

Special Cash Fund Transfers

One component of the FY-2008 budget involved identifying a variety of agency revolving funds that exceed the amount needed to balance FY-2007 expenditures. These funds can be re-directed to cover agency operating costs for FY-2008. This proposal transfers a total of \$26.7 million to the special cash fund. This proposed transfer of funds is based on a careful analysis of budgeted versus actual receipts and disbursements.

Excess GR Funds

Revenues collected in the General Revenue fund are again expected to exceed the estimate, this year by \$201 million. The current balance in the Rainy Day Fund is \$496 million and the new cap for FY-2007 will be \$572 million. After \$76 million is deposited to attain the new maximum in the Rainy Day Fund, another \$125 million will be available as excess revenue. These funds are one-time funds and should only be used for one-time purposes. To maximize the impact of these funds, the Governor recommends the following investments with the \$125 million in excess funds:

- ✓ \$50 million to the Economic Development Generating Excellence (EDGE) Endowment Fund to be matched with private funds for research investments in target areas, commercialization of technology and creation of economic growth and jobs.
- ✓ \$25 million to the Teachers Retirement System. This system is ranked as the worst funded retirement system with a 49.5% funded ratio.
- ✓ \$15 million to the State Emergency Fund. These funds will help reimburse local governments and businesses for costs related to federal and state declared disasters.
- ✓ \$15 million to the Opportunity Fund to provide the state more flexibility to attract and retain businesses in Oklahoma.
- ✓ \$7 million for bio-fuels research.
- ✓ \$5 million to the Historical Society to match with \$5 million of private funds to create an endowment for operating costs of the new History Center.
- ✓ \$2 million to expand Middle School Math Labs. This funding will provide 10 additional math labs.
- ✓ \$2 million to purchase equipment for conversion to digital license plates.
- ✓ \$1 million to DCS for Centennial maintenance needs.
- ✓ \$980,000 for the costs associated with the Presidential Preferential Primary Election to be held in February 2008.
- ✓ \$850,000 to the Oklahoma Medical Research Foundation for the purchase of state of the art medical equipment.
- ✓ \$750,000 to support educational programs in science.
- ✓ \$300,000 to Legal Aid of Western Oklahoma to increase services to citizens.

Expenditure Proposals

The first step in developing this budget involved reviewing individual agency budgets. Office of State Finance staff utilized performance based budgeting techniques to evaluate programs and services. The Governor places a strong emphasis on performance and efficiency measures for agencies. Agencies have been and will continue to be challenged to improve services and