

STATE OF
OKLAHOMA

SUBMITTED BY
MARY FALLIN, GOVERNOR

TO THE SECOND SESSION OF THE
53RD OKLAHOMA LEGISLATURE



EXECUTIVE BUDGET

FOR FISCAL YEAR ENDING JUNE 30, 2013



Mary Fallin
Office of the Governor
State of Oklahoma

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

It is my pleasure to submit for your consideration the FY-2013 executive budget. The plan I have put forward is a responsible budget that accomplishes the goals of reducing the tax burden on Oklahoma citizens, supporting core government functions, holding the line on spending and demanding a more efficient and effective state government.

The tax proposal submitted within this budget, titled the "Oklahoma Tax Reduction and Simplification Act," provides immediate tax relief while setting the state on a course to completely eliminate the personal income tax. It is a bold, game-changing plan that will allow Oklahomans to keep more of their hard earned money, stimulate job growth and make Oklahoma a more attractive place to locate or expand businesses. It is also a responsible plan that benefits Oklahomans in all income tax brackets and that recognizes the need to adequately fund state services.

Addressing our budget needs for FY-2013 is only part of the important task that lies before us. Continuing to improve our educational institutions and to build a more highly skilled, better educated workforce will be essential to maintaining Oklahoma's impressive economic growth in years to come.

Included also in this budget are proposals to invest in major improvements in Oklahoma's highway transportation system, currently ranked as one of the worst in the nation. By repairing all currently known structurally deficient highway bridges, Oklahoma can become a leader in transportation, and thus further stimulate job growth and economic development.

Energy will also continue to be a priority in Oklahoma, as it has always been. While Oklahoma is destined to remain a leader in production, energy efficiency is an area that requires major improvement. This document outlines key steps that can be taken to increase efficiency and save taxpayer dollars.

Finally, Oklahoma's poor health indicators continue to generate personal tragedy while dragging down the state's economy. Several key programs to increase access to care and to reward healthy life choices are included in this year's budget.

I ask the Legislature and the Citizens of Oklahoma to come together in support of this agenda. If we do so, I am certain we can rise above the current budget struggles and emerge as a stronger, healthier state.

Sincerely,

A handwritten signature in black ink that reads "Mary Fallin".

Mary Fallin
Governor



STATE OF OKLAHOMA
OFFICE OF STATE FINANCE

February 6, 2012

Governor Fallin:

Please accept this, your executive budget for the FY-2013 budget year. The budget is balanced as required by law.

The budgets of all state agencies, boards and commissions were thoroughly reviewed in the preparation of this budget. Staff of the Budget Division of OSF and I met with directors of major state agencies to examine and analyze agency programs and expenditures. State agency administrators and their staff provided information necessary for this budget review. They also made suggestions to improve the efficiency and effectiveness of the delivery of services by their agencies. Our examination included a review of management efficiencies and innovations, alternative funding methods, tax policies, expenditures and revenue enhancement proposals.

The budget development process was inclusive of many interested parties, including you and representatives of your staff who joined in meetings with agencies and offered ideas and suggestions.

Thank you for all of your time and attention in the development of the budget. To others involved in this process, I extend my appreciation for their input. I also want to thank analysts with the Budget Division for their diligence, hard work and dedication.

Respectfully,

A handwritten signature in blue ink that reads "Preston L. Doerflinger".

Preston L. Doerflinger, Director
Office of State Finance

OKLAHOMA OFFICE OF STATE FINANCE

February 6, 2012

Citizens of the State of Oklahoma Members of the Second Regular Session of the Fifty-Third Legislature

Governor Mary Fallin's FY-2013 budget consists of the following two documents. Both are available on the Internet. You can view them by accessing the Oklahoma Home Page, the Home Page of the Office of the Governor, or the Home Page of the Office of State Finance. The Oklahoma Home Page address is: <http://www.ok.gov>.

"FY-2013 EXECUTIVE BUDGET, Volume I"

This document contains Governor Fallin's budget recommendations to the 2012 Legislature. It includes a discussion of state revenues, a summary of her proposed budget and explanations of budget recommendations for state agencies.

"FY-2013 EXECUTIVE BUDGET, Volume II- HISTORICAL DATA"

This document is available online and includes detailed historical financial information about each agency of state government. The information is arranged by Cabinet Department and Branch of Government.

The individual display for each agency/entity of government includes the following:

- Mission of the Agency
- Description of the Board/Commission that governs the agency
- Description of agency Duties/Responsibilities
- Constitutional and Statutory References related to the entity
- Information regarding agency workload
- Expenditure and personnel data for FY-2010, FY-2011 and FY-2012

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Executive Summary

Governor Fallin’s FY-2013 Agenda

Tax Reform

Governor Fallin believes that lower taxes lead to job creation, increased productivity and greater prosperity. To further reduce the tax burden on working Oklahomans and to stimulate economic growth, the governor has proposed the Oklahoma Tax Reduction and Simplification Act.

The governor’s plan represents the boldest, most significant income tax reduction in state history. In her words, it is a “game changer” for Oklahoma.

Oklahoma Tax Reduction and Simplification Act

Governor Fallin’s tax proposal replaces Oklahoma’s complicated seven bracket income tax structure, which taxes the first penny that every Oklahoman makes, with three new lower, flatter and simpler rates. These tax cuts would go into effect on January 1, 2013. This plan represents a tax cut for the vast majority of taxpayers in every income bracket without increasing other taxes, or shifting the burden on to others. Furthermore, the governor’s plan achieves a large, across-the-board tax cut while protecting core government services without adversely affecting the working poor and middle class.

Governor Fallin’s Plan vs. Current Structure

Single Returns					
Governor Fallin’s Plan			Current Structure		
Bracket	Taxable Income	Tax Rate	Bracket	Taxable Income	Tax Rate
1	\$0 under \$15,000	0.000%	1	\$0 under \$1,000	0.50%
2	\$15,000 under \$35,000	2.250%	2	\$1,000 under \$2,500	1.00%
3	\$35,000 and above	3.500%	3	\$2,500 under \$3,750	2.00%
			4	\$3,750 under \$4,900	3.00%
			5	\$4,900 under \$7,200	4.00%
			6	\$7,200 under \$8,700	5.00%
			7	\$8,700 and above	5.25%
Married Joint, Head of Household, Surviving Spouse Returns					
Governor Fallin’s Plan			Current Structure		
Bracket	Taxable Income	Tax Rate	Bracket	Taxable Income	Tax Rate
1	\$0 under \$30,000	0.000%	1	\$0 under \$2,000	0.50%
2	\$30,000 under \$70,000	2.250%	2	\$2,000 under \$5,000	1.00%
3	\$70,000 and above	3.500%	3	\$5,000 under \$7,500	2.00%
			4	\$7,500 under \$9,800	3.00%
			5	\$9,800 under \$12,200	4.00%
			6	\$12,200 under \$15,000	5.00%
			7	\$15,900 and above	5.25%

A Path to Prosperity

Reductions in the personal income tax will increase individual purchasing power and business expansion, which will result in increased revenues from other sources, such as the sales tax, corporate income tax, excise tax and other tax revenues. In terms of growth, employment, and other economic indicators, we know that on average, low-taxed states outperform high-taxed states. According to Americans for Prosperity, “over the past decade, non-income tax states have seen 59 percent economic growth, versus just 38 percent for high-income tax states.” In addition, “job growth has been 4.7 percent in the non-income-tax states, while high-income tax states actually lost 2.9 percent of their jobs.”

Today, Oklahoma ranks 38th in the nation in terms of the individual income tax rate according to the Tax Foundation. At the start of Fiscal Year 2011, the states with the lowest top statutory income tax rate include Pennsylvania at 3.07 percent, Indiana at 3.4%, Michigan at 4.35 percent, Arizona at 4.54 percent and Colorado at 4.63 percent. Governor Fallin’s tax cut places Oklahoma squarely in competition with those lower-taxed states at a top statutory income rate of 3.5 percent, and would rank the state as the second-lowest in the region among Arkansas, Kansas, Louisiana, Nebraska, New Mexico and Texas.

After 2013, the governor proposes further reductions by cutting the remaining income tax an additional quarter point in every year where the state of Oklahoma hits a revenue growth trigger of 5%; eventually eliminating the income tax for every Oklahoman. Governor Fallin’s income tax plan is a bold, responsible and pro-economic growth measure that will lead to greater prosperity for all Oklahomans for decades to come.

Tax Credits and Transparency

Governor Fallin recognizes that the current tax credit structure in Oklahoma often forces the state to pick winners and losers. That is why the governor plans to eliminate tax credits that cost the state approximately \$200 million under the current tax structure in order to produce savings within government, eliminate waste and ensure that all Oklahomans in every income tax bracket are winners by allowing them to keep more of what they have worked so hard for.

In addition, Governor Fallin supports efforts to increase and expand transparency to the current tax expenditure reporting system and state Open Books web site, by providing more details on all state tax provisions such as present and future cost estimates, the number of recipients, and more.

Additional savings

In addition, Governor Fallin’s simplification of the system will save the Oklahoma Tax Commission an estimated \$300,000 in processing, printing and mailing costs in Fiscal Year 2014. This represents savings that could be used to hire five to six additional compliance officers who could help generate more than \$2 million a year in uncollected sales and use tax.

Teachers’ Retirement System and Ad Valorem

Acknowledging the income tax reduction’s effects to other funds, Governor Fallin proposes to appropriate \$7.9 million to OTRS and the Ad Valorem Reimbursement Fund to ensure each is funded as promised in FY-2013.

Government Efficiency

Performance Measurement

As shareholders in the business of state government, the public must be confident in the efficiency and efficacy of the “organization.” To ensure Oklahomans have that certainty, and to reduce government waste and increase accountability within agencies, the governor recommends revamping the statewide performance measurement system to provide a framework of accountability. This performance measurement system is a key component of the governor’s plan to create a smarter, more cost-effective state government.

Under current statute, agencies are required to turn in strategic five-year plans every other year. While agencies comply with this provision, no oversight has been performed in the past to determine whether the strategic plans support the core mission of each agency. The Office of State Finance (OSF) will update the criteria for agency strategic plans and will help provide tools for each agency to ensure that planning and programming are backed up by data and successful outcomes.

Additionally, under the current budget system, agencies are required to submit performance information with their request. However, the system lacks the ability to link performance directly to resource allocation. The governor’s budget includes obtaining a software system that incorporates the following:

- Processes used to manage organizational performance, such as strategy formulation, budgeting and forecasting;
- The methodologies that support these processes, including strategic planning and management; and,
- The metrics used to measure performance against strategic and operational performance goals.

The ideal system includes a robust measurement process that directly links performance to resources, allowing decision makers to have access to the information they need to utilize funds and workforce where they will be most effective.

As outlined in the consolidation report, “Government Modernization: HB 2140, Consolidating the State of Oklahoma’s Administrative Functions,” an efficiency team within OSF is being developed to evaluate state agencies and service areas to determine the need and/or potential for increasing efficiencies. The agencies will then utilize the performance measurement resources described above to develop a timely and responsive assessment process allowing for continual improvement. This process will also allow the state to more readily identify agencies that may require more intensive audits to be performed by the state auditor. The Auditor’s Office can also play a role to ensure the measures are serving their intended purposes and are calculated appropriately.

At a proposed funding level of \$3.5 million, this plan will create a transparent performance environment so the public can evaluate their government on the efficiency of its administration, the effectiveness of its programs, and the appropriate use of funds provided. Through this process, the state will maximize the use of its resources while eliminating unnecessary and burdensome practices.

The government modernization consolidation report can be found at www.ok.gov/osf

Energy

Energy Efficiency and Conservation

Oklahoma has long been a leader in energy production. Unfortunately, we are also ranked as one of the least energy-efficient states in the nation. In fact, according to a recent report from the American Council for an Energy Efficient Economy, Oklahoma is the fourth worst state. Not only are we squandering our natural resources, but we are costing taxpayers millions of dollars in the process.

This legislative session, Governor Fallin is asking the legislature to approve a measure that directs all state agencies and higher education institutions to achieve an energy efficiency and conservation improvement target of at least 20 percent by 2020.

By applying Governor Fallin's comprehensive behavior-based energy program, conservative projections show state facilities have the potential to reduce energy consumption by 20 percent–30 percent, representing net savings to taxpayers over 10 years of \$300-\$500 million. These savings are real, they are significant and they can begin to be realized from the very first month of implementation. All costs of this program will be fully funded by the savings generated from the program, which are estimated to be over \$10 million during the first year. This approach allows the program to be successfully implemented without increasing appropriations, requiring expensive mechanical upgrades or other retrofits of current state assets. Governor Fallin's plan covers all state buildings and higher education facilities — a total footprint exceeding 47 million square feet, ranging from buildings built in the 1800s to new construction.

The state is following the example already set by Oklahoma State University. Since launching an aggressive and comprehensive behavior-based energy program in 2007, OSU has reduced energy consumption across its campuses by 19 percent. This has resulted in quantifiable savings of nearly \$19 million. But just as importantly, the energy program has changed the culture at OSU. From leadership and staff to the student body, OSU has created a culture of energy conservation that will benefit the school for generations to come.

This proven model for behavior-based energy conservation has also proven to be successful in school districts across the state for more than 20 years. Since 1989, 37 Oklahoma school districts, including Tulsa, Edmond, Jenks, Bristow, Hillsdale, Noble, Enid, Stillwater, Harrah, Sapulpa and Norman, have implemented similar behavior-based energy programs and have achieved more than \$68 million in savings.

To learn more about Governor Fallin's Oklahoma First Energy Plan, please visit www.governor.ok.gov

Health

Healthy living is important, not just because we want Oklahomans to live full and happy lives, but because the effects of unhealthy life choices hurt our economy, drain taxpayer dollars and drive up the cost of health care for everyone. Oklahoma is currently ranked 48th in overall health indicators in the nation. The state has extremely high rates of obesity and smoking-related illness, costing billions of dollars in health care expenses and lost productivity. The initiatives outlined below will lead to a healthier Oklahoma and help contain the growth of increasing health care costs currently straining the budgets of families, businesses and state government.

Certified Healthy Businesses and Schools

As the chief executive for the state of Oklahoma, the governor is committed to worksite wellness and her office has received certification through the Certified Healthy Business program. She has challenged her cabinet officials and all state agencies to become certified healthy businesses as well. The governor is equally concerned with the health and wellness of our children. The governor's budget includes \$1.5 million in funding for the Certified Healthy Schools Reward Program. This program will provide financial rewards to each Oklahoma school that voluntarily achieves Certified Healthy School status by creating a healthy place for children to learn through increased physical activity and access to nutritious foods, providing wellness opportunities for school staff, referring children for needed physical and mental health services, and teaching children how to take responsibility for their health. The Certified Healthy Business and Certified Healthy Schools programs are part of a larger program that includes Certified Healthy Communities, Restaurants and Campuses. In 2011, about 490 Oklahoma businesses, schools, and communities received Healthy Oklahoma Certification and more than 1,000 have voluntarily been certified since the program began.

Infant Mortality Program

Governor Fallin's budget includes \$1.7 million in funding to help deal with the high rate of infant death in Oklahoma. This funding will enhance the current statewide infant mortality initiative, by implementing targeted interventions through hospitals, key state and local agencies, and partner organizations to improve health outcomes for Oklahoma mothers and infants. Infant mortality can be improved in Oklahoma through simple, evidence-based steps such as laying a baby on its back to sleep, encouraging women to breastfeed, teaching parents about normal infant crying in order to reduce abusive head trauma, and reducing smoking among pregnant women and family members. This program will utilize the existing health care and public health systems to give parents the tools they need to raise a healthy infant.

Rural and Underserved Area Residency Program

Sixty-four of Oklahoma's 77 counties are experiencing health professional shortages. The United Health Foundation also ranks Oklahoma 49th in the country for the number of primary care physicians for its population. The lack of access to health care providers, especially primary care physicians, is a significant factor in Oklahoma's poor health outcomes. In an effort to reduce the shortage of health professionals in rural and underserved areas, the governor is supporting the expansion of rural residency programs in Oklahoma. Rural residency programs have been shown to help retain physicians where they are needed the most. The governor's budget proposal includes

\$3.08 million to establish 40 new residency slots at five hospitals. After three years, federal funding will become available to sustain this program.

Mental Health / Smart on Crime Initiative

The governor's budget continues to build on last year's initial investment of \$3 million in the Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS) Smart on Crime proposal which increased the number of women receiving addiction treatment to prevent incarceration and created 24/7 mental health emergency responders and services to assist law enforcement in Oklahoma County. This investment will continue to help preserve families, increase employment and reduce the state's high incarceration rate for women.

Community Based Crisis Centers

Law enforcement has been traveling further distances and at a greater frequency transporting persons with mental illness who are in need of crisis services. As an example of the scope of this issue, for one moderate size county alone, local law enforcement made nearly 450 trips during the past year, each a minimum of 50 miles one way, taking up at least 1,400 hours of officer time. The governor's budget includes \$2.5 million for one additional crisis center. Community-based crisis centers are the best practice in intensive short-term treatment because they are close to local communities. Investing in these centers means these critically needed mental health services will be available locally allowing our citizens to receive treatment closer to home and keeping our officers on the street fighting violent crime as opposed driving hundreds of miles. For persons receiving treatment, it will reduce risks of suicide and involvement with the criminal justice system.

Jail Screenings

Currently, district attorneys, defense attorneys and the judiciary rarely receive objective information regarding the mental health and substance abuse needs and the level of risk of the person standing in front of them. This information would aid prosecutorial and defense decisions as well as help inform sentencing decisions. The ODMHSAS has proposed to develop jail screeners through its network of community providers across Oklahoma. These screeners will utilize evidenced-based, objective tools for mental health and addiction screening and determine the risks and needs of each individual. The governor's budget includes \$500,000 for this initiative.

Systems of Care Grant

About 10 percent of Oklahoma youth have a mental health disorder and an additional 10 percent have a substance abuse issue. Without early and effective identification and interventions, childhood disorders can lead to school failure, poor employment opportunities, poverty and criminal justice involvement in adulthood. The governor's budget includes \$3,083,163 for the state match portion of the Systems of Care Grant. Systems of Care is a comprehensive spectrum of mental health and other services that are organized into coordinated networks to meet multiple needs. The program provides community based, family driven, youth-guided, and culturally competent services statewide. These family centered programs have led to healthier Oklahoma families through significant reductions in self-harm attempts (39 percent decline), reduced law enforcement contacts (47 percent decline) and reduced school detentions (53 percent decline). The Systems of Care program is the backbone of the children's treatment system and Oklahoma is the national leader in this evidence-based approach to serving children and youth with mental illness and substance abuse disorders. This investment underscores the importance of serving these youth now to avoid more expensive consequences down the road.

Health Funding Changes

The Governor's budget holds agencies harmless for the loss of federal ARRA dollars by replacing the federal Recovery Act dollars that were used in FY-2012 at the following levels:

- Health Care Authority: \$70,866,174
- Department of Human Services: \$22,618,363
- Department of Mental Health and Substance Abuse Services: \$4,038,695
- Department of Health: \$605,711
- J.D. McCarty Center: \$381,128
- Office of Juvenile Affairs: \$271,612

These amounts are built into agency budgets. In response to that and the recently approved Medicaid Waiver that increased FY-2012 funding by \$30 million, the governor's budget includes a 1% decrease, or \$9.8 million, to the Health Care Authority.

Mental Health Fund Transfer

The Governor proposes transferring policy setting and enactment responsibility as well as state matching dollars for behavioral health services from OHCA to ODMHSAS.

ODMHSAS is the State's expert on behavioral and mental health. ODMHSAS has led the nation in transforming the behavioral health system for children in need through the development of Systems of Care (SOC) and is looked to by other States as an example of how to provide for the comprehensive needs of children with severe mental health needs. Other areas of national leadership include the development and use of tele-psychiatry, Programs of Assertive Community Treatment (PACT), the treatment of co-occurring mental health and substance abuse disorders, paying providers for performance and outcomes rather than a strictly fee-for-service (FFS) model, and doing more with less. ODMHSAS is quick to adapt to changing knowledge and data, keeping its system up to date by discontinuing the purchase of services which fail to have the desired outcomes and teaching, training, and growing providers in the services and tools which foster successful care and outcomes. If the ODMHSAS fully assumes the role of the state's behavioral health authority, then it will also strengthen the important partnerships the Department has developed with its network of private providers.

Under the funding transfer, ODMHSAS will oversee the negotiations with CMS on Oklahoma State Plan Amendment and Waiver functions related to behavioral health, oversee service definitions and provider qualifications for all Medicaid and ODMHSAS funded services, set rates for services, determine medical necessity criteria, contract with providers, give technical assistance to service providers and authorize the payment of services for contractors of behavioral health services. This would include the transfer of an estimated \$136 million state dollars/state match from the OHCA budget to the ODMHSAS budget for these behavioral health services. This system would enable maximum efficiency of resources, promote comparable outcome expectations from multiple behavioral health provider types and allow dollars to be braided and blended to create the best and most cost effective behavioral health system in the country.

Transportation and Infrastructure

Governor Fallin recognizes that having safe, modern and functional roads and bridges is vital to commerce and job creation. Businesses and individuals need a modern, safe transportation infrastructure servicing their needs. Unfortunately, the condition of Oklahoma's bridges have long been an impediment to economic growth. For years, Oklahoma has topped the national "bad bridges" lists. Currently, Oklahoma has 706 bridges on the state highway system that are identified as structurally deficient. Governor Fallin's Bridge Improvement and Turnpike Modernization Plan proposes to repair each one of those bridges while providing assistance to counties and modernizing the turnpikes outside of the state's largest two cities.

Bridge Improvement and Turnpike Modernization Plan

State Roads and Bridges

Of Oklahoma's 706 structurally deficient bridges, 413 are scheduled for rehabilitation or replacement under the state's Eight Year Construction Plan. If no further action is taken, 293 structurally deficient bridges will not have the funding required for rehabilitation.

Under Governor Fallin's plan, Oklahoma will repair the remaining 293 structurally deficient bridges and bring the total number of currently identified structurally deficient highway bridges down to zero by 2019. These improvements will place Oklahoma's highway bridge infrastructure system among the best in the nation. To accomplish this, Governor Fallin has included in her executive budget a financial commitment to add an additional \$15 million to improve Oklahoma roads and bridges. These funds were originally intended to support road maintenance, but have been diverted in past years to other critical needs. The governor's intent is to restore the use of this motor vehicle revenue to its original purpose. The governor is also asking the legislature to raise the fiscal cap on the ROADS fund from \$435 million to \$550 million. Raising the incremental contribution and increasing the ROADS fund cap generates an estimated \$479 million over an eight year time period; giving the Oklahoma Department of Transportation (ODOT) the resources it needs to virtually eliminate structurally deficient bridges on the state highway system.

County Roads and Bridges

The county road system in Oklahoma is extensive, and proper care and maintenance of this important transportation linkage has placed a fiscal burden on our counties during challenging economic time. That is why the governor is also proposing that the state inject extra resources and energy into the county-level efforts to improve locally maintained bridges. For starters, ODOT predicts that the disassembling of the current I-40 Crosstown Bridge in Oklahoma City will leave Oklahoma with 1,500 to 1,800 50-foot steel beams in good condition that can be safely reused at the county level. ODOT predicts these beams can aid in the construction of around 300 new county bridges. All proposed bridge projects using the cross-town beams can be under contract or completed by December 2014.

In addition, to ensure counties have the resources they need to continue these improvements, Governor Fallin is asking the legislature to increase funding for the County Improvement for Roads and Bridges (CIRB) fund by shifting the percentage of revenue from motor vehicle collections that are dedicated to improving roads and bridges from 15 percent to 20 percent. By doing this, an additional \$20 million will be generated a year for local road and bridge improvement; an investment that is sorely needed.

Creek and Kilpatrick Turnpikes

Finally, Governor Fallin's recognizes the increased congestion on two of Oklahoma's most widely traveled roads: the Kilpatrick Turnpike in Oklahoma City and the Creek Turnpike in Tulsa. At the current rate of traffic increases, both of these roads will be extremely congested by 2016, meaning longer commutes, less commerce and serious problems for two of our largest cities. That is why the Oklahoma Turnpike Authority is working to improve safety and capacity on these two roads, without raising tolls or taxes.

Other Major Initiatives

Capitol Capital Needs

The state Capitol Building is currently in a state of disrepair. Facility fundamentals, such as mechanical, plumbing and electrical systems, building maintenance, and historical/architectural preservation have been largely ignored. The building systems are overtaxed and out of compliance with modern codes. In response, Governor Fallin's budget includes \$5 million to cover the debt service associated with a bond issue of approximately \$50 million to begin addressing these deficiencies.

Emergency Fund

The Emergency Fund exists to reimburse eligible entities for infrastructure damages caused by natural disasters. Currently there is a multi-year backlog. The governor's budget not only eliminates the backlog by proposing a supplemental appropriation for FY-2012 in the amount of \$34.1 million, but allocates enough money to prepare for future emergency costs with an increased appropriation for FY-2013 of \$6 million.

The burden placed on counties and cities as well as on state agencies, such as the National Guard, to assist Oklahomans when emergencies strike is not alleviated when there is no money to reimburse them for their costs. In Oklahoma, it is not a question of if we have these emergencies, but when.

Office of the Chief Medical Examiner

The Office of the Chief Medical Examiner (CME) is charged with protecting the public health and safety of Oklahomans through the scientific investigation of deaths as defined by state statutes. This process involves scene investigation and medicolegal autopsy complementing the activities of law enforcement agencies, district attorneys and public health officials. The Office is under the new leadership of Dr. Eric Pfiefer, and in just six months, they have nearly eliminated the old backlog of cases, implemented and updated vital policies and procedures, enacted cost containing measures and adopted national standards and best practices. However, the agency is still in critical need of personnel, equipment and infrastructure improvement. The Chief Medical Examiner's office lost national accreditation in 2009. Under Dr. Pfiefer, the office has made tremendous strides and with the proper support, the CME can achieve national accreditation once again. In addition to the \$1 million supplemental highlighted below, the governor has included a \$2 million increase for FY-2013 in order to put the agency on the path towards re-accreditation.

Highway Patrol Academy

Over the last several years, the Oklahoma Highway Patrol has experienced a considerable decline in the number of Troopers. There are distinctive circumstances that have contributed greatly to this reduction. Foremost, there has not been a funded patrol academy since 2009. Without another academy, the number of Troopers will become increasingly insufficient to fulfill the duties with which the OHP is charged. Further, 210 members of the Patrol are currently eligible to retire, with another 26 Troopers becoming eligible in June of 2012. These 236 Troopers represent 31% of the total Patrol workforce. The current strength of 759 as of 01/31/2012 is already a low water mark that could potentially affect the Patrol's ability to protect the citizens of and visitors to the state of Oklahoma. The OHP has responsibility for the entire state of Oklahoma including 98,424 miles of roads and highways, Bomb Squad responses / incidents (343 in 2011), Marine Enforcement's responsibility for thirty eight (38) lakes that are equivalent to 4,385 miles of shoreline, and the Capitol Patrol's responsibility to maintain security for the State Capitol and the capitol complex in Oklahoma City and Tulsa.

To help increase trooper levels so that DPS can fulfill these responsibilities, the Governor's budget includes a \$6 million supplemental to fund a 45 person academy as an immediate step to alleviating this public safety crisis.

Strategic Military Planning Commission

Oklahomans have a profound respect for the service of our military men and women, but we also realize and appreciate the significant economic impact of our five military installations. They are the economic engines that provide good-paying jobs for almost 70,000 Oklahomans and have helped bring millions of dollars in private-sector investment and research to Oklahoma.

As the Obama administration continues with proposals to cut our national defense, including proposing two more rounds of BRAC, we must prepare ourselves to preserve the five military installations in Oklahoma.

The strategic military planning commission was established to advise the governor on policies to help prevent Oklahoma's military facilities from being targeted for closing or downsizing, as well as maximizing Oklahoma's input into the federal base closing and realignment process.

The governor's budget includes an increase in funds of \$1 million for the military Planning Commission through the Department of Commerce to demonstrate our commitment that we will do what is necessary to protect these installations, working with our Congressional Delegation. Oklahoma is one of the few states that has never lost a major installation.

Quick Action Closing Fund

The Quick Action Closing Fund is an important job creation tool that will help to bring new businesses to Oklahoma and retain the ones currently operating in the state. The governor's budget proposes \$5 million of seed capital to begin the effective use of the fund.

Defending Oklahoma Water Rights

Governor Fallin’s budget proposes an additional \$5 million be allocated to the attorney general’s office in the event that the state is required to defend itself against tribal governments in a lawsuit regarding water rights.

As the governor has said, she prefers the issue of water rights to be settled out of court through good faith negotiations involving all parties. In the event that the tribes have no interest in pursuing such negotiations, however, additional funding to the office of the attorney general is required to adequately defend the water rights of the state and the people of Oklahoma.

Savings from HB 2140 Consolidation

The newly proposed Office of Enterprise and Management Services (OEMS) includes the budgets of the four agencies that were consolidated (Department of Central Services, Office of Personnel Management, Oklahoma State and Education Employees Group Insurance Board, and the Employee Benefits Council) into the Office of State Finance. As such, Governor Fallin’s budget proposes that the estimated \$4.2 million of savings outlined in the [HB 2140 Report](#) remain with the consolidated agency to support further efforts to streamline government.

FY-2012 Supplementals

Governor Fallin’s budget includes supplemental appropriations for the following agencies:

- State Department of Education - \$37.6 million for the certified and support staff Flexible Benefit Allowance;
- State Emergency Fund - \$34.1 million to address the backlog of reimbursements for emergencies;
- Department of Public Safety - \$6 million to fund a highway patrol trooper academy; and
- Office of the Chief Medical Examiner - \$1 million to begin addressing the need for national accreditation, qualified personnel and adequate infrastructure issues.

Revenue Proposals

Transfer of Funds

One component of the FY-2013 budget is the following transfer of funds to the Special Cash Fund for appropriation to critical government services:

- \$116 million from the Cash Flow Reserve Fund
- \$10 million from the Unclaimed Property Fund
- \$1 million from the Secretary of State Revolving Fund
- \$3 million from the Insurance Commissioner Revolving Fund

Increased Authority for 1017 Fund

Based on growth trends, Governor Fallin's budget proposes to increase the authority to the Education Reform Revolving Fund by \$20 million. This fund provides a dedicated stream of dollars to support Oklahoma school district operations.

Oklahoma Health Care Authority

The Centers for Medicare & Medicaid Services (CMS) recently approved Oklahoma's Medicaid Waiver, which was authorized by HB 1381, the SHOPP Act. In accordance with this legislation the governor's budget includes \$30 million for the Oklahoma Health Care Authority.

Increased Compliance Efforts

In an effort to increase compliance with tax law, support local governments, and align with the intent of Senate Bills 216 and 750, Governor Fallin proposes to give the Tax Commission authority to accelerate compliance efforts. The FY-2013 budget includes \$13.9 million in additional revenue from this effort to collect delinquent sales and use taxes.

Transition to a Two-Year Registration System for Non-commercial Vehicles

The governor proposes a bi-annual registration system for non-commercial vehicles. A two-year transition period would provide for registrants of odd model year vehicles to obtain a two-year registration in the first year of implementation. Registrants of even model year vehicles would obtain their two-year registration in the second year of implementation. First time registration of vehicles would require a two-year registration. The FY-2013 budget includes \$104.9 million in revenue from this proposal. This simplification initiative will reduce administrative costs for the Tax Commission by approximately \$500,000 after the first year of implementation, and will be a convenience to the taxpayers of Oklahoma, as well as tag agencies state wide, by reducing required transactions.

Summary of FY-2013 Balanced Budget

	FY'12 Appropriation	FY'13 Adjustments	Final FY'13 Budget Book	FY'13 \$ From Original FY'12	FY'13 % Orig. FY'12
Governor	\$1,980,594	\$0	\$1,980,594	\$0	0.0%
TOTAL GOVERNOR	\$1,980,594	\$0	\$1,980,594	\$0	0.0%
Lt. Governor	\$506,591	\$0	\$506,591	\$0	0.0%
TOTAL LT. GOVERNOR	\$506,591	\$0	\$506,591	\$0	0.0%
Agriculture, Department of	\$25,610,247	\$0	\$25,610,247	\$0	0.0%
Conservation Commission	\$9,561,684	\$0	\$9,561,684	\$0	0.0%
TOTAL AGRICULTURE	\$35,171,931	\$0	\$35,171,931	\$0	0.0%
Commerce, Department of	\$29,073,212	\$1,000,000	\$30,073,212	\$1,000,000	3.4%
REAP	\$11,532,469	\$0	\$11,532,469	\$0	0.0%
Historical Society	\$12,502,546	\$0	\$12,502,546	\$0	0.0%
J.M. Davis Memorial Commission	\$306,009	\$0	\$306,009	\$0	0.0%
Labor, Department of	\$3,081,160	\$0	\$3,081,160	\$0	0.0%
Oklahoma Scenic Rivers Comm.	\$271,315	\$0	\$271,315	\$0	0.0%
Tourism and Recreation, Depart.	\$21,803,003	\$0	\$21,803,003	\$0	0.0%
Will Rogers Memorial Comm.	\$740,486	\$0	\$740,486	\$0	0.0%
TOTAL COMMERCE & TOURISM	\$79,310,200	\$1,000,000	\$80,310,200	\$1,000,000	1.3%
Arts Council	\$4,010,087	\$0	\$4,010,087	\$0	0.0%
Career Technology Education,	\$133,742,618	\$0	\$133,742,618	\$0	0.0%
Education, State Department of	\$2,278,158,382	\$0	\$2,278,158,382	\$0	0.0%
Educational Television Authority	\$3,822,328	\$0	\$3,822,328	\$0	0.0%
Higher Education, Regents for	\$945,260,278	\$0	\$945,260,278	\$0	0.0%
Libraries, Department of	\$5,898,633	\$0	\$5,898,633	\$0	0.0%
Science and Math, School of	\$6,332,274	\$0	\$6,332,274	\$0	0.0%
Teacher Preparation, Comm.	\$1,526,180	\$0	\$1,526,180	\$0	0.0%
TOTAL EDUCATION	\$3,378,750,780	\$0	\$3,378,750,780	\$0	0.0%

Summary of FY-2013 Balanced Budget

Corporation Commission	\$11,324,427	\$0	\$11,324,427	\$0	0.0%
Mines, Department of	\$779,139	\$0	\$779,139	\$0	0.0%
TOTAL ENERGY	\$12,103,566	\$0	\$12,103,566	\$0	0.0%
Environmental Quality, Department	\$7,557,973	\$0	\$7,557,973	\$0	0.0%
Water Resources Board	\$5,499,671	\$0	\$5,499,671	\$0	0.0%
TOTAL ENVIRONMENT	\$13,057,644	\$0	\$13,057,644	\$0	0.0%
Auditor and Inspector	\$4,706,986	\$0	\$4,706,986	\$0	0.0%
Bond Advisor	\$143,112	\$0	\$143,112	\$0	0.0%
Consumer Credit, Department	\$331,730	\$0	\$331,730	\$0	0.0%
Finance, Office of State	\$19,179,440	\$3,500,000	\$22,679,440	\$3,500,000	18.2%
Insurance Commissioner	\$1,871,938	\$0	\$1,871,938	\$0	0.0%
Land Office, Commissioners of	\$7,109,000	\$0	\$7,109,000	\$0	0.0%
Tax Commission	\$46,915,944	\$0	\$46,915,944	\$0	0.0%
Treasurer	\$3,629,872	\$0	\$3,629,872	\$0	0.0%
TOTAL FINANCE AND REVENUE	\$83,888,022	\$3,500,000	\$87,388,022	\$3,500,000	4.2%
Health, Department of	\$60,083,682	\$3,200,000	\$63,283,682	\$3,200,000	5.3%
Health Care Authority	\$983,085,563	-\$146,717,060	\$836,368,503	-\$146,717,060	-14.9%
Mental Health & Substance Abuse	\$187,151,517	\$142,969,367	\$330,120,884	\$142,969,367	76.4%
TOTAL HEALTH	\$1,230,320,762	-\$547,693	\$1,229,773,069	-\$547,693	0.0%
Central Services, Department of	\$17,313,301	\$5,000,000	\$22,313,301	\$5,000,000	28.9%
Horse Racing Commission	\$2,072,167	\$0	\$2,072,167	\$0	0.0%
Human Rights Commission	\$531,270	\$0	\$531,270	\$0	0.0%
Merit Protection Commission	\$490,967	\$0	\$490,967	\$0	0.0%
Personnel Management	\$3,639,606	\$0	\$3,639,606	\$0	0.0%
TOTAL HUMAN RESOURCES AND ADMINISTRATION	\$24,047,311	\$5,000,000	\$29,047,311	\$5,000,000	20.8%

Summary of FY-2013 Balanced Budget

Children and Youth, Commission	\$2,027,167	\$0	\$2,027,167	\$0	0.0%
Disability Concerns, Office of	\$317,607	\$0	\$317,607	\$0	0.0%
Human Services, Department of	\$537,136,664	\$0	\$537,136,664	\$0	0.0%
Indian Affairs, Commission of	\$192,307	\$0	\$192,307	\$0	0.0%
J.D. McCarty Center	\$3,740,338	\$0	\$3,740,338	\$0	0.0%
Juvenile Affairs	\$96,187,205	\$0	\$96,187,205	\$0	0.0%
Physician Manpower Training	\$4,379,254	\$3,080,000	\$7,459,254	\$3,080,000	70.3%
Rehabilitation Services, Depart.	\$30,149,232	\$0	\$30,149,232	\$0	0.0%
University Hospitals Authority	\$38,446,391	\$0	\$38,446,391	\$0	0.0%
TOTAL HUMAN SERVICES	\$712,576,165	\$3,080,000	\$715,656,165	\$3,080,000	0.4%
Military, Department of	\$10,247,996	\$0	\$10,247,996	\$0	0.0%
TOTAL MILITARY	\$10,247,996	\$0	\$10,247,996	\$0	0.0%
ABLE	\$3,140,334	\$0	\$3,140,334	\$0	0.0%
Attorney General	\$13,228,141	\$5,000,000	\$18,228,141	\$5,000,000	37.8%
Corrections, Department of	\$459,831,068	\$0	\$459,831,068	\$0	0.0%
District Attorneys and DAC	\$32,887,257	\$0	\$32,887,257	\$0	0.0%
Emergency Management	\$651,180	\$6,000,000	\$6,651,180	\$6,000,000	921.4%
Fire Marshal	\$1,796,764	\$0	\$1,796,764	\$0	0.0%
Indigent Defense System	\$14,699,353	\$0	\$14,699,353	\$0	0.0%
Investigation, State Bureau of	\$13,848,059	\$0	\$13,848,059	\$0	0.0%
CLEET	\$3,682,560	\$0	\$3,682,560	\$0	0.0%
Medicolegal Investigations	\$4,698,280	\$2,000,000	\$6,698,280	\$2,000,000	42.6%
OBNDD	\$3,616,418	\$0	\$3,616,418	\$0	0.0%
Pardon and Parole Board	\$2,217,454	\$0	\$2,217,454	\$0	0.0%
Public Safety, Department of	\$84,894,790	\$0	\$84,894,790	\$0	0.0%
TOTAL SAFETY AND SECURITY	\$639,191,658	\$13,000,000	\$652,191,658	\$13,000,000	2.0%
Science & Technology, Center for	\$17,811,450	\$0	\$17,811,450	\$0	0.0%
TOTAL SCIENCE AND TECHNOLOGY	\$17,811,450	\$0	\$17,811,450	\$0	0.0%

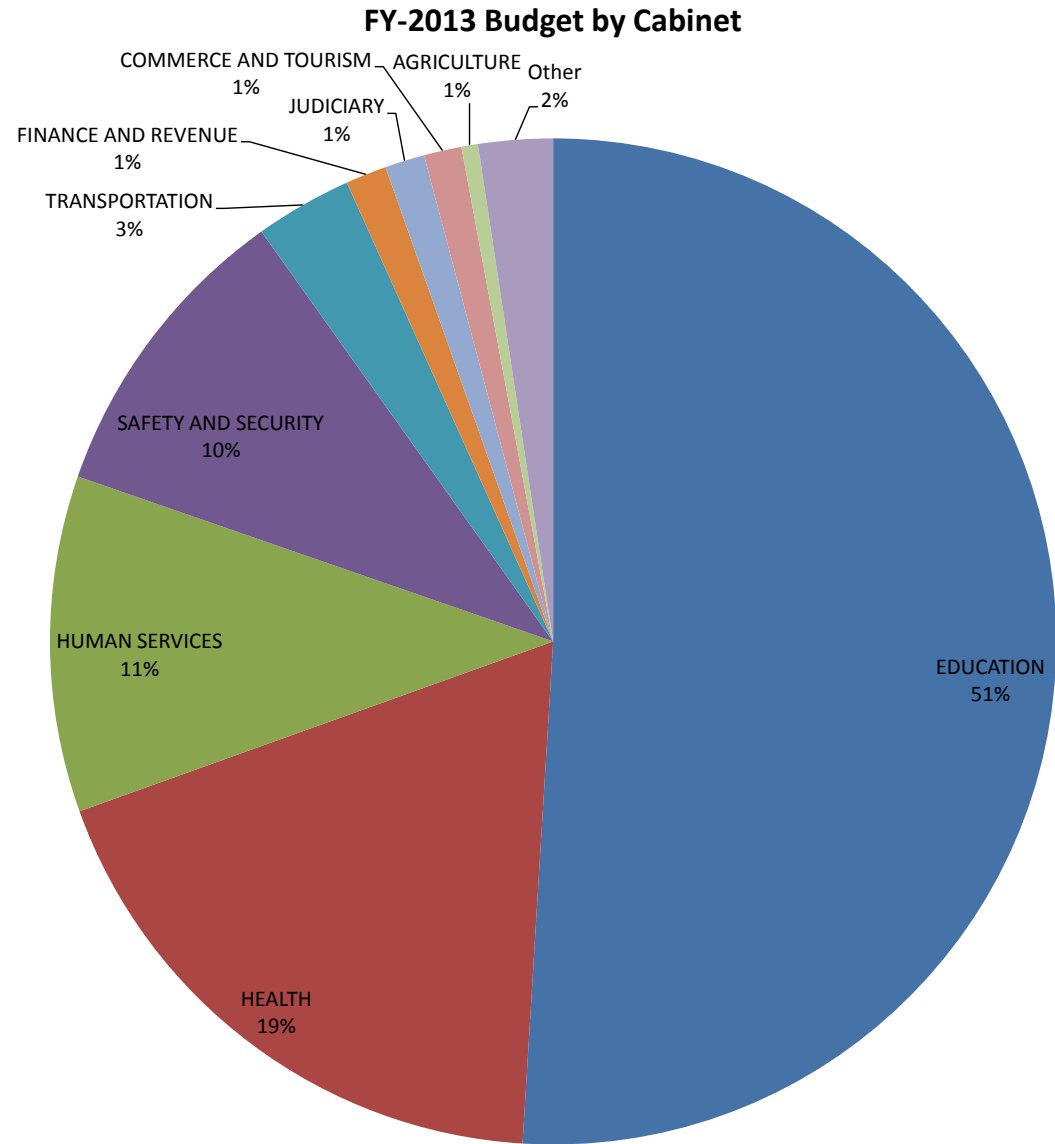
Summary of FY-2013 Balanced Budget

Election Board	\$7,805,808	\$0	\$7,805,808	\$0	0.0%
Ethics Commission	\$523,129	\$0	\$523,129	\$0	0.0%
Judicial Complaints, Council on	\$75,000	\$0	\$75,000	\$0	0.0%
Secretary of State	\$0	\$0	\$0	\$0	
TOTAL SECRETARY OF STATE	\$8,403,937	\$0	\$8,403,937	\$0	0.0%
Space Industry Development Auth.	\$394,589	\$0	\$394,589	\$0	0.0%
Transportation, Department of	\$106,737,039	\$99,668,663	\$206,405,702	\$99,668,663	93.4%
TOTAL TRANSPORTATION	\$107,131,628	\$99,668,663	\$206,800,291	\$99,668,663	93.0%
Veterans Affairs, Department of	\$34,698,752	\$0	\$34,698,752	\$0	0.0%
TOTAL VETERANS AFFAIRS	\$34,698,752	\$0	\$34,698,752	\$0	0.0%
House of Representatives	\$14,574,682	\$0	\$14,574,682	\$0	0.0%
Legislative Service Bureau	\$4,892,835	\$0	\$4,892,835	\$0	0.0%
Senate	\$11,171,789	\$0	\$11,171,789	\$0	0.0%
TOTAL LEGISLATURE	\$30,639,306	\$0	\$30,639,306	\$0	0.0%
Court of Criminal Appeals	\$3,334,631	\$0	\$3,334,631	\$0	0.0%
District Courts	\$59,600,000	\$0	\$59,600,000	\$0	0.0%
Supreme Court	\$17,300,000	\$0	\$17,300,000	\$0	0.0%
Workers' Compensation Court	\$4,197,166	\$50,000	\$4,247,166	\$50,000	1.2%
TOTAL JUDICIARY	\$84,431,797	\$50,000	\$84,481,797	\$50,000	0.1%
Total Appropriation	\$6,504,270,090	\$124,750,970	\$6,629,021,060	\$124,750,970	1.9%

Summary of FY-2013 Balanced Budget

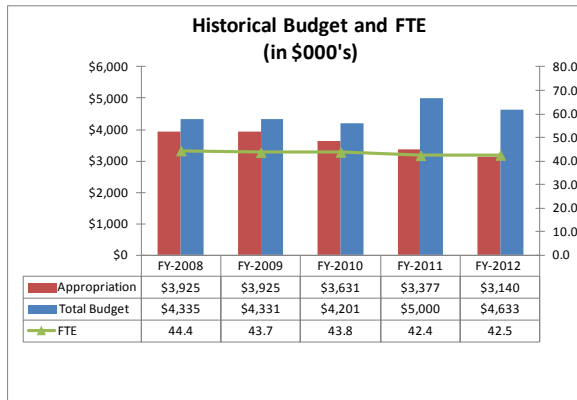
FY'12 Certified Revenues	\$6,531,999,625
Increased CLO Funds	-\$11,753,881
Cash Flow Reserve to Special Cash	\$116,000,000
Unclaimed Property to Special Cash	\$10,000,000
Increase 1017 Fund	\$20,000,000
Secretary of State to Special Cash	\$1,000,000
Insurance Department to Special Cash	\$3,000,000
Provider Fee increase to OHCA	\$30,000,000
Increased Compliance Enforcement	\$13,962,870
Transition to a two year registration system for non-commercial vehicles	\$104,900,000
Energy Efficiency Initiative	\$10,076,700
Tax Reduction and Simplification Act	-\$103,512,086
OTRS and Ad Valorem hold harmless	-\$7,900,000
State Department of Education Flexible Benefit Allowance Supplemental	-\$37,600,000
Emergency Fund Supplemental	-\$34,145,706
Department of Public Safety Supplemental	-\$6,000,000
Medical Examiners Supplemental	-\$1,000,000
OSU Medical Authority Contract	-\$5,000,000
Closing Fund	-\$5,000,000
Total Revenue	\$6,717,773,228
Total Expenditures	\$6,717,766,766
Total Difference	\$6,462

Summary of FY-2013 Balanced Budget



State Agency Information

Alcoholic Beverage Laws Enforcement Commission (ABLE) Safety and Security Cabinet



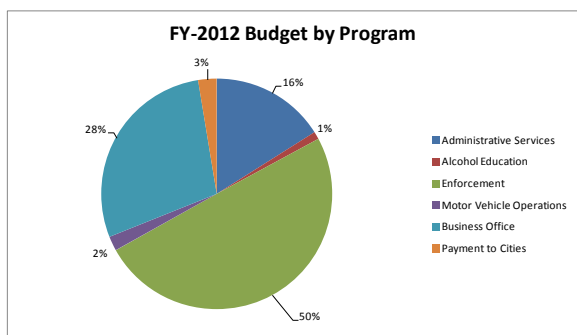
Mission

To protect the public's welfare and interest through the enforcement of the laws and regulations pertaining to alcoholic beverages, charity gaming and youth access to tobacco products.

Programs

- Alcohol Education
- Enforcement
- Motor Vehicle Operations
- Business Office
- Payment to Cities

For more information about the ABLE Commission, visit [their website](#).



Accomplishments over Past Year

- Achieved the highest rate of tobacco compliance checks since 1994;
- Through cooperation with many health organizations and The Tobacco Settlement Endowment Trust organization, helped ensure Oklahoma enjoyed its highest level of

compliance in 2012 with a 93.6% compliance rate.

Goals for Upcoming Year

- The ABLE Commission continues to regulate and enforce Oklahoma's liquor laws with public safety first and foremost;
- Through developing financial support from the Federal Drug Administration (FDA), ABLE will continue to foster Oklahoma's tobacco compliance issues.

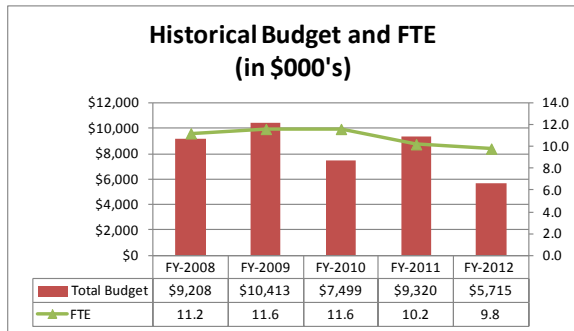
Major Agency Projects

- Tobacco contract to reduce teenage use of tobacco through contract with the FDA;
- Justice Assistance Grant (JAG) contract to provide internet access for police and the public to information about liquor law violations;
- 2 Much 2 Lose (2M2L) contract through the Department of Mental Health and Substance Abuse Services - Agency personnel will work in concert with local police and enforcement officials to enforce underage drinking laws; and
- The ABLE Commission will host the National Conference of State Liquor Administrators (NCSLA) regional conference in Oklahoma City this fall with an opportunity to network with liquor administrators and industry members from across the United States and discuss common issues, problems and possible solutions.

Savings, Efficiencies and Shared Services in FY-2012

- ABLE left the Deputy Director's position vacant and restructured the agency to reflect the savings. The agency also left two enforcement positions vacant that occurred during FY-2012. The reduction was approximately \$250,000 from the FY-2011 budget.

Aeronautics Commission (OAC) Transportation Cabinet



*Aeronautics Commission is a non-appropriated agency.

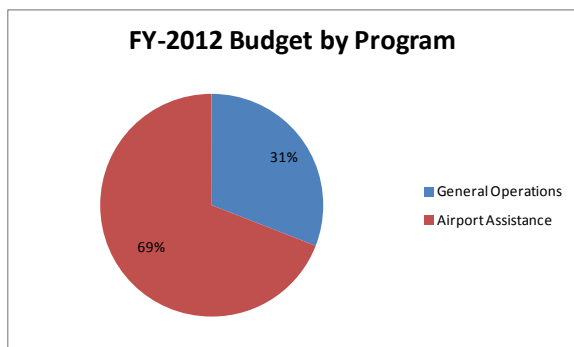
Mission

The mission of the Oklahoma Aeronautics Commission (OAC) is to foster the growth of the state's aerospace industry and ensure the needs of commerce and communities are met by the 113 public airports that comprise the Oklahoma Airport System.

Programs

- Airport Assistance
 - Center for Aerospace Supplier Quality (CASQ)

For more information about the Aeronautics Commission, visit [their website](#).



Accomplishments over Past Year

- Implementing an efficient aviation infrastructure;
- Communicating with stakeholders;
- Providing a knowledgeable and competent staff;
- Being a leading advocate for aviation and aerospace by taking the following actions:
 - Played an important role in the restoration of the tax credits for engineers hired by

aerospace companies and the companies hiring them;

- Actively opposed the federal Freedom from Government Competition Act;
- Played key role in reaching a compromise with Senator Coburn to avoid another FAA partial shutdown;
- Stressed importance of agencies working together to meet workforce needs of the aerospace industry; and
- Worked with the state's congressional delegation to pass FAA Reauthorization.
- Implemented the Aircraft Pilot and Passenger Protection Act, which protects Oklahoma's public-use airports, including military airports, from encroaching incompatible development and tall structures;
- Through the assistance of the Center for Aerospace Supplier Quality (CASQ), Oklahoma companies obtained 60 more contracts with the U.S. Department of Defense (DOD) and prime contractors (e.g., Boeing). The value of these contracts was \$19 million. Since the inception of CASQ in the last half of 2007, its efforts have resulted in 304 DOD or prime contractor contracts totaling \$36 million, being awarded to 28 Oklahoma aviation and aerospace businesses.
- Successful administration and closure for the Oklahoma Department Of Commerce of Phase I of the federal Department Of Labor workforce grant for aerospace training; and
- Provided \$150,000 in grants and contracts for aviation education.

Goals for Upcoming Year

- Expand services provided to Oklahoma companies by CASQ;
- Continue to work with Oklahoma's congressional delegation to get a long-term FAA Reauthorization bill passed; and
- Implement an effective Aviation Education Program.

Major Agency Projects

A total of 56 airport improvement projects are expected to receive state and federal grant funds in FY-2012. The major projects include:

- Shawnee Regional Airport - Runway rehabilitation, approximate cost \$3.5 million;
- Stillwater Regional Airport – Reconfigure main apron, approximate cost \$ 4 million;

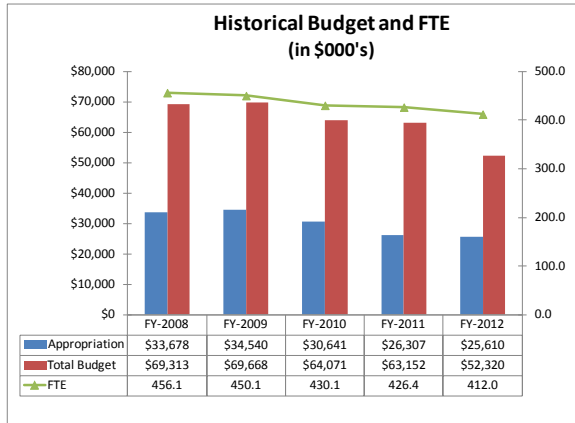
- Sand Springs (William R. Pogue Airport) – Rehabilitate runway, estimated cost \$3.5 million;
- Tulsa (R.L. Jones Jr. Airport) – Upgrade electrical systems, approximate cost \$ 1.8 million; and widen runway 13/31 at an approximate cost of \$ 1.9 million;
- Muskogee (Davis Field) – Rehabilitate taxiway, approximate cost \$2.5 million;
- Guthrie-Edmond Regional Airport – Install NAVAIDS, hangar development, approximate cost - \$1.5 million;
- Oklahoma City (Clarence E. Page Airport) – Rehabilitate runway and install taxiway lights, approximate cost \$2 million;
- Goldsby (David Jay Perry Airport) – Taxiway construction, approximate cost \$ 1.7 million;
- Idabel (McCurtain County) – Construct and rehabilitate taxilanes, approximate cost \$3.8 million;
- Miami Municipal Airport - Rehabilitate runway, approximate cost \$2.4 million;
- Pauls Valley Municipal – Construct taxiway, approximate cost \$2.7 million;
- Kingfisher Municipal Airport – Construct runway pavement, approximate cost \$900,000;
- Enid Woodring Regional – Reconstruct taxilanes, approximate cost \$600,000; and
- Routine airport pavement maintenance and system planning, approximate cost \$2.3 million.

approximately 141,000 square yards of pavement that would otherwise have required more than \$3.5 million in reconstruction. The Commission’s proactive efforts therefore saved about \$2.5 million. In addition, the Commission’s statewide pavement management program saves the state at least \$300,000 per year.

Savings, Efficiencies and Shared Services in FY-2012

- Under the OAC Travel Policy (which also applies to commissioners), upon approval of a travel request, a discount, non-refundable airfare ticket will be purchased. Also, unless an official conference hotel is designated, the use of Hotwire Hot Rates and/or Priceline “Name Your Own Price” is required. If two or more staff are traveling sharing a room is presumed. Strong consideration is given to traveling by motor vehicle. This has resulted in documented savings of more than \$10,000.
- As part of its statewide airport pavement maintenance efforts, the Commission employs innovative pavement preservation techniques to maintain Oklahoma’s airports in a safe, serviceable condition. The most recent projects included maintenance at Ardmore Municipal Airport and Enid Woodring Regional Airport. The Commission spent about \$900,000 to maintain

Agriculture, Department of (ODAFF) Agriculture Cabinet



Mission

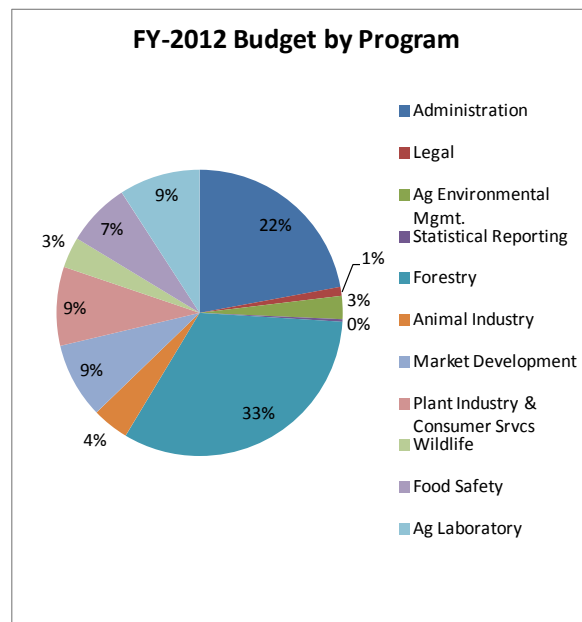
The Oklahoma Department of Agriculture, Food and Forestry's (ODAFF) mission is to look at agriculture with a vision of what it will be in the next 100 years. ODAFF is responsible for increasing the value of agriculture products and enhancing the value of life in Oklahoma rural communities. In addition, ODAFF provides development of the state's food and fiber resources in a manner that will always protect consumer health and safety, natural resources, property and the environment.

Programs

- Legal Services
- Agriculture Environmental Management Services:
 - CAFO – Concentrated Animal Feeding Operations
 - Poultry Waste Applicators
 - Poultry Litter Transfer
 - RPFO- Registered Poultry Feeding Operations
 - Swine Feeding Operations
- Statistical Reporting Services
- Investigative Services Unit
- Forestry Services
 - Wildfires
 - Rural Fire Defense
 - Operational Grants
 - 80/20 Grants
 - Forest Stewardship
 - Forest Inventory
 - State Forest Resource Assessment and Strategy

- State Lands Management
- Forest Regeneration
- Conservation of Forested Lands
- Urban Forestry
- Forestry Education
- Animal Industry Services
 - Aquaculture
 - Cattle
 - Equine
 - Feral Swine
 - Swine
 - Poultry
 - Import/Export
- Plant Industry & Consumer Services
- Wildlife Services
- Food Safety
 - Dairy Section
 - Meat & Poultry Inspection
 - Meat Inspection Compliance
 - Organic Food Section
 - Poultry & Egg Section
- Agricultural Laboratory Services
- Market Development Services
 - Farm to School
 - Plasticulture

For more information about ODAFF, visit [their website](#).



Accomplishments over Past Year

- ODAFF worked with the legislature to get Senate Bill 420 passed and signed by the Governor

which assists in the import and export of livestock from Oklahoma airports;

- ODAFF worked with the Governor’s office, the Oklahoma Department of Transportation, and the Small Business Administration to put in place several drought assistance programs and options due to the unprecedented drought of 2011;
- Development of an educational garden, at the ODAFF building, that generated over 150 pounds of produce;
- Forestry Services provided 167 cases of assistance to fire departments outside the assigned initial fire response area; and
- Rural Fire Defense provided over \$7.4 million in Federal Excess property, \$3.7 million in operational grants and \$400,000 in cost share grants to rural fire departments to purchase new equipment.

Goals for Upcoming Year

- Protect producers and consumers by ensuring the safety and quality of agricultural products and services;
- Protect and conserve Oklahoma’s natural and agricultural resources while enhancing agricultural related production;
- Diversify and expand the economic contribution of agriculture and enhance the viability of rural communities;
- Assure that the public is informed and knowledgeable about agricultural and natural resource issues and opportunities;
- Assure effective and efficient delivery of agricultural program services by a well-trained and motivated workforce; and
- Continue to move forward with the exporting of livestock from Oklahoma airports. There is currently a livestock owner in the final preparation steps for live animal export and trade overseas.

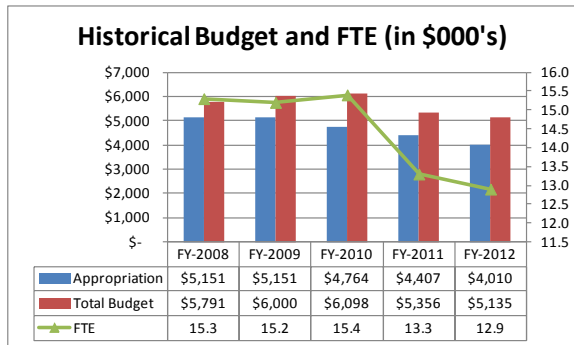
Major Agency Projects

- Conversion to PeopleSoft Time and Labor;
- Information Technology Consolidation with OSF per HB 1304;
- Shared Services for Payroll; and
- Online Licensing.

Savings, Efficiencies and Shared Services in FY-2012

- Conversion to Alternative Fuel Vehicles to reduce fuel costs;
- Reduction of FTE through normal attrition;
- Lab Technology advancements to reduce costs; and
- Reduction of mailings by using electronic media.

Arts Council Education Cabinet



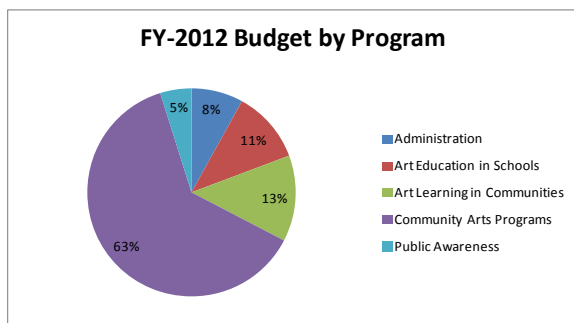
Mission

The mission of the Arts Council is to lead, cultivate and support a thriving arts environment, which is essential to quality of life, education and economic vitality for all Oklahomans.

Programs

- Oklahoma Arts Conference
- Governor’s Arts Awards
- Leadership Arts
- Oklahoma Regional Arts Network
- Oklahoma’s New and Emerging Arts Leaders

For more information about the Arts Council, visit [their website](#).



