

STATE OF
OKLAHOMA

SUBMITTED BY

MARY FALLIN, GOVERNOR

TO THE FIRST SESSION OF THE 54TH OKLAHOMA LEGISLATURE



EXECUTIVE BUDGET

FOR FISCAL YEAR ENDING JUNE 30, 2014



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-2014 executive budget. The plan I have put forward is a responsible, transparent, gimmick-free budget that accomplishes the goals of reducing the tax burden on Oklahoma citizens and holding the line on spending while also improving core government services.

The tax reduction proposal submitted within this budget provides immediate tax relief for hardworking Oklahomans while setting the state on a course to continue reducing the personal income tax in the future. Allowing Oklahomans to keep more of their hard earned money stimulates job growth and makes Oklahoma a more attractive place to locate or expand businesses. This year's tax cut proposal is a responsible, simple policy that benefits hardworking Oklahomans while still allowing for adequate funding of state services.

Reducing taxes in FY-2014 is only part of the important task that lies before us. My budget proposes strategic investments in Oklahoma's mental health, substance abuse, child welfare and health systems. By addressing mental illness and addiction, securing safe homes for at-risk children, and providing quality health care for those in need, Oklahoma can ensure all its citizens are cared for in ways reflective of our compassionate spirit.

Continuing to improve our educational outcomes in order to build a more highly skilled, better educated workforce will be essential to maintaining Oklahoma's impressive economic growth in years to come. That is why this budget includes support for critical education reforms that have been signed into law in recent years, as well as funding to satisfy the state's commitment to provide health benefits for education employees.

The state's financial commitment to its transportation infrastructure has increased dramatically in recent years, and this budget continues that trend by ensuring that all transportation funds are used for their intended purpose. Also included in this budget are proposals to address other infrastructure needs that, unfortunately, have been neglected in past years. This includes a \$10 million supplemental appropriation to begin immediate repairs to the crumbling State Capitol. We must reach a point where the stewardship we show for the *People's House* mirrors our commitment to all infrastructure across Oklahoma.

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 continue to 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 Management and Enterprise Services

February 4, 2013

Governor Fallin:

Please accept this, your executive budget for the FY-2014 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 OMES 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 black ink that reads "Preston L. Doerflinger". The signature is stylized and cursive.

Preston L. Doerflinger, Director

Office of Management and Enterprise Services

OKLAHOMA OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES

February 4, 2013

Citizens of the State of Oklahoma Members of the First Regular Session of the Fifty-Fourth Legislature

Governor Mary Fallin's FY-2014 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 Management and Enterprise Services. The Oklahoma Home Page address is: <http://www.ok.gov>

"FY-2014 EXECUTIVE BUDGET, Volume I"

This document contains Governor Fallin's budget recommendations to the 2013 Legislature. It includes a discussion of state revenues, a summary of her proposed budget and explanations of budget recommendations for state agencies.

"FY-2014 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-2011, FY-2012 and FY-2013

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Executive Summary

Governor Fallin's FY-2014 Executive Budget

Income Tax

Governor Fallin believes that lower taxes lead to job creation, increased productivity and greater prosperity. Keeping with her commitment to further reducing the tax burden on working Oklahomans while stimulating economic growth, Governor Fallin's budget includes a 0.25 percent reduction to Oklahoma's top individual income tax rate. This income tax reduction will impact the state budget by an estimated \$40.7 million in FY-2014, and \$105.8 million in FY-2015. Since reducing the top income tax rate from 5.50 percent to 5.25 percent in 2012, and implementing a pro-economic growth agenda, Oklahoma has created over 62,400 new jobs, giving it the fourth-highest growth rate in the United States. That job growth and other strong economic trends have kept Oklahoma's unemployment rate at only 5.1 percent as of December 2012 – one of the lowest unemployment rates in the nation. Oklahoma's median income increase in 2012 leads the nation, at an average of \$4,000 per household.

While Governor Fallin's budget is required to be built on revenue certified at the December 2012 Board of Equalization meeting, this budget acknowledges recent federal tax law adjustments that occurred after the December meeting that will impact state revenues available for FY-2014. Specifically, the extension of the "Bush Tax Cuts" previously slated to expire after December 31, 2012, will have an estimated impact on state revenue of \$36 million. The governor's executive budget is adjusted to reflect this reality.

Funding Changes

Supplemental Funding for FY-2013

State Capitol Building Needs

The state Capitol building is currently in a state of disrepair. With each passing legislative session, nearly all fundamental components of the building continue to deteriorate, including major mechanical, plumbing and electrical systems, in addition to the building's historic and architectural features. Many parts of the building are out of compliance with modern codes. The governor's budget includes a \$10 million appropriation to restore the exterior façade of the building and commission an engineering study for total renovation of the building.

Flexible Benefit Allowance for Teachers

The governor's budget includes \$8.5 million necessary for the State Department of Education to pay for education employee Flexible Benefit Allowance costs that will exceed the projections available during the 2012 legislation session. Actual costs have risen due to subsequent increases in the number of teachers and support staff, as well as increasing costs to provide their benefits.

Targeted Funding Increases for FY-2014

Health and Human Services

Mental Health

The FY-2013 budget provided funding for two additional crisis centers for those suffering from psychiatric emergencies. These centers offer critical assistance to people on the brink of succumbing to mental health issues.

This year, Governor Fallin's budget includes \$1 million for the Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS) to annualize the two crisis centers from last year and an additional \$2.5 million to add a third crisis center, providing Oklahomans throughout the state with more access to emergency mental health care.

The governor's budget also provides ODMHSAS with \$2.3 million for counseling and assistance to children and families of children with serious emotional disturbances. The Oklahoma program Systems of Care is a national leader in evidence-based treatment and services. By increasing its funding, Oklahoma can make sure more of its children receive the treatment they need to grow into healthy, happy adults.

Prescription Drug Abuse Prevention

Prescription drug abuse continues to be a major detriment to Oklahoma's health rankings and economy. It also contributes to personal tragedies, child abuse and a variety of unacceptable social outcomes that reduce quality of life. Currently, 81 percent of drug-related deaths in Oklahoma are caused by prescription drug abuse. One survey shows that nearly 8 percent – twice the national average – of Oklahomans are abusing prescription painkillers. To combat these problems, Governor Fallin has provided ODMHSAS with \$1.2 million for new prescription drug abuse prevention and treatment initiatives.

Suicide Prevention

Suicide is too prevalent in Oklahoma, particularly among groups who should be receiving support and care, such as active duty military and veterans. For the first time in modern history, Governor Fallin has provided \$500,000 in state funding for ODMHSAS to develop its own suicide prevention initiatives.

Infant Mortality

The FY-2013 budget included \$1 million in funding to address the high rate of infant death in Oklahoma. One focus of this funding was the development of a statewide collaboration to eliminate non-medically necessary elective births prior to 39 weeks, a practice which studies show increases health complications and endangers the lives of infants. This voluntary program has been adopted by 55 of 59 birthing hospitals, leading to a remarkable 66 percent reduction in the rate of non-medically necessary inductions prior to 39 weeks in one year. Governor Fallin's FY-2014 budget includes \$701,000 to aid the Department of Health's efforts to expand implementation of an evidence-based prevention program to improve infant health outcomes.

Medicaid

Because of mandates within the Affordable Care Act, over 60,000 Oklahomans who are already eligible to be on Medicaid but are not currently enrolled will likely enroll in the coming years. These individuals are commonly known as “woodwork eligibles.” The state has a legal obligation under federal law to extend Medicaid benefits to “woodwork eligibles” who choose to enroll in the program. That, combined with the rising cost of medical treatment, administrative costs and other fixed costs, means the Oklahoma Health Care Authority will need a significant budget increase to meet its current level of services and legal obligations. Therefore, Governor Fallin’s budget includes \$40 million to cover those costs as well as annualizations and maintenance costs associated with Medicaid.

Child Welfare - Pinnacle Plan

The governor’s budget includes \$40 million in additional funding to support the efforts of the Department of Human Services (DHS) in implementing Year 2 of The Pinnacle Plan. Along with the \$25 million appropriation from FY-2013, this funding request for Year 2 will provide for over 65 percent of the resources needed for the five-year Pinnacle Plan.

ADvantage and Developmental Disability Community Services

The governor’s budget includes \$1.5 million for DHS to annualize rate increases for ADvantage and Developmental Disabilities Community Services appropriated and mandated by Senate Bills 1975 and 1979 (2012).

Developmental Disability Community Service Providers

The budget proposal includes \$5.9 million for community service providers. Service providers have received minimal rate increases since 2006 and have faced many inflationary pressures, including wage pressures, due to minimum wage increases. It is essential that DHS maintain a strong community service provider network to support people with developmental disabilities.

In-Home Care for the Elderly

The budget includes \$3.2 million to DHS for ADvantage Waiver providers. The ADvantage Program of the Home- and Community-Based Services provides Medicaid services to help people stay at home instead of going to a nursing home. The program assists frail seniors and adults who have physical disabilities. Service providers have received minimal rate increases since 2006 and have faced many inflationary pressures, including wage pressures due to minimum wage increases. Increases are sought because of the risk of losing providers. If clients seek nursing home services because of the lack of community services, the cost is about three times higher to the state.

Juvenile Affairs

Governor Fallin’s budget includes \$1.5 million to further support the Office of Juvenile Affairs in addressing crucial maintenance needs at its facilities and expanding intensive treatment beds.

Indigent Care

Governor Fallin recommends funding the OSU Medical Authority's operations of the indigent care program at the Tulsa hospital with a new appropriation of \$2.5 million.

Education

Education Reform Funding

In the two previous legislative sessions, Governor Fallin has worked with State Superintendent of Public Instruction Janet Barresi and the Legislature to pass critical education reforms that will increase accountability and strengthen our education system. In order to help fund and implement these reforms, the governor's executive budget includes a \$13.5 million funding increase for the Department of Education.

Transportation and Infrastructure

Improving Oklahoma's Roads and Bridges

The governor's budget supports the statutory increase in the State Transportation Fund of \$2,124,891. This increase is in addition to the statutory increases in the ROADS Fund and the CIRB Fund, both of which will aid in timely implementation of Governor Fallin's Bridge Improvement and Turnpike Modernization Plan. Based on preliminary estimates, the number of structurally deficient bridges on the state system for the 2012 reporting cycle is expected to decline from 634 to near 550. Structurally deficient bridges have been reduced by more than 20 percent since Governor Fallin took office.

Criminal Justice and Public Safety

Corrections

In order to address offender population growth and other challenges, the governor proposes appropriating an additional \$1 million to the Department of Corrections.

District Attorneys Council

Governor Fallin recommends providing the District Attorneys Council with an additional \$1 million to offset the loss of other funds for operational costs.

Pardon and Parole Board

To address additional responsibilities and update systems, the governor's budget includes \$300,000 for the Pardon and Parole Board.

Other Initiatives

Quick Action Closing Fund

The Quick Action Closing Fund is an important job creation tool that will help Oklahoma recruit new businesses and retain existing businesses. Governor Fallin recommends dedicating \$5 million to the Quick Action Closing Fund in order to continue the state's efforts to attract and retain businesses.

Ethics Commission

Responsible government means ethical government. That's why Governor Fallin proposes appropriating an additional \$125,000 to the Ethics Commission to help bolster its operational budget.

Public Water Supply Program

As part of her commitment to retaining primacy of Oklahoma's public water supply, Governor Fallin has included \$1.5 million in her executive budget to continue to ensure that Oklahoma retains responsibility for the Public Water Supply Program and municipal water inspections rather than ceding control to other parties. This is in response to new United States Environmental Protection Agency mandates effective beginning in FY-2014.

State Employee Compensation

Governor Fallin recognizes and values the dedication of state employees and their willingness to do more with fewer resources. To address issues concerning compensation, the governor proposes spending \$200,000 to perform a total remuneration study to objectively assess the compensation of state employees with the goal to move toward a performance-based compensation system.

Emergency Fund

Governor Fallin recommends appropriating \$1 million to the State Emergency Fund in order to stay ahead of the cost of inevitable natural disasters and to more expediently reimburse cities and counties for the financial burden these disasters cause.

Continued Funding of Successful Programs

Highway Patrol Academy

Over the last several years, the Oklahoma Highway Patrol has experienced a considerable decline in state troopers. As a result of Trooper Academy funding in FY-2013, the Oklahoma Highway Patrol graduated its first group of cadets (30) since 2009. As a sign of the governor's ongoing commitment to the safety of all Oklahomans, this Executive Budget annualizes the \$5 million appropriated in FY-2013 for a Trooper Academy through the Department of Public Safety.

Office of the Chief Medical Examiner

The Office of the Chief Medical Examiner 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. Governor Fallin proposes annualizing the \$2.5 million FY-2013 supplemental appropriation made to the Medical Examiner's office as it continues pursuing re-accreditation, which is critical to the effective implementation of its mission.

Strategic Funding Reductions

Governor Fallin's budget eliminates the following funding:

- \$2 million from the Agriculture Department for one-time funds for Youth Expo;
- \$5.58 million from the OSU Medical Authority for funding obligations that have been fulfilled;
- \$3 million from the University Hospitals Authority for one-time costs for a specialty clinic;
- \$190,000 from the Treasurer's office to reflect voluntary operational cost reductions;
- \$37,000 from the Supreme Court for funding obligations that have been fulfilled.

Revenue Adjustments

Voluntary Buyout Fund

Because the deadline has passed for agencies to seek reimbursement from the Voluntary Buyout Agency Reimbursement Revolving Fund, also known as the HB 2363 VOBO Fund, Governor Fallin's budget transfers the balance of that fund, approximately \$375,000, into the Special Cash Fund for use on one-time, supplemental issues.

Commissioners of the Land Office

The Commissioners of the Land Office (CLO) has reduced operational expenses by \$798,000. The Constitution requires that these funds be made available for distribution to public schools, colleges and universities throughout the state if they are not used for agency operations. Therefore, these funds are not reflected in the CLO base budget for FY-2014 and will be available for distribution by CLO to schools.

No additional funds are transferred to balance the governor's budget. Furthermore, no other new revenue, tax or fee proposals are contained in this budget.

Summary of FY-2014 Balanced Budget

	FY-2013 Appropriation	FY-2013 Adjustments	Final FY-2014 Budget Book	FY-2014 % Orig. FY-2013
Governor	\$2,172,900	\$0	\$2,172,900	0.0%
TOTAL GOVERNOR	\$2,172,900	\$0	\$2,172,900	0.0%
Lt. Governor	\$506,591	\$0	\$506,591	0.0%
TOTAL LT. GOVERNOR	\$506,591	\$0	\$506,591	0.0%
Agriculture, Department of	\$27,610,247	-\$2,000,000	\$25,610,247	-7.2%
Conservation Commission	\$10,061,684	\$0	\$10,061,684	0.0%
TOTAL AGRICULTURE	\$37,671,931	-\$2,000,000	\$35,671,931	-5.3%
Commerce, Department of	\$29,573,212	\$5,000,000	\$34,573,212	16.9%
REAP	\$11,532,469	\$0	\$11,532,469	0.0%
Historical Society	\$12,502,546	\$0	\$12,502,546	0.0%
J.M. Davis Memorial Commission	\$306,009	\$0	\$306,009	0.0%
Labor, Department of	\$3,311,160	\$0	\$3,311,160	0.0%
Oklahoma Scenic Rivers Comm.	\$271,315	\$0	\$271,315	0.0%
Tourism and Recreation, Depart.	\$21,803,003	\$0	\$21,803,003	0.0%
Will Rogers Memorial Comm.	\$740,486	\$0	\$740,486	0.0%
TOTAL COMMERCE & TOURISM	\$80,040,200	\$5,000,000	\$85,040,200	6.2%
Arts Council	\$4,010,087	\$0	\$4,010,087	0.0%
Career Technology Education,	\$135,142,618	\$0	\$135,142,618	0.0%
Education, State Department of	\$2,333,604,082	\$13,500,000	\$2,347,104,082	0.6%
Educational Television Authority	\$3,822,328	\$0	\$3,822,328	0.0%
Higher Education, Regents for	\$955,260,278	\$0	\$955,260,278	0.0%
Libraries, Department of	\$5,898,633	\$0	\$5,898,633	0.0%
OSU Medical Authority	\$8,080,000	-\$5,580,000	\$2,500,000	-69.1%
Science and Math, School of	\$6,332,274	\$0	\$6,332,274	0.0%
Teacher Preparation, Comm.	\$1,526,179	\$0	\$1,526,179	0.0%
TOTAL EDUCATION	\$3,453,676,479	\$7,920,000	\$3,461,596,479	0.2%

Summary of FY-2014 Balanced Budget

Corporation Commission	\$11,324,427	\$0	\$11,324,427	0.0%
Mines, Department of	\$779,139	\$0	\$779,139	0.0%
TOTAL ENERGY	\$12,103,566	\$0	\$12,103,566	0.0%
Environmental Quality, Department	\$7,557,973	\$0	\$7,557,973	0.0%
Water Resources Board	\$6,999,671	\$0	\$6,999,671	0.0%
TOTAL ENVIRONMENT	\$14,557,644	\$0	\$14,557,644	0.0%
Auditor and Inspector	\$4,706,986	\$0	\$4,706,986	0.0%
Bond Advisor	\$143,112	\$0	\$143,112	0.0%
Consumer Credit, Department	\$31,730	\$0	\$31,730	0.0%
Insurance Commissioner	\$1,871,937	\$0	\$1,871,937	0.0%
Land Office, Commissioners of	\$16,000,000	-\$798,000	\$15,202,000	-5.0%
Management and Enterprise Service	\$40,132,347	\$0	\$40,132,347	0.0%
Tax Commission	\$46,915,944	\$0	\$46,915,944	0.0%
Treasurer	\$3,743,873	-\$190,000	\$3,553,873	-5.1%
TOTAL FINANCE AND REVENUE	\$113,545,929	-\$988,000	\$112,557,929	-0.9%
Health, Department of	\$61,783,682	\$701,000	\$62,484,682	1.1%
Health Care Authority	\$921,983,007	\$40,000,000	\$961,983,007	4.3%
Mental Health & Substance Abuse	\$311,421,073	\$16,000,000	\$327,421,073	5.1%
TOTAL HEALTH	\$1,295,187,762	\$56,701,000	\$1,351,888,762	4.4%
Horse Racing Commission	\$2,072,167	\$0	\$2,072,167	0.0%
Merit Protection Commission	\$490,967	\$0	\$490,967	0.0%
TOTAL HUMAN RESOURCES AND ADMINISTRATION	\$2,563,134	\$0	\$2,563,134	0.0%

