT REVOLVING FUND	\$144,965	\$172,172	\$172,172	\$27,207	\$0
STATE PUBLIC SAFETY FUND	\$21,013,714	\$15,987,055	\$18,500,385	(\$2,513,330)	\$2,513,330
HEALTH CARE ENHANCEMENT FUND	\$150,775,559	\$149,480,000	\$151,736,000	\$960,441	\$2,256,000
GRAND TOTAL	\$8,779,140,550	\$9,259,092,548	\$9,401,537,660	\$622,397,110	\$142,445,111

¹ \$230,077,540 has been removed from the FY-2023 GPT-Gas apportionments to the General Revenue Fund for deposits into the Revenue Stabilization Fund per 62 O.S. 2021 Section 62-34.102.

² Per HB4457 passed by the 2022 Legislature, \$5,000,000 has been removed from state Sales Tax numbers from FY-2023 onwards for apportionment to the Oklahoma Route 66 Commission Revolving Fund.

ITEMIZED ESTIMATES OF "OTHER" REVENUES
Appendix 3

	FY-2022 ACTUAL Dec 2022	FY-2023 PROJECTED Dec 2022	FY-2024 ESTIMATE Dec 2022
OKLAHOMA TAX COMMISSION:			
Bingo Excise & Charity Games	\$47,032	\$45,000	\$49,000
Tribal Cigarette Compacts	\$13,067,433	\$12,719,000	\$12,740,000
Other OTC	\$64,261,127.00	\$62,739,000	\$59,290,000
TOTAL OTHER OTC	\$77,375,593	\$75,503,000	\$72,079,000
MEDICAL MARIJUANA GROSS RECEIPTS TAX:			
Total Collections	\$60,174,599	\$51,835,000	\$48,105,000
Amount to GRF for Redbud School Grants ¹	\$0 ²	\$0 ³	\$0 ³
COLLECTIONS BY OTHER AGENCIES:			
Attorney General	\$1,264,943	\$0	\$500,000
CLEET	\$267,460	\$255,767	\$248,312
Department of Consumer Credit	\$956,294	\$675,000	\$675,000
District Attorney's Council	\$10,362,395	\$10,524,041	\$10,685,687
Department of Public Safety	\$12,478,406	\$7,401,928	\$2,144,165
Horseracing Commission	\$3,788,617	\$3,198,805	\$3,198,805
Insurance Department	\$90,143,348	\$81,129,013	\$81,129,013
Department of Labor	\$412,055	\$415,193	\$416,742
Medical Licensure	\$470,573	\$455,000	\$455,000
Nursing Board	\$417,070	\$546,261	\$546,261
OMES	\$5,681,755	\$3,548,084	\$3,259,966
Secretary of State	\$2,870,222	\$2,471,010	\$2,520,431
Department of Securities	\$18,991,952	\$19,736,000	\$20,539,000
Treasurer (Unclaimed Property)	\$10,000,000	\$10,000,000	\$10,000,000
Tribal Gaming	\$22,984,999	\$21,600,000	\$21,840,000
Other	\$0	\$0	\$0
TOTAL MISC	\$181,090,089	\$161,956,101	\$158,158,382
 GRAND OTHER	 <u>\$258,465,682</u>	 <u>\$237,459,101</u>	 <u>\$230,237,382</u>

¹ 70 O.S. 2021 Section 3-104 apportions a percentage of medical marijuana taxes in excess of what is needed to fund the Oklahoma Medical Marijuana Authority to General Revenue to fund the Redbud school grant program.

² In FY-2022, \$35,641,414.86 was apportioned to the State Public Common School Building Equalization Fund, and no medical marijuana taxes went to the GRF.