Accomplishments over Past Year

- Convened over 325 people from 50 communities around the state for the Oklahoma Arts Conference in Tulsa;
- Graduated 27 individuals from the Oklahoma Arts Council’s Leadership Arts program for a total of 118 graduates since 2008;
- Served 3.3 million people through Arts Council grant programs. These grants provided opportunities for Oklahomans to experience the

value of the arts by funding 560 projects from 311 organizations and schools;

- Organized and curated 22 rotating Capitol gallery exhibitions which provided access for Oklahomans and other visitors to experience exceptional art by Oklahoma artists at no cost;
- 311 schools utilized the Arts Council's *Teaching with Capitol Art* online curriculum materials; designed for Oklahoma educators to teach Oklahoma history and visual arts through the Permanent Capitol Art Collection.
- 173,361 students in 712 school sites were served through and the Arts Council's arts education grant programs;
- 54,673 participants in 336 community sites were served through the Arts Council's Arts Learning in Community's grants, which support lifelong learning, providing hands on instruction to participants at all stages of life, whatever their life circumstance;
- Gang Prevention: The Oklahoma City Police Department’s Gang Prevention Program has partnered with the Arts Council to provide positive alternatives for at-risk youth through after-school arts programming at two inner-city community centers.

Goals for Upcoming Year

- Three rural communities will receive consultation and public policy development services to establish formal arts and cultural districts. These districts will use the arts as a catalyst to attract business, reduce storefront vacancy, increase sales tax revenue and improve aesthetics.
- Promote the value of arts education’s correlation to increased graduation rates, pursuit of higher education and development and retention of Oklahoma's creative workforce. In addition, 25 additional online resources will be developed for Oklahoma educators utilizing the *Teaching with Capitol Art* curriculum.
- Build and expand partnerships with business, government and community leaders to maximize expertise and additional resources for arts related initiatives.

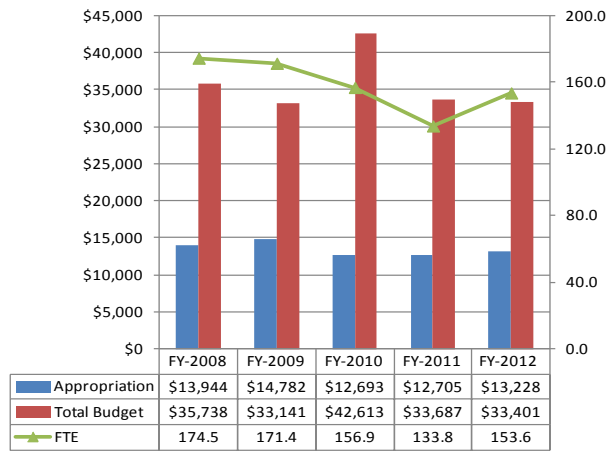
Savings, Efficiencies and Shared Services in FY-2012

The Oklahoma Arts Council's online e-Grant system, developed in-house, has streamlined the grant application process and allows the Arts Council to save time as well as expenses associated with paper,

storage, printing and mailing costs. In addition, the bulk of all publications are produced electronically to keep print and mailing costs at a minimum and adaptable to a changing media environment. Other steps to eliminate costs have included installing energy efficient LED lighting in the Capitol's Betty Price Gallery and partnering with the Department of Central Services to replace bulbs in two other Capitol galleries. Lighting changes will better preserve the state's artwork and save over 24,000 kWh and \$2,000 annually. The Office of State Finance provides all of the Arts Council's IT needs through shared services.

Attorney General, Office of the (OAG) Safety and Security Cabinet

**Historical Budget and FTE
(in \$000's)**



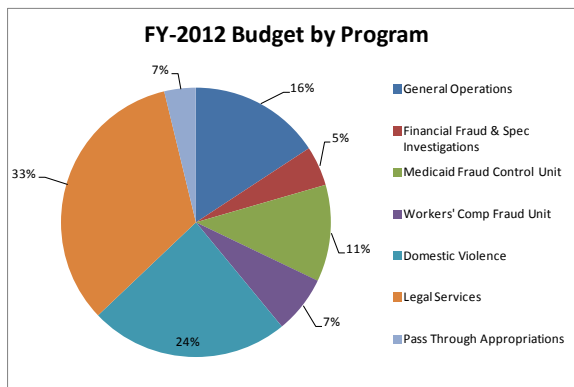
Mission

It is the mission of the Office of Attorney General to protect and defend the interests of Oklahomans and the state by acting with excellence as its chief legal officer.

Programs

- Financial Fraud & Special Investigations;
- Medicaid Fraud Control Unit;
- Workers' Compensation Fraud Unit;
- Domestic Violence; and
- Legal Services.

For more information about OAG, visit [their website](#).



Accomplishments over Past Year

- Successfully represented the state in numerous litigation matters, and continues to represent eighty-six state agencies through OAG's General Counsel Unit;
- Public Protection Unit
 - Collected more than \$100,000 for fraud victims through restitution;
 - Received and processed 2,675 written consumer complaints;
 - Received and processed 7,115 consumer calls;
 - Responded to 444 calls from businesses with questions about the Attorney General's complaint process; and
 - Recovered \$66,862 for Oklahoma consumers.
- Medicaid Fraud Control Unit recovered more than \$13.3 million;
- The thirteenth Multi-County Grand Jury has thus far returned thirteen indictments involving fourteen defendants;
- In the Workers' Compensation Fraud Unit, the Attorney General charged forty defendants in 2011; and
- OAG issued twenty-four Attorney General Opinions.

Goals for Upcoming Year

- The Attorney General is seeking additional attorneys for the General Counsel and Litigation Units to increase OAG's ability to serve state agencies;
- OAG is also seeking to expand the Office of Solicitor General, which is responsible for monitoring the actions of the federal government and suing when intrusions are made upon the state's sovereignty; and
- OAG continues to expand its efforts to fight fraud committed against consumers, the Medicaid system and workers' compensation through the hiring of additional investigators and prosecutors.

Major Agency Projects

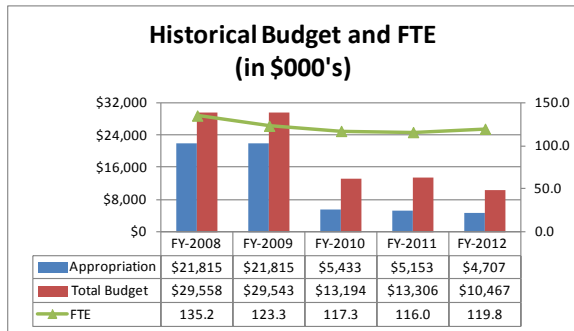
- Pursuant to SB 763 passed last year, the Office has been tasked with consolidating the Human Rights Commission into the Office of Attorney General through the creation of the Office of Civil Rights. This transition must be completed by July of 2012;

- OAG is planning to transition its information technology platforms from Lotus Notes to Microsoft Exchange and utilize the District Attorneys Council case management system. The Office has received approval from the state Chief Information Officer to begin this process.

Savings, Efficiencies and Shared Services in FY-2012

- OAG made a 21% reduction in professional services from FY-2010 to FY-2013. This includes costs associated with outside counsel, professional witnesses and consulting;
- OAG uses the OSF Core system for payroll, financial accounting and human resources; and
- OAG utilizes the DCS Fleet Management system.

Auditor and Inspector (OSAI) Finance & Revenue Cabinet



*Beginning in FY-10, REAP appropriations were no longer passed through OSAI.

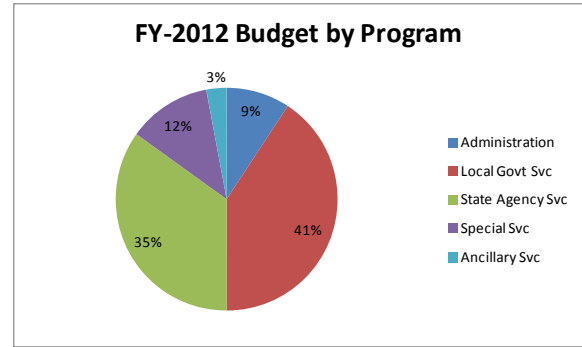
Mission

The mission of the State Auditor and Inspector (OSAI) is to independently serve the citizens of Oklahoma by promoting accountability and fiscal integrity in state and local government. The agency accomplishes this by valuing professionalism in staff and the completion of audit work in accordance with established professional standards.

Programs

- Local Government Services
 - Management Services
 - County Audit Services
 - Investigative Services
- State Agency Services
 - Financial Audit Services
 - Performance Audit Services
 - IT Support and Audits
 - Group Insurance Audit Services
- Special Services
 - Gaming
 - Horse Racing
 - Minerals Management
 - Quality Control and Audit Review
 - Training and Continuing Education
 - Board of Equalization Support
 - Pension Commission Support
- Ancillary Services
 - Commission on County Government

For more information about OSAI, visit [their website](#).



Accomplishments over Past Year

- As requested by OSAI, Oklahoma Statutes, Title 19, Sections 171, 1402 and 1405 (SB 130 of the 2011 Legislative Session) were modified to provide more flexibility and efficiencies for County audit reports. As a result, OSAI released more County audits in FY-2011 than in FY-2009 and FY-2010 combined.
- As requested by OSAI, Oklahoma Statutes, Title 74, Section 212B (HB 1207 of the 2011 Legislative Session) requires reports relating to certain government entities, produced by independent public accountants or certified public accountants, be electronically submitted to OSAI. The law also provides the reports be made available (on the website) for greater transparency and accountability to the public and the Legislature. The required reports are now available.
- In order to accommodate the independent accountants electronically filing the above reports and paying the associated fee, OSAI has provided an optional on-line payment system.
- Fraud, waste, abuse and embezzlement of public funds in Oklahoma governmental entities totaled into the millions of dollars in recent years. To help facilitate the reporting of suspected fraud by both citizens and government employees, OSAI has established a toll-free hotline. Callers may leave information, anonymously if preferred, about suspected fraud occurring at any public entity. OSAI also re-designed the online reporting form to make it more user-friendly to help the public provide better, more critical information needed to clarify whether or not the elements of fraud may be present in a complaint.

Goals for Upcoming Year

- Enhance the Performance Audit Division

A Performance Audit is a specific type of audit report that reviews the effectiveness and efficiency of a government entity. The audit may focus on internal controls to ensure reliable reporting and the existence of proper safeguards to protect public assets. The audit may review an entity's programs, procedures, and processes to ensure the most cost-effective delivery of public services. A Performance Audit may target a particular program created by the legislature to review its implementation to ensure the expenditure of designated funds are in compliance with contract provisions, the intent of the law and other statutory requirements.

Currently, the State Auditor is authorized to conduct Performance Audits only upon written request by the Governor, the chief executive officer of a government entity, or by joint or concurrent resolution of the state legislature.

Major Agency Projects

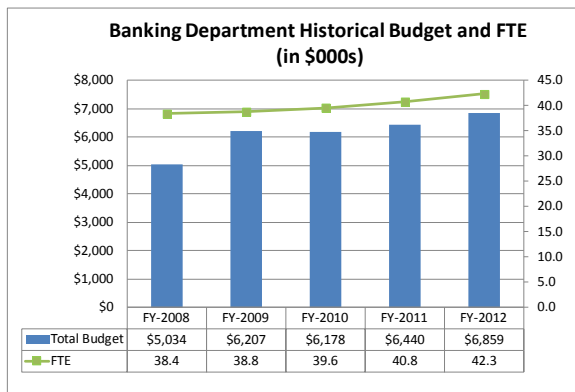
- The Oklahoma State Auditor & Inspector shall "examine the state and all county treasurer's books, accounts, and cash on hand or in bank at least twice each year" and "prescribe a uniform system of bookkeeping for the use of all treasurers." [OK Constitution, Article 6 § 19].
- The constitution also requires the auditor to annually audit the operations of the state's Emergency Medical Service Districts. [OK Constitution, Article 10 § 9C]. State law mandates that the State Auditor establish accounting procedures and forms, and provide assistance to counties and other local governments.
- The State Auditor conducts audits of almost all state agencies, boards and commissions, and also performs special investigative audits when requested by certain officials or citizen petition.

Savings, Efficiencies and Shared Services in FY-2012

- In order to save on travel costs, OSAI employees are now using the State travel card for lodging costs. Future savings will be obtained by using the travel cards which are exempt from state and local taxes.

- OSAI entered into an agreement with the Office of State Finance to perform payroll processing. The agency anticipates long-term future savings.
- OSAI requested to be included in the CORE Financials Projects module to expedite audit invoicing. OSAI will eliminate redundant tasks and realize savings when given access to this program.

Banking Department Finance and Revenue Cabinet



*Banking Department is a non-appropriated agency

Mission

As authorized by statute, the State Banking Department operates as an administrative regulatory agency under the executive branch of government of the State of Oklahoma. The Department is responsible for supervising commercial banks, credit unions, savings and loan associations, and trust companies. It also regulates and licenses money order companies and money transmitter companies. The Department helps ensure the safety of depositors' funds through appointed advisory boards that are charged with promulgating rules to govern the financial industry in the State.

The Department performs statutorily prescribed examinations of all financial institutions under its supervision through the allocation of its human and technological resources. It also convenes public hearings on matters of new charter applications and processes various administrative applications from regulated financial institutions that are seeking new or additional corporate powers and activities and/or changes in their certificates of incorporation.

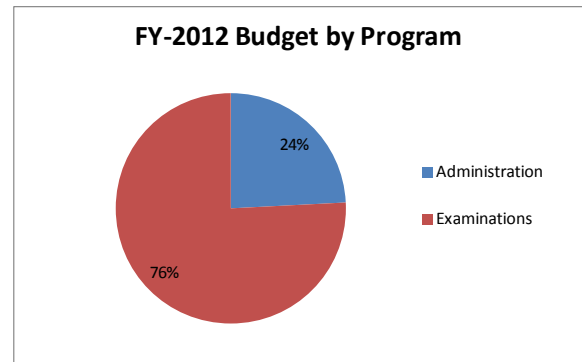
The primary focus of the Department is effective and efficient supervision and preservation of the dual banking system and the protection of financial institution depositors and shareholders.

Programs

- Examinations
 - Banks
 - Savings and loan associations
 - Credit unions

- Trust companies
- Money order companies
- Money transmitter companies

For more information about the Oklahoma Banking Department, visit [their website](#).



Accomplishments over Past Year

The Banking Department's main goals were to maintain a safe and sound financial industry and to lower the assessment rate for state-chartered banks.

Specific goals that were achieved include:

- Finalizing the update of the Banking Department website;
- Increasing the assets supervised under the Oklahoma state banking system; and
- Lowering assessments on the industry in an effort to stimulate community lending.

Goals for Upcoming Year

The Department's goals for the upcoming year are:

- To participate in the one-stop licensing program offered to money transmitter licensees through the National Mortgage Licensing System (NMLS);
- To continue to improve efficiencies for delivering services and supervising the banking and money service business industries.

Major Agency Projects

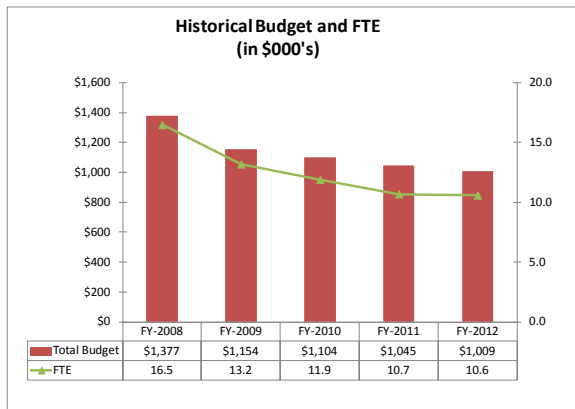
By partnering with the Office of State Finance, the Department plans to implement new technology to enable improvements in communication and to better serve their clients. In addition, the Banking Department will be reviewing the money transmitter licensing and license renewal process and seeking to participate in the one-stop licensing program offered by the NMLS, to the money transmitter licensees that are licensed in multiple jurisdictions.

**Savings, Efficiencies and Shared Services in
FY-2012**

Over the past year, the Banking Department has achieved efficiencies for itself, the industry it regulates and the citizens it serves through:

- Updating the website that enables clients to easily obtain information and forms;
- Reducing regulatory assessments imposed on the industry;
- Increasing assets supervised under the state banking system; and
- Decreasing operating costs through the installation of solar panels to power the Oklahoma City office.

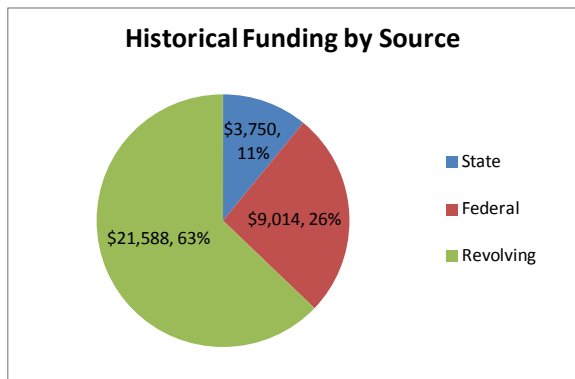
Boll Weevil Eradication Organization (OBWEO) Agriculture Cabinet



*OBWEO is a non-appropriated agency

Mission

The goal and purpose of the Oklahoma Boll Weevil Eradication Organization (OBWEO) is to design and implement boll weevil eradication and post-eradication programs that are economical, producer friendly and beneficial to all segments of the cotton industry in Oklahoma.



OBWEO received state appropriations (FY-1998 through FY-2002), and federal funding from USDA/APHIS (FY-1998 through FY-2010). The revolving fund amount of \$21,588,000 is the total collected industry fee assessments to date, beginning in FY-1998.

For more information about OBWEO, visit [their website](#).

Accomplishments over Past Year

Over the past year OBWEO has continued to maintain a weevil free status across the state. As a result OBWEO was able to change the eradication status from suppressed to functionally eradicated.

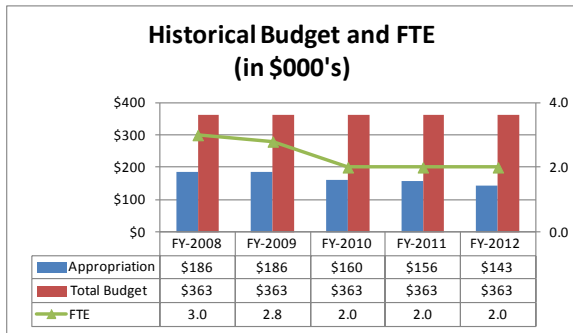
Goals for Upcoming Year

OBWEO will continue to maintain a weevil free status. This will allow the organization to continue reducing expenses.

Savings, Efficiencies and Shared Services in FY-2012

OBWEO reduced actual expenses 10%, from FY-10 to FY-11. The agency projects a 3% reduction for FY-12.

**Bond Advisor
Finance and Revenue Cabinet**



Mission

To staff the Council of Bond Oversight and provide support and assistance to State agencies, authorities, trusts and institutions of higher education in the capital planning and formation process. Serve as liaison between the State and the rating agencies and credit enhancement providers to ensure a coordinated effort to preserve and improve Oklahoma’s access to the credit markets. Administer the State’s Private Activity Bond Allocation Act, provide staff support for the Long Range Capital Planning Commission, and serve as Chairman of the Commission on School and County Funds Management.

Programs

For more information about the Oklahoma State Bond Advisor, visit [their website](#).

Accomplishments over Past Year

The agency helped realize significant savings to multiple State entities through the refunding of outstanding bond obligations and assisted with multiple new-money financings that were marketed at very attractive interest rates. Recently, the agency coordinated presentations to the three national bond rating agencies that included the participation of the Governor, Treasurer and Director of State Finance. The Office prepared a Capital Improvements Plan that identified significant deferred maintenance needs that require funding – either through appropriation of capital financing. Finally, the agency ensured that the Private Activity Bond Program was conducted in a manner consistent with State and federal law.

Goals for Upcoming Year

- Continue to monitor refunding opportunities to reduce the State’s annual debt service requirements;
- Amend the capital planning act to improve the process of identifying and funding essential needs;
- Fill a vacant staff position to ensure efficient operation of the Office;
- Assist State entities with their new-money funding needs; and
- Support the Council of Bond Oversight in their efforts to protect Oklahoma’s reputation as a State that is responsible in its capital funding practices.

Major Agency Projects

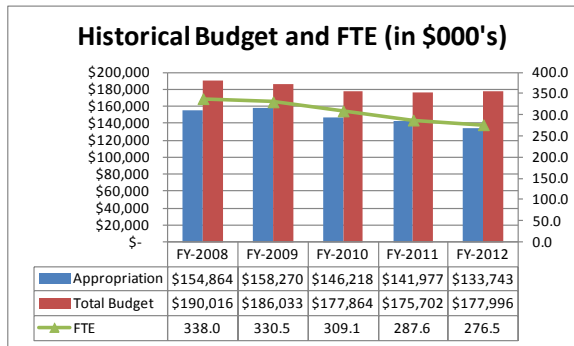
As noted above, the agency is looking to restructure the capital planning and funding process to help the State address a significant backlog of infrastructure needs. In addition, the agency is seeking legislation to amend the Bond Oversight and Reform Act to remove redundant language and clarify the responsibilities of the Council of Bond Oversight.

Savings, Efficiencies and Shared Services in FY-2012

The Bond Advisor has achieved the following savings on bond issues:

- Oklahoma Turnpike Authority, Series 2011 \$19,609,787.53
- Master Real Property Lease (UCO), Series 2011A \$900,605.57
- Master Real Property Lease (UCO), Series 2011B \$1,649,146.71
- Master Real Property Lease (OSUIT), Series 2011D \$2,270,200.66
- Master Real Property Lease (Connors), Series 2011E \$1,607,680.49
- Master Real Property Lease (USAO), Series 2011F \$2,480,996.84
- University of Oklahoma, Series 2011E \$1,993,187.76
- University of Oklahoma, Series 2011F \$204,034.18
- Tulsa Community College, Series 2012 (Closing on January 25, 2012) \$1,010,091.45

Career & Technology Education, Oklahoma Department of (CareerTech) Education Cabinet



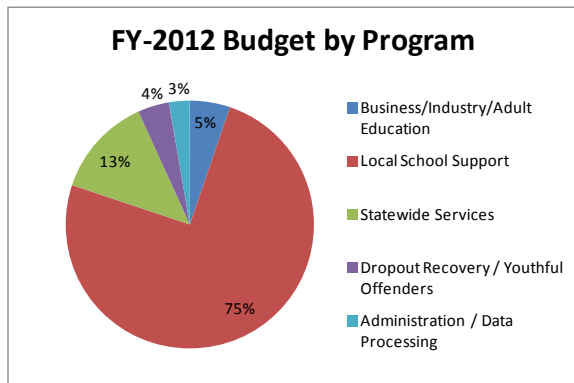
Mission

CareerTech prepares Oklahomans to succeed in the workplace, in education and in life.

Programs

- Business/Industry/Adult Education
- Local School Support
- Dropout Recovery/Youthful Offenders

For more information about CareerTech, visit their [website](#).



Accomplishments over Past Year

Workforce Development & Career Readiness

- 93.6% positive placement rate for full-time technology center programs (employed, continued education and military);
- 95.5 % of high school seniors enrolled in CareerTech programs graduated from high school;

- 8,916 enrollments in cooperative alliance programs, a partnership with higher education, resulting in 77,683 college credit hours for \$8 per credit hour;
- 14,450 Career Readiness Certifications were issued;
- CareerTech administered eight dropout recovery programs, serving 480 females and 538 males. Of these 1,018 students, 808 enrolled to pursue a high school diploma and 30 enrolled to obtain a GED.
- 75% of Oklahoma prisoners who were trained in skills center programs are still working 60 months after release.

Economic Development

- CareerTech served 6,721 businesses;
- Training for Industry Programs (TIP) average wages were up from \$14.89 to \$16.14 per hour;
- New jobs filled through TIP training generated more than an estimated \$5 million in state taxes.

Goals for Upcoming Year

- Continue to accelerate Oklahoma's economic growth;
- Ensure implementation of consistent standards and accountabilities;
- Strategically improve agency operation and effectively manage resources to lead to the CareerTech System;
- Create and promote a systemic culture that values diversity and inclusion.

Major Agency Projects

- Statewide training initiative to fast track certification for returning military members/Veterans. Veterans return with countless hours of experience in areas (for example: driving semi-trucks, working in emergency medical facilities, welding specialty), yet they don't have the industry standard credentials required to become employed immediately. CareerTech's goal is to get them job certified and ready in a fraction of the time typically required.
- The Center for Aerospace Supplier Quality (CASQ) is a partnership between the Oklahoma Aeronautics Commission (OAC) and CareerTech to provide expert guidance to Oklahoma companies selling aerospace-related supplies and services to U.S. defense agencies.

- CareerTech's Oklahoma Bid Assistance Network (OBAN) provides technical assistance in government contracting to all companies identifying companies interested in targeting defense aerospace. OBAN connects them with industry experts through the CASQ program guiding them into a focused pursuit of new business.
- Establishing multiple training sites for ongoing maintenance needs for alternative energy (wind, CNG, CNG vehicle conversions);
- Disaster Recovery and EMS Training Simulator, built to meet the needs for emergency preparedness and health provider training throughout Oklahoma. Developed in partnership with Oklahoma Department of Health and Kiamichi Technology Centers, the simulator will help meet the training needs during a time when the state is experiencing a shortage of healthcare workers.
- Partnering with "Oklahoma Nanotechnology Education Initiative, (ONEI)," addressing challenges by developing career awareness, secondary education programs, and a two-year associate degree that will advance industries' use of microtechnology and nanotechnology.

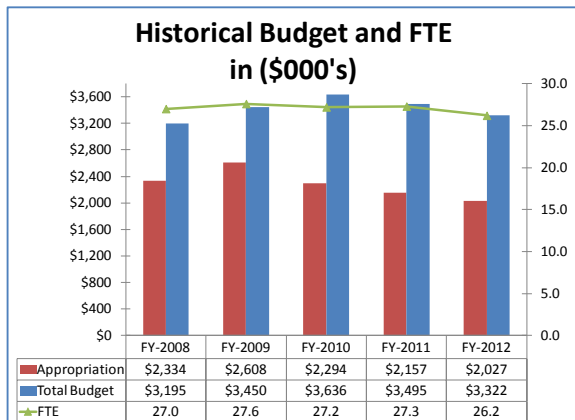
cost for utilities, a reduction in the agency's annual leave liability, and minimal impact on CareerTech customers because the schools are closed during this time. Estimated savings: \$351,672.

- The agency implemented the electronic time and leave system for all staff. This action allowed the agency to eliminate one full-time position in the agency's Human Resources Division, reduced the time required for the submittal and approval of leave, and reduced the amount of paper used for documentation. Estimated savings: \$94,000.
- In cooperation with the University of Oklahoma, an E-book with an assessment test was developed to be used for agency staff sexual harassment training. This on-line training eliminated the need to purchase materials or hire a trainer. Estimated savings: \$2,250.

Savings, Efficiencies and Shared Services in FY-2012

- The agency utilizes the OSF CORE modules including requisitioning, purchasing, accounts payables, accounts receivables, general ledger, payroll, employee self service, enterprise learning management system, and time and labor.
- In anticipation of additional funding reductions for Fiscal Year 2010-11 and Fiscal Year 2011-12, the agency implemented a voluntary and involuntary separation plan, resulting in total reduction of 31 employees. Initial savings were \$2,997,753. Continuing savings: will be greater than \$2 million per year.
- As the agency experienced continuing funding reductions, staff was asked to save funds by reducing travel expenditures. By utilizing teleconference and video conference tools, travel expenditures were reduced significantly in the past two years. Savings: \$323,165.
- For the last two years, the agency has been closed for the period between Christmas and New Years. Staff was required to use personal annual leave for the days not provided as state holidays. This action has resulted in reduced

Children and Youth, Commission on (OCCY) Health & Human Services Cabinet



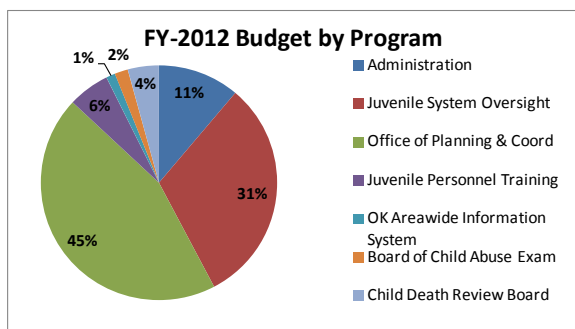
Mission

To improve services to children by: planning and coordinating at the state and local level; independent monitoring of the children and youth service system; testing models and demonstration programs for effective services; and certifying state operated children’s shelters.

Programs

- Office of Juvenile System Oversight
- Joint Oklahoma Information Network (JOIN)
- Board of Child Abuse Examination
- Child Death Review Board
- Office of Planning and Coordination
- Interagency Coordinating Council
- Juvenile Personnel Training
- Oklahoma Area wide Services Information System (OASIS)
- Post Adjudication Review Boards

For more information about Oklahoma Commission on Children and Youth (OCCY), visit [their website](#).



Accomplishments over Past Year

OCCY implemented two important goals from the Oklahoma State Plan for Services to Children and Youth. The goals are to strengthen transition services to custody youth and create access to mental health services:

- Developed a transitional living program for youth who are exiting from the state’s care in Jackson County, Payne County and at the Central Oklahoma Juvenile Center by partnering with the Office of Juvenile Affairs, the Department of Rehabilitation Services and other local agencies; and
- Facilitated the development of a Master’s degree program for residents in the Oklahoma Panhandle to increase the number of licensed professional counselors.

Goals for Upcoming Year

- Commissioners review and approval of the new Fiscal Year 2013-2016 Oklahoma State Plan for Services to Children and Youth;
- Continue to respond to citizen’s complaints in an efficient and timely manner through the Office of Juvenile System Oversight.

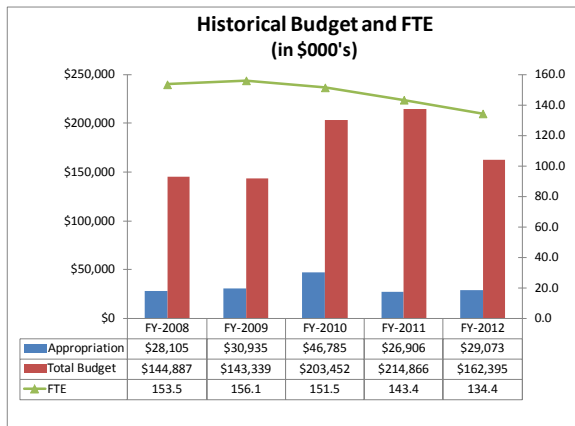
Major Agency Projects

OCCY is the designated state agency to provide staff support to two legislatively created Task Forces: The Children of Incarcerated Parents (CIP) Task Force; and the Foster Care System Improvement Task Force. The CIP Task Force issued their final report and recommendations on January 4, 2012. The Foster Care System Improvement Task Force will issue their final report by March 1, 2012.

Savings, Efficiencies and Shared Services in FY-2012

- For FY-2012, OCCY did not contract with the University of Oklahoma (OU)/Health Science Center for the operations of the Child Death Review Board. OCCY provided services direct to the Child Death Review Board, which resulted in an annual cost savings of approximately \$15,000.
- OCCY left the Comptroller position vacant and contracted with the Office of State Finance to provide business services. It is projected that this will result in a cost savings of approximately \$30,000 annually.

Commerce, Oklahoma Department of (ODOC) Commerce and Tourism Cabinet



Mission

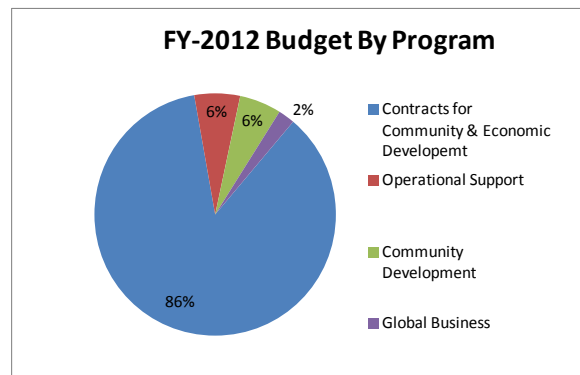
The Oklahoma Department of Commerce (ODOC) is responsible for increasing the quantity and quality of jobs available in Oklahoma by attracting new business, promoting the development and availability of a skilled workforce, supporting communities and supporting the growth of existing businesses and entrepreneurs.

Programs

- National Business Recruiting
- Global Recruitment and Trade
 - International Offices: Shanghai, China; Jerusalem, Israel; Mexico City, Mexico; Berlin, Germany (FDI only)
 - Small Business Administration STEP Grant
 - FDI Team public-private partnership
- Business Customer Services
 - Certification
 - Business assistance – financing/retention/expansion
 - State/Federal business incentives
 - Business Licensing & Registration Information System
- Rural Development Partnership Plan
- Quality Jobs Programs
 - Quality Jobs Program
 - Small Employer Quality Jobs Program
 - 21st Century Quality Jobs Program
- Workforce Solutions
 - Workforce Investment Act Formula Funds (WIA)
 - Base Realignment Closure Programs (BRAC)

- Oklahoma State Energy Sector Partnership Grant (OSESP – Green Grant)
- H-1B Technical Skills Training Grant (Green 2)
- Community Development
 - Community Action Agencies – Head Start
 - Community Development Block Grant and Community Services Block Grant
 - Community Expansion of Nutrition Assistance (CENA)
 - Continuum of Care
 - Disaster Recovery Grant
 - Emergency Solutions Grant
 - Energy Efficiency & Conservation Block Grant & Energy Efficient Appliance Rebate Program
 - Head Start Collaboration Program & Head Start Coordination Program
 - Homeless Assistance Program & Homelessness Prevention and Rapid Re-housing Program
 - Low Income Home Energy Assistance Program (LIHEAP)
 - Rural Economic Action Program (REAP)
 - Rx for Oklahoma
 - State Energy Program & State Energy Assurance Program
 - Sub-State Planning District Pass-through funds (COGs)
 - Sustainable Energy Resources for Consumers
 - Weatherization Assistance Program
 - Wind Safety Turbine Grant
- Main Street Program

For more information about ODOC, visit [ODOC's website](#).



Accomplishments over Past Year

- Business Expansion and Location Activity:
 - 5,339 total new jobs created;
 - Companies invested \$862 million in Oklahoma;
 - 22% of recruited new jobs were at 110% of the average county wage;
 - 19 new companies were assisted in locating to Oklahoma;
 - The projected average wage of new Quality Jobs enrollees was \$51,649;
 - Six new small employer Quality Jobs Program contracts were issued; and
 - The Tax Commission paid \$61.7 million in Quality Jobs and Small Employer Quality Jobs benefits.
- Oklahoma Main Street Center:
 - The 40 Main Street participating communities had \$33.3 million in private sector reinvestment.
- Global Business Services:
 - 232 clients assisted;
 - Coordinated 13 business missions and tradeshow along with 6 foreign delegation visits; and
 - Provided 28 international workshops, seminars and presentations.
- Community Development:
 - 198 new jobs created through business infrastructure development and 404 community improvement projects completed;
 - RX for Oklahoma assisted 2,800 clients and saved citizens an estimated \$6.6 million;
 - Community Expansion of Nutrition Assistance (CENA) provided funding to 419 multi-purpose senior centers and provided 31,980 meals.

Goals for Upcoming Year

- Business Expansion and Location Activity:
 - Assist in the creation of 6,400 jobs;
 - Achieve a level of 65% of new jobs that are 110% of the average county wage;
- Oklahoma Main Street Center:
 - Increase private sector reinvestment to \$48 million providing a 9:1 private to public reinvestment;
- Global Business Services:
 - Increase the number of coordinated business mission and trade shows to 15;
- Community Development:

- Increase the number of new jobs from infrastructure development for business by 30% to 300.

Major Agency Projects

- *Fallin for Business* – Unprecedented comprehensive statewide survey of business owners and executives;
- *OK Job Match* – Creation of a statewide citizen service to provide improved employment opportunities and citizen success.

Savings, Efficiencies and Shared Services in FY-2012

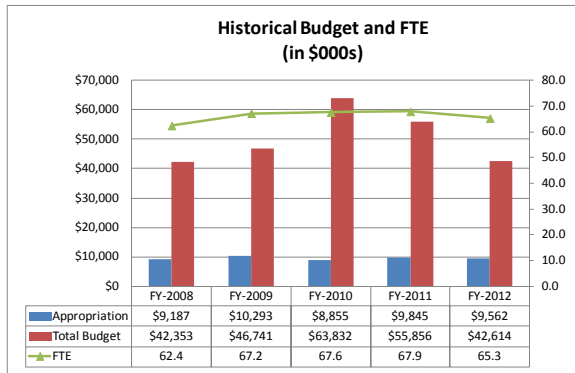
Commerce restructured in the beginning of FY-11 to support enhanced economic development initiatives and to ensure leadership in efforts to increase and retain jobs. A division solely focused on marketing was eliminated and replaced by an agile communications team to provided target resources in order to increase customer services.

**Rural Economic Action Plan (REAP)
Commerce and Tourism Cabinet**

Mission

The Rural Economic Action Plan (REAP) is a grant program. REAP provides grants to build and repair infrastructure in communities with a population of less than 7,000. According to statute, these grants can be used for things such as sewer and water line construction or repair, water treatment, water acquisition and/or distribution and related projects.

Conservation Commission (OCC) Agriculture Cabinet



Mission

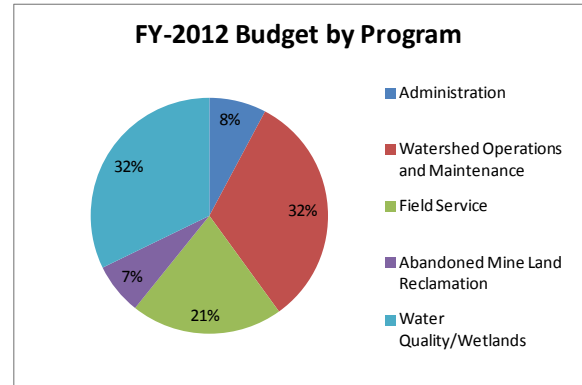
To conserve, protect and restore Oklahoma’s natural resources, working in collaboration with the conservation districts and other partners on behalf of the citizens of Oklahoma.

Programs

- Conservation Programs/Watershed Operations and Maintenance
 - Operation & Maintenance of Upstream Flood Control Dams
 - Rehabilitation of Upstream Flood Control Dams
 - New Construction of Upstream Flood Control Dams
 - Conservation Education
 - Locally Led Conservation Cost Share Program
- Field/District Services
 - Conservation District Director Training
 - Conservation District Employee Training
 - Prescribed Burn Program
- Abandoned Mine Land Reclamation
 - Abandoned Mine Land Reclamation Program (coal)
 - Emergency Reclamation Program (coal)
- Water Quality/Wetlands
 - Nonpoint Source Water Quality Monitoring (surface water)
 - Priority Watershed Conservation Cost Share Program
 - Wetlands Program
 - Conservation Reserve Enhancement Program (CREP)

- Blue Thumb Water Quality Education Program
- Information Technology
 - Geographic Information Services Council and Office of Geographic Information

For more information about OCC, visit [their website](#).



Accomplishments over Past Year

- Completed the rehabilitation of three high hazard upstream flood control dams to bring the total completed to 22;
- Completed 141 rehabilitation assessments on high hazard upstream flood control dams (needed in order to qualify for federal construction funds for dam rehabilitation);
- Strategically placed 10 sets of maintenance equipment across the state to support the operation and maintenance of the state’s 2,107 upstream flood control dams;
- EPA recognition and ranked in the top five states nationally for the reduction of Phosphorus and Nitrogen contaminants in Oklahoma’s streams and rivers;
- Delisted 4 Oklahoma streams from the EPA 303d list of impaired streams;
- Reclaimed 64 acres of scarred abandoned coal mine land; and
- Assisted conservation districts and Natural Resources Conservation Service (NRCS) in the delivery of over \$22 million in federal conservation assistance to Oklahoma landowners.

Goals for Upcoming Year

- Complete the rehabilitation of 10 additional high hazard upstream flood control dams to bring the total to 32 (172 remaining);

- Complete hazard assessments on 225 upstream flood control dams;
- Perform operation and maintenance on 2,107 upstream flood control dams (backlog, \$22 million);
- Remove 10 additional stream segments from EPA's 303d list of impacted streams;
- Develop a 4 state implementation plan to reduce nutrient loading to the Grand Lake of the Cherokee's, in cooperation with the Office of the Secretary of the Environment, in order to begin addressing the blue green algae problem in the lake;
- Reclaim 160 acres of scarred abandoned coal mine land;
- Deliver through conservation districts and the NRCS, \$20 million in federal conservation assistance to Oklahoma landowners.

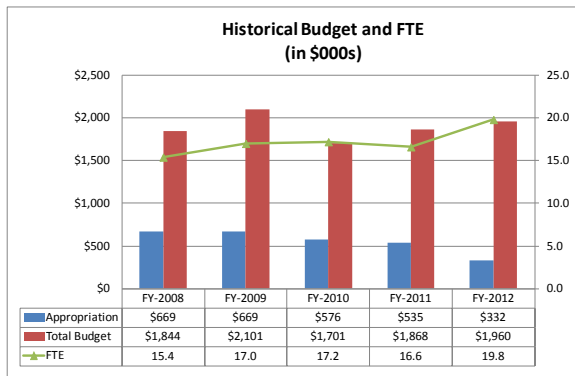
Major Agency Projects

- Rehabilitation of flood control dams to protect people living below high hazard dams;
- Operation and maintenance of 2,107 upstream flood control dams to provide \$81 million in annual benefits;
- Implementation of best management practices to improve the water quality in impaired priority watersheds;
- Monitoring of streams to assess nonpoint source pollution impacts;
- Reclamation of scarred mine land and continued management of the emergency reclamation program to protect citizens from abandoned mine land hazards;
- Support of conservation districts so that federal and state assistance, flood protection, reclamation, soil and water quality protection can be effectively delivered.

Savings, Efficiencies and Shared Services in FY-2012

- During FY-2011, the 87 conservation districts were setup to receive reimbursements from the Commission electronically. The 87 conservation districts also moved from the submission of paper copies, on the minutes of monthly board meetings, to electronic submission.
- Efficiencies in the agency vehicle fleet resulted in reducing the number of leased vehicles by five.

Consumer Credit Department (OKDOCC) Finance and Revenue Cabinet



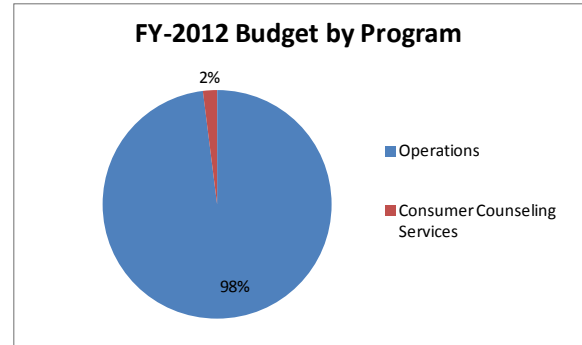
Mission

The Oklahoma Department of Consumer Credit (OKDOCC) was created by the Oklahoma Legislature in 1969. The Department is responsible for the regulation of consumer credit sales and consumer loans in the State of Oklahoma. The Department is also responsible for the licensing and regulation of mortgage brokers, mortgage loan originators, pawnshops, deferred deposit lenders, rental purchase lessors, health spa contracts, credit service organizations and precious metal and gem dealers. In the last several years, the regulation of unlicensed activity has become a very real concern to many citizens of the state and to this Department. As a result, a large percentage of resources, personnel and funds are being dedicated to the enforcement of unlicensed activity throughout the state and beyond.

Programs

- Consumer Counseling Services
- Licensing and Regulation
 - Mortgage Brokers
 - Mortgage Loan Originators
 - Pawnshops
 - Deferred Deposit Lenders
 - Rental Purchase Lessors
 - Health Spa Contracts
 - Credit Service Organizations
 - Precious Metal and Gem Dealers.

For more information about OKDOCC, visit [their website](#).



Accomplishments over Past Year

- The OKDOCC office was relocated and the new facility will help to better serve their customers.
- OKDOCC reduced the processing time for completed license applications. Average processing time of a completed license application went from thirty (30) days to four (4) days. This was accomplished by consolidating databases, making menus more user-friendly, changing the daily deposit procedures and data entry menus, and increasing trained licensing staff.
- OKDOCC found efficiencies with response time in handling complaints received from consumers and licensees.

Goals for Upcoming Year

- Complete the implementation of the AMANDA licensing software system for various licenses, permit types and inspections in reference to the IT consolidation efforts mandated by the Oklahoma legislature;
- Continue to improve response time for resolving complaints fairly and quickly, especially those that involve unlicensed activity which can result in the most harm to Oklahoma citizens and licensees engaged in legal businesses throughout the State; and
- Continue to improve licensing services through staff training on new methods and from the implementation of AMANDA.

Major Agency Projects

IT Consolidation AMANDA project. The agency's goal is to complete the project before the next renewal season, which will start October 2012.

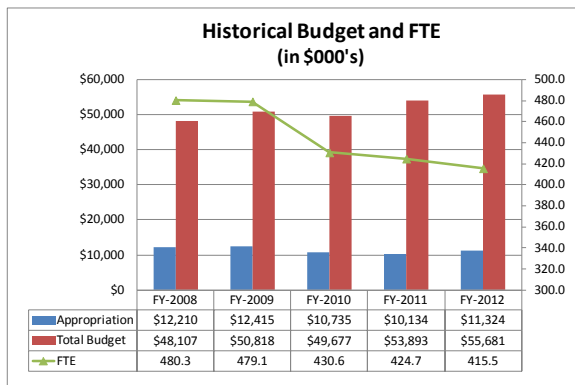
Savings, Efficiencies and Shared Services in FY-2012

OKDOCC reduced state appropriated funds, by working with the Oklahoma legislature and the

industry's the agency regulates. The industry understands the need to pay for these regulations, rather than utilizing appropriated funds to pay for enforcement. In FY-2012, OKDOCC agreed to have appropriations lowered by 40% from the previous year.

In addition, efficiencies were achieved by reducing processing time for consumer license applications and resolving consumer complaints.

Corporation Commission (OCC) Energy Cabinet



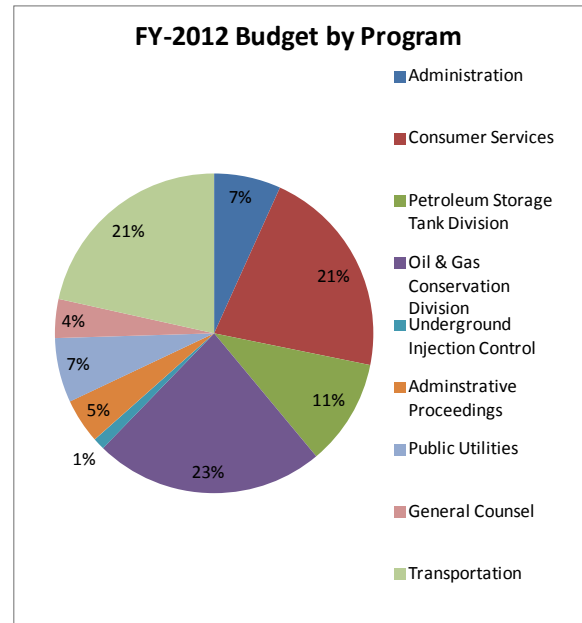
Mission

To regulate, enforce laws and supervise activities associated with the exploration and production of oil and gas, the storage and dispensing of petroleum-based fuels, the establishment of rates and services of public utilities, and the operation of intrastate transportation to best serve the economic needs of the public. The Commission oversees the conservation of natural resources to avoid waste, abate pollution, and balance the consumer concerns with the regulated entities, which provide essential services for the benefit of Oklahoma.

Programs

- Consumer Services
- Claims Processing
- Regulatory
- Petroleum Storage
- Oil & Gas
 - Well Plugging
 - Grants & Cooperative Agreements
 - Mobile Equipment
- Underground Injection Control
- Administrative Proceedings
- Public Utilities
- State Electrical Regulatory Assistance Grant
- Energy Emergency Preparedness Grant
- General Counsel
- Transportation
 - Railroad Track Inspection
 - Pipeline Safety Department
 - Vehicle License & Registration
 - Transportation IFTA/IRP (International Fuel Tax Agreement/International Registration Plan)

For more information about OCC, visit [their website](#).



Accomplishments over Past Year

- Completed online trip permit submission;
- Continual progress toward construction at the new ports of entry in Kay and Beckham counties. El Reno weigh station will open in January 2012.
- Completed conversion of Oil and Gas Division production reporting to the new Risk-Based Data Management System (RBDMS);
- Implemented purchase card (P/Card) program.

Goals for Upcoming Year

- Fully implement the PIPES program for Pipeline Safety;
- Identify funding for a new Case Management system;
- Modify the Telecom and Electric Utility rules;
- Make on-line payments available in the Petroleum Storage Tank (PST) Division;
- Deploy the remaining components of the RBDMS, including those that allow for electronic filing of additional applications and reports;
- Adopt permanent rules to implement the Shale Reservoir Development Act; and
- Utilize the P/Card program in all areas of the agency to maximize savings.

Major Agency Projects

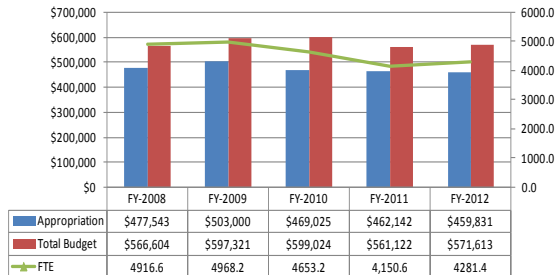
- IT continues to develop an IFTA/IRP program. The 72 and 120 hour permit phase was implemented in November 2011.
- Migration to Windows 7 on all computers agency-wide;
- Automate Oil and Gas Division forms online;
- Implement unit costing procedures into existing database for the PST division; and
- Explore all payment methods to identify how to increase electronic payments, instead of manual processing of payments.

Savings, Efficiencies and Shared Services in FY-2012

- Savings obtained by not filling vacant positions;
- Online trip permits allowed for automated submission and workflow in the Transportation Division;
- The agency utilized temporary employees instead of filling full-time employee positions;
- Consumer Services Division's intervention resulted in a savings of \$145,000 for Oklahoma consumers. A total of 31,855 consumers were assisted by this division.
- Streamlined qualification procedures for certain gross production tax exemption categories ;
- Electronic filing procedures in the Oil and Gas Division improved productivity for both the agency and the regulated industry.

Corrections, Department of (DOC) Safety and Security Cabinet

Historical Budget and FTE
(in \$000's)



Mission

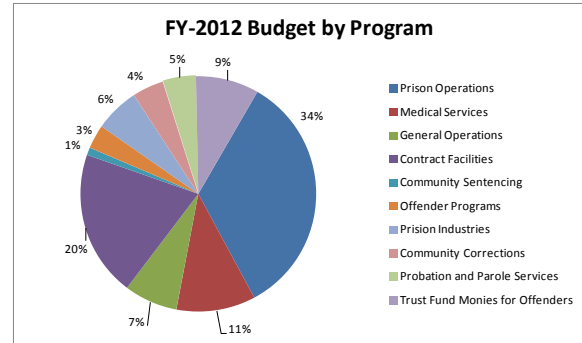
The mission of the Oklahoma Department of Corrections (ODOC) is to protect the public, the employee and the offender.

- The department will protect the public by maintaining those remanded to its custody under the appropriate level of confinement or supervision for the duration of their sentence;
- Employees will be provided a safe, secure, and positive working environment;
- Humane supervision and appropriate conditions of confinement will be provided to offenders;
- Approved evidence-based programs will be provided to eligible offenders in order to promote current and future law-abiding behavior resulting in reduced recidivism; and
- The department will promote efficiency and effectiveness in all phases of correctional operations.

Programs

- Prison Operations
- Medical Services
- Contract Facilities
- Community Sentences
- Offender Programs
- Prison Industries
- Community Corrections
- Probation and Parole Services
- Trust Fund Monies for Offenders

For more information about DOC, visit [their website](#).



Accomplishments over Past Year

- Continued 100% compliance with American Correctional Association national accreditation standards;
- Assured 100% of the agency's policies and procedures were reviewed annually and in compliance with legal and accreditation requirements;
- Decreased claims processing time for vendor payments from 30.69 days in FY-2010 to 28.26 days in FY-2011;
- Reduced the number of offenders under community supervision accelerated or revoked to prison from 1,682 in FY-2010 to 1,474 in FY-2011;
- Maintain offenders' success rate at 75% or greater through continuing education of Community Sentencing providers (FY-2011 success rate of 87%);
- No escapes from medium- or maximum-security facilities; and
- Implementation of security threat group tracking process and completion of intelligence software by Internal Affairs Unit.

Goals for Upcoming Year

- Increase percentage of correctional officers who complete probationary period and receive career progressions following training;
- Increase percentage of leadership development participants who continue employment with ODOC after completion of two or more levels of training;
- Maintain emergency room visits for offender non-urgent conditions at or below 7% (FY-2011 rate was 3.2%);
- Produce crops and food supplies at a minimum cost to the agency and state of Oklahoma; and
- Increase fiscal year sales dollars of Oklahoma Correctional Industries (OCI) products.

Major Agency Projects

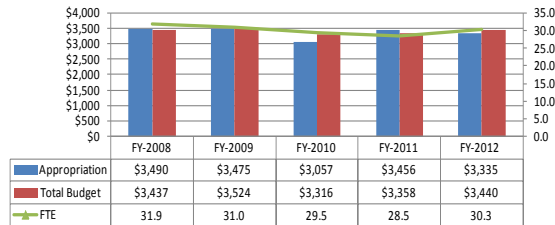
- Conversion of vacated CareerTech training buildings to offender housing units;
- Partnership with World Church Builders, a volunteer organization committed to building chapels at ODOC prisons. Chapels were completed at Eddie Warrior Correctional Center and Bill Johnson Correctional Center. Work is currently underway at Dick Conner Correctional Center for chapels on both the medium- and minimum-security yards.

Savings, Efficiencies and Shared Services in FY-2012

- Continued development and implementation of an electronic health record for ODOC Medical Services has allowed rapid access to medical information for any incarcerated offender by medical staff state-wide while eliminating the need for maintaining a paper file for each offender's medical records. Eventually, this will eliminate the transport of large volumes of paper files. The electronic health record will also:
 - Interface with the ODOC's laboratory vendor, allowing electronic delivery of all lab results;
 - Provide automated notification alerts to the medical provider if any lab results are outside normal limits; and
 - Streamline administration of medications, increasing the accountability of staff in relation to medication counts.
- ODOC Medical Services increased sharing of supplies between ODOC medical facilities and made all purchase requests automated, allowing for decreased local inventory and wastage due to product expiration;
- ODOC Medical Services continued consolidation of medical facility management, placing Howard McLeod Correctional Center and Mack Alford Correctional Center under the same Correctional Health Services Administrator, and Jackie Brannon Correctional Center under Oklahoma State Penitentiary, eliminating the need for two administrative positions; and
- ODOC created a program participation database to track all program participation statewide. This database unifies tracking of offender program participation into one format and allows for easy extracts and sharing of aggregate data.

Criminal Appeals, Oklahoma Court of (OCCA) Judiciary Cabinet

**Historical Budget and FTE
(in \$000's)**

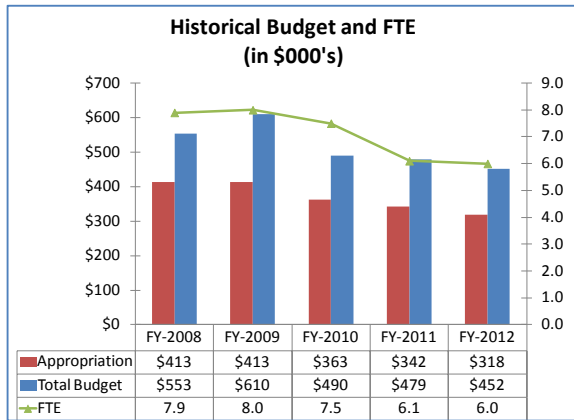


Mission

The Court of Criminal Appeals is the highest court in the State of Oklahoma with appellate jurisdiction in criminal cases. It is the state court of last resort in criminal matters, with appeals coming directly from the District Courts and Municipal Courts of Record. The Court also promulgates rules, procedures and uniform jury instructions in criminal cases.

For more information about OCCA, visit [their website](#).

Disability Concerns, Office of (ODC) Health & Human Services Cabinet



Mission

The Office of Disability Concerns (ODC) provides accurate and timely information/referral, technical assistance and advocacy. ODC acts as an intermediary for persons with disabilities and provide services to those with disabilities.

Programs

- Employment Assistance Program;
- High School Hi-Tech, Tech Now Training;
- Client Assistance Program (CAP);
- Informational services to occupational groups, educational groups, state agencies, businesses and individuals with disabilities;
- Technical assistance on state and federal laws impacting individuals with disabilities;
- Advocacy to individuals with disabilities.
- Americans with Disabilities Act (ADA) assistance to individuals with disabilities and to the community and businesses that serve them; and
- Human resource development classes to state and county employees and supervisors.

For more information about ODC's programs, visit [their website](#).

Accomplishments over Past Year

Served 54,645 people who requested agency services and provided a statewide training conference (in collaboration with the Merit Protection Agency) on new federal guidelines dealing with the Americans with Disabilities Act.

Goals for Upcoming Year

To continue to serve all Oklahomans with disabilities and those who are affected by them with the most current and cost effective means available with information, technical assistance and materials. ODC will continue to teach six (6) human resource development courses to state employees on Disability Awareness as well as continuing education to other state agencies.

Major Agency Projects

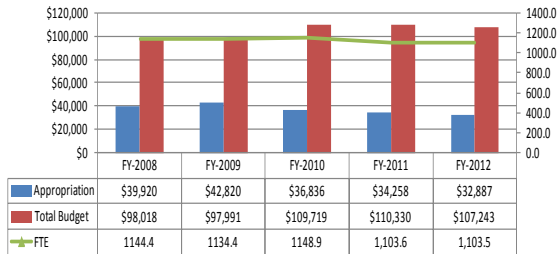
ODC will be planning training for all ADA Coordinators and HR Coordinators throughout the state on the Americans with Disabilities Act and other federal and state issues related to Oklahomans with disabilities and their families.

Savings, Efficiencies and Shared Services in FY-2012

The Office of Disability Concerns is excelling in the state legislatively mandated mission with one-third less staff and budget levels equal to those of the early 1990's.

District Attorneys Council (DAC) Safety and Security Cabinet

Historical Budget and FTE
(in \$000's)



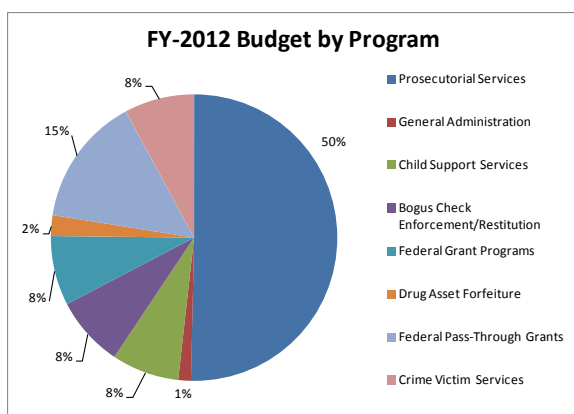
Mission

The mission of the District Attorneys Council (DAC) is to protect the citizens of the State of Oklahoma through the effective and efficient administration of justice. The twenty-seven District Attorneys in the state are officials elected at the district level. They are responsible for prosecuting state criminal cases on behalf of the public.

Programs

- Prosecutorial Services
- Child Support Services
- Bogus Check Enforcement/Restitution
- Federal Grant programs
- Drug Asset Forfeiture
- Federal Pass-Through Grants
- Crime Victim Services

For more information about DAC, visit [their website](#).



Accomplishments over Past Year

- Significant review and improvement of the District Attorneys Supervision Program;

- Implementation of the Capital Litigation Resource Project, which provides training and support for prosecutors dealing with the most serious cases - homicide;
- Through the domestic violence project, encouraged and assisted communities in developing a coordinated community response (CCR) to domestic violence. There are now twenty-six CCR teams statewide;
- The Traffic Safety Resource Project has enhanced efforts to educate prosecutors and law enforcement on the complex issues surrounding DUI fatalities;
- Improved services to tribal victims of crime through the State-Tribal Crime Victim Liaison project; and
- Saved administrative time and funds through the automation of fiscal processes.

Goals for Upcoming Year

- Pursue solutions to the rising number of highly explosive "one-pot" methamphetamine labs;
- Continue review of criminal justice system;
- Assist in the review of the child welfare system;
- Increase training for prosecutors on ethical issues; and
- Increase funding for district attorneys' offices to eliminate furloughs and fill critical staff positions.

Major Agency Projects

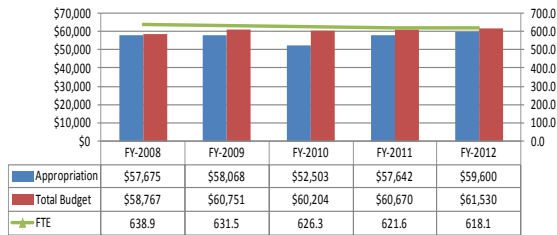
The DAC is in the process of developing and implementing a grant management system for both the Victims and Grants Divisions with federal grant funds. This will be a complete online system for grant application and acceptance, fund requests and reporting. It will be integrated with the state's financial system, CORE PeopleSoft.

Savings, Efficiencies and Shared Services in FY-2012

The DAC has worked with the Administrative Office of the Courts (AOC) to develop electronic data exchange technology to enable exchanges of data between the DAC and AOC as well as with other law enforcement agencies. Funded by a federal grant, the DAC purchased the necessary hardware and software to implement the project.

District Courts Judiciary Cabinet

Historical Budget and FTE
(in \$000's)



Mission

To provide a fair and impartial judicial system.

For more information about District Courts, visit [their website](#).

Accomplishments over Past Year

Implemented statewide warrant collection program.

Goals for Upcoming Year

Unified Court Fund accounting and jury management programs.