Summary of FY-2014 Balanced Budget

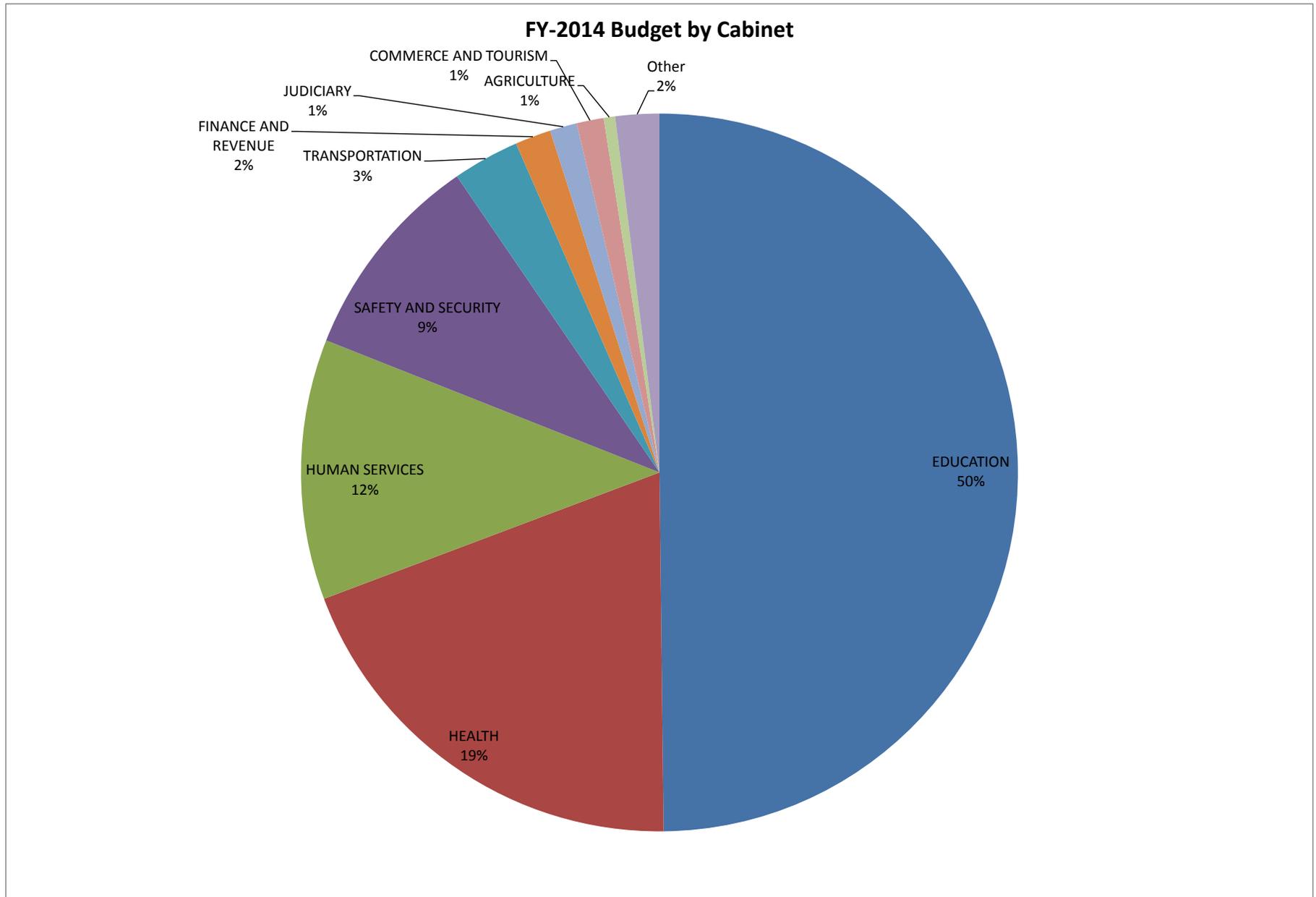
Children and Youth, Commission	\$2,027,167	\$0	\$2,027,167	0.0%
Disability Concerns, Office of	\$317,607	\$0	\$317,607	0.0%
Human Services, Department of	\$586,958,664	\$50,600,000	\$637,558,664	8.6%
J.D. McCarty Center	\$3,740,338	\$0	\$3,740,338	0.0%
Juvenile Affairs	\$96,187,205	\$1,500,000	\$97,687,205	1.6%
Physician Manpower Training	\$4,379,254	\$0	\$4,379,254	0.0%
Rehabilitation Services, Depart.	\$30,449,232	\$0	\$30,449,232	0.0%
University Hospitals Authority	\$41,624,391	-\$3,000,000	\$38,624,391	-7.2%
TOTAL HUMAN SERVICES	\$765,683,858	\$49,100,000	\$814,783,858	6.4%
Military, Department of	\$10,747,997	\$0	\$10,747,997	0.0%
TOTAL MILITARY	\$10,747,997	\$0	\$10,747,997	0.0%
ABLE	\$3,140,334	\$0	\$3,140,334	0.0%
Attorney General	\$15,228,141	\$0	\$15,228,141	0.0%
Corrections, Department of	\$463,731,068	\$1,000,000	\$464,731,068	0.2%
District Attorneys and DAC	\$34,187,258	\$1,000,000	\$35,187,258	2.9%
Emergency Management	\$651,179	\$0	\$651,179	0.0%
Fire Marshal	\$1,796,764	\$0	\$1,796,764	0.0%
Indigent Defense System	\$14,699,353	\$0	\$14,699,353	0.0%
Investigation, State Bureau of	\$13,848,059	\$0	\$13,848,059	0.0%
CLEET	\$3,682,560	\$0	\$3,682,560	0.0%
Medicolegal Investigations	\$7,198,281	\$0	\$7,198,281	0.0%
OBND	\$3,616,418	\$0	\$3,616,418	0.0%
Pardon and Parole Board	\$2,217,454	\$300,000	\$2,517,454	13.5%
Public Safety, Department of	\$89,894,790	\$0	\$89,894,790	0.0%
TOTAL SAFETY AND SECURITY	\$653,891,659	\$2,300,000	\$656,191,659	0.4%
Science & Technology, Center for	\$17,811,449	\$0	\$17,811,449	0.0%
TOTAL SCIENCE AND TECHNOLOGY	\$17,811,449	\$0	\$17,811,449	0.0%

Summary of FY-2014 Balanced Budget

Election Board	\$7,805,808	\$0	\$7,805,808	0.0%
Ethics Commission	\$588,129	\$125,000	\$713,129	21.3%
TOTAL SECRETARY OF STATE	\$8,393,937	\$125,000	\$8,518,937	1.5%
Space Industry Development Auth.	\$394,589	\$0	\$394,589	0.0%
Transportation, Department of	\$206,405,702	\$2,124,891	\$208,530,593	1.0%
TOTAL TRANSPORTATION	\$206,800,291	\$2,124,891	\$208,925,182	1.0%
Veterans Affairs, Department of	\$35,698,752	\$0	\$35,698,752	0.0%
TOTAL VETERANS AFFAIRS	\$35,698,752	\$0	\$35,698,752	0.0%
House of Representatives	\$15,574,682	\$0	\$15,574,682	0.0%
Legislative Service Bureau	\$4,892,835	\$0	\$4,892,835	0.0%
Senate	\$12,171,789	\$0	\$12,171,789	0.0%
TOTAL LEGISLATURE	\$32,639,306	\$0	\$32,639,306	0.0%
Court of Criminal Appeals	\$3,484,631	\$0	\$3,484,631	0.0%
District Courts	\$59,600,000	\$0	\$59,600,000	0.0%
Supreme Court	\$17,337,000	-\$37,000	\$17,300,000	-0.2%
Workers' Compensation Court	\$4,247,166	\$0	\$4,247,166	0.0%
TOTAL JUDICIARY	\$84,668,797	-\$37,000	\$84,631,797	0.0%
Total Appropriation	\$6,828,362,182	\$120,245,891	\$6,948,608,073	1.8%

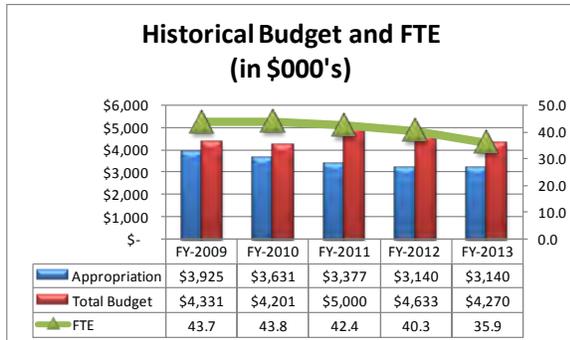
Summary of FY-2014 Balanced Budget

FY-2014 Certified Revenues	\$7,046,888,662
Revenue Adjustments	
VOBO Reimbursement Fund to Special Cash	\$375,000
CLO Dedicated Funds	-\$798,000
Income Tax	
0.25% Individual Income Tax Reduction	-\$40,700,000
Federal Tax Code Adjustment	-\$35,948,000
Supplemental Funding	
Flexible Benefit Allowance for Teachers	-\$8,500,000
State Capitol Building Needs	-\$10,000,000
One-Time Funding	
Public Water Supply Supervision Program	-\$1,500,000
Emergency Fund	-\$1,000,000
State Employee Total Remuneration Study	-\$200,000
Total Revenue	\$6,969,817,662
Total Expenditures	\$6,969,808,073
Total Difference	\$9,589



State Agency Information

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



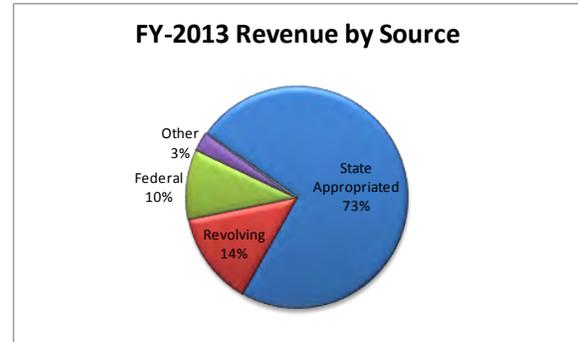
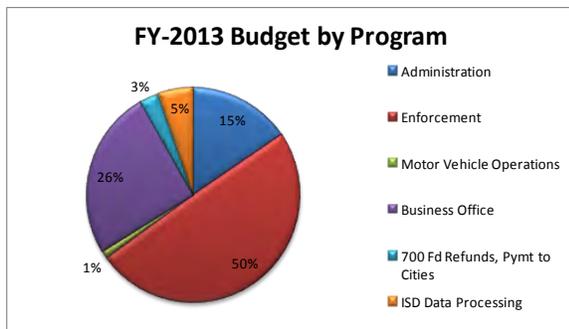
Mission

The mission of the Alcoholic Beverage Laws Enforcement Commission is 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

- Administration
- Enforcement
- Motor Vehicle Operations
- Business Office
- Payment to Cities
- Data Processing

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



Accomplishments over Past Year

- Working with the industry and legislative leaders this past session, the ABLE Commission responded to a number of requests from the business community, law enforcement agencies, and public health organizations;
- Our goal of making Oklahoma's liquor laws more business friendly, while not sacrificing the public's safety, was aided by the legislature approving and the Governor signing Senate Bill 1218, Senate Bill 1667, and Senate Bill 1263;
- We are involved with contracts from both the state and federal levels to lessen our dependence on Oklahoma's General Revenue Fund; and
- The 2Much2Lose (2M2L) project supports and enhances the efforts of the state and local jurisdictions in prohibiting the sale, purchase and consumption of alcoholic beverages to and by youth under age 21.

Goals for Upcoming Year

- Strengthen the Oklahoma liquor laws, while maintaining a business friendly environment;
- Seek to modify Oklahoma's mixed beverage license classifications to include Type I establishments (bars only), Type II establishments (restaurants only), and create a new Type III establishment license intended exclusively for qualified event facilities such as the Chesapeake Energy Arena and the BOK Center; and
- Work towards stronger tobacco compliance in prevention of youth access to tobacco products.

Major Agency Projects

The Oklahoma ABLE Commission played host to a regional conference of State Liquor Administrators in the fall of 2012. It was a tremendous success as the ABLE Commission brought in approximately 140

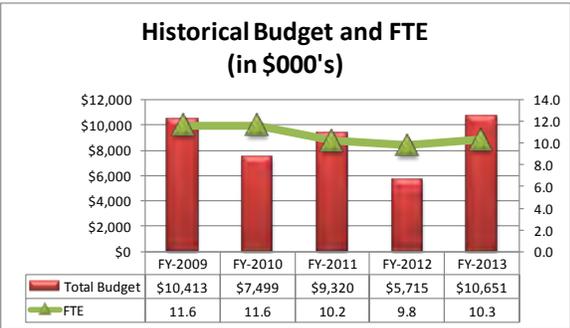
liquor administrators from around the country to Oklahoma City, doubling the attendance over the previous two years. This national organization, as well as others, is looking to our capable agency personnel and the warm hospitality of our citizens to again bring conferences back to our state for their business and social agendas.

Savings, Efficiencies and Shared Services in FY-2013

Over the past two years, the Commission has further streamlined by:

- Moving to smaller office space;
- Combining jobs such as the Legal Department Secretary with the Licensing Supervisor;
- Eliminating the Deputy Director position over the Business Office by utilizing a similar position in enforcement to supervise both;
- Absorbing the work from unfilled positions by current administrative staff;
- Sharing IT services with OMES; however, no other services currently are shared with other agencies; and
- Coordinating several employees doing two jobs such as the Administrative Law Judge, who also acts as the Human Resources Manager; ABLE's General Counsel is also the agency prosecutor; and the Assistant Director has also taken over the duties of the unfilled position of Deputy Director.

**Aeronautics Commission (OAC)
Transportation Cabinet**



*Aeronautics Commission is a non-appropriated agency.

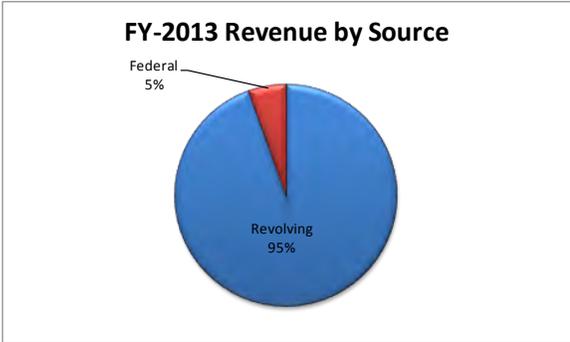
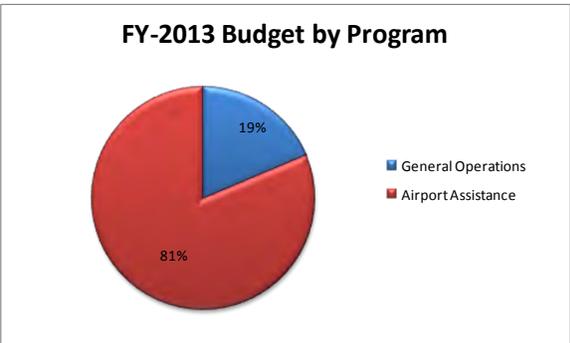
Mission

The mission of the Oklahoma Aeronautics Commission (OAC) is to foster the growth of the state’s aerospace industry and ensure that the needs of commerce and communities across the state are met by the 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

- Developed and maintained an efficient aviation airport infrastructure through financial assistance and technical support that promotes safety and standards, accessibility to all areas of the state and supports statewide economic development;
- Protected the state’s public-use airports, including military airports, from encroaching incompatible development through administration of the Aircraft Pilot and Passenger Protection Act (APPPA);
- Actively participated with a Federal Aviation Agency (FAA) task force on a two-year study to identify the classification and role of 2,952 general aviation airports across the nation;
- Advocated for aviation and aerospace by defending the engineer tax credits for aerospace, among other actions; and
- Helped expand the state’s aerospace industry by operating the Center for Aerospace Supplier Quality that has assisted 28 aerospace companies garner 336 federal contracts totaling \$40 million.

Goals for Upcoming Year

- Extend runway 17/35 at Enid Woodring Regional Airport. The \$5.9 million extension project, which will be partly funded by a \$2.5 million Capital Improvement Program (CIP) grant from OAC, the largest airport grant in the agency’s 50-year history, is required for safe operations of the Air Force’s T-38 ‘Talon’ trainer aircraft. The extension would have a significant, positive impact on Vance Air Force Base insofar as Base Realignment and Closure (BRAC) is concerned;
- Construct the north portion of the parallel taxiway system for runway 02/20 at McCurtain County Regional Airport (Idabel) and rehabilitate

the connecting taxiway at an estimated cost of \$2.6 million;

- Rehabilitate runway 17/35 and extend the parallel taxiway system at Miami Municipal Airport at an estimated cost of \$2.2 million;
- Ensure that projects identified in the Commission's CIP qualify for federal and state funding and provide implementation oversight of those needed improvements for the state's aviation infrastructure in a timely manner;
- Enhance current communication efforts to help keep OAC stakeholders and constituents informed of agency and industry news;
- Keep more Department of Defense dollars in Oklahoma through the efforts of CASQ; and
- Help ensure an adequate, skilled work force that will promote the viability and growth of the aerospace industry.

Major Agency Projects

Major projects completed in FY-2012:

- Eaker Field Airport (Durant) - FY-2009 – FY-2012: Reconstructed the parallel taxiway system at an estimated cost of \$6.4 million;
- Max Westheimer Airport (University of Oklahoma, Norman) FY-2011 - FY-2012: Reconstructed the south aircraft parking apron at an estimated cost of \$2.1 million; and
- Shawnee Regional Airport - FY-2010 – FY-2012: Reconstructed the parallel taxiway system to the primary runway and constructed a terminal building at an estimated cost of \$4 million.

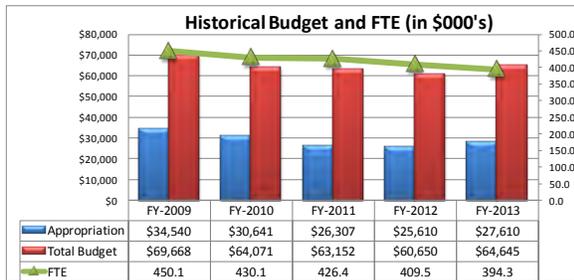
Major FY-2012 projects granted federal and/or state funds with construction currently in progress:

- Clarence E. Page (Yukon): Install taxiway lights and signage, reconstruct approximately 604 ft. of runway 17L, and rehabilitate runway 17R/35L at an estimated cost of \$2.7 million;
- Davis Field (Muskogee): Construct a new terminal building and rehabilitate the parallel taxiway to runway 13/31 at an estimated cost of \$3.6 million; and
- William R Pogue Airport (Sand Springs): Rehabilitate runway 17/35, taxiway pavements and apron pavements as well as construct taxi lane for new hangar development at an estimated cost of \$4 million.

Savings, Efficiencies and Shared Services in FY-2013

- Routine airport pavement maintenance program (RAMP) in FY-2012 included projects at Clinton Regional Airport as well as projects at Pawhuska, Chattanooga, Seminole and Eufaula municipal airports at an estimated total cost of about \$1.3 million. The Commission's RAMP program will result in savings in excess of \$1 million;
- Under the OAC Travel Policy, only non-refundable airfare tickets are purchased. Either Hotwire or Priceline's "Name Your Own Price" must be used for hotel rooms unless a conference hotel is designated. Traveling by motor vehicle is the first option. This has resulted in documented savings of more than \$3,500;
- Began preparing preliminary engineering reports for all projects identified in the agency's CIP. This move is expected to focus the limited amount of federal and state airport improvement funding to the most vitally needed developments at the state's public-use airports;
- Instituted a process this past year that allows applicants seeking to build a structure near a public-use airport to get a pre-review before proceeding with construction. This reform has significantly cut down the number of applicants who would not necessarily need to file a permit under APPPA;
- IT consolidation completed; and
- Agency-shared services with OMES include: e-mail, servers, desktops and laptop computers; OK.GOV portal services (server), support, maintenance, upgrades, payroll, and human resources.

Agriculture, Food & Forestry, Department of (ODAFF) Agriculture Cabinet



Mission

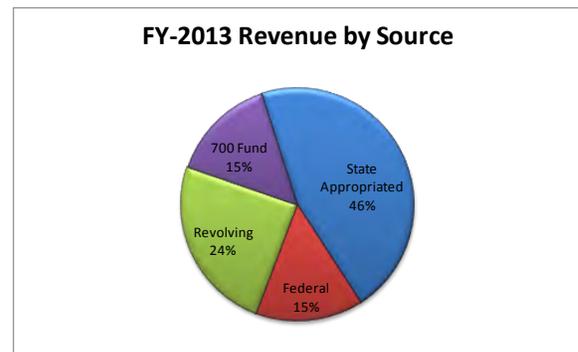
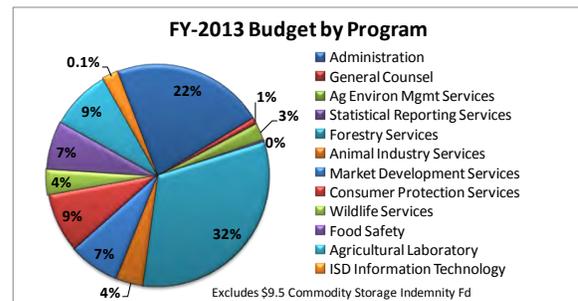
The Oklahoma Department of Agriculture, Food and Forestry's (ODAFF) mission is to look at agriculture with a vision of what it will be in the next 100 years. ODAFF is responsible for increasing the value of agriculture products and enhancing the value of life in rural communities. In addition, ODAFF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

Programs

- Legal Services
- Agriculture Environmental Management Services (AEMS):
 - Concentrated Animal Feeding Operations
 - Poultry Waste Applicators
 - Poultry Litter Transfer
 - 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 and Inventory
 - Forest Resource Assessment and Strategy
 - Forest Regeneration
 - Conservation of Forested Lands
 - Urban Forestry
 - Forestry Education
- Animal Industry Services
- Consumer Protection Services (CPS)
- 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
 - Plasticsulture

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



Accomplishments over Past Year

- AEMS Division received EPA National Pollutant Discharge Elimination delegation.
- Forestry Division conducted the initial wildfire attack and provided support on fires totaling over 200,000 acres and effectively managed and contained one of the largest fires in Oklahoma's history (approximately 60,000 acres).
- CPS division collected 49,725 pounds of unwanted pesticides through the Unwanted Pesticide Disposal program.
- Food Safety Division received an FDA grant to build state inspection capacity.
- Laboratory Services Division secured a federal cooperative agreement grant from FDA to accredit food and feed regulatory testing to

internationally recognized standards in addition to decreasing cost per sample by 10-50%.

- Market Development Division received a \$384,000 Specialty Crop Block grant in 2012.
- Market Development Division registered 80 '100% Oklahoma Grown Farmer's Markets' and expanded the state's Agritourism program by adding twenty-two new companies
 - Made in Oklahoma companies saved up to 85% by advertising cooperatively.

Goals for Upcoming Year

- Protect producers and consumers by ensuring the safety and quality of agricultural products and services;
- Protect and conserve the State'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 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;
- Increase the value of Ag products with further processing and increased exports;
- Convert the Dairy and Poultry Inspection sections to an electronic inspection system;
- Increase testing in pesticide lab by 20% which would create a revenue increase of 20%; and
- Remove the remaining three pesticide impaired streams from EPA's list of impaired streams.

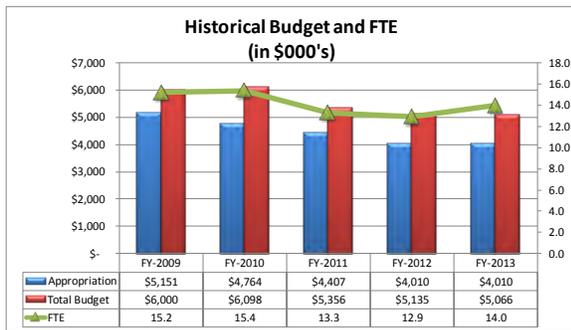
Major Agency Projects

- Conversion to PeopleSoft Time and Labor;
- IT consolidation with OMES;
- Pursuing shared services for payroll; and
- Increasing online licensing.