³ OMMA's agency budget is anticipated to exceed projected collections for FY-2023 and estimated collections for FY-2024. Per 68 O.S. 2021 Section 1353, when medical marijuana taxes are insufficient to fund Redbud school grants, funding will apportioned from the state Sales Tax. \$38,709,798 has been subtracted from the Sales Tax projection for FY-2023 (Appendix 2) and \$38,876,250 has been subtracted from the Sales Tax estimate for FY-2024 (Schedule 3).

EDUCATION REFORM ACT - HB 2017
Appendix 4

SB 826 of the Second Regular Session of the Forty-fifth Legislature amended Section 41.29a of Title 62 to require that the Office of Accountability account for and report monthly revenues which accrue to the Education Reform Revolving Fund. The Education Reform Revolving Fund on June 1, 1996 began receiving revenue attributable to the revenue provisions of HB 1017 rather than these revenues first being apportioned to the General Revenue Fund.

CALCULATIONS

EDUCATION REFORM REVOLVING FUND

SOURCE	FY-2022	FY-2023	PROPOSED
	ACTUAL	PROJECTION	FY-2024
	Dec 2022	Dec 2022	ESTIMATE
			Dec 2022
Income Tax-Individual	\$338,971,319	\$356,492,383	\$369,947,888
Income Tax-Corporate	\$134,537,776	\$106,917,855	\$80,818,815
Sales Tax	\$311,973,243	\$325,272,528	\$325,792,181
Use Tax	\$74,973,251	\$66,280,836	\$71,439,290
Cigarette Tax	\$2,091,996	\$2,002,766	\$2,007,134
Tobacco Products Tax	\$786,117	\$656,708	\$697,383
Tribal Gaming	\$168,556,659	\$158,400,000	\$160,160,000
Horse Track Gaming	\$27,130,987	\$22,793,040	\$22,793,040
Special License Plates	\$251	\$0	\$0
Business Activity Tax	\$57	\$0	\$0
Insurance Premium Tax	\$0	\$0	\$0
OMMA Revolving Fund Appropriation	\$37,500,000	\$0	\$0
TOTAL - 100% OF ESTIMATE	\$1,096,521,656	\$1,038,816,115	\$1,033,655,730

INFORMATIONAL ROADS FUND APPORTIONMENT SUMMARY

Appendix 5

Legislative History

House Bill 2272, passed in the 2008 Legislative Session, amends Title 69, Section 1521 of the Oklahoma Highway Code. Effective July 1, 2009 for FY-2010, the Transportation Department will receive the total amount apportioned to the ROADS fund for the preceding fiscal year plus an additional \$30 million each year until a cap of \$370 million is reached.

Legislated Adjustments to the ROADS Fund

Senate Bill 1466 passed in the 2010 Legislative Session, amends Title 69, Section 1521 of the Oklahoma Highway Code. Effective July 1, 2011 for FY-2012 and for each fiscal year thereafter, the Transportation Department will receive the total amount apportioned to the ROADS fund for the preceding fiscal year plus an additional \$35.7 million each year until a cap of \$400 million is reached.

Senate Bill 976, passed in the 2011 Legislative Session, amends Title 69, Section 1521 of the Oklahoma Highway Code. Effective August 26, 2011 for FY-2013, the Transportation Department will receive the total amount apportioned to the ROADS FUND for the preceding fiscal year plus an additional \$41.7 million each year until a cap of \$435 million is reached.

House Bill 2248, effective July 1, 2012, amends the same title and section. For FY-2014 and all fiscal years until the cap is reached, the Transportation Department will receive the total amount apportioned to the ROADS Fund for the preceding fiscal year plus an additional \$59.7 million. The cap was raised to \$575 million.

House Bill 1014XX, effective July 1, 2019, directs diesel and gasoline fuel taxes imposed by House Bill 1010XX and most motor vehicle revenues to the ROADS fund. For FY-2020, estimated amounts of \$56M, \$60.9M and \$192.7M are generated from diesel, gasoline fuel and motor vehicle revenues respectively. For FY-2021, estimated amount of \$53.9M, \$59.5M and \$192.2M are generated from diesel, gasoline fuel and motor vehicle revenues respectively. Contributions to the ROADS fund from motor vehicle revenues and fuel taxes replace personal income tax contributions dollar-for-dollar. Offset personal income tax dollars are redirected to GRF.