Major Agency Projects

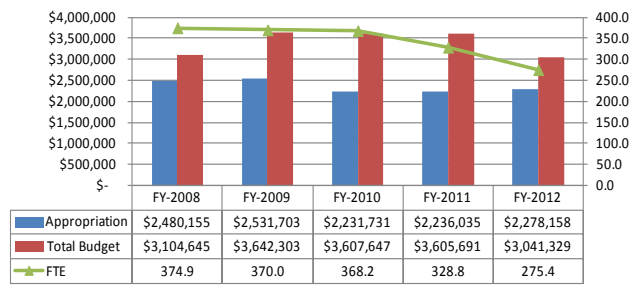
The Supreme Court is in the process of implementing a number of efficiencies including docket management, statistical reporting, jury management, a unified accounting system for tracking district court budgets and managing expenses, e-filing, e-commerce, and information sharing with law enforcement, district attorneys and other executive branch agencies.

Savings, Efficiencies and Shared Services in FY-2012

- Staff reductions in the offices of the Court Clerks;
- Reduction of security expenses;
- Elimination of pilot or limited jurisdiction programs in the district courts;
- The District Courts participate in the CORE budget, payroll and financials programs through the Office of State Finance.

Education, Oklahoma State Department of (SDE) Education Cabinet

Historical Budget and FTE (in \$000's)



Mission

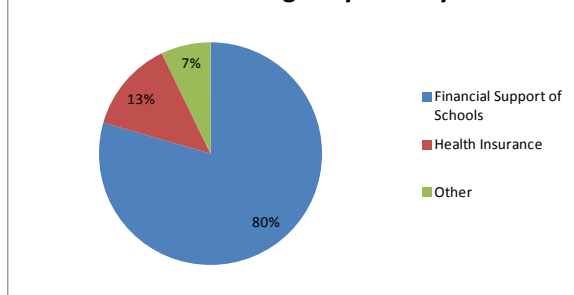
The mission of the Oklahoma State Department of Education (SDE) is to improve student success through service to students, parents and schools; leadership for education reform; and regulation/deregulation of state and federal laws to provide transparency and accountability while removing barriers to student success.

Programs

- Instruction
- Accountability & Assessments
- Student Support
- Financial Services
- Special Education
- Federal Programs

For more information about SDE, visit their [website](#).

FY-2012 Budget by Activity



Accomplishments over Past Year

- SDE implemented various legislative reforms for education, including but not limited to:
 - A-F Grading System;
 - Teacher Leadership Effectiveness (TLE) Evaluation System;

- Reading Sufficiency Act;
- 3rd grade graduation;
- Transition efforts to the Common Core Standards (CCSS) and Partnership for Assessment of Readiness for College and Careers (PARCC) Assessments; and
- Implementation of the Oklahoma C³ Standards.

- SDE developed a comprehensive design for a State Longitudinal Data system (SLDS) that encompasses a P12 Oklahoma Accountability and Student Information System (OASIS) and submitted a \$5 million dollar SLDS grant application to the US Department of Education to advance the development of OASIS;
- Superintendent Barresi issued a call for Oklahoma: By the year 2020, each student graduating from an Oklahoma high school must be college, career and citizen ready. It is called the C3 Plan. Building on the success of a slate of reforms passed by the Legislature and signed into law this year, the C3 Plan sets the stage for Oklahoma to win the competition for excellence.
- Created the REAC3H Network (Regional Educators Advancing College, Career and Citizen Readiness Higher) in order to implement legislative reforms and introduce the new TLE system and to assist schools with the transition to the CCSS. REAC3H utilizes volunteer coordinating districts to work with other districts to disseminate information, share best practices and offer training.

Goals for Upcoming Year

- Implement educational reforms passed during the 2011 Legislative Session by establishing rules and internal policies consistent with legislative mandates and refine existing rules to comply with current legislative initiatives;
- Facilitate Literacy Professional Development for 1,200 teachers and 30 Literacy Coaches; revise template for Oklahoma Districts' and State Literacy Plan and create "Oklahoma's Plan to Ensure Student Literacy by the End of 3rd Grade" document.
- Provide schools two critical tools: 1) "My Data," a complete set of student level data for all students (including transfer students) and 2) an early warning indicator system to alert schools with data suggests that individual students may be at risk of dropping out of high school as early as the 3rd grade.

Major Agency Projects

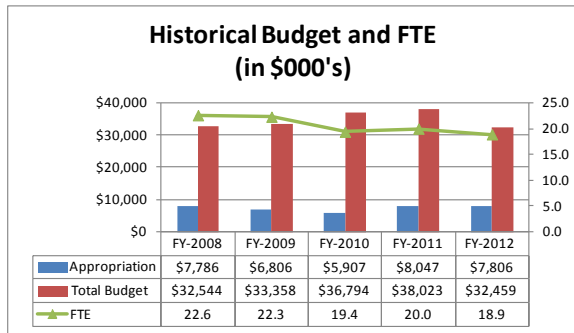
- Establishment of the A-F Grading Requirements, enforcement of ACE graduation requirements, implementation of Reading Sufficiency Act with a focus on professional development and implementation of a Teacher Evaluation System for statewide application;
- Overseeing the literacy training for 30 Oklahoma literacy coaches and 1,200 teachers;
- The development of P12 Oklahoma Accountability and Student Information System as outlined in Oklahoma’s State Longitudinal Data System grant application;
- Adopting the Oklahoma C3 Standards – districts are transitioning by developing their own curricula in line with these standards. The State is on track for a full implementation of the Oklahoma C3 Standards and PARCC assessments over the next three years.
- Entering into a pilot year for the Teacher and Leader Effectiveness (TLE) system, with each district across the state able to choose among different models. TLE promises to support all teachers and administrators toward continuous improvement of instructional practices and student outcomes.

Retirement System. All other services, including financial accounting and human resources, are self supported using CORE applications.

Savings, Efficiencies and Shared Services in FY-2012

- Under Superintendent Barresi’s administration, SDE has reduced staffing from 399 budgeted positions to 319 budgeted positions that resulted in a monthly savings of \$281,964;
- Better internal contracting procedures and new legislative contract reporting will result in a cost savings to the agency regarding events, trainings, professional development, meetings and SDE sponsored seminars;
- Development of a statewide student data system will allow districts and the department to save money and time by creating a more efficient reporting process;
- By switching to electronic communication as the primary medium to transmit information to school districts and other stakeholders, SDE has been able to communicate quickly and effectively and gain significant savings in printing and publishing costs; and
- SDE consolidated information technology services with the Office of State Finance, effective July 1, 2011 and shares the cost of building security services with Teachers

Election Board Secretary of State Cabinet



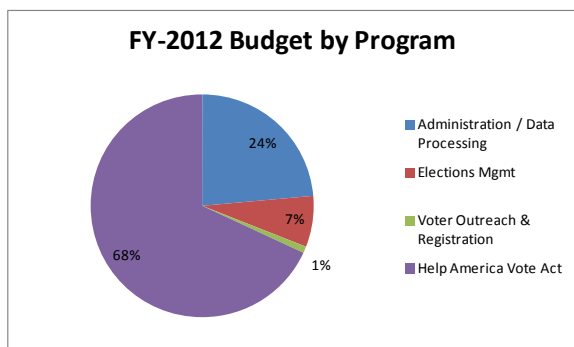
Mission

The mission of the Oklahoma State Election Board is to achieve and maintain uniformity in the application, operation and interpretation of the state and federal election laws with a maximum degree of correctness, impartiality and efficiency.

Programs

- Data Processing
- Elections Management
- Voter Outreach and Registration
- Help America Vote Act

For more information about the Oklahoma State Election Board, visit [their website](#).



Accomplishments over Past Year

- Awarded a contract for a new state voting system to Hart Intercivic of Austin, Texas. Worked with the vendor to implement the new system;
- Assisted the County Election Boards in completing redrawing of precinct lines after legislative and county commission redistricting;
- Reduced the number of precincts statewide by 8.5%; and

- Completed upgrade of several key modules of the state election management system to comply with the federal Help America Vote Act (HAVA) and to interface with the new voting system.

Goals for Upcoming Year

- Complete installation of new voting system and successfully conduct 2012 statewide elections;
- Complete upgrade of all components of the election management system.

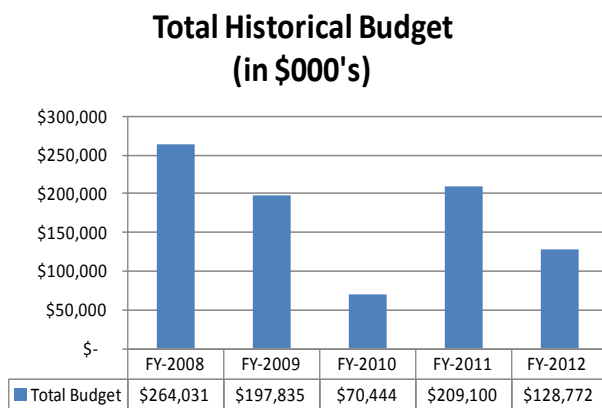
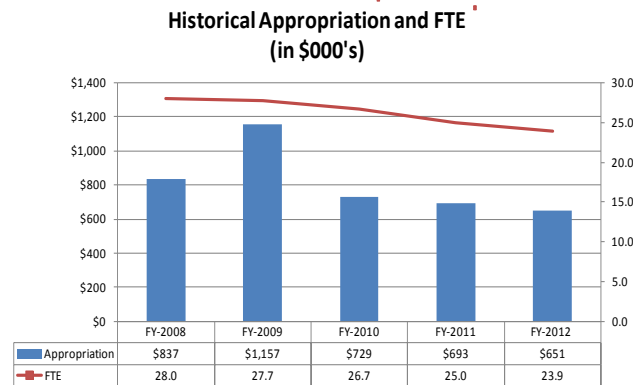
Major Agency Projects

In January, 2011, the agency awarded a contract for a new state ballot scanner voting system that complies with the requirement of HAVA that voters with disabilities be able to vote privately and independently. Installation of the system began during 2011 and is ongoing. It will be used for the first time on February 14, 2012. Also, to comply with HAVA, the existing voter registration database and election management system is being upgraded. Both of these projects are funded with federal money that was received specifically for this purpose.

Savings, Efficiencies and Shared Services in FY-2012

- The number of precincts statewide was reduced 8.5% during the redrawing of precinct lines;
- Four vacant positions remain unfilled;
- Travel has been limited to necessary equipment maintenance and training;
- Printing and postage expenses have been reduced through the use of e-mail and the agency website; and
- Continuing efforts to explore ways to use technology to create efficiencies.

Emergency Management, Oklahoma Department of (OEM) Safety and Security Cabinet



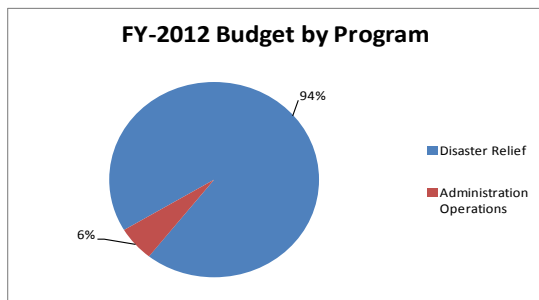
Mission

The Oklahoma Department of Emergency Management (“OEM”) is required by law to prepare for, respond to and aid in recovery from any natural or man made disaster which can affect the citizens of Oklahoma.

Programs

- Disaster Relief

For information about OEM, visit [their website](#).



Accomplishments over Past Year

- OEM delivered more than \$90 million in federal disaster assistance and \$8 million in state disaster assistance through the State Emergency Fund;
- OEM responded to two blizzards, two tornado outbreaks, countless fires (25 of which resulted in fire management assistance grants), drought conditions, major flooding and a record-breaking earthquake; and
- OEM assistance benefitted individuals, businesses owners, municipalities, counties, school districts, rural water districts and electric cooperatives impacted by Oklahoma 2011 disasters and emergencies.

Goals for Upcoming Year

- Close out a minimum of three federally declared disasters;
- Implement a second iteration of SoonerSafe Safe Room Rebate Program, allowing additional Oklahoma homeowners to stay safe during severe weather;
- Deliver at least \$6 Million in State Emergency Funding;
- Exercising Shelter in a Box will better prepare Oklahoma to assist neighboring states in times of mass evacuations caused by disasters like hurricanes; and
- Continue to bolster the State Local Assistance Program.

Major Agency Projects

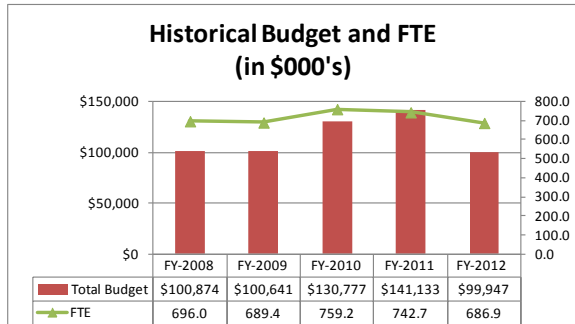
- OEM will launch a new public education program designed to prepare Oklahomans for severe weather.
- OEM will also complete generator assessments for winter weather shelters, allowing communities statewide to be better prepared should severe winter weather require shelter openings; and
- To eligible Oklahomans who install above-ground or below-ground safe rooms, OEM’s SoonerSafe Safe Room Rebate Program provides a 75-percent rebate – up to \$2,000. Learn more at www.soonersafe.ok.gov.

Savings, Efficiencies and Shared Services in FY-2012

OEM utilizes the State Attorney General’s Office for legal services, the Office of Personnel Management for human resource services, the Employee Benefits

Council for payroll tax assistance, the Department of Central Services Fleet Management for motor pool services and the State Auditor and Inspector for auditing services.

Employment Security Commission (OESC) Commerce and Tourism Cabinet



*The Oklahoma Employment Security Commission is a non-appropriated agency.

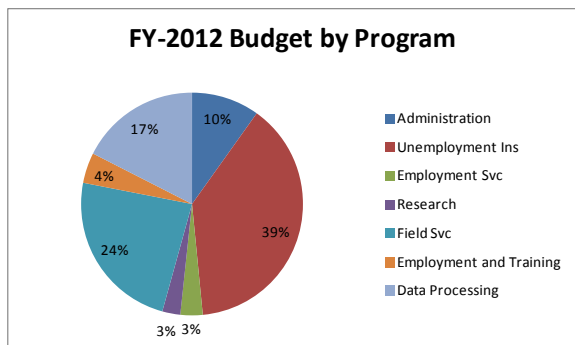
Mission

OESC's mission is to enhance Oklahoma's economy by matching jobs and job seekers, providing economic stability through the Unemployment Insurance program, providing access to the tools necessary to create a skilled workforce and disseminating labor market information to aid in the economic decision making process.

Programs

- Unemployment Insurance
- Employment Services
- Research
- Field Services
- Employment and Training

For more information about OESC, visit [their website](#).



Accomplishments over Past Year

- Provided assistance to more than 150,000 job seekers, seeing over 70,000 of those persons entering employment with a six month employment retention rate of 78%;

- Provided services to over 17,000 veterans;
- JobLink (OJL) program had over 107,000 job openings listed from employers throughout the state, more than 76,000 new job seeker accounts created and more than 2,400 new employer accounts created;
- Unemployment Insurance (UI) division processed over 123,000 claims for unemployment insurance. By leveraging improvements in both process design and technology, UI reduced customer wait times, increased call volume capacity and increased claim processing times significantly. This resulted in improved customer service, more efficient utilization of resources, and a decrease in FTE administering the program.
- Achieved seventh lowest rate in the nation for improper payments and serves as a best practice model for other states. Continuing to reduce the number of improper claimants through the utilization of technology is a major initiative that will continue into the 2013 fiscal year.

Goals for Upcoming Year

- Increase staff-assisted job orders, number of quality referrals, number of claimants registering for work and receiving staff-assisted services and provide quicker engagement of claimants in receipt of services;
- Increase the UI trust fund balance, decrease UI fraud, and decrease UI duration.

Major Agency Projects

- OESC will continue its initiative to improve the quality and efficiency of its operations through the utilization of new technology. This will largely be achieved through the implementation of a revamped user interface for the online unemployment insurance filing application, a new voice response unit used for filing claims by telephone and enhanced technology to better connect job seekers and employers.
- The revamped online user interface for UI claims filing is being created to allow for a clearer understanding of the questions being asked and improved customer flow from screen to screen. The new program should result in lower application completion times and improved accuracy of the application. This will result in improved customer satisfaction and improved claims processing time, lower the amount of

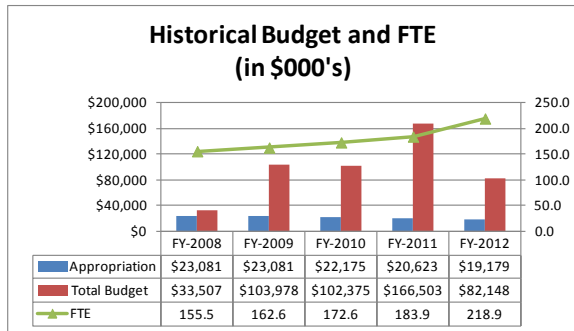
post-claim work required and improve the overall efficiency of the UI division's operations.

- The new voice response unit used for filing claims by phone will increase productivity on both the front-end and back-end operations. One key feature of the new system will be a call back system for customers who might otherwise have experienced long hold times.
- OESC will focus on enhancing employment and re-employment services to connect more employers and job seekers. Virtually connecting the UI claimant system and an enhanced online job bank will provide the framework to move claimants back to reemployment faster.

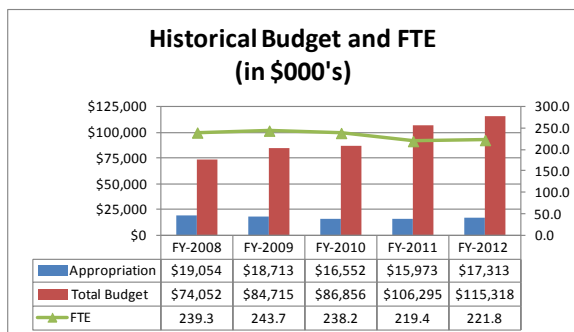
Savings, Efficiencies and Shared Services in FY-2012

Prior to 2010, OESC's employer quarterly contribution reports were mailed to each employer in Oklahoma and were manually processed when returned. Beginning in 2010 OESC introduced the EZ Tax Express online quarterly contribution report filing system. In FY-2012 the EZ Tax Express nearly reached full implementation with over 70% of Oklahoma's employers filing their contribution reports online. A constant line of communication flows from customers, and their input has resulted in many enhancements to the system. Customer survey responses about EZ Tax Express indicate satisfaction with the program and comments about the ease of use abound. The result of this project has led to an improved customer service experience and greatly reduced the cost of processing the contribution reports manually.

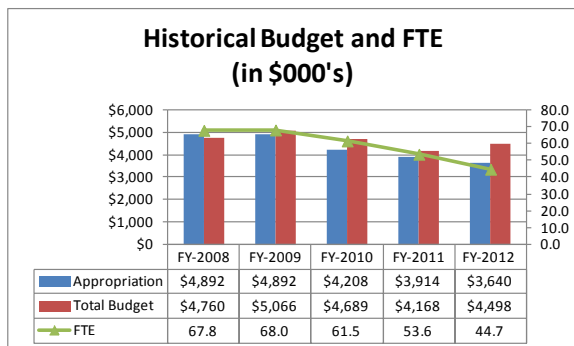
**Enterprise and Management Services, Office of (OEMS)
(Formerly the Office of State Finance)
Finance and Revenue Cabinet**



Office of State Finance (OSF)

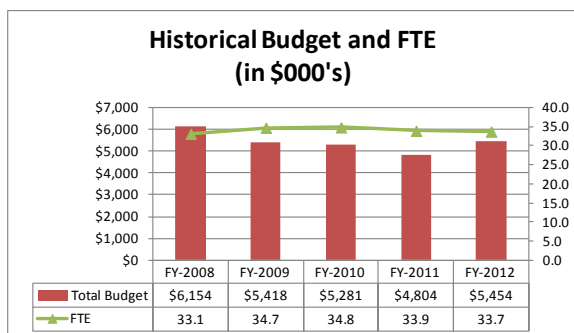


Department of Central Services (DCS)



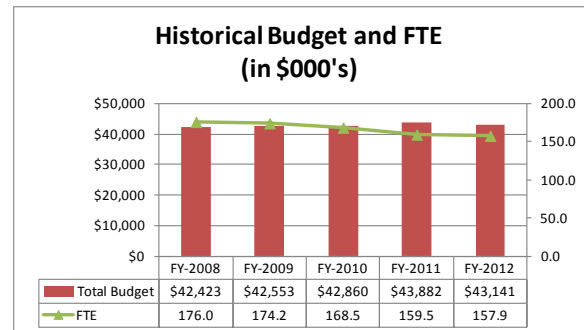
Office of Personnel Management (OPM)

*FY-2008 Total Budget is less than the appropriation due to carryover from FY-08 to FY-09



Employees Benefits Council (EBC)

*Employees Benefits Council is a non-appropriated agency.



Oklahoma State and Education Employees Group Insurance Board (OSEEGIB)

*OSEEGIB is a non-appropriated agency

During the 2011 Legislative session, the State Government Administrative Process Consolidation and Reorganization Reform Act of 2011 (HB2140) was passed by the legislature. This restructured the Office of State Finance (OSF) to incorporate, as new divisions, the functions of the Department of Central Services (DCS), the Employees Benefits Council (EBC), the Office of Personnel Management (OPM), and the Oklahoma State and Education Employees Group Insurance Board (OSEEGIB).

OSF is currently integrating the five agencies into one and will be establishing a broad mission, set of goals, and strategic plan that will encompass all divisions. In the past, these organizations were each reported as a distinct entity. This year, each will be presented as a division of OSF within this section. It should be noted that new names have been designated for the agency and the new divisions.

Mission

The Office of Enterprise and Management Services (OEMS) is part of the Executive Branch. It is under the administrative control of the Director of OEMS who is appointed by the governor, with the advice and consent of the Senate. In the past, OEMS' (formerly OSF) main responsibilities resided in the Division of Budget (Budget), Division of Central Accounting and Reporting (DCAR), Information Services Division (ISD) and the Telecommunications Division. Due to the HB2140 consolidations, OSF's scope of services was considerably broadened. To include the added duties related to central services, human resources, state employees' benefits, and group insurance, the organization's name was changed to OEMS.

Divisions and Programs

- Division of Central Accounting and Reporting (DCAR)
 - Agency Business Services
 - Gaming Compliance
 - GASB & National Issues
 - Transaction Processing
 - Accounting & Reporting
 - Agency Finance
- Budget and Policy Division
 - Budget Department
 - Policy and Legislative Services
 - Communications
- Information Services Division (ISD)
 - Planning & Management
 - Development & Deployment
 - Engineering Tech Support
 - Finance Administration & Vendor Management
 - Compliance
 - IT Purchasing
 - Business Clusters
- Transition Project Office / Efficiency and Performance Division
 - Transition / Consolidation Office
 - Efficiency Review Team
 - Performance Measurement & Reporting
- Legal Services Division
 - Legal Department
 - Rules Administration
- Human Capital Management (HCM) (Formerly Office of Personnel Management-OPM)
 - Human Resources Management
 - Talent Management
 - Organizational Planning & Development
 - Benefits Management (Formerly the Employee Benefits Council-EBC)
- Division of Capital Assets Management (DCAM) (Formerly the Department of Central Services-DCS)
 - Central Printing & Interagency Mail
 - Risk Management
 - Fleet Management
 - Federal Property Distribution
 - CORE Services
- Central Purchasing Division (Formerly a division of DCS)
 - Procurement Operations
 - Knowledge Center
- Oklahoma State and Education Employees Group Insurance Board (OSEEGIB)

- Internal Auditing
- Communication & Wellness Training
- Operations
- Compliance & Industry Practice
- Finance

For more information about OEMS divisions, visit:

- [Division of Central Accounting and Reporting \(DCAR\)](#)
- [Budget and Policy Division](#)
- [Information Services Division \(ISD\)](#)
- [Human Capital Management \(HCM\)](#)
- [Benefits Management](#)

HB 2140 Consolidation:

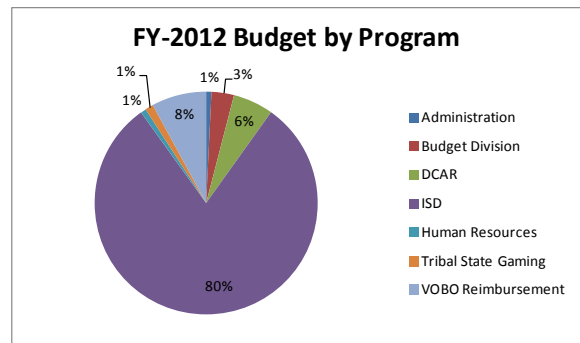
- [Transition Project Office / Efficiency and Performance Division](#)

DCAM and Central Purchasing:

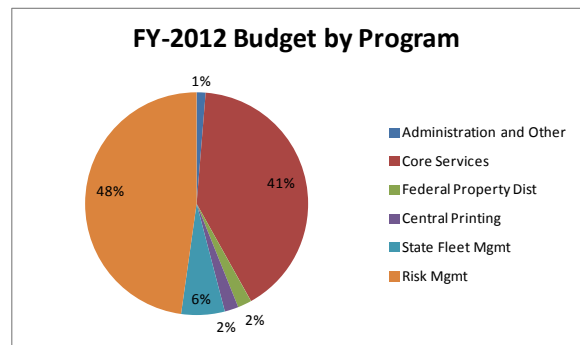
- [Division of Capital Assets Management \(DCAM\)](#)
- [Central Purchasing Division](#)

OSEEGIB:

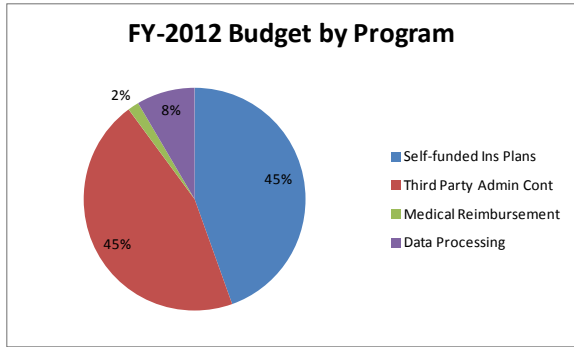
- [Oklahoma State and Education Employees Group Insurance Board \(OSEEGIB\)](#)



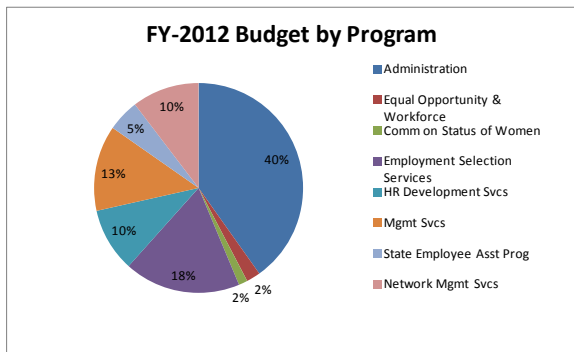
Office of State Finance (OSF)



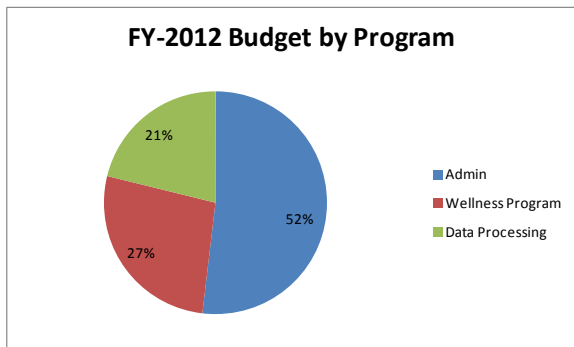
Department of Central Services (DCS)



Oklahoma State and Education Employees Group Insurance Board (OSEEGIB)



Office of Personnel Management (OPM)



Employees Benefits Council (EBC)

Accomplishments over Past Year

- OEMS and the four consolidating agencies have spent a significant amount of time and effort restructuring the new organization based on HB 2140. This included implementing new reporting structures, continuing operations while leadership responsibilities shifted, and managing workloads while staff fluctuated significantly. Concurrently, all five affected agencies maintained all levels of services.
- ISD has been working on consolidating all staff, equipment, and technology due to HB 1304. This includes identifying and locating IT staff and equipment throughout state agencies, aligning technological competencies of IT staff with the needs of the consolidated ISD, working with

agencies' leadership to develop and implement transition plans, and acquiring support functions of the consolidated agencies. This project is ongoing with more than 11 agencies consolidating during FY-2012.

- DCAM increased paper, cardboard and metal recycling pickup, and secure document shredding to include Capitol Complex agencies plus metro-area agencies, which saved state agencies \$59,000;
- DCAM returned \$3,510,499 to government agencies on sale of their surplus in FY-2011;
- DCAM reached its \$12 million cost savings target and exceeded bringing the 2 year total to over \$20 million;
- HCM directed the interagency team comprised of representatives of the Employees Benefits Council, Office of State Finance (CORE), and the Oklahoma Public Employees Retirement System and other state retirement agencies in producing the third annual Total Compensation Statement for approximately 34,000 state employees;
- HCM administered 20,807 online/written tests and 4,504 performance tests statewide for jobs in the classified service;
- HCM processed 116,542 applications and opened 3,230 job requisitions;
- Benefits Management successfully implemented a reinvention of the OKHealth Wellness Program in 2011. OKHealth is now much more flexible, interactive and user-friendly. Free one-on-one health coaching is available for state employees who need it, while many others are able to "self coach" their way to better health by using the many resources available on the new OKHealth web site.
- Benefits Management achieved its goal of increasing online enrollment. In October 2011, 86% of state employees made their benefits choices online, compared to 78% in October 2010.
- OSEEGIB established financial incentives and increased benefits to encourage members to improve personal health status through a combination of preventive doctor visits, laboratory tests, and health-risk assessments;
- OSEEGIB established financial incentives and provided free or low-cost products and counseling for employees to be tobacco-free. Actuarial estimates of plan costs for tobacco-related illness are \$52 million annually.

- OSEEGIB negotiated deeper discounts with pharmacies to reduce the cost of prescription drugs to the plan and members. The new rates are estimated to reduce overall member and plan costs by \$33 million (10%) annually.

Goals for Upcoming Year

- Develop a unified agency through a deliberative and collaborative process that creates maximum value for OEMS stakeholders;
- OEMS will work toward the goals of capitalizing on available resources, continuing to seek cost saving opportunities and elevating the level of service;
- Following is a list of some of the legislation passed during the 53rd Legislative Session that impact one or all of the divisions of OEMS. Not all legislation and/or provisions are listed here, but the following require significant resources from one or more of the agencies:
 - HB2140: State Government Administrative Processes Consolidation and Reorganization Reform Act of 2011
 - HB1304: Information Technology Consolidation and Coordination Act
 - HB1207: Oklahoma Innovation, Efficiency and Accountability Act of 2011
 - HB1086: Transparency, Accountability and Innovation in Oklahoma State Government 2.0 Act of 2011
 - HB1438: Oklahoma State Government Asset Reduction and Cost Savings Program
 - HB1062: Regarding state health insurance and benefits

Major Agency Projects

- Shared services between the consolidating agencies: OEMS is currently developing internal divisions that will provide services to all other departments within the newly consolidated agency. Having teams for legal, communications, and legislative analysis services will provide each division with access to these resources, some which may not have been available to them in the past. This will enable all divisions to share information, collaborate, and effectively complete their own missions more efficiently.
- Realignment of the reporting structure: The Central Purchasing Division will now directly report to the Director of the consolidated agency. By restructuring the organization in this

way, Central Purchasing is poised to streamline its operations and improve its agility. Through a variety of measures, Central Purchasing will increase collaboration with state agencies and thus, better serve them and negotiate the best value in purchasing goods and services.

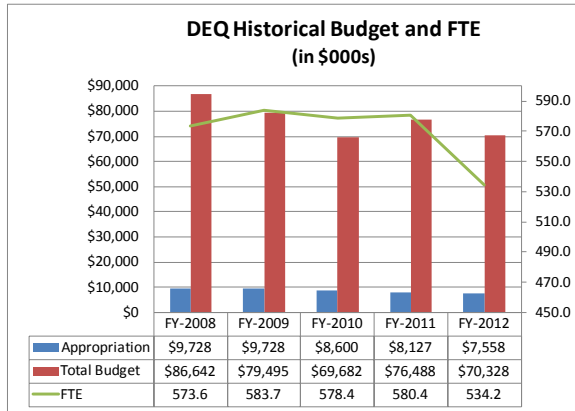
- One area of opportunity for OEMS is to work with all state agencies as a resource for efficiency and performance measurement solutions. A team will be established within the newly consolidated agency dedicated to expanding statewide streamlining efforts embedded in HB 2140. By working with OEMS sister agencies to examine processes and procedures as well as track value added performance measures, OEMS can further the goals of leadership to improve the effectiveness and efficiency of state services.

Savings, Efficiencies and Shared Services in FY-2012

- For 2012, the savings associated with HB2140 is expected to reach \$4.2 million by the end of the fiscal year. An annual savings of \$6.5 million is estimated for 2013;
- DCAM saved \$1,471,377 on energy and maintenance cost in FY-12;
- DCAM Risk Management lowered property and liability insurance premiums to state agencies and universities by \$7.8 million;
- Central Purchasing facilitated an incremental annual savings for state agencies of \$6 million through implementation and utilization of Central Purchasing state wide contracts;
- HCM implemented an efficient online applications system, and increased applications from approximately 75,000 to 116,000;
- Benefits Management streamlined and reduced the administrative fee in each of the past two years. In plan year 2010, the administrative fee was 1.25%. For plan year 2011, it was reduced to 1.20%, resulting in a projected savings of \$568,595. For plan year 2012, the fee was lowered to 1.15%. That is expected to save the state another \$725,690.
- Benefits Management's best-and-final-offer negotiations as well as Aetna's decision to not offer its health plans to state employees for plan year 2011. Oklahoma's state government is spending approximately \$3.4 million less on benefits in 2011 than it did in 2010.
- OSEEGIB realized \$5 million through provider claim and claims processing audits;

- OSEEGIB recovered \$4.8 million through litigation against McKesson relating to pharmaceuticals;
- OSEEGIB reduced claims costs by \$3 million due to negotiations with non-network providers; and
- OSEEGIB realized \$1.93 million recovered from subrogation.

Environmental Quality Department (DEQ) Environment Cabinet



Mission

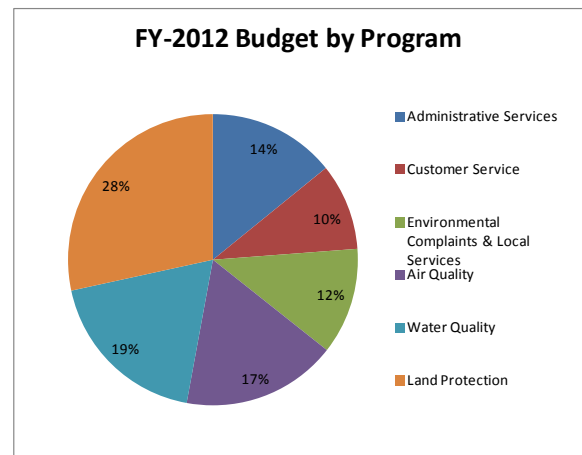
The mission of the Oklahoma Department of Environmental Quality is to enhance the quality of life in Oklahoma and protect the health of its citizens by protecting, preserving and restoring the water, land and air of the state; thus fostering a clean, attractive, healthy, prosperous and sustainable environment.

Programs

- Air Quality Regulation
 - Air Emissions Inventory
 - Air Toxics
 - Air Monitoring
- Lead-Based Paint Regulation
- Asbestos Regulation
- Land Remediation
 - Superfund
 - Voluntary Cleanup Program/Brownfields
 - Site Cleanup Assistance/Armories
- Hazardous Waste Regulation
- Radiation Protection
- Solid Waste Regulation
 - Landfills
 - Planning & Systems Development
 - Waste Tire Program
 - Recycling
- State Environmental Laboratory
- Laboratory Accreditation
- Customer Assistance
- Small Business Assistance
- Risk Communication
- Major Drinking Water Regulation:

- Drinking Water Facility Construction Permit Approval
- Drinking Water State Revolving Fund
- Source Water Protection
- Groundwater Monitoring
- Operator Certification
- Wastewater Regulation
 - Stormwater Regulation
 - Wastewater Facility Construction Approval
 - Industrial Wastewater Pretreatment
 - Integrated Water Quality Assessment
 - Total Maximum Daily Loads & Water Quality Modeling
 - Toxicity & Biomonitoring
 - State Review of U.S. Army Corps of Engineer Permits
 - Water Quality Management Plan (208 Plan)
 - Operator Certification

For more information about DEQ, visit [their website](#).



Accomplishments over Past Year

- **Water Reuse Regulations** – DEQ worked with municipalities and private companies to develop Oklahoma’s water reuse regulations. The new regulations will allow cities and industries to utilize their water more efficiently and eliminate the need to treat all water to meet Environmental Protection Agency (EPA) drinking water standards that are used in industrial operations, landscape irrigation, golf course maintenance, etc.;
- **Public Utility Sector Regulations** – DEQ has encouraged processes with the public utility sector and with the EPA, to view increasing federal air quality rules as having global rather than piecemeal solutions;

- **Laboratory Information** – DEQ has researched, purchased and implemented a new Laboratory Information Management System (LIMS); and
- **Electronic Permitting** – DEQ continues to streamline the permitting and renewal processes to an electronic format.

- **Electronic Permitting** – DEQ continues to streamline permitting and renewal processes to an electronic format.
- **Realignment of Customer Services Division** – There are fewer personnel specifically dedicated to the functions of technical and permitting processes. The agency is making more efficient use of existing personnel.

Goals for Upcoming Year

- **Blue-Green Algae Control** – DEQ will develop rulemaking to address pollution from septic systems around the state’s recreational lakes that may be contributing to blue-green algae outbreaks;
- **Asphalt Shingles and Roofing Materials Recycling** – DEQ will address the sudden emergence of unregulated asphalt shingles and roofing material recycling facilities; and
- **Protection of Human Health through Public Water Supply Oversight** – DEQ will continue improving public health by ensuring that public water supplies are safe.

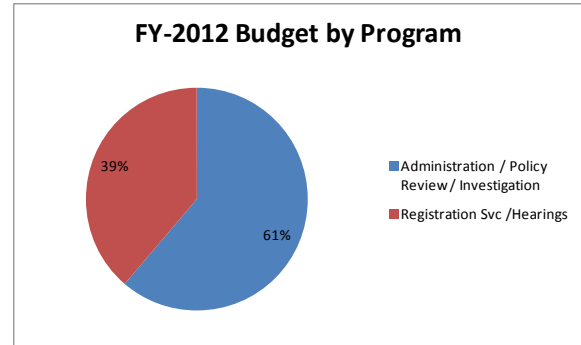
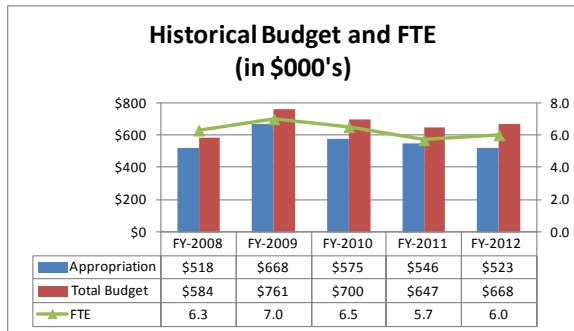
Major Agency Projects

- **Support for Oklahoma Public Water Supplies** – Lack of funding has made it difficult for DEQ to implement three delegable major drinking water rules in lieu of the United States Environmental Protection Agency. A major current initiative for DEQ is identifying and pursuing means to implement delegable programs in lieu of EPA to the fullest extent possible.
- **Blue-Green Algae Control** – DEQ is developing rules to address pollution from septic systems around the state’s recreational lakes that may be contributing to blue-green algae blooms. Additionally, DEQ is planning a major outreach effort to provide information to lake managers on monitoring for blue-green algae blooms, response measures when potential blooms are identified and assistance that DEQ and other agencies may be able to offer.

Savings, Efficiencies and Shared Services in FY-2012

- **Centralized Agency Motor Pool** – DEQ has centralized the fleet of vehicles used in day-to-day activities from a division-based to an agency-based system. This centralization has allowed a more efficient use of state-owned vehicles and reduced funds paid for private vehicle use.

**Ethics Commission
Secretary of State Cabinet**



Mission

The Ethics Commission is a constitutional state agency which promotes Oklahoma citizens' confidence in state government by:

- Promulgating rules of ethical conduct for state officers and employees;
- Promulgating rules of ethical conduct for state candidate and issue campaigns;
- Providing assistance in and monitoring the disclosure of campaign financing for state and local candidates and committees, personal financial disclosure for state and county officers/employees and registration and reporting by lobbyists;
- Providing assistance in and monitoring the political activity and official conduct of state officers/employees in order to prevent conflicts of interest;
- Serving as the repository and making available for public inspection and copying all required disclosure documents; and
- Issuing opinions on and investigating and/or prosecuting alleged violations of its rules.

Programs

- Policy Review and Investigation
- Registration Services and Hearings

For more information about the Ethics Commission, visit [their website](#).

Accomplishments over Past Year

Reminder notices for filing of Statements of Financial Interests, lobbyist registration/reporting, state candidate reporting and non-candidate committee registration/reporting are now sent by email rather than regular mail.

Goals for Upcoming Year

- Electronic filing of state personal financial disclosure statements
- Review of state campaign reporting forms

Major Agency Projects

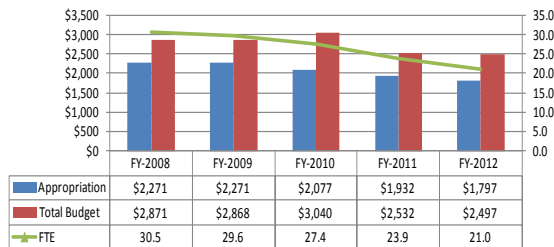
- 2012 State and County Elections

Savings, Efficiencies and Shared Services in FY-2012

- Rather than printing the agency's Rules, Acts, manuals and forms, they are available in the Ethics Commission website;
- Emailing reminder notices to those required to file forms with the Ethics Commission rather than sending them by regular mail has decreased both postage and printing expense dramatically; and
- Late letters and late fee assessment notices sent to those who fail to file their reports timely with the Ethics Commission are now sent by regular mail rather than certified mail.

Fire Marshal, Oklahoma State (OSFM) Safety and Security Cabinet

**Historical Budget and FTE
(in \$000's)**



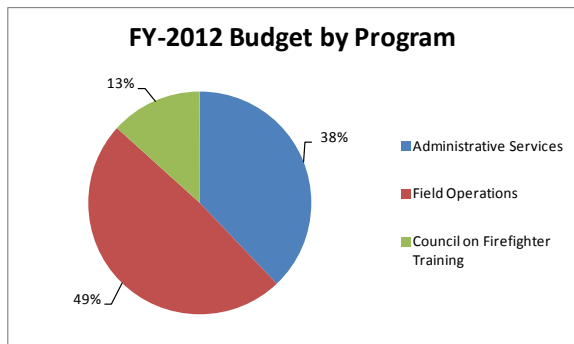
Mission

To promote safety and awareness and reduce the loss of lives and property to the citizens and businesses of Oklahoma through public education, investigations, inspections, building plan reviews, code assistance/enforcement and statistical data collection.

Programs

- Field Operations
- Council on Firefighter Training

For more information about OSFM, visit [their website](#).



Accomplishments over Past Year

- Automatic vehicle locators to provide location of field personnel for security purposes;
- Smart phone usage between field and office personnel to provide quicker service to the customer.

Goals for Upcoming Year

Agency field personnel are researching different types of web-based software utilized by other governmental agencies to report and store fire investigations and code inspections data to eliminate paper reporting.

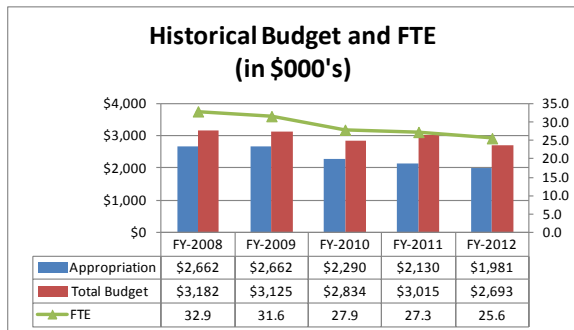
Major Agency Projects

New web page using "ok.gov design" to provide easier access to information and faster update notifications to customers and agency personnel.

Savings, Efficiencies and Shared Services in FY-2012

Actual savings and efficiencies of the recent goals and modernization projects have yet to be documented. At this time no financial or human resources services are shared/contracted with other agencies.

Governor



As Chief Magistrate of the State, the Governor is vested by the Oklahoma Constitution with “the Supreme Executive power.”

At the beginning of each session of the Legislature, the Governor presents the budget recommendations for the various state agencies and reports on the condition of the state of Oklahoma. Every bill passed by the Legislature during regular session and prior to adjournment is presented to the Governor, before it becomes a law. The Governor signs the bill if approved; if not, the bill is vetoed and returns with objections to the Legislature, which can override a gubernatorial objection by a two-thirds vote.

When any state office becomes vacant, the Governor, unless otherwise provided by law, appoints a person to fill such vacancy, in certain instances by consent of the Senate. The Governor is Commander in Chief of the state militia.

Additional duties of the Governor include:

- conducting the business of Oklahoma with other states;
- granting commutations, pardons and paroles, and processing extraditions;
- approving agency rules;
- negotiating tribal compacts;
- conserving the peace throughout the state;
- issuing executive orders on various matters including emergency declarations.

The Governor presides over, or is a member of, the following state boards and commissions:

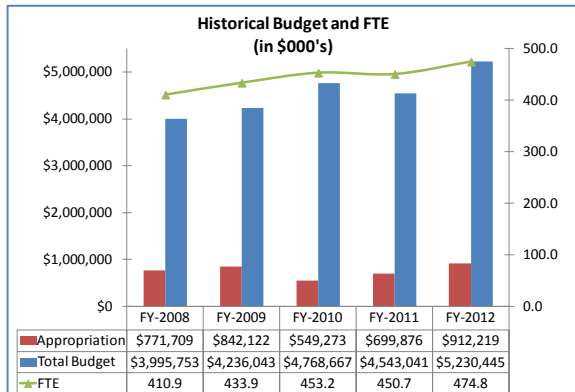
- State Board of Equalization (Article 10, Section 21)
- Interstate Oil Compact (52 O.S. 201)
- Oklahoma Historical Society (53 O.S. 1.6)
- School Land Commission (64 O.S. 156)
- Capital Improvement Authority (73 O.S. 98.2)
- Oklahoma Capitol Complex Centennial Commission (73 O.S. 98.2)
- Transportation Commission (69 O.S. 302)
- Educational Commission (70 O.S. 506.1)
- Commissioners of the Land Office (70 O.S. 611)
- Southern Regional Educational Compact (70 O.S. 2127)
- Oklahoma Transportation Authority (69 O.S. 1703)
- Indian Affairs Commission (74 O.S. 1201)
- Southern Growth Policy Board (74 O.S. 3501)
- Contingency Review Board (74 O.S. 1201)

For more information, visit the [Governor’s website](#).

Savings, Efficiencies and Shared Services in FY-2012

- Reduction in level of full-time employees;
- Utilization of shared services through the Office of State Finance for all accounting, human resources, IT, and purchasing;
- For the first time in the history of the Office of the Governor, implemented a new and more cost-efficient state travel policy for employees under Fleet Management and the Department of Central Services;
- Elimination of various costly accounts and duplicate subscriptions such as Lexis Nexis, Hasler, ISC International, Calvert’s and more, which were not central to the successful operation of the office;
- Achievement of cost-savings through increased use of state purchasing card system; and
- Utilization of online electric payment system and overall reduction of paper use.

Health Care Authority (OHCA) Health & Human Services Cabinet



Mission

To purchase State funded health care in the most efficient and comprehensive manner possible and to study and recommend strategies for optimizing the accessibility and quality of health care.

Programs

The Oklahoma Health Care Authority administers SoonerCare which is Oklahoma’s Medicaid program. The Oklahoma Health Care Authority has the task of providing government-assisted health insurance coverage to qualifying Oklahomans. SoonerCare offers varying health benefit packages, and each has a different name. Each of those benefit packages is listed below:

- *SoonerCare Choice*
- *SoonerCare*
- *SoonerCare Supplemental*
- *Opportunities for Living*
- *Soon-to-be-Sooners*
- *Insure Oklahoma Employer-Sponsored Insurance (ESI)*
- *Insure Oklahoma Individual Plan (IP)*

For more information about OHCA , visit [their website](#).

Accomplishments over Past Year

- Health care access to the underserved and vulnerable populations of Oklahoma:

	SFY09	SFY10	SFY11
% of Oklahomans Enrolled in SoonerCare	22.5%	23.8%	25.6%
Unduplicated SoonerCare Enrollment	825,143	885,547	968,318
% Change in Enrollment	3.5%	7.3%	9.4%
Unduplicated Insure Oklahoma Enrollment	28,706	46,166	48,226

- Quality / Satisfaction and Member Responsibility:

	SFY09	SFY10	SFY11
Getting Care Quickly (CAPHS Survey)	88% (Child)	82% (Adult)	87% (Child)
Well Child Visits (1 st 15 months of life)	97%	98%	Not Available
Women Seeking Prenatal Care	94%	97%	96%

- Member Benefits:

	SFY09	SFY10	SFY11
Unduplicated Providers	28,446	28,637	30,113
% of Members – SoonerCare Choice / Medical Home	64%	67%	64%

- Responsible Financing / Administration:

	SFY09	SFY10	SFY11
Program Cost Per Member	\$4,892	\$4,911	\$4,712
% Change – Cost Per Member	1.6%	.04%	(4.1)%
% Total OHCA Adm to Program Costs	2.6%	2.2%	3.0%

Goals for Upcoming Year

- To continue to provide and improve health care access to the underserved and vulnerable populations of Oklahoma;
- To protect and improve member health and

satisfaction, as well as ensure quality with programs, services and care;

- To promote members' personal responsibilities for their health services and utilization, behaviors and outcomes;
- To ensure that programs and services respond to the needs of members by providing necessary medical benefits to SoonerCare's members;
- To purchase the best value health care for members by paying appropriate rates and exploring all available options for program financing to ensure access to medical services by SoonerCare's members; and
- To foster excellence in the design and administration of the SoonerCare program.

Projects, Savings, Efficiencies and Shared Services in FY-2012

- **OHCA Pharmacy Program**
Thanks to wide availability of generic medications, OHCA can provide a robust pharmacy benefit for SoonerCare members. For 2011, the generic utilization rate jumped to more than 80 percent. Four of five prescriptions paid for by SoonerCare is filled with a generic medication.
- **SoonerEnroll: Partnering for a Healthy Oklahoma**
The Oklahoma Health Care Authority implemented SoonerEnroll, an innovative plan to create a statewide infrastructure for outreach and enrollment for qualified yet uninsured children. The goal of SoonerEnroll is to empower non-profit, public and private community resources to assist their own community members with accessing the SoonerCare program. With over 200 community partners and an increase in SoonerCare enrollment, SoonerEnroll is a successful model of a state agency and local communities working together for a healthy Oklahoma.
- **SoonerQuit Prenatal Initiative**
The Oklahoma Health Care Authority partnered with the Oklahoma Tobacco Settlement Endowment Trust and the Oklahoma State Department of Health on a new initiative to improve Oklahoma birth outcomes, thereby improving health care quality and reducing associated health care costs. This initiative arms SoonerCare obstetric care providers with information and tools to provide best practices for tobacco cessation. Working in partnership with the Iowa Foundation for Medical Care,

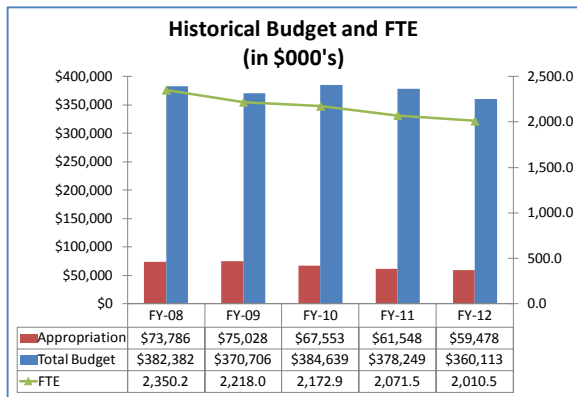
providers receive hands-on technical assistance using an innovative "Practice Facilitation" approach.

- **Fetal Infant Mortality Rate Project (FIMR)**
In March 2011, OHCA launched FIMR, a program aimed at lowering infant mortality rates in the ten worst performing counties of Oklahoma. In 2007, Oklahoma ranked 46th in the country with an infant mortality rate of 8.5 per 1,000 live births. As of June 30, 2011 the program had 811 women enrolled. The program continues to grow, adding approximately 100 members per week. While the program is only a few months old, OHCA hopes it will be a factor in lowering Oklahoma's Infant Mortality Rate to below the national average of 8%.
- **Dual Eligible Project**
The OHCA dual eligible project involves taking a three pronged approach to determining the most efficient methods of care integration for the Medicaid / Medicare dually eligible population. Each of the three concepts identifies a different aspect of care for these individuals and will be developed to identify the feasibility and effectiveness of each concept. The first concept describes OHCA efforts to create an Accountable Care Organization with embedded medical education programs that specifically serves high cost patients that are eligible for both Medicare and Medicaid. The second concept involves exploring the feasibility of establishing a benefit plan and network, administered and operated by the state. OHCA proposes combining the funding streams from Medicare and the Oklahoma Health Care Authority (OHCA) and using these funds to purchase coverage through a plan and network developed and administered by OHCA. The final concept looks at the expansion of Oklahoma's Cherokee Elder Care Program of All-inclusive Care for the Elderly (PACE) program statewide. The PACE model combines the services of an adult day health center, primary care office and rehabilitation facility into a single location. PACE provides an all-inclusive and comprehensive continuum of care designed to maintain and ideally to improve the quality of life for the elderly.
- **Emergency Room Utilization Project**
The ER Utilization Program continues to provide outreach to SoonerCare members with three or more ER visits in a quarter; excluding those ER visits that result in an inpatient stay. Education

is offered to all identified members through a letter and / or outreach call to encourage the timely and appropriate use of primary care services in lieu of emergency room utilization. The ER Utilization Program is responsible for saving OHCA a significant amount of money through cost avoidance. During SFY2010 (the latest data available), the program avoided costs of \$3.3 million and demonstrated an ER visit reduction of 13,993 from members with continued eligibility in the post-intervention period.

- **1.24 Percent Error Rate – Lowest in the Nation**
The federal Payment Error Rate Measurement (PERM) program measures improper payments in Medicaid. OHCA had the lowest overall Medicaid error rate compared to the 17 states measured in 2009. The overall national Medicaid estimated error rate was 8.98 percent. Provider engagement and educational initiatives by OHCA audit and performance staff contribute to keeping this rate consistently low.

Health, Oklahoma State Department of (OSDH) Health & Human Services Cabinet



Mission

To protect and promote the health of the citizens of Oklahoma, to prevent disease and injury, and to assure the conditions by which our citizens can be healthy.

Programs

Community and Family Health Services

- County Health Departments
- Maternal and Infant Health Programs
- Children First
- Child Guidance Services
- Women, Infants and Children (WIC)
- Dental Health
- Teen Pregnancy Prevention

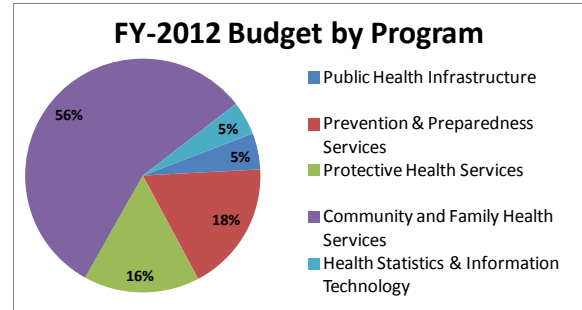
Prevention & Preparedness Services

- Newborn Metabolic Screening
- Chronic Diseases
- Injury Prevention
- Public Health Laboratory
- Communicable Diseases
 - Immunizations
 - Tuberculosis
 - HIV/STD - surveillance and prevention

Protective Health Services

- Long Term Care Services
- Medical Facilities
- Consumer Health
- Restaurant and Motel Inspections Sanitarians
- County Jail Inspections

For more information about the OSDH's, visit [their website](#).



Accomplishments over Past Year

- OSDH continues to ensure that core public health services are provided while working to implement the priorities of the Oklahoma Health Improvement Plan (OHIP) and improve health outcomes.
- **Wellness Achievements:**
 - Tobacco Use Reduction – The proportion of adults who smoke in Oklahoma is at 23.7%. This represents a significant decline in smoking rates and for the first time there are more former than current smokers. While progress for Oklahoma, only 2 states have higher smoking rates than Oklahoma.
 - Obesity Rate – The OSDH is optimistic about the latest adult obesity rates with 31.3% reporting being obese in 2010 as compared to 32% in the previous year. This hopefully represents a change in the trend; otherwise Oklahoma had the largest increase of any state over the last 10 years and will be the most obese state in the country by 2018.
 - Certified Healthy Business, Schools and Communities – In accordance with HB 2774, the OSDH successfully launched the Certified Healthy Schools and Communities program. The response was overwhelming with 154 schools, 43 communities and a record 262 businesses becoming certified this year. Over the course of the program, the number of Certified Healthy Businesses now exceeds 1,000.
- **Children's Health Achievements:**
 - As outlined in the OHIP, the OSDH released the comprehensive children's health plan in February 2011. The plan outlines strategies for improving the wellness of children in Oklahoma from birth to 18.
 - The OSDH coordinated a quality improvement initiative with the Oklahoma Hospital Association, March of Dimes and OU Office of Perinatal Quality Improvement. 52 of 59 birthing hospitals

voluntarily participated and early results indicate a reduction in scheduled c-sections by 66% and scheduled inductions prior to 39 weeks by 33%. Delivery after the 39th week of pregnancy greatly reduces infant mortality and Oklahoma is the 5th worst state for infant mortality with 8.5 infant deaths per 1,000 live births. The hospital cost of caring for a premature infant can be 60 times the cost of a normal delivery at term.

- **Core Public Health or Operational Achievements**

- The OSDH participated in a beta test of the new public health accreditation standards. As a result of a site visit and review by an independent review team, the OSDH scored in the top tier and is poised to be one of the first accredited state health departments in the nation.

Goals for Upcoming Year

- Continued improvement in protecting the public's health and safety, control of infectious disease and emergency response;
- Achieving public health accreditation; and
- Improving the health and wellness of all Oklahomans, particularly related to tobacco use, obesity and children's health.

Major Agency Projects

The OSDH is undertaking multiple and significant IT projects aimed at increasing efficiency and improving customer services, including:

- Development of on-line licensure and electronic reporting and tracking of inspection activities;
- Robust business process analysis for complete consolidation of accounting functions to CORE; and
- Mainframe consolidation.

Savings, Efficiencies and Shared Services in FY-2012

- **Time and Labor Reporting Electronic Signature**

FY-12 Savings \$ 941,000

Prior to electronic signature the agency had all employees print, sign and route timesheets to their supervisor for signature and submission to the payroll office. Now employees and supervisors electronically verify time using an electronic signature system. Savings were generated throughout the department in

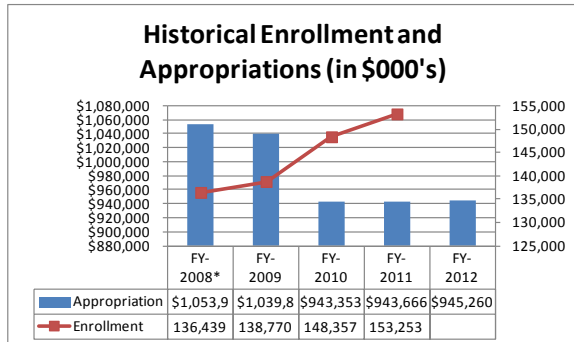
personnel costs associated with the process, as well as reduced paper, printing, sorting, filing and other costs.

- **Use of State Owned Leased Vehicles**

FY-12 Savings \$1,312,500

In October 2010, the department began implementation of an initiative to reduce in-state travel costs associated with personal mileage reimbursement through broader application of state-owned/leased vehicles. In partnership with the Department of Central Services, Motor Pool Division, the department placed in service over 200 additional vehicles dramatically reducing the costs associated with recurring business travel. Savings since the initiative was implemented total over \$2.1 million.

Higher Education, Regents for (Regents) Education Cabinet



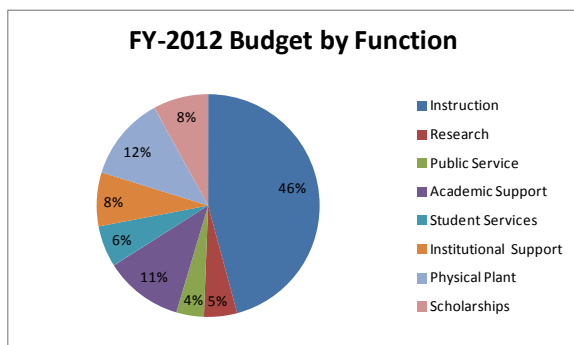
*Includes \$48.1 million appropriated for OHLAP. Pursuant to O.S. 62-34.87, FY-2009 to FY-2012 Dedicated OHLAP funding is not appropriated but is rather removed from the Individual Income Tax Estimate to fund this program. The state has funded OHLAP at following levels: FY-2009, \$54 million; FY-2010, \$54 million; FY-2011, \$57 million; and FY-2012, \$63.2 million.

Mission

The mission of the Regents is to build a nationally competitive system of higher education that will provide education programs and services universally recognized for excellence, expand frontiers of knowledge and enhance quality of life.

Programs

Over 99% of state appropriations to the Regents are used to support the institutions in the state system of higher education. The remainder, less than one percent, is used for operational costs associated with administration of the system and for the [Office of Accountability](#). For more information about the Regents, visit [their website](#). Below is a breakdown of system-wide budget by function.



Accomplishments over Past Year

- Part of higher education's commitment to the Governor was to show the cost savings through IT achieved through educational discounts and initiatives. Higher education has consistently been able to maintain savings of \$40 million per year.
- In 2011, institutions reported the receipt of \$612 million in competitive grants for program development and research.
- During 2009-2010, more than 56,000 hours of concurrent enrollment were earned by high school juniors and seniors.