Savings, Efficiencies and Shared Services in FY-2013

- Reduced FTE through normal attrition;
- Converted more vehicles to Alternative Fuel Vehicles to reduce fuel costs; and
- Reduced costs through lab tech advancements.

Arts Council Education Cabinet



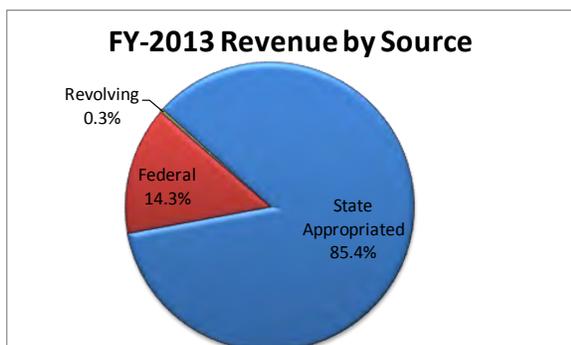
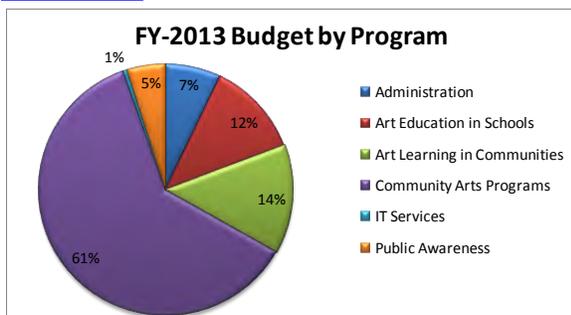
Mission

The mission of the Oklahoma Arts Council (OAC) 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

- Arts Education in Schools
- Arts Learning in Communities
- Community Arts Programs

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



Accomplishments over Past Year

Supporting Oklahoma's thriving arts and cultural industry

- **Grants** - Provided 558 grants to 310 organizations and schools in 105 communities across the state. Funded programs must be matched with private dollars and are vetted through a rigorous review process.

Developing a robust cultural infrastructure

- **Oklahoma Arts Conference** - Convened over 350 individuals from 58 communities and provided professional development training for community developers, local government officials, arts managers and artists. Sessions included: *Diversifying your Support Base*, *Creating a Cultural Plan for Your City and Revitalizing Communities Through the Arts*.
- **Leadership Arts** - Graduated 28 business and community professionals in 2012 for a total of 146 graduates since 2008. Participants learn strategies to use the arts in their own community to strengthen the local economy, enrich quality of life, and improve education.
- **Oklahoma's New and Emerging Arts Leaders Network** is a free, independent statewide network for arts leaders age 35 and under or those that have less than five years of experience in arts administration or the business of arts. This group of over 500 leaders encourages the retention of our creative workforce and represents the next wave of leadership for the arts in Oklahoma.

Educating Oklahoma's future creative workforce

- In FY-2012 nearly 195,000 students in 715 school sites were served through programs supported by OAC grants. Grant programs also allowed 2,100 teachers to receive arts education and arts integration instruction.
- Developed by the Council, *Teaching with Capitol Art* resources are free online tools available to educators statewide. Through the Capitol artwork and the provided curriculum, teachers can make Oklahoma history come alive in the classroom.
- Developed curriculum specifically for Black History Month using the Capitol Art Collection. This curriculum is distributed to over 15,000 students in more than 800 schools through The Oklahoman's Newspapers in Education.
- In FY-2012, over 52,000 participants in 522 community sites were served through Arts

Learning in Communities grants. Programs include after school programs, summer art camps, adult art programs, programs for those with special needs and senior citizens programs.

- Agra School district, a district without any visual arts instruction, received matching funds for an arts education specialist. Agra's program was developed in compliance with legislation passed in 2008.
- The Council's partnership with the Oklahoma City Police Department through the Family Awareness and Community Teamwork (FACT) program provided arts instruction to at-risk youth. A positive alternative to gangs, this program teaches specific art disciplines and also enforces the values promoted by the police department such as respect for others and self.

Preserving Oklahoma's history and cultural heritage

- Organized and curated 22 rotating Capitol gallery exhibitions that provided access to exceptional art by Oklahoma artists at no cost.
- The agency curates and maintains the State Art Collection of over 200 works of art in the Betty Price Gallery in the state Capitol.
- Provided technical assistance and expertise to the Capitol Preservation commission including:
 - Oversight of the Dr. John Hope Franklin portrait commission and acquisition.
 - Managed on-site conservator and historic structures architect reports to assess and prioritize needs for the Capitol collections.
 - Partnered with DCAM to conduct a light assessment by a conservator to identify the light sources affecting the long-term preservation of the Capitol Art.

Goals for Upcoming Year

- **Support** Oklahoma's \$314 million arts and cultural industry by providing matching grants to organizations for cultural events across the state that impact job growth and economic development, enrich our quality of life, and elevate Oklahoma's image.
- **Develop** a robust cultural infrastructure through service programs that provide networking opportunities and professional development training in organizational management and community development.
 - Convene Oklahoma's Arts Conference in Ardmore, Oklahoma in 2013 to provide training and networking opportunities for

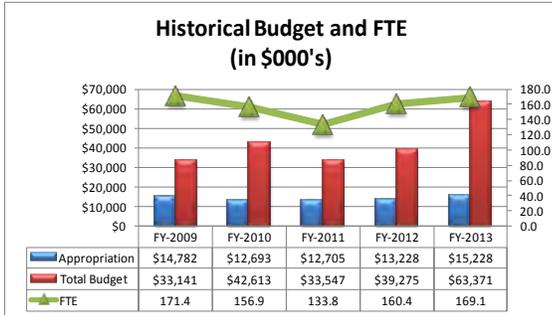
community development professionals, arts managers and artists.

- Recruit and train next Leadership Arts class regarding the economic and educational benefits of arts and culture for their communities.
- Pilot Cultural Enterprise District program
- **Educate** Oklahoma's future creative workforce.
 - Provide matching grants for arts education programs that support critical thinking and problem solving skills for school age youth.
 - Develop a minimum of 25 additional online resources using the Capitol Art Collection.
- **Preserve** Oklahoma's history and cultural heritage by actively pursuing conservation and preservation of the Capitol art collections.
 - Develop comprehensive inventory of Capitol Art collection including collecting and conservation plan.
 - Provide information regarding relocation and protection of artwork for potential renovation projects in the Capitol.

Savings, Efficiencies and Shared Services in FY-2013

- OMES provides all the Oklahoma Arts Council's IT needs including data storage, email and PC maintenance.
- Installed energy efficient LED lighting in the Betty Price Gallery and partnered with OMES-DCAM to replace bulbs in the other Capitol galleries. Changes better preserve the artwork and save over 24,000 kWh and \$2,000 annually.
- The Oklahoma Arts Council's online e-grant system, developed in-house, saves staff time and paper, storage, printing and mailing costs.
- Utilized teleconference service for panel meetings, reducing printing and travel costs
- Most publications are produced electronically to keep print and mailing costs at a minimum.
- The Oklahoma Arts Council distributes administrative services such as payroll, human resources, training enrollment, and accounting services among existing staff, keeping administrative costs to an average 8-9% of the total agency budget.

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



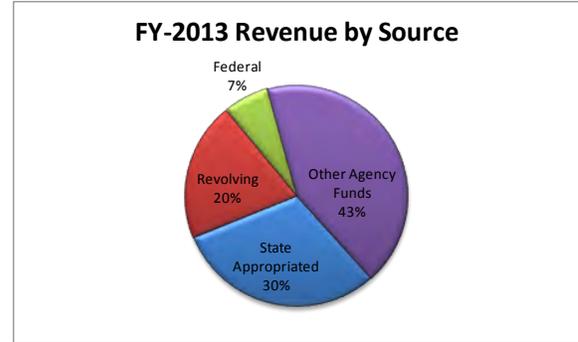
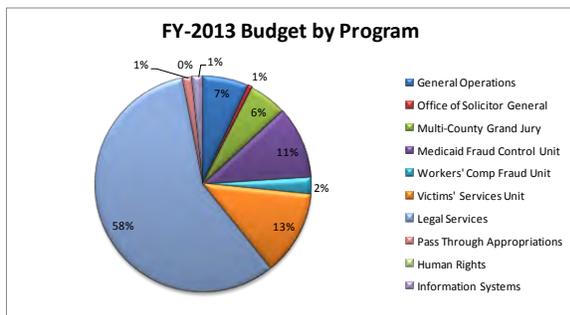
Mission

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

- General Operations
- Office of Solicitor General
- Multi-County Grand Jury
- Medicaid Fraud Control Unit
- Workers' Comp Fraud Unit
- Victims' Services Unit
- Legal Services
- Pass Through Appropriations
- Information Systems

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



Accomplishments over Past Year

- Oklahoma has a Solicitor General dedicated to representing the state where the federal government has overreached its authority and has encroached on the state's ability to craft its own solutions as provided under law;
- The Attorney General's Office has successfully represented the State in numerous litigation matters and continues to represent eighty-six state agencies through the General Counsel Unit;
- The Public Protection Unit collected more than \$97,000 for fraud victims through restitution, received and processed more than 5,300 written consumer complaints and more than 9,000 consumer calls, responded to 208 calls from businesses with questions about the Attorney General's complaint process and recovered in excess of \$56,000 for Oklahoma consumers and taxpayers;
- The Medicaid Fraud Control Unit recovered more than \$15.7 million dollars in lawsuits against companies that violated the False Claims Act, an 18 percent increase over last year's recoveries;
- The 13th Multicounty Grand Jury led by advisors from the Attorney General's Office concluded its sessions by doubling the number of indictments from the previous year. The Unit assisted 113 state and local law enforcement agencies and issued nearly 2,000 subpoenas. The 14th Multicounty Grand Jury will convene on January 22, 2013;
- The AG's Workers' Compensation and Insurance Fraud Unit increased criminal filings against defendants with insurance or workers' compensation fraud by 30 percent over the previous year and by more than 62 percent over 2010;
- The office issued 25 Attorney General Opinions;

- The Criminal Appeals Unit filed 368 briefs this year in state court and 184 in federal appellate courts. Ninety-seven percent of cases defended by the unit were upheld;
- The Criminal Appeals Unit implemented a peer review system, which provides greater consistency on the law and arguments before various appellate courts;
- The AG's Victim Services Unit (VSU) has been diligently working to bolster awareness of available resources for victims of crime, their families, law enforcement and the public. Specifically, the VINE program, provides a free notification system via telephone, e-mail and text to notify victims of crime, in particular, on the movement or release of inmates; and
- Over the last year, the registrations for the service have jumped to an average of more than 4,000 new registrations per month. The effort of VSU and funding through the AG's Office also has increased the number of Oklahomans served at the state's shelters by 41 percent, helping 16,569 men, women and children in need.

Goals for Upcoming Year

The AG is seeking to effectively administer and improve upon the ongoing Justice Reinvestment Grant Program.

Major Agency Projects

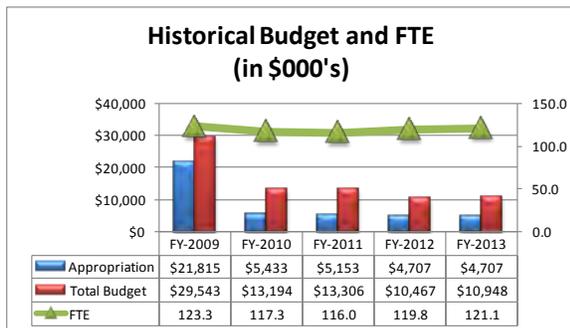
- The AG will remain committed to the state's lawsuit against the federal government's passage of the Affordable Care Act and defend the states' rights in court against the ongoing water lawsuit;
- In October, the AG launched a new program called Resolution Oklahoma designed to help keep Oklahomans in their homes. The program involves a two-prong approach that provides free legal help for homeowners facing mortgage issues and foreclosure, after investigators found residents with representation fared better than those without an attorney. The program also includes specific help for military veterans, specific mortgage training for private attorneys and a sizeable grant from the Oklahoma Mortgage Settlement to Legal Services of Oklahoma to assist seniors and those homeowners with lower incomes; and
- The AG will continue its commitment to partner with the OSBI by contributing to the ongoing

investigative efforts within the Internet Crimes Against Children (ICAC) Unit and serve the state as the lead prosecutor against those who prey on society's most innocent people, our children.

Savings, Efficiencies and Shared Services in FY-2013

- In FY-2012, the Attorney General's Office absorbed the responsibilities once held by the Human Rights Commission and created the Office of Civil Rights Enforcement. The agency has assumed the same responsibilities with a fraction of the personnel. The unit includes one attorney and three investigators, down from the previous agency's 22 positions;
- The General Counsel Unit has expanded its role in the representation of state agencies. By utilizing the Attorney General's Office, those agencies receive quality representation without the need to pay the salary and benefits of a full time lawyer; nor are they reliant on outside counsel. New contracts over the past year have saved the state approximately \$1,100 per hour in attorney fees;
- Assistant Attorneys General serve as part-time Administrative Law Judges, which allows those agencies and citizens to receive fair and unbiased decisions in a timely manner;
- Intervention of the Litigation Unit assisted in the settlement in the pending Children's Rights lawsuit against the Department of Human Services. Their intervention in the case spared the state from paying large amounts of taxpayer dollars in damages and penalties; and
- The agency uses the OSF Core system for payroll, financial accounting and human resources. Additionally the office utilizes the OMES Fleet Management system.

State Auditor and Inspector (OSAI) Finance & Revenue



*Beginning in FY-10, REAP appropriations were no longer passed through Auditor & Inspector.

Mission

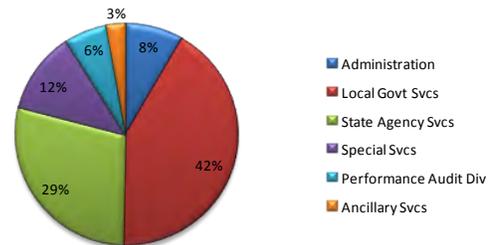
The mission of the State Auditor and Inspector (OSAI) is to independently serve the citizens of Oklahoma by promoting accountability and fiscal integrity in state and local government. The agency accomplishes this by valuing professionalism in staff and the completion of audit work in accordance with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

Programs

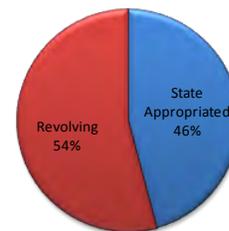
- Local Government Services
 - Management Services
 - County Audit Services
 - Investigative Services
- State Agency Services
 - Financial Audit Services
 - Performance Audit Services
 - IT Support and Audits
 - Group Insurance Audit Services
- Special Services
 - Gaming
 - Horse Racing
 - Minerals Management
 - 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](#).

FY-2013 Budget by Program



FY-2013 Revenue by Source



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-2012 than in FY-2009 and FY-2010 combined.
- To help facilitate the reporting of suspected fraud by both citizens and government employees, OSAI has established a toll-free hotline (1-800-Fraud-No). Callers may leave information, anonymously if they prefer, about suspected fraud occurring at any public entity. OSAI also re-designed our online reporting form to make it more user-friendly to help the public provide us better, more critical information needed to clarify whether or not the elements of fraud may be present in their complaint.
- As requested by OSAI, Oklahoma Statutes, Title 74, Section 212B (HB 1207 of the 2011 Legislative Session) now 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 OSAI's website) for greater transparency and accountability to

the public and the Legislature. The required reports are now available on OSAI's website.

Goals for Upcoming Year

- Enhance the Performance Audit Division by encouraging legislators and agency heads to accept performance audits as a value within every organization of state government.

Major Agency Projects

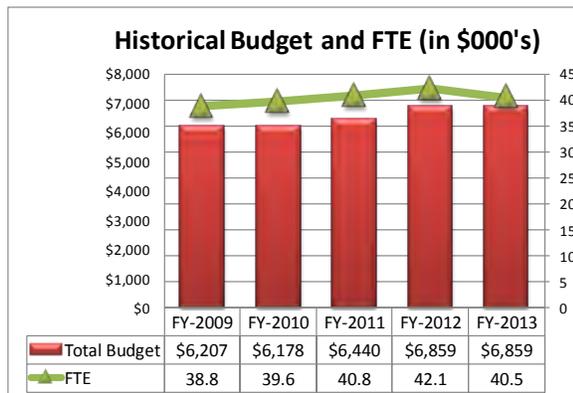
- Required by the Constitution to "examine the state and all county treasurer's books, accounts, and cash on hand or in bank at least twice each year" and "prescribe a uniform system of bookkeeping for the use of all treasurers." [OK Constitution, Article 6 § 19];
- Required by the Constitution to annually audit the operations of the state's Emergency Medical Service Districts. [OK Constitution, Article 10 § 9C];
- Mandate by state law the State Auditor establish accounting procedures and forms, and provide assistance to counties and other local governments; and
- Conduct 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-2013

- In order to assist counties in their compliance with changes in Government Auditing Standards, the Auditor's Office announced regional training dates for the spring of 2012 in the Oklahoma cities of Pryor, Ada, Lawton, and Woodward to provide hands-on experience assisting with the compilation of each county's financial statements. By holding regional training, class sizes were smaller and travel distances were kept to a minimum. Also, class sizes were manageable and officials were able to ask questions in areas where help was needed.
- After training was held, most counties were able to get in compliance with preparing their financial statements. This resulted in a decrease in the amount of audit time; and as the counties become more familiar with the financial reporting process, OSAI expects audits to become increasingly more efficient.

- Steps were taken to incorporate operational audits for counties not requiring an audit in accordance with OMB Circular A-133. As a result, the Auditor's Office was able to maximize resources and efficiently produce 160 years' of quality audits during the period of January 10, 2012 through January 9, 2013. OSAI expects to maintain this momentum through the next year.
- OSAI, during the last year, has worked with citizens, independent auditors and city officials to address citizens' concerns and avoid costly investigative audits amounting to tens of thousands of taxpayers' dollars.
- OSAI has entered into an agreement with the Office of Management and Enterprise Services (OMES) to perform payroll processing. Although OSAI is paying for this service, the agency anticipates long-term future savings.
- OSAI has requested (since March of 2011) to be included in the CORE's project module to expedite audit invoicing. Currently OMES does not have available resources to allow us to use this program. OSAI can eliminate redundant and unnecessary tasks when allowed access to this program. OSAI anticipate savings in the future when OMES grants our participation.
- The State Auditor and Inspector will continue working to make a difference in the effective and efficient operations of State Agencies, Counties, and other local governmental entities. OSAI will continue conducting systematic audits of state and county governments and ensure that all governmental programs are transparent and accountable to the citizens of Oklahoma. OSAI never identifies a problem without offering a solution; as a result, OSAI can be a driving force in reducing the cost and size of government while at the same time, ensuring the cost effective and efficient delivery of government services.
- OSAI's staff primarily is composed of governmental auditing professionals. Due to the uniqueness of the professionals, there is a tremendous amount of initial and ongoing training required. In order to retain well trained employees, OSAI is constantly evaluating resources to compensate employees at a competitive level, resulting in OSAI operating in a more efficient manner.

Banking Department Finance and Revenue Cabinet



*Banking Department is a non-appropriated agency

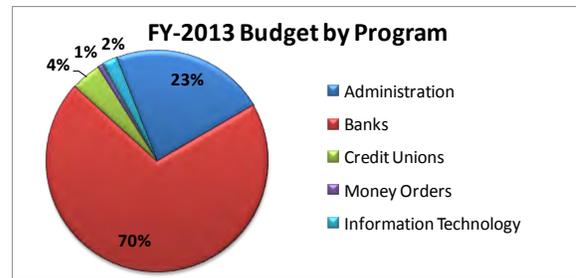
Mission

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 ensures 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.

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](#).



100% of the funding for the Banking Department comes from agency revolving funds.

Accomplishments over Past Year

- Maintained a safe and sound financial industry;
- Increased the assets supervised under the Oklahoma state banking system;
- Lowered assessments on the industry in an effort to stimulate community lending; and
- Participated in the National Mortgage Licensing System and Registry for one-stop online processing of money transmitter licensing.

Goals for Upcoming Year

- Participate in the federal rule-making process and pursue a reduction in regulatory burden on community financial institutions; and
- Continue to improve upon efficiencies for delivering services and supervising the banking and money service business industries.

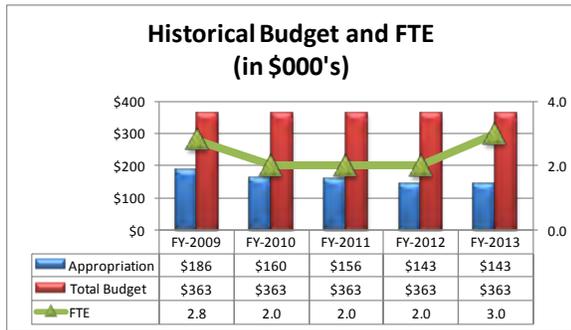
Major Agency Projects

- Updating the Banking Code to remove obsolete provisions, create more transparency with respect to money transmitter licensees and their agents, and allow for cooperative agreements with other state agencies; and
- Continuing to utilize services offered by OMES to implement new technology that will enable us to improve communications and better serve our clients.

Savings, Efficiencies and Shared Services in FY-2013

- Reorganizing the office personnel and redistribution of work responsibilities after the retirement of long-term Deputy Commissioner;
- Lowering regulatory assessments imposed on the industry by 15% for a reduction in excess of \$1 million in assessments.