House Bill 2743, passed during the 2020 Legislative Session, apportioned \$180,000,000 in dedicated ROADS revenue to the Education Reform Revolving Fund for FY-2021 and FY-2022.

House Bill 2895, passed during the 2021 Legislative Session, restored dedicated revenue back to the ROADS Fund and cancelled the ERRF transfer. The cap was raised to \$590 million effective FY-2023.

	FY-2021 ACTUAL 15-Jun-20	FY-2022 ACTUAL 18-Dec-20	PROPOSED FY-2023 PROJECTION 27-Dec-21	PROPOSED FY-2024 ESTIMATE 27-Dec-21
ROADS Fund Cap	\$395,000,000	\$575,000,000	\$590,000,000	\$590,000,000
OK Tourism & Passenger Rail Rev. Fund	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Public Transit Rev. Fund	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Apportionment from Motor Vehicle Revenues	\$188,353,862	\$235,325,801	\$236,032,000	\$249,699,000
Apportionment from Diesel Taxes	\$8,421,861	\$57,078,495	\$58,045,000	\$55,961,000
Apportionment from Gasoline Taxes	\$9,181,710	\$58,608,687	\$57,478,000	\$57,590,000
** Total Apportionment from Income Tax	\$223,987,016	\$228,987,016	\$243,445,000	\$231,750,000

** Total apportionment from income tax amounts have been removed from the respective individual income tax numbers.

SUMMARY OF RESERVES AND UNSPENT REVENUES
Appendix 6

Fund	Amount
Constiutional Reserve Fund (Rainy Day Fund)	\$1,051,160,288
Revenue Stabilization Fund (RSF)	\$396,911,734
Total Reserves (RDF and RSF)	\$1,448,072,022
2021 General Revenue	\$381,162,054
2022 General Revenue	\$945,474,147
2023 General Revenue (Projected)	\$193,022,073
Total Unspent Cash	\$1,519,658,274
FMAP Rate Preservation Fund Balance	\$249,471,749
 ALL FUNDS TOTAL	 \$3,217,202,045

GLOSSARY

Appendix 7

Additional Budgetary Authorizations: Those amounts, authorized by law, which do not affect the Certified Funds or specific Authorized Funds reported for Board action.

Agency Revolving Funds: Funds are created solely for the agency, and the agency can budget and spend from the funds without annual Legislative appropriation.

Authorized Expenditures: Appropriations and spending authorizations made by the Legislature.

Authorized Funds: Funds not certified by the Board of Equalization. For non-certified funds, the Legislature authorizes the expenditure amount from the fund based on total (100%) estimated collections instead of appropriating 95% of total estimated collections.

In statute, language specifically states that fund is a continuing fund, not subject to fiscal year limitations and is authorized to be expended by the Legislature.

Cash Flow Reserve Fund: Fund used to enable equal monthly General Revenue Fund disbursements to agencies.

Certified Funds: Funds certified by the Board of Equalization. Certified revenue equals 95% of total estimated collections to each certified fund for the following fiscal year. In statute, language specifically states that fund shall be subject to legislative appropriation.

Constitutional Reserve Fund: Reserve fund available during General Revenue failures.

Estimate: Expected collections for future fiscal year.

Expenditure Authority: Expected collections and cash the Legislature has authority to

Fiscal Year (FY): Financial and accounting year beginning July 1 and ending June 30.

Prior Year Certified: Unencumbered collections certified in the prior year.

Projected: Expected collections for current fiscal year based on most recent re-estimates.

Reappropriations : Unspent and expired appropriations to agencies that are re-appropriated for agency use.