Goals for Upcoming Year

- Increase the number of degrees and certificates earned by 1,700 each year, under the Complete College America initiative.
- To continue to ensure a seamless transfer of credit transfers among institutions in our state system through the Course Equivalency Project. This is an effort to maximize the number of courses a student can transfer from one institution to another.
- Performance Funding – Through the work of a Council of Presidents taskforce, comprised of 11 Presidents, review and reform the higher education funding formula that rewards institutions for meeting their complete College America Goals and incentivizes performance through increasing their retention and graduation rates.
- To begin to eliminate the backlog of endowed chairs currently waiting state match. Currently there is a \$271 million backlog which includes chairs at 21 of Oklahoma's institutions and branch campuses and totaling 718 accounts. Of the total 718 accounts, approximately 80% are for disciplines in Science, Technology, Engineering, Math and Business.

Major Agency Projects

Complete College America is the most comprehensive and ambitious higher education initiative ever undertaken by the state of Oklahoma. The goal is to increase the number of degrees and certificates earned in Oklahoma by 1,700 per year for 12 years, resulting in a 67 percent increase by 2023. This must be done to meet the projected need of 313,073 additional college-educated workers to keep Oklahoma competitive in a global economy. Oklahoma's Complete College America (CCA) project is part of a unified economic policy initiative that

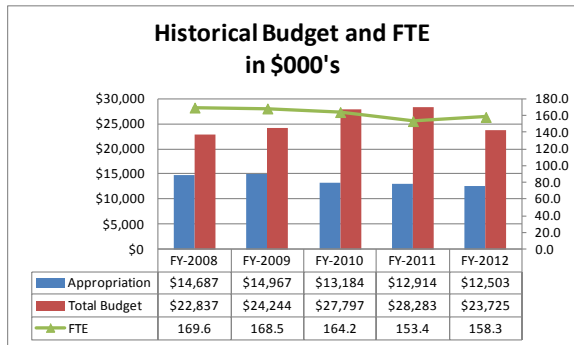
involves the Governor, postsecondary education, and business and industry. Working through the CCA leadership team and key Cabinet officials, the call has come from the Governor for these priorities to be central to job creation and workforce development in the present and future. Ultimately, what is proposed under the CCA and the National Governors Association's Complete to Compete action plan is an acceleration of efforts to make significant improvements to two critical segments of the educational pipeline in Oklahoma: restructuring remedial and developmental education and developing accelerated degree completion options. Undergirding all of these efforts will be a revised Brain Gain accountability framework that utilizes appropriate components of the state and campus-level CCA and NGA metrics and that reflects these new priorities by measuring and rewarding these state priorities.

Savings, Efficiencies and Shared Services in FY-2012

The State Regents' office continually strives to be efficient managers of its resources. The Regents are working in conjunction with the Office of State Finance and the State Treasurer on the implementation of the new streamlined accounts payable process, and are involved with purchasing consortiums and group contracting efforts.

As an educational system, the Regents are also able to gain significant savings by using educational discounts associated with information technology infrastructure. Working in conjunction with the institutions higher education, the system achieved \$40 million in cost savings for FY-2012.

Historical Society (OHS) Commerce & Tourism Cabinet



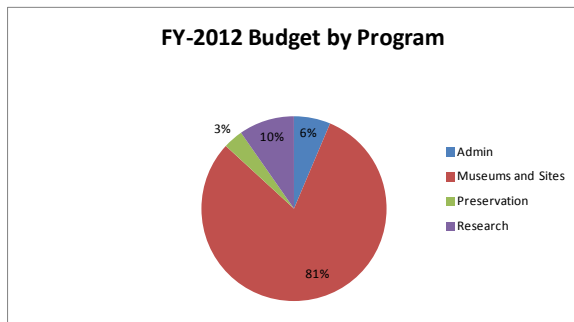
Mission

The Oklahoma Historical Society is a state agency/private membership organization dedicated to collecting, preserving, and sharing the history and culture of Oklahoma and its people.

Programs

- Museums & Sites
- Preservation
- Research

For more information about the Oklahoma Historical Society, visit their [website](#).



Accomplishments over Past Year

- This past year, despite the accumulated effects of budget cuts, the Oklahoma Historical Society reaped the benefits of entrepreneurial innovation based on three long-term strategies: higher standards, greater efficiencies and collaborative partnerships. The transition started with the \$1.7 million conversion of the Route 66 Museum in 1993, gained momentum with the \$62 million Oklahoma History Center in 1999 and became standard operating procedure with the \$9 million expansion of the Cherokee Strip Regional Heritage Center in Enid that

opened in 2011. In each case, state support was prioritized by private fund raising capabilities, demands in the market place and transparent accountability to determine success or failure.

- Searchable digitization of all Oklahoma newspapers (5 million pages) from 1844 to 1923;
- Funding for a new battlefield museum to open on the 150th anniversary of the largest Civil War battle in Oklahoma; and
- A successful fund raising campaign to design, fabricate, and install a major museum exhibit on the history and legacy of the oil and gas industry from the 1940s to the present day.

Goals for Upcoming Year

- Establishment of a grants-in-aid program to local organizations that can collect, preserve and share history at the grassroots level. The results will be a greater emphasis on best-practices, the leverage of matching funds and sharing of resources for greater efficiencies.
- Establishing an institutional home for the OHS in Tulsa, comparable to the Oklahoma History Center, called the Oklahoma Museum of Popular Culture. The OHS is securing donations from the private sector that will match future state investment to build a nationally-prominent museum that will be financially self-supporting.

Major Agency Projects

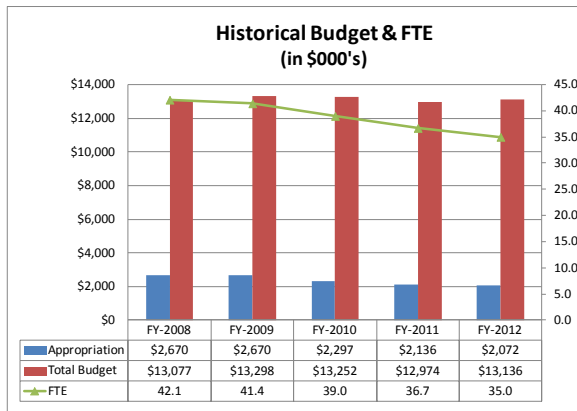
The following major exhibits will open at the Oklahoma History Center:

- “Oklahoma @ the Movies,” will feature going to the movies, Oklahomans on the screen, Oklahomans behind the camera and the image of Oklahoma in movies. The exhibit is funded with a grant from the Inasmuch Foundation.
- Other major gallery changes will feature exhibits on the oil and gas industry since the 1940s, the riverboat *Heroine*, which sank in the Red River in 1838, and the African-American story in Oklahoma.
- As part of the Oklahoma Civil War Sesquicentennial, 2011-2015, projects across the state include a new interpretive center at Honey Springs Civil War Battlefield, a new interpretive center at Fort Towson and a \$1 million investment at Fort Gibson to repair the stockade, re-grade the site, replace roofs, and install interpretive trails and exhibits.

**Savings, Efficiencies and Shared Services in
FY-2012**

The most important structural change for both savings and efficiency was a major reorganization in the Research Division. With the retirements of four senior staff members, a new "Digital Conversion" team was assembled to assess, process and transfer tape and film collections to a digital format. Grant money was used to purchase transfer equipment, and the remaining salary funds were combined with grant funds to assemble a staff of full-time and part-time audio engineers, archivists and collection specialists. With lower state expenditures the OHS is preserving endangered collections, using technology more effectively and creating a data base that will increase revenue through use fees.

Horse Racing Commission (OHRC) Human Resources and Administration Cabinet



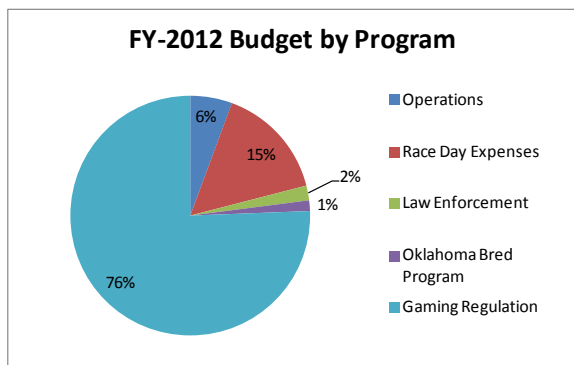
Mission

The Oklahoma Horse Racing Commission (OHRC) encourages agriculture, the breeding of horses, the growth, sustenance and development of live racing, and generates public revenue through the forceful control, regulation, implementation and enforcement of Commission-licensed racing and gaming.

Programs

- Race Day Expenses
- Law Enforcement
- Oklahoma Bred Program
- Gaming Regulation

For more information about OHRC, visit [their website](#).



Accomplishments over Past Year

- Improving equine drug testing procedures and policies;
- Increased revenue to education from FY-2010 (\$13,817,404.07) to FY-2011 (\$17,097,365.10);
- Increase quality purses FY-2010 (\$25,750,293.00) to FY-2011 (\$26,783,336.00).

Goals for Upcoming Year

- Continue to improve the quality and revenue of racing and gaming in Oklahoma.

Major Agency Projects

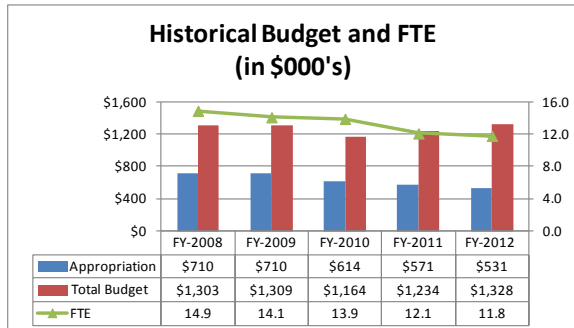
- Scanning documents to provide access for all staff members at any location. The agency will scan and archive internal forms, applications, rulings and historical documents.
- Implement digital fingerprinting to expedite the process;
- On-going projects of updating and streamlining current databases and applications;
- Continuing investigations concerning illegal pari-mutuel horse racing and gaming.

Savings, Efficiencies and Shared Services in FY-2012

The agency has made the following cost savings:

- Returned leased vehicles to DCS;
- Reduced travel to only essential operations;
- Reduced Commissioner travel to Commission Meetings;
- Changed telephone service;
- Utilized more efficient copiers;
- Eliminated or reduced subscriptions to online services (i.e. Accurant, CLEAR, WestLaw, etc.)
- Any vacancies created by retirement or resignation have remained vacant, unless it is essential, such as Law Enforcement Agents and Staff Assistants.

Human Rights Commission Human Resources and Administration Cabinet



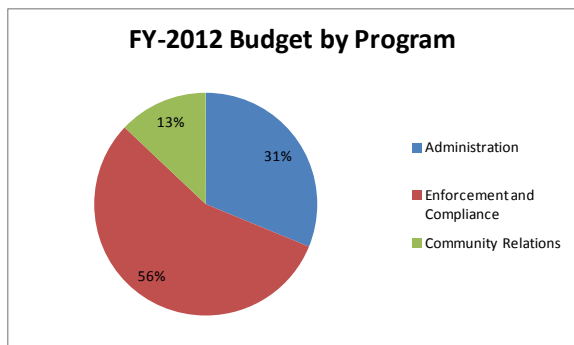
Mission

The Oklahoma Human Rights Commission works to enforce Oklahoma’s Anti-Discrimination Act which prohibits discrimination of employment, housing and public accommodations; accept, serve and report on complaints of racial profiling; and promote unity and understanding through educational outreach for Oklahoma.

Programs

- Enforcement and Compliance
- Community Relations

For more information about the Human Rights Commission, visit [their website](#).



Accomplishments over Past Year

The Oklahoma Human Rights Commission continued enforcing its mission and also continued to meet its federal contracts with the U.S. Equal Employment Opportunity Commission (EEOC) and the U.S. Department of Housing and Urban Development (HUD).

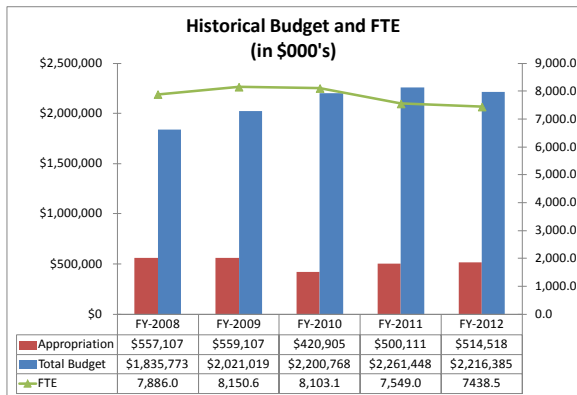
Goals for Upcoming Year

Senate Bill 763 states that by July 1, 2012, there shall be created within the Office of the Attorney General an Office of Civil Rights Enforcement to assume all functions, duties, contracts and responsibilities of the Oklahoma Human Rights Commission.

Savings, Efficiencies and Shared Services in FY-2012

The Oklahoma Human Rights Commission achieved savings by not filling vacant positions and generated revenue through implementation of its federal contracts with EEOC and HUD.

Human Services, Department of (OKDHS) Health & Human Services Cabinet



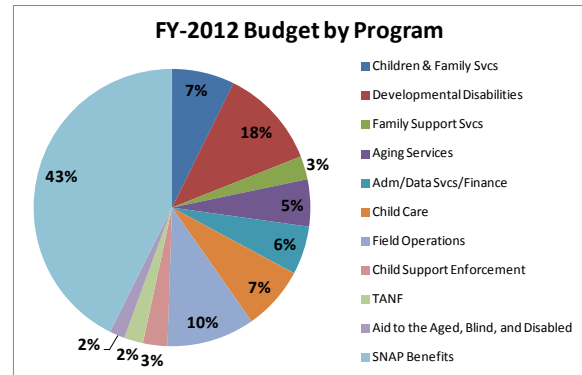
Mission

The Oklahoma Department of Human Services helps individuals and families in need help themselves lead safer, healthier, more independent and productive lives.

Programs

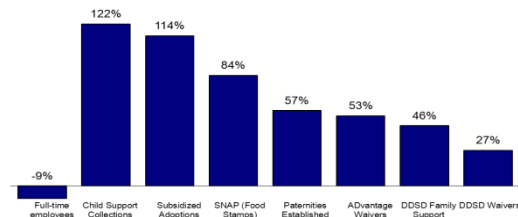
- **Aging Services**
 - ADvantage Program
 - Personal Care Program
 - Local Social and Nutrition Programs
- **Children and Family Services**
 - Adoptive Services
 - Foster Care
 - Child Welfare
- **Child Care Services**
 - Child Care Subsidy
 - Child Care Facility Licensing
- **Child Support Services**
 - Paternity Establishment
 - Child Support Order Establishment and Modification
 - Child Support Enforcement
- **Developmental Disabilities Services**
 - Institutional Facilities
 - Home and Community Based Waiver Programs
- **Family Support Services**
 - Temporary Assistance to Needy Families (TANF)
 - Supplemental Nutrition Assistance Program "SNAP" (formerly Food Stamps)
 - Aid to the Aged, Blind and Disabled
 - Adult Protective Services

For more information about OKDHS, visit [their website](#).



Accomplishments over Past Year

Productivity Continues to Increase FY 2002 – FY2011



- **Aging Services**
 - 25,221 Oklahomans who are medically fragile and financially eligible for nursing facility placement received care in their own homes through the ADvantage and Personal Care Programs at a savings of over \$300 million in comparison to the cost of nursing home care.
 - 6.1 million meals were served or delivered to senior Oklahomans by contracted community partners.
- **Children and Family Services**
 - Finalized 1,143 adoptions;
 - Supported more than 12,000 children with adoption assistance to their families;
 - Through the Office of Faith-Based and Community Initiatives, OKDHS launched the 111 Project in April 2011 as a community-driven collaboration to recruit 111 foster care families from metro Oklahoma City churches, faith groups, and private businesses. What began as a number goal has evolved into an ongoing focus of "1 church, recruiting 1 family for 1 purpose" of leaving no Oklahoma child without a family.

- The Building Bridges Visitation Center opened in early 2011, a pilot program designed to provide a family-focused environment for parents whose children are in foster care; and
- The Office of Volunteerism and other OKDHS divisions partnered with numerous faith based and community organizations to collect and provide Christmas gifts to over 6,000 foster children.
- *Child Care Services*
 - Top state in the nation for child care standards (National Association of Child Care Resource and Referral Agencies);
 - In an effort to provide real time information OKDHS partnered with ACS State and Local Solutions to develop the provider web portal. The system allows child care providers to see authorizations, children in attendance and payment information in real time.
- *Child Support Services*
 - \$318 million collected from noncustodial parents, reducing dependence on public assistance programs. For every \$1 of state funding invested, \$13.20 of child support is collected;
 - Received the 2011 Outstanding Program Award (National Child Support Enforcement Association)
- *Family Support Services*
 - \$945 million of SNAP benefits were distributed to eligible Oklahoma families, generating \$1.6 billion in economic activity;
 - Change in the distribution of SNAP benefits from the first of the month to the 1st, 5th and 10th. The change allows clients access to, and the 3,200 participating retailers to stock more, fresh fruits and vegetables. It also eliminated bare shelves at the end of the day, which benefits not only clients but provides more stock for the general public.
 - For the fifth consecutive year, OKDHS received the Soaring Eagle award from USDA, Southwest Region for achieving the highest combined points for SNAP access, customer service and most improved in payment accuracy, negative actions and program integrity.
 - 1,748 TANF participants increased their financial independence through employment and left the program. 3,988 adults participated in the TANF program on average each month.

Goals for Upcoming Year

- Communication: A clear consistent message about OKDHS will be known by the clients, employees and the public;
- Partnerships: Partnerships with stakeholders will be proactively pursued and stakeholder concerns systematically addressed;
- Customer service: Services will be readily accessible and provided with consistency. OKDHS will provide a welcoming environment for individuals in need of services.
- Employee engagement: Workforce planning and development will create an encouraging workforce and engaged employees; and
- Business process improvement: Staff and divisions will have the skill sets and training for new ways to do thing and to do effective work. Employees will be empowered to meet customer needs.

Major Agency Projects

- Oklahoma Professional Development Registry (Oklahoma Child Care Services (OCCS))
<http://www.okregistry.org>

This registry is a web-based statewide data base where early childhood educators register training opportunities and child care teachers locate and register for training. Once all educators and child care teachers are registered and training is tracked, the data base will provide valuable information about the early childhood workforce in Oklahoma such as turnover, number in the profession, credentials and professional development needs. The data will be used to streamline and target resources to improve the quality of child care by improving the professional development of early childhood teachers.

- OKDHSLive
In response to an unprecedented growth in Family Support Services applications and case reviews, OKDHS has inaugurated a web site and supporting business process change to serve DHS's clients without county or regional boundaries. The goal of the OKDHSLive! initiative is to promote quality customer self-service, support consistent responsive benefit delivery and preserve face-to-face interactions with the most value for individual and families in need. Though use is voluntary, within the first six months of operation OKDHSLive.org is already the first choice for benefit renewal for half of DHS's clients, collecting and delivering information with less delay. Consolidating selected staff into regional support centers has allowed for work to be

balanced across multiple offices and staff resources to be adjusted to meet shifting demands.

- **National Youth in Transition Database (NYTD)**
NYTD is a data collection and reporting system that tracks the independent living (IL) services provided to youth and tracks outcomes that measure each state's success in preparing youth for their transition from foster care to independent living. OKDHS uses the statewide automated child welfare information system, KIDS, to report bi-annually on demographic data and 13 categories of IL services provided to all eligible independent living youth.
- **Oklahoma Bridge to Independence Network**
is a five-year demonstration project targeting young people, 16 to 21 years of age, in rural areas who are approaching independence and young adulthood, but have few or no connections to a supportive, family structure or community. As the demonstration grantee, OKDHS is collaborating with other state entities and an existing, rural runaway and homeless youth transitional living program to develop a long-term strategy for responding to the needs of this population. This demonstration focuses on improved service coordination and creation of additional support for rural youth in three vital areas of positive youth development: 1) survival support services, 2) community, and 3) education/employment.
- **Health Passport Program**
HB 1734 amended 10 O.S. § 7003-5.4 in 2009 to require OKDHS to establish a Health Passport Program with cooperation of other state agencies. OKDHS began developing the Health Passport Program in February of 2010, and the information available in the agency's computer system known as KIDS provides the majority of the Health Passport Program information, including medical, psycho-social information and Medicaid claims. This information is summarized in the Health Passport Program Report which is now available through secure, online log-in access to the Health Passport Program application by the resource parents. Statewide implementation of this piece of the Health Passport Program began in June 2011 and has been completed. Project team members are currently working with the Oklahoma State Department of Education (OKSDE) on determining educational data fields that can be obtained through OKSDE and shared within the Health Passport Program Report.
- **Aging & Disability Resource Consortium (ADRC) Initiative**
The Aging and Disability Resource Consortium (ADRC) is a collaborative effort with dozens of

organizations and state agencies to ensure that single points of entry exist in the long-term services and supports system for older adults and for individuals with disabilities. Sometimes referred to as "one-stop shop" systems, ADRCs address many of the frustrations consumers and their families experience when trying to find needed information, services and support. Through integration or coordination of existing aging and disability service systems, ADRCs raise visibility about the full range of options that are available; provide objective information, advice, counseling and assistance; empower people to make informed decisions about their long term supports and help people access public and private long term supports and services programs.

- **Adult Day Health Medicaid Initiative and Electronic Benefits Transaction (EBT) Initiative**
There continues to be a significant push toward first determining Medicaid eligibility for any applicant desiring adult day services and a sensible approach for efficiently using what state dollars are available for this program. Also, a pilot program is underway that involves a card swipe system of check-in and check-out for all OKDHS eligible participants, initiation of forms revisions and deletion, reporting on a web-based system where providers have access to data with which to print their own reports, allowing providers to see the balance available on their contracts and elimination of paperwork and staff time for claims which also means discontinuing the paper claims process. The bottom line is a more expedited payment timeframe for providers and also a twice a month payment rotation.
- **Consumer Directed Initiative through ADvantage**
To give some Medicaid consumers more control over their in-home care, OKDHS created a consumer-directed personal care service option within the ADvantage Program. That service, Consumer Directed Personal Attendant Services and Supports (CD-PASS) allows the consumer to hire, fire, train and schedule the attendant who assists them with their activities like bathing, grooming, housecleaning and walking. It is a pilot program in ADvantage with plans to expand to the entire state. The majority of ADvantage consumers use traditional home care agencies instead of CD-PASS for their personal care. Consumers who elect CD-PASS do not receive an additional amount of services; they are just given more authority on how those services are delivered.
- **Chronic Disease Self-Management Program (CDSMP)**

CDSMP is a lay-led participant education program offered in communities in the United States and several other countries. It is a 6-week program that meets once a week for 2 ½ hours each session. Participants are adults experiencing chronic health conditions such as hypertension, arthritis, heart disease, stroke, lung disease and diabetes. Family members, friends and caregivers can also participate. The program provides information and teaches practical skills on managing chronic health problems. The CDSMP gives people the confidence and motivation they need to manage the challenges of living with a chronic health condition. In Oklahoma the program is called Living Longer, Living Stronger with Chronic Conditions and consists of a partnership of the Oklahoma Department of Human Services Aging Services Division, the Oklahoma State Department of Health, Oklahoma Health Care Authority, Area Agencies on Aging, local County Health Departments, Oklahoma Department of Mental Health and Substance Abuse Services and many other local community organizations. Since 2006, DHS has reached over 2,300 participants.

- **Mosaic**
Every state's child support program is required by law to operate a state system that can effectively and efficiently deliver and account for child support payments, usually delivering paid support within two days of receipt. The system that was developed for Oklahoma Child Support Services was built on technology from the 1980s and is no longer easy to use or update. For several years now Oklahoma has been working with federal partners to seek permission to build a new enterprise system called Mosaic that will be easier to use and will provide shared information on OKDHS customers for any of its component divisions. 2012 will hopefully see the beginning of proposals coming from companies who are able to help build such a system, which is long overdue.

- **Consistent Excellence initiative**
For 2012 Oklahoma Child Support Services will continue its Consistent Excellence Initiative, a statewide project to find and implement best practices. With over 200,000 open cases, OCSA staff knows that only by sharing tried and proven strategies and procedures can the program hope to offer the best possible service to so many deserving Oklahoma families. Committees involving subject matter experts, caseworkers and program attorneys have been formed to solicit best practices from all areas served by the statewide program, which will

then become standard operating procedures to be implemented across the state.

Savings, Efficiencies and Shared Services in FY-2012

- **Bond Issue Refinancing**
OKDHS began the process of refunding the 2000 and 2002A Bond Series in FY-2012. Doing so will save the agency approximately \$669,378 in interest costs which will be re-invested in a new bond series, funding \$10 million in new projects. Debt service on the new bond will not exceed the current budgeted debt service. Additionally, the new bond will be paid off in eleven years, rather than the typical fifteen years.

- **Imaging Client Records**
OKDHS staff handles millions of pieces of client paperwork each year, yet continues to look for ways to reduce the amount of paper being generated and stored. The effort to store files electronically is allowing staff to minimize or even reduce the need for additional file storage. As an example, a purchase of an \$80,000 filing system for the Skyline building in Tulsa was avoided, which would have been necessary if the records were stored in paper format. The agency is also beginning to experience reductions in paper usage (almost 2,000 fewer cases of copy paper in FY-2011 vs. FY-2010) in spite of higher client numbers.

- **Postage**
Due to initiatives such as address "cleansing," reconsideration of the necessity of certain client notifications and improved mail size management, OKDHS is sending nearly 1.5 million fewer pieces of mail and has maintained a nearly constant postage budget, in spite of continual USPS postage increases. Additionally, the DHS Mail Manager was recognized by the Greater Oklahoma Postal Customer Council as the 2010 Mail Manager of the Year for his efforts to maximize his postal budget, reduce "bad address" mail and keep abreast of ever-changing postal requirements.

- **Financial System Improvements**
OKDHS has operated a system to electronically process employee travel claims since 1999 ("Speed-e-Travel"). This system was updated in a very short timeframe to interact with the Trip Optimizer system and allow staff to comply with the requirements of HB 1035 while maintaining the efficient electronic processing.

- OKDHS has built several uploads that take large electronic invoices from vendors such as AT&T and Centrex and convert those

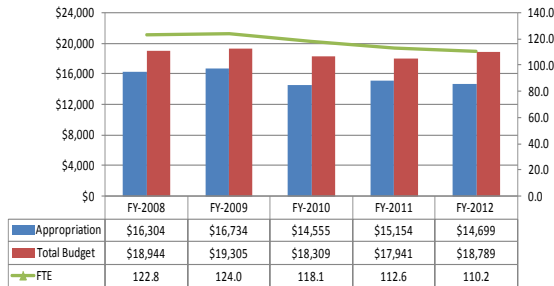
electronic invoices into the detail entry for payment with very little staff time and has created interfaces for electronic submission and payment of invoices in the integrated financial system.

- OKDHS has developed processes within the integrated financial system to automate and streamline the process of gathering data and document efforts on federal programs in order to appropriately allocate expenses to federal grants.
- Kiosks and other electronic payment projects for child support payments:

Going nearly paperless a few years ago has saved the state thousands of dollars in the cost of cutting and mailing child support checks to customers, and Oklahoma Child Support Services is continuing to look for ways to make paying support more streamlined. In addition to enabling employers and others to make payments over its secure website, OCSS has now partnered with sites at convenience stores all over the state to allow non-custodial parents to send in child support at kiosks where customers can also pay other bills. OCSS is also looking at other ways in which customers can more efficiently provide their monthly support payments, such as at grocery stores and financial institutions around the state.

Indigent Defense System (OIDS) Safety and Security Cabinet

Historical Budget and FTE
(in \$000's)



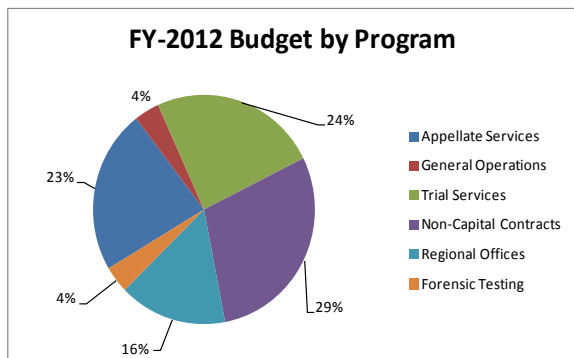
Mission

Oklahoma Indigent Defense System's (OIDS) mission is to provide indigents with legal representation comparable to that obtainable by those who can afford counsel and to do so in the most cost-effective manner possible.

Programs

- Appellate Services
- Trial Services
- Non-Capitol Contracts
- Regional Offices
- Forensic Testing

For more information about OIDS, visit [their website](#).



Accomplishments over Past Year

OIDS continued to provide constitutionally-effective legal representation to its court-appointed clients.

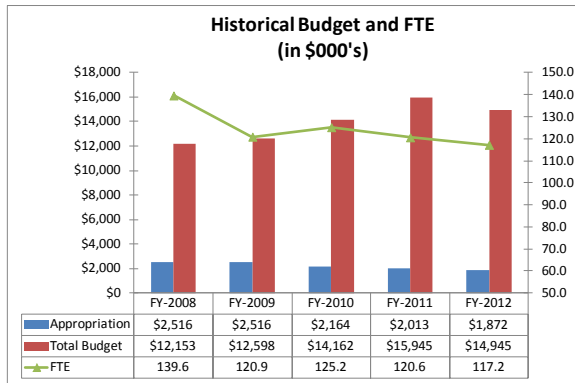
Goals for Upcoming Year

OIDS will continue to provide effective legal representation in an attempt to satisfy the obligations of the State under federal and state law.

Savings, Efficiencies and Shared Services in FY-2012

The agency continues to implement document scanning in order to reduce the costs of excessive paperwork. The agency has also installed a system to visualize computer servers as a cost avoidance measure and to simplify server management.

Insurance Department (OID) Finance and Revenue Cabinet



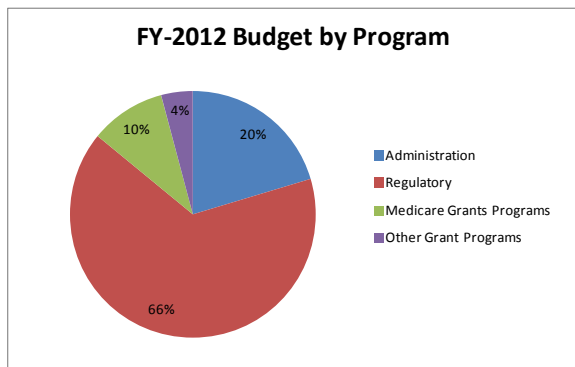
Mission

The mission of the Oklahoma Insurance Department (OID) is to protect and enhance the financial security of the citizens of Oklahoma.

Programs

- Regulation
 - Insurance companies
 - Agents
 - Adjusters
 - Health Maintenance Organizations (HMOs)
 - Business Entities
 - Real Estate Appraisers
 - Bail Bondsmen
- Financial Oversight
 - Financial Examinations
 - Financial analysis
 - Rules
 - Statutes
- Medicare/Medicaid Fraud Prevention
 - State Health Insurance Counseling Program (SHIP)

For more information about OID, visit [their website](#).



Accomplishments over Past Year

- OID’s financial division gained full accreditation through the National Association of Insurance Commissioners;
- Implemented the SBS (State Based System), an electronic filing system that efficiently and effectively processes license applications, renewals, inquiries and complaints with a minimum of effort, while remaining compliant with national uniformity initiatives;
- Returned \$1 million in federal funding earmarked for health insurance rate review, to prevent redundancies;
- Re-opened the child-only insurance market after 15 months of closure, with the assistance of Governor Fallin’s office;
- Restructured OID’s leadership team;
- Created two new task forces, CAT Team (Catastrophe Response Team) charged with preparing Oklahoma’s insurance industry to deal with disaster situations and an Uninsured Motorist Task Force, which works to increase insured motorists in Oklahoma; and
- Redirected the mission of the Anti-Fraud Team to fight white-collar crime and ensure consumer protection.

Goals for Upcoming Year

- Improving OID’s multimedia communication tools, which includes upgrading the website using Drupal’s open source content technology and implementing mobile phone application;
- Hold inaugural Tornado Summit and Domestic CEO Roundtable, respectively;
- Extend OID’s customer service capability throughout Oklahoma by creating four field representative positions covering all 77 counties;
- Recruit more insurance businesses to the state through the “Open for Business” initiative; and
- Expand health insurance coverage for the uninsured through Oklahoma’s private market, eliminating the need for federally mandated regulations.

Major Agency Projects

- OID will work to improve communication tools in 2012. OID will focus on migration of the current website to Drupal’s open source platform, and implementing the newly created mobile phone apps. OID will continue to meet the needs of Oklahoma insurance consumers

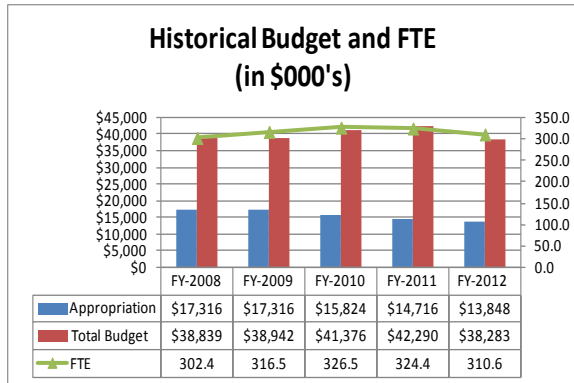
and producers, while simultaneously reducing costs for taxpayers, by investing in new technology;

- Through the implementation of efficiency-driven management strategies, OID has saved taxpayers approximately \$600,000 in the past calendar year. OID will continue this trend and work to bring even greater savings to Oklahoma citizens;
- The inaugural Tornado Summit, scheduled for March 11-13th, will highlight the recent tornado activity that occurred in 2011 and look to improve the insurance industry's response to these and other natural disasters. In addition, OID will hold its first CEO Roundtable Event in 2012, bringing together Oklahoma insurance industry leaders and public officials, for a discussion on the state of the industry and mutual goals;
- Partnering with the Department of Public Safety to begin work on OID's task forces (CAT Team and the Uninsured Motorist Task Force); and
- Expand the financial and market conduct examination process to conduct a greater number of examinations.

Savings, Efficiencies and Shared Services in FY-2012

- OID is statutorily granted 153 full-time employees (FTEs); however, through the utilization of new technology and efficiency focused management strategies, the department currently operates with 117 FTEs;
- The National Association of Insurance Commissioner's SBS (State Based System) licensing system allows OID a universal reporting system that collects all data required by state and national regulations; and
- Extended the term of most licenses issued by the department, from 1 year to 2 years, which reduced the workload of staff, allowing more time for personnel to interact with citizens throughout the state.

Investigation, Oklahoma State Bureau of (OSBI) Safety and Security Cabinet



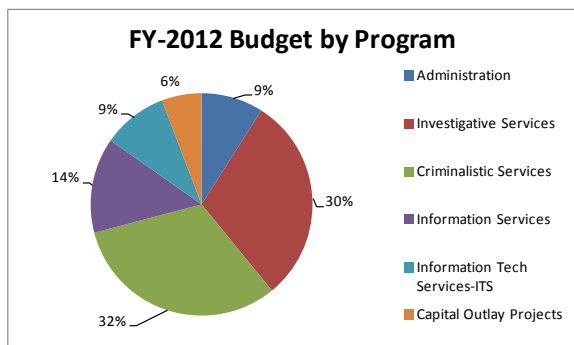
Mission

The mission of every OSBI employee is to ensure the safety and security of the citizens of Oklahoma.

Programs

- Investigative Services
- Criminalistic Services
- Information Services
- Information Tech Services – ITS
- Capital Outlay Projects

For more information about OSBI, visit [their website](#).



Accomplishments over Past Year

- Reaccreditation of the laboratory system under the American Society of Crime Laboratory Directors/Laboratory Accreditation Board’s International Accreditation Program (first time accredited under the international standards program);
- Finalized the Oklahoma Law Enforcement Information Exchange Program (OKLeX);

- Completed implementation of a Laboratory Information Management System (LIMS);
- Developed/implemented an Investigative Case Management System;
- Completed the purchase and deployment of the Mobile Analysis Center;
- Developed and implemented a new electronic Court Assessment Fee reporting application; and
- Developed and implemented a new Self Defense Act program application.

Goals for Upcoming Year

- Implement the Oklahoma Applicant Processing System to streamline fingerprint submission for school employees and child care providers in coordination with the Oklahoma Departments of Education and Human Services;
- Increase State Incident Based Reporting System participation; and
- Continued automation of agency business processes.

Major Agency Projects

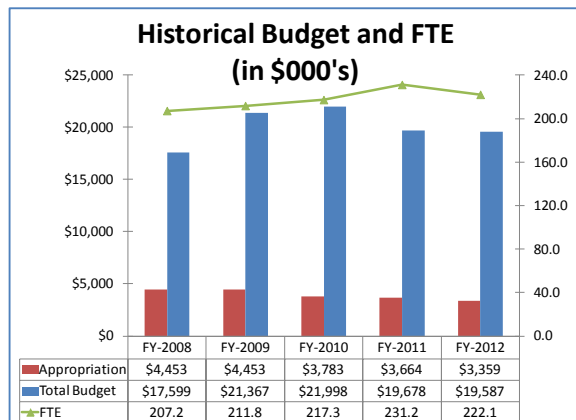
- Computerized Criminal History/Message Switch System Upgrade;
- Laboratory/scientific instruments and vehicle upgrades;
- Complete the 800 MHz radio project and the high-band radio project with ODOT; and
- Major upgrade of the Oklahoma Data Information System (ODIS).

Savings, Efficiencies and Shared Services in FY-2012

- The OSBI IT and Information Services Division’s staff members have been able to convert 70 ODIS agencies to the SIBRS program. SIBRS is an electronic reporting system which assists in reporting a more accurate reflection of the crime in Oklahoma;
- OSBI has developed a new web-centric, user friendly Automated Criminal History System resulting in better public access, as well as the need for fewer agency personnel;
- OSBI has also deployed a new Self Defense Act database program improving functionality and processing time for SDA applications;
- Modifications to the workflow processes in the Biology and Toxicology sections are making more efficient use of reagents and consumable supplies, reducing waste and reducing reagent costs by approximately \$75,000 per year;

- Using federal grant funding, the OSBI Laboratory System implemented a comprehensive Laboratory Information Management System (LIMS) which has reduced paper files and allows customers to retrieve laboratory reports on-line;
- Again, federal grant funding has allowed implementation of a comprehensive web-based Investigative Case Management System (ICMS). This application allows for instant access to critical information necessary to identify suspects and better track case activities.
- Other cost savings include:
 - A continued hiring freeze;
 - Reductions in facility and lawn care, saving approximately \$100,000 annually;
 - Elimination of the vehicle take-home practice for Criminalists, with projected savings at \$35,000 annually;
 - Cancellation of the annual employee training conference; and
 - Identified and purchased numerous chemicals for the laboratory system from vendors other than the state contract vendor, saving approximately \$100,000.

**J.D. McCarty Center (JDMC)
Health & Human Services Cabinet**



Mission

The mission of the J.D. McCarty Center for Children (JDMC) with Developmental Disabilities is to provide a comprehensive program of habilitative care to Oklahoma’s children with developmental disabilities.

For more information about JDMC, visit [their website](#).

Accomplishments over Past Year

- Total patient encounters increased from 42,200 to 45,500;
- Outpatient therapy encounters also continued to increase;
- Two new treatment modalities were added - therapeutic listening and vital stimulation. Innovative therapy groups were made available to community participants to include adaptive yoga, pet therapy and a social language group.
- Through a USDA grant, JDMC expanded the established teletherapy program into a home computer program, which allows JDMC’s therapists to provide services to children residing in their homes in rural Oklahoma.
- Developed and implemented an adaptive ballet class and a “Parents of Children with Autism” group in collaboration with Moore Public Schools.

Goals for Upcoming Year

- Collaborate with the Office of State Finance to develop a written plan outlining the process to acquire and implement an Electronic Health Record;
- Expand current in-house electronic purchase order system to incorporate the hospital’s

- inventory;
- Create a volunteer program through collaborative work with Oklahoma public schools, colleges and universities;
- Implement a volunteer/job program for former patients;
- Develop and implement a power mobility program;
- Create and implement at least one additional therapy group addressing community needs;
- Expand the home computer program; and
- Complete the construction of the summer camp (program currently being funded entirely through donated funding through the generous contributions of individuals and the Chickasaw and Cherokee Nations).

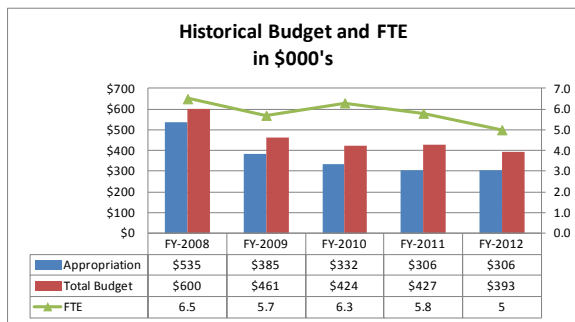
Major Agency Projects

- Utilizing volunteers and donations, develop and implement a specialized therapeutic camp designed for children with developmental disabilities;
- As dictated by the Center for Medicare and Medicaid guidelines, acquire and implement an Electronic Health Record;
- Initiate required repairs to J.D. McCarty Center’s existing reservoir and dam;
- Upgrade the unit generators enabling the hospital to meet patient needs during the loss of electricity; and
- Initiate and complete repair work on the hospital buildings damaged by the June 14, 2010 storm.

Savings, Efficiencies and Shared Services in FY-2012

- Department managers perform many of the day-to-day functions of the hospital and take on dual roles; therefore, J.D. McCarty Center has shown a 7.7 % decrease in salary expenses as compared to total budget since 2007. Additionally, various positions were not filled, resulting in a \$184,888 savings;
- Therapists currently earn 15-20% below established market salaries for Oklahoma;
- Travel expenditures were lowered by 31% through the use of technology, which includes JDMC’s teletherapy and home computer program to rural Oklahoma; and
- Budgeted income was exceeded by 11% and expenditures were 3% under budget.

J.M. Davis Memorial Commission Commerce & Tourism Cabinet



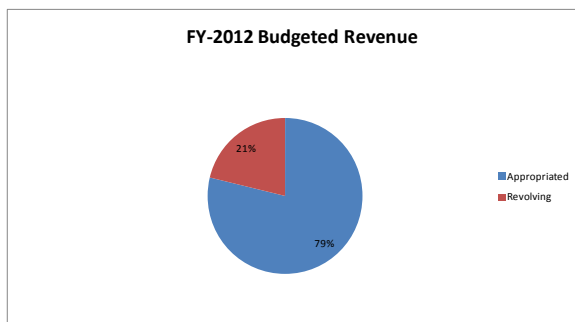
Mission

The mission of the J.M. Davis Commission is to house, preserve, display and update the unique collection of firearms and historical artifacts collected by Mr. J.M. Davis and to provide an historical and educational experience for the viewing public.

Programs

100% of the budget for the J.M. Davis Commission is for Museum operations. For more information about JM Davis, visit their [website](#).

The chart below shows the breakdown of appropriated and revolving funds for FY-2012.



Accomplishments over Past Year

- The J.M. Davis Commission provided educational viewings for 30,000 visitors, 14,500 not living in northeast Oklahoma. This resulted in the museum bringing in tourist dollars of over 4.3 million dollars. The Commission opened three new exhibits and hosted several civic functions including Veterans Day flag retirement ceremonies.

Goals for Upcoming Year

- The J.M. Davis Commission will celebrate Mr. Davis's 125th birthday on June 30, 2012. The commission will release a book about Mr. Davis's life, unveil a desk top statue in his image and have murals to Mr. and Mrs. Davis ready for display in the crypt area of the museum.

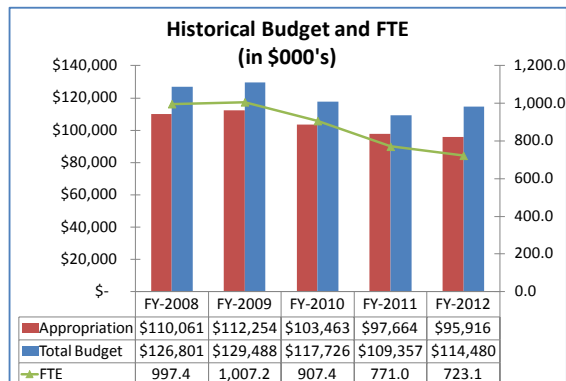
Major Agency Projects

- A book is currently being written by author Mr. John Wooley about the life of J.M. Davis and the history of the town of Claremore during Mr. Davis's lifetime from 1887-1973.
- Another major project of the J.M. Davis Commission is the building of a World War I display. This display will incorporate over 500 WWI posters in the museum's collection.

Savings, Efficiencies and Shared Services in FY-2012

- A new lighting system for the Commission went into effect in 2010. Building of newer displays required fewer fluorescent tubes. This has resulted in a savings for the Commission of \$ 400 over the past eighteen months.

Juvenile Affairs, Office of (OJA) Health & Human Services Cabinet



Mission

The Office of Juvenile Affairs (OJA) is a state agency entrusted by the citizens of Oklahoma to provide professional prevention, education and treatment services, as well as secure facilities for juveniles in order to promote public safety and reduce juvenile delinquency.

Programs

Residential Programs:

- Secure Institutions
- Level E Group Homes
- Specialized Community Homes
- Vo-Tech Training
- Therapeutic Foster Home Program

Non-residential Programs:

- Juvenile Services Unit - District/County Services
- Juvenile Offender Victim Restitution Work Program
- Regional Secure Detention Centers
- Graduated Sanctions Program
- Canadian County Sanctions Detention Program

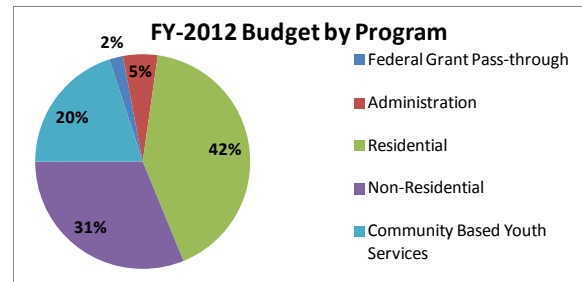
Reintegration Programs:

- Community-At-Risk Services
- Residential Substance Abuse Treatment
- State Transition and Reintegration Services (STARS)

Community Outreach:

- First Offender Program
- Emergency Youth Shelters
- Community Intervention Centers
- Community At-Risk Services
- Juvenile Accountability Block Grants
- Santa Claus Commission

For more information about OJA, visit [their website](#).



Accomplishments over Past Year

- Reduced institutional secure beds from 266 beds to 194 beds with the closure of the 72-bed L.E. Rader Center, which was made possible, due to the almost 25% drop in total referrals to the juvenile justice system over the past 10 years;
- Opened a 12-bed Level E Group Home for delinquent males, serving ages 11-14, in order to serve younger youth in a separate facility from older delinquents;
- Awarded a federal grant to serve youth in Tulsa County in the community re-entry process. Focuses on independent living skills, job placement, educational enrollment and appropriate housing. Early outcomes indicate youth are almost twice as likely to be successful than youth who did not receive the services.
- Reduced placement waiting list by at least 50%.

Goals for Upcoming Year

- Remodel staff secure building located at the Central Oklahoma Juvenile Center in Tecumseh, which will provide the institution with six locking rooms to address juvenile behavioral issues at the facility;
- Increase re-entry service delivery for all youth exiting out-of-home placements;
- Provide more comprehensive training to new and existing staff.

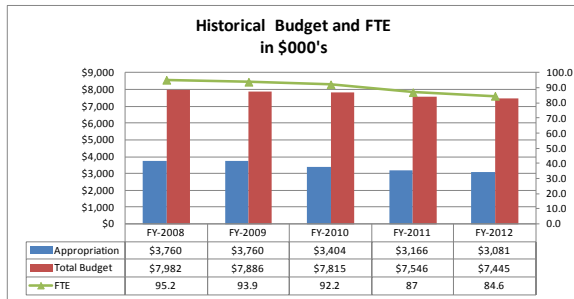
Major Agency Projects

The Office of Juvenile Affairs is working with the Department of Central Services to demolish the closed L.E. Rader Center in Sand Springs.

Savings, Efficiencies and Shared Services in FY-2012

The Agency reduced its funded FTE from 825 in FY-2011 to 695 at the end of FY-2012, a reduction of 130 FTE, with the closure of the L.E. Rader Center in Sand Springs.

Labor Department (ODOL) Commerce & Tourism Cabinet



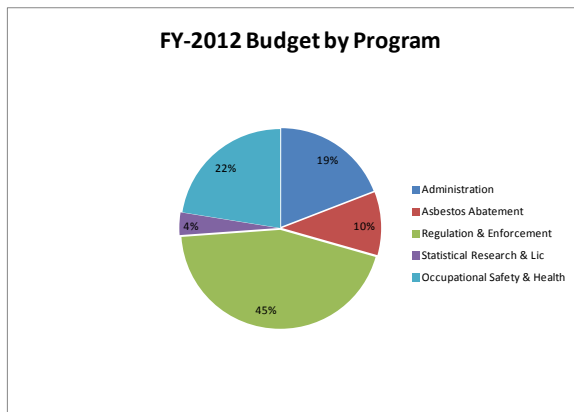
Mission

The Oklahoma Department of Labor was created by the Oklahoma Constitution in 1907. The agency is responsible for the enforcement of state and federal labor laws that promote fairness and equity in the workforce, including state wage laws, workers' compensation compliance, state OSHA laws for public employers, asbestos compliance, child labor laws and various other duties.

Programs

- Asbestos Abatement
- Regulation & Enforcement
- Statistical Research & Licensing
- Occupational Safety & Health

For more information about Department of Labor, visit their [website](#).



Accomplishments over Past Year

- Launched **Slime Stoppers** online at www.labor.ok.gov which provides Oklahoma taxpayers and workers the opportunity to report employers for violating Worker's Compensation Coverage requirements. As of the end of

December 2011, the agency had received 33 submissions.

- Decreased the Wage & Hour case backlog by 40% and doubled the number of cases on the Wage & Hour Dockets under Commissioner Costello's administration;
- Implemented voluntary mediation parties to resolve their own disputes without the cost or delay of litigation;
- Increased the number of Tax Warrant Intercept Program (TWIP) claims with the Oklahoma Tax Commission from 29 to 110 at present, an approximate 400% increase;
- Commissioner Costello reached out to the grain elevator industry after the Kremlin grain elevator accident. As a result more than 14 grain elevator companies contacted the OSHA division to request an appointment with a Safety Pays Consultant; and
- A total of 855 consultation activities were performed during 2011 with a total of 4,096 safety and health hazards identified and eliminated from the workplace. This is a potential savings of \$12,689,408 in OSHA penalties to Oklahoma's private employers.

Goals for Upcoming Year

- Continue Commissioner Costello's initiative to combat workers' compensation fraud.
- Focus on improvements in customer service, including online license applications, renewals and payments.

Major Agency Projects

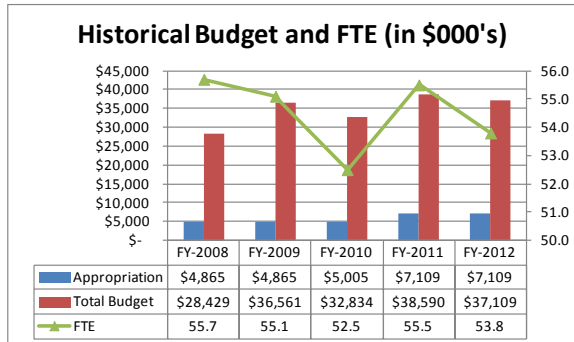
- In order to recognize the spirit of private sector job creation, Commissioner Costello will develop and Entrepreneurial Excellence in Oklahoma award. This award will recognize entrepreneurs who have created profitable employment for their fellow Oklahomans.
- A new youth employment law awareness video contest - "Speak out for Workplace Safety" will launch January 23rd in Kay County. Middle Schools and High Schools will be invited to participate in this video contest with the goal to reach every county in Oklahoma. The purpose of this contest is to give students the opportunity to educate the public about youth employment laws designed to protect young workers.
- The Oklahoma Department of Labor will launch "Learning Labor" videos beginning February 1, 2012. Each video will be 1-2 minutes in length

and designed to educate the viewer on “how to” at the Labor Department. The Labor Department’s goal is to educate the Oklahoma Taxpayer on how to utilize the various programs and services the Labor Department has to offer.

Savings, Efficiencies and Shared Services in FY-2012

- The Oklahoma Department of Labor has saved the taxpayers more than \$415,000 during 2011 by streamlining the agency’s processes and work efforts, improving financial procedures and increasing efficiencies;
- Returned 7 leased vehicles that were not being fully utilized;
- Purchase of 5 fuel-efficient, compact vehicles to replace leased mid-size vehicles, with an anticipated savings of more than \$75,000 over the next 4 years;
- Upgraded cell phones used by inspectors in the field to Blackberry devices, now using only one device for cell phone and internet connectivity. This has streamlined processes, provided inspectors easy access to files while in the field, and saving money for the agency and taxpayer.
- OSHA Consultation now e-mails written reports to employers, resulting in savings of postage and paper, as well as requiring less space to store files.
- Implemented the State Purchase Card (PCard) program in August 2011, decentralizing the small dollar purchases throughout the agency. This is saving money through improved control of supply inventory as well as better tracking and allocation of costs.
- Returned to basic accounting standards and practices in both budgeting and financial payments, providing taxpayers a more accurate reporting of financial transactions.
- It is projected that the agency’s Office of General Counsel will save more than \$5,000 over the next 3 years by switching to electronic legal resources, rather than bound hard copy volumes.
- Reduced legal staff by 17%, saving the agency more than \$57,000 annually.

Land Office, Commissioners of the (CLO) Finance and Revenue Cabinet



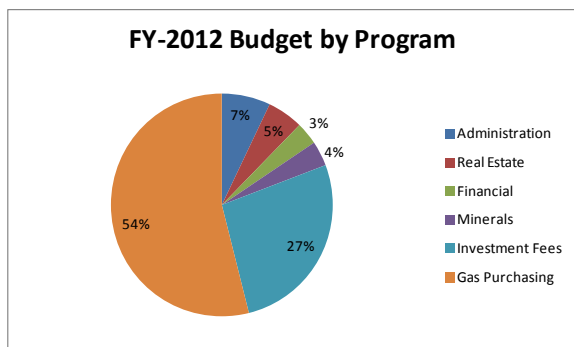
Mission

The Commissioners of the Land Office (CLO) was created by the Enabling Act, which granted Oklahoma Statehood. Its governance is defined in the Oklahoma Constitution and the Statutes. The Land Office is, according to the Oklahoma Supreme Court, a “sacred trust”. The agency’s singular mission is “managing assets to support education”.

Programs

- Real Estate Management
- Investment Management
- Royalty Compliance
- Minerals Management

For more information about CLO, visit [their website](#).



Accomplishments over Past Year

- In FY-2011, the CLO distributed a record \$124.17 million to its common school, college and university beneficiaries:
 - The largest distribution, \$93 million, was to common schools.
- The value of the permanent trust grew to a

record \$1,871,637,000 in FY-2011;

- The agency achieved the highest percentage growth in trust assets, the highest annual royalty receipts, and the highest total appraised value of the land managed by the CLO in agency history;
- As security of funds is a major priority for the CLO, there have been changes over the past year including fraud policy, conflict of interest policy, procedural oversight, security monitoring and internal auditing.

Goals for Upcoming Year

In FY-2011, the CLO began a multi-year technology upgrade designed to modernize the agency by using technology to improve areas such as records management, using a proprietary data base. In the coming year, the data base and accompanying projects will include Geographic Information System (GIS) tracking of surface and oil and gas leases, constructing a proprietary electronic mineral auction module (which has never been achieved by a state public land agency), and developing electronic receipt of payments by real estate and mineral lessees. There will be an emphasis on marketing and enhancing Land Office’s commercial land as the agency attempts to increase income from the acreage it manages.

Major Agency Projects

- Maintain and increase the value of Land Office agricultural and minerals to ensure their value as a continuing trust for future generations is a priority to the Land Office in 2012;
- Last year, the Land Office cleared more than 20,000 acres of red cedar. The eradication of red and salt cedar to restore productive crop and grazing land is a continuing project for the coming years.
- The agency’s IT project is entering phase two which will included the scanning of historical records, GIS on trust mineral and surface locations, and upgrades to the website which will allow for electronic payments and royalty production reports.

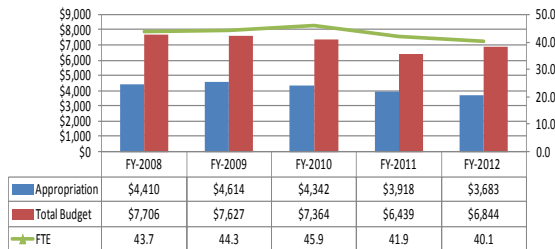
Savings, Efficiencies and Shared Services in FY-2012

The agency’s consolidation of investments and accounting divisions has created savings in time and money. Voucher scanning will also decrease the work load, increase the speed of transactions, and

improve the security of electronic systems. The Land Office is requiring higher education and certification standards in all divisions to improve professional standards. The ongoing IT upgrade allows for greater efficiencies and less duplication of work. Discussions with OSF for agency-wide IT consolidations are in progress. Further, the CLO utilizes shared services for telephone, payroll, fiber optics, voucher scanning, and data storage (in progress).

Law Enforcement Education & Training, Council on (CLEET) Safety and Security Cabinet

Historical Budget and FTE
(in \$000's)



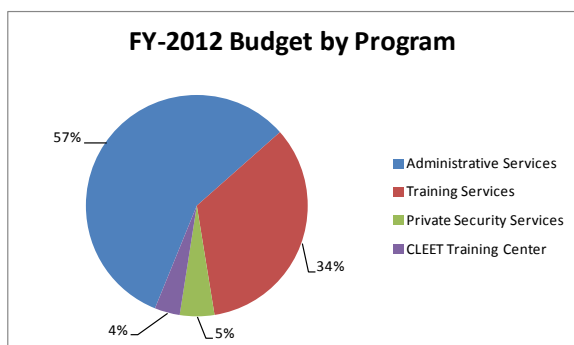
Mission

The Council on Law Enforcement Education & Training (CLEET) is to provide the citizens of Oklahoma with peace officers who are trained to be professional, ethical, conscientious, and sensitive to needs of the public, as well as knowledgeable and competent in identified learning objectives. In addition, CLEET protects the public by regulating private security in the State of Oklahoma through education and licensing requirements and ensures licensees practice within the provision of the law.

Programs

- Training Services
- Private Security Services
- CLEET Training Center

For more information about CLEET, visit [their website](#).



Accomplishments over Past Year

- Kicked off Terrorism Certification Program;
- Started Active Shooter (ALERT) training for end users and trainer development; and

- Trained 92.5% of peace officers in Evidence Based Sexual Assault.

Goals for Upcoming Year

- Expand distance education program;
- Implement online license application for private security licensures;
- Create new continuing education courses utilizing current staff; and
- Implement modernization of records database as it is currently in a format that is no longer supported.

Major Agency Projects

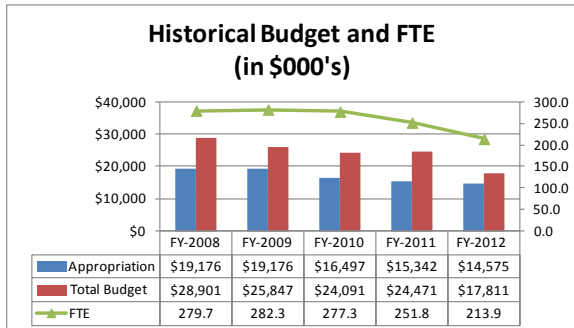
- Joint effort with the Department of Corrections to provide facilities for training corrections and peace officers;
- Expansion of credentialing program to include other emergency management; and
- Expansion of Active Shooter program and instructor training.

Savings, Efficiencies and Shared Services in FY-2012

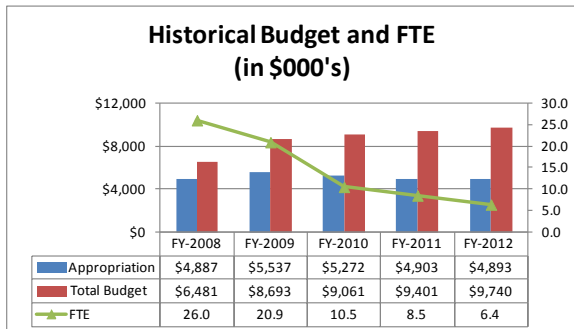
CLEET reduced staff by not filling vacancies, delaying replacement of essential vacated positions and reducing base pay for vacant positions. Additionally, CLEET has significantly reduced travel costs and decreased the use of paid adjunct instructors in the basic academy and continuing education programs. CLEET has also returned two leased vehicles to the Fleet Management division of the Department of Central Services.

Legislature

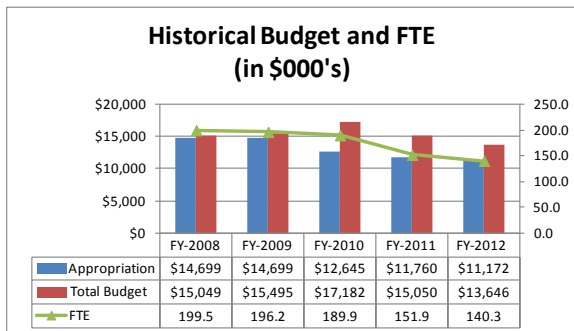
House of Representatives, Legislative Service Bureau (LSB) and State Senate



House of Representatives



Legislative Service Bureau



Senate

The House of Representatives, Legislative Service Bureau (LSB) and the State Senate represent the legislative branch.

The Oklahoma Legislature consists of 101 members in the House of Representatives and 48 members in the State Senate. They convene annually beginning on the first Monday in February, and adjourn on the last Friday in May. Normally, the Legislature is in session Monday through Thursday. Extra sessions may be called by the governor or by the Legislature.

State Senators serve four-year terms with half of the members elected every 2 years. Members of the House of Representatives serve two-year terms.

Each chamber of the Legislature considers four different types of legislation:

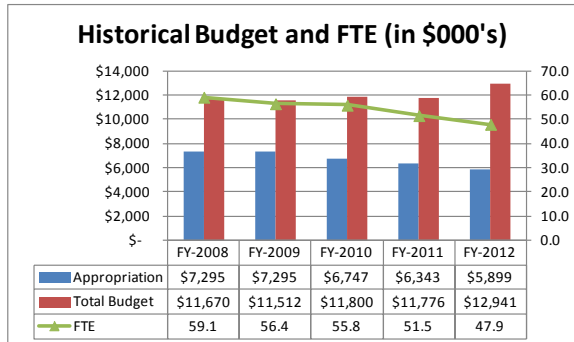
- Bills that will become law when passed by both chambers and signed by the governor;
- Joint Resolutions that have the effect of law if passed by both chambers and signed by the governor but may not become part of the statutes;
- Concurrent resolutions which express the will of both chambers; and
- Simple resolutions, which express the will of the chamber of origin.