Bond Advisor Finance and Revenue Cabinet

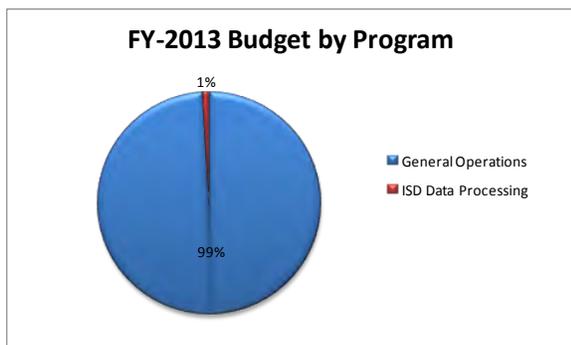


Mission

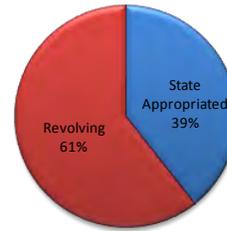
- To staff the Council of Bond Oversight and assist them in their efforts to ensure full compliance with the Oklahoma Bond Oversight and Reform Act.
- To maintain records of the state's debt and provide timely reporting of this information to the Governor and legislature.
- To serve as the liaison with the national bond rating agencies and credit enhancement providers.
- To administer the Oklahoma Private Activity Bond Allocation Act.

Programs

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



FY-2013 Revenue by Source



Accomplishments over Past Year

- Worked with the legislature to update and modernize the Bond Oversight and Reform Act and the Long-Range Capital Planning Act; and
- Assisted multiple state issuers with their bond sales, including a number of refundings to realize debt service savings.

Goals for Upcoming Year

- Continue monitoring refunding opportunities and issue refunding of bonds to reduce the state's annual debt service requirements, where possible.
- Work with the legislature to find funding sources for needed infrastructure improvements.
- Continue to assist, as needed, with efforts to strengthen the state's pension systems – an effort that will enhance the investment community's perception of Oklahoma's credit quality.

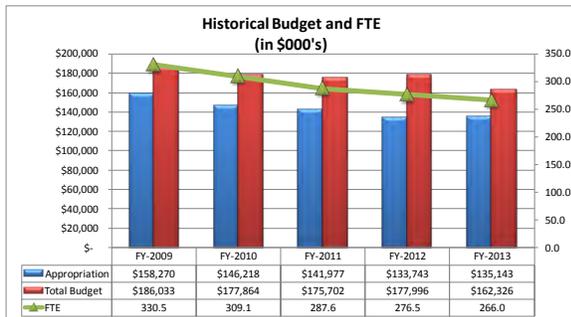
Major Agency Projects

- Refund the unrefunded portion of the Series 2003A General Obligation Bonds and the multiple series of Oklahoma Capitol Improvement Authority lease revenue bonds to realize debt service savings for the General Revenue Fund.
- Assist the Oklahoma Municipal Power Authority with the sale of new money bonds to finance additional power generation for their system.
- Work with the Office of Management and Enterprise Services to improve the capital planning process to provide better information to the Governor and legislature.

Savings, Efficiencies and Shared Services in FY-2013

- Assisted multiple agencies with refunding transactions that resulted in debt service savings; and
- Use OMES for payroll services.

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



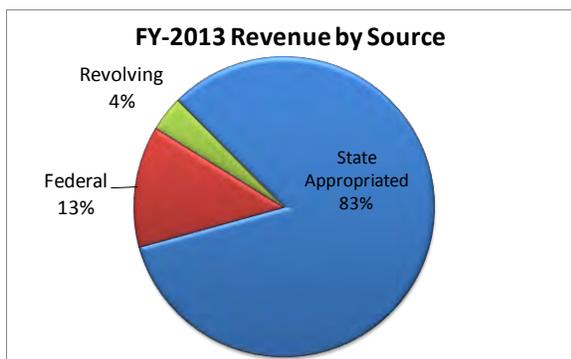
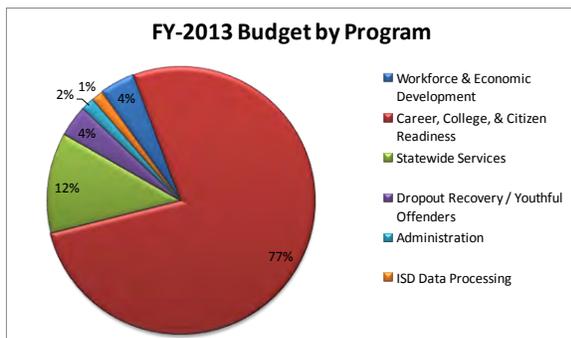
Mission

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

Programs

- Workforce & Economic Development
- Career, College & Citizen Readiness
- Dropout Recovery/Youthful Offenders

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



Accomplishments over Past Year

Workforce Development & Career Readiness

- A positive placement rate (employed, continued education and military) for FY-2011 full-time technology center programs of 92.03% was achieved.
- 95.3 % of high school seniors who enrolled in CareerTech programs graduated high school.
- Over 125,000 individuals were enrolled in one or more CareerTech classes specifically designed for industry training.
- 12,734 students received one or more certifications endorsed by industry or were aligned with national and/or state standards. Of those, 6,342 were secondary students and 6,392 were adult students.
- 9,152 enrollments in cooperative alliance programs, partnerships with higher education, resulted in 76,370 college credit hours costing \$8 per credit hour. Potential cost savings families was \$7.9 million in tuition and fees.
- 16,546 Career Readiness Certifications were issued. This is a 14.5% increase from previous year.
- CareerTech administered nine dropout recovery programs, serving 511 females and 515 males. Of the 1,026 students, 960 enrolled to pursue a high school diploma and 66 enrolled to obtain a GED.
- 75.5% of Oklahoma inmates trained in Skills Centers programs are still free and working 60 months after release.
- The placement rate for Oklahoma inmates trained in a Skills Centers program was 84.76%
- CareerTech prepared over 500 new economic, industry clusters and workforce forecast reports to advance state and technology center strategic planning efforts.
- CareerTech had Business & Industry enrollments as follows;
 - Safety training: 184,019
 - Customized training: 87,139
 - Existing Industry (Incumbent workforce) training: 12,346
 - TIP training: 8,276
 - Firefighter training : 2,842
 - Adult and Career Development: 68,607
- CareerTech established a Diversity and Inclusion Council comprised of key stakeholders to identify innovative strategies for promoting and creating a systemic culture that values diversity and inclusion.

Economic Development

- CareerTech's Training for Industry Program (TIP) assisted 65 companies to add 2,173 new jobs in Oklahoma representing an annual payroll of more than \$76 million. Average wages were \$16.83 per hour.
- CareerTech served more than 6,900 businesses and industries.
- Through CareerTech's Oklahoma Bid Assistance Network (OBAN), more than \$163 million was awarded in contracts to Oklahoma businesses.

Goals for Upcoming Year

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

Major Agency Projects

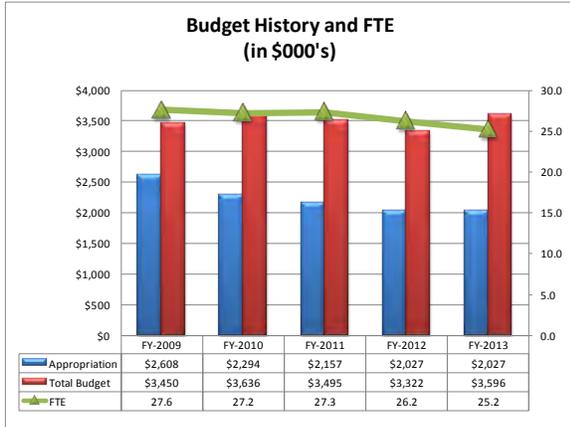
- Training for Industry Growth (TIG), working to ensure Oklahomans have the necessary skills for employment in companies that are locating in our state or who are expanding their operations in Oklahoma. TIG addresses industry shortages in job areas such as machinists and truck drivers in the energy sector.
- *Industry Ecosystem*- CareerTech is in the process of cross walking our Career Majors to each of the ecosystems recently defined by the Oklahoma Department of Commerce.
- Working to increase the number of "employer partners" using job profiles in recruiting a trained and certified workforce.
- Increasing the number of Career Readiness Certificates that measure core skills employers deem critical for job success. Certifications validate and quantify skill levels.
- CareerTech is aligning with the Governor's request to increase the number of degrees and certifications earned in Oklahoma by 67% by 2024 as a part of the Complete College America (CCA) initiative. We have partnered with the State Regents for Higher Education to explore additional certifications that can be included in this initiative.

- A statewide training initiative to fast track certification for returning military personnel. Many veterans return with countless hours of experience yet they don't have the industry standard credentials required to become employed immediately. Our goal is to get them job certified and ready in a fraction of the time typically required.
- Through CareerTech's STEM initiative, we are playing a critical role in growing a talent pipeline of Oklahoma students ready to pursue careers in targeted industry sectors such as aerospace, energy, advanced manufacturing, healthcare, and biotechnology.
 - Pre-Engineering- 17 technology center districts and 6 comprehensive high schools
 - Gateway to Technology- 42 sites in middle schools
 - Biomedical Sciences- 12 technology center districts and 3 comprehensive high schools
 - Biotechnology – 2 technology center districts partnering with Noble Research Foundation
 - Other STEM initiative partners- Cyber Security Education Consortium, National Science Foundation, four two-year colleges, and the University of Tulsa.
- The National Security Agency and the Department of Homeland Security designated the Oklahoma Department of Career and Technology Education, along with six technology centers, as National Centers of Academic Excellence in Information Assurance.
- CareerTech is assisting comprehensive schools with achieving higher grades in their A-F Report Card by identifying CareerTech programs that meet the required participation and performance standards.
- Teacher Leader Effectiveness (TLE)- SB 2033 (2010) made sweeping changes to the way teachers and administrators are evaluated. Staff from the CareerTech agency is working to determine the needed professional development, to select the appropriate teacher and administrator model for qualitative components, and to develop the rubric that would also be used for guidance counselors.

Savings, Efficiencies and Shared Services in FY-2013

- Since December 2010, the CareerTech agency has been closed for the period between Christmas and New Years. All staff are required to use personal annual leave for the days not provided as state holidays. This action has resulted in reduced cost for utilities, a reduction in the agency's annual leave liability, and had minimal impact on our customers because the schools are closed during this time. Estimated savings: in excess of \$352,000.
- The agency utilizes the Office of Management & Enterprise Services (OMES) CORE modules including requisitioning, purchasing, accounts payables, accounts receivables, general ledger, payroll, employee self service, enterprise learning management system and time and labor.
- The agency utilizes OMES Information Technology (IT) services. Transformation to full consolidation is scheduled for September, 2013.

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



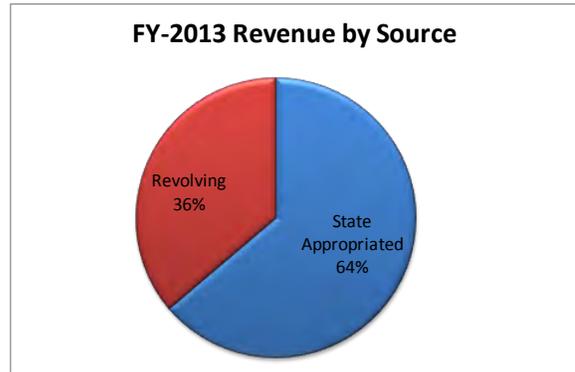
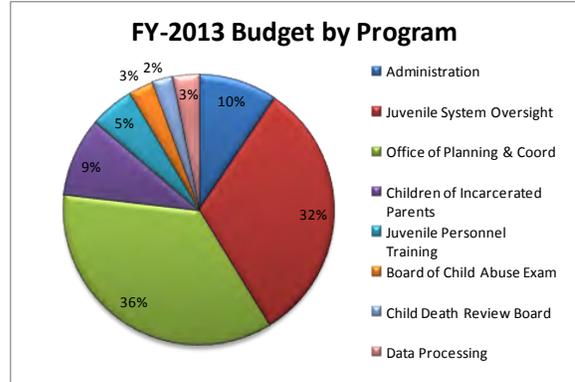
Mission

The mission of the Oklahoma Commission on Children and Youth (OCCY) is to improve services to children by planning, coordinating and communicating with communities between public and private agencies; conducting independent monitoring of the children and youth service system; and testing model and demonstration programs for effective services.

Programs

- Office of Juvenile System Oversight
- Children of Incarcerated Parents
- Board of Child Abuse Examination
- Child Death Review Board
- Office of Planning and Coordination
- Juvenile Personnel Training
- Post Adjudication Review Boards
 - Foster Care Mediation

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



Accomplishments over Past Year

OCCY administers both the Children of Incarcerated Parents (CIP) Taskforce and the Foster Care System Improvement Taskforce.

- The CIP Taskforce recommendations have resulted in legislation to provide mentoring services to children who are at risk of entering the Office of Juvenile Affairs system. In addition, the taskforce has established the need for collecting data on children whose parents are incarcerated, and has identified OCCY as the state agency to work on these issues.
- The Foster Care System Improvement Taskforce recommendation has resulted in OKDHS issuing a Request for Proposals (RFP) to contract out the recruitment, retention, and training of traditional foster home services.

Goals for Upcoming Year

- Work with communities to help identify systemic gaps in the children and youth service system, which will create more community-led infrastructure and better programs for children and youth.

- Work with State agencies to improve communication and services provided to children and youth served by each system.

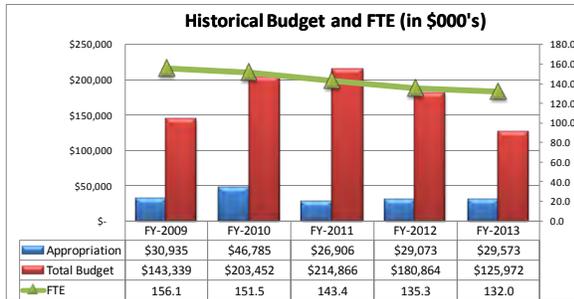
Major Agency Projects

OCCY is currently working to establish a data system and a resource clearing house to assist children of incarcerated parents. It is OCCY's goal to keep children of incarcerated parents from entering into the system. In addition, quality services must be provided to the children.

Savings, Efficiencies and Shared Services in FY-2013

- OCCY has contracted both payroll and budget/procurement services to the Office of Management and Enterprise Services.
- OCCY did not fill the Comptroller position when it was vacated one year ago and has realized an annual savings of \$40,000.

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



Mission

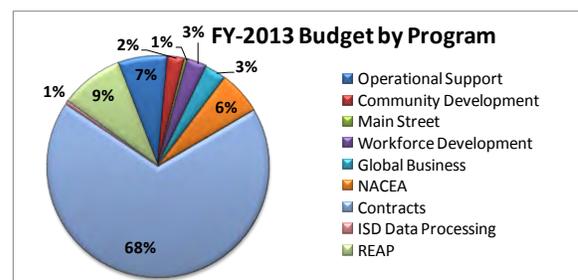
The Oklahoma Department of Commerce (ODOC) is responsible for increasing the quantity and quality of jobs available in Oklahoma by attracting new business, promoting the development and availability of a skilled workforce, supporting communities and supporting the growth of existing businesses and entrepreneurs.

Programs

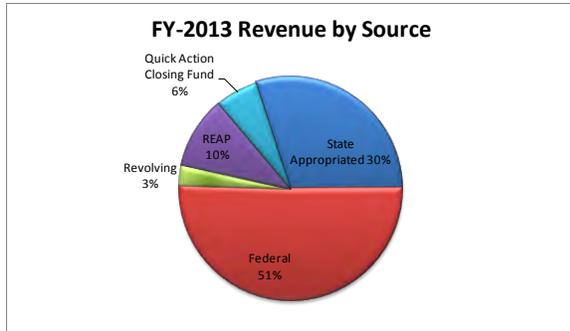
- National Business Recruiting
- Global Recruitment and Trade:
 - International Offices: Shanghai, China; Jerusalem, Israel; Mexico City, Mexico Berlin, Germany (FDI only);
 - Small Business Administration STEP Grant;
 - FDI Team public-private partnership;
- Business Customer Services:
 - Certification;
 - 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 (OESP – 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 [their website](#).



FY-2014 Executive Budget



Accomplishments over Past Year

- Jobs:
 - 9,640 Direct New Jobs (as projected or announced by customers served);
 - \$54,683 Average Annual Wage of Direct New Jobs (32% Higher than State Average Annual Wage); and
 - \$527,139,776 New Payroll from Direct New Jobs.
- Investment:
 - \$1,059,118,000 New Investment Planned by Business Customers Served;
 - \$124,085,425 New Investment in Main Street Program Communities;
 - \$20,897,668 New Investment in Community Infrastructure and Planning;
 - \$62,413,674 New Investment in Community Services;
 - \$17,003,514 New Investment in Workforce Initiatives; and
 - \$1,283,518,281 Total New Investment

Goals for Upcoming Year

- Jobs:
 - 7,400 Direct New Jobs (As Projected or Announced by Customers Served);
 - \$50,835 Average Annual Wage of Direct New Jobs (30.7% Higher than State Average Annual Wage); and
 - \$376,178,000 New Payroll from Direct New Jobs.
- Investment:
 - \$710,000,000 New Investment Planned by Business Customers Served;
 - \$70,000,000 New Investment in Main Street Program Communities;
 - \$12,000,000 New Investment in Community Infrastructure and Planning;

- \$15,236,773 New Investment in Community Services
- \$16,000,000 New Investment in Workforce Initiatives; and
- \$823,236,773 Total New Investment.
- Customer:
 - 85% External Customer Satisfaction; and
 - 85% External Partner/Stakeholder Satisfaction.

Major Agency Projects

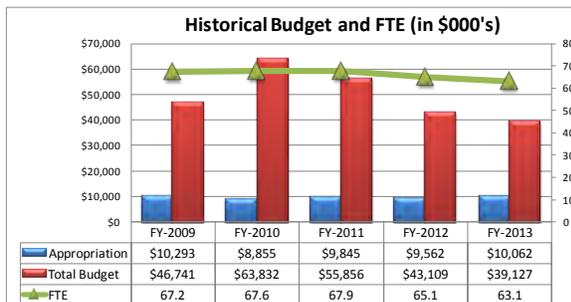
- Oklahoma Inspired – A comprehensive strategy for promoting wealth-generating Oklahoma eco-systems. This will target and define statewide economic development, labor, infrastructure and education priorities.
- OKJobMatch – A new way to match the right employees with the right jobs in Oklahoma. Centered on an innovative web-based résumé builder, OKJobMatch.com leads the nation in accurately matching job seekers with the careers that fit them best, at no cost to applicants or employers.
- OKGrants – A new management platform for grants that enables better transparency with our customers; and
- Organizational Climate Survey – A second-year internal employee assessment of the organization’s current work environment. The results of the survey showed areas of strength and weakness and, to help improve the agency, a volunteer team has been assembled to propose and develop improvements.

Savings, Efficiencies and Shared Services in FY-2013

- Partnerships – ODOC is working in partnership with OMES to migrate from legacy financial and grant management applications to the statewide implementation of CORE Phase II and Agate Grant Management. The agency network services are provided and managed by OMES.
- OKGrants – The new grants management system allows for full electronic grants management between state agencies and their sub-recipients, including real-time tracking. The system was selected and developed as a common platform for multiple agencies to use, and ODOC was among the first agencies to pilot the implementation. Through the completion of an internal process improvement before implementation, ODOC was able to reduce its overall cost for the system by nearly \$2 million.

- Performance – ODOC implemented product and service performance metrics and is in the process of executing performance-based budgeting, and
- Building Efficiencies – ODOC has replaced windows and the boiler in our building, which has resulted in energy savings and cost efficiencies.

Conservation Commission (OCC) Agriculture Cabinet

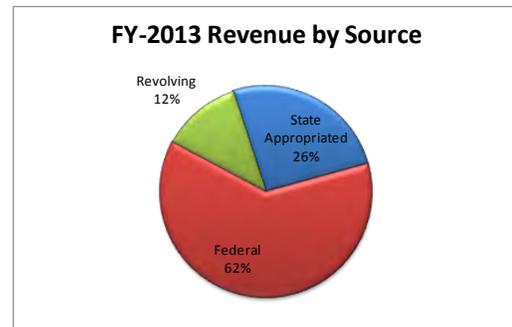
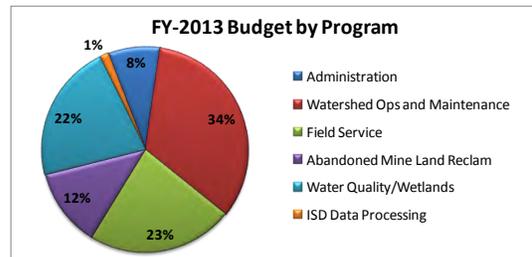


Mission

The Oklahoma Conservation Commission (OCC) seeks 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, Rehabilitation, and new Construction of Upstream Flood Control Dams
 - Conservation Education
 - Conservation District Cost Share Program
- Field/District Services
 - Conservation District Training
 - Prescribed Burn Program
- Abandoned Mine Land Reclamation
 - Abandoned Mine Land Reclamation Program
 - Emergency Reclamation Program
- 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 hazard assessments on 225 upstream flood control dams;
- Performed operation and maintenance on 166 high hazard upstream flood control dams;
- Completed the rehabilitation of seven high hazard upstream flood control dams;
- Ranked first in the nation among states for the reported load reductions of Phosphorus and Nitrogen contaminants in streams and rivers;
- Delisted eleven stream segments from the EPA's impaired streams list;
- Maintained over 300 water quality monitoring sites around the state and collected over 3,000 water samples. Conducted 181 fish collections and 250 invertebrate collections;
- Continued to address hazards associated with abandoned coal mined lands by reclaiming 142 acres and completing one emergency underground mine project; and
- Delivered \$38 million of federal financial conservation assistance through over 2000 contracts to Oklahoma landowners in cooperation with the USDA Natural Resources Conservation Service (NRCS) and the 87 conservation districts.