Revenue Stabilization Fund : Reserve fund established to smooth volatile revenue streams including corporate income tax, gas production tax, and oil production tax.

Special Cash: Disbursement fund used to move appropriated cash from agency funds for appropriation to other agency funds.

Unencumbered/Unspent: Expected collections and cash the Legislature has the authority to spend but has not.

RELEVANT LEGISLATION AND STATUTES AND PURPOSE OF BOE

Appendix 8

Relevant Legislation and Statutes

The summation of the itemized estimates of revenue, Schedule 3, and the amounts available for appropriation are proposed as the amounts to be certified by the State Board of Equalization in accordance with Section 23, Article X, Constitution of Oklahoma. The amounts proposed as available for appropriation are calculated as 95 percent (95%) of the summation of the itemized estimate of revenue for the respective funds, except for federal funds which shall be certified for the full amount of the estimate.

Pursuant to House Bill 1014XX passed during the Second Special Session in 2017, amending Title 69, Section 1521 of the Oklahoma Highway Code, effective July 1, 2019, Motor Fuels Taxes enacted by HB1010XX and most Motor Vehicle Taxes currently distributed to the GRF are to be directed to the ROADS Fund and an equal amount of personal income tax currently diverted to the ROADS Fund will be redirected to the GRF. The ROADS Fund contribution from Motor Vehicle revenue, diesel fuel taxes, and gasoline fuel taxes for FY 2022 is projected to be \$247.7M, \$53.9M, and \$59.5M, respectively. FY 2023 is estimated to be \$259.7M, \$54.0M, and \$57.0M, respectively. The schedule reflects the decreased Motor Vehicle revenue contribution to GRF and the offsetting increase in the personal income tax contribution to the GRF.

Pursuant to HB1019XX passed during the Second Special Session in 2017, amending Title 68, Section 1403, the first \$20.5M in Use Taxes for FY 2020 and each year thereafter, will be apportioned to the Education Reform Revolving Fund (1017). These amounts have been removed from respective GRF use tax numbers.

Purpose of BOE

The Oklahoma State Constitution (Article 10, Section 23) designates the Board of Equalization as the body responsible for carrying out the state's balanced budget procedures. The Board sets certifies revenue collections for prior years, sets expenditure limits for the Governor and the Legislature based on current-year revenue estimates, and determines overall limit on expenditure growth from year-to-year. The Board is comprised of the Governor, Lieutenant Governor, Treasurer, Auditor and Inspector, Attorney General, Superintendent of Public Instruction, and Secretary of Agriculture.

Pursuant to Section 23, the Board of Equalization must meet at least two times each fiscal year:

- “no more than 45 days but no less than 35 days before the start of the legislative session”
- “within five days after the monthly apportionment in February of each year.”

The Board can only meet again and adjust revenue estimates if the Legislature and Governor enact laws during regular or special session that reduce or increase revenue certified by the board; transfer cash from one fund to another; or establish a new certified, appropriated fund. In practice, the Board meets in June to incorporate legislative changes enacted during the legislative session and to re-certify revenue available for the coming fiscal year.

The Office of Management & Enterprise Services (OMES) compiles revenue projections from revenue-collecting agencies, analyzes the information, and presents the information to the Board for its consideration and approval. Projections for the General Revenue Fund are estimated by the Tax Commission staff utilizing an economic model developed by Oklahoma State University, additional resources provided by Oklahoma-based research firm RegionTrack, and other national forecasts specific to the energy sector. Revenue estimates presented to the board are based on current and prior year collection trends, economic forecasts, federal and state tax law changes, and other foreseeable factors.

Revenue certified and authorized at the December Board meeting serves as the basis for the Governor's Executive Budget. The Board considers possible revisions to the December estimate at the February meeting. Revisions are based on economic changes and additional collections data that have been noted since that time, which may increase or decrease anticipated revenue collections. The estimate approved at the February meeting set a binding limit on appropriations for the legislative session.