In 1990, voters in Oklahoma decided to adopt term limits for legislators. Therefore, legislators have a 12-year limit on service in the House of Representatives, the Senate, or both.

For more information about the Legislature, visit:

- [House of Representatives website](#)
- [Legislative Service Bureau website](#)
- [Senate website](#)

Libraries, Oklahoma Department of (Libraries) Education Cabinet

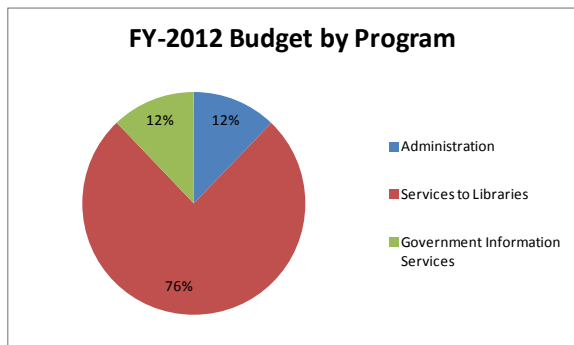


Mission

The Oklahoma Department of Libraries serves the citizens of Oklahoma by providing excellent information services and preserving unique government information resources.

Programs

For more information about the Department of Libraries, visit [their website](#).



Accomplishments over Past Year

- Increase awareness and use of electronic information sources to support Oklahomans in education, economic and personal development:
 - Use of the statewide licensed electronic resources by library customers increased 47% from approximately 21 million searches to more than 39.5 million;
 - Provided hands-on instruction on these resources to 310 librarians, a 100% increase over previous year;
 - 60% increase in searches to state government web sites through search engine that is partnership between Office of

State Finance and Oklahoma Department of Libraries;

- Online Historical documents and state government publications available from Oklahoma Department of Libraries had a 20% increase in usage.
- Reading proficiency for Oklahoma children and teens strengthened:
 - Summer reading program partnership with public libraries reached 30% of eligible children, up 4% from previous year;
 - 96% increase in number of summer library programs for children;
 - Increase of 35% in program attendance at library programs for children.
- Provide online access to customers of public libraries in non-metropolitan areas:
 - Public library websites in 28+ communities are supported by Oklahoma Department of Libraries allowing library customers to access a monthly average of 300,000 web pages per month on these sites;
 - Oklahoma Department of Libraries increased the number of electronic books of a consortium of public libraries in non-metropolitan areas by 133%.

Goals for Upcoming Year

- Complete installation of higher internet connections and video conferencing equipment in 37 Oklahoma communities to allow library customers access to online classes, virtual job fairs, skills coaching by Workforce Development staff at Oklahoma Department of Commerce, continuing professional development, etc.;
- Increase state government information available online through partnership with the Office of State Finance to meet mandates of having all state agency documents available and searchable in one site.

Major Agency Projects

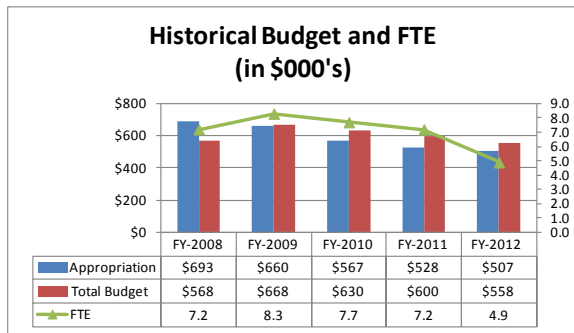
- Oklahoma Department of Libraries received a grant from the National Telecommunications and Information Administration for the video conferencing project. Seven libraries are completed and the remaining 37 are in process. This project uses a mix of federal and private funding to achieve the goal. Once the Internet connections and equipment are installed, the communities will be responsible for maintaining the costs associated with the project.

- Oklahoma Department of Libraries purchased an unlimited license for software designed to make state government information and historical content available online. When the Office of State Finance was mandated to create a single site for this purpose, Libraries approached OSF to ensure awareness of this software and offered to partner in the implementation for this project. The software will be utilized at no additional cost to the state.

Savings, Efficiencies and Shared Services in FY-2012

In order to meet budget reductions, Oklahoma Department of Libraries froze personnel positions when vacancies occurred and decreased the purchasing of library materials. Libraries administrative staff met with IT sector staff to be apprised of the timeline and process for the IT consolidation on February 1, 2012.

Lieutenant Governor



Oklahoma's Lieutenant Governor serves in place of the Governor when the Governor leaves the state, and serves on the Governor's cabinet as Small Business Advocate. Also, the Lieutenant Governor serves as the President of the Oklahoma State Senate, casting a vote in the event of a tie and presiding over joint sessions of the State Legislature. In addition, the Lieutenant Governor presides over or is a member of the following nine (9) state boards and commissions:

- Chairman, Oklahoma Tourism and Recreation Commission;
- Native American Cultural and Educational Authority;
- State Board of Equalization;
- Oklahoma Capitol Improvement Authority;
- Oklahoma Archives and Records Commission;
- Oklahoma Film and Music Advisory Commission;
- CompSource Oklahoma Board of Managers;
- Commissioners of the Land Office (School Land Trust); and
- Oklahoma Linked Deposit Review Board

As President of the State Senate the Lt. Governor's office utilizes the State Senate for IT services. The Lt. Governor's office utilizes the Office of State Finance for all shared services.

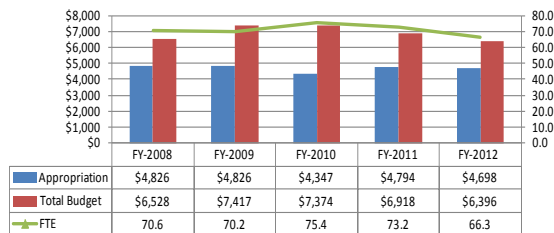
For more information, visit the [Lieutenant Governor's website](#).

Savings, Efficiencies and Shared Services in FY-2012

- Reduction in level of full-time employees.

Medical Examiner, Office of the Chief (OCME) Safety and Security Cabinet

**Historical Budget and FTE
(in \$000's)**



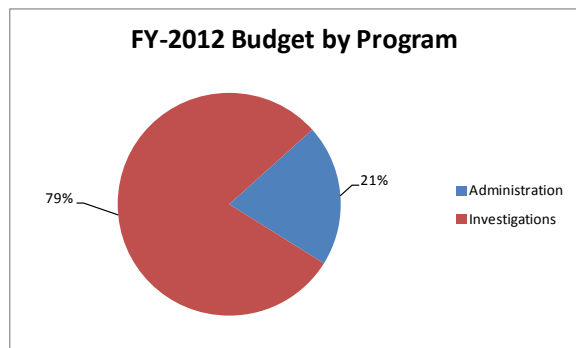
Mission

The mission of the Office of the Chief Medical Examiner (OCME) is to protect the public health and safety of Oklahomans through the scientific investigation of deaths as defined by state statutes. This process involves scene investigation and medicolegal autopsy (including radiology, toxicology, histology and microbiology), complementing the activities of law enforcement agencies, district attorneys and public health officials.

Programs

- Investigations

For information about OCME, visit [their website](#).



Accomplishments over Past Year

- The OCME has eliminated the old backlog;
- Created (and enforced) new policies and procedures whereas virtually none had existed before;
- Reduced administrative costs by combining 4 FTE into 1 FTE;
- Re-established a physician presence on the boards served;

- Re-engaged in the graduate medical education for forensic pathology fellows;
- Explored other cost-saving measures such as rural investigator redistricting and changing the vehicle fleet to more economical cars;
- Engaged fully in the electronic death certificate system (ROVER); and
- Formulated a plan for regaining accreditation from the National Association of Medical Examiners (NAME).

Goals for Upcoming Year

- Continue streamlining the agency operations with minor technology improvements and continue to author policy and procedure;
- Train a new fellow in OKC;
- Begin the process of recruiting 4 forensic pathologists and related support staff to bring service levels up to national standards;
- Repair broken and obsolete equipment; and
- Continue planning for eventual NAME reaccreditation.

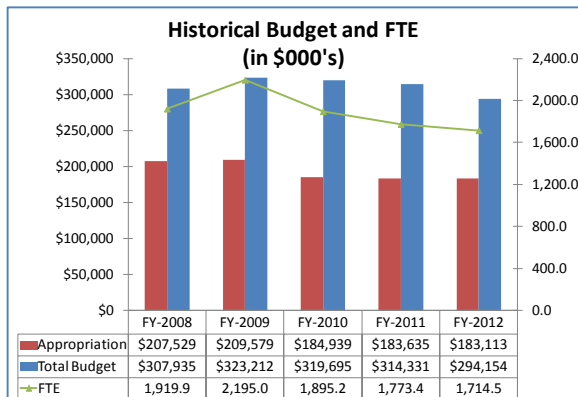
Major Agency Projects

- Reducing backlog;
- Achieving full National Incident Management System (NIMS) compliance;
- Engaging fully in electronic death certificate process; and
- Improving rural district investigator coverage.

Savings, Efficiencies and Shared Services in FY-2012

- Combined 4 administrative positions into one FTE, saving approximately \$174,000 per year plus benefits;
- Changed vehicle fleet to more economical cars, avoiding a \$69,000 increase in costs;
- Improved accounting process to better capture monies owed;
- The CME, CAO and Investigative Supervisor (OKC) declined scheduled or posted salary increases for 2011;
- Better utilization of the p-card to maximize rebates;
- OSF – IT services are currently used;
- OSF –Accounting; and
- The agency anticipates using shared services for human resources in the near future.

Mental Health and Substance Abuse Services, Department of (ODMHSAS) Health & Human Services Cabinet



Mission

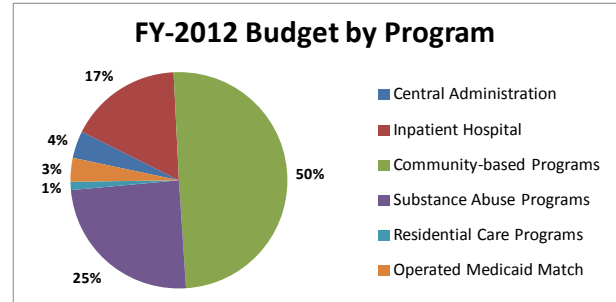
The mission of the Oklahoma Department of Mental Health and Substance Abuse Services is to promote healthy communities and provide the highest quality care to enhance the well-being of all Oklahomans.

Programs

The ODMHSAS is charged with the treatment and prevention of mental illness and substance abuse and addiction. The ODMHSAS pursues these objectives in partnership with a network of providers spread throughout the state. ODMHSAS provides and administers the following programs:

- Inpatient psychiatric hospitals such as Griffin Memorial and the Oklahoma Forensic Center;
- Community based programs offered through Community Mental Health Centers and featuring programs such as PACT, Systems of Care, Crisis Services;
- Substance Abuse Programs including outpatient and residential substance abuse programs, drug courts, gambling treatment, regional prevention centers, underage drinking initiatives and Synar (Illegal Tobacco Sales to minors); and
- Residential Care to provide safe housing for consumers.

For more information about ODMHSAS, visit [their website](#).



Accomplishments over Past Year

- The ODMHSAS performed a cost/benefit review of community mental health service areas. As a result of the review, the ODMHSAS successfully bid services in the Eastern Oklahoma area and replaced a state operated facility with a private contractor that provided services to more consumers at a better cost to Oklahoma taxpayers.
- Introduced a new certification for substance abuse treatment facilities resulting in Oklahomans who have both a mental health and substance abuse disorder receiving a more medically appropriate and comprehensive mix of services which is expected to improve outcomes including reducing relapse;
- Improved performance outcomes for community mental health centers using pay for performance to fuel process improvement. This Oklahoma effort has recently been recognized a model for all other states to consider. This initiative has reduced wait times for appointments, decreased substance abuse and reduced the number of hospitalizations for Oklahomans served.
- ODMHSAS, through collaboration with the Tobacco Settlement Endowment Trust and Alcohol Beverage Laws Enforcement Commission, has significantly reduced illegal tobacco sales to minors, moving the violation rate from 17.9% in 2008 to 6.8% in 2011. If violation rates hit 20%, the state would be at risk of losing millions in substance abuse treatment money from the federal government as part of required compliance with the federal Synar Amendment.

Goals for Upcoming Year

- Improve the healthcare status of consumers served by the ODMHSAS. People living with mental illness and addiction die 25 years earlier than the rest of the population. The ODMHSAS

treatment network is working on addressing whole health including reducing tobacco use and obesity to change this intolerable and unacceptable statistic.

- Reduce underage alcohol consumption. Alcohol continues to be the leading substance of choice for Oklahomans and research clearly indicates that access to alcohol is starting at younger ages. The younger someone begins experimenting with alcohol the higher the risk of developing addictive behaviors and creating accidents and other societal costs. Working with local communities, the ODMHSAS will partner with law enforcement to increase compliance checks and to enforce the newly enacted statewide social host ordinance. Additionally, ODMHSAS, in partnership with Superintendent Barresi and with support from the Office of Governor Mary Fallin, is actively recruiting Oklahoma high schools to incorporate AlcoholEdu (an online alcohol prevention program) into their curriculums.
- Increase third party revenue in ODMHSAS operated facilities. Though only a fraction of the services provided by the ODMHSAS are through state-operated facilities, these organizations can seek third-party reimbursement for eligible patients. By successfully collecting these reimbursements, the agency can serve more Oklahomans, reducing the waiting lists for services and stretching appropriated dollars further.

Major Agency Projects

- Implementation of the first phase of the ODMHSAS Smart on Crime programs, which were funded through the leadership of Governor Fallin as part of the FY-2012 budget agreement - This included two programs: 1) creating 24/7 mental health emergency responders and services to assist law enforcement in Oklahoma County with mental health calls and 2) increasing the number of women receiving addiction treatment to prevent incarceration including an innovative initiative in Lawton that diverts women who have come in contact with law enforcement into a comprehensive treatment program that is targeted to the needs of women with addiction and mental illness.
- Obtain broader distribution and number of community based crisis services/beds to serve Oklahoma consumers and reduce burden on law

enforcement - An ODMHSAS pilot project in Oklahoma County is looking to add and expand an “urgent care” model of service. Throughout the nation, the current and most common after hours model of emergency psychiatric services consists of law enforcement bringing a person for a determination of whether or not a person in need meets strict criteria for inpatient admission. If not, they are often turned away, to the frustration of law enforcement, to wait for an outpatient appointment at best the next day. ODMHSAS’s goal is to extend those services so that a person in crisis, but just outside the criteria for inpatient admission, will have access to a psychiatric evaluation, counseling services, case management services and medications when needed with follow up services until a linkage can be made for the individual within the traditional system. This model will provide ready access to lower levels of care, thus diverting many individuals from costly inpatient admissions and/or involvement with the criminal justice system.

- Implementation of an optional certification for outpatient mental health provider organizations - Pending future rules approval, providers will have a choice of national or state certification, resulting in savings for providers of thousands of dollars per certification.

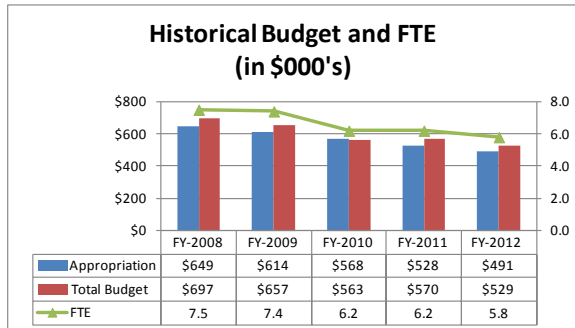
Savings, Efficiencies and Shared Services in FY-2012

- Agency administrative infrastructure flattened by nearly 10%, including shrinking the agency leadership team from five to four;
- Electronic workflow facilitation (e-92's; e-contracts) - An example of the efficiency achieved in this area is the time from contract initiation to execution changing from using the paper/mail model to using electronic transmission and e-signature, saving over 50 days per contract. This is an improvement experienced not only by ODMHSAS but also by over 100 private providers doing business with ODMHSAS.
- Consolidated claims processing system allows ODMHSAS to assure, in partnership with OHCA, that a third-party payer, then Medicaid dollars are utilized when serving a consumer before indigent funding (100% state dollars) are accessed.
- Full implementation of the ODMHSAS telemedicine program, the nation’s most

comprehensive behavioral health telemedicine network, stretching ODMHSAS's urban based providers to rural parts of Oklahoma - In the Ardmore service region alone, telemedicine extended services to an additional 1,200 Oklahomans in one year. Statewide \$1.77 million in travel costs and time was averted. ODMHSAS, in the early stages of this effort, received the "Rural Promising Practice Award" by the Western Interstate Council on Higher Education (WICHE).

- Improved purchasing of workers compensation insurance which saved 14% of ODMHSAS's premium – This savings was utilized to cover a portion of ODMHSAS budget cuts. Rather than purchasing through CompSource, the agency utilized recently passed legislation allowing state agencies to bid a workers' compensation package and receive a better quote from a different carrier. ODMHSAS was the first agency to utilize this newly created flexibility.

**Merit Protection Commission
Human Resources and Administration
Cabinet**



Mission

The Oklahoma Merit Protection Commission is an independent quasi-judicial agency established to protect the integrity of the state’s merit system, utilized by state agencies and their employees.

The agency designs and implements a dispute resolution system to protect the integrity of the merit system for state employees through hearings, investigations and an Alternative Dispute Resolution program in conjunction with training and consultation.

Programs

For more information about the Merit Protection Commission, visit [their website](#).

Accomplishments over Past Year

During the 2011 fiscal year, 276 cases were closed. Twelve training sessions were conducted in the following areas: progressive discipline, investigations, and grievances. The Merit Protection Commission conducted a one day conference in collaboration with the Office of Disability Concerns. The conference provided an update on new federal guidelines dealing with the Americans with Disability Act.

Goals for Upcoming Year and Major Agency Projects

To expand the use of courtroom media site technology to offer increased learning opportunities for employees in remote areas of the state, by developing a video E-Learning program. This would reduce the amount of time the instructor and trainees spend away from their job duties and

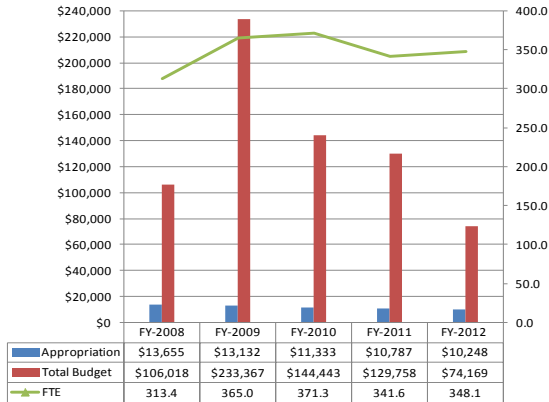
reduce travel time and training costs.

Savings, Efficiencies and Shared Services in FY-2012

The agency saved approximately \$49,000 in hearings costs, based upon cases settled through the Alternative Dispute Resolution Program.

Military Department (OMD) Military Affairs Cabinet

Historical Budget and FTE
(in \$000's)



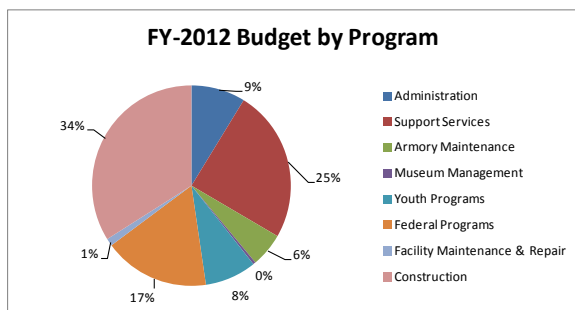
Mission

The Oklahoma Military Department's (OMD) mission is to preserve the state and the nation by providing public safety and supporting the preservation of rights afforded to all citizens of our state and nation through the organization and training of the Oklahoma National Guard (OKNG). OMD supports the administration and funding of critical missions, training and facilities in order to provide trained and ready forces when called into service by the Governor or the President of the United States.

Programs

- Support Services
- Armory Maintenance
- Museum Management
- Youth Programs
- Federal Programs
- Facility Maintenance and Repair
- Construction

For more information about OMD, visit [their website](#).



Accomplishments over Past Year

- OKNG sent more soldiers and airmen, per capita, than any state since September 11, 2011 and is currently in Afghanistan with the largest deployment since the Korean War;
- OKNG helicopter crews have dropped over 6 million gallons of water in support of OEM directed wildfire suppression since October 1, 2010;
- The "Tulsa Vipers" deployed F-16s from the 138th Fighter Wing providing over-watch in support of the withdraw of U.S. forces in Iraq; and
- The Thunderbird Youth Academy aided over 200 high school dropouts in becoming productive Oklahomans in 2011.

Goals for Upcoming Year

- Appropriately resource, build and maintain adequate and safe training facilities for the members and youth programs of the OKNG to insure enduring mission success;
- Improve and modernize the legacy facilities (a/k/a armories) across the State.

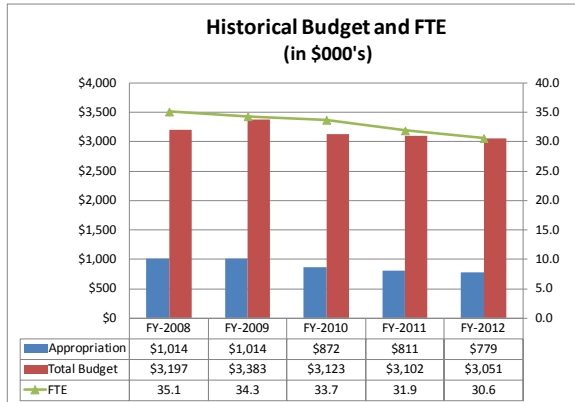
Major Agency Projects

Land acquisition is step one in the process for Military (MILCON) projects. Additionally, an extensive master plan has been developed to phase the construction of the Thunderbird Youth Academy without suspending operations of the almost \$4 million per year program to assist high school dropouts return to school or enter the workforce and avoid entering the juvenile justice system.

Savings, Efficiencies and Shared Services in FY-2012

- OKNG has taken advantage of the voluntary buyout program to retire state employees as well as continue to do "more with less" with regard to personnel numbers;
- OKNG maintains its own financial accounting, human resources and maintenance department that provide services to agency employees and facilities.

Mines, Oklahoma Department of (ODM) Energy Cabinet



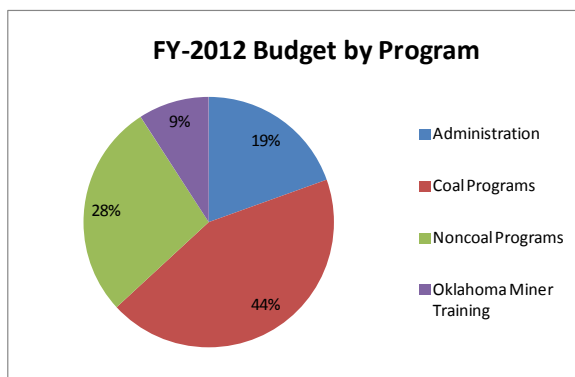
Mission

The mission of the Oklahoma Department of Mines (ODM) is to protect the environment of the state, to protect the health and safety of the miners and to protect the life, health, and property of the citizens who are affected through enforcement of the state mining and reclamation laws.

Programs

- Coal Programs
- NonCoal (Minerals) Programs
 - Coal Combustion Byproducts (Fly Ash)
 - Non-Mining Blasting Compliance
- Post-Mining Reclamation
- Permitting
 - Performance Bonding
- Inspections
- Legal Enforcement
- Oklahoma Miner Training Institute

For more information about ODM, visit [their website](#).



Accomplishments over Past Year

- The general public, landowners, students and industry have benefited from the increased availability and access to information on the agency website concerning coal and mineral mining and reclamation in Oklahoma. Permit application forms and production reporting forms are on-line.
- New regulations concerning coal combustion by-product beneficial use and reclamation have been enacted. The increased requirements for effluent and groundwater sampling and analysis will help protect the environment and provide timely information for industry and the agency in tailoring permits and reclamation plans.
- The Department of Mines, in cooperation with the Water Resources Board, citizens and industry, held meetings to draft and implement Senate Bill 597, which set standards for permitting non-coal mining operations within sole source aquifers.

Goals for Upcoming Year

The agency acquired a large format map scanner from the federal Office of Surface Mining Reclamation and Enforcement. The agency will use the scanner to preserve mine maps. The agency is required to keep the originals of all underground mining maps. The scanner will allow ODM to make those maps, as well as current surface and underground mining maps, available to the public through ODM's website. The maps provide a historical record of the activity of underground mining in the state. Once the maps are online, the public can access the information to determine site location and in some instances to determine the safety of a location that was mined underground.

Major Agency Projects

- The Department continues to work with the industry and citizens on rules to implement SB 597. ODM, in cooperation with the Water Resources Board, has formed a technical committee to assist in implementation of permitting standards for mining permits on hydrological issues.
- ODM Legal is also involved in working with counsel of the OWRB to draft proposed regulations enforcing SB 597, enacted by the Oklahoma Legislature in 2011. These regulations pertain to the protection of the Arbuckle-Simpson Aquifer.

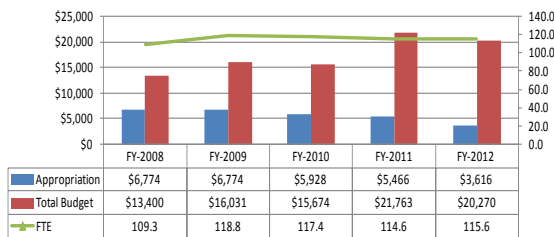
- ODM's Legal Division is also currently involved with the Attorney General's office in litigation with the federal government in US District Court for the Eastern District of Oklahoma, concerning the issue of the federal government usurping state primacy of the surface coal mining program. In addition, the litigation challenges the federal agency's attempt to impose policies and procedures they have enacted without going through the legal rulemaking process, as required under the Federal Administrative Procedures Act. This has potential national ramifications for state mining programs.

Savings, Efficiencies and Shared Services in FY-2012

- Reduced inspection frequency has allowed the ODM to achieve the required mandated inspections without replacing inspector vacancies. The Department retired two vehicles leased by Central Services at a substantial savings. Used vehicles were purchased to realize savings. Shared vehicle usage has been implemented in order to reduce operating costs.
- The agency is now utilizing the "shared services" of the Office of State Finance (OSF) for payroll processing. With the elimination of the Human Resource Management Specialist FTE, the result is the reallocation of other duties to existing ODM staff.

Narcotics & Dangerous Drugs Control, Oklahoma Bureau of (OBNDD) Safety and Security Cabinet

**Historical Budget and FTE
(in \$000's)**



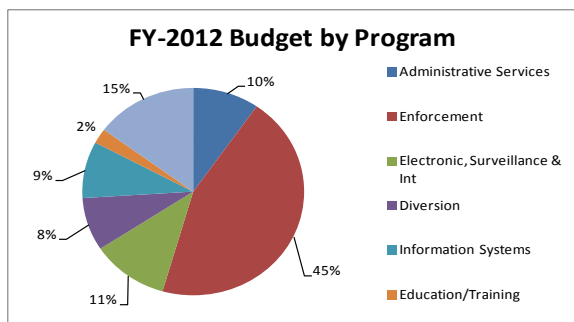
Mission

Committed to honor, integrity, and excellence, the Oklahoma Bureau of Narcotics (OBNDD) serves the citizens of Oklahoma in the quest for a drug free state. OBNDD is a small, efficient agency that is a national model for addressing emerging drug threats. OBNDD maintains an aggressive and proactive approach toward reducing the local availability of drugs and addressing the ever-changing climate of narcotics distribution and abuse.

Programs

- Enforcement
- Electronic, Surveillance and Intelligence
- Diversion
- Information Systems
- Education Training
- Mobile Operations Team (MOT)

For more information about OBNDD, visit [their website](#).



Accomplishments over Past Year

- Arrested a total of 698 violators of state and federal drug laws;
- Seized cash totaling \$126,308, 76 vehicles and 79 weapons related to drug activities;
- The Marijuana Eradication Program facilitated 26 marijuana related arrests, destroyed and/or seized 47,521 outdoor cultivated plants and 542 indoor plants and seized 16 firearms;
- The Mobile Operations Team (MOT) assisted 15 other law enforcement agencies in narcotics investigations, made 37 arrests, opened 40 cases, served 51 search/arrest warrants and performed 2 community and law enforcement presentations;
- Performed 4 wire taps of Mexican cell groups and other major narcotics distributors and seized 915 lbs. of drugs and 17 vehicles;
- Developed and implemented the nation's first state-wide permanent Drug Disposal Program; and
- The Prescription Monitoring Program (PMP) went to real-time starting January 1st 2012, updating the nation's first Meth Offender Registry to block illegal sales of meth ingredients.

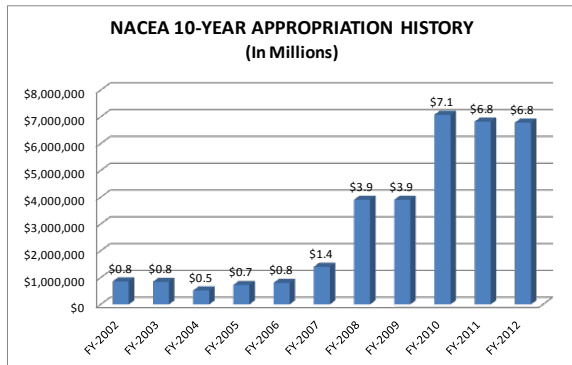
Goals for Upcoming Year

- Working to investigate crimes involving human trafficking;
- Creating a nationally recognized and sanctioned Oklahoma Chapter of Drug Endangered Children's program;
- Start the second part of "Safe Trip for Scripts" drug prevention program which is to provide home safes to Oklahoma citizens on fixed incomes, which have to possess and use pharmaceutical controlled substances for legitimate medical reasons;
- Initiate a state wide pharmaceutical task force to address the fraud, diversion and abuse of pharmaceuticals; and
- In November 2011, the Oklahoma Bureau of Narcotics launched their Reserve Agent program and received numerous applications from Oklahoma citizens. Reserve agents will serve in a volunteer status at no cost to the agency in support of Bureau operations.

Major Agency Projects

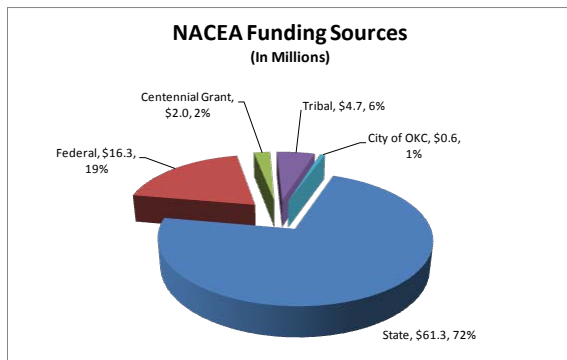
- Update and refresh the technology backbone in support of the Prescription Monitoring Program (PMP) and Pseudoephedrine Tracking (PSE) programs;
- Continue identifying members of the Sinaloa Drug Trafficking Organizations operating in Oklahoma;
- Drug Endangered Children's Program;
- Human trafficking;
- Take Back Program; and
- Safe Trip for Scripts.

**Native American Cultural & Education Authority of Oklahoma (NACEA)
Commerce & Tourism Cabinet**



Mission

To create an awareness and understanding for all people about Oklahoma American Indian cultures, past and present. This mission is to be realized through the creation, completion and operation of The American Indian Cultural Center and Museum which is currently mid-way through construction.



Programs

For more information about NACEA visit their [website](#).

Accomplishments over Past Year

- Construction of The American Indian Cultural Center and Museum has continued without demobilizing the General Contractor from the site.

Goals for Upcoming Year

- The primary goal is to identify and secure the private and public funds necessary to complete the construction of the Center. Securing these

funds will establish a definitive timeline for the completion of the project, which will in turn become an integral aspect of establishing the timeline for commercial development initiatives that need to align with the completion of the Center.

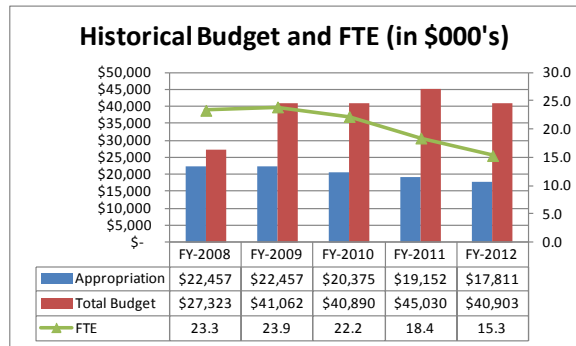
Major Agency Projects

- The sole project is the completion of The American Indian Cultural Center and Museum, located at the intersection of I-40 and I-35. Accompanying this project is a commercial development project utilizing approximately 20 acres of land adjacent to the project to tie in to the experience of the Center. The goal is to have both The Center and the commercial project completed concurrently.

Savings, Efficiencies and Shared Services in FY-2012

- NACEA’s primary focus has been to ramp up the institutional development to parallel the construction completion of the Center. In doing such, the agency has been operating at minimal levels.

Oklahoma Center for the Advancement of Science and Technology (OCAST) Science and Technology Cabinet



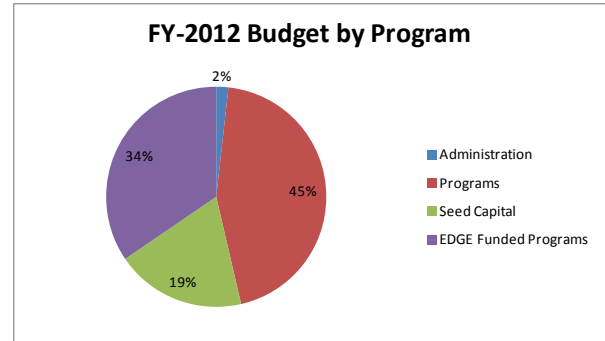
Mission

OCAST has the mission to foster innovation in existing and developing Oklahoma businesses by: supporting basic and applied research, facilitating technology transfer between research laboratories, firms and farms, providing seed capital for new innovative firms and their products or services, and fostering enhanced competitiveness of Oklahoma companies and small to medium-sized manufacturing firms.

Programs

- Programming:
 - Oklahoma Health Research (OHR)
 - Oklahoma Applied Research Support (OARS)
 - Plant Science Research (PSR)
 - OK Nanotechnology Applications Project
 - Small Business Research Assistance (SBRA)
 - Oklahoma Inventors Assistance Service (IAS)
 - Technology Commercialization
 - Oklahoma Industrial Extension System
- Seed Capital
- EDGE Funded Programs

For more information about OCAST, visit their [website](#).



Accomplishments over Past Year

OCAST sets and annually measures its impact on Oklahoma's economy. The following are a few highlights from the [OCAST 2012 Impact Report](#) to stakeholders:

- For every \$1 the state invests in OCAST, \$20.39 is returned to Oklahoma's economy;
- 1,549 Jobs created or retained by OCAST-supported organizations;
- \$62,953 average salary;
- 88 inventors assisted;
- \$16.5 million awarded to 54 projects;
- 2,312 projects awarded since 1987;
- \$4.3 billion cumulative financial impact since 1987.

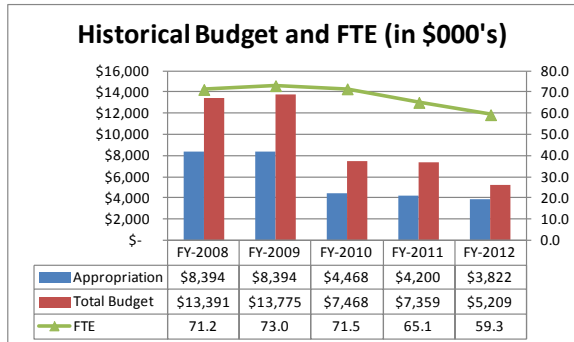
Goals for Upcoming Year

- Consistent with its mission as the state's technology-based economic development agency focusing on technology, development, transfer and commercialization, OCAST overarching goal is to advance Oklahoma in the innovation economy.
- Enhance the value and efficiency of the state's investment in OCAST by delivering:
 - Optimal results through disciplined strategic investment in applied and basic research;
 - Innovation capital;
 - Manufacturing and small business support;
 - Innovative new programs that meet client needs and help advance the state in the knowledge and innovation-based economy;
 - Increase public/private collaborations to accelerate the commercialization of research that leads to an improved quality of life and standard of living for the citizens of Oklahoma.

**Savings, Efficiencies and Shared Services in
FY-2012**

- OCAST continued to refine its business model and operations by implementing productivity and efficiency improvements that contribute to the agency's continuing recognition as a national model for technology-based economic development.
- The agency implemented improvements in its database integration, archiving and electronic applications-submittal processes resulting in cost savings while allowing for more efficiency and responsiveness in meeting client and stakeholder needs.
- OCAST achieved cost efficiency savings of \$523,730—primarily associated with agency reorganization, staff reductions, and moving information technology (IT) support to OSF. Additional efficiencies were realized through updating the agency's time and leave process, voucher scanning and copying, and by transferring to a digital application process.
- The following is a breakdown of savings:
 - Staff reductions \$350,000;
 - IT consolidation \$125,000;
 - Sponsorship \$ 18,000;
 - Time and Leave \$ 12,000;
 - Travel \$ 5,000;
 - Copying \$ 5,200;
 - Phones \$ 1,080;
 - Mail \$ 2,200;
 - Application process \$ 1,250.

Oklahoma Educational Television Authority (OETA) Education Cabinet



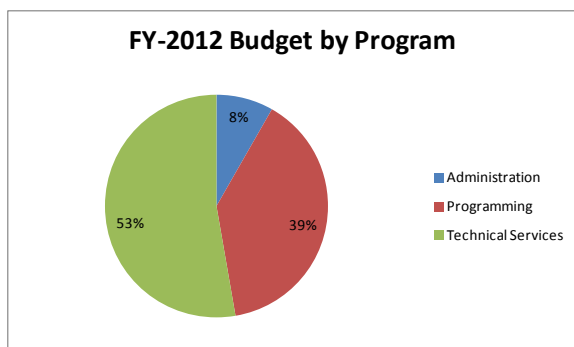
Mission

OETA's mission is to provide educational and public television programming to the people of Oklahoma through creative use of telecommunications technologies. OETA delivers educational and public television programs on a statewide basis and provides value-added services to enrich Oklahomans' access to coverage of state government.

Programs

- Programming
- Technical Services

For more information about OETA, visit their [website](#).



Accomplishments over Past Year

- Continued to be the only television operation -- either commercial or non-commercial -- serving the entire state of Oklahoma and the only broadcast television signal for many rural Oklahomans;

- Awarded numerous recognitions from state, regional and national organizations for its efficiency and impact on citizens of Oklahoma;
- More than doubled the number of viewers for the Oklahoma News Report (ONR), which was moved from a week-nightly production to an hour-long program on Friday evenings;
- Launched an OETA iPhone application through PBS for up-to-the-minute information about programs aired on The Oklahoma Network;
- Increased number of Oklahoma schools participating in OETA's "Colonial Williamsburg" electronic television field trips to 112 schools, serving thousands of Oklahoma students;
- Helped produce the Antiques Roadshow visit to Tulsa with more than 6,000 people in attendance. This program spotlighted the most valuable collection ever discovered in the 15 years the program has been produced.
- Signed on to the air a new translator station in Grandfield, Oklahoma, increasing the reach of OETA to thousands of additional viewers in Southwest Oklahoma and North Texas;
- Opened a new state-of-the-art television facility on the OSU-Tulsa campus to better serve the citizens of Northeast Oklahoma and provide training for college students:
 - Elected officials, business leaders and industry experts who are featured on OETA programs are now able to be interviewed with their messages sent across the state from the Tulsa studio. This has been a mutually beneficial cooperative effort with Oklahoma State University and the OneNet communication system.

Goals for Upcoming Year

- OETA will implement a statewide teacher professional development training program through the guidance of the State Department of Education. This program will include resources of PBS Learning Media and PBS Teacher Line. OETA's productions library will be correlated with state standards and will be made available through iTunes U.
- OETA will seek to expand its broadcast signal distribution into the few areas of the state currently unable to receive the off-air signal. This includes citizens who reside in the more

mountainous regions in South-Central and Eastern Oklahoma.

- OETA will work with satellite service providers such as DISH and DirecTV to assure that all Oklahomans can receive OETA. Seven out-of-state television market areas overlap Oklahoma citizens who reside in the markets of Amarillo, Joplin, Fort Smith, Sherman-Denison, among others, have been denied the OETA signal by FCC regulation. A new federal law will now allow these citizens to request their own state's educational, non-commercial statewide television signal and OETA will aggressively seek to gain this service for Oklahomans.

Major Agency Projects

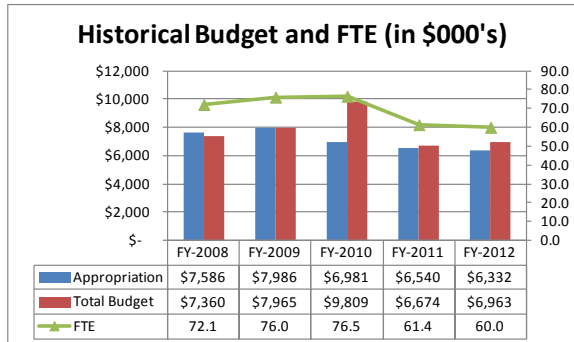
- OETA continues to grow its private funding match for state appropriations. From an agency that was 100-percent funded by the state in its formation, OETA now covers more than 60 percent of its operating cost with non-state dollars.
- OETA is operating a user-friendly, interactive website with full video for every OETA production, allowing 24-hour, on-demand access for Oklahoma citizens and the national audience;
- OETA leverages its news gathering team through multiple partnerships to capitalize on statewide media projects;
- OETA works with other news organizations such as eCapitol and The Journal Record to gather and disseminate information about the legislative process and free enterprise in Oklahoma;
- OETA in consortium with the four Oklahoma NPR stations produces "State Impact Oklahoma," an in-depth coverage of important Oklahoma news stories. Topics for possible coverage in 2012 include Oklahoma's ability to continue its economic growth despite a national economic stagnation.
- OETA has been instrumental in the formation of "Oklahoma Watch" and will continue to implement positive changes in state journalism efforts. This newly formed organization also includes the Oklahoma Press Association, the Tulsa World, The Oklahoman, several NPR radio stations, and the University of Oklahoma. For 2012, OETA and Oklahoma Watch will concentrate on the impact of addiction in the state by not only reporting on the problems

associated with addiction, but the proven successes of intervention.

Savings, Efficiencies and Shared Services in FY-2012

- OETA has eliminated several staff positions and reassigned duties to other staff members. Cross-training of employees has helped move essential staff into areas other than their original job function in order to cover essential services.
- OETA will be transferring its accounts payable, purchasing and payroll functions to the Office of State Finance, effective July 1, 2012.
- OETA works closely with other agencies such as the Oklahoma Regents for Higher Education and its OneNet service. OETA also cooperates with the Wildlife Department, Oklahoma Department of Transportation and various law enforcement agencies to maximize coverage of state communication services.

Oklahoma School of Science & Mathematics (OSSM) Education Cabinet



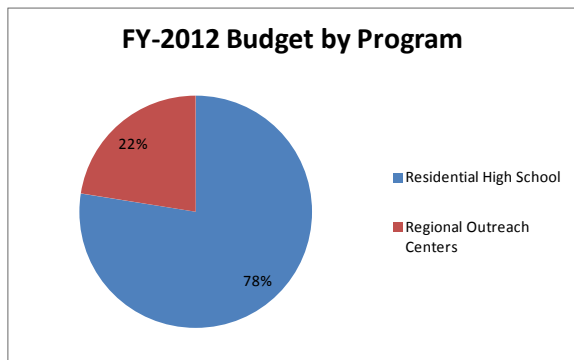
Mission

The mission of OSSM is twofold: (1) to foster the educational development of Oklahoma high school students who are academically talented in science and mathematics and who show promise of exceptional development through participation in a residential educational setting emphasizing instruction in the field of science and mathematics; and (2) to assist in the improvement of science and mathematics education for the state by developing, evaluating, and disseminating instructional programs and resources to all schools and students across the state.

Programs

- Residential High School
- Regional Outreach Centers

For more information about OSSM, visit their [website](#).



Accomplishments over Past Year

- OSSM graduated its 20th class and maintained the operations of seventeen regional outreach center locations;
- The outreach program benefited 973 teachers and 825 students across the state;
- OSSM’s regional centers graduated 210 students. Of these students, 77% took the AP exam with 76% scoring a 3 or higher.

Some of the achievements accomplished by the graduating class at the main campus:

- An increase in average ACT composite scores from 28.5 to 32.0;
- One 2011 U.S. Presidential Scholar and two Semifinalists;
- Four Oklahoma Academic All-State recipients;
- Two National Merit Scholars and seventeen National Merit Finalists;
- Four National Hispanic Recognition Program Scholars;
- Four students with a perfect ACT composite;
- 1st place team in the Oklahoma Mathematics League;
- Five Oklahoma Medical Research Foundation Sir Alexander Fleming Scholars;
- Two 2010-11 state winners of the Siemens Award for Advanced Placement;
- Two semifinalists for the U.S. Physics Olympiad Team;
- Twenty-three College Board Advanced Placement Scholars;
- Best in OK and 2nd in the Nation – Varsity TEAM+S Engineering Competition;
- Twenty-three Oklahoma State Regents for Higher Education Scholarship recipients;
- Three recipients of a State Superintendent Award for Arts Excellence;
- Eighteen Presidential Service Award winners.

Goals for Upcoming Year

- OSSM’s primary goal remains to be to provide quality educational programs at the main campus, regional centers and outreach programs while continuing to expand the outreach program;
- The second phase of the dormitory will be completed in FY-2012 and the goal is to obtain adequate funding to begin the expansion of the OSSM opportunity to additional Oklahoma students beginning in FY-2013;

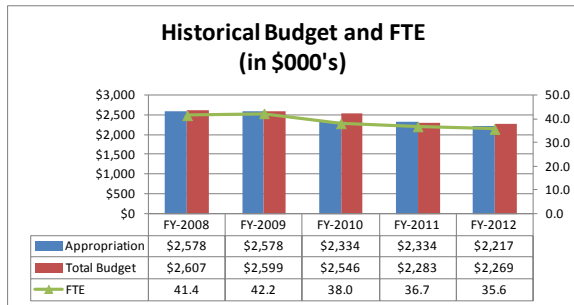
Savings, Efficiencies and Shared Services in FY-2012

Given the current funding levels, OSSM seeks ways to continue the level of services provided. Some steps taken include using part-time instructors, securing temporary grants and searching for volunteer instructors. All of these efforts provide only a short term solution.

OSSM is a relatively young agency and operations were established to be as efficient as possible, with any available resources being committed to the educational activity before allocating to other activities. Some efficiencies have been achieved with the advancement of technology (i.e. use of PeopleSoft modules for all operations, scanning of claims, etc).

OSSM constantly monitors and reviews ways to reduce operational costs aside from the elimination of personnel and other non-constructive measures. There presently is a major review and implementation of possible energy efficiency and conservation program underway. OSSM has enlisted its student body not only to help develop, but to implement the program.

Pardon and Parole Board (PPB) Safety and Security Cabinet



Mission

The Pardon and Parole Board (PPB) provide recommendations for the supervised release of adult felons through a case-by-case investigative process. The Board strives to protect the public during this process and to maintain a low revocation and recidivism rate for the State of Oklahoma. With timely recommendations and appropriate community-level programs, the Board can contribute to the intelligent management and control of the State's inmate population.

For more information about PPB, visit [their website](#).

Accomplishments over Past Year

- Provide orientation training for new Parole Board Members;
- Educate new governor staff, legislators and district attorneys to Pardon and Parole Board practices and procedures;
- Improve communication with stakeholders, i.e. Department of Corrections (DOC), victims, families of offenders, law enforcement agencies etc.;
- Forward victim notification requests to the District Attorneys Council;
- Provide Pardon and Parole investigator reports upon requests electronically.

Goals for Upcoming Year

- Fill staff vacancies;
- Update computer programs;
- Improve/update agency website.

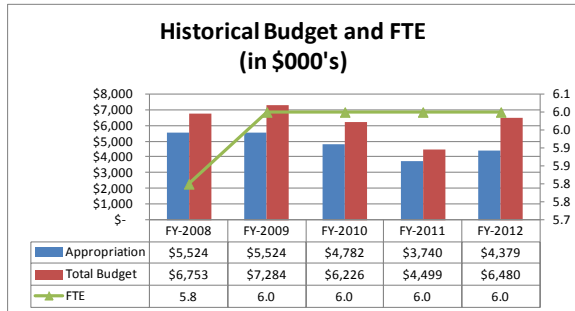
Major Agency Projects

- Develop a system where parole certificates are now available to DOC facilities online.

Savings, Efficiencies and Shared Services in FY-2012

- The Agency to outsource the business manager position to OSF;
- Daily monitoring of agency website to answer inquiries from citizens.

**Physician Manpower
Training Commission (PMTC)
Health and Human Services Cabinet**



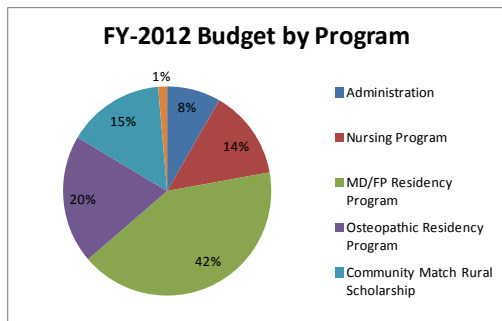
Mission

The mission of the Physician Manpower Training Commission is to enhance medical care in rural and underserved areas of Oklahoma by administering residency, internship and scholarship incentive programs that encourage medical and nursing personnel to establish a practice in rural and underserved areas. Further, PMTC aims to upgrade the availability of health care services by increasing the number of practicing physicians, nurses and physician assistants in rural and underserved areas of Oklahoma.

Programs

- MD/FP Residency Program
- Community Match Rural Scholarship Incentive Programs:
 - Rural Medical Education Scholarship Loan
 - Family Practice Resident Rural Scholarship
 - Physician/Community Match Loan;
- Osteopathic Residency Program
- Nursing Student Assistance Program, and
- Physician Assistant Scholarship Program.

For more information about PMTC, visit [their website](#).



Accomplishments over Past Year

- 277 nursing students received scholarship funds;
- 19 medical students received scholarship funds;
- 19 family practice residents received scholarship funds;
- 10 physicians received scholarship incentive funds to begin practice in a rural community;
- 12 physician assistant students received scholarship funds; and
- Finalization of the Oklahoma Medical Loan Repayment Program.

Goals for Upcoming Year

- Secure funding for the Oklahoma Medical Loan Repayment Program, and
- Maximize the number of scholarship recipients according to appropriated funds available.

Major Agency Projects

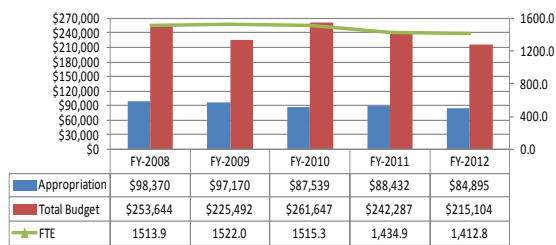
PMTC is working on a proposal to receive grant funds for administering the Oklahoma Medical Loan Repayment Program.

Savings, Efficiencies and Shared Services in FY-2012

PMTC was able to save on administration costs throughout the year by reducing expenditures for discretionary costs such as travel and postage. Further, the agency utilizes shared services for IT, payroll, purchasing and legal.

**Public Safety, Oklahoma
Department of
(DPS)
Safety and Security Cabinet**

**Historical Budget and FTE
(in \$000's)**



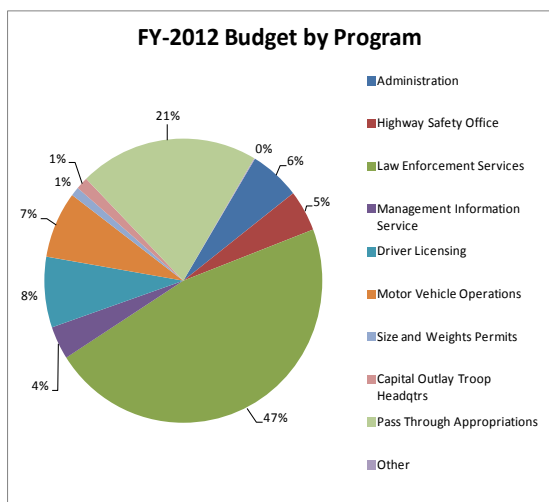
Mission

The Oklahoma Department of Public Safety’s (DPS) mission is to provide a safe and secure environment for the public through courteous, quality and professional services.

Programs

- Highway Safety Office
- Law Enforcement Services
- Management Information Service
- Driver Licensing
- Motor Vehicle Operations
- Size and Weights Permits
- Capital Outlay Troop Headquarters
- Pass Through Appropriations

For more information about DPS, visit [their website](#).



Accomplishments over Past Year

- “Functional Area Reviews” assessment used to evaluate the major functions and performance of each division, organization, policy related to the operation of each division, products, leader development programs, facilities and training programs;
- An employee climate survey was conducted. The review, combined with employee feedback, has provided insight for proper alignment of functions and workflow processes;
- The Oklahoma Highway Safety Office hosted its first Statewide Motorcycle Safety Summit;
- DPS’s Driver License Examining Division has seen success with a centralized drivers testing procedure, resulting in the reduction of wait times for applicants, and streamlining processes for administering the drive test;
- DPS has been working on the second version of the Digital Driver License system;
- In joint cooperation with the Oklahoma Department of Transportation (ODOT), a new online permitting system has become operational. This system appears to be rapidly increasing the Size and Weight Permits Divisions ability to serve business owners.

Goals for Upcoming Year

- Renewed focus on core functions: The agency will re-focus efforts on insuring they are providing timely and efficient services to the citizens of Oklahoma;
- Appropriately train DPS workforce;
- Address trooper strength issues;
- Promote highway safety goals and education;
- Maintenance of equipment and facilities;
- Review all fiscal policies and practices to make sure the agency is utilizing all funds in the most efficient manner and to increase transparency.

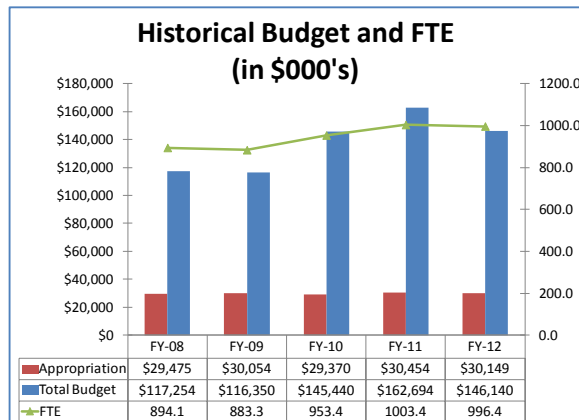
Major Agency Projects

- DPS has chosen a location for the Troop K headquarters and is waiting for DCS to approve the site;
- DPS is in the process of refurbishing an old car dealership on I-240 to consolidate space and agency resources. Once complete, the facility will house the transportation division, the radio shop, driver license services and driver compliance services;
- Troop C Relocation to the old Muskogee Reserve Center.

**Savings, Efficiencies and Shared Services in
FY-2012**

The redesign of numerous divisions, combined with process and leveraging current technology, efficiencies have been gained. Year to date, DPS has saved in payroll costs directly related to efficiency efforts. Additionally, DPS has realized savings in fuel costs. Every year DPS budgets for fuel costs based upon information from the federal government regarding fuel prices.

Rehabilitation Services, Department of (DRS) Health & Human Services Cabinet



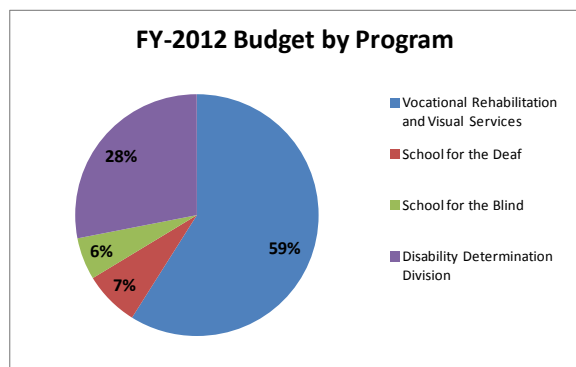
Mission

The mission of the Department of Rehabilitation Services is to provide opportunities for individuals with disabilities to achieve productivity, independence and an enriched quality of life. Great Purpose: Opening doors to independence and cool jobs with benefits for people with disabilities.

Programs

- Vocational Rehabilitation and Visual Services Division
- Oklahoma School for the Blind
- Oklahoma School for the Deaf
- Disability Determination Division

For more information about DRS, visit [their website](#).



Accomplishments over Past Year

- DRS Disability Determination Division's (DDD) Investigation Unit partnered with Attorney General's office resulted in savings of \$6 million;
- DDD earned the prestigious, national Phoenix Award from the Social Security Administration for improving performance, boosting productivity, increasing case clearances and serving as a national resource for disability case processing. DDD cleared 67,257 disability determination cases in 2010, achieving 98.6% accuracy, which is second in the region and the nation.
- 100% graduation rate at Oklahoma School for the Blind and Oklahoma School for the Deaf;
- DRS served 1,994 high school students with disabilities. DRS is known nationally for excellence in transition programs.
- DRS surpassed the federal oversight agency's goal of 2,292 employment closures by 520. 2,812 clients found gainful employment.
- DRS Vocational Rehabilitation Social Security Reimbursement Program exceeded \$1 million in revenue. DRS is reimbursed dollar for dollar by SSA for each client who maintained wages high enough to permanently leave the Social Security Disability and Supplemental Security Income programs.
- DRS served 34 students in Project SEARCH, a one-year, worksite-based school-to-work program;
- More than 1,800 high school students participated in School Work Study and gained valuable transferable employment skills;
- DRS completed the 1st WINGS Leadership Training for future agency leaders in October 2011;
- Cold Case Unit received 651 referrals from VR/VS counselors and obtained resolution on 408 of those for a 63% success rate. This is first Unit of its kind in the country and serves as "promising practice" for other rehab states.
- Streamlined policies to remove redundancies and improved partnerships with Office of Juvenile Affairs, Oklahoma Employment Security Commission, State Independent Living Council and Oklahoma Rehabilitation Council; and
- DRS formed a partnership with Oklahoma Juvenile Affairs to place a DRS Transition Counselor at COJAC to help transition juveniles into the job market;

Goals for Upcoming Year

Vocational Rehabilitation/Visual Services

- Lead in a partnership with OESC to complete statewide Workforce Center(s) accessibility design to provide equal access for all consumers;
- DRS is following the governor's initiative regarding Oklahoma businesses utilizing career readiness certificates achieved through the WorkKeys assessment. Obtaining a career readiness certificate helps consumers with disabilities compete for careers and jobs in local job markets.
- WINGS Leadership Training second cohort will begin in December, 2011 and end in July, 2013.

Oklahoma School for the Blind and Oklahoma School for the Deaf

- Increase community and statewide awareness of school educational services;
- Meet federal and state educational standards and meet/exceed public expectations;
- Maintain 100% graduation rates with graduates attending college and/or reaching employment goals; and
- Maintain state and national accreditations.

Disability Determination Division

- DRS's DDD Disability Investigation Unit increase savings from \$6 million to \$10 million;
- Match quality performance to significant workload increases; and
- Find qualified physicians and psychologists to meet current needs for determinations.

Major Agency Projects

- Vocational Rehabilitation and Visual Services Return on Investment (ROI) project to identify benefits and costs for participation of all applicants. ROI study will provide a full accounting of purchased and in-house service costs, as well as assess impacts of services on employment probability and earnings of program participants.
- VR/VS Client Case File Imaging Project - In order to move to a paperless case file system, DRS has integrated with their internal client system to allow the creation of accessible electronic case files and storage in a central repository.

Savings, Efficiencies and Shared Services in FY-2012

- The Paperless Imaging Project saves time and money through less storage needs, quicker access to information and more user friendly access to information;
- DRS's DDD Disability Investigation Unit, in partnership with AG's Office, resulted in savings of \$6 million.

Retirement Systems

The State retirement systems consist of the following six defined benefit pension plans:

- Oklahoma Firefighters Pension and Retirement System (Firefighters)
- Oklahoma Law Enforcement Retirement System (OLERS)
- Oklahoma Police Pension and Retirement System (OPPRS)
- Oklahoma Public Employees Retirement System (OPERS) and Uniform Retirement System for Justices and Judges (URSJJ)
- Oklahoma Teachers Retirement System (OTRS)
- Retirement Plan for Full-time Employees of the Department of Wildlife (DWR)

Systems are funded with employee contributions, employer contributions, return on investments and, in some cases, dedicated revenue streams.

There are two main types of plans in the system. One type includes police, firefighters, and OLERS, which are referred to as “twenty and out” plans. Within the structure of OPERS, a “twenty and out” plan is maintained for correctional officers, probation and parole officers and fugitive apprehension officers in the Department of Corrections as well as for firefighters in the Military Department.

The other type of plan includes OPERS, URSJJ, TRS and Wildlife which are defined benefit plans. These plans have a guaranteed benefit that is a function of years of service and salary. In order to be entitled to these benefits, there is a requirement for a certain number of years of service before a member becomes vested.

The “twenty and out” plans are aimed at public safety services where it is in the interest of the public to have the active members made up of younger, healthier individuals. These individuals often serve in areas that are defined as hazardous duty. These plans are extremely generous in their benefits and are designed to allow retired members to go on to other careers.

The relative size of the systems can best be understood by looking at their membership numbers. The overwhelming size of TRS compared

to the other systems becomes readily apparent when viewed in this context.

The simplest way to understand the health of any retirement system is to view its funded ratio, which is a ratio of debt to assets. The term fully-funded applies to a retirement system in which contributions are sufficient to pay for the benefits of existing and new employees.

The funding ratio of TRS is one of the lowest in the nation. This gap in funding of TRS liabilities is an absolute obligation of the state according to an Attorney General opinion. Ultimately, the responsibility for this debt falls on the shoulders of all Oklahomans.