Goals for Upcoming Year

- Complete the hazard assessment project on remaining upstream flood control dams;
- Continue operation and maintenance of the Oklahoma's 2,107 upstream flood control dams;
- Complete the rehabilitation work on five high hazard upstream flood control dams;
- Rank in the top five states in reduction of Phosphorus and Nitrogen contaminants;
- Remove an additional 11 stream segments from EPA's impaired streams list;
- Maintain the current number of water quality monitoring sites and water sample collections;
- Reclaim 150 to 200 acres of hazardous abandoned mine land and respond and abate underground mine emergencies in a timely, efficient manner; and
- Deliver \$30 to \$40 million dollars of federal conservation financial assistance to Oklahoma landowners to address soil erosion and water quality issues.

Major Agency Projects

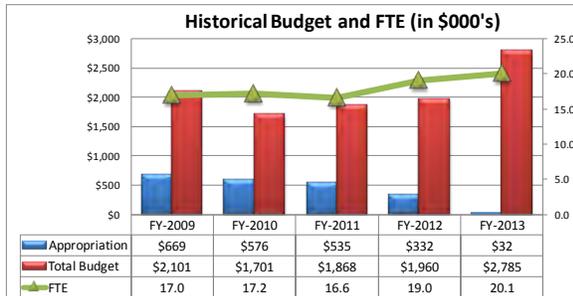
- Outreach and Education through promotion of film *The Dust Bowl*. OCC partnered with OETA, Conservation Districts and NRCS, holding six community screenings of the film followed by a discussion of conservation issues facing the state. (The screenings were well attended with over 2000 participants);
- Dam Safety - modification of high hazard flood control dams to protect people living below the dams and continuance of operation and maintenance of the state's 2,107 upstream flood control dams;
- Implementation of conservation practices by assisting landowners with the installation of best management conservation practices to improve water quality and improve soil quality for sustained use;
- Maintenance of a statewide water quality monitoring system to ensure that water quality problems are identified and that water quality improvement can be verified;
- Reclamation of scarred coal mine land and administration of the emergency reclamation program to protect citizens from abandoned mine land hazards; and
- Supporting conservation districts by providing services to ensure technical and financial assistance, flood protection, reclamation, and

soil and water quality protection are effectively and efficiently delivered at the local level.

Savings, Efficiencies and Shared Services in FY-2013

- Transitioning to an electronic fund transfer system for all vendor payments, which will provide significant efficiencies in claims processing;
- Completing IT consolidation with OMES during the third quarter of the fiscal year;
- Continued to downsize workforce by evaluating positions that become vacant, combining duties with existing positions and promoting the sharing of personnel between the 87 districts;
- Implemented the *Call Okie* notification system for construction activities around upstream flood control dams to help prevent damage. (Because of the increased oil and gas activities in the state, there have been instances where pipeline or drilling activities have negatively impacted these dams, associated spillways and flood pools); and
- Achieved significant savings through conducting hazard assessments of dams using LiDAR photography (digital topographic technology) which allows staff to evaluate and layout breach inundation areas below dams, as well as design needed repairs and dam rehabilitation remotely, without having to send a survey crew to each dam site.

Consumer Credit, Department of (OKDOCC) Finance and Revenue Cabinet



Mission

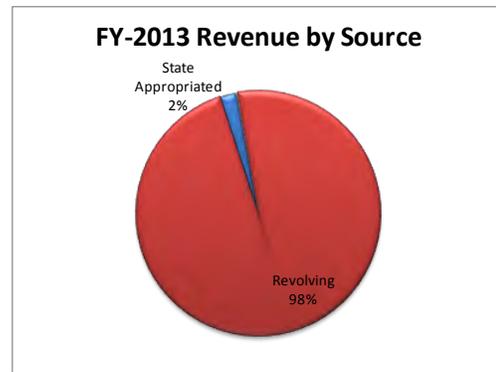
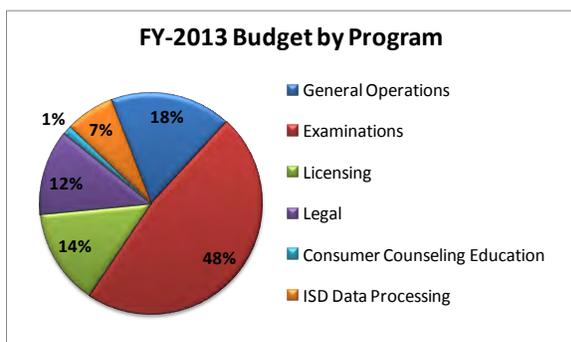
The Oklahoma Department of Consumer Credit (OKDOCC) protects and educates consumer buyers, lessees and borrowers against unfair practices and seeks to be fair and impartial in the regulation of consumer credit transactions in Oklahoma.

OKDOCC was created by the Oklahoma Legislature in 1969 and is responsible for the regulation of consumer credit sales and consumer loans in the State of Oklahoma. OKDOCC licenses and regulates mortgage brokers, mortgage loan originators, pawnshops, deferred deposit lenders, rental purchase lessors, health spa contracts, credit service organizations and precious metal and gem dealers.

Programs

- Consumer Counseling Services
- Licensing and Regulation

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



Accomplishments over Past Year

- Increased presence and awareness of the Department: appeared on KFOR's "In Your Corner" regarding Debt Busters, an unlicensed credit services organization;
- Issued cease and desist orders and imposed civil penalties during FY-2012; 37 Notices of Hearing were filed and of those, three Final Agency Orders were issued that included \$15,000 in civil penalties; and
- Wrote licensing procedures within the last year specific to each industry regulated to reduce the time period required for processing license applications.

Goals for Upcoming Year

- Become a CSBS Accredited agency in the mortgage industry;
- Apply additional licensing requirements for precious metal and gem dealers; and
- Meet quarterly with the public about making wise choices regarding the financial products regulated by OKDOCC.

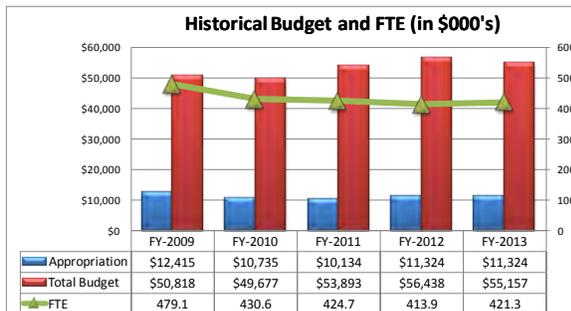
Major Agency Projects

- The primary goal of OKDOCC is to become an accredited mortgage examination agency which will allow greater efficiencies in the examination of mortgage brokers.

Savings, Efficiencies and Shared Services in FY-2013

- Continuing contract with OMES for accounting, budget, payroll and information technology services.

Corporation Commission (OCC) Energy Cabinet



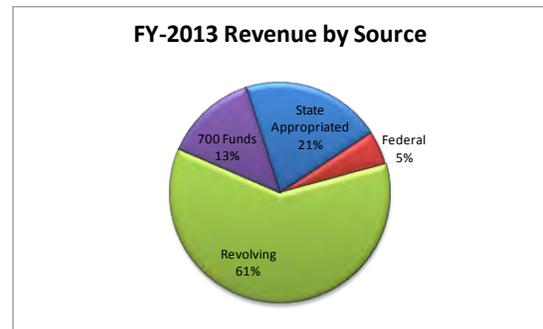
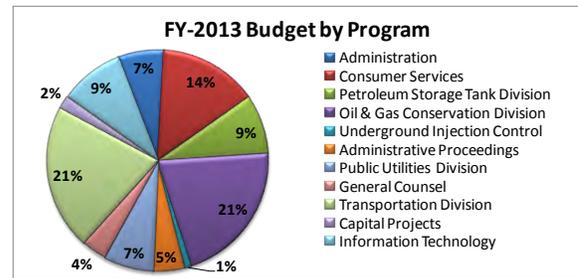
Mission

The Oklahoma Corporation Commission (OCC) seeks to regulate, enforce laws and supervise activities associated with the exploration and production of oil and gas, storage and dispensing of petroleum-based fuels, establishment of rates and services of public utilities and operation of intrastate transportation to best serve the economic needs of the public.

Programs

- Consumer Services
- Claims Processing
- Regulatory
- Petroleum Storage
- Oil & Gas
 - Well Plugging
 - Grants & Cooperative Agreements
- Underground Injection Control
- Administrative Proceedings
- Public Utilities
- General Counsel
- Transportation
 - Railroad Track Inspection
 - Pipeline Safety Department
 - Vehicle License & Registration
 - Transportation IFTA/IRP

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



Accomplishments over Past Year

- Began planning an updated strategic plan and performance measurement system and hired a vendor to help facilitate the process.
- Opened the newly constructed ports of entry in Kay and Beckham Counties to support the efforts to regulate commercial trucking.
- Completed Phase III of Risk Based Data Management System in Oil and Gas Division to aid in managing and analyzing oil and gas program data and water resources management information and improving business processes.

Goals for Upcoming Year

- Complete and implement updated strategic plan and performance measurement system.
- Update the case management system.
- Complete an International Registration Plan (IRP) system to streamline current process.
- Establish an internal audit presence to further aid in efforts to process and secure funds.

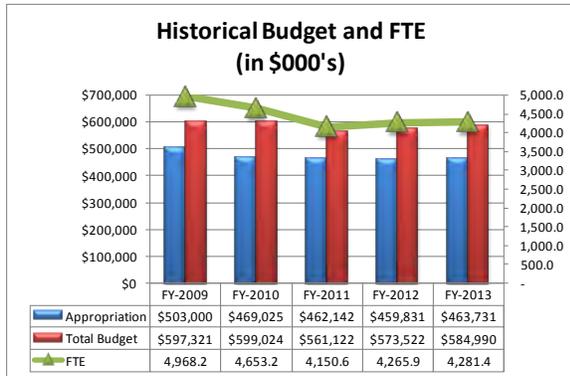
Major Agency Projects

- Implementing new case management project to streamline court case process and automate several manual processes.
- Continuing to plan new ports of entry to aid in the protection of the roads and highways.
- Improving business processes by enhancing the Risk Based Data Management System.

Savings, Efficiencies and Shared Services in FY-2013

- Transferred IT staff to OMES.
- Instituted a new online service for the trucking industry that allows purchase of 72 hour and 120 hour weight permits at any time. (Previously, those were either issued through mail-in requests or purchased through a third-party vendor).

Corrections, Department of (DOC) Safety and Security Cabinet



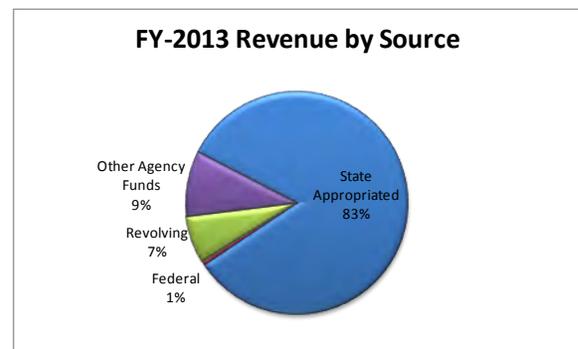
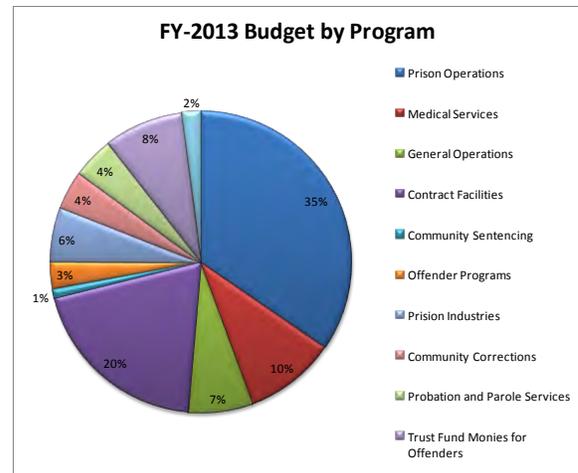
Mission

The mission of the Oklahoma Department of Corrections (DOC) is to protect the public, protect the employees, and protect the offenders.

Programs

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

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



Accomplishments over Past Year

- Completed three new chapels without taxpayer expense;
- Completed institution of automated offender medical records;
- Closed two antiquated housing units at the Oklahoma State Penitentiary and moved 240 offenders to private prisons;
- Closed the Kate Barnard Community Corrections Center which was an old hotel too antiquated to invest additional repair dollars. This property can now be sold and the proceeds may be directed to other state needs;
- Reduced female offender recidivism from 16.1% to 14.6;
- The Community Sentencing Program longitudinal study was completed, showing an 87% success rate which far exceeds drug court. Participants have an average of two prior felonies;
- Instituted Private/Public partnerships with SandRidge Energy and Cactus Drilling to train and employ offenders from the Bill Johnson Drug Offender Work Camp in Alva; and

- Completed implementation of electronic deposit services for offender trust accounts.

Goals for Upcoming Year

- Complete the downsizing and security upgrades at the Oklahoma State Penitentiary;
- Replace locking devices and control panels at two medium-security facilities;
- Secure funding to lease additional private prison beds to address the net offender growth of over 700;
- Address employee retention through compensation adjustments and improving career succession options;
- Complete security upgrades at oldest higher-security facilities;
- Establish debit card program for offenders upon release and for offenders in community corrections facilities. This program will reduce the number of checks issued by the department and reduce the staff time involved in acquiring cash for certain offenders;
- Establish automated clearing house network (also referred to as ACH) or similar direct deposit program for work release payroll. Currently many employers are requiring direct deposit services as a condition of employment for offenders. Not having this capability limits the availability of jobs. Direct deposit will also improve collections of program support fees and other mandatory deductions from offenders who are currently paid by check or debit card and will reduce the amount of time staff spend processing payroll for offenders;
- Establish dashboard containing close to real time statistical and demographic data on the offender population; and
- Complete a comprehensive review of business management functions for improved efficiency and streamlining of responsibilities.

Major Agency Projects

- Replacement of locks and control panels at the Dick Conner Correctional Center;
- Build a new chapel at the Mabel Bassett Correctional Center utilizing donated funds;
- Utilize public/private partnership to expand treatment capacity;
- Add video visitation as an option for remote facilities. As inmates and their families are getting older this would be more cost effective;

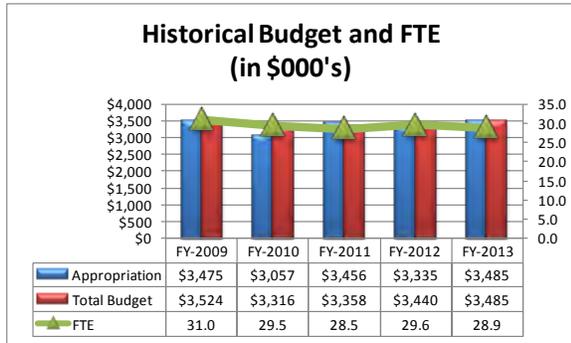
- Increase the number of Citizen Leadership Academies for corrections;
- Expand more private industry enterprises programs (PIE) within prisons as Oklahoma Correctional Industries is one of only a few states authorized to do this; and
- Provide more correctional industry coats to needy children. Over 400 coats were distributed over the last two years.

Savings, Efficiencies and Shared Services in FY-2013

- Automotive Fleet – established an on-demand inventory system for purchases of materials and maintenance supplies. This has reduced the amount of dead inventory that has accumulated in the past. The system also improved data collection used to monitor the condition of the search vehicle and the expenses attached to its maintenance;
- Energy management replaced the Administration building lighting with more efficient bulbs and ballasts funded through utility company rebates. The agency has also replaced outmoded HVAC systems, partially funded with utility company rebates;
- Implementation of electronic deposit services has improved the efficiency of business office and mailroom staff. With the deposit services, funds sent to offenders no longer have to be sorted and photocopied by mail room staff. Nor do they have to be physically deposited by business office staff;
- Shutdown of Mainframe by moving applications onto other servers has resulted in an approximate savings of \$130,000 per year;
- Moving network equipment from OneNet to the DOC Data Center after reallocation of network bandwidth and shutdown of DSL lines no longer needed has resulted in a savings of approximately \$8,000 yearly; and
- Moving to Symantec “Altiris” software package to replace various old versions of software within the IT unit has resulted in an approximate savings of \$10,000.

**Criminal Appeals, Oklahoma Court of
(OCCA)
Judiciary Cabinet**

proceedings, and 12 miscellaneous appeals. The Court has also participated in the creation of rules and procedures for electronic filing.



Goals for Upcoming Year

The Court intends to remain current in the management of a busy caseload, and seeks to fund new educational and training opportunities and modest salary increases to retain an efficient and experienced staff. The Court will also participate in the ongoing transition to electronic filing in criminal appeals.

Mission

Established in 1908, the Oklahoma Court of Criminal Appeals (OCCA) has exclusive appellate jurisdiction in all criminal cases, and is the state court of last resort in matters ranging from municipal offenses to capital crimes. The Court also promulgates its rules of procedure and the Oklahoma Uniform Jury Instructions-Criminal, used by trial courts statewide. In addition to appeals following a jury trial or guilty plea, the Court has jurisdiction to determine applications for writs arising in criminal cases, including mandamus, prohibition, and habeas corpus, as well as appeals by the State, juvenile appeals, appeals from the revocation or acceleration of suspended and deferred sentences, revocations of parole and post-conviction appeals. The Court, through its Presiding Judge, also reviews all requests for electronic surveillance.

Savings, Efficiencies and Shared Services in FY-2013

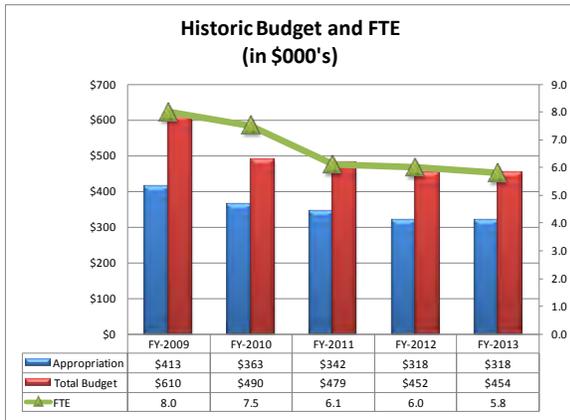
The Court is currently utilizing CORE budget and OMES for payroll and benefits services, and utilizes information technology serviced by the Oklahoma Supreme Court.

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

Accomplishments over Past Year

Working with a small staff of 16 attorneys using computer research from Westlaw and the Oklahoma Supreme Court Network (OSCN), and seven administrative support staff, the five Judges of the Court disposed of 1,129 cases this fiscal year, including approximately 508 regular appeals, 326 post-conviction appeals, 283 original (writ)

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



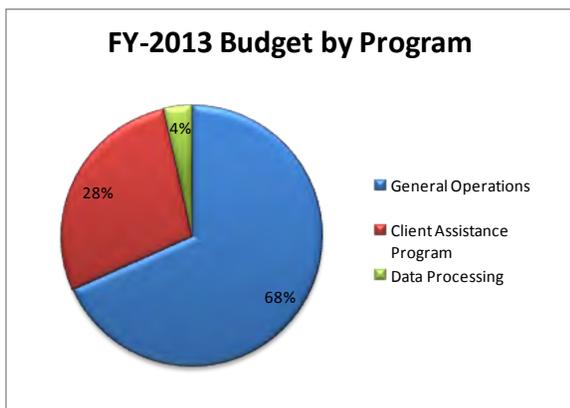
Mission

The Office of Disability Concerns provides accurate and timely information, technical assistance, referral and advocacy. ODC acts as an intermediary for persons with disabilities and provides services for those with disabilities. The agency involves all staff in its development, and its process is ongoing.

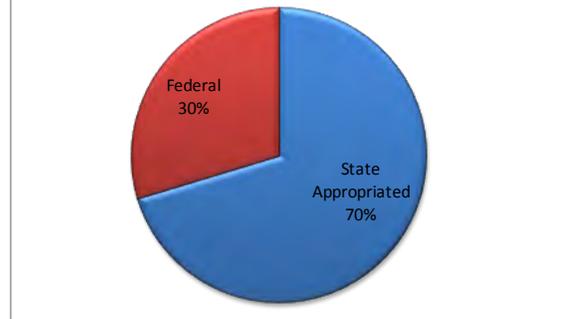
Programs

- Employment Assistance Program
- High School Hi-Tech, Tech Now Training
- Client Assistance Program (CAP)
- Informational Services
- Technical Assistance
- Advocacy
- Americans with Disabilities Act (ADA) Assistance
- HRDS Classes

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



FY-2013 Revenue by Source



Accomplishments over Past Year

The agency received a 97% approval rating by those served. The Client Assistance Program (CAP) had a successful year by resolving issues with clients and DRS without hearings. Hearings can cost the state as much as \$16,000 per year.

ODC sponsored a job fair that included a variety of state agencies and businesses. There were 20 vendors in attendance and several hundred participants. The goal of the fair was to enhance and encourage the hiring of people with disabilities.

Goals for Upcoming Year

ODC will continue serving Oklahomans and Oklahoma businesses in a professional manner and continue to educate employers on the hiring of people with disabilities. It is also the goal of ODC to assist state agencies and legislators with advocating for people with disabilities and helping them get the services they need.

Major Agency Projects

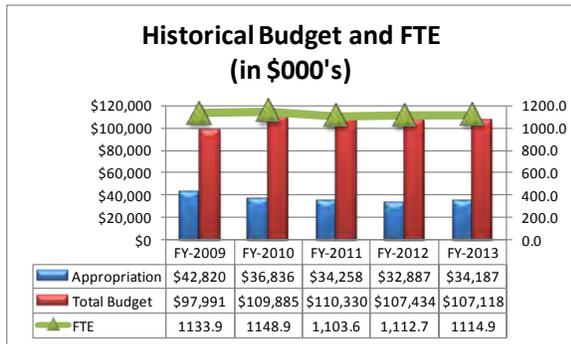
The Office of Disability Concerns teaches an HRDS class for state and county employees to educate them on disability issues and the laws regarding disabilities. After eight years, the class has been revamped to update the latest ADA laws and hiring information. Due to this class, ADA Coordinators, as well as HR managers, are better equipped in their job capacity.

Savings, Efficiencies and Shared Services in FY-2013

ODC plans to continue assisting clients of DRS without going to a fair hearing and continue to provide them with the services they need, which realizes a savings of up to \$16,000 per year.

With fewer full time employees than in FY-2011, ODC has managed to maintain a high level of customer service and to provide assistance to people with disabilities, businesses and state and county agencies.

District Attorneys Council (DAC) Safety and Security Cabinet



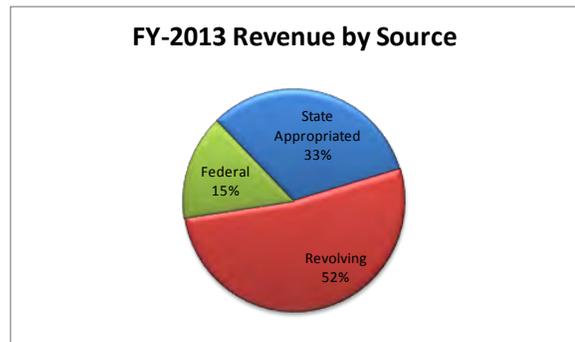
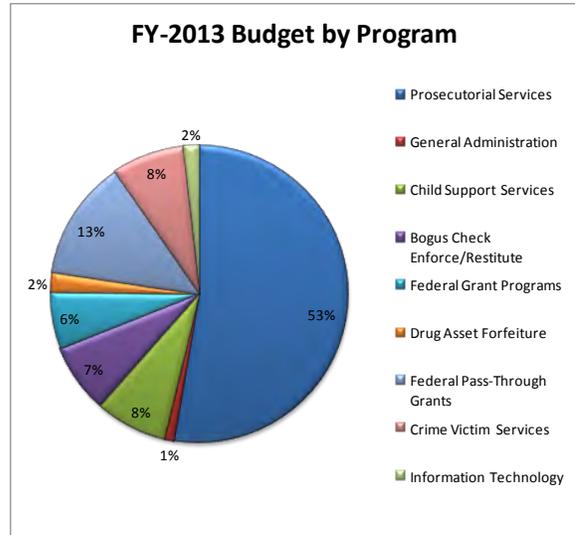
Mission

The mission of the District Attorneys Council is to protect the citizens of the State of Oklahoma through the effective and efficient administration of justice. The 27 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
- General Administration
- Child Support Services
- Bogus Check Enforce/Restitute
- Federal Grant Programs
- Drug Asset Forfeiture
- Federal Pass-Through Grants
- Crime Victim Services
- Information Technology

For more information about DAC programs, 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 homicide;
- Through the domestic violence project, encouraged and assisted communities in developing coordinated community response (CCR) to domestic violence. There are now 26 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

- Increase funding for District Attorneys to eliminate furloughs and fill critical staff positions;
- Develop a long range funding plan to balance funding between appropriations and revenue generating measures;
- Monitor the District Attorneys Supervision Program after a recent court ruling to determine impact and suggest change if necessary;
- Review the pardon and parole process and suggest improvements to the system;
- Increase training for prosecutors on ethical issues; and
- Monitor solutions to the highly explosive “one-pot” methamphetamine labs.

Major Agency Projects

The District Attorneys Supervision Program

The District Attorneys Supervision Program was created in 2003 and is statutorily funded by a fee paid by offenders. As the program has expanded, District Attorneys have utilized many different strategies to monitor compliance with probationary sentences handed down by the Courts.

While each district differs in the services provided, at a minimum, each monitors compliance with court orders for payment of restitution, fines, costs and other fees associated with the case. Other services may include urinalysis and monitoring. Compliance with programs, such as batterer’s programs, drug and alcohol programs, debt counseling services, community service and weekly or monthly reporting.

The program now provides \$16 million to District Attorneys, comprising 22% of their budgets.

The Capital Litigation Resource Program

The Capital Litigation and Homicide Prosecution Initiative funds one Capital Litigation Resource Prosecutor (CLRP) who assists the 75 rural county district attorney’s offices by providing technical assistance, legal guidance and prosecution of first degree murder cases. In addition to trial assistance, the CLRP also develops capital litigation resources and provides specialized training for prosecutors.

In its first two years, the program has assisted nine (9) districts with first-degree murder cases, including three (3) death penalty cases. In regards to resource development and training, a brief bank with more than 150 motions and briefs has been created, a comprehensive trial notebook has been compiled and four (4) capital litigation trainings have been held. Over 150 people including prosecutors, DA investigators, victim-witness coordinators, and newly elected judges have benefited from these trainings.

The Traffic Safety Resource Prosecutor

The Traffic Safety Resource Prosecutor (TSRP) is a position within the District Attorneys Council, which is funded by the Oklahoma Highway Safety Office through the National Highway Traffic Safety Administration. The TSRP provides quality, up-to-date resource documents and professional training opportunities to law enforcement officers and prosecutors in an effort to promote successful investigation and prosecution of serious traffic-related incidents, including but not limited to basic DUI, negligent homicide and manslaughter cases. Since inception, the TSRP program has provided technical and legal guidance to all 77 counties by providing briefs, motions and expert witnesses where needed. Trainings have ranged from small, legal updates by agency request and now webinars, to larger conferences training up to 40 attendees at a time. Additionally, the TSRP has newly authored a handbook for the prosecution of impaired driving cases and a bi-monthly newsletter containing legislative and case law updates.

Coordinated Community Response Team Project

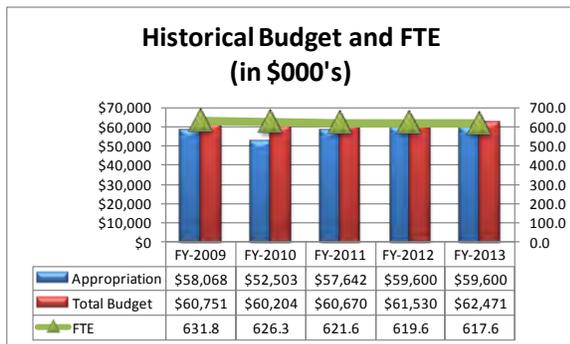
The Coordinated Community Response Team Project is a concept developed and implemented by the District Attorneys Council that holds domestic violence offenders accountable and provides better service to domestic violence victims. The project brings together the local members of the criminal justice system and facilitates better coordination and communication. Coordinated Community Response Teams (“CCR teams”) are composed of law enforcement officers, assistant district attorneys,

domestic violence advocates, batterer's intervention counselors and probation officers. Through the project, a Domestic Violence Resource Prosecutor is available to provide technical assistance and training to prosecutors, coordinate trainings and develop resources throughout the state. Additionally, a Coordinated Community Response Specialist aids teams in their formation, training, technical assistance and motivation. At the time of the project's inception in 2007, three CCR teams existed in the State of Oklahoma. Currently there are 26 active teams with many other jurisdictions looking to form teams.

Savings, Efficiencies and Shared Services in FY-2013

- The District Attorneys Council (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;
- The DAC has implemented the scanning of payment vouchers which reduced the amount of time and effort in copying, couriers, etc. Additional savings came from the electronic deposit of funds that eliminated the need to transport deposits to the local bank branch. Information exchange is critical. The DAC has implemented an intranet to enable the sharing of forms, briefs, motions and other documents, as well as enhanced training; and
- The Council utilizes the state's PeopleSoft financial system and the collaborative Grants Management System. The District Attorneys use a private vendor for the agency's statewide Prosecution Case Management System.

District Courts Judiciary Cabinet



Savings, Efficiencies and Shared Services in FY-2013

- The District Courts participate in the CORE budget, payroll and financials programs through the Office of Management Enterprise Services;
- Additional staff reductions in the offices of the Court Clerks;
- Reduction of security expenses;
- Elimination of pilot or limited jurisdiction programs in the district courts; and
- Reducing print materials for our law libraries.

Mission

The mission of the District Courts is to provide a fair and impartial justice system.

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

Accomplishments over Past Year

The District Courts have increased court fund collections and continued work on the design, customization and implementation of a new case management system.

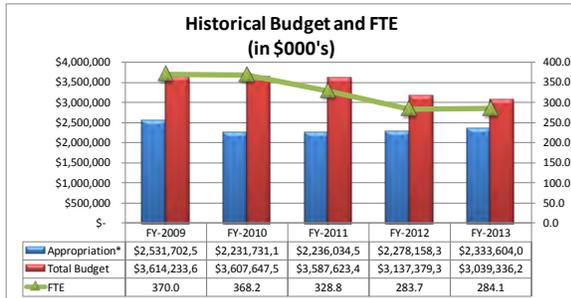
Goals for Upcoming Year

The District Courts are customizing a new court fund accounting system and a new jury management system.

Major Agency Projects

Upgrading the technology of the District Courts is a function of the Supreme Court. 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 budgets and managing expenses, e-filing, e-commerce and information exchanges with law enforcement agencies, district attorneys and other executive branch agencies.

Education, Oklahoma State Department of (SDE) Education Cabinet



* The State appropriation numbers do not include supplemental appropriations, Ad Valorem Reimbursements, "Spillover Funds" or State Fiscal Stabilizations Funds.

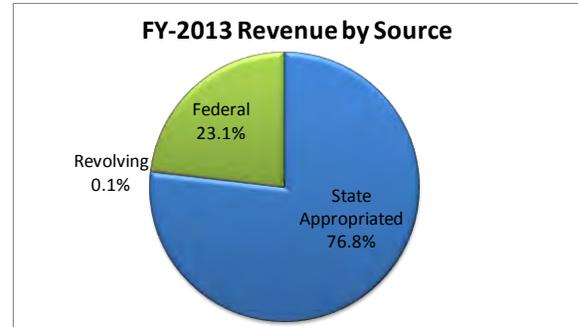
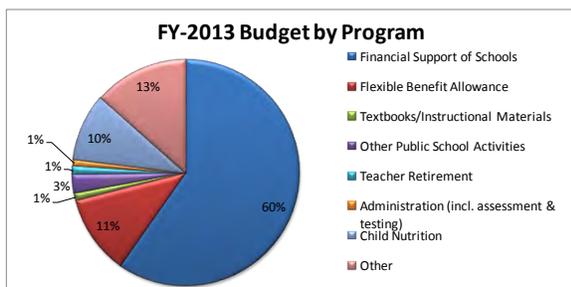
Mission

The mission of the Oklahoma State Department of Education is to provide assistance to school districts across the state in implementing education reforms with a goal of improving academic outcomes.

Programs

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

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



Accomplishments over Past Year

- *A-F School Grading System:* Rules, guidance, data compilation and calculations were completed for the A-F Grading System; in accordance with the A-F legislation passed in 2011. Report cards for all 525 districts and 1,744 school sites across the entire state of Oklahoma were produced.
- *Teacher and Leader Effectiveness:* All districts chose one of three qualitative evaluation systems for teachers and leaders and trained superintendents and principals on the system. This qualitative system accounts for 50% of the overall Teacher and Leader Effectiveness Evaluation score as stated in statute.
- *Oklahoma C³ Standards, Social Studies:* New Social Studies standards, which comprehensively align K-12 curricula and augment the Common Core English Language Arts requirements, were completed and released last year as a part of the Oklahoma C3 Standards.
- *REAC³H Coaches:* 60 literacy and numeracy coaches were successfully hired, trained and deployed in 30 regional centers throughout the state. The coaches work to support teachers and administrators in Common Core K-3 literacy and numeracy strategies in districts across the state.
- *Vision2020:* All annual conferences for various educational groups were combined into one statewide event known as Vision2020.
- *My Data and Early Warning Indicator System:* SDE provided schools with access to 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 that suggests individual students who may be at risk of

dropping out of high school as early as the 3rd grade.

- *Achieving Classroom Excellence (ACE)*: The Achieving Classroom Excellence legislation, which was passed in 2005, was implemented this year successfully with over 94% of all seniors meeting the graduation requirements in the first year.

Goals for Upcoming Year

- *Effective Teachers and Leaders*: The remaining 50% of the teacher and leader evaluation system overall score—Other Academic Measures (15%) and Quantitative (35%)—will be implemented.
- *Common Core, PARCC Assessments, and implementation of the Oklahoma C³ Standards*: The SDE will work to fully transition to the Oklahoma C³ standards, which includes the Common Core State Standards (CCSS). This goal consists of, but is not limited to: an awareness campaign; training; tracking implementation of Oklahoma C³ Standards; creating access to resources and learning technologies in order to assist with the transition; and preparing teachers and students for the PARCC Assessments of the CCSS in 2014-15.
- *Data System*: A P12 Accountability and Student Information System (SIS) will be established for the SDE. The system will meet federal reporting requirements; provide data necessary to implement the Teacher and Leader Effectiveness Evaluation; allow data from districts and sites, testing companies and other various sources to be gathered, analyzed and calculated for the A-F Grading System and other needs; create district access to student level data; create a dashboard for current projects and progress; and establish a SIS for K-12 education across the state.
- *Rigorous Curricula*: Students, educators, and parents also will be encouraged to start college and career planning earlier and to promote their child's enrollment in more rigorous and advanced coursework. Further, each student will be prepared for college and careers by learning and succeeding in science, technology, engineering, and mathematics (STEM) fields and educators will be prepared to ensure the success of students in STEM fields.
- *3rd Graders Reading on Grade Level*: With literacy serving as the base for all other

educational endeavors, work will continue on preparing each student to read on grade level by the end of 3rd grade. Educators throughout the state currently are being trained on literacy strategies by the REAC³H Coaches. Augmenting new teacher preparation with Common Core literacy training programs is also an objective of this goal.

- *Supplemental and Online Education Act and Virtual Charter Schools*: The Supplemental Online Education Act guarantees that students throughout the state have access to quality online education offerings no matter the district they attend. The act also establishes a statewide Virtual Charter School that will be guided by the State Board of Education and a committee appointed by the governor and legislative leaders. This will aid students and parents as they seek the best quality online instruction to meet their needs.

Major Agency Projects

- The SDE currently oversees 60 regional REAC³H Coaches, who are trained for one week every month at the state department in Common Core, literacy and numeracy strategies.
- The REAC³H Network will be reorganized to better serve the public and to train teachers on implementing the Oklahoma C³ Standards. A new structure, more membership, and increased planning and development of regional training sessions are already underway.
- With the successful implementation of the A-F School Grading System, the SDE has launched the Raise the Grade Together initiative. This consists of creating a school turnaround plan with a variety of interventions including funding, support from the SDE and the community, professional development, strategic planning and other means of school improvement to allow schools a comprehensive set of school improvement and effectiveness resources.
- A comprehensive marketing strategy for the Oklahoma C³ Standards for all audiences in the state of Oklahoma will be developed and implemented in order to create awareness, demand and resource availability for all.

Savings, Efficiencies and Shared Services in FY-2013

- *Data Consolidation*: Outsourcing of IT needs to OMES-ISD's has lowered maintenance and

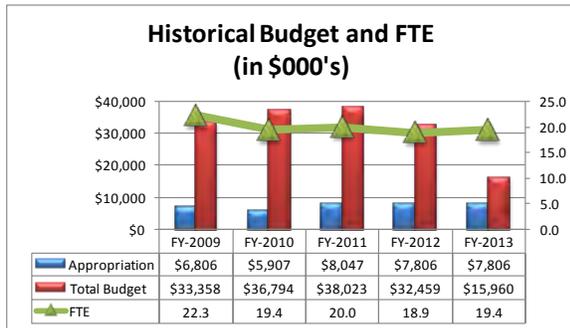
contract costs for software and mainframe infrastructure programs. Also, the Student Longitudinal Data System (SLDS) Grant of \$5 million will offset data system development costs. Development of a statewide student data system will save districts and SDE money and time by creating a more efficient reporting process.

- IT Consolidation: SDE's IT Consolidation was completed in June 2012. Pre and Post Consolidation IT Budgets indicate a cost-savings of \$5.6 million over six years. Between July 1, 2011 and October 31, 2012, 23 separate IT projects have been brought to closure. OMES-ISD and SDE Finance are working to compare pre and post consolidation IT actuals as they become available.
- *Infrastructure*: A new phone system and cellular contract allows for more capability, function and productivity in serving districts across the state. An updated email server and scheduling and calendaring software has been installed, reducing inefficiencies and allowing staff to cohesively serve districts from all locations.
- *Communication*: The agency has made a major reduction in print, publishing, mailings and staffing in the communication division; saving \$500,000. Electronic means of communication and reporting where available have been implemented to reduce costs.
- *Staffing*: Strategic reallocation and cross-training of staff have been implemented to reduce inefficiencies across the agency. Further, the Regional Accreditation Officers (RAOs) are now more personally involved with districts, increasing access to information and allowing for more efficient use of central SDE staff time.
- *Centralized or Regionalized Professional Development*: The SDE also reorganized and combined conferences statewide in order to allow for clear messaging, reduced costs, higher quality presenters, and more training options at larger events to reduce costs. Further, online training and resources, including iTunesU, webinars, enhanced listservs, data systems and free open source online content and software, also are being utilized to reduce costs in training and software. Additionally, 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 seminars sponsored by the SDE.

FY-2014 Executive Budget

Election Board Secretary of State



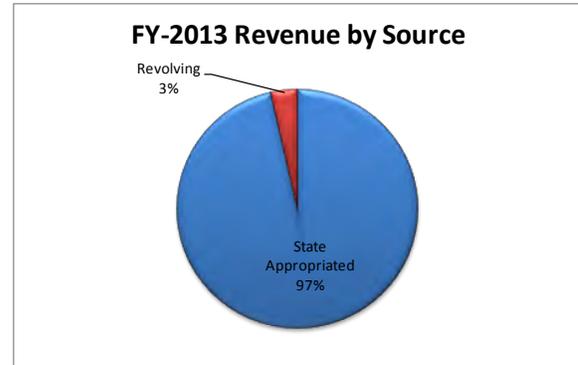
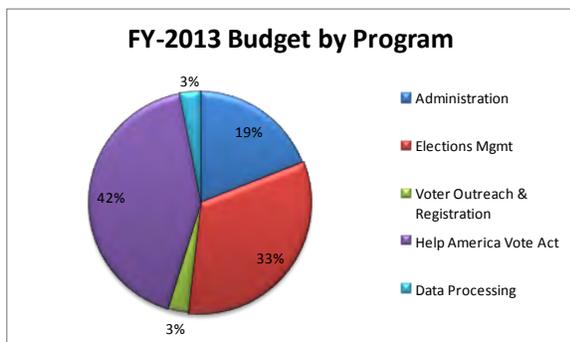
Mission

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

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

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



Accomplishments over Past Year

- Completed the installation of Oklahoma's new statewide optical scan voting system.
- Successfully conducted the 2012 federal, state and county elections, including the 2012 Presidential election, using the new voting system.

Goals for Upcoming Year

- Complete the upgrade of Oklahoma's election management system by migrating all applications to the new hardware and software platform by the end of FY-2013.
- Serve military and overseas voters securely and efficiently by enhancing the electronic system by which these voters can obtain absentee ballots and track the status of their ballots.
- Have an enhanced voting system in place before the 2014 state elections.

Major Agency Projects

The State and County Election Boards completed the installation of a new statewide voting system that complies with all requirements of the federal Help America Vote Act. The project began with the issuing of a request for proposals in 2010. A contract was awarded to the vendor Hart InterCivic in early 2011. The agency and the vendor spent 2011 testing and installing the equipment. Extensive training for state, county and precinct officials was held during late 2011 and early 2012. The new system was used for all elections conducted in 2012. It consists of an optical scan device that scans and tallies paper ballots that are hand-marked by voters. The scanner also has a component that is accessible to voters with disabilities, including visual disabilities, by means of an audio ballot. The accessible component is fully integrated with the rest of the system.