In 2007, SB 357 passed both chambers and Governor Henry signed the bill into law. This legislation increases the employer contribution rates into the Teachers Retirement System.

A sensible combination of asset classes is another determinant for soundness of retirement funds. The allocation by asset class of the Oklahoma retirement funds are within prudent guidelines. OTRS, OPERS, Firefighters, and Police account for 95% of invested assets of the retirement systems.

Dedicated Revenues

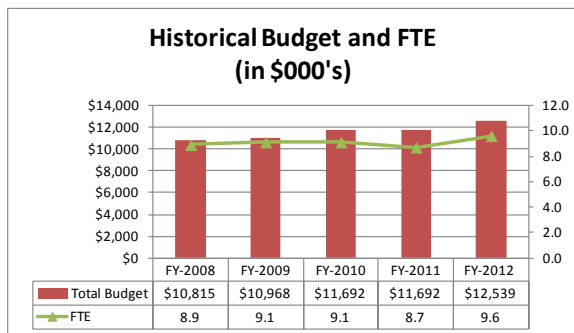
The state systems differ from many other defined benefit retirement plans since several of the systems receive contributions other than employer and employee contributions. TRS, Firefighters, OLERS, and Police are all recipients of dedicated revenue streams.

The insurance premium tax provides all the dedicated revenue for Firefighters and Police and approximately half of the dedicated revenue to OLERS. These state revenues flow to police and firefighters although the members are employed primarily by cities and counties rather than the state.

The retirement systems exist for the benefit of employees and their beneficiaries. All of the systems provide a benefit for their members, with varying provisions for their beneficiaries, in the event of the death of the member.

Spouse beneficiaries generally receive a lifetime benefit which varies from being the same amount as the employee to half of the employee benefit. Minor children beneficiaries receive a benefit as long as they are minors or, in some cases, while enrolled in higher education.

Oklahoma Firefighters Pension and Retirement System



*Firefighters Pension and Retirement is a non-appropriated agency.

Mission

To be responsive in administering retirement benefits to firefighters of Oklahoma, to manage the firefighters' retirement fund prudently, and to embrace the highest ethical standards with regard to these endeavors.

Programs

For more information about Firefighters programs, visit [their website](#).

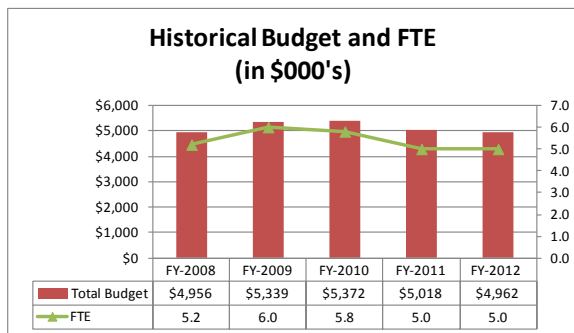
Accomplishments over Past Year

The agency started the process of imaging member records to facilitate information integrity and efficiency.

Goals for Upcoming Year

- Complete imaging of member records and become a paperless office;
- Begin transition from antiquated data records system to new records system.

Oklahoma Law Enforcement Retirement System (OLERS)



*Law Enforcement Retirement System is a non-appropriated agency.

Mission

The mission of OLERS is to administer retirement/survivor retirement and medical benefits for members of the law enforcement profession, of the State of Oklahoma, and their families.

OLERS places high value on the integrity of the agency. The agency's most important resource is the customer. OLERS' goal is to treat every person, who comes into contact with the agency, with courtesy and concern; and to respond to all inquiries promptly, accurately and clearly.

Programs

For more information about OLERS programs, visit [their website](#).

Accomplishments over Past Year

- Website completed
- 18% of customers receiving paper checks converted to Direct Deposit

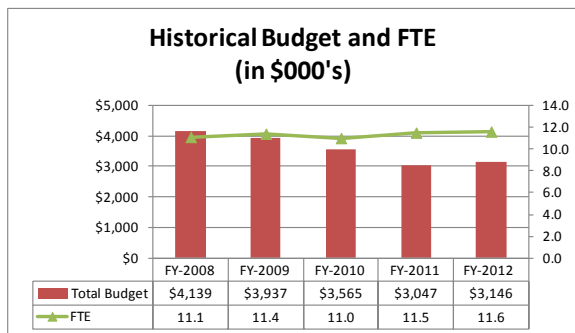
Goals for Upcoming Year

- 100% participation in Direct Deposit

Savings, Efficiencies and Shared Services in FY-2012

- Reduction of travel costs

Oklahoma Police Pension and Retirement System (OPPRS)



*Police Pension and Retirement System is a non-appropriated agency.

Mission

To provide secure retirement benefits for members and their beneficiaries.

Programs

For more information about Police programs, visit [their website](#).

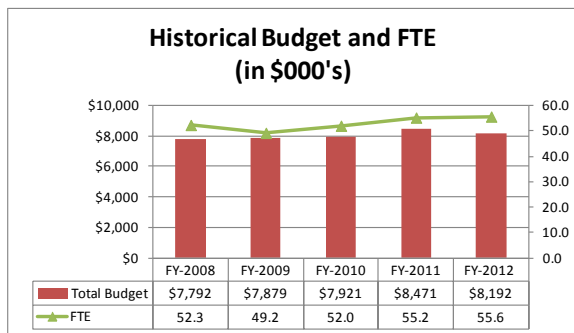
Accomplishments over Past Year

- Purchased user-friendly automated pension system software;
- Provided legislative support;
- Purchased new document imaging system;
- Provided adequate communication/education to membership.

Goals for Upcoming Year

- Continue to provide legislative support;
- Acquire a new building to replace the current one.

Oklahoma Public Employee Retirement System (OPERS)



*Public Employee Retirement System is a non-appropriated agency.

Mission

The mission of the OPERS' board and staff is to provide and promote accountable and financially sound retirement programs for Oklahoma's public servants. OPERS administers a defined benefit retirement plan for public employees and a separate plan for judges and justices, known as the Uniform Retirement System for Justices and Judges (URSJJ). OPERS' clients are composed of:

- State and county employees, except for Oklahoma and Tulsa counties; and
- Local governments that choose to participate.

Programs

For more information about OPERS programs, visit [their website](#).

Accomplishments over Past Year

- Government Finance Officers Association (GFOA) recognized OPERS for outstanding achievement in financial reporting for 14 years in a row. OPERS was also recognized four years in a row for outstanding achievement for its Popular Annual Financial Report (PAFR).
- OPERS rolled out a retirement planning program for their members that covers financial planning, insurance, estate issues, and how these topics relate to their OPERS benefits and the SoonerSave program. A national firm was retained to develop the curriculum. The program began in June, 2011, and a total of 66 seminars have been held with a total attendance to date of 1,115.
- OPERS' imaging processes continue to improve.
- OPERS and the Employees Benefits Council were recognized by the National Association of Government Defined Contribution

Administrators (NAGDCA) for their collaboration on enrolling new participants in SoonerSave during the annual benefits enrollment.

- OPERS established customer surveys to measure how the staff meets customer's needs. The staff received positive feedback from the surveys regarding the receptionist area, the withdrawal process, the OPERS website and the new retirement seminar videos.
- OPERS also received the Public Pension System Standards Award for the first time which recognizes systems that have achieved funding adequacy as well as those who follow best practices in financial reporting, investment oversight and member communications.

Goals for Upcoming Year

- Complete migration from legacy pension administration to Oracle database system;
- Begin to pay retirees one month after leaving the regular payroll;
- Improve the current disaster recovery plan to include off-site parallel database;
- Scan and digitize at least 75% of all incoming documents and forms.

Major Agency Projects

- Implement a pension administration system using database software and improved work flows:
 - Phase 1 is moving the HP to Oracle. Phase 2 is for improving workflows and adding new features to the applications such as integrating imaged documents with the database.
- Shorten time for providing new retiree benefits to the month of retirement by:
 - Making programming changes, accounting changes, and improving work processes so that new retirees do not have an interruption in income between active employment and retirement; and
 - Estimate completion time to identify the issues specific to the two-month period currently in place for processing retirement of individuals, to resolve such issues and to implement changes necessary for the retirement benefit payment to be processed in the month of retirement.
- Upgrade the functionality of the OPERS websites by offering more online transaction ability, online forms, access to data, and information about the plans the agency administers;

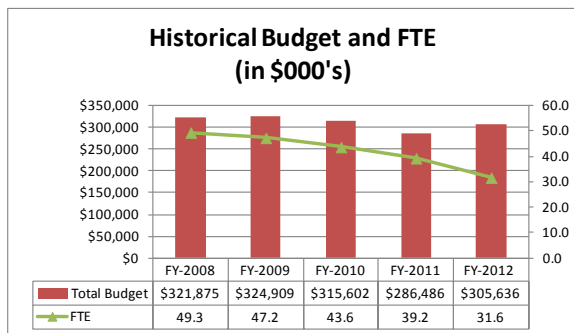
- Forms overhaul and reduction, which will include bar-coded and “smart forms”;
- Provide a structure and ongoing oversight of OPERS and URSJJ forms to ensure all forms are up to date and consistent with other communications materials;
- Improvement to Records / Document / Mail Center for all office documents, data and information;
- Streamline communications with customers:
 - Help automate the production and distribution of frequently-used correspondence from OPERS to members and employers;
 - Enhance the quality and consistency of that correspondence; and
 - Enable analysts to devote additional time to providing services directly to members.
- Develop or obtain Customer Relationship Management (CRM) technology. This project would provide more detailed information on the types, quantity, and frequency of various customer inquiries, and capture all incoming inquiries into a repository for each member.
- Implement day-forward scanning and electronic delivery of documents to support all agency business processes. The objective of this project is to have all incoming documents imaged on the same day they are received. This project has three primary goals:
 - Make documents available to staff sooner and make documents available to multiple staff simultaneously;
 - Ensure business continuity in the event of a disaster; and
 - Reduce cost and dependence on storage space.
- Disaster Recovery Plan: Acquire or contract for a hot site or cold site. Develop capability to continue operations at an offsite location in the event of disaster.
- Comprehensive auditing of member data to ensure reliability and accuracy:
 - Convert historical data inconsistencies to uniform identification system;
 - Enhance member communications and transactions, using clean data to provide accurate information such as service credit, retirement eligibility, etc.;
 - Provide information to members online through secure login.

- Designate a position to focus on the performance of local governmental reporting to OPERS;
- Establish a subcommittee or working group to study the possible acquisition of an office building that will provide a permanent home for OPERS and produce a good return on the investment;
- Achieve and maintain well-funded status to assist the state in paying retirement benefit obligations, and secure changes in plan design that makes the plan easier to understand or more equitable without an undue increase in the retirement system’s liabilities.

Savings, Efficiencies and Shared Services in FY-2012

- Consolidated data entry positions into the Records Department to better reflect and oversee their combined function. This included converting the old microfilm room into an efficient mail center. The microfilm records were moved to the file room to bring all member records into one central area. One FTE was saved and left vacant.
- A contract to administer OPERS payroll was entered into with the Office of State Finance, which permitted another FTE to be saved.

Oklahoma Teachers' Retirement System (OTRS)



*Teacher's Retirement System is a non-appropriated agency.

Mission

The mission of the Oklahoma Teachers Retirement System (OTRS) is to provide outstanding customer service to all active and retired clients.

Programs

For more information about OTRS programs, visit [their website](#).

Accomplishments over Past Year

- Reduced unfunded liability from \$10.4 billion to \$7.6 billion;
- Improved OTRS funded position from 47.9% to 56.7% due primarily to the unfunded liability reduction;
- Reduced the time OTRS will reach 100% funded status from infinite to 22 years;
- Achieved an investment return of 23.5% which was in the top 25% of the pension funds in the United States;
- Successfully worked with legislative leaders and Governor Fallin to address the pension fund's unfunded liability through legislation;
- Paid 44,675 retirees residing in the state of Oklahoma approximately \$825 million during Fiscal Year 2011;
- Conducted five retirement planning seminars at various locations around the state to educate OTRS clients;
- Served 50,829 retired members and 146,636 total members both active and retired.

Goals for Upcoming Year

- Conduct three retirement planning seminars at various locations around the state to educate OTRS clients;

- Improve the employer reporting process to protect and promote the financial interests of both OTRS and OTRS clients.

Major Agency Projects

- Complete installation and testing of the new OTRS client accounting system (ALICE 1.0).

Savings, Efficiencies and Shared Services in FY-2012

- Performed a post-retirement employment review which resulted in OTRS collecting over \$250,000;
- Collected client e-mail addresses to reduce the amount and cost of materials mailed as a part of the OTRS go-green initiative;
- Reduced administrative expenses by approximately \$263,000 in FY-2011 and over \$500,000 since 2009;
- Saved approximately \$3 million in investment expenses in FY-2011 by renegotiating investment manager fees. Total investment fee expenses saved since 2009 is approximately \$5 million.

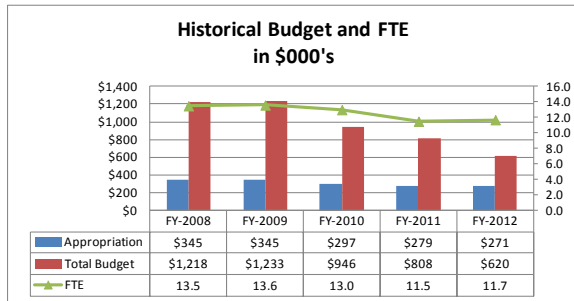
**Department of Wildlife Retirement Plan
(DWR)**

The Department of Wildlife Retirement Plan (DWR) is a single-employer defined benefit and contribution plan. This retirement system is unique since a single agency manages the retirement system for its own employees. All permanent, full-time Department of Wildlife Conservation (ODWC) employees hired prior to July 1, 2010, are eligible to participate in the Defined Benefit Plan on the date of their employment. Employees hired after July 1, 2010 are enrolled into a Defined Contribution Retirement Plan. The Defined Contribution Plan currently has 20 members.

The Defined Benefit Plan has 316 active participants and 209 retired and inactive participants. It has a funded ratio of 78.1%. The revenue sources for the retirement funds come from the department's contribution and the employee's contributions. The funds are held and invested through a trust account.

The employer contribution is based on the annual valuation report and is currently set on a 12-year amortization schedule to fund the liability.

Scenic Rivers Commission (OSRC) Commerce & Tourism Cabinet



Mission

The mission of the Oklahoma Scenic Rivers Commission (OSRC) is to protect, preserve and enhance Oklahoma's designated "Scenic Rivers Areas."

Programs

For more information about Scenic Rivers Commission, visit their [website](#).

Accomplishments over Past Year

- Provided public use facilities and services to approx. 500,000 individuals visiting the Barren Fork Creek, Flint Creek and Illinois River to float, swim, sunbathe, camp, fish, hunt, hike, ride equestrian trails, mountain bike, experience foliage tours, observe Bald eagles and elk, as well as other outdoor activities that scenic rivers provide to citizens and visitors to Oklahoma;
- Approximately 180,000 individuals floated the Illinois River utilizing the services offered by commercial flotation device operations, providing a direct economic impact to Cherokee County alone of \$12,000,000;
- Team members recycled aluminum, iron and other materials from trash/waste collections that resulted in more than \$1,000 in revenue generated back to the agency budget;
- Provide assistance to co-manage the 556-acre Sparrow Hawk Primitive Area to reduce costs to Oklahoma Department of Wildlife Conservation personnel, transportation and equipment being dispatched from their properties;
- Provided 152 environmental reviews for Arkansas and Oklahoma Pollutant Discharge Elimination System Permits, Section 404 Dredge and Fill Permits, Hazard Mitigation, Community Development Block Grant and other projects throughout Oklahoma;

- The State leveraged \$71,500 with \$134,300 in cost-share match provided by US Geological Survey and US Army Corps of Engineers to fund \$205,800 in Cooperative Illinois River Basin Water Quality Monitoring and Stream Gaging Networks that the public, government and non-governmental organizations rely upon for water quality, water quantity, flood elevations/high water events and recreation forecasting;
- Partnered with sister-local, regional, state, federal and tribal agencies on many projects, including the Oklahoma Department of Transportation and Oklahoma Department of Wildlife Conservation to provide public access to scenic rivers, the Conservation Reserve Enhancement Program administered by the Oklahoma Conservation Commission and education outreach program with Oklahoma Department of Environmental Quality.

Goals for Upcoming Year

- To continue improving efficiencies in services provided by the OSRC to the citizens of the state of Oklahoma. Additionally, the OSRC will invite scenic river stakeholders to partner with the agency in 2012 as OSRC initiates a comprehensive review of all aspects of the operations and provisions of the Oklahoma Scenic Rivers Act.

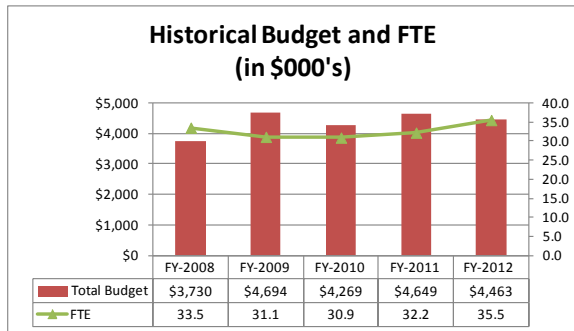
Major Agency Projects

- Expanding public access to scenic rivers;
- Partnering with Oklahoma Water Resources Board, Oklahoma Conservation Commission and OSU to undertake 12 projects to stabilize eroded stream banks.

Savings, Efficiencies and Shared Services in FY-2012

- Partnered with the Oklahoma Tourism and Recreation Department to provide administrative functions to OSRC for payroll, accounting, budgeting, purchasing and human resources;
- Partnered with the Oklahoma Conservation Commission, Oklahoma Department of Environmental Quality, U.S. Army Corps of Engineers and U.S. Geological Services for the Illinois River Basin Water Quality Monitoring and Stream Gaging Network. This partnership allows the state to leverage \$71.5K with federal cost-share match of \$134.3K for a total project cost of \$205.8K.

Secretary of State (SOS) Secretary of State Cabinet



*Secretary of State is a non-appropriated agency.

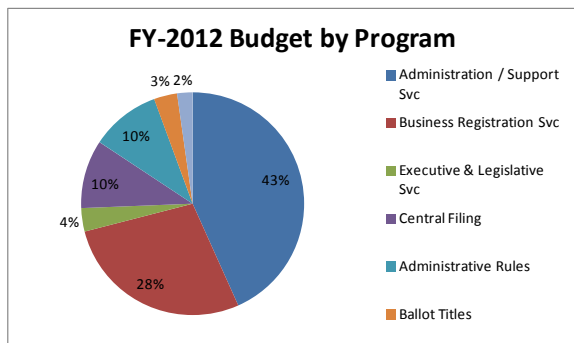
Mission

The mission of the Secretary of State's office is to provide an exceptional standard of service to the public, business community and governmental agencies through a registry of Oklahoma's official documents and the delivery of services designed to improve public access and public awareness.

Programs

- Business Registration Services
- Executive and Legislative Services
- Central Filing
- Administrative Rules

For more information about SOS, visit [their website](#).



Accomplishments over Past Year

- Non-appropriated status - Over the last year, the Secretary of State's Office was able to become completely self-reliant on its business skills, i.e. non-appropriated.
- Management Level Reduced by 25% - The agency has also reduced its director level positions by two (2) through attrition and one (1) by a VOBO. This is a 25% reduction in agency personnel. The VOBO allowed the agency to

reduce the cost of the services provided by the position from almost \$60,000 per year to \$8,000 per year.

- Implementation of Charitable Contributions Act (SB 1070) – The Oklahoma Solicitation of Charitable Contributions Act was implemented which required programming changes by the IT staff, website changes to assist customers and outreach training programs conducted in conjunction with the AG's Office and the Oklahoma Center for Non-Profits. This bill required that the over 50,000 charity documents SOS had in its archives be available online for public viewing, but each of these documents had to be reviewed individually for the redaction of confidential information contained in them like social security numbers.
- Probation and Parole Available on Website – SOS processed 1,020 probation and parole documents for the Governor. Parole officers and law enforcement across the state needed quick access to the conditions contained in these documents and routinely contacted the office by telephone to gain that information. Agency IT staff developed a system that now allows these documents to be retrieved on the SOS website, which offers immediate access and almost eliminated the need for handling the telephone calls.
- Open Meetings Calendar – The Office of Administrative Rules has always provided meeting information on the SOS website, but now SOS offers a calendar that allows users to simply click on a date to see if there are meetings scheduled.
- ACH Payments – The Finance Division was able to work with the IT Division and implement a process that allows a customer to set up ACH payments online for services.

Goals for Upcoming Year

- Business Laws – SOS highly anticipates changes to the Business Activity Tax laws which will cause a flurry of activity for both the Business Services Division and IT staff. The goal is to manage that transition as seamlessly as possible.
- Succession Planning - SOS had 1/3 of its staff eligible to retire when the Secretary took office in 2011. Five (5) long-term employees in that list have already retired. This brought succession planning to the forefront for the agency.

- Employee handbook - The agency is in the process of updating its employee handbook and plans to complete it this year. The new handbook will be easily accessible and searchable by employees online.
- Procure a replica of the State Constitution - SOS currently displays the only original copy of the Oklahoma State Constitution. While all efforts are made to protect this valuable document, the intent is to procure an exact replica that could be displayed so that the original may be secured in a manner that will properly preserve this incredible, irreplaceable document.
- Provide general International Relations services on the SOS website – This goal will benefit the general public and heighten the awareness of the services that SOS offers.
- Obtain business email addresses for customers to provide for early detection of attempts at business identity theft by sending automatic alerts of filing activity. It would also provide a quick means of notice to customers for other alerts or changes.

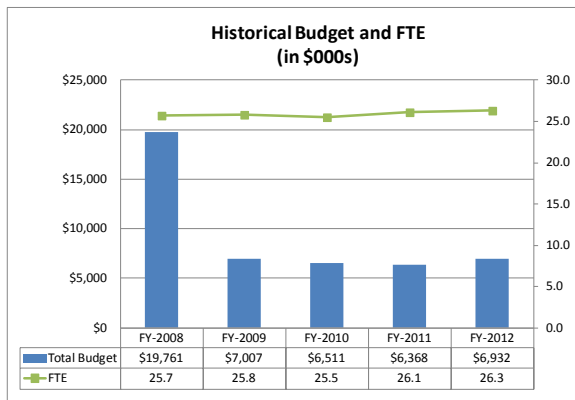
Major Agency Projects

SOS has requested additional office space in the Capitol to consolidate staff into one building and to offer all business services in the same building. If successful, the initial move will be a major project but would not require appropriated funding.

Savings, Efficiencies and Shared Services in FY-2012

- SOS eliminated a service contract with the Office of State Finance and absorbed the function being provided into its existing positions at a savings of \$18,000 per year.
- Reviewed mobile phones issued to employees and reduced them by 25%;
- Reduced mailing costs by eliminating a contract service for picking up the mail. This change saved money and expedited the time within which mail is received, allowing SOS to expedite services provided to the public.

Securities Commission Finance and Revenue Cabinet



*Securities Commission is a non-appropriated agency

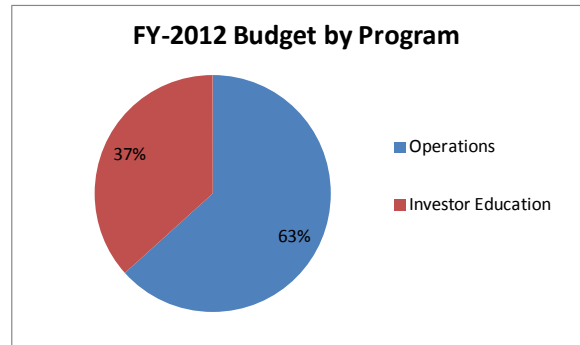
Mission

The primary mission of the Department of Securities is to provide investor protection through the administration and enforcement of the Oklahoma Uniform Securities Act of 2004, an act prohibiting fraud in securities transactions and requiring the registration of broker-dealers, agents, investment advisers and investment adviser representatives, and the registration of securities. The Department also administers the Oklahoma Subdivided Land Sales Code, the Oklahoma Business Opportunity Act, and the Oklahoma Take-Over Disclosure Act.

Programs

- Investigation and Enforcement
 - Oklahoma Subdivided Land Sales Code
 - Oklahoma Business Opportunity Act
 - Oklahoma Take-Over Disclosure Act
- Registration
 - Broker-dealers
 - Agents
 - Investment Advisers and Representatives
 - Securities
- Examinations
 - Securities Professionals and Issuers
- Investor Education
 - Invest Ed® – University of Oklahoma
 - Investor Education in Your Workplace (IEiYW)
 - Elder Investment Fraud and Financial Exploitation Prevention Program (EIFFE)
 - Students Tracking and Researching the Stock Market (STARS)

For more information about the Securities Commission, visit [their website](#).



Accomplishments over Past Year

- Increased communication with general public through Facebook, Twitter and a more user-friendly web site;
- Implementation of pilot program for desk audits of registered investment advisers, in lieu of on-site examinations;
- Implementation of remote deposit capture; and
- Enhanced investor education program through:
 - High school teacher training in connection with the Students Tracking and Researching the Stock Market (STARS) program, and
 - Additional media outreach through new PSAs and a documercial.

Goals for Upcoming Year

- Meet challenges presented by changes in the securities industry as well as legislative and regulatory initiatives at the federal level, which includes:
 - Pending crowd-funding legislation;
 - Change from the US Securities and Exchange Commission (SEC) to the states, for the regulation of investment advisers with assets under management between \$25 million and \$100 million.
- Enhance the Department’s investor education program through:
 - Test program for Oklahoma’s workers known as Investor Education in Your Workplace (IEiYW);
 - Further development of the Elder Investment Fraud and Financial Exploitation (EIFFE) Prevention Program utilizing healthcare professionals;
 - Creation of investor protection PSAs;
 - Focus on community outreach efforts;

- Provide additional teacher training sessions for the Students Tracking and Researching the Stock Market (STARS) program;
- Production and editing of additional investor protection documentaries; and
- Purchase and implementation of an e-discovery on-site software solution that will initially enable the agency to manage its legal and investigative enforcement cases and subsequently, its regulatory matters.

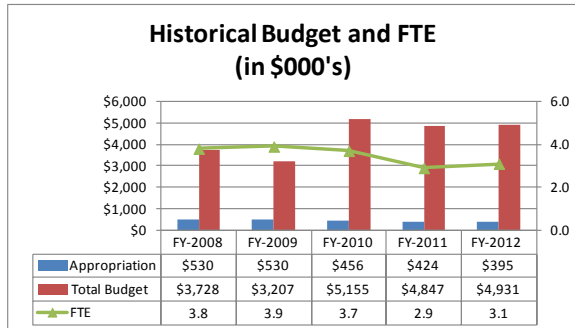
Major Agency Projects

The Department, in conjunction with the University of Oklahoma OUTREACH, produces an unbiased investor education program for the benefit of a broad range of Oklahomans. The Invest Ed® program includes STARS, a documentary series, and the Investment Minute radio and television series.

Savings, Efficiencies and Shared Services in FY-2012

The Department left the former Chief Financial Officer position vacant, thereby reducing payroll costs. At the same time, the Department has increased its reliance on CORE and OSF's financial support services, thereby, streamlining the internal financial reporting activities.

**Space Industry Development Authority (OSIDA)
Transportation Cabinet**



Mission

To create in this decade a commercial spaceport that will expand and economically develop the Oklahoma Space Frontier with advanced spacecraft operation facilities and to promote the development and improvement of space exploration and spaceport facilities; to stimulate the development of space commerce and education, including, but not limited to, the commercialization of the space industry and the development of space-related industries; to promote research and development related to space and space-related industry and to promote tourism in connection with the foregoing.

Programs

For more information about OSIDA, visit [their website](#).

Accomplishments over Past Year

The OSIDA signed a \$1.4 million Joint Use Agreement with the United States Air Force Air Training Command to use the Oklahoma Spaceport for pilot training. The agency applied for and received a \$600,000 Airport Improvement Grant to acquire and install runway and taxi way signage and runway end identifier lights (REILS) for the primary runway. A fuel distribution company located on the facility that will employ 15 FTE with starting salaries listed at \$70,000 and an estimated annual payroll in excess of \$1 million.

Goals for Upcoming Year

Increase Spaceport tenant base, acquire additional FAA Grants for facility upgrades and improvements and host one of the first sub-orbital spaceflights from the Oklahoma Spaceport; additionally, OSIDA

plans to be in a position to play a role in Unmanned Aerial Systems research and development testing and operations.

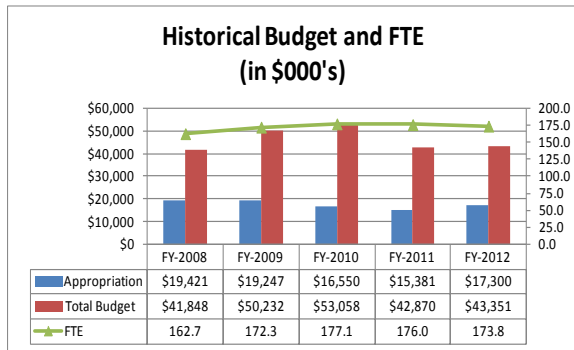
Major Agency Projects

The agency will complete the construction of an operational control building with FEMA assistance and plan to seek and acquire an Airport Surveillance Radar System (ASR) to increase flight operations safety. The Oklahoma Spaceport played host to over 40,000 aeronautical flight operations last year and hope to see an increase with the addition of an ASR. The agency will attempt to acquire a surplus system from the Department of Defense.

Savings, Efficiencies and Shared Services in FY-2012

The agency has produced a savings of 71% related to facility maintenance cost. OSIDA was previously using the South Western Oklahoma Development Authority to provide property maintenance at the facility that included mowing, water system, sewer and waste water management, maintenance and repair on buildings, and airport facility maintenance until March 31, 2011. OSIDA is presently utilizing the services of a local community through an Inter-Local Agreement to manage the water system and sewer and waste water.

Supreme Court of Oklahoma Judiciary Cabinet



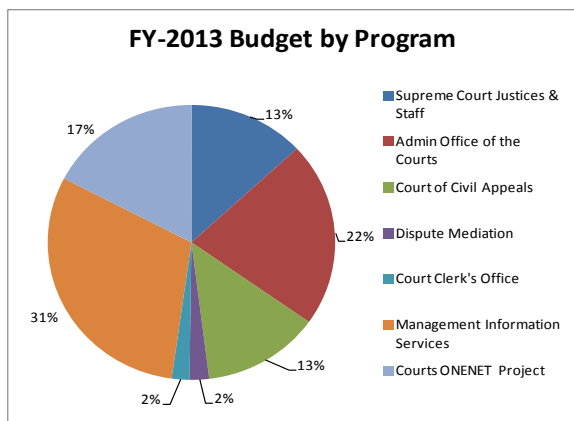
Mission

The Oklahoma Supreme Court seeks to provide a fair and impartial judicial system.

Programs

- Court of Civil Appeals
- Dispute Mediation
- Court Clerk's Office
- Management Information Services
- Courts ONENET Project

For more information about OSC, visit [their website](#).



Accomplishments over Past Year

OSC worked on the design phase of a new unified case management system for the trial courts and appellate courts.

Goals for Upcoming Year

Custom designing the newly unified case management system and implementing the jury management program and local court fund accounting program.

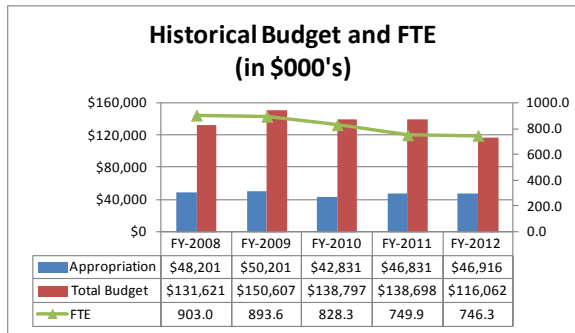
Major Agency Projects

The Supreme Court is in the process of implementing a statewide unified case management system for the trial and appellate courts which will provide many cost savings and efficiencies, including docket management, statistical reporting, jury management, a unified accounting system for tracking budgets and managing expenses, e-filing, e-commerce, and information sharing with law enforcement, district attorneys and other executive branch agencies.

Savings, Efficiencies and Shared Services in FY-2012

- Restricted the use of Active Retired Judges in the District Courts; and
- The Supreme Court participates in the CORE budget, payroll and financials programs through the Office of State Finance.

Tax Commission (OTC) Finance and Revenue Cabinet



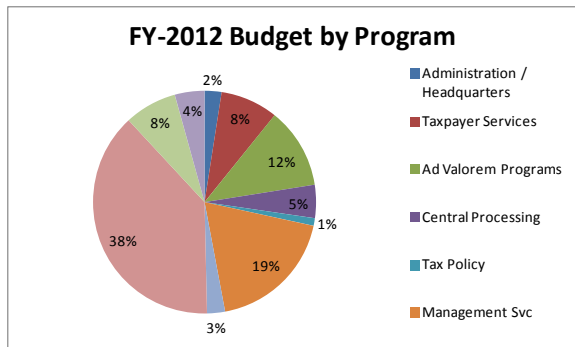
Mission

To serve the people of Oklahoma by promoting tax compliance through quality service and fair administration.

Programs

- Taxpayer Services
- Ad Valorem Programs
- Central Processing
- Tax Policy

For more information about OTC, visit [their website](#).



Accomplishments over Past Year

- OneLink Integrated Tax System phase I rollout;
- Income tax refund payments via direct deposit or debit cards;
- On-line alcohol, cigarette and tobacco reporting and payment system;
- Implementation of a cigarette wholesaler on-line stamp ordering system;
- Additional revenue enhancements through data mining;
- Addition of the new prepaid wireless 911 fee to the agency's on-line business filing system; and
- Addition of the newly enacted Business Activity Tax forms and data entry systems.

Goals for Upcoming Year

- OneLink phase II rollout;
- Agency disbursements to businesses via direct deposit; and
- Develop constructive and productive relationship with CIO for the IT consolidation initiative.

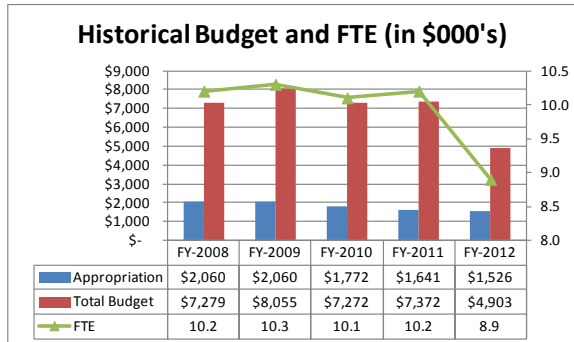
Major Agency Projects

- The agency continues to implement an integrated tax system, which consolidates its many tax systems into one, cohesive system. This project is expected to save the state approximately \$500,000 annually in efficiencies and processing costs. Additional cost savings will be recognized from streamlining the major tax systems into one integrated system. It will create numerous staff level production efficiencies and result in many more transactions being accomplished daily by all levels of staff.
- The agency's partnership with a recognized data mining company continues to enhance revenue collections for state and local entities.
- The agency's refund intercept debt collection program has been modified and expanded to include the collection of municipal debts in addition of debts owed to state agencies and institutions of higher education. Electronic funds transfer has also been implemented with this change.
- An on-line cigarette and tobacco payment and reporting system has been developed for use by wholesalers. This system will streamline payment and reporting of these taxes and provide efficiencies for compliance initiatives.

Savings, Efficiencies and Shared Services in FY-2012

The Tax Commission continues to leverage available technology in an effort to be effective and efficient with available resources. Savings were realized with enhanced electronic filing options for businesses. As more businesses electronically file paper forms are no longer generated and mailed. More electronic income tax filers also resulted in lower labor costs for the agency. With the re-write of the agency's on-line business tax filing system (QuickTax) by the State's web provider, the agency is now saving approximately \$400,000 annually in transaction fees.

Teacher Preparation, Oklahoma Commission for (OCTP) Education Cabinet



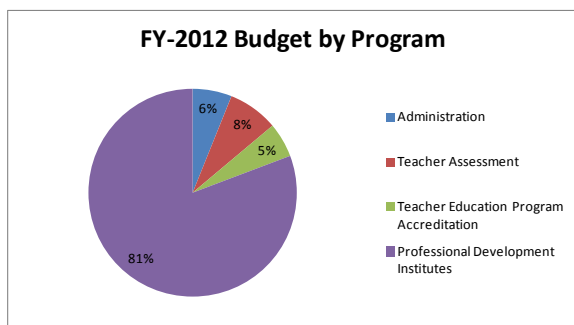
Mission

To develop, implement, and facilitate competency-based teacher preparation, candidate assessment, and professional development systems to prepare exceptional educators to teach all students.

Programs

- Teacher Assessment
- Teacher Education Program Accreditation
- Professional Development Institutes

For more information about OCTP, visit their [website](#).



Accomplishments over Past Year

Program Accreditation

- Implemented a requirement that teacher preparation units must provide an annual report on progress toward correcting any areas for improvement cited by an accreditation team;
- Increased the number of national reviewers on the state Program Review Advisory Board;
- Provided Board of Examiners training to over 40 university faculty members, commission members, and P-12 educators.

- Provided program review training in thirteen program areas for over 130 university faculty members, policymakers, and P-12 educators.
- Facilitated or directly reviewed 70 teacher education programs.

Candidate Assessment

- Increased the number of computer-based test sites with the addition of six new state testing centers;
- Expanded computer-based testing options to include the Elementary Education subject area exam, the Oklahoma General Education Test and the Oklahoma Professional Teaching Exam;
- Administered over 19,000 exams via 6 paper-based and 6 computer-based test administration;
- Expanded test item banks for Business Education, English, and US History/OK History/Government/Economics subject area exams in preparation for future computer-based test administrations.

Professional Development

- 386 teachers and principals participated in Year 1 and Year 2 of mentoring professional development and the Oklahoma Mentoring Network (OMN) mentoring program;
- 600 mentor pairs (1200 teachers) in 31 districts participated in the OMN mentoring program;
- 2,187 Total PK-6 teachers and administrators participated in Reading Professional Development Institute;
- 30 school grant sites participated in Years One, Two, or Three of the 3-year Literacy First Reading Reform Process;
- 103 school sites sustained the Literacy First Reading Reform Process.

Inquiry Science

- 272 teachers and 27 administrators participated in Year One and Year Two of the 2 year Inquiry Science Professional Development Institute (PDI), implementing the science program at 22 school sites;
- 110 previous grant school sites sustained the Inquiry Science Program.

National Board Certification

- Oklahoma ranks 11th nationwide in the number (174) of new National Board Certified Teachers (NBCTs);
- Oklahoma ranks tenth in the total number of

teachers (2,994) who achieved certification over time;

- Oklahoma NBCTs make up seven percent of the state's teaching force.

Goals for Upcoming Year

- Through participation in the Teacher Performance Assessment Consortium (TPAC), investigate a performance-based assessment for teacher candidates centered on student impact. The TPA will be field tested in spring 2012 by seven Oklahoma university teacher preparation programs.
- Pursue a statewide clinically-based teacher preparation model which centers education coursework on experiences in the P12 classroom requiring the development of deep partnerships with P12 schools;
- Adopt and implement the revised *Interstate Teacher Assessment and Support Consortium Model Core Teaching Standards* which emphasize student achievement, critical thinking, and personalized learning for diverse learners and serves as the framework for the accreditation of Oklahoma's teacher preparation programs;
- Utilize the OCTP *Independent Survey of First Year Teachers* to further drive teacher preparation program improvements.

Major Agency Projects

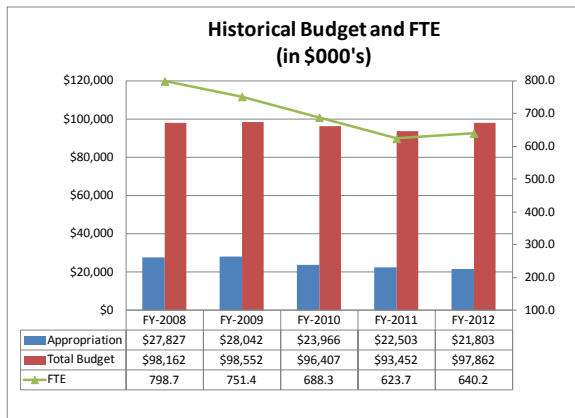
- Implementation of the four major initiatives;
- Development of a teacher preparation report card;
- Implementation of the newly developed *Continuous Improvement and Transformation Initiative* teacher preparation program accreditation processes;
- Provide targeted professional development for teacher preparation faculty;
- Promulgate rules to raise teacher preparation standards;
- Collaborate with the OK State Department of Education as members of the State Consortium on Educator Effectiveness (SCEE).

Savings, Efficiencies and Shared Services in FY-2012

- All agency services are shared; financial services and Information Technology are consolidated with OSF:

- Estimated saving over \$150,000 annually as a result of contracting financial services with OSF and reduction in staff of two full-time employees. Expenditures analysis in all agency operations resulted in significant savings in communications, printing, and other costs.
- Improved customer service with expanded office hours and improved telephone coverage;
- Increased number of computer-based tests and test sites resulting in a significant increase in teacher certification exams administered across the state;
- Implemented online teacher certification examination registration system;
- Provided online test results analyzer for teacher preparation institutions;
- Expanded and updated agency website;
- With the consolidation of financial services with OSF, OCTP is operating and serving businesses and constituents more efficiently.

Tourism and Recreation Department (OTRD) Commerce and Tourism Cabinet



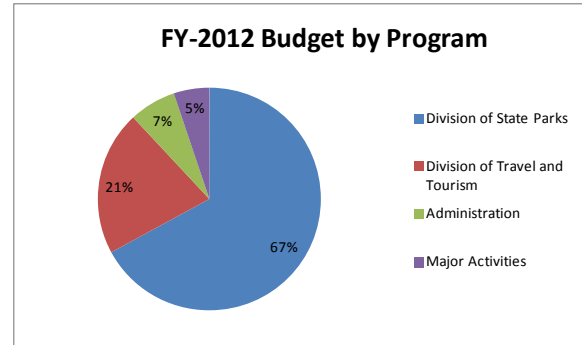
Mission

The mission of the Tourism and Recreation Department (OTRD) is to advance the exceptional quality of life in Oklahoma by preserving, maintaining and promoting the state's natural assets and cultural richness. As the steward of the state park system, OTRD is the caretaker of Oklahoma's diverse, magnificent natural resources. OTRD also plays a critical role in enhancing the state's economy through the promotion of Oklahoma as a destination, and provides leadership and guidance to communities across the state by working together to propel the state forward.

Programs

- State Parks
 - Golf Courses
 - Resorts
- Travel and Tourism
 - Tourism Information Centers
 - Traveler Response Information (TRIP)
- Major Activities
 - Oklahoma Today Magazine
 - Discover Oklahoma
 - Oklahoma Film and Music Commission
 - Multicounty Organizations

For more information about OTRD, visit [the OTRD website](#) ([State Parks](#), [Travel Promotions](#), [Oklahoma Today Magazine](#), [Discover Oklahoma](#), and [Oklahoma Film and Music Commission](#)).



Accomplishments over Past Year

- Reduced workers' compensation costs through safety training;
- Generated 51% of the state parks' total sales in FY- 2011 by private businesses. Concession payments to the Division of State Parks amounted to \$864,857 in fiscal year FY-2011 based on gross sales of \$18,016,123. Over 50 private business concessionaires provided recreational services and support in state parks (marinas, horseback riding, canoeing, bicycle rental, water sports, groceries, and snack bars are examples of private operations). Combined total sales for lessees and the Division of State Parks totaled \$35,402,134.
- Reconfigured the state park system by transferring seven state parks to other entities;
- Developed a plan for the agency to engage the private sector and build partnerships that are mutually beneficial. For example, OTRD now has a relationship with Oklahoma Ford Dealers that resulted in roughly \$100,000 in private funds to the agency as well as \$10,000 in related cost savings;
- Cultivated opportunities for niche travel markets such as genealogy travel, medical tourism and motorcycle travel, as a result of an analysis of current travel trends and consumer behavior. All are now featured on TravelOK.com and are being promoted through other marketing efforts. Through the genealogy tourism presence on [TravelOK.com](#), all 77 Oklahoma counties are featured in a special section on the website, including genealogy-based attractions in most Oklahoma communities. Since the launch of the genealogy section on TravelOK.com, in late summer 2011, there have been more than 69,400 page views by potential travelers.
- Upgraded production of Discover Oklahoma television show to High Definition (HD) format

to comply with the FCC deadline to broadcast in digital format. The show's staff also pioneered the process for in-house closed captioning of high definition programming shot on location.

- “Soft-launched” an on-line Oklahoma Music Guide through the Oklahoma Film and Music Office. The site is currently in beta testing phase. Once officially launched, this is a modernization that will provide one-stop shopping at www.oklahomafilm.org for all things related to the music industry (talent, equipment, venues, support services and facilities).
- Reduced employee costs by utilizing Galt temporary services. In particular, the Division of State Parks used temporary employees to fill seasonal positions, which saved overhead associated with the more extensive internal seasonal and full-time hiring process, saved potential workers' compensation costs and allowed management to view performance before committing to a more permanent hire.
- Analyzed vehicle allocation and reduced the size of the fleet;
- Reduced the overhead of the tourism information centers by leasing the Thackerville Tourism Information Center to the Chickasaw Nation. The 5-year lease will save the agency approximately \$1 million.
- Eliminated programs that were either outdated or did not meet the core mission of the agency. For example, the Travel Promotion Division tracked and analyzed declining call center volume for several years. After a 20% drop in FY-11 vs. FY-10, the call center was closed. As a result, the agency realized an annual savings of \$150,000, in addition to phone line costs. These monies were reinvested in TravelOK.com, which reaches 1,000,000 on-line users annually, compared to the outdated call center, which reached 20,000 annually.
- Enacted pricing flexibility to improve state Parks' competitive position, and initiated the use of social media sales tools such as Groupon to stimulate off-season use of cabin and lodge facilities. Last year, a total of 1,244 Groupon offers were purchased for 6 properties including Greenleaf, Robbers Cave and Tenkiller cabins and Lake Murray, Western Hills and Lakeview lodges. The largest number of sales was in the Oklahoma City market area for Robbers Cave, which produced 398 purchases.

- Processed a backlog of surplus vehicles and inventory;
- Initiated energy efficiency programs at the state parks:
 - Completed a statewide bulb and fixture replacement project;
 - Invested in expanded insulation;
 - Used energy star rated appliances for all replacements in cabins and lodges;
 - Replaced old HVAC systems with higher SEER rated units, as units needed replacement;
 - Replaced windows and other building features with energy saving ones where practical; and
 - Conserved water by using low flow toilets and fixtures for new facilities and replacements. This produced savings in water and wastewater expenses.

Goals for Upcoming Year

- Reposition the tourism industry as a critical economic driver;
- Continue to build public/private partnerships that benefit the agency and help grow Oklahoma's economy;
- Develop new targeted products that enhance existing cultural, historical and natural assets and create new opportunities for growth ;
- Ensure program expenditures are based on solid research and planning, and employ metrics to evaluate effectiveness of major initiatives;
- Restructure the PR/Media program to ensure increased earned media and industry visibility in Oklahoma and surrounding states;
- Expand partnerships with other state agencies to set joint goals and objectives that benefit Oklahoma's citizenry. OTRD currently partners with the Department of Transportation on the tourism information centers, Heartland Flyer and highway signage; Scenic Byways; Department of Agriculture on Agritourism; Oklahoma Turnpike Authority on PikePass distribution and the Glass House; Oklahoma Highway Patrol on public safety issues at state parks and tourism information centers; Oklahoma Historical Society on historical and genealogical tourism; and the Department of Commerce.
- Employ new technologies that reflect changing social and cultural attitudes and increase access to tourism information;

- Continue to help ensure the completion of the American Indian Cultural Center and Museum (AICCM);
- Begin purchasing CNG/bi-fuel vehicles as fleet vehicles are replaced and create an infrastructure for fueling needs; and
- Move the programming and development function for the official state tourism website, TravelOK.com, in-house. This change will result in substantial savings and provide the site with more development time, flexibility and focus.

- Installed auto sensor restroom sink faucets at the travel information centers to conserve water consumption;
- Suspended the ECO program and currently seeking another entity to assume operation;
- Discover Oklahoma replaced full-time staff reporters with freelance reporters; and
- Eliminated the Travel Promotion Division's community and tourism development positions, in an effort to reduce staffing costs. The agency is currently exploring partnership opportunities with the Department of Commerce to fulfill community development needs related to tourism.

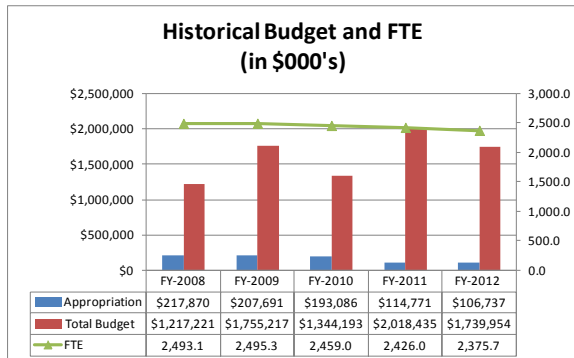
Major Agency Projects

- *Launch a new regional advertising campaign*
In June 2011, focus groups were conducted in five cities across the nation to examine public opinion of the state, awareness of its tourism opportunities and effectiveness of the state's branding. The findings showed that OTRD's advertising should employ a highly targeted regional strategy, with a major focus on the Dallas market. Further, the findings revealed that the most effective message must illustrate what is uniquely Oklahoma - what visitors find here cannot be found anywhere else in the nation. Utilizing the key findings of the study, new ads have been developed and will air in Spring 2012.
- *Implement the findings of the feasibility study of select state lodges*
The study was conducted by Oklahoma State University in 2011 and will be presented in early 2012 to the Oklahoma Tourism and Recreation Commission for review and possible action.
- *Kick off "Oklahoma Road Shows"*
To stimulate in-state travel, the agency is taking its travel show on the road to large Oklahoma employers. First on the list are: Devon Energy, Farmers Insurance and Blue Cross Blue Shield.

Savings, Efficiencies and Shared Services in FY-2012

- Reduced spending across the board;
- Reduced park overhead through early winterization of state parks;
- Implemented fee increases at select state parks;
- Transferred 7 state parks;
- Transferred the operation of tourism information centers;
- Eliminated the call center;

Transportation Department Transportation Cabinet



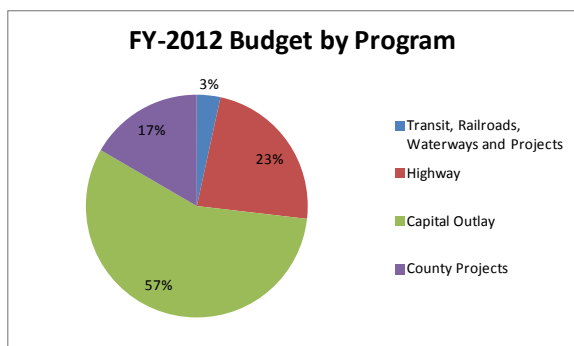
Mission

The mission of the Oklahoma Department of Transportation (ODOT) is to provide a safe, economical and effective transportation network for the people, commerce and communities of Oklahoma.

Programs

- Railroads
- Transit
- Waterways
- Transit Projects
- Rail Projects
- Highway
- Capital Outlay
- Country Projects

For more information about ODOT, visit [their website](#).



Accomplishments over Past Year

ODOT was able to continue the reduction of the number of Structurally Deficient (SD) bridges on the state system. At calendar year end 2010 the number of SD bridges had dropped to 706 from the previous

recorded level of 797, and from the high of 1,168 in 2004. Providing greater safety on the highway system with installation of the median barrier, both cable and concrete, as well as the installation of usable shoulder areas on the roadways.

Goals for Upcoming Year

- Continue to meet the schedule outlined by the Eight Year Construction Work Plan;
- Provide assistance to the Congressional delegation in an effort to resolve the uncertainty of federal funding; and
- Assist the Governor and legislative leadership to support the Bridge Plan initiative to virtually eliminate structurally deficient bridges within this decade.

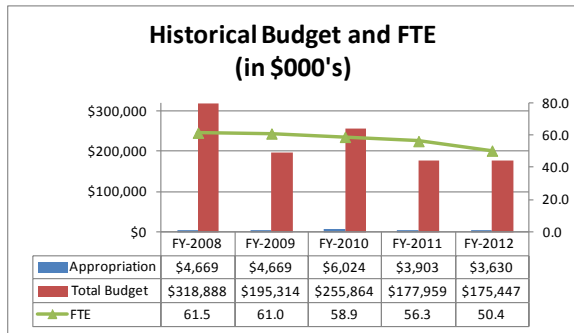
Major Agency Projects

ODOT continues toward a more effective and efficient transportation system. With that in mind major projects is the realignment of the I-40 Crosstown facility in downtown Oklahoma City, the reconstruction of I-44 in Tulsa, the continued effort to rehabilitate or replace structurally deficient bridges, and to continue the rehabilitation effort of interstate highways in both urban and rural areas of the state.

Savings, Efficiencies and Shared Services in FY-2012

- ODOT continued to administer a self-imposed reduced employee Table of Organization which allows the agency to control costs;
- Increased the amount of outsourcing effort in areas of highway maintenance and construction management;
- Additional efficiencies were gained with the implementation of Agile Assets as a replacement for the 35 year old Maintenance Reporting System (MRS); and
- Implementation of some shared services products with more expected in the future.

Treasurer, Office of the State (OST) Finance and Revenue Cabinet



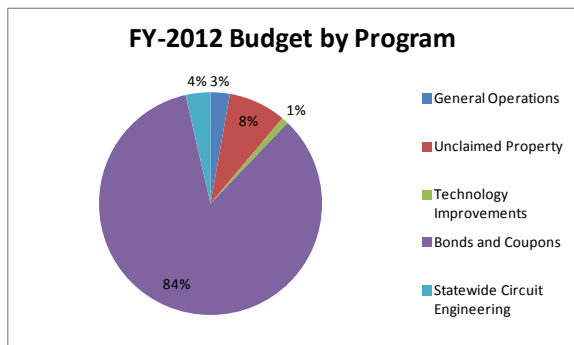
Mission

The mission of the Office of the State Treasurer is to serve the people of Oklahoma by providing sound banking and investment services, reuniting individuals and businesses with their unclaimed property, and promoting economic opportunities in a fiscally responsible and efficient manner while adhering to the highest professional and ethical standards.

Programs

- Unclaimed Property
- Technology Improvements
- Bonds and Coupons

For more information about the State Treasurer's Office visit [the website](#).



Accomplishments over Past Year

- Replaced outdated and unsupported COBOL programming, resulting in more efficient, stable and efficient processing of state financial transactions;
- Increased efficiency by consolidating and restructuring operations, resulting in reduction of 11 positions and net savings of more than \$250,000;

- Increased usable work area in existing State Capitol office space, resulting in annual reduction of more than \$25,000 in office lease payments;
- Established Investment Advisory Committee to obtain broad expertise in support of State's investment strategies;
- Launched the Oklahoma Economic Report, delivering Oklahomans reliable monthly business and economic news;
- Shifted costs of approximately \$262,000 associated with investing \$2.1 billion of agency balances in the State's blended portfolio due to appropriations reductions;
- Launched online reporting application for unclaimed property allowing businesses to file reports electronically. Remaining paper reports are electronically imaged for more efficient access;
- Awarded contract for use of single issue, reloadable and instant issue debit cards in lieu of paper warrants; and
- Maximized investment earnings by lowering average daily liquidity.

Goals for Upcoming Year

- Continue to reduce agency's reliance on taxpayer money by distributing costs associated with investment services;
- Identify, purchase and implement new treasury investment system that is necessary to improve investment accounting and performance reporting and better manage liquidity, lower risk and increase earnings;
- Establish a Local Government Investment Pool (LGIP) to assist public entities with low-cost investment services and competitive returns;
- Expand use of electronic receipts and payments by state agencies;
- Secure funding for the Oklahoma Medical Loan Repayment Program; and
- Maximize the number of scholarship recipients according to appropriated funds available.

Major Agency Projects

- Major projects during FY-2013 will focus on enhancement of core services – cash management & investment, banking services and agency services consolidation;
- A Local Government Investment Pool (LGIP) will be developed to offer to political subdivisions competitive returns at costs well below those

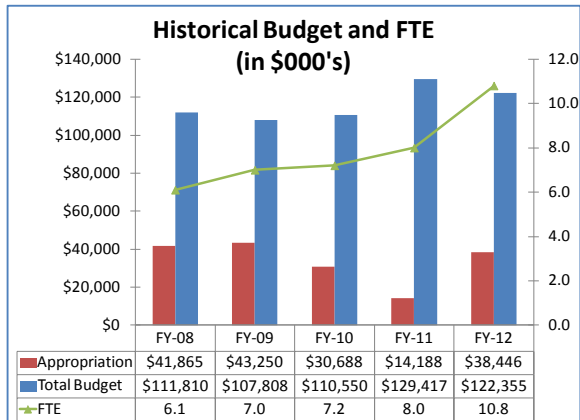
charged by the private sector, resulting in higher net earnings on public funds invested for state, county, school and municipal entities;

- Banking services will be enhanced by expanding use of Remote Deposit Capture and increased use of debit cards in lieu of paper warrants for state agencies and other political subdivisions;
- Offer state agencies the opportunity to collect payments through smart phone applications;
- OST will transition its agency payables and receivables functions to the Office of State Finance to realize increased operational efficiencies;
- The Unclaimed Property Division will expand use of the recently launched Internet online reporting application for businesses. The application further streamlines legal reporting requirements of businesses holding abandoned property and reduces paperwork and time required to complete reporting by both businesses and OST staff.
- Work with OSF IT to increase security and functionality of essential operations through virtualization of desktop computer operations.

Savings, Efficiencies and Shared Services in FY-2012

- Through transfer of information services responsibilities to OSF IT and upgrade and replacement of financial services software, staffing levels within the agency were reduced by 11 positions with savings of more than \$250,000, and
- Moving employees formerly housed in leased business space into reconfigured space inside the treasurer's existing offices in the Capitol building resulted in savings of more than \$25,000 per year of taxpayer money.

University Hospitals Authority (UHA) Health & Human Services Cabinet



Mission

The mission of the University Hospitals Authority is to be a catalyst for medical excellence, to support medical education and clinical research and to assure the best care available to all Oklahoma citizens regardless of means while growing essential alliances and maximizing utilization of state and federal resources.

Programs

UHA is responsible for the joint management of the OU Medical Center and Children's Hospitals by means of a Joint Operating Agreement with the Health Care Authority Health Services of Oklahoma, Inc. and making yearly reports to the governor and legislature.

For more information about UHA, visit [their website](#).

Accomplishments over Past Year

- \$57 million of state and federally matched funds provided to Oklahoma's College of Medicine and College of Osteopathic Medicine supporting resident and intern education, with \$36.3 million distributed to OSU and OU in Tulsa and \$20.9 million to the OU campus in Oklahoma City;
- \$55 million of state and federally matched funds provided to 13 Oklahoma hospitals, supporting 820 total resident positions; \$6 million of this total is distributed to rural hospitals with \$31 million to Oklahoma City hospitals and \$18 million to Tulsa hospitals.

- \$65 million of state and federally matched funds provided to OU Medical Center hospital, supporting 164,000 inpatient and outpatient occasions of service to the medically indigent and 3,000 Department of Corrections inmate occasions of service;
- Assisted in recruitment of oncology physicians, faculty and researchers at the Peggy and Charles Stephenson Oklahoma Cancer Center;
- Nearing completion of the Education Center supporting clinical medical education on the OUHSC campus;
- Provided facility and operational support of the Department of Pediatrics Child Study Center and Center on Child Abuse and Neglect; and
- Provided operational support for the Oklahoma Institute for Disaster and Emergency Medicine, Dental College loan program and hearing services for deaf and/or hard of hearing children of Oklahoma.

Goals for Upcoming Year

- Maintain support levels of previous year for Colleges of Medicine graduate medical education programs and hospital graduate medical education program;
- Maintain support levels of providing medical care to the state's indigent population;
- Complete the construction of the campus education center;
- Complete the installation of the proton accelerator and begin treating Oklahoma's pediatric cancer patients;
- Complete repairs and upgrades of older buildings and facilities for more productive and efficient use;
- Increase support of OU College of Medicine oncology services; and
- Begin programming and design of cancer research facility on the OUHSC campus in support of oncology service programs.

Major Agency Projects

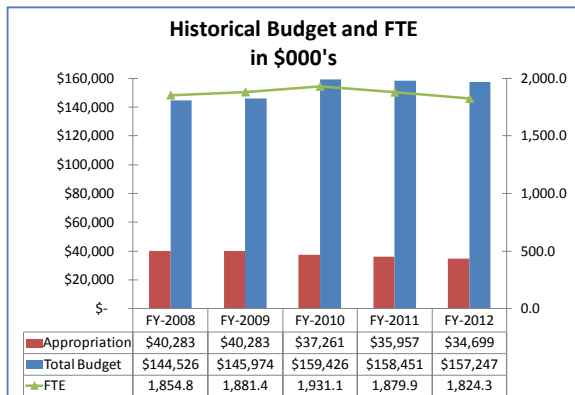
- Neurosciences services relocation and expansion
- OB/GYN oncology expansion and service upgrades
- Oncology patient care and research expansion
- Faculty and research recruitment
- Facility upgrades and repairs
- Hospital bed tower expansion for inpatient services to include cancer inpatient beds, ICU beds and operating rooms

- Campus way-finding and hospital parking expansion to accommodate increased demand

Savings, Efficiencies and Shared Services in FY-2012

- Restructured agency staff and assignments and eliminated position to achieve salary and benefit savings;
- Replacement and upgrade of inefficient energy systems reducing utility costs; and
- Closing unoccupied space in older facility to reduce maintenance and energy costs.

**Veterans Affairs, Oklahoma
Department of (ODVA)
Veterans Affairs Cabinet**



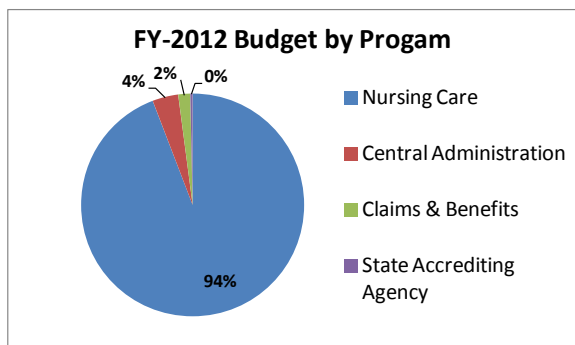
Mission

The mission of the Oklahoma Department of Veterans Affairs (ODVA) is to ensure all Oklahoma veterans and their families receive all benefits to which they may be entitled and to provide excellent health services and long-term skilled care in a residential environment to all qualified veterans residing in the state.

Programs

- Operation of seven long term care centers located in Norman, Clinton, Ardmore, Sulphur, Claremore, Talihina and Lawton
- Veterans Claims and Benefit Administration
- State Accrediting

For more information about ODVA, visit [their website](#).



Accomplishments over Past Year

- Maintained availability of all beds for admissions;
- Increased occupancy rate from a 96% average to a 98% average;
- Faced with a substantial cut in general revenue, the agency has not had a furlough or lay-off;
- Completed Phase I of the Sulphur Veterans Center construction project;
- Completed patient charting, which will provide ODVA with a system to record patient data with the use of touch screen kiosks placed in each veterans facility. The kiosks will allow nurses to do on-the-spot review and updates of patient conditions rather than entering them at a later time.
- Approved the following capital projects for first priority on the State Homes Construction program list (65% match was awarded and ODVA identified the state’s 35% match):
 - (1) Ardmore laundry, pharmacy, physical therapy and lab;
 - (2) Clinton’s Food Service area, laundry and renovations;
 - (3) Ardmore, Lawton and Claremore Nurse Call systems;
 - (4) Geothermal system renovation at Norman Center and Lawton Center.
- Installation of a new generator at the Veterans Center in Norman that provides service to the entire facility in the event of power failure. The agency is also working with OEC to acquire refunds when using emergency generator during peak usage dates and hours during the summer months.
- Implemented the new “My Way Cafe” in the dietary department at the Norman Veterans Center, where residents can order one meal from a menu of items two days per week.

Goals for Upcoming Year

- Enhance efficiency of each division in an effort to utilize FTE in the most effective, cost-efficient manner;
- Review all agency expenditures and seek ways to affect cost-savings while continuing to deliver services at current or improved levels;
- Complete Feasibility Study of Adult Day Care in the agency; and
- Continue to identify ways to improve the services provided to the residents by making changes utilizing the comments received on the ODVA Resident/Family Satisfaction Survey.

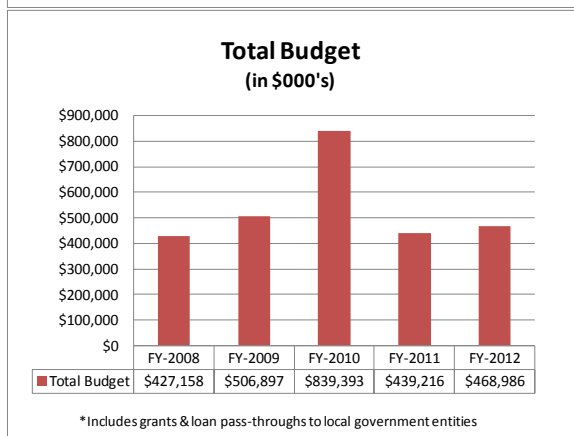
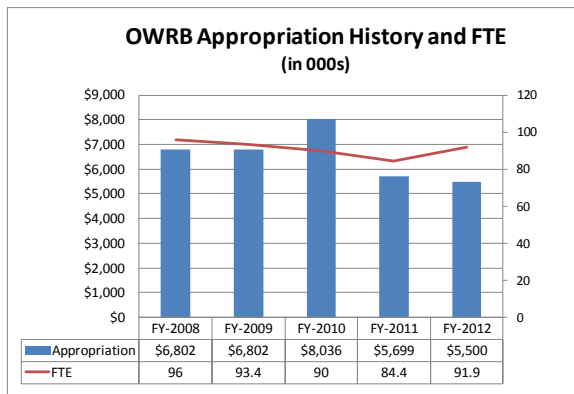
Major Agency Projects

- Complete construction on Clinton and Sulphur veterans centers;
- Finalize all project work for the Geo-thermal system renovations at the Norman and Lawton Veterans centers;
- Reduce Workers Compensation Costs and Exposures:
 - Contain medical injury compensations costs;
 - Reduce lost time injuries;
 - Introduce a comprehensive injury prevention and return-to-work policy;
 - Maintain continued compliance with workplace safety and health standards;
 - Provide Occupational and Health training courses for Agency Personnel.
- Transmitting claims electronically to the Office of State Finance for payment;
 - Migrate VistA (Patient Medical Records) to a virtualized environment; and
- Expand existing connection to federal USDVA to accommodate bi-directional VistA\CPRS connectivity, enhanced shared services and future solutions such as telemedicine.

Savings, Efficiencies and Shared Services in FY-2012

- Implemented new workers compensation program and reduced expenditures;
- Increased use of P-cards resulting in rebate of approximately \$25,000/year.

Water Resources Board (OWRB) Environment Cabinet



Mission

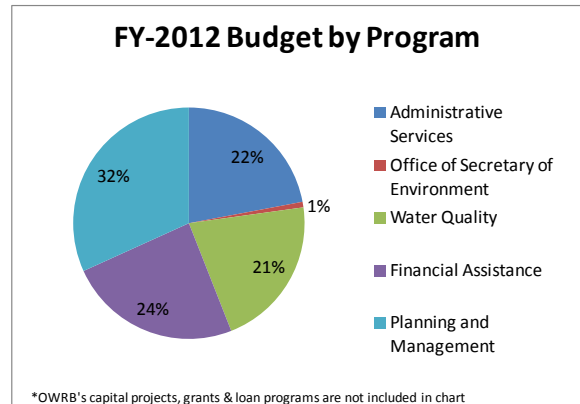
To enhance the quality of life for Oklahomans by managing, protecting and improving the state's water resources to ensure clean, safe, and reliable water supplies, a strong economy, and a healthy environment.

Programs

- Water Quality
 - Standards
 - Lakes
 - Monitoring
- Financial Assistance
 - Clean Water State Revolving Fund
 - Drinking Water State Revolving Fund
 - Bond Loan Program
- Planning and Management
 - Compacts
 - Floodplain Management
 - Dam Safety
 - Comprehensive Water Plan
 - Permitting

- Well Drillers Program
- Technical Studies

For more information about OWRB programs, visit [their website](#).



Accomplishments over Past Year

- Completed the Oklahoma Comprehensive Water Plan (a 5-year, approximately \$12 million effort);
- Addressed Oklahoma's water and wastewater infrastructure needs by:
 - Issuing bonds (2 SRF and 1 FAP) totaling \$150 million
 - Closing/awarding 55 loans and grants totaling \$209.3 million
- Completed the Arbuckle-Simpson aquifer yield determination and Canadian River Stream Water Allocation Model studies, which will allow scientifically-based water rights allocation and drought management to improve water supply reliability;
- Assisted a record number of water users in obtaining water rights and contending with record drought conditions, by handling over 2,728 permit applications for the oil and gas industry, irrigators, and others and fielding over 300 drought-related calls;
- Secured \$1 million in new Federal funds that will be passed through to local communities and engineering firms for floodplain mapping within the Grand Lake and Canadian River systems;
- Dedicated increased federal dam safety outreach funding to inform communities with "high hazard" classified dams, through workshops, technical publications, and dam breach studies;
- Completed installation phase for the "Green Project" EPA funded through the American Recovery and Reinvestment Act of 2009, for

Thunderbird Lake in Norman, OK, which will target water quality impairments for the lake, and reduce treatment costs for Norman, Del City & Midwest City.

Goals for Upcoming Year

- Implementation of the Oklahoma Comprehensive Water Plan according to the findings and recommendations contained therein and as directed by statute;
- Addressing Oklahoma's \$82 billion water and wastewater infrastructure needs by:
- Hydrologic Studies - \$1.2 million annually to complete by 2022 the growing backlog of statutorily-required hydrologic studies and 20-year updates and stream water allocation studies to accurately determine water availability for use statewide, manage water rights under various drought scenarios, and forecast potential interference between users and impacts of potential water transfers;
- "High Hazard-potential" Dam Safety Technical Assistance - To mitigate catastrophic flooding hazards and protect lives, property, and water supplies, (\$250,000 per year is needed for 10 years to perform dam breach inundation mapping, emergency action planning, and education activities that support the State Dam Safety Program for non-NRCS dams, with a priority on "high hazard-potential dams where significant downstream development has occurred since construction);
- Complete the Garber-Wellington aquifer yield study for central Oklahoma businesses and communities;
- Finalize and launch a new online water right permit application to expedite processing;
- Assist owners of at least 20 "high-hazard" classified dams with emergency action plans and breach inundation mapping;
- Increase annual water use reports submittal by water right holders statewide. The reports are used to establish demands on the state's resources.
- Reduce known unauthorized water use by 95 percent through outreach and complaint response, to protect water quality and quantity for permitted users;
- Identify local cost match for FFY 2013 FEMA Cooperating Technical Partnership program to meet community floodplain mapping needs at the local level;

- Complete federally required triennial Water Quality Standards revision and re-evaluate the 0.037 mg/L total phosphorus criterion that protects Oklahoma's Scenic Rivers;
- Implement a new groundwater monitoring program, in the monitoring and assessment section, and complete routine monitoring of Oklahoma's lakes and streams encompassing 120 stream sites and 32 lakes state-wide. The monitoring results can be used to assess status of each waterbody, compile results into recommendations to list or delist each waterbody from the impaired waters list, complete & submit the Status of Surface Water Quality Monitoring in Oklahoma report to the legislature, as well as complete & submit to the EPA the Oklahoma Water Quality Monitoring Strategy document.
- Complete Eucha and Ft Cobb Lakes 319 Best Management Practice (BMP) implementation to mitigate water quality impairments

Major Agency Projects

- **Oklahoma Comprehensive Water Plan**
During the final year of development of the 2012 Update of the Oklahoma Comprehensive Water Plan, the OWRB and its planning partners continued to solicit important input from stakeholders, citizens and others with a vested interest in the future of Oklahoma's water resources. Beginning in April, the OWRB initiated a final round of regional feedback and implementation meetings to gather comments and suggestions on the draft Water Plan and its various components. Each meeting, open to the general public, included a unique session allowing public water supply providers to verify local infrastructure data and related water supply and demand information collected over four years of OCWP analyses. A second session provided citizens and other stakeholders with an opportunity to contribute comments on draft water policy recommendations, including implementation strategies.
Throughout 2011, OWRB staff and partners assembled the wealth of OCWP technical data and information into 13 Watershed Planning Region Reports, including water supply/demand assessments, future supply challenges, and potential options to secure water for planning basins and regions through the next 50 years and beyond. Serving as an indispensable technical resource for water providers, policy makers, and water users in

making informed decisions concerning future regional water use and management, considerable attention was afforded to creating both sensible and functional planning documents. Following a public review and comment period, each report was modified, corrected, and refined prior to final collective approval of all 13 Watershed Planning Region Reports by the nine-member Water Board in October.

As the cornerstone policy product of the OCWP process, Board members dedicated four monthly meetings to detailed review and discussion of draft OCWP Water Policy Recommendations culminating from extensive citizen involvement since initiation of the update in 2006. In particular, from June through September, members deliberated, debated, and prioritized recommendations for immediate or prompt implementation and/or legislative consideration. Following formal public comment, the final OCWP Executive Report—featuring both priority and supporting recommendations, as well as an extensive summary of technical work—was formally approved by the nine-member Water Board on October 17.

The 2012 OCWP Update was unveiled and presented at the Governor's Water Conference and Research Symposium on October 18-19. The Water Plan will be submitted to the Governor and State Legislature in February 2012.

- **Joint Legislative Water Committee**

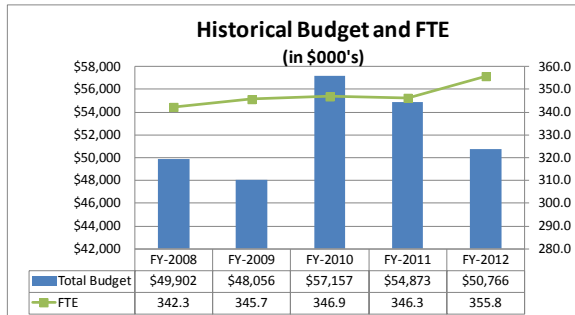
In June, House Speaker Kris Steele and Senate President Pro Tem Brian Bingman announced the formation of a 16-member joint legislative committee to review the 2012 OCWP Update and facilitate the development of long-range water policy for Oklahoma. Numerous meetings were held in the legislative interim, and OWRB staff and others were invited to provide information and opinions about ongoing activities and draft OCWP documents. Joint Legislative Water Committee co-chairmen Rep. Phil Richardson and Sen. Brian Crain provided direction for the bipartisan and geographically diverse membership.

- Transition to PeopleSoft Phase 2 Grants Projects and Contracts; and
- Begin work on the Rush Springs aquifer study and on the twenty year update for the N. Canadian River Alluvium & Terrace aquifer study and Washita River Allocation Model.

Savings, Efficiencies and Shared Services in FY-2012

- The OWRB continues to seek opportunities to leverage the state's investment in the Oklahoma Comprehensive Water Plan with federal dollars. The agency successfully secured approximately \$525,000 of federal money to assist in completion of the water plan and to defray the cost of certain expenses such as the printing and publishing of the OCWP and the enhancement of tools for local water planning efforts.
- Privatization implemented for the press release functions in Financial Assistance, as well as some accounting efforts;
- The agency evaluated staffing needs and added the Environmental Technical Series, allowing lower entry level hiring, reducing the cost to the agency/division for hiring environmental technicians;
- Electronic notification, where allowed, has reduced the costs for meeting federal and state Public Notice requirements for rule making;
- Expedited process to reduce large pending transfer-of-ownerships backlog which will enable new land owners to secure legal water rights;
- Worked with water users, particularly agriculture industry, to simplify forms and created GIS applications to expedite permitting processes and increase records access to the public;
- Partnered through Interagency Agreement with GRDA on dissolved oxygen (D.O.) monitoring, Ok Dept. of Wildlife Conservation (ODWC) for toxics monitoring, and Ok Dept of Environmental Quality on supplemental environmental projects with C.P. Kelco, which helped leverage and streamline government functions.
- Partnered to provide cost-sharing for federally funded projects with ODWC on Ft. Cobb Lake, with the City of Tulsa on Lake Eucha, with OCC and OSU on Oxbow Lake Phase II & III, with DEQ for sedimentation surveys of Ft Gibson Lake for Total Maximum Daily Load (TMDL) modeling, and with the City of Oklahoma City on projects to continue mitigation of impaired water quality of Atoka & Stanley Draper Lakes.

Wildlife Conservation, Oklahoma Department of (ODWC) Environment Cabinet



*Wildlife Department is a non-appropriated agency

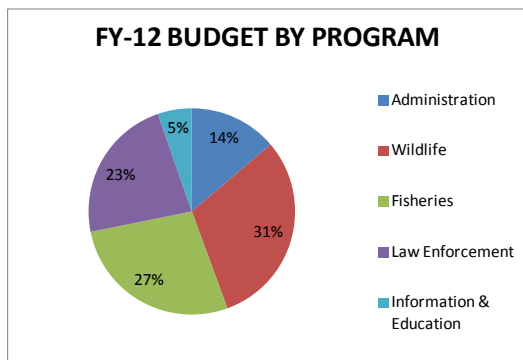
Mission

To manage Oklahoma’s wildlife resources and habitat to provide scientific, educational, aesthetic, economic and recreational benefits for present and future generations of hunters, anglers and others who appreciate wildlife.

Programs

- Wildlife
- Fisheries
- Law Enforcement
- Information and Education

For more information about ODWC, visit [their website](#).



Accomplishments over Past Year

- Acquired 2 new Wildlife Management Areas to provide public access for hunting and fishing;
- Opened the Outdoor Training and Education Center, part of the 700 acre Arcadia Conservation Education Area;
- Completed Lake Elmer Renovation, 60 acre lake in Kingfisher County in order to improve the quality of the fishery as well as the public access for fishing;

- Completed the construction of the state-of-the-art Paddlefish Research and Processing Center near Miami in Ottawa County; and
- Acquired the Operation Game Thief Trailer to be used at public programs and events to educate sportsmen on Department programs and to education the public regarding illegal methods of taking wildlife and the associated consequences.

Goals for Upcoming Year

- Seek additional opportunities for long-term lease agreements with the Commissioners of the Land Office;
- Work with legislative task force and the United States Fish & Wildlife Service to delay listing process of the Lesser Prairie Chicken;
- Identify and pursue short and long term solutions to preserve the lower Illinois River trout fishery that began in 1952. During the summer of 2011 trout stockings were suspended because water was not available to maintain the fishery.
- Complete the repairs to the American Horse Lake Dam in Blain County that was damaged due to the flood events in 2007;
- Migrate the agency email to Oklahoma Office of State Finance servers; and
- Convert the existing financial management programs to Phase II People Soft.

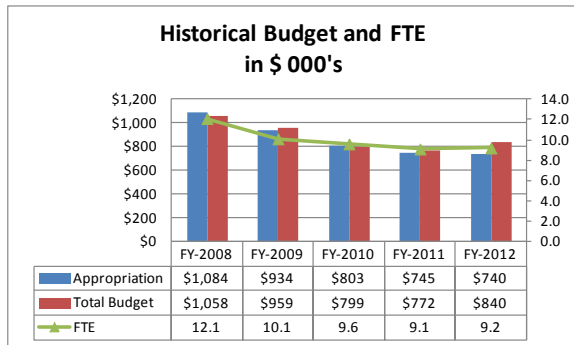
Major Agency Projects

- Research projects have been developed and initiated for the Lesser Prairie Chicken, bobwhite quail and bear;
- Durant Hatchery Renovation will begin in 2012. This facility is the largest of four fish hatcheries that provide fish stocking into public and private waters.

Savings, Efficiencies and Shared Services in FY-2012

- Went paperless for accounts payable – invested in and began scanning all invoices and associated paperwork for bills to be paid;
- Began setting up vendors for payment to be processed electronically:
 - Cost savings will come from reduced postage, paper and printing costs;
- Purchased equipment and software to conduct meetings by video conferencing that will save travel costs.

Will Rogers Memorial Commission Commerce and Tourism Cabinet



Mission

The mission of the Will Rogers Memorial Commission is to collect, preserve and share the life, wisdom and humor of Will Rogers for all generations.

Programs

For more information about Will Rogers Memorial Commission, visit their [website](#).

100% of the budget for the Will Roger Memorial Commission is for Museum operations. The chart below shows the breakdown of appropriated and revolving funds for FY-2012.

Accomplishments over Past Year

- Increased the recorded attendance at the Will Rogers Memorial Museum, in Claremore, OK by 13.8 percent from FY-2010 to FY-2011;
- Developed two new partnerships to share and communicate the legacy of Will Rogers by publishing daily quotes in the *Tulsa World* and, providing quotes for media use through the Oklahoma Press Association;
- Increased the number of known new Will Rogers-related films, publications, performances and research inquiries from 90 to 609 in FY-2011;
- Completed the digitization of and online access to the six volumes of Will Rogers Weekly Articles; and
- Increased the number of declared “friends” on the Will Rogers Facebook page from 171 in FY-2010 to 1,235 in FY-2011.

Goals for Upcoming Year

- Increase the annual recorded attendance at Will Rogers Birthplace Ranch by 3 percent;
- Open the new exhibit, “The Final Journey,” by July 1st, 2012;
- Complete inventory cataloging of the museums’ collections by December 31st, 2012;
- Initiate remote access to the archival catalog by June 30th, 2012;
- Develop at least two new partnerships to share and communicate the legacy of Will Rogers;
- Gross \$100,000 in revenue from admission fees;
- Increase by 10 percent the number of known new Will Rogers-related films, publications, performances and research inquiries.

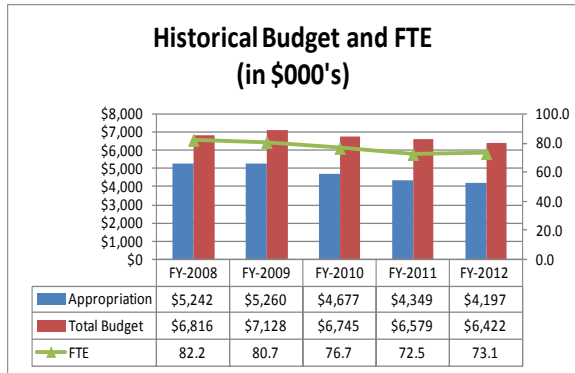
Major Agency Projects

- Implementation of admissions fees at the Will Rogers Memorial Museum for the first time in 73 years;
- “The Final Journey,” a new exhibit now in the final stages of design and planning that will relate and interpret the story of Will Rogers’s and Wiley Post’s ill-fated journey to Alaska through a multi-dimensional, interactive experience (targeted opening date: July 1st, 2012);
- Redesign the West Gallery of the Memorial Museum, which will include an orientation to the life of Will Rogers;
- Power-wash and apply preservative treatments to the exterior walls of the Will Rogers Memorial Museum; and
- Continuation of the project to digitize the previously published and unpublished writings of Will Rogers and provide online access to the same in a searchable format.

Savings, Efficiencies and Shared Services in FY-2012

Savings of financial resources and time have been realized through the support services provided by the Agency Business Services of the Office of State Finance. Staff must still regularly perform some accounting, budgeting and reporting tasks, but the hours saved through the partnership with ABS have allowed the one full-time and one part-time staff members to perform and complete other tasks.

Workers' Compensation Court (OWCC) Judiciary Cabinet



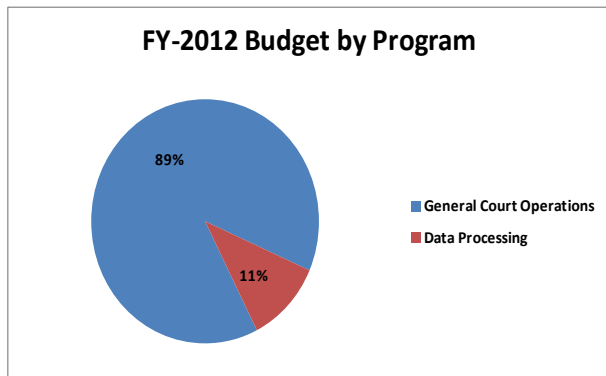
Mission

To ensure fair and timely procedures for the informal and formal resolution of disputes and identification of issues involving work related issues.

Programs

- Data Processing
- Court Operations

For more information about OWCC, visit [their website](#).



Accomplishments over Past Year

- Following major workers' compensation system reforms enacted effective August 26, 2011, the Court amended forms, implemented processes and participated in educational seminars regarding the changes;
- The Court adopted and implemented new law mandates, including a new workers' compensation fee schedule, effective January 1, 2012 which is anticipated to result in a 5%

reduction in overall cost of medical care for injured workers.

Goals for Upcoming Year

- Review 'Oklahoma Treatment Guidelines' produced by the Physician Advisory Committee upon receipt of recommendations from the Advisory Council on Workers' Compensation as directed by 85 O.S., Section 373;
- Develop a program by April 1, 2012 that provides annual training for self-insured employers and workers' compensation claim representatives, as mandated by 85 O.S., Section 320.

Major Agency Projects

Implement electronic data interchange ("EDI") by July 1, 2012 for the purpose of providing relevant data about the workers' compensation system and delivery of benefits to injured workers, as mandated by 85 O.S., Section 367.

Savings, Efficiencies and Shared Services in FY-2012

The Court redistributed job functions in an effort to continue to reduce staffing through attrition.

State Budget Information

**Oklahoma State Budget Process
State Revenues
Constitutional Reserve Fund
Appropriation History
Higher Education Allocation
Non-Appropriated Agency Budget and FTE**

THE BUDGET CYCLE
STATE FISCAL YEAR IS JULY 1 - JUNE 30

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
1. Agencies review program needs and prepare Budget Requests and Strategic Plans.	July 1 - Oct 1											
2. Agencies submit Budget Requests. Strategic Plans are submitted every even numbered year.				Oct 1								
3. Office of State Finance reviews Budget Requests and Strategic Plans for development of the Executive Budget Book.				Oct - Nov								
4. December Equalization Board Meeting - expenditure authority is the approved basis for the Executive Budget.						Dec						
5. Submission of Executive Budget to the Legislature. Legislative session begins.								Feb				
6. Feb Equalization Board - expenditure authority is approved basis for Legislative Appropriations and Governor's action								Feb				
7. Legislature reviews agency budgets and finalizes appropriation recommendations.								Feb - May				
8. Governor's action on Appropriation Bills								Feb - Mid-June				
9. June Equalization Board Meeting - revenue and expenditure authority adjusted to incorporate statutory changes.												June
10. Budget Work Programs submitted to the Office of State Finance for approval by July 1	July											

Oklahoma State Budget Process – State Fiscal Year is July 1 through June 30.

1. **Agencies review** program performance and financial needs for preparation of the Budget Request and Strategic Plan
2. The **Budget Request** is the legal document which contains all financial and program information for each agency including a listing of all requests for additional state funds and changes in revolving or federal funds. Budget Requests must be submitted October 1 of every year under Section 34.36 of Title 62.

Agency Strategic Plans include each agency’s mission, goals and performance measures within a five year time line. Section 45.3 of Title 62 requires strategic plans to be submitted October 1 of every even-numbered year.
3. The **Office of State Finance Budget Division** reviews agency budget requests and holds agency budget request hearings for development of the Executive Budget.
4. **December Equalization Board Meeting** – The Equalization Board is the constitutional body responsible for setting revenue and expenditure authority for the Governor and Legislature (Sec. 23 Art. 10 of Oklahoma Constitution). The expenditure authority approved at this meeting is the amount used for development of the Executive Budget Book.
5. **Submission of Executive Budget** – The Governor is required to submit an Executive Budget to the Legislature on the first Monday of each regular legislative session. The budget must be balanced using the December Equalization Board amounts.
6. **February Equalization Board Meeting** – The Board is constitutionally required under Section 23 of Article 10 to meet again and incorporate economic adjustments to the revenue and expenditure authority. The limit approved at this meeting constitutes the limit for Legislative appropriations action.
7. **Legislative Appropriations Process** – The appropriations subcommittees and legislative staff of each house review agency budgets, budget requests and pass appropriation bills.
8. **Governor acts**, within constitutional time lines set forth in Sections 11 and 12 of Article 6 of the Oklahoma Constitution, to sign, veto or pocket veto appropriation bills.
9. **June Equalization Board Meeting** – The board is authorized in Section 23 of Article 10 of the Oklahoma Constitution to meet and incorporate statutory changes that increase or decrease revenue and expenditure authority for the coming fiscal year.
10. **Agency Budget Work Programs** are required under Section 34.42 of Title 62 and serve as the official plan of how the agency intends to utilize available funds to accomplish statutory duties and responsibilities. The document is due on June 1, or as close thereafter as possible, and is approved by July 1.

Oklahoma State Budget Process

State Equalization Board

The Oklahoma Constitution provides for a number of checks and balances to ensure the Governor and Legislature maintain a balanced budget every year. One of the most important provisions is Section 23 of Article 10 which outlines the framework for how Oklahoma sustains a balanced budget. This section designates the State Board of Equalization as the body responsible for establishing expenditure limits for the Governor and the Legislature. The Board of Equalization 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 Equalization Board must meet at least two times every fiscal year:

- “no more than 45 days but no less than 35 days before the start of the legislative session” (sometime in late December or early January); and
- “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 Equalization Board meets in June to incorporate legislative changes enacted during the session and to re-certify revenue available for the coming fiscal year.

The benefit of this approach is that both the executive branch and legislative body are required to use the same revenue estimate and expenditure limit. State expenditures passed by the Legislature and enacted by the Governor cannot exceed the amount of funds certified and authorized by the Board.

The Office of State Finance, which staffs the Board, compiles revenue projections from various revenue collecting agencies throughout the state, analyzes the information and presents the information to the Board for its consideration and approval. Projections for the General Revenue Fund which makes up more than 80% of total state appropriated spending are estimated utilizing a state economic model developed by Oklahoma State University and modified to fit the state’s customized needs by Tax Commission staff. Revenue estimates presented to the Board are based on current and prior year collection trends, economic forecasts, federal 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 to the December estimate are based on economic changes which have been noted since that time, which may increase or decrease anticipated revenue collections. The estimate approved at this meeting sets the limit on which legislative appropriations are based.

State Revenues and Expenditures

Spending Limits

Oklahomans believe in responsible budgeting and limiting state expenditure growth to reasonable levels. This philosophy is cemented in paragraph 1 of Section 23 in Article 10 of the Constitution. Increases in Legislative appropriations in any year are limited to no more than 12% more than the preceding year’s level, adjusted for inflation.

Paragraph 1 of Section 23 provides an additional limit for Oklahoma's state budget. This paragraph limits expenditures of certified funds to 95% of the Equalization Board estimate. This internal safeguard protects agency budgets from mild fluctuations in revenues in the event revenues do not meet the 100% estimate.

Certain statutory revolving funds are also included in the executive and legislative expenditure authority considered by the Equalization Board. Estimates for revolving funds are included for informational purposes. The Equalization Board does not have to approve them since they are not certified funds. Unlike certified funds, the Governor and Legislature can spend 100% of the revolving fund estimate. There are seven revolving fund estimates that are included in the executive and legislative expenditure authority. Revenues from four of the six funds are specifically dedicated to education purposes. Funds from the Tobacco Settlement Fund are directed for health services; the Judicial Fund is directed for district court operations; and the State Transportation Fund is directed to the Oklahoma Department of Transportation.

Cash Management

Another internal budget control is provided in Section 34.54 of Title 62 of the Oklahoma Statutes which creates the Cash Flow Reserve Fund (CFRF). The CFRF is used for two purposes: (1) to make allocations to agencies in July since the General Revenue Fund (GRF) for that year has no collections until the end of July, and (2) to ensure that each monthly allocation of revenue to agencies is equal to one-twelfth of the money appropriated by the Legislature. This second purpose is intended to protect State agencies from variation in monthly revenue collection patterns and in practice the CFRF is used to make up the difference between actual collections in a month and the required allocations for that month.

Money is deposited into the Cash Flow Reserve Fund for the next fiscal year from current year General Revenue Fund collections that are in excess of the amount appropriated from the fund. The limit on deposits into the Cash Flow Reserve Fund is 10% of the amount certified by the Board of Equalization as available for appropriation from the General Revenue Fund for the next fiscal year. General Revenue Fund collections that are in excess of the certified estimate cannot be used to make deposits to the Cash Flow Reserve Fund as those monies are directed elsewhere according to the State Constitution. Any excess General Revenue Fund collections for the current year after the Cash Flow Reserve Fund for the next year has been funded are carried forward as cash that is available for appropriation by the Legislature.

Budget Stabilization

A portion of the revenue collected in excess of 100% of the certified GRF estimate is deposited in the Constitutional Reserve Fund (CRF), known as the Rainy Day Fund, at the end of the fiscal year. Deposits into the CRF are limited to 15% of the certified actual collections to the GRF for the preceding fiscal year. The CRF can be accessed for three different and distinct purposes: emergencies, future year budget stabilization, and current year budget stabilization. Up to 25% of the fund may be appropriated upon a declaration of an emergency by the Governor with two-thirds legislative concurrence or three-fourths of both the House and Senate. Up to three-eighths of the CRF may be appropriated to make up any decline in revenue certified as available for appropriation by the Board of Equalization from one year to the next. The amount can not exceed the decline in certified revenue. The final three-eighths of the CRF may be appropriated to address a current year revenue shortfall. To access this money, the BOE must determine that a revenue failure has occurred in the GRF and appropriations from the CRF for this purpose are limited to the amount of the shortfall. A Constitutional provision also exists to provide incentive payments of up to \$10 million to support retention of at-risk manufacturing entities under carefully limited circumstances.

Revenue Shortfalls

The Director of the Office of State Finance (OSF) is statutorily charged with making allotments to agencies to control expenditures. State law also requires the State’s budget to remain in balance every fiscal year. Oklahoma is barred from expending more money than it collects in a given year.

To ensure that revenues are sufficient to meet the appropriations specified by the Legislature, OSF closely monitors collections throughout the year. The allocation of appropriated monies to agencies occurs on the Tuesday following the second Monday of every month during a fiscal year.

During times of economic recession state revenue collections can fall below the level of appropriations. Thus, limiting appropriations to only 95% of estimated collections is an insufficient measure to ensure the state maintains a balanced budget during times of severe economic distress.

Title 62, Section 34.49 of the Oklahoma Statutes reads, in part:

“At the end of any fiscal year, the entire amount appropriated to any agency must be allotted to the agency by the Director of the Office of State Finance, except where the estimated budget resources during any fiscal year are insufficient to pay all of the appropriations of the state in full for such year. The Director of the Office of State Finance shall not allot to any agency during any fiscal year, an amount which will be in excess of the amount of revenue collected and allocated to appropriations made to such agency. In the event of a failure of revenue, the Director of the Office of Finance shall control the allotment to prevent obligations being incurred in excess of the revenue to be collected. However, within each state fund where a revenue failure occurs, the Director of the Office of State Finance shall make all reductions apply to each state agency or special appropriation made by the State Legislature, in the ratio that its total appropriation for that fiscal year bears to the total of all appropriations for that fiscal year, as provided in Section 23, Article 10, of the Oklahoma Constitution.”

This directs the Office of State Finance to allocate all of the money appropriated to state agencies, unless revenue collections are less than the amount appropriated. When this occurs, OSF is required by this statute to reduce the allocations to agencies to no more than the amount of revenue collected. Further, the reduction in allocations is to be effected upon all agencies receiving money from the fund in which the failure occurs. Each agency receives a proportional share of the reduction based on their share of appropriations compared to the total appropriations from the fund.

Executive and Legislative Appropriations Process

Executive Budget

The Governor sets the tone for state budget recommendations with the submission of the Executive Budget on the first Monday in February of each regular legislative session. Section 34.37 of Title 62 requires the Governor to submit a balanced budget with detailed revenue and expenditure proposals to the presiding officer of each house. The Director of State Finance is required to prepare the document after reviewing state agency budgets, requests and developing recommendations. The proposals outlined in the Governor’s Executive Budget Book serve as the Governor's fiscal and policy priorities for the year.

Legislative Process

The Legislature reviews the Executive Budget and works with the Governor throughout the session to enact a balanced budget. Establishing the state budget is the responsibility of the appropriations committees of the Senate and the House of Representatives. The committees of each house work through appropriation

subcommittees which are categorized by specific budget areas such as general government, education, health, and safety and security. Subcommittees review agency budgets, requests for additional funding and the Governor's recommendations.

The General Appropriations (GA) Bill is a method to provide a base level of funding. This provision is a safeguard to ensure state government programs and services do not shut down in the event the Legislature and the Governor are unable to agree on a budget. Historically, general appropriation bills are passed in March or April of the regular legislative session.

Section 34.86 of Title 62, passed during the 2003 session, requires the Legislature to present an appropriation bill to fully fund common education to the Governor at least 25 days prior to April 10 (subsection E of Section 6-101 of Title 70) but not later than April 1. Adjustments to increase or decrease the amount may still be made by the Legislature.

Appropriation decisions for agencies are typically not finalized until April or May when the General Conference Committee on Appropriations, or GCCA, is convened. The primary difference between an appropriation subcommittee of the House or Senate and the GCCA is that the GCCA is comprised of both House and Senate members. Before beginning the GCCA process, the House and Senate agree to allocate a certain amount of available funding to each GCCA subcommittee. Before a formal appropriations bill is presented to either legislative body, the two houses must work together in GCCA, negotiate spending priorities and produce a unified budget together.

Appropriations bills may be written for individual agencies or groups of agencies that are within the same subject area such as education. In addition to appropriating funds for the coming fiscal year, appropriation bills also include agency spending limits, total personnel hiring limits, and the maximum salaries of directors.

If the bills are approved by a majority of both houses, the appropriation bill is sent to the Governor. All legislation, including appropriation bills become effective 90 days after the end of the legislative session or later if a later effective date is specified. Legislation may become effective earlier if passed with an emergency clause. For an emergency clause to be enacted, two-thirds of each body must approve the emergency clause through a separate vote on the bill.

Governor's Action

The Oklahoma Constitution, Section 11 of Article 6, provides the Governor five working days, excluding Sundays, to enact or veto all or part of an appropriations bill while the Legislature is in regular session. If the Governor does not sign or veto a bill within five days, a bill automatically becomes law. The Governor has 15 working days to sign or veto a bill after the regular session has adjourned. Any bill presented to the Governor within five days of the end of the regular legislative session must be acted upon with the 15 days also. In contrast to actions taken during session, if the Governor does not sign or veto a bill within the 15 working days after session, the bill fails to become law. This is also referred to as a pocket veto.

In addition to these powers, Section 12 of Article 6 of the Oklahoma Constitution gives the Governor the authority to disapprove an entire appropriations bill or any item or single appropriation within the bill. This line-item veto power is one manner by which the Governor exercises control of state budget appropriations.

Vetoes may be overridden by two-thirds majority of each house for bills with no emergency clause and by three-fourths majority of each house for bills with an emergency clause.

Funds Subject to Appropriation

The State Board of Equalization, in accordance with Section 23, Article X of the Oklahoma Constitution, annually certifies the following funds as available for appropriation. Each of these funds is identified in the accounting structure with a three-digit code. The first two digits uniquely identify the fund. The last digit represents the year the funds were collected (e.g. "190" would be the General Revenue Fund collected in FY-2010).

General Revenue Fund (Fund 19X):

Income to this fund is from state taxes, fees, regulatory functions, and income on money and property. Approximately one-half of all state revenue is deposited to this fund. Funds are appropriated for the operation of state government and other purposes specified by the Legislature. (Article 10, Section 2)

Council on Law Enforcement Education and Training (CLEET) Fund (Fund 58X): Income is derived from a penalty assessment fee. Any person penalized for violating Oklahoma law pays a penalty assessment. Income is dedicated to peace officer training. (Title 20, Section 1313.2; effective November 1, 1988)

Commissioners of the Land Office Fund (Fund 51X): This fund was created to receive revenue collected from surface leasing of lands managed by the Commissioners of the Land Office and 6 percent of the revenue generated from the Common School Fund, the Education Institutions Fund, the University of Oklahoma Fund, the University Preparatory School Fund, the Oklahoma State University Fund, the Public Building Fund, and the Greer 33 Fund. Funds are used for administrative costs of the Commissioners of the Land Office. Funds not used for administrative costs of the Commissioners of the Land Office are allocated to public schools. (Title 64, Section 1009; effective July 1, 1992)

Mineral Leasing Fund (Fund 55X): Income to this fund is from a share of lease sales and royalty payments on oil and gas production on federal lands within the state. Funds are used for the financial support of public schools. (Title 62, Section 41.8; effective 1920)

Special Occupational Health and Safety Fund (Fund 54X): Each insurance carrier writing Workers' Compensation Insurance in this state, the State Insurance Fund, and each self-insured employer authorized to make workers compensation payments directly to employees pays a sum equal to three-fourths of 1 percent of the total workers compensation losses, excluding medical payments and temporary total disability compensation. Funds are used exclusively for the operation and administration of the Occupational Health and Safety Standards Act of 1970 and other necessary expenses of the Department of Labor. (Title 40, Section 417.1; effective July 1, 1986)

Public Building Fund (Fund 11X): Income to the fund is from portions of leases, sales, rentals and royalties of lands set aside for public building purposes by the state's Enabling Act (Section 33) and lands granted in lieu thereof, under the management of the Commissioners of the Land Office. Funds are appropriated for major maintenance and capital improvements of public facilities. (Title 64, Section 1079; effective 1910)

Oklahoma Education Lottery Trust Fund (Fund 38X): In November of 2004, voters passed State Question 706 which established this fund as one available for appropriation by the Legislature for the purposes of common education, higher education, and career technology education. Revenue deposited in the fund comes from net proceeds generated by the Oklahoma Lottery.

Agency Budgets

The state's budget cycle can be divided into three areas:

- Agency Budget Work Programs
- Agency Strategic Plans
- Agency Budget Request

The state's budget is prepared on a cash basis utilizing encumbrance accounting. Encumbrances represent executed but unperformed purchase orders. In the State's Comprehensive Annual Financial Report (CAFR) encumbrances are recorded as: (1) expenditures for budgetary purposes if expected to be presented for payment by November 15, following the end of the fiscal year and, (2) reservations of fund balance for GAAP purposes.

Budget Work Programs

Oklahoma statutes provide the legal framework under which state agencies budget and expend funds in a responsible manner. Section 34.42 of Title 62 requires every agency to submit a balanced budget on the first day in June or soon thereafter. Funds must be budgeted by program category and must conform to program categories and expenditure limits placed in law.

Appropriation bills set maximum limits on the amount of state appropriated funds, revolving funds and federal funds that each program may budget and spend for the fiscal year. Maximum limits for personnel or full-time-equivalent (FTE) personnel, lease-purchase expenditures and director salaries are also defined in statute. Budget work programs must work within these parameters to provide a plan on how the agency will utilize all state, revolving and federal funds for the fiscal year.

Work programs are reviewed by the Budget Division of OSF and the approved work program serves as a basis for the subsequent allotment of funds. Certified funds such as the General Revenue Fund are allotted to agencies on a monthly basis and cash appropriations are appropriated in a lump sum. Budget Work Programs can be revised at any time during the fiscal year if justified. Revisions can be incorporated within various expenditure, full-time-equivalent employee and transfer limits.

Agencies are allowed under law (Section 34.52 of Title 62) to transfer up to a maximum of 25% of funds between line-items. The Contingency Review Board can approve transfers between line-items up to 40%. All transfers are subject to review by the Joint Legislative Committee on Budget and Program Oversight to determine if the transfer meets legislative intent or subverts the intention and objectives of the Legislature.

Executive and legislative staff review agency budgets and expenditures throughout the year to ensure each agency is meeting program goals and stated legal expenditure limits.

Strategic Planning

Across the nation, states are in the process of implementing measures to improve efficiency and accountability in state government. Oklahoma is no different. Over the past several years, the Executive and Legislative branch have implemented measures designed to focus on meaningful performance data which can then be used to make better budgeting decisions.

Passed in 1999, the Oklahoma Program Performance Budgeting and Accountability Act required agencies to submit strategic plans defining their mission, vision, goals and performance measures. At the same time, state agency budget request forms were modified to incorporate program information and performance measures for every program category within an agency. Section 45.3 of Title 62 requires every agency to submit five year strategic plans on October 1 of every even numbered year.

Strategic planning helps focus agency leadership and staff on short-term and long-term goals and how to achieve those goals. Outcome measures required in strategic plans and agency budget requests focus agency leadership and staff on monitoring and improving performance. This information is a valuable tool for policymakers. This performance information is also used in routine and special performance evaluations and policy analysis conducted by agencies, the Office of State Finance, legislative staff, the Auditor and Inspector and outside

consultants. Evaluating government programs and services using meaningful data allows elected officials to make better, more informed budgeting decisions.

Budget Request

Section 34.36 of Title 62 requires agencies to submit a “Budget Request” on October 1, of every year. The budget request serves as the financial plan to the agency’s strategic plan. This document outlines program funding and performance information and includes a detailed listing of additional state funding requested by each agency.

The Budget Division has been working with select agencies over the past three years to refine and improve funding and performance measure information submitted in the Budget Request and Strategic Plan. There is particular emphasis on unit costs and program performance. Copies of each agency’s budget request and strategic plan is submitted to the Office of State Finance, House and Senate staff and members of the Legislative Oversight Committee on State Budget and Performance.

This committee, established in Section 39.96 of Title 62, is required to review each agency’s programs, funding and performance once every four years. Members are directed to utilize zero-base budgeting and performance base budgeting techniques.

Financial Tools

Comprehensive Annual Financial Report (CAFR)

The CAFR is the primary means of reporting the financial activities for all state agencies. Prepared by the Division of Central Accounting and Reporting and in conformance with Governmental Accounting Standards Board (GASB) statements 34 and 35, this model provides a better picture of the state’s financial status as a single, unified entity. Financial statements contained in the CAFR include a statement of net assets and liabilities, statement of activities outlining major state expenditures, statement of Revenues, Expenditures and Changes in Fund Balances. The CAFR is a valuable tool to use when reviewing and analyzing overall state budget revenue and expenditure trends.

Single Audit

The Single Audit is prepared by the Auditor & Inspector’s Office to meet the requirements of the Single Audit Act. The federal funds expended by all State agencies (excluding higher education and civil emergency management) are included within the scope of the Single Audit. This report provides information on the type of federal funds available for state agencies such as block grants, entitlement programs, matching grants and reports federal fund expenditures for each agency. This report, required by the federal government ensures state agencies are properly expending and accounting for federal funds.

Performance Audits

Since FY-2002, the Office of the State Auditor and Inspector has been conducting performance audits, authorized by 74 O.S. Supp 2001, 213.2. A performance audit includes economy, efficiency, and program audits. Economy and efficiency audits determine whether the entity is utilizing its resources economically and efficiently. Auditors also determine the causes of inefficiencies or uneconomical practices. A program audit determines if a program is achieving the desired results or benefits established by the Legislature, or other authorizing body. Program audits also ascertain the effectiveness of organizations, programs, activities or functions.

In practice, performance audits determine if an agency is focusing resources on activities that maximize productivity or outcomes. In addition to identifying efficiencies, performance audits can also identify areas worthy of additional state investment. This is another important tool for policymakers to utilize when reviewing the efficiency and effectiveness of agency programs and expenditures.

Financial System

Daily, monthly and annual reports generated from the Office of State Finance financial systems provide quality agency budgeting and expenditure reports which allow policymakers to track funds by program and object code. Other essential financial reports include budget to actual reports, cash balance and receipts and disbursements for funds.

The Budget Request and Strategic Plan documents give policymakers the opportunity to review an agency's mission, goals and performance to ensure resources are allocated to specified statutory duties and responsibilities. Not only do these financial tools ensure agencies are spending money appropriately, but wisely. All of the financial tools mentioned can provide policymakers the opportunity to make informed fiscal policy recommendations based on quality financial and performance information.

Capital Budget

The Capital Budget Process

The State of Oklahoma's Capital Improvement Plan (CIP) and the Long-Range Capital Planning Commission were established in 1992. This provided the infrastructure for state and local governments to perform comprehensive capital plans. Capital projects are defined as one-time projects costing at least \$25 thousand with a useful life of at least five years.

The CIP development process begins early in the calendar year. July 1 is the official deadline for agencies, boards, commissions, trusts, colleges and universities to input their Capital Budget Requests into a web-based system hosted by the Office of State Finance. Once received, the Commission separates requests into two broad categories: self-funded and appropriation-funded. Generally, the Commission accepts an applicant's ranking of self-funded projects without further review.

Projects requiring an appropriation are evaluated according to a ranking process to permit the equitable allocation of limited state resources. The ranking system uses the following criteria:

- legal obligations;
- fiscal impact;
- urgency of maintenance needs;
- departmental priority;
- economic impact;
- impact on service to the public; and
- completion of prior phases.

For more information on the Capitol Budget process please contact Jim Joseph with the State Bond Advisor's Office, 602-3100.

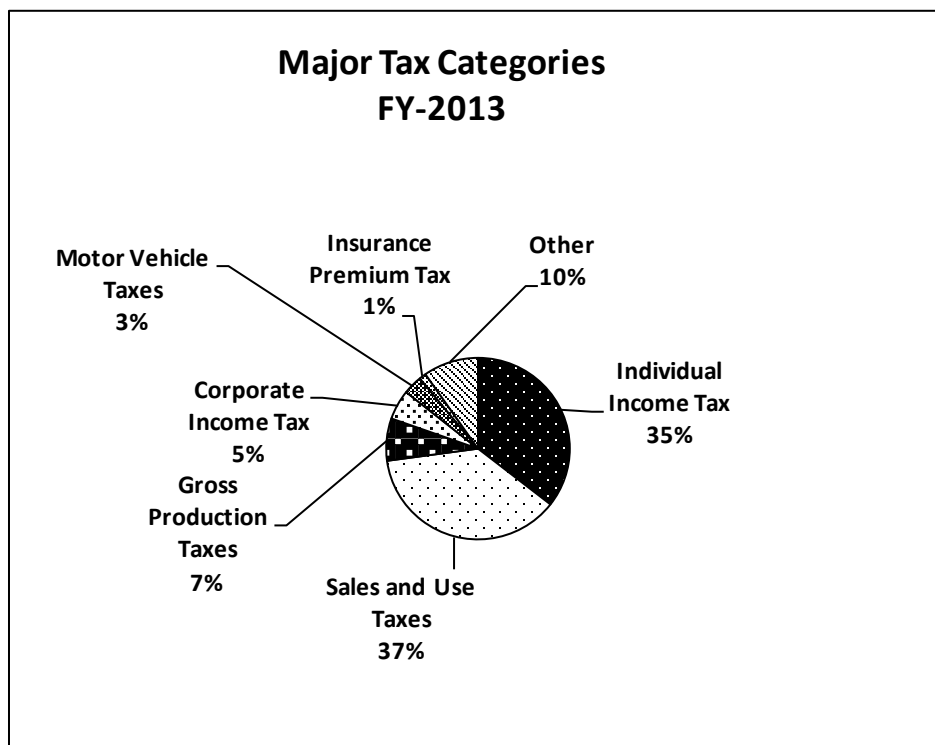
Oklahoma Revenues and Expenditures

Major Tax Sources

The single largest source of revenue collected by the state comes from taxes paid by Oklahoma citizens, businesses and others doing business in the state. Tax revenue accounted for approximately 50% of total state revenue collections in FY-2011. Most of the state’s appropriated revenue is from general taxes. For FY-2011, tax revenue comprised 91% of total appropriated revenue.

Taxes such as income tax are compulsory payments and cannot legally be avoided. This is in contrast to fees, like fishing licenses, which are discretionary and voluntary to the extent one decides to utilize a state service.

The six major tax categories for FY-2013 which provide approximately 90% of total state tax revenue are shown below:



Income Taxes

Oklahoma’s income tax laws date back to 1915 when an income tax was imposed on the net income of individuals residing in Oklahoma and upon the Oklahoma portion of nonresidents’ income. The income tax was extended to corporations and banks in 1931.

The importance of the income tax to state revenues increased when voters approved the 1933 constitutional amendment prohibiting state taxation of property. While there have been numerous changes to the income tax law since its inception, today it is the single most important source of state revenue and represents approximately 40% of all state tax revenue collected for the General Revenue Fund.

- Individual Income Tax:** The Oklahoma individual income tax calculation employed rates from 0.5 percent to 5.50 percent through calendar-year 2011. Effective January 1, 2012 the top rate will be reduced to 5.25 percent. Federal income taxes paid are not deductible from net income.

In 2006, the Legislature passed and the Governor approved the largest tax cut package in history. House Bill 1172 lowered the individual income tax rate and increased the standard deduction over several years. Based on the amount of growth revenue for the coming fiscal year as required by this legislation, the State Board of Equalization determined on February 22, 2011 that conditions had been met to lower the top income tax rate to 5.25% beginning on January 1, 2012. No further reductions will be enacted without further legislative changes.

The increase in the standard deduction has been a gradual increase. By tax year 2011, the standard deduction became equal the federal standard deduction. The table below shows the individual income tax rates and corresponding standard deduction increase since 2006.

Standard Deduction

	Tax Rate	Married Filing Jointly	Head of Household	Single
2007	5.65%	5,500	4,125	2,750
2008	5.50%	6,500	4,875	3,250
2009	5.50%	8,500	6,375	4,250
2010	5.50%	11,400	8,350	5,700
2011	5.50%	Match Federal Deduction		
2012*	5.25%	Match Federal Deduction		

*Based on the amount of growth revenue determined by the Board of Equalization.

In addition, the apportionment of individual income tax receipts was changed by the 2006 Legislature. The following table shows those changes. (There is no change for FY-2012 or FY-2013.)

Individual Income Tax Apportionments					
FY-2007 to FY-2011					
	<u>FY-2007</u>	<u>FY-2008</u>	<u>FY-2009</u>	<u>FY-2010</u>	<u>FY-2011</u>
General Revenue	86.16%	85.66%	85.66%	85.66%	85.66%
1017 Fund	8.34%	8.34%	8.34%	8.34%	8.34%
Teachers' Retirement Fund	4.50%	5.00%	5.00%	5.00%	5.00%
Ad Valorem Reimbursement Fund	1.00%	1.00%	1.00%	1.00%	1.00%

Corporate Income Tax: Like current individual income tax rates, corporate income tax rates were progressive when implemented in 1931 and remained that way until 1935 when a flat, six percent rate was established. The rate was decreased to four percent in 1947. The rate has since been increased to its original and current level of six percent.

The corporate income tax rate is applied to all taxable income. Manufacturers' exemptions and some targeted credits and incentive payments frequently are used as economic development tools which reduce a company's income tax liability. The largest of these targeted incentive programs is the "Quality Jobs" program.

While revenue from the corporate income tax is important to the overall revenue picture, it provides only about 4% to 5% of total tax revenue. That is because corporations subject to the corporate income tax have become, over time, a smaller part of the overall economy. This is due, in part, to the fact that many businesses now organize as subchapter S corporations or limited liability organizations.

Under those classifications, all income immediately goes to the partners or shareholders, and as a result, the companies pay no corporate income tax. The partners or shareholders, however, are taxed on that income, as well as income from other sources, under the individual income tax, rather than under the corporate income tax. Additionally, some businesses may be subject to some other form of taxation, such as the bank privilege tax or the insurance premium tax. Legislation in 2004 changed the apportionment of corporate income tax revenue. The table below shows the change in apportionment. (There is no change for FY-2012 or FY-2013.)

Corporate Income Tax Apportionments					
FY-2007 to FY-2011					
	FY-2007	FY-2008	FY-2009	FY-2010	FY-2011
General Revenue	78.00%	77.50%	77.50%	77.50%	77.50%
1017 Fund	16.50%	16.50%	16.50%	16.50%	16.50%
Teachers' Retirement Fund	4.50%	5.00%	5.00%	5.00%	5.00%
Ad Valorem Reimbursement Fund	1.00%	1.00%	1.00%	1.00%	1.00%

State Sales and Use Taxes

The State sales and use tax has varied considerably in both rate and purpose since its initial imposition in 1933 when a temporary one percent tax was dedicated to public schools. Two years later, the tax was renewed, but the revenue from the tax was apportioned to the General Revenue Fund. In 1939, the rate was increased to two percent with 97 percent of the revenue apportioned to the State Assistance Fund or welfare programs administered by what is now the Department of Human Services.

The revenue continued to be dedicated in this manner until the 1980s, when all collections were apportioned to the General Revenue Fund. Since then, the General Revenue Fund has been the primary source of state funds for the Department of Human Services.

When Oklahoma faced a state funding crisis brought on by the decline of the petroleum industry in the 1980s, the state sales tax was increased incrementally to four percent. In 1990, the "Education Reform Act", also known as House Bill 1017, was passed, increasing the sales and use taxes to the current 4.5 percent level.

The sales and use taxes are imposed on sales of tangible personal property and on the furnishing of some services, such as transportation, meals and lodging, as well as telecommunication services. Most services, however, are not subject to the sales and use taxes. Exemptions are also allowed when the product or service is subject to another tax, such as the motor fuels tax. Other specific exemptions are made for governmental and nonprofit entities, agriculture and to certain areas targeted to encourage economic development. The value of some of the large exemptions from the sales and use tax include an exemption on sales to manufacturers equal to \$1.6 billion in sales tax revenue and sales for resale which total \$1.5 billion in sales tax revenue. During the 2005 legislative session, the apportionment for sales and use tax revenue changed. Now, for each fiscal year the apportionment for use tax is the same as the apportionment for sales tax. The table below shows the change in apportionment. (There is no change for FY-2012 or FY-2013.)

Sales Tax and Use Tax Apportionment FY-2007 to FY-2011					
	FY-2007	FY-2008	FY-2009	FY-2010	FY-2011
General Revenue	85.04%	83.61%	83.61%	83.61%	83.61%
1017 Fund	10.46%	10.46%	10.46%	10.46%	10.46%
Teachers' Retirement Fund	4.50%	5.00%	5.00%	5.00%	5.00%
Remaining 0.93% to:					
36%-Ok Tourism Promotion Revolving Fund					

Motor Vehicle Taxes

Motor vehicle taxes and fees have a long history in Oklahoma. Oklahoma City was the birthplace of the parking meter in 1913 and it was here that “horseless carriages” were tagged before it was required by the State.

Oklahoma’s modern day motor vehicle taxes are comprised of a broad category of taxes and fees imposed on the purchase and use of motor vehicles, including an excise tax levied on the purchase of cars, trucks, buses, boats and motors, as well as annual registration fees.

Motor vehicle registration fees, commonly called tag fees, are paid annually in lieu of ad valorem or personal property taxes. Voter’s passage of State Question 691 in 2000 tied the cost of registration fees to the age of the vehicle:

- Years 1 – 4: \$91 annually
- Years 5 – 8: \$81 annually
- Years 9 – 12: \$61 annually
- Years 13 – 16: \$41 annually
- Years 17 and beyond: \$21 annually

The question also changed the calculation of the motor vehicle excise tax, which is paid in lieu of state and local sales taxes. Previously, the tax was assessed at 3.25 percent of the factory delivered price and depreciated at a rate of 35 percent annually. The state question’s approval left the rate the same, but assessed it against the actual sales price of the vehicle, which is usually lower than the factory delivered price of a new vehicle.

Motor vehicle taxes are collected by independent businesses operating as motor license agents or tag agents. The only exception to this is the taxes and fees imposed on trucks and trailers used in interstate commerce, which are collected by the Oklahoma Tax Commission. The chart below shows how motor vehicle taxes and fees are apportioned.

Motor Vehicle Tax Apportionment	
General Revenue Fund	29.84%
State Transportation Fund	0.31%
Counties	29.28%
Cities and Towns	3.10%
School Districts	36.20%
Law Enforcement Retirement	1.24%
Wildlife Conservation	.03%

Motor Fuel Taxes

In 1910, local roadways were maintained by requiring able bodied males to provide four days of labor per year – less if they brought their own horse. By 1916, a two mill tax was levied in townships to supplement the work requirement but both were completely abolished by 1933.

The first gasoline tax become effective in 1923 and was used for the construction and maintenance of roads and bridges. Prior to that time, local governments were responsible for roads and bridges which were supported through ad valorem taxes at the local level.

Motor fuel taxes in Oklahoma are a form of selective sales tax and include the gasoline tax and diesel excise tax, the motor fuel importer use tax and the special fuel use tax. The taxes are levied on the quantity or volume of fuel sold, rather than the price. The state gasoline tax is 16 cents per gallon, plus a 1 cent per gallon special assessment. The state tax on diesel fuel is 13 cents per gallon, plus a 1 cent per gallon assessment.

There are some major exemptions to the payment of motor fuel taxes. All government entities are exempt and the tax paid on diesel fuel used off-road and for agricultural purposes may be refunded upon application to the Oklahoma Tax Commission.

Fuel used by all recognized Indian tribes for tribal governmental purposes may be exempt. Tribes may request a refund for taxes paid on motor fuel used for tribal purposes, or in the alternative, they may enter into a compact with the State to receive a portion of the motor fuels tax collections. If they compact with the State, the tribes must agree not to challenge the constitutionality of the motor fuel tax code. The law permitting the sharing of motor fuels revenue went into effect in 1996.

Motor fuels tax revenue supports road and bridge building, plus maintenance, for both state and local governments. A 1 cent per gallon special assessment provides for environmental cleanup of leaking petroleum storage tanks. Almost one-third of the total motor fuel revenue is apportioned for local uses with the remainder used for state purposes. According to state statute, motor fuel taxes, like sales taxes, are assessed on the consumer when they purchase fuel. This tax incidence was defined by statute during the 1996 legislative session as the result of a court ruling that required whoever actually paid the tax be specified in the statutes. Yet while the statutes identify the consumer as paying the tax, it is technically collected and remitted at the terminal rack or refinery level. The following chart shows the apportionment of gasoline and diesel taxes, after mandated apportionments to the Public Transit Revolving Fund, the Oklahoma Tourism and Passenger Rail Revolving Fund and the first \$333,333 each month to the State Transportation Fund:

Motor Fuels Tax Apportionment		
	<u>Gasoline</u> <u>Tax</u>	<u>Diesel</u> <u>Tax</u>
High Priority State Bridge Fund	1.63%	1.39%
State Transportation Fund	63.75%	64.34%
Counties for Highways	30.13%	30.43%
Cities and Towns	1.88%	-
County Bridges and Roads	2.63%	3.85%

Gross Production Taxes

Gross production or severance taxes are imposed on the removal of natural products, such as natural gas and oil, from land or water and are determined by the value and quantity of the products removed. Gross production taxes placed on the extraction of oil and gas were separated from the ad valorem property tax in 1910. For the first 20 years of statehood, oil and gas gross production and the ad valorem property tax were the major sources of state revenue.

While the ad valorem property tax became strictly a local tax in the 1930s, the oil and gas gross production tax have continued to be an important source of revenue for state government, schools and road building and maintenance.

Oil and natural gas have a three-tiered tax rate structure that specifies a certain tax rate based on the current price of oil or natural gas. For natural gas, if the price per thousand cubic feet (MCF) is equal to or greater than \$2.10, the tax rate is 7%. If the price is less than \$2.10 and equal to or greater than \$1.75 per MCF, then the rate is 4% and any price lower than \$1.75 results in a tax rate of 1%. For oil, the price must be greater than \$17 per barrel for the tax rate to be 7%. If the price is between \$17 and \$14 per barrel, the tax rate is 4%, and a price below \$14 per barrel yields a 1% tax rate. The charts below show the apportionment for the revenue from gross production tax on oil and natural gas.

During the 2006 Legislative Session, The Rural Economic Access Plan (REAP Fund) apportionment from the Gross Production tax on oil was divided between three new funds. Each of the three funds receives 33.33% of the 4.28% apportioned to the REAP Fund. The table below shows the apportionments to all funds from the Gross Production tax on oil. A cap of \$150 million applies to six of the funds receiving Gross Production oil revenue (identified by an asterisk in the apportionment chart that follows). Oil revenue collected above the \$150 million cap that would have been apportioned to those funds is deposited into the General Revenue Fund. Tables below show the apportionment of gross production taxes.