- The accessible component of the new voting

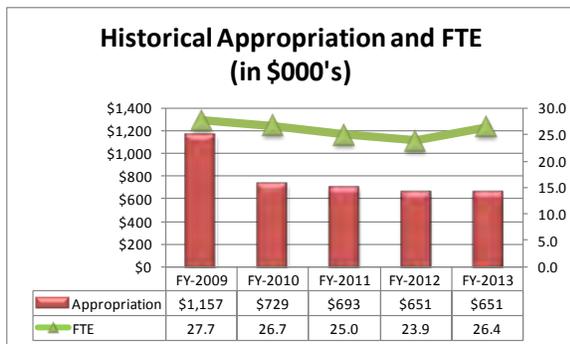
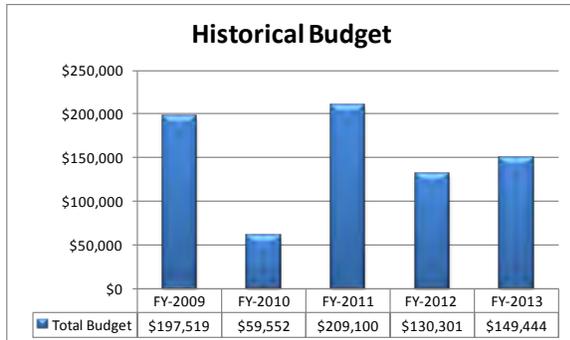
system has made it possible for voters with disabilities, including blind and visually impaired voters, to vote privately and independently.

- This device, called the Audio Tactile Interface (ATI), allows voters to listen to an audio version of the ballot and make selections by pressing keys on a handheld device.
- The ATI is also compatible with several assistive devices used by individuals with various types of disabilities. In the past, many voters with disabilities required assistance to cast their ballots.

Savings, Efficiencies and Shared Services in FY-2013

- Several staff vacancies have remained unfilled;
- Travel has been limited to necessary equipment maintenance and training;
- Printing and postage have been reduced through the use of e-mail and the agency website;
- In 2011, the State Election Board requested exemption from the provisions of the Information Technology Consolidation and Coordination Act for its state voting system and its election management system. These assets are integral to agency-specific functions and are unique to this agency. The State Election Board received a partial exemption for FY-2012, and requested a continuation of the exemption. The State Election Board will cooperate with consolidation of other IT functions.
- The State Election Board uses the following shared services provided by the Office of Management and Enterprise Services: e-mail, Internet services, financial services (including accounts payable and accounts receivable), purchasing and human resources (including payroll, budgeting and enterprise learning management).

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



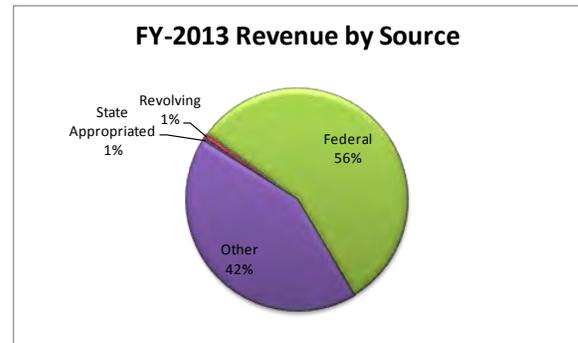
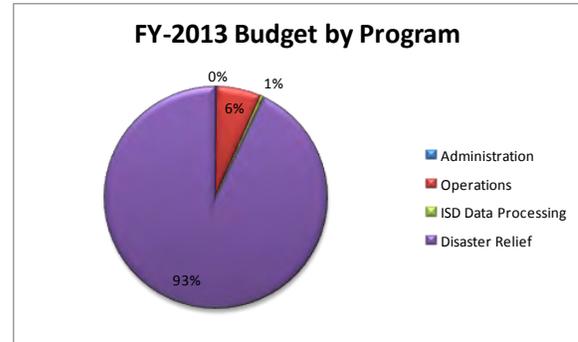
Mission

The Oklahoma Department of Emergency Management (OEM) is required by law to prepare for, respond to, recover from and mitigate against any natural or manmade disaster which can affect the citizens of Oklahoma.

Programs

- Administration
- Operations
- ISD Data Processing
- Disaster Relief

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



Accomplishments over Past Year

- **State Disaster Assistance** – Thanks to the Governor and State Legislature, OEM received \$34 million for the State Emergency Fund and has already distributed \$27 million since July 1, 2012. The money was used to pay the 12.5% state matching funds to cities, towns, and counties for disaster related expenses that impacted roads, bridges, buildings and other public facilities. It also funded disaster response costs of the Oklahoma National Guard during wildfires that required water drops as they taxed local capabilities;
- **Federal Disaster Assistance** – Additionally, OEM has delivered more than \$15.7million in federal disaster assistance since July 1, 2012. This disaster assistance benefitted individuals, businesses owners as well as municipalities, counties, school districts, rural water districts and electric cooperatives impacted by Oklahoma disasters and emergencies including tornadoes, wildfires, floods and ice storms that occurred in previous years;
- **SoonerSafe Safe Room Rebate Program** – This individual safe room rebate program allowed

Oklahomans to further benefit from the nationally acclaimed initiative first born here following the May 1999 tornado outbreak. The program provides a 75-percent rebate – up to \$2,000 – to eligible Oklahomans who install above-ground or below-ground safe rooms. More than 20,000 people have registered for the program since its launch in 2011, with more than \$1 million in safe room rebates delivered to Oklahoma homeowners;

- **Earthquake Preparedness Program** – This initiative assisted Oklahoma communities with public education regarding earthquake preparedness. This included providing brochures, booklets and participation in the regional exercise “The Great Central U.S. ShakeOut” held in February. Nearly 60,000 Oklahomans registered online to participate in last year’s ShakeOut earthquake drill;
- **State Local Assistance Program** – 93 local jurisdictions received \$1.2 million to fund local emergency management programs through the State Local Assistance Program (SLA). The SLA Program is funded by the Federal Emergency Management Agency through the Emergency Management Performance Grant and has a minimum 50 percent local cost-share requirement; and
- **Eight Disaster Grants Closed** - OEM has surpassed the FY-2013 goal for disaster grant close outs. Since July 1, 2012, OEM has closed two Public Assistance Grants, four Hazard Mitigation Grants, and two Fire Management Assistance Grants.

Goals for Upcoming Year

- Close out a Minimum of three Hazard Mitigation Grants, three Public Assistance Grants and four Fire Management Assistance Grants;
- Continue to implement the SoonerSafe Safe Room Rebate Program;
- Deliver At Least \$6 Million in State Emergency Funding; and
- Continue to Bolster the State Local Assistance Program.

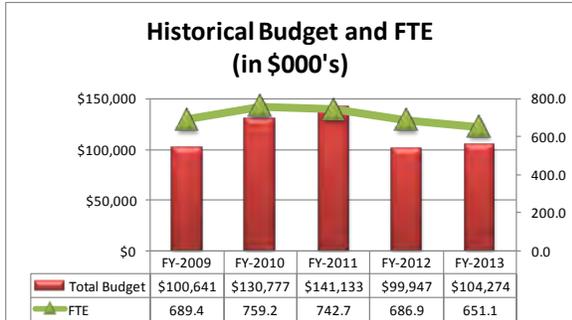
Major Agency Projects

- **Drought Operations Plan** – OEM is coordinating with other state agencies to develop a drought operations plan that will allow the state to better support local communities with their drought related water needs; and
- **Severe Weather Outreach** – OEM will launch a new public education, awareness and preparedness website and mobile application designed to prepare Oklahomans for severe weather and provide updates when severe weather or other disasters occur.

Savings, Efficiencies and Shared Services in FY-2013

- OEM utilizes the Human Capitol Management division of the Office of Management and Enterprise Services for human resource services and for payroll tax assistance, the Capital Assets Management division of the Office of Management and Enterprise Services for motor pool services, the State Attorney General’s Office for legal services, and the State Auditor and Inspector for auditing services;
- All OEM employees and over 90% of contractors are paid via electronic deposit; and
- OEM is currently converting disaster and program grant payments to electronic payments for counties and cities.

Employment Security Commission (OESC) Commerce and Tourism Cabinet



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

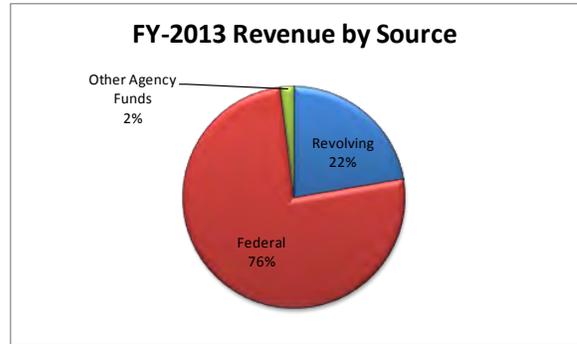
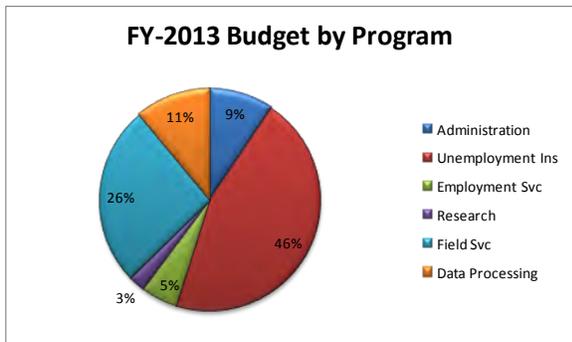
Mission

The mission of the Oklahoma Employment Security Commission (OESC) 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](#).



OESC revolving funds support the Unemployment Insurance, Employment Services and Veterans Programs.

Accomplishments over Past Year

- Achieved many aspects of its overarching goals of connecting employers to job seekers and providing exceptional, efficient customer service. OESC was able to provide assistance to more than 155,000 job seekers, seeing over 64,000 of those persons entering employment with a six month employment retention rate of 80%. Additionally, OESC was able to provide services to over 18,000 veterans.
- Virtual job bank had over 115,000 job openings listed from employers throughout the state. Additionally, the job bank had over 61,000 new job seeker accounts created, and more than 3,400 new employer accounts created.
- Processed over 144,000 claims for unemployment insurance. Had the 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 2014 fiscal year.
- Received several Governor Commendations and a national award for some of the programs including the Governor’s Commendation – OESC’s Lean Initiative; the Governor’s Commendation – Foreign Labor Certification Survey Improvements; the Governor’s Commendation – Employer Council; the Governor’s Commendation – OESC’s UI Modernization Project; and the James F. Walls Team Award from the National Association of State Workforce Agencies – EZ Tax Express.

Goals for Upcoming Year

- Become demand driven by seeking customer input and using this information to provide

responsive products and services. Improve customer experiences. Connect with Workforce Investment Boards and other stake holders and partners.

- Assure customers receive support and are connected to employment more quickly. Integrate registration for work into the UI claims application. Integrate planning, oversight and program service delivery. Provide for a fully integrated service delivery model throughout workforce service centers.
- Increase access to services and information through the use of information technology and partnerships. Implement OKJobMatch.com. Continue to build upon the UI modernization project. Redesign the online claims system (ONIC).
- Improve processes and programs, achieving greater efficiency and effectiveness with limited resources. More fully integrate Employment Services and Unemployment Insurance. Pursue additional grant opportunities that are strategically aligned with the mission. Enhance the Benefit Payment Control system. Implement SIDES (State Information Data Exchange System). Migrate to an open source computing platform.
- Ensure data integrity and performance. Continuously improve OESC's information security. Ensure safety and reliability of data.
- Increase public awareness of OESC programs and services through proactive education and outreach strategies. Provide community outreach. Refocus the Unemployment Insurance program to reduce durations of unemployment.

Major Agency Projects

- Voice Response/Call Center Management Project: Replace existing antiquated Voice Response and Call Center management hardware and software. Working jointly with OMES to implement a solution housed and maintained by OMES.
- Claimant Internet Portal Project: Replace 10 year old claimant internet applications. New applications will allow claimants to file claims, file weekly certifications, view claim information and status, file appeals and automatically pre-register for work (ES system).
- Benefit Payment Control Project: Working with IBM to implement a new Benefit Payment

Control system. Help to identify potential overpayments by automatically cross matching wage and new hire information with benefits paid. Case management feature to more efficiently manage the investigation and collection of overpayments.

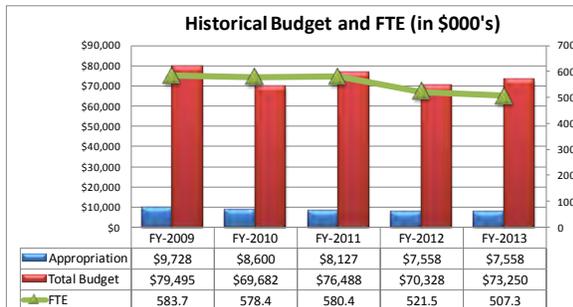
- Data Base Migration Project: Contracted with mainframe vendor (BULL) to migrate mainframe's proprietary hierarchical databases (Postgress SQL). Enables vendors implementing new systems to easily access and modify mainframe databases.
- Imaging and Workflow Project: Contracted with Persimmon Group to gather requirements for a RFP to implement a workflow and imaging solutions which use OMES current technology architecture.
- Work Opportunity Tax Credit Project: Replaces 15 year old mainframe system. New system will be web-based allowing greater access and more flexibility to employers, consultants and OESC staff. Will accelerate the certification process for employers.
- SIDES Project: US DOL sponsored system to automate employer separation notices. Separation information sent to national clearing house for third party administrators allowing for reduced delays and more complete information. Website for employers who do not utilize a third party administrator.

Savings, Efficiencies and Shared Services in FY-2013

- 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 fiscal year 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. The result of this project has led to an improved customer service experience and greatly reduced the cost of processing the contribution reports manually. To date OESC has saved in

- excess of \$1,000,000 by not having to manually process these reports.
- OESC continues to implement Lean Government, the continuous improvement methodology. OESC has utilized Lean in a variety of areas to eliminate waste such as over or unnecessary production, allowing staff to focus precious time and resources on service delivery. These efforts have resulted in an increased level of customer satisfaction, employee satisfaction, and more time spent on the core tasks, leading to improved outcomes for the customers, both internal and external. By leveraging improvements in both process design and technology OESC was able to reduce customer wait times, increase call volume capacity, and increase claim processing times significantly. This resulted in improved customer service, more efficient utilization of resources, and a decrease in FTE employment required for the program.
 - As part of OESC's culture of continuous improvement, we maintain open lines of communication with customers and stakeholders. Through this process we are able to gauge the satisfaction with the services, and it is overwhelmingly positive.
 - In FY-2013 a legislative change was enacted requiring unemployment insurance applicants to register for work within seven days. As part of this process, we incorporated the work registration process into the claims filing process. This reduces the burden on the claimant while increasing the ability to provide meaningful services to job seekers. The result will be better reemployment outcomes which benefits both job seekers and employers.
 - OESC is fully implementing OKJobMatch.com, a more robust and user friendly web based tool that will help job seekers and employers connect. The implementation of OKJobMatch.com will provide job seekers enhanced resume and job search tools while allowing employers a more efficient way to identify prospective employees. This will result in improved reemployment outcomes. Survey respondents, which include both job seekers and employers, have indicated high levels of satisfaction with OKJobMatch.com
 - As a non-appropriated state agency, OESC is using OMES network and communication services and has servers housed at the OMES Data Center. Once OESC's current contract with its security consultants has ended, OESC will be exclusively using OMES data and network security systems. OESC has completed the OMES email survey and is moving towards using only 'CORE' services provided by OMES's integrated financial system. OESC has also completed and submitted all surveys, IT organization charts, and IT asset inventory documentation to OMES. OESC is currently using OMES imaging systems and is in the process of implementing a voice response/call center management solution to be housed and maintained by OMES.
 - OESC uses the PeopleSoft Financial Accounting, Purchasing, Human Resources, Payroll, Grants-Projects-Contracts (GPC) and AR Billing services.

Environmental Quality, Department of (DEQ) Environment Cabinet



Mission

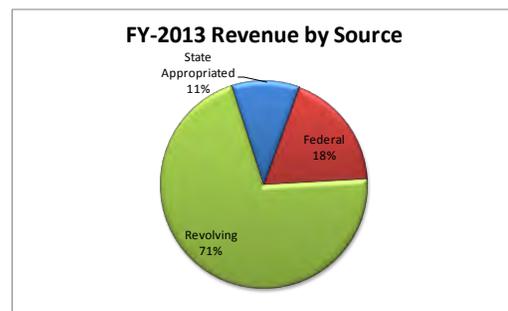
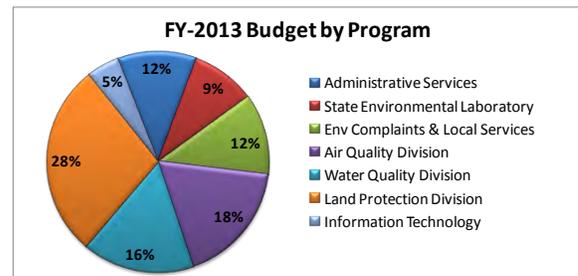
The mission of the Oklahoma Department of Environmental Quality (DEQ) is to enhance the quality of life in Oklahoma and protect the health of its citizens by protecting, preserving and restoring the water, land and air of the state; thus fostering a clean, attractive, healthy, prosperous and sustainable 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 received the approval of the Environmental Quality Board and the Governor and Legislature for water reuse rules. These new regulations will allow cities and industries to utilize their water more efficiently and eliminate the need to treat water used in industrial operations, landscape irrigation, golf course maintenance, etc., to meet EPA drinking water standards.
- Blue-Green Algae Control – DEQ received the approval of the Environmental Quality Board

and the Governor and Legislature for rules 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 successfully sought legislation to address the sudden emergence of unregulated facilities that are stockpiling asphalt shingles and roofing materials, ostensibly for purposes of recycling.

Goals for Upcoming Year

- Maintenance of State Primacy for Public Water Supply Program – DEQ continues to work with the Governor, the regulated community and Legislature to achieve adequate funding of the public water supply regulatory program and to ensure implementation stays a responsibility of the State and does not revert to the US Environmental Protection Agency, which would result in heightened enforcement against cities and towns;
- Protection of Sensitive Information Regarding Radiation Sources – DEQ will seek legislation that would authorize DEQ to maintain as exempt from public disclosure information regarding sources of radiation in quantities determined by the Nuclear Regulatory Commission to be significant to public health and safety, if the disclosure of such information could reasonably be expected to compromise public health and safety by increasing the likelihood of theft, diversion, or sabotage.

Major Agency Projects

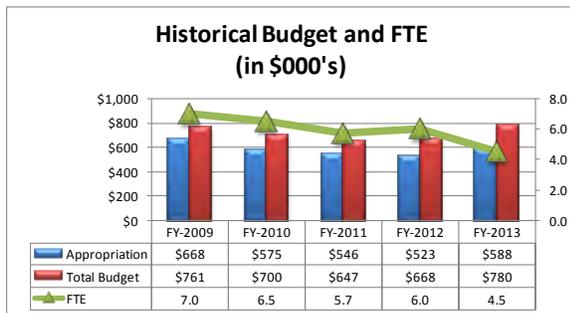
- IT Consolidation – DEQ is coordinating with OMES on the current transitional phase of this effort. A date for “transformation” has not yet been set, but could occur as early as FY-2014.
- Blue-Green Algae Monitoring – During calendar year 2012, DEQ sampled 26 lakes and 35 public water supply (PWS) systems for the presence of blue-green algae. Sampling of PWS systems was for both raw and finished water. This represented a major increase in sampling over calendar year 2011. As blue-green algae spreads to other lakes, the need and demand for sampling in 2013 will continue and may increase, especially if very hot summer weather returns.
- E-Reporting and E-Permitting – DEQ continues to identify and explore opportunities for moving

regulatory reporting and permitting to an electronic format, for the convenience of the regulated community. Because of the wide variety and complexity of required reports and permits and the need to coordinate with evolving federal EPA requirements, this effort will extend over many years, but is one to which DEQ is committed and is devoting substantial resources.

Savings, Efficiencies and Shared Services in FY-2013

- 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.
- Website – DEQ has revised its website to provide more information and to make the information more easily available to the public. Easier access to information means more convenience and transparency for the public while also conserving resources. Examples of website content include draft permits, draft rules, minutes from Environmental Quality Board meetings, information on mercury in fish and drought information.

Ethics Commission Secretary of State Cabinet



Mission

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

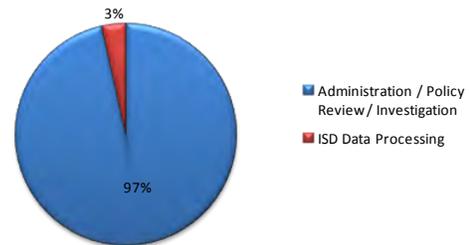
- Promulgating rules of ethical conduct for state officers and employees;
- Promulgating rules of ethical conduct for state candidate and issue campaigns;
- Providing assistance and monitoring the disclosure of campaign financing for state and local candidates and committees, personal financial disclosure for state and county officers/employees and registration and reporting by lobbyists;
- Providing assistance 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

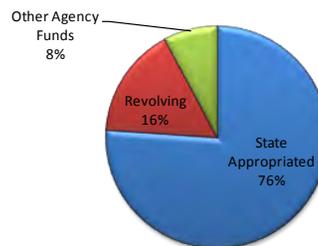
- Policy Review and Investigation
- Registration Services and Hearings

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

FY-2013 Budget by Program



FY-2013 Revenue by Source



Accomplishments over Past Year

2012 state and county elections resulted in a significant increase in the normal work of the Commission:

- Increased the need for training, responding to questions, filings, and responding to the media and public's interest in public records maintained by the Commission.
- Met increased responsibilities generated by the election year activity.
- Sent reminder notices for filing of Statements of Financial Interests, lobbyist registration/reporting, state candidate reporting and non-candidate committee registration/reports by electronic mail rather than regular mail.
- Revised forms on the Commission's website for campaign reporting and financial disclosure reporting to reflect statutory and rule changes and to provide more user-friendly documents.