Gross Production Tax – Oil Apportionment	
*Common Education Technology Fund	25.72%
*OK Student Aid Revolving Fund	25.72%
*Higher Education Capital Fund	25.72%
County Highways	7.14%
School Districts	7.14%
County Roads and Bridges	3.745%
Statewide Circuit Engineering Dist. Fund	0.535%
REAP Fund	4.28%
*Tourism Capital Expenditure Fund	33.33%
*Conservation Commission Fund	33.33%
*Community Water Revolving Fund	33.33%
* Indicates capped funds	

Gross Production Tax – Natural Gas Apportionment	
General Revenue Fund	85.72%
County Highways	7.14%
School Districts	7.14%

Constitutional Reserve "Rainy Day" Fund (CRF) History					
Description	FY-93	FY-94	FY-95	FY-96	FY-97
Beginning RDF Balance	135,008,898	91,140,995	45,574,052	45,574,052	114,300,821
Adjustments to the Balance	0	3,555	0	12,909	388,745
Appropriations	(43,867,903)	(45,570,498)	0	(22,688,345)	(52,825,496)
-Budget Stabilization					
1)Current Fiscal Year	-	-	-	-	-
2)Next Fiscal Year	-	-	-	-	-
-Emergency	67,504,449	45,570,498	22,787,026	22,787,026	57,150,411
End of FY Deposit	0	0	0	91,402,205	247,042,463
Ending Balance	91,140,995	45,574,052	45,574,052	114,300,821	308,906,533
Description	FY-98	FY-99	FY-00	FY-01	FY-02
Beginning RDF Balance	308,906,533	297,360,609	149,858,523	157,542,574	340,685,730
Adjustments to the Balance	0	1,119,324	28,700	9,826	299,087
Appropriations	(154,444,000)	(148,621,410)	(74,929,261)	(78,771,287)	(268,585,822)
-Budget Stabilization					
1)Current Fiscal Year	-	-	-	-	98,242,957
2)Next Fiscal Year	-	-	-	-	-
-Emergency	154,453,266	148,680,304	74,929,262	78,771,287	170,342,865
End of FY Deposit	142,898,076	0	82,584,612	261,904,617	0
Ending Balance	297,360,609	149,858,523	157,542,574	340,685,730	72,398,995
Description	FY-03	FY-04	FY-05	FY-06	FY-07
Beginning RDF Balance	72,398,995	136,333	217,501,299	461,316,574	495,690,168
Adjustments to the Balance	0	0	0	268,565	0
Appropriations	(72,262,663)	0	0	0	0
-Budget Stabilization					
1)Current Fiscal Year	36,199,498	68,167	-	-	-
2)Next Fiscal Year	-	-	-	-	-
-Emergency	36,199,498	68,167	54,375,325	115,329,143	123,922,542
End of FY Deposit	0	217,364,966	243,815,275	34,105,029	75,908,459
Ending Balance	136,333	217,501,299	461,316,574	495,690,168	571,598,627
Description	FY-08	FY-09	FY-10	FY-11	FY-12
Beginning RDF Balance	571,598,627	596,573,270	596,573,270	249,143,318	249,203,157
Adjustments to the Balance	0	0	0	0	0
Appropriations	0	0	(347,429,952)	(249,143,316)	0
-Budget Stabilization					
1)Current Fiscal Year	-	-	223,714,976	149,143,316	0
2)Next Fiscal Year	-	-	123,714,976	100,000,000	0
-Emergency	142,899,657	149,143,317	149,143,317	62,285,829	62,300,789
End of FY Deposit	24,974,643	0	0	249,203,155	NA
Ending Balance	596,573,270	596,573,270	249,143,318	249,203,157	NA

Agency/Cabinet Name	FY-2010 Appropriation After Shortfall	Percent Change	Percent of Total	FY-2011 Appropriation	Percent Change	Percent of Total	FY-2012 Appropriation	Percent Change	Percent of Total
SUMMARY BY CABINET									
Governor	\$2,289,974	-13.97%	0.04%	\$2,129,671	-7.00%	0.03%	\$1,980,594	-7.00%	0.03%
Lieutenant Governor	567,421	-13.97%	0.01%	527,699	-7.00%	0.01%	506,591	-4.00%	0.01%
Agriculture	39,495,727	-11.91%	0.65%	36,152,328	-8.47%	0.57%	35,171,931	-2.71%	0.55%
Commerce & Tourism	102,105,379	7.63%	1.68%	79,220,298	-22.41%	1.25%	79,310,200	0.11%	1.23%
Education	3,346,034,316	-11.03%	55.12%	3,344,808,681	-0.04%	52.82%	3,378,750,778	1.01%	52.52%
Energy	11,607,203	-13.57%	0.19%	10,944,695	-5.71%	0.17%	12,103,566	10.59%	0.19%
Environment	16,635,861	0.64%	0.27%	13,825,424	-16.89%	0.22%	13,057,644	-5.55%	0.20%
Finance & Revenue	84,367,917	-8.79%	1.39%	86,322,407	2.32%	1.36%	83,888,022	-2.82%	1.30%
Health	801,765,112	-28.84%	13.21%	945,058,437	17.87%	14.92%	1,154,810,182	22.19%	17.95%
Human Resources & Admin	24,238,727	-12.17%	0.40%	23,121,506	-4.61%	0.37%	24,047,311	4.00%	0.37%
Human Services	594,670,192	-21.54%	9.80%	652,525,652	9.73%	10.30%	689,305,061	5.64%	10.71%
Military	11,332,689	-13.70%	0.19%	10,787,365	-4.81%	0.17%	10,247,997	-5.00%	0.16%
Safety & Security	659,861,621	-8.09%	10.87%	649,920,068	-1.51%	10.26%	639,191,659	-1.65%	9.94%
Science & Technology Dev.	20,374,572	-9.27%	0.34%	19,152,096	-6.00%	0.30%	17,811,449	-7.00%	0.28%
Secretary of State	7,056,698	-13.29%	0.12%	9,128,114	29.35%	0.14%	8,403,937	-7.93%	0.13%
Transportation	193,541,937	-7.05%	3.19%	115,195,299	-40.48%	1.82%	107,131,628	-7.00%	1.67%
Veterans	37,261,401	-7.50%	0.61%	35,957,256	-3.50%	0.57%	34,698,752	-3.50%	0.54%
Total Executive Branch	5,953,206,747	-14.33%	98.07%	6,034,776,996	1.37%	95.30%	6,290,417,302	4.24%	97.78%
The Legislature	34,413,321	-12.69%	0.57%	32,004,383	-7.00%	0.51%	30,639,306	-4.27%	0.48%
The Judiciary	76,786,626	-10.76%	1.26%	80,828,193	5.26%	1.28%	84,431,797	4.46%	1.31%
Total Legis. & Judic.	111,199,947	-11.37%	1.83%	112,832,576	1.47%	1.78%	115,071,103	1.98%	1.79%
Total Excl. Sups./Ret.	6,064,406,694	-14.27%	99.91%	6,147,609,572	1.37%	97.08%	6,405,488,405	4.19%	99.57%
Supplementals & Emerg. Fd. (I)	5,750,000	-95.15%	0.09%	185,022,235	3117.78%	2.92%	27,600,000	-85.08%	0.43%
Total	\$6,070,156,694	-15.61%	100.00%	\$6,332,631,807	4.3%	100.00%	\$6,433,088,405	1.6%	100.00%
GOV. AND LT. GOV.									
Governor	2,289,974	-13.97%	0.04%	\$2,129,671	-7.00%	0.03%	\$1,980,594	-7.00%	0.03%
Lieutenant Governor	567,421	-13.97%	0.01%	527,699	-7.00%	0.01%	506,591	-4.00%	0.01%
AGRICULTURE									
Agriculture	30,641,202	-11.29%	0.50%	26,306,894	-14.15%	0.42%	25,610,247	-2.65%	0.40%
Conservation Commission	8,854,526	-13.97%	0.15%	9,845,434	11.19%	0.16%	9,561,684	-2.88%	0.15%
TOTAL AGRICULTURE	39,495,727	-11.91%	0.65%	36,152,328	-8.47%	0.57%	35,171,931	-2.71%	0.55%
COMMERCE AND TOURISM									
Commerce, Dept. of (b)	46,785,006	51.24%	0.77%	26,905,919	-42.49%	0.42%	29,073,212	8.06%	0.45%
REAP - local gov'ts thru commerce	13,333,875	-13.98%	0.22%	12,400,504	-7.00%	0.20%	11,532,469	-7.00%	0.18%
J. M. Davis Memorial Commission	331,546	-13.97%	0.01%	306,677	-7.50%	0.00%	306,009	-0.22%	0.00%
Historical Society	13,184,058	-11.92%	0.22%	12,913,636	-2.05%	0.20%	12,502,546	-3.18%	0.19%
Labor Department	3,404,418	-9.46%	0.06%	3,166,110	-7.00%	0.05%	3,081,160	-2.68%	0.05%
Scenic Rivers Commission	297,058	-13.98%	0.00%	279,239	-6.00%	0.00%	271,315	-2.84%	0.00%
Tourism & Recreation (j)	23,966,199	-14.53%	0.39%	22,503,229	-6.10%	0.36%	21,803,003	-3.11%	0.34%
Will Rogers Memorial Comm.	803,218	-13.97%	0.01%	744,984	-7.25%	0.01%	740,486	-0.60%	0.01%
TOTAL COMMERCE & TOURISM	102,105,379	7.63%	1.68%	79,220,298	-22.41%	1.25%	79,310,200	0.11%	1.23%

Agency/Cabinet Name	FY-2010 Appropriation	Percent Change	Percent of Total	FY-2011 Appropriation	Percent Change	Percent of Total	FY-2012 Appropriation	Percent Change	Percent of Total
EDUCATION									
Arts Council	4,763,987	-7.51%	0.08%	4,406,689	-7.50%	0.07%	4,010,087	-9.00%	0.06%
Career. & Techn Education (e)	146,217,612	-7.61%	2.41%	141,977,302	-2.90%	2.24%	133,742,618	-5.80%	2.08%
Education, Dept. of (c)	2,231,731,157	-11.85%	36.77%	2,236,034,551	0.19%	35.31%	2,278,158,382	1.88%	35.41%
Educational TV Authority	4,468,472	-46.77%	0.07%	4,200,360	-6.00%	0.07%	3,822,328	-9.00%	0.06%
Higher Educ., Regents for (d)	943,352,816	-9.28%	15.54%	943,666,030	0.03%	14.90%	945,260,277	0.17%	14.69%
Department of Libraries	6,747,468	-7.50%	0.11%	6,342,616	-6.00%	0.10%	5,898,633	-7.00%	0.09%
School of Science & Math	6,980,701	-12.59%	0.12%	6,540,080	-6.31%	0.10%	6,332,274	-3.18%	0.10%
Teacher Preparation Comm.	1,772,104	-13.97%	0.03%	1,641,053	-7.40%	0.03%	1,526,179	-7.00%	0.02%
TOTAL EDUCATION	3,346,034,316	-11.03%	55.12%	3,344,808,681	-0.04%	52.82%	3,378,750,778	1.01%	52.52%
ENERGY									
Corporation Commission (f)	10,735,265	-13.53%	0.18%	10,133,793	-5.60%	0.16%	11,324,427	11.75%	0.18%
Mines, Department of	871,938	-13.97%	0.01%	810,902	-7.00%	0.01%	779,139	-3.92%	0.01%
TOTAL ENERGY	11,607,203	-13.57%	0.19%	10,944,695	-5.71%	0.17%	12,103,566	10.59%	0.19%
ENVIRONMENT									
Environmental Quality, Dept. of	8,599,847	-11.60%	0.14%	8,126,853	-5.50%	0.13%	7,557,973	-7.00%	0.12%
Water Resources Board	8,036,014	74.64%	0.13%	5,698,571	-29.09%	0.09%	5,499,671	-3.49%	0.09%
TOTAL ENVIRONMENT	16,635,861	0.64%	0.27%	13,825,424	-16.89%	0.22%	13,057,644	-5.55%	0.20%
FINANCE & REVENUE									
Auditor & Inspector (g)	5,432,706	-13.98%	0.09%	5,152,673	-5.15%	0.08%	4,706,986	-8.65%	0.07%
Bond Advisor, State	160,373	-13.97%	0.00%	155,556	-3.00%	0.00%	143,112	-8.00%	0.00%
Consumer Credit Commission	575,546	-13.97%	0.01%	535,255	-7.00%	0.01%	331,730	-38.02%	0.01%
Finance, Office of State	22,175,325	-3.93%	0.37%	20,623,054	-7.00%	0.33%	19,179,440	-7.00%	0.30%
Insurance Department (a)	2,164,345	-13.97%	0.04%	2,012,836	-7.00%	0.03%	1,871,937	-7.00%	0.03%
Land Office Commission	5,004,880	2.88%	0.08%	7,109,000	42.04%	0.11%	7,109,000	0.00%	0.11%
Tax Commission	42,830,937	-14.68%	0.71%	46,830,944	9.34%	0.74%	46,915,944	0.18%	0.73%
Treasurer	6,023,806	29.02%	0.10%	3,903,089	-35.21%	0.06%	3,629,873	-7.00%	0.06%
TOTAL FINANCE & REVENUE	84,367,917	-8.79%	1.39%	86,322,407	2.32%	1.36%	83,888,022	-2.82%	1.30%
HEALTH									
Health Department	67,553,002	-9.96%	1.11%	61,547,757	-8.89%	0.97%	59,477,971	-3.36%	0.92%
Health Care Authority	549,272,707	-34.78%	9.05%	699,875,770	27.42%	11.05%	912,219,389	30.34%	14.18%
Mental Health Department	184,939,403	-11.76%	3.05%	183,634,910	-0.71%	2.90%	183,112,822	-0.28%	2.85%
TOTAL HEALTH	801,765,112	-28.84%	13.21%	945,058,437	17.87%	14.92%	1,154,810,182	22.19%	17.95%
HUMAN RESOURCES & ADMIN.									
Central Services, Dept. of	16,552,199	-11.55%	0.27%	15,973,031	-3.50%	0.25%	17,313,301	8.39%	0.27%
Horse Racing Commission	2,296,501	-13.97%	0.04%	2,135,741	-7.00%	0.03%	2,072,167	-2.98%	0.03%
Human Rights Commission	614,252	-13.51%	0.01%	571,258	-7.00%	0.01%	531,270	-7.00%	0.01%
Merit Protection Commission	567,654	-7.50%	0.01%	527,921	-7.00%	0.01%	490,967	-7.00%	0.01%
Personnel Management	4,208,121	-13.98%	0.07%	3,913,555	-7.00%	0.06%	3,639,606	-7.00%	0.06%
TOTAL HUMAN RES & ADMIN	24,238,727	-12.17%	0.40%	23,121,506	-4.61%	0.37%	24,047,311	4.00%	0.37%

Agency/Cabinet Name	FY-2010 Appropriation	Percent Change	Percent of Total	FY-2011 Appropriation	Percent Change	Percent of Total	FY-2012 Appropriation	Percent Change	Percent of Total
HUMAN SERVICES									
Children & Youth Commission	2,294,215	-12.05%	0.04%	2,156,561	-6.00%	0.03%	2,027,167	-6.00%	0.03%
Disability Concerns	363,314	-11.98%	0.01%	341,513	-6.00%	0.01%	317,607	-7.00%	0.00%
Human Services Dept. (h)	420,904,729	-24.72%	6.93%	500,110,884	18.82%	7.90%	514,518,301	2.88%	8.00%
Indian Affairs	222,344	-13.98%	0.00%	206,781	-7.00%	0.00%	192,306	-7.00%	0.00%
J.D. McCarty Center	3,782,680	-15.05%	0.06%	3,664,060	-3.14%	0.06%	3,359,210	-8.32%	0.05%
Office of Juvenile Affairs	103,463,169	-7.83%	1.70%	97,663,872	-5.61%	1.54%	95,915,593	-1.79%	1.49%
Phys. Manpower Trng. Comm.	4,781,592	-13.43%	0.08%	3,740,287	-21.78%	0.06%	4,379,254	17.08%	0.07%
Rehabilitation Svcs., Dept.of	28,169,735	-6.27%	0.46%	30,453,770	8.11%	0.48%	30,149,232	-1.00%	0.47%
University Hospitals Authority	30,688,414	-29.04%	0.51%	14,187,924	-53.77%	0.22%	38,446,391	170.98%	0.60%
TOTAL HUMAN SERVICES	594,670,192	-21.54%	9.80%	652,525,652	9.73%	10.30%	689,305,061	5.64%	10.71%
MILITARY AFFAIRS									
Military Department	11,332,689	-13.70%	0.19%	10,787,365	-4.81%	0.17%	10,247,997	-5.00%	0.16%
TOTAL MILITARY AFFAIRS	11,332,689	-13.70%	0.19%	10,787,365	-4.81%	0.17%	10,247,997	-5.00%	0.16%
SAFETY AND SECURITY									
A.B.L.E. Commission	3,630,866	-7.50%	0.06%	3,376,703	-7.00%	0.05%	3,140,334	-7.00%	0.05%
Attorney General	12,693,072	-14.13%	0.21%	12,704,552	0.09%	0.20%	13,228,141	4.12%	0.21%
Corrections Department	469,025,000	-6.75%	7.73%	462,141,777	-1.47%	7.30%	459,831,068	-0.50%	7.15%
District Attorneys Council	36,836,083	-13.98%	0.61%	34,257,560	-7.00%	0.54%	32,887,258	-4.00%	0.51%
Emergency Management	729,203	-36.95%	0.01%	692,744	-5.00%	0.01%	651,179	-6.00%	0.01%
Fire Marshal	2,077,421	-8.52%	0.03%	1,932,004	-7.00%	0.03%	1,796,764	-7.00%	0.03%
Indigent Defense System (i)	14,554,959	-13.02%	0.24%	15,153,971	4.12%	0.24%	14,699,353	-3.00%	0.23%
Investigation, Bureau of	15,824,005	-8.62%	0.26%	14,716,322	-7.00%	0.23%	13,848,059	-5.90%	0.22%
Law Enf. Educ. & Training	4,341,699	-5.91%	0.07%	3,917,618	-9.77%	0.06%	3,682,560	-6.00%	0.06%
Medicolegal Investigatons Board	4,347,448	-9.91%	0.07%	4,794,164	10.28%	0.08%	4,698,281	-2.00%	0.07%
Narc. & Dang. Drugs Control	5,928,495	-12.48%	0.10%	5,466,418	-7.79%	0.09%	3,616,418	-33.84%	0.06%
Pardon & Parole Board	2,334,164	-9.44%	0.04%	2,334,162	0.00%	0.04%	2,217,454	-5.00%	0.03%
Public Safety Department	87,539,208	-9.91%	1.44%	88,432,073	1.02%	1.40%	84,894,790	-4.00%	1.32%
TOTAL SAFETY & SECURITY	659,861,621	-8.09%	10.87%	649,920,068	-1.51%	10.26%	639,191,659	-1.65%	9.94%
SCIENCE & TECH.DEVELOP.									
Center for Adv. /Sc. & Tech.	20,374,572	-9.27%	0.34%	19,152,096	-6.00%	0.30%	17,811,449	-7.00%	0.28%
TOTAL SCIENCE & TECH.DEV.	20,374,572	-9.27%	0.34%	19,152,096	-6.00%	0.30%	17,811,449	-7.00%	0.28%
SECRETARY OF STATE									
Secretary of State	327,339	-13.98%	0.01%	304,426	-7.00%	0.00%	0	-100.00%	0.00%
Election Board	5,906,804	-13.21%	0.10%	8,047,225	36.24%	0.13%	7,805,808	-3.00%	0.12%
Ethics Commission, Okla.	574,614	-13.97%	0.01%	545,882	-5.00%	0.01%	523,129	-4.17%	0.01%
Council on Jud Complaints	247,941	-12.61%	0.00%	230,581	-7.00%	0.00%	75,000	-67.47%	0.00%
TOTAL SECRETARY OF STATE	7,056,698	-13.29%	0.12%	9,128,114	29.35%	0.14%	8,403,937	-7.93%	0.13%
TRANSPORTATION									
Space Industry Development	456,221	-13.98%	0.01%	424,289	-7.00%	0.01%	394,589	-7.00%	0.01%
Transportation Department (k)	193,085,716	-7.03%	3.18%	114,771,010	-40.56%	1.81%	106,737,039	-7.00%	1.66%
TOTAL TRANSPORTATION	193,541,937	-7.05%	3.19%	115,195,299	-40.48%	1.82%	107,131,628	-7.00%	1.67%
VETERANS									
Veterans Affairs Department	37,261,401	-7.50%	0.61%	35,957,256	-3.50%	0.57%	34,698,752	-3.50%	0.54%
TOTAL EXECUTIVE BRANCH	5,953,206,747	-14.33%	98.07%	6,034,776,996	1.37%	95.30%	6,290,417,302	4.24%	97.78%

Agency/Cabinet Name	FY-2010 Appropriation	Percent Change	Percent of Total	FY-2011 Appropriation	Percent Change	Percent of Total	FY-2012 Appropriation	Percent Change	Percent of Total
LEGISLATURE									
House of Representatives	16,496,531	-13.97%	0.27%	15,341,770	-7.00%	0.24%	14,574,682	-5.00%	0.23%
Legislative Service Bureau	5,271,869	-4.79%	0.09%	4,902,835	-7.00%	0.08%	4,892,835	-0.20%	0.08%
Senate	12,644,920	-13.98%	0.21%	11,759,778	-7.00%	0.19%	11,171,789	-5.00%	0.17%
TOTAL LEGISLATURE	34,413,321	-12.69%	0.57%	32,004,383	-7.00%	0.51%	30,639,306	-4.27%	0.48%
JUDICIARY									
Court of Criminal Appeals	3,056,707	-12.03%	0.05%	3,455,575	13.05%	0.05%	3,334,631	-3.50%	0.05%
District Courts	52,502,812	-9.58%	0.86%	57,641,865	9.79%	0.91%	59,600,000	3.40%	0.93%
Supreme Court	16,550,345	-14.01%	0.27%	15,381,358	-7.06%	0.24%	17,300,000	12.47%	0.27%
Workers' Compensation Court	4,676,763	-11.08%	0.08%	4,349,395	-7.00%	0.07%	4,197,166	-3.50%	0.07%
TOTAL JUDICIARY	76,786,626	-10.76%	1.26%	80,828,193	5.26%	1.28%	84,431,797	4.46%	1.31%
TOTAL EXCL. SUPPS./ & RETIREMENT SYSTEMS	6,064,406,694	-14.27%	99.91%	6,147,609,572	1.37%	97.08%	6,405,488,405	4.19%	99.57%

SUMMARY OF OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION ALLOCATIONS (2011-2012)

<u>Regents' Allocation</u>	ORIGINAL ALLOCATION	% OF ORIGINAL ALLOCATION
University of Oklahoma	\$133,775,555	13.27%
OU Law Center	5,855,113	0.58%
OU Health Sciences Center	91,137,796	9.04%
OU Tulsa	8,090,784	0.80%
Oklahoma State University	120,000,386	11.90%
OSU Agriculture Experiment Station	26,137,061	2.59%
OSU Agriculture Extension Division	28,567,750	2.83%
OSU Institute of Technology, Okmulgee	14,182,402	1.41%
OSU College of Veterinary Medicine	10,673,695	1.06%
OSU, Oklahoma City	10,920,700	1.08%
OSU Center for Health Sciences	13,857,912	1.37%
OSU Tulsa	11,148,707	1.11%
University of Central Oklahoma	52,120,399	5.17%
East Central University	17,262,598	1.71%
Northeastern State University	36,329,841	3.60%
Statewide Literacy Program - NSU	67,760	0.01%
Northwestern Oklahoma State University	9,991,455	0.99%
Southeastern Oklahoma State University	18,477,200	1.83%
Southwestern Oklahoma State University	22,353,592	2.22%
Cameron University	21,345,581	2.12%
Langston University - Campus	18,362,070	1.82%
Langston - Endowment	1,646,236	0.16%
Oklahoma Panhandle State University	7,109,670	0.71%
University of Science & Arts of Oklahoma	7,295,609	0.72%
University of Science & Arts - Jane Brooks	25,019	0.00%
Rogers State University	13,689,140	1.36%
Carl Albert State College	6,292,447	0.62%
Connors State College	6,680,531	0.66%
Eastern Oklahoma State College	6,392,098	0.63%
Murray State College	5,642,667	0.56%
Northeastern Oklahoma A&M College	8,772,815	0.87%
Northern Oklahoma College	9,828,323	0.97%
Oklahoma City Community College	24,399,274	2.42%
Redlands Community College	6,276,609	0.62%
Rose State College	20,460,760	2.03%
Seminole State College	5,870,410	0.58%
Tulsa Community College	35,569,791	3.53%
Western Oklahoma State College	5,626,900	0.56%
Ardmore Higher Education Program	640,619	0.06%

SUMMARY OF OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION ALLOCATIONS (2011-2012)

<u>Regents' Allocation cont.</u>	ORIGINAL ALLOCATION	% OF ORIGINAL ALLOCATION
Ponca City Learning Site	647,718	0.06%
OSF CORE Assessment Fees	138,394	0.01%
Section 13 Offsets	9,287,302	0.92%
Entry-Yr Tchr Prog Funds	900,000	0.09%
State Regents' Budget/Regents' IT/OTCP	10,532,441	1.04%
OneNet Higher Ed User Fees	3,089,398	0.31%
Internet II / National Lamda Rail	1,415,033	0.14%
Scholar-Leadership Enrichment Program	283,036	0.03%
Grants Economic Development	409,034	0.04%
Oklahoma's Promise (OHLAP)	63,200,000	6.27%
Regional University Scholarships	975,746	0.10%
Prospective Teacher Scholarships	92,531	0.01%
Chiropractic Scholarships	37,012	0.00%
National Guard Waiver Program	1,892,829	0.19%
Tulsa Reconciliation Scholarships	46,266	0.00%
Concurrent Enrollment Waiver Program	2,455,710	0.24%
Teacher Shortage Incentive Program	372,616	0.04%
Brain Gain	2,057,602	0.20%
Student Preparation Program	1,086,973	0.11%
Summer Academies Program	555,187	0.06%
Oklahoma Tuition Aid Grants	18,527,102	1.84%
Academic Scholars Program	8,049,149	0.80%
Endowed Chairs Program	11,473,370	1.14%
Academic Library Databases	379,378	0.04%
OCIA Debt Service	18,464,719	1.83%
EPSCoR	2,543,068	0.25%
Quartz Mountain	1,109,482	0.11%
George & Donna Nigh Scholarship	64,772	0.01%
Oklahoma Tuition Equalization Program	3,371,184	0.33%
Capital and One-Time Allocations/Master Lease Program	1,002,023	0.10%
Office of Accountability	661,271	0.07%
Adult Degree Completion Program	<u>462,656</u>	<u>0.05%</u>
TOTAL ALLOCATIONS OF APPROPRIATIONS *	\$1,008,460,277	100.00%

* Includes \$47,372,299 from the Higher Education Capital Revolving Fund, \$47,372,299 from the Student Aid Revolving Fund, \$25,342,137 from the Lottery Trust Fund, \$63,200,000 designated General Revenue for OK Promise, and \$65,000,000 from the Special Cash Fund.

FY-2012 Nonappropriated Agency Budgets and FTE

<u>Agency Number and Name</u>	<u>FY-2012 Budget</u>	<u>FY-2012 YTD FTE</u>
20 Accountancy Board	\$2,439,542.00	10.0
22 Abstractors Board	\$307,959.48	3.0
39 Boll Weevil Eradication Organization	\$1,009,039.14	10.6
45 Architects Board	\$1,028,993.00	3.0
60 Aeronautics Commission	\$5,714,912.00	10.0
65 Banking Department	\$6,858,951.32	42.1
92 Tobacco Board of Directors	\$34,809,123.00	10.5
117 Commerical Pet Breeders Board	\$594,069.00	3.0
140 Podiatry Board	\$15,200.00	3.0
145 Chiropractic Board	\$243,013.68	2.4
170 Construction Industry Board	\$3,609,874.00	31.3
190 Cosmetology Board	\$1,071,808.00	9.0
215 Dental Board	\$585,852.33	4.0
285 Funeral Board	\$411,345.00	2.3
290 Employment Security Commission	\$99,946,826.00	678.3
307 Interstate Oil Compact Commission	\$1,098,866.00	3.0
315 Firefighters Pension and Retirement Board	\$12,538,762.00	10.3
320 Department of Wildlife Conservation	\$50,766,495.00	346.1
343 Perfusionists Board	\$6,720.00	0.0
370 Industrial Finance Authority	\$8,240,399.00	7.0
416 Law Enforcement Retirement System	\$4,962,329.00	5.0
435 Lottery Commission	\$197,845,491.00	32.2
445 Liquefied Petroleum Gas Board	\$736,593.00	8.9
446 Common Marginally Producing Oil & Gas Wells	\$640,734.00	4.0
448 Alcohol & Drug Counselors	\$162,241.69	1.7
450 Medical Licensure Board	\$3,576,122.81	21.3
475 Motor Vehicle Commission	\$426,033.00	3.1
509 Nursing Home Administrators Board	\$387,569.00	3.0
510 Nursing Board	\$3,514,516.00	27.8
515 Public Employees Retirement System	\$8,192,019.00	55.7
516 State & Ed. Employees Group Insur. Board	\$43,141,315.00	157.8
520 Optometry Board	\$298,865.00	2.1
525 Osteopathic Examiners	\$595,097.00	5.4
535 Peanut Commission	\$156,882.00	1.0
557 Police Pension & Retirement Board	\$3,145,855.00	11.1
560 Pharmacy Board	\$4,106,444.00	9.0
570 Engineers and Land Surveyors	\$2,075,000.00	9.5
575 Psychologists Board	\$251,367.07	2.0
588 Real Estate Commission	\$2,147,204.00	15.7
615 Foresters Board	\$2,660.00	0.0
622 Social Workers Board	\$209,633.00	1.3
630 Securities Commission	\$6,931,886.00	26.1
632 Speech Pathology	\$179,315.00	2.0
715 Teachers' Retirement System	\$305,635,701.00	32.1
755 Used Motor Vehicle	\$869,016.00	10.9
772 Board of Tests for Alcohol/Drug Infulence	\$544,200.00	4.0
790 Veterinary Board	\$450,400.00	3.8
815 Employees Benefits Council	\$5,454,044.00	29.4
875 Wheat Commission	\$2,422,500.00	4.2
Total:	\$830,358,782.52	1679.1

Appendix

Budget and Fiscal/Research Staff
State Organization Chart
State Agencies Indexed by Cabinet
Historical FTE by Cabinet and Agency
Glossary

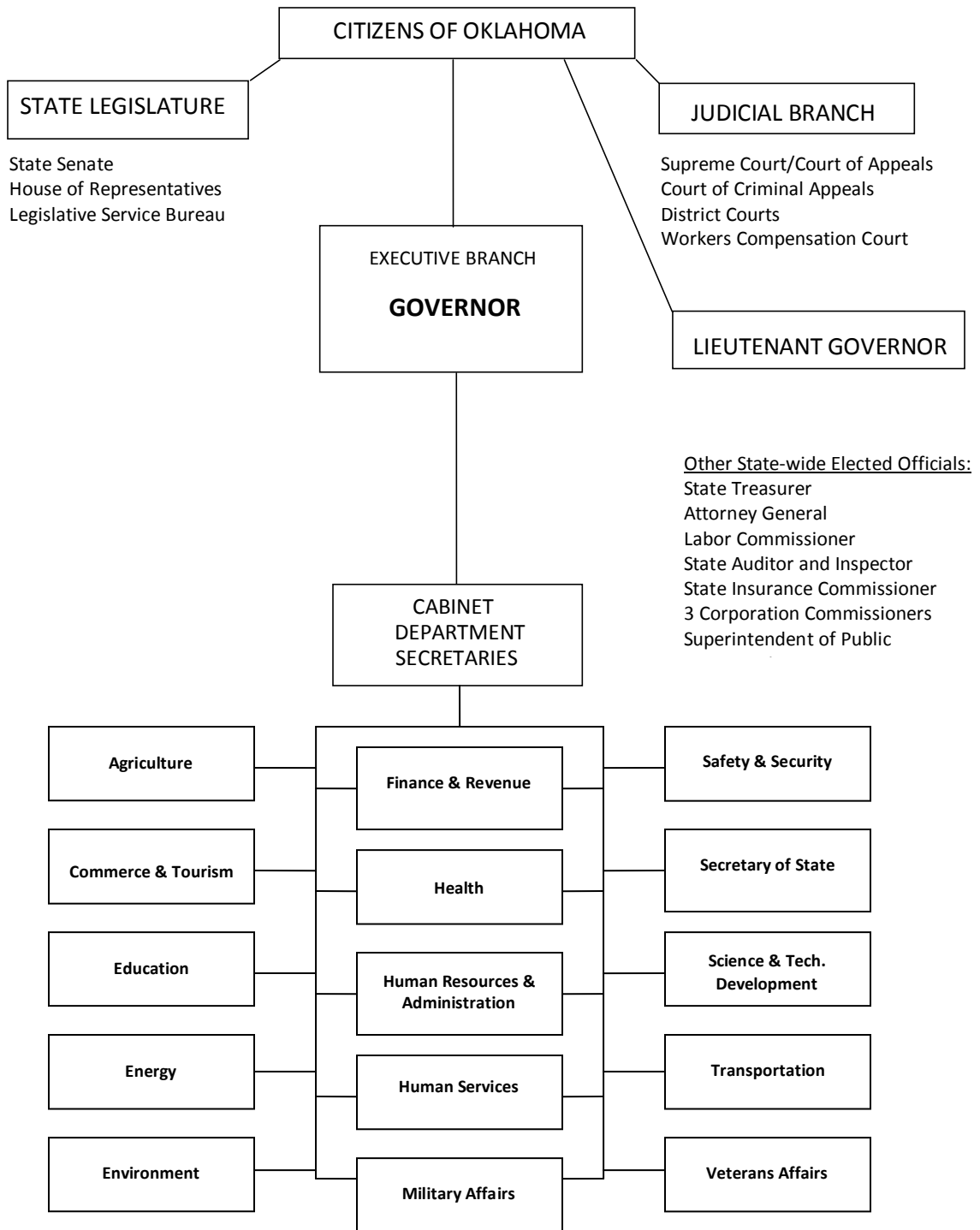
Office of State Finance

Please direct all press inquiries to (405) 521-3277.

If you have questions about this function of government

Then please contact:

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Governor, Lt. Governor, Finance and Revenue, Legislature, Secretary of State, Transportation, Human Resources and Administration	C.J. Co (405) 522-0924 cj.co@osf.ok.gov
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Regulatory Services.....	Collette Coleman (405) 521-3643 collette.coleman@osf.ok.gov



The Cabinet Secretaries are appointed by the Governor with the approval of the Senate. Many of the secretaries are also heads of Executive Branch agencies. Most state agencies have a controlling board or commission which appoints a chief operating officer. Most board and commission members are appointed by the Governor, some requiring Senate approval. Some agencies do not have a controlling board, and most of those agency heads are appointed by the Governor with Senate approval. More information on the appointment process is included in the Executive-Historical document. State agencies are assigned to a cabinet department by the Governor. The specific agency assignments to each cabinet are shown on the next page.

State Agencies Indexed by Cabinet

B-49	Office of the Governor	Southwestern Oklahoma State Univ.	B-60	Human Rights Commission
B-83	Office of the Lieutenant Governor	Student Loan Authority		Medical Licensure & Supv., Bd. of
	<u>Agriculture</u>	Tulsa Community College	B-87	Merit Protection Commission
B-4	Agriculture, Department of	University of Central Oklahoma		Motor Vehicle Commission
B-14	Boll Weevil Eradication Org.	University of Oklahoma		Nursing Board
B-21	Conservation Commission	Univ. of Science and Arts of Okla.		Optometry Board
	Foresters, Board of Registered	Western Oklahoma State College		Osteopathic Examiners Board
	Peanut Commission	<u>Energy</u>		Perfusionists, State Bd. of Examiners
	Wheat Commission	B-25		Personnel Management
	<u>Commerce and Tourism</u>	Corporation Commission *		Pharmacy Board
	Capital Investment Board	Energy Resources Board		Podiatric Medical Examiners, Bd. of
B-19	Commerce, Department of	Grand River Dam Authority		Prof. Engin. & Land Surveyors Bd.
	Development Finance Authority	Interstate Oil Comp. Com.		Psychologists, Bd. of Examiners
B-38	Employment Security Commission	LPG Board		Real Estate Commission
B-57	Historical Society	LPG Research, Marketing and Safety		Social Workers Board, Bd. of Lic.
	Housing Finance Authority	Marg. Prod. O&G Wells, Comm. on		Speech-Lang. Pathology & Aud. Bd.
	Industrial Finance Authority	B-89		State and Ed. Empl. Group Ins. Bd.
B-72	J.M. Davis Memorial Commission	Mines, Department of		Used Motor Vehicle & Parts
B-74	Labor, Department of *	<u>Environment</u>		Veterinary Medical Examiners Board
	Municipal Power Authority	B-45		<u>Military Affairs</u>
B-93	Native American Cultural/Ed. Auth	Dept. of Environmental Quality		Military Department
B-114	Scenic Rivers Comm.	Environmental Finance Authority		<u>Safety and Security</u>
B-124	Tourism & Recreation, Dept. of	B-134		ABLE Commission
B-138	Will Rogers Memorial Commission	B-137		Attorney General *
	<u>Education</u>	Water Resources Board		Chem. Tests for Alc/Drug Infl., Bd. of
	Anatomical Board	B-10		Emergency Mgmt, Dept. of
B-6	Arts Council	Auditor & Inspector *		Corrections Department
B-16	Career & Technology Education	Abstractors		District Attorney's Council
B-96	Educational TV Authority	B-12		Fire Marshal, State
B-33	Education, Department of *	Banking Department		Indigent Defense System
B-80	Library Department	B-15		Investigation, Bureau of
	Private Vocational School, Board of	Bond Advisor		Law Enf. Educ. & Trng., Council on
B-98	School of Science & Mathematics	Building Bonds Commission		Medicolegal Investigations, Bd. of
B-122	Teacher Preparation, Comm. for	Capitol Improvement Authority		Narcotics & Dang. Drugs, Bureau of
	<u>Colleges and Universities</u>	CompSource Oklahoma		Pardon and Parole Board
	Ardmore Higher Education Center	B-23		Public Safety, Department of
	Cameron University	Consumer Credit, Comm. for		<u>Science and Technology Dev.</u>
	Carl Albert State College	B-40		Center f/t Adv. of Sci. & Technology
	Connors State College	Finance, Office of State		<u>Secretary of State</u>
	East Central University	B-67		Election Board
	Eastern Oklahoma State College	Insurance Department *		Ethics Commission
	Langston University	B-76		Judicial Complaints, Council on
	Murray State College	Land Office, Commissioners of the		Secretary of State
	Northeastern Okla. A & M College	Law Enforcement Retirement		<u>Transportation</u>
	Northeastern State University	Lottery Commission		Okla. Transportation Authority
	Northern Oklahoma College	Police Pension & Retirement System		Space Industry Development Auth.
	Northwestern Oklahoma State Univ.	Public Employees' Retirement System		Transportation, Department of
	Oklahoma Panhandle State Univ.	B-117		Aeronautics Commission
	Oklahoma State University	Securities Commission		<u>Veterans Affairs</u>
	Oklahoma University Law Center	B-121		Veterans Affairs, Department of
	Oklahoma City Community College	Tax Commission		<u>Judiciary</u>
	Okla. University Health Science Ctr.	Tobacco Settle. End. Trust Bd. of Dir.		Court of Criminal Appeals
	OSU -College of Osteopathic Medicine	B-128		District Courts
	OSU -College of Veterinary Medicine	Treasurer		Supreme Court
	OSU -Experiment Station	<u>Health & Human Services</u>		Worker's Compensation Court
	OSU -Extension Division	Alcohol and Drug Coun., Bd. of Lic.		<u>Legislature</u>
	OSU -Medical Authority	Community Hospitals Authority		House of Representative
	OSU -School of Tech. Training	Construction Industries Bd.		Oklahoma State Senate
	OSU -Technical Institute of OKC	B-50		Legislative Service Bureau
	OSU -Tulsa	Health Care Authority		B-106
	OU Health Sci. Ctr. Prof. Prac. Plan	B-53		<u>Retirement System</u>
	Qtz Mtn. Arts/Conf. Cntr/Nat. Pk.	Health, Department of		Public Employees Retirement System and
	Redlands Community College	B-84		Retirement Systems for Justices and Judges
	Regents for A&M Colleges	Mental Health and Sub. Abuse Svc.		Teachers Retirement System
B-55	Regents for Higher Education	Nursing Homes, Board of Exam. for		Oklahoma Law Enforcement Retirement System
	Regional University System of OK	Uniform Building Code Commission		Police Pension and Retirement System
	Rogers State University	B-18		Firefighters Pension and Retirement System
	Rose State College	Children & Youth, Commission		Department of Wildlife Retirement Plan
	Seminole State College	B-30		
	Southeastern Oklahoma State Univ.	Disability Concerns, Office of		
		B-61		
		Human Services, Department of		
		Indian Affairs Commission		
		B-71		
		J.D. McCarty Center		
		B-73		
		Juvenile Affairs, Office of		
		B-101		
		Physicians Manpower Trng. Comm.		
		B-104		
		Rehabilitative Services		
		B-130		
		University Hospitals Authority		
		<u>Human Resources and Admin.</u>		
		Abstractor's Board		
		Accountancy Board		
		Architects, Board of Gov. of Licensed		
		Central Services, Dept. of		
		Chiropractic Examiners Board		
		Cosmetology Board		
		Dentistry, Board of		
		Employees Benefits Council		
		B-59		
		Horse Racing Commission		

* Agency is headed by a statewide elected official or their controlling board is made up of elected officials. They are assigned to a cabinet department for purposes of coordinating services and programs only.

FY-2013 Executive Budget

Historical FTE Report By Cabinet/Agency

Cabinet/Agency	FY-2009	FY-2010	FY-2011	FY-2012
	Actual	Actual	Actual	YTD
	FTE	FTE	FTE	FTE
Governor	31.80	28.20	25.40	25.60
Lieutenant Governor	7.20	7.80	8.10	4.51
Agriculture	540.00	532.00	520.10	490.68
Commerce and Tourism	2072.70	2116.50	2025.40	1832.50
Education (excluding Higher Education)	1080.40	998.90	902.50	807.55
Energy	1021.90	911.20	956.80	948.44
Environment	1030.10	1032.80	1072.00	966.48
Finance and Revenue	1990.10	1937.70	1845.80	1838.77
Health	4823.50	4769.00	4352.50	4233.78
Human Resources and Administration	771.70	764.90	712.50	696.66
Human Services	10226.30	10358.70	9604.40	9264.60
Military	368.70	383.90	343.70	345.94
Safety and Security	8694.00	8421.50	7741.20	7690.75
Science & Technology	25.70	23.40	18.10	13.94
Secretary of State	65.10	59.80	59.70	61.87
Transportation	3059.30	3093.70	2989.10	2943.84
Veterans Affairs	1828.60	1932.60	1936.50	1833.86
	37637.10	37372.60	35113.80	33999.78
Regents	321.60	311.80	304.70	301.53
Higher Education	32237.50	33318.10	33121.90	35092.03
	32559.10	33629.90	33426.60	35393.56
Total Executive Branch	70196.20	71002.50	68540.40	69393.33
Legislature	479.90	454.40	398.80	361.67
Judiciary	911.40	910.60	901.70	895.07
Subtotal	1391.30	1365.00	1300.50	1256.74
GRAND TOTAL	71587.50	72367.50	69840.90	70650.08
Total Excluding Higher Ed	39028.40	38737.60	36414.30	35256.52
305 Governor	31.80	28.20	25.40	25.60
440 Lieutenant Governor	7.60	7.80	8.10	4.50
Agriculture				
40 Agriculture, Department of	448.60	447.20	431.10	412.98
39 Boll Weevil Eradication	15.80	12.60	11.70	10.63
645 Conservation Commission	69.50	67.20	72.60	61.83
535 Peanut Commission	1.00	1.00	1.00	1.00
875 Wheat Commission	5.00	4.00	3.70	4.24
Total	539.90	532.00	520.10	490.68
Commerce and Tourism				
160 Commerce, Department of	154.10	156.30	144.30	135.32
290 Employment Security Commission, OK	676.40	756.60	765.40	678.32
350 Historical Society, Oklahoma	167.60	172.70	151.40	160.48
922 Housing Finance Authority	110.20	115.30	118.20	115.00
370 Industrial Finance Authority	6.90	6.90	5.90	7.01
204 J.M. Davis Memorial Commission	5.80	6.60	6.00	4.86
405 Labor Department	94.80	91.70	87.50	78.67
981 Municipal Power Authority	55.60	47.20	57.20	58.00
568 Scenic Rivers Commission	14.90	14.40	14.30	8.50
566 Tourism & Recreation, Department of	775.70	738.90	665.60	577.55
880 Will Rogers Memorial Commission	10.80	9.90	9.40	8.79
Total	2072.80	2116.50	2025.20	1832.50

FY-2013 Executive Budget

Cabinet/Agency	FY-2009 Actual	FY-2010 Actual	FY-2011 Actual	FY-2012 YTD
Education (Excl. Higher Education)				
55 Arts Council, State	15.10	16.00	13.50	12.62
800 Career & Technology Education	329.60	323.90	293.20	275.02
265 Education, State Department of	448.50	374.40	348.60	283.12
266 Educational Television Authority	71.50	72.80	66.40	55.72
430 Libraries, Department of	56.60	55.90	52.20	47.19
563 Private Vocational Schools Board	2.50	2.50	1.50	1.51
629 School of Science & Mathematics	73.80	75.70	59.90	62.24
618 Student Loan Authority	72.20	67.50	57.00	62.00
269 Teacher Preparation, OK Commission	10.40	10.20	10.20	8.15
Total	1080.20	998.90	902.50	807.55
Energy				
185 Corporation Commission	476.90	451.10	428.30	410.78
980 Grand River Dam Authority (GRDA)	493.20	410.00	480.60	490.00
307 Interstate Oil Compact Commission	2.00	3.00	2.90	3.00
445 Liquefied Petroleum Gas Board	10.60	9.20	8.70	8.86
446 Marginally Producing Oil & Gas Wells	4.50	4.00	4.00	4.01
125 Mines, Department of	34.60	34.00	32.20	31.69
Total	1021.80	911.30	956.70	948.34
Environment				
292 Dept. of Environmental Quality (DEQ)	586.30	586.00	639.80	529.27
835 Water Resources Board	94.70	94.20	84.10	91.09
320 Wildlife Conservation Commission	349.10	352.60	348.10	346.13
Total	1030.10	1032.80	1072.00	966.48
Finance and Revenue				
22 Oklahoma Abstractors Board	2.00	3.00	3.00	3.01
300 Auditor & Inspector	124.60	117.80	117.10	122.31
65 Banking Department, State	38.50	39.80	39.80	42.08
390 CompSource	368.30	357.50	352.70	348.45
90 Finance, Office of State	155.30	170.60	176.20	218.90
315 Firefighters Pension & Retirement	9.10	9.00	9.10	10.27
385 Insurance Commissioner	121.90	126.30	127.00	114.79
410 Land Office, Commissioners of the	55.80	50.90	56.80	54.05
416 Law Enforcement Retirement	6.00	6.00	5.00	5.01
435 Lottery Commission	38.60	40.70	42.40	32.23
557 Police Pension & Retirement Board	11.80	10.80	11.00	11.10
515 Public Employees Retirement System	50.30	51.40	53.90	55.66
695 Tax Commission	900.20	852.60	755.80	740.38
715 Teachers Retirement System	48.00	44.60	41.80	32.06
740 Treasurer	61.70	59.60	57.20	51.48
Total	1990.10	1937.60	1845.80	1838.77
Health				
807 Health Care Authority	434.50	449.70	439.20	466.26
340 Health, Department of	2253.90	2206.10	2085.60	2028.79
452 Mental Health & Substance Abuse, Dept. of	2098.10	2074.00	1787.60	1690.89
509 Nursing Homes, State Board of	3.40	2.80	2.00	3.01
92 Tobacco Settlement Trust Board	6.00	7.00	7.60	10.52
753 Uniform Building Code Commission	0.00	0.00	1.00	3.00
170 Construction Industries Board	27.60	29.40	29.40	31.30
Total	4823.50	4769.00	4352.40	4233.78

FY-2013 Executive Budget

Cabinet/Agency	FY-2009 Actual	FY-2010 Actual	FY-2011 Actual	FY-2012 YTD
Human Resources and Administration				
582 Bond Advisor, State	3.00	2.00	2.00	2.00
580 Central Services, Dept. of	244.40	243.70	219.50	218.42
635 Consumer Credit Commission	16.40	17.40	15.50	18.34
353 Horse Racing Commission	41.50	40.00	38.30	36.88
355 Human Rights Commission	14.00	14.00	12.40	12.11
298 Merit Protection Commission	7.20	6.40	6.30	5.19
548 Personnel Management, Office of	65.10	63.90	54.10	42.71
630 Securities Commission	25.80	25.80	26.30	26.13
Total	417.40	413.20	374.40	361.79
Human Resources and Administration - Non-Appropriated				
20 Accountancy, OK State Board of	9.00	8.20	9.00	10.02
117 Commercial Pet Breeders	0.00	0.00	3.00	3.01
145 Chiropractic Examiners Board	2.90	2.90	2.90	2.41
190 Cosmetology, State Board of	12.00	12.10	12.00	9.02
215 Dentists, Bd. of Governors of Registered	4.00	4.00	4.00	4.01
815 Employees Benefit Council	33.90	36.20	32.60	29.36
285 Funeral Board	2.60	2.30	3.00	2.33
45 Licensed & Landscape Architects, Bd. of Gov.	3.00	3.00	3.00	3.01
622 Licensed Social Workers, State Board	1.30	1.50	1.30	1.35
450 Medical Licensure & Supervision, Board of	22.00	20.50	22.10	21.25
475 Motor Vehicle Commission, Oklahoma	3.60	3.50	3.50	3.13
510 Nurse Registration & Education Board	23.70	26.00	25.00	27.81
516 OK State & Education Employees Grp.Ins.Bd.	175.40	171.80	159.60	157.77
520 Optometry, Board of Examiners in	2.90	2.30	2.00	2.09
525 Osteopathic Examiners Board	5.80	5.40	5.50	5.44
560 Pharmacy, Board of	9.20	8.90	9.00	9.02
570 Professional Engineers & Land Surveyors	9.50	8.50	9.50	9.49
575 Psychologist Examiners Board	2.00	2.00	2.00	2.00
588 Real Estate Commission, Oklahoma	17.50	17.50	17.20	15.68
632 Speech Pathology & Audiology Board	2.00	2.00	2.00	2.00
755 Used Motor Vehicle & Parts Commission	8.90	9.40	9.10	10.91
790 Veterinary Medical Examiners, Board of	3.10	3.60	3.90	3.76
Sub-total	354.30	351.60	341.20	334.87
Total	771.70	764.80	715.60	696.66
Human Services				
127 Children & Youth, Commission on	26.80	27.10	27.30	24.68
326 Handicapped Concerns, Office of	8.00	7.80	6.20	6.01
830 Human Services Department	8082.50	8184.60	7546.40	7353.12
360 Indian Affairs Commission	3.50	2.50	2.00	0.00
670 J.D. McCarty Ctr. for Handicapped Concerns	214.90	214.80	236.20	225.42
400 Juvenile Affairs, Office of	998.40	979.60	771.30	655.00
619 Physician Manpower Training Commission	6.00	6.00	6.00	6.01
805 Rehabilitative Services, OK Dept. of	879.10	929.20	1000.90	983.33
825 University Hospitals Authority	7.00	7.00	8.00	11.02
Total	10226.20	10358.60	9604.30	9264.60
Military				
25 Military Department	368.70	383.90	343.70	345.90

FY-2013 Executive Budget

Cabinet/Agency	FY-2009 Actual	FY-2010 Actual	FY-2011 Actual	FY-2012 YTD
Safety and Security				
30 A.B.L.E. Commission	42.30	45.00	41.40	41.32
49 Attorney General	174.30	161.30	149.10	158.57
772 Chem. Tests for Alcohol & Drug Infi.	6.50	6.80	5.00	4.01
131 Corrections Department	5032.30	4739.20	4195.10	4252.93
415 Council on Law Enforcement Educ.&Trng.	44.20	46.40	43.00	39.79
220 District Attorney's Council	1139.80	1151.20	1125.40	1113.64
309 Emergency Mgt., Dept. of	27.50	25.30	25.10	23.44
47 Indigent Defense System	125.90	122.50	113.20	110.23
308 Investigation, Okla. State Bureau of (OSBI)	314.70	322.20	328.80	307.25
448 Licensed Alcohol & Drug Counselors, Board of	1.40	1.80	1.70	1.66
342 Medicolegal Invest. Bd.	72.10	75.20	72.60	66.35
477 Narcotics & Dangerous Drugs Control	116.30	117.20	116.60	112.82
306 Pardon and Parole Board	41.60	40.10	36.60	34.34
585 Public Safety, Department of	1525.00	1539.20	1461.90	1403.36
310 State Fire Marshal, Office of	30.10	28.00	25.80	21.04
Total	8694.00	8421.40	7741.30	7690.75
Science and Technology				
628 Cent.f/t Adv.of Science & Technology	25.70	23.40	18.10	13.94
Secretary of State				
678 Council on Judicial Complaints	2.00	2.00	2.00	2.00
270 Election Board, State	24.60	19.10	22.20	19.17
296 Ethics Commission	7.10	7.00	5.20	6.01
625 Secretary of State	31.50	31.70	30.30	34.69
Total	65.20	59.80	59.70	61.87
Transportation				
60 Aeronautics Commission, OK	12.00	11.60	11.20	10.02
346 Space Industry Development Authority	4.00	3.90	3.00	4.17
345 Transportation	2472.40	2502.10	2405.80	2359.94
978 Turnpike Authority	570.90	576.00	569.10	569.71
Total	3059.30	3093.60	2989.10	2943.84
Veterans Affairs				
650 Veterans Affairs	1828.60	1932.60	1936.50	1833.90
Legislature				
422 House of Representatives	272.90	254.90	243.70	214.69
423 Legislative Service Bureau	20.10	12.40	8.60	6.15
421 Senate	186.90	187.10	146.60	140.83
Total	479.90	454.40	398.90	361.67
Judiciary				
199 Criminal Appeals, Court of	31.60	30.70	27.80	29.88
219 District Courts	630.50	626.40	626.00	619.37
369 Workers' Compensation Court	81.60	77.10	71.50	73.76
677 Supreme Court/Court of Appeals	167.70	176.30	176.40	172.06
Total	911.40	910.50	901.70	895.07
State Regents				
620 Quartz Mountain Conference Center	15.00	15.20	18.90	13.47
605 Regents For Higher Education	300.30	291.00	279.30	281.92
610 Regenional Unviversity System of Oklahoma	6.30	5.60	6.50	6.14
Total	321.60	311.80	304.70	301.53

FY-2013 Executive Budget

Cabinet/Agency	FY-2009 Actual	FY-2010 Actual	FY-2011 Actual	FY-2012 YTD
Colleges and Universities				
10 Oklahoma State University	8246.40	8276.90	8274.30	8601.20
100 Cameron University	592.30	631.20	598.40	630.90
108 Carl Albert J.C.	245.20	765.90	246.40	282.45
165 Conners State College	160.70	173.70	213.10	193.80
230 East Central Oklahoma State Univ.	524.00	553.60	555.50	621.23
240 Eastern Oklahoma State College	204.40	229.60	231.20	205.36
420 Langston University	432.00	474.30	456.80	517.83
470 Murray State College	171.00	176.60	164.40	172.13
480 Northeastern A & M College	259.60	288.60	265.30	298.52
485 Northeastern Oklahoma State Univ.	1138.20	1133.10	1161.00	1213.16
490 Northern Oklahoma College	304.10	330.80	319.30	386.17
505 Northwestern Oklahoma State Univ.	285.30	307.90	296.40	282.99
530 Oklahoma Panhandle State University	154.00	165.50	160.00	197.46
241 Redland Community College	191.50	190.40	192.70	212.60
461 Rogers State Univ.(Claremore J.C.)	382.70	405.00	426.00	412.62
531 Rose State College	501.00	533.70	603.00	549.58
606 Ardmore Higher EducationCenter	12.80	13.80	13.70	15.37
623 Seminole J.C.	170.60	172.90	173.10	171.19
633 South Oklahoma City J.C.	618.70	742.00	816.80	991.51
660 Southeastern Oklahoma State Univ.	517.60	532.00	523.10	575.68
665 Southwestern Oklahoma State Univ.	714.80	745.20	731.10	812.59
750 Tulsa J.C.	1270.00	1320.00	1340.20	2101.44
120 University of Central Oklahoma	1476.80	1470.10	1514.90	1577.79
150 Univ. of Science and Arts of Okla	173.10	176.40	185.10	193.51
41 Western Oklahoma State College	152.60	159.90	152.30	166.04
760 University of Oklahoma	7576.00	7409.60	7456.20	7391.46
770 Okla. University Health Science Ctr.	5385.30	5547.70	5635.30	5859.72
771 OU Health Science Ctr.Prof.Prac.Plan	376.80	391.70	416.40	457.73
	32237.50	33318.10	33122.00	35092.03
Total	71587.60	72367.00	69843.80	70649.97

GLOSSARY

Actuarial Accrued Liability (re: retirement): That portion, as determined by a particular cost method, of the actuarial present value of pension plan benefits and expenses which is not provided for by Normal Cost contributions.

Actuarial Assumptions (re: retirement): Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disablement and retirement; changes in compensation and government provided benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; characteristics of future entrants and other relevant items.

Annualization: The computation of costs or revenues for a full year - usually applied when calculating the full year impact/cost of a program that was funded for a partial year in a previous budget.

Appropriation: Legal authorization granted by the Legislature to make expenditures or incur obligations that may be limited by fund, agency, department, program, object, character, time period or amount. Unexpended appropriations lapse back to the original fund after the lapse (expiration) date.

Appropriations Base: An agency's previous year appropriation reduced by one-time appropriations.

Board of Equalization: A Constitutional body, the State Board of Equalization is made up of the Governor, Lieutenant Governor, State Treasurer, State Auditor and Inspector, Attorney General, Superintendent of Public Instruction, and President of the State Board of Agriculture. The Board annually certifies the amount of state funds available for appropriation. The Board also has duties regarding the equalization of ad valorem taxes among the counties.

Budgeted Vacancy: A vacant employee position which is funded in an agency's current budget (in most instances, the vacancy has remained unfilled for an extended period of time).

Budget Request: A detailed outline of an agency's financial needs for the next fiscal year.

Budget Work Program: An outline of detailed planned expenditures for the ensuing or current fiscal year, which takes into consideration funds appropriated by the Legislature and other funds available to the agency, and any expenditure limitations or directives expressed in legislation.

Capital Expenditure / Outlay: Expenditures made for securing capital assets. Capital assets are significant, tangible assets with a value greater than \$25 thousand that have a life greater than one year and will be used in providing services.

Carryover: This term refers to unobligated monies an agency has available to fund its operations in succeeding fiscal years. Generally, carryover monies are considered non-recurring in nature.

GLOSSARY

Cash-flow Reserve Fund: This fund was established as a fiscal management tool. General Revenue Fund cash is set aside in this fund at the end of each fiscal year. Monies in this fund are used to make cash available for the July allocation of General Revenue funds to state agencies and to provide for monthly cash allocations in those months in which receipts are below needed levels. The use of this fund eliminates the need for "seasonal borrowing."

Constitutional Reserve Fund (CRF): Designed to cushion against economic emergencies, this fund, popularly known as the "Rainy Day Fund," was established by constitutional amendment in 1985. All General Revenue Fund receipts collected in excess of the certified estimate are deposited in this fund until the fund is equal to 15% of the certified General Revenue Funds from the preceding fiscal year. Up to three-eighths (3/8) of the balance may be appropriated only in the event that the up-coming year's General Revenue certification is lower than the preceding year's. Up to \$10 million may be expended for incentives to support retention of at-risk manufacturing establishments under certain conditions and after unanimous finding by the Governor, the Speaker of the House of Representatives and the President Pro Tempore of the Senate. Up to three-eighths (3/8) of the balance may be appropriated in the event of a revenue failure, declared by the State Board of Equalization. Up to one-fourth (1/4) of the balance may be appropriated upon the declaration of an emergency by the Governor and approval by 2/3 of both legislative houses; or, absent a gubernatorial declaration of emergency, approval by ¾ of both houses.

Expenditure: The disbursement of monies from a state fund for the purchase of goods and services.

Fiscal Year: The 12-month period beginning July 1 and ending June 30 used by the state government for accounting purposes. Fiscal year designation depends on the year in which it ends [e.g., fiscal year 2012 (FY-2012) runs from July 1, 2011 to June 30, 2012].

Fund: A legal accounting entity with a self-balancing set of accounts. Expenditures from a fund may be restricted to specified purposes.

General Revenue Fund: Established by Article 10, Section 2 of the State Constitution, this fund is the principal funding source for state government operations. State taxes, fees and charges and proceeds from investments make up the revenue to the General Revenue Fund. The fund's resources can be used for any purpose specified by Legislative appropriation. All monies collected that are not dedicated to another fund are deposited in the General Revenue Fund.

Non-appropriated Funds: A term sometimes used to refer to agency revolving funds. Since such funds have statutorily established revenue sources and uses, there is no need

for them to be appropriated annually. Non-appropriated funds are also called "continuing appropriations." The terms have the same meaning.

GLOSSARY

One-time: Budget items that receive funding for one fiscal year (for example, funding for a feasibility study, funding for the replacement of major equipment items, funding for the purchase of furniture for a new facility, etc.).

Program Budgeting: A tool to organize budget data by program, rather than item of expenditure or organizational location (generally an agency or division). Program budgeting seeks to link the expenditure of resources with the original mission or purpose of the appropriation of tax dollars.

Rainy Day Fund: See Constitutional Reserve Fund.

Revolving Fund: A fund created statutorily or by inference to finance and account for a particular department or division. Fees received, transfers of appropriations, or other fund transfers support expenditures paid from revolving funds. Revolving funds are continuing funds and are not subject to fiscal year limitations. Agencies generally may exercise greater control over the expenditure of revolving funds than they may over appropriated dollars.

Supplemental Appropriation: This refers to a subsequent appropriation made to an agency in addition to the agency's initial annual appropriation. Supplemental appropriations are to deal with current year funding issues and may be made for a variety of reasons such as to offset a revenue shortfall or to offset insufficient funds to operate a program effectively. Some observers view supplemental appropriations as a sign of inept management or a means of subverting the State's balanced budget restrictions.

Unfunded Liability (re: retirement): The excess of the Actuarial Accrued Liability (that portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs) over the Actuarial Value of Assets (the value of cash, investments, and other property belonging to a pension plan, as used by the actuary for the purpose of an Actuarial Valuation).