Goals for Upcoming Year

- New Executive Director and General Counsel to oversee the executive and managerial work of the Commission;
- Revise agency rules to ensure those consulting the rules find them readable and understandable;

- Continue to focus on training and education of individuals subject to the rules and laws governing ethics in government;
- Redesign and enhance the Ethics Commission website to facilitate the availability of public information and filing of required information; and
- Continue emphasis on electronic filing of required information for efficiency and assurance that information is available to the public.

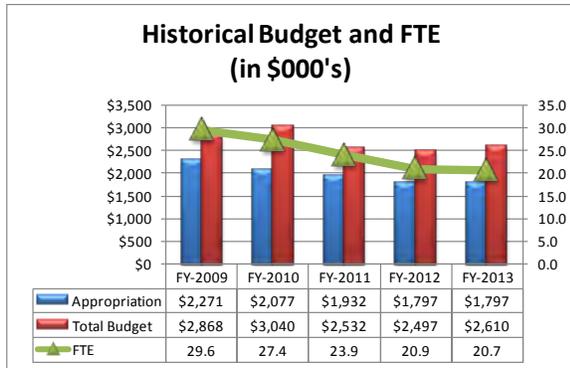
Major Agency Projects

The agency will continue its emphasis on communicating with filers and others via electronic mail, and this will include ensuring that all filers provide an email address to facilitate communication. Special emphasis will be placed on obtaining the email addresses of all financial disclosure filers, as well as adding financial disclosure information as part of the information that must be filed online at the Commission's website. This would reduce staff time related to these filings and would make this information easily available to those who wish to access it.

Savings, Efficiencies and Shared Services in FY-2013

- Rules, Acts, manuals and forms available to the public on the Commission's website;
- Email reminder notices to those required to file forms with the Commission to eliminate postage and printing expenses;
- Electronic filing for filers and email-based notices and other communications continues;
- Office procedures examined and streamlined to allow employees more efficient use of time;
- The Commission's Information Systems Network Administrator position was changed to Business Manager in order to better utilize the agency's FTE. The Commission contracts with OMES for its IT services. Shared services include the IT software and hardware maintenance; and
- The Commission, through its Principal Assistant, handles all of its financial accounting (payroll, purchasing, accounts payable, accounts receivable and budgeting) because it is more cost-effective for the citizens of the State of Oklahoma.

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



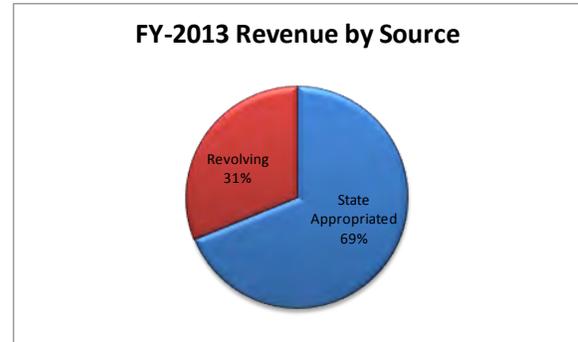
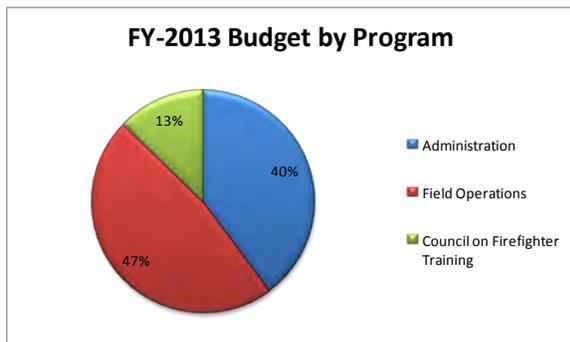
Mission

The mission of the Oklahoma State Fire Marshal is 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

- Administrative Services
- Field Operations
- Council on Firefighter Training

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



Accomplishments over Past Year

- Provided laptops to field personnel for more timely and effective communications;
- Reduced paper and increased efficiency in report preparation and submittal;
- Implemented Automatic Vehicle Locators to provide location of field personnel for security purposes; and
- Utilized smart phones between field and office personnel to provide timely service to the customer.

Goals for Upcoming Year

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

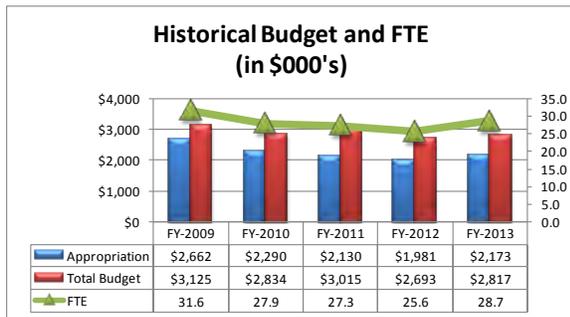
Major Agency Projects

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-2013

Actual savings and efficiencies of the recent goals and modernization projects have yet to be documented. No financial/human resources, etc. are shared/contracted with other agencies. The Executive Secretary's duties are confidential to the Fire Marshal and Assistant Fire Marshal, payroll, financial accounting, HR coordinator, budget, retirement coordinator, office manager and administrative rules.

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; and
- Issuing executive orders on various matters including emergency declarations.

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

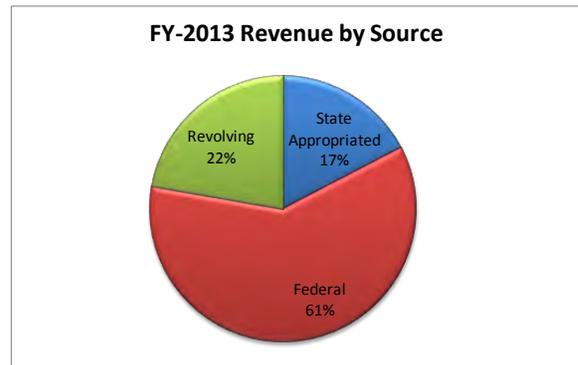
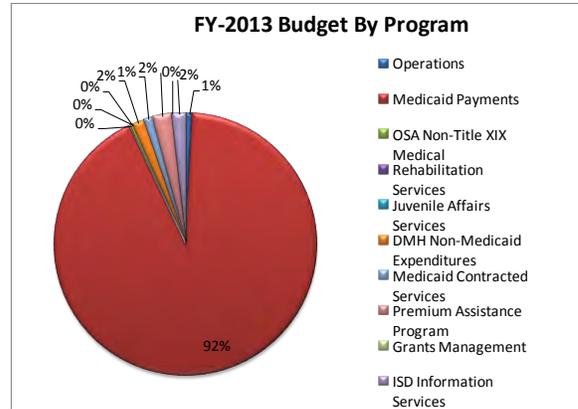
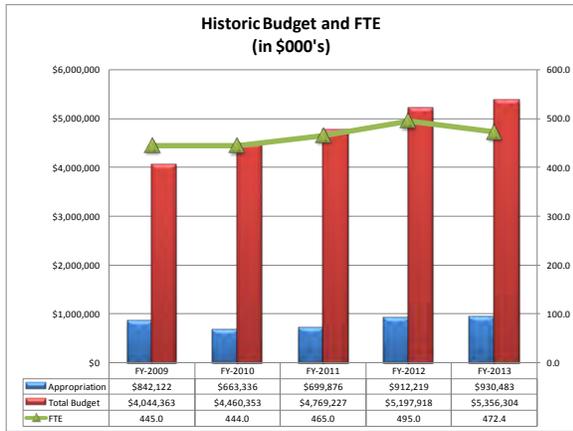
- State Board of Equalization (Article 10, Section 21)
- Interstate Oil Compact (52 O.S. 201)
- Oklahoma Historical Society (53 O.S. 1.6)
- School Land Commission (64 O.S. 156)
- Capital Improvement Authority (73 O.S. 98.2)
- Oklahoma Capitol Complex Centennial Commission (73 O.S. 98.2)
- Transportation 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-2014

- Leased a CNG vehicle for daily travel, drastically reducing fuel costs;
- Utilization of shared services through the Office of Management and Enterprise Services for all accounting, human resources, IT and purchasing;
- Elimination of various costly accounts and duplicate subscriptions which were not central to the successful operation of the office;
- Implementation of the PS Electronic (Epro) workflow system to reduce the cost of paper and streamline acquisition of other office supplies;
- Achievement of cost-savings through increased use of the state purchasing card system;
- Utilization of the 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

Goal #1 –Health care access to the underserved and vulnerable populations of Oklahoma.

	FY-2010	FY-2011	FY-2012
% of Oklahomans Enrolled in SoonerCare	23.8%	25.6%	26.3%
Unduplicated SoonerCare Enrollment	885,238	968,296	1,007,356
% Change in Enrollment	7.3%	9.4%	4.0%
Unduplicated Insure Oklahoma Enrollment	46,166	48,226	48,298

Goal #2 & 3 – Quality / Satisfaction and Member Responsibility.

	FY-2010	FY-2011	FY-2012
Well Child Visits (1 st 15 months of life)	98%	98%	Not Available
Women Seeking Prenatal Care	96%	98%	97%

Goal #4 – Member Benefits

	FY-2010	FY-2011	FY-2012
Unduplicated Providers	28,637	30,113	40,825
% of Members – SoonerCare Choice / Medical Home	67%	64%	67%

Goal #5 & 6 – Responsible Financing / Administration

	FY-2010	FY-2011	FY-2012
Program Cost Per Member	\$4,911	\$4,712	\$4,350
% Change – Cost Per Member	.04%	(4.1)%	(7.7)%
% Total OHCA Adm to Program Costs	2.2%	3.0%	2.9%

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 programs and services respond to the needs of members by providing necessary medical benefits to our 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 our members.
- To foster excellence in the design and administration of the SoonerCare program.

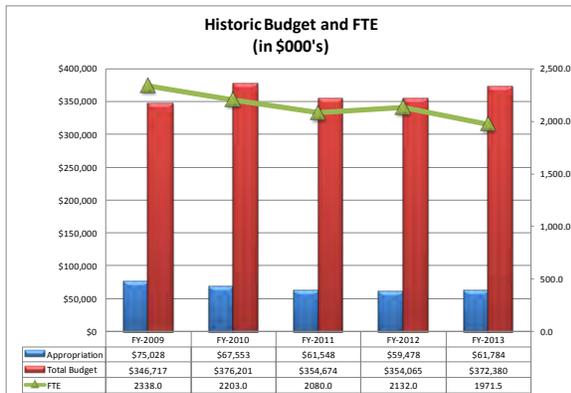
Projects, Savings, Efficiencies and Shared Services in FY-2013

- Reduced Payment Error Rate - Oklahoma’s Medicaid program has one of the lowest error rates of all the states reviewed by the federal Centers for Medicare & Medicaid Services (CMS) through the Payment Error Rate Measurement (PERM) initiative. Oklahoma’s error rate was 1.2

percent, compared to the national average error rate of 8.98 percent.

- Emergency Room Diversion - OHCA continues to enhance a Quality Initiative project that provides a comprehensive approach to addressing emergency room (ER) utilization.
- Radiology Management - OHCA contracted with MedSolutions in 2010 through the competitive bid process to manage the approval process of prior authorization (PA) requests for all radiology scans such as CT and PET scans and MRIs; saving more than \$1 million in its first year of operation.
- Durable Medical Equipment Reuse Program - OHCA has partnered with Oklahoma ABLE Tech to provide the Oklahoma Durable Medical Equipment Reuse Program (OKDMERP). The program is designed to reuse valuable DME that is no longer needed, and reassign it to Oklahomans in need.
- Patient Centered Medical Home – OHCA developed an innovative medical home program including health access networks to reduce costs associated with the provision of health care services to SoonerCare members, improve access to health care services, and enhance the quality and coordination of health care services to SoonerCare members.
- A letter generator system enhancement was presented at the 2012 Medicaid Enterprise Systems Conference and recipient of a 2012 Governor’s Commendation at the Oklahoma Quality Team Day. This change allowed the agency to quickly create and send correspondence to members and providers while saving more than \$175,000 annually in mail related costs.

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



- Consumer Health (Restaurant and Motel Inspections Sanitarians)
- County Jail Inspections (Health Resources Development)
- Quality Improvement Evaluation Services

Health Improvement

- Center for the Advancement of Wellness
- Health Planning & Grants
- Office of Performance Management
- Center of Health Statistics
- Office of Communications
- Community Development
- Administrative Services

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

Mission

The mission of the Oklahoma State Department of Health is 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
- Sooner Start
- Child Guidance Services
- Women, Infants and Children (WIC)
- Dental Health
- Family Support & Prevention
- Records Evaluation & Support

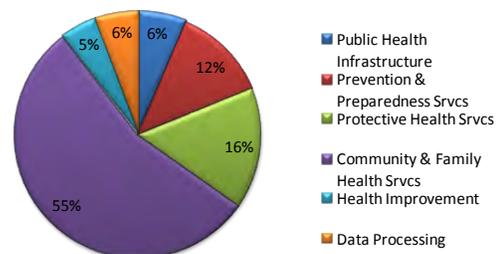
Prevention & Preparedness Services

- Emergency Preparedness & Response Service
- Newborn Metabolic Screening (Screening Special Services)
- Chronic Diseases
- Injury Prevention
- Public Health Laboratory
- Communicable Diseases (State Epidemiologist)
 - Immunizations
 - Tuberculosis
 - HIV/STD - surveillance and prevention

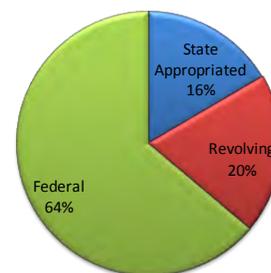
Protective Health Services

- Long Term Care Services
- Medical Facilities

FY-2013 Budget by Program



FY-2013 Revenue by Source



Accomplishments over Past Year

Oklahoma Health Ranking – Oklahoma's overall health ranking improved in 2012 to 43rd in the nation, according to the United Health Foundation's *America's Health Rankings*, which is up from 48th in the nation for calendar year 2011. Areas of improvement include immunization coverage rates

for two-year olds and decreased infant mortality rates, meaning more children are surviving to their first birthday.

Infant Mortality Program - Governor Fallin's FY-2013 executive budget included \$1.7 million in funding to address the high rate of infant death in Oklahoma. The legislature supported this priority with \$1 million in state appropriation to support the *Preparing for a Lifetime, It's Everyone's Responsibility* program for improving infant outcomes. One focus of this program was the development of a statewide collaboration to eliminate non-medically necessary elective births prior to 39 weeks. This voluntary program has been adopted by 51 of 58 birthing hospitals that have demonstrated a remarkable 65 percent reduction in the rate of non-medically necessary inductions prior to 39 weeks. Oklahoma's leadership has been recognized most recently through receipt of a national "Vision Award" from the Association of State and Territorial Health Officials for outstanding efforts to reduce Oklahoma's infant mortality rate and improve birth outcomes.

Goals for Upcoming Year

- Being one of the first state health departments to achieve public health accreditation.
- Improving the health and wellness of all Oklahomans, particularly related to tobacco use, obesity and children's health.
- Maintaining capacity and continuing improvements in protecting the public's health and safety, control of infectious disease and emergency response.
- Accomplishing consolidation of information technology services with Office of Management and Enterprise Services (OMES).

Major Agency Projects

- Development of the Access Management and Data Automation (AMANDA) that is the State of Oklahoma's new online Licensure System mandated by the Oklahoma Innovation, Efficiency and Accountability Act of 2011. AMANDA is designed to allow application and renewal of professional, occupational and business licenses and permits online via the

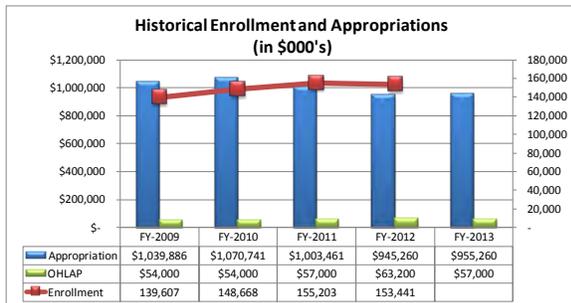
Internet and should be implemented in stages beginning early calendar year 2013.

- Registering Oklahoma Vital Event Records (ROVER) system to generate birth and death certificates.
- Information Technology (IT) Consolidation - OSDH has taken a lead by being the first large agency to have its Information Technology (IT) operations consolidated with the OMES Information Services Division (ISD). OSDH and ISD are working collaboratively to integrate OSDH's IT infrastructure with ISD's shared services.
- CORE Conversion - OSDH is also working with OMES to begin using CORE as its accounting system. OSDH currently utilizes a legacy account system as its primary accounting system. The conversion is estimated to be completed in the middle of calendar year 2013; this conversion will eliminate the OSDH's duplicative accounting systems.

Savings, Efficiencies and Shared Services in FY-2013

Motor Pool Cost Savings Initiative - OSDH has implemented a procedure to utilize state owned vehicles, which OSDH anticipates to have a cost savings of approximately \$4 million dollars over three years.

Higher Education, Regents for (Regents) Education Cabinet



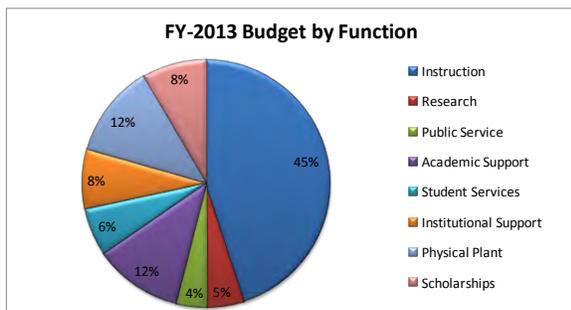
Mission

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](#).



Accomplishments over Past Year

- Exceeded the Oklahoma's higher education Complete College America system degree completion goal for the 2011-12 academic year. Oklahoma higher education institutions had a degree completion increase of 1,934, exceeding the 1,700 goal set by Complete College America Initiative.
- According to "Enterprising States" a project of the US Chamber of Commerce and the National Chamber Foundation, Oklahoma is ranked 8th in Higher Education Efficiency and 7th best in College Affordability.
- Institute for College Access and Success list Oklahoma 8th in the National on the list of States with the lowest student debt.
- Implemented a new Performance Funding Formula that emphasizes outcome measures for Oklahoma higher education institutions to receive additional funding. Oklahoma's Performance Funding Formula has been recognized by several national groups, including College Board as "lead(ing) the nation in developing and implementing a performance funding for higher education."

Goals for Upcoming Year

- Build upon the increase in number of degrees and certificates earned by at least 1,700 each year, under the Complete College America initiative.
- Continue to ensure a seamless transfer of credit transfers among institutions in our state system through the Course Equivalency Project with a special emphasis on on-line courses.
- Institute competitive grants for Oklahoma higher education institutions to help facilitate student services in academic advisement, career counseling, financial literacy and veterans' services.
- Provide an additional 25 Summer Academies throughout the higher education system with an emphasis on the Governor's STEM education initiative.
- Institute a scholarship program that would match efforts undertaken by local communities and foundations that provide financial aid to adult degree seeking students.

Major Agency Projects

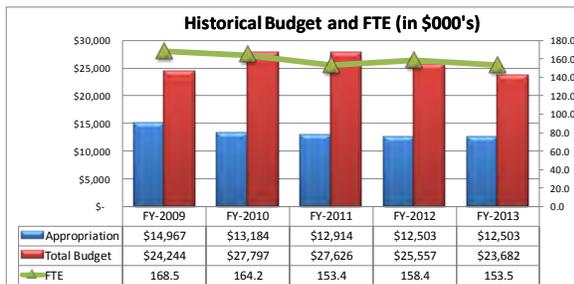
The highest higher education priority continues to be the Complete College America Initiative. Complete College America is the most comprehensive and ambitious higher education initiative ever undertaken by the State of Oklahoma. The goal is to increase the number of degrees and certifications earned in Oklahoma by 1,700 per year for 12 years, resulting in a 67% increase by 2023. Complete College America (CCA) initiative is part of a unified economic policy that involves the Governor, postsecondary education, 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. 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: (1) restructuring remedial and developmental education, and (2) developing accelerated degree complete options. Supporting all of these efforts is Oklahoma's revised Performance Funding Formula, which utilizes appropriate components of the state and campus level CCA and NGA metrics. These metrics reflect new priorities by measuring and rewarding improvement in outcome measures.

- Cumulative Operational and IT Cost Savings and Efficiencies – Higher Education entities have a combined total cumulative cost savings and efficiencies of \$411 million from 2010-14.
- Streamlined AP Process – The State Regents are currently working in conjunction with OMES and the State Treasurer on the implementation of the new streamlined accounts payable process.

Savings, Efficiencies and Shared Services in FY-2013

- Operational Cost Savings and Efficiencies – In FY-2012 Higher Education entities achieved over \$40.9 million in operational cost savings and efficiencies. In FY-2013 Higher Education entities have budgeted over \$37.7 million in operational cost savings and efficiencies. For FY-2014 Higher Education entities are estimating \$36.1 million in operational cost savings and efficiencies.
- Informational Technology Cost Savings and Efficiencies – In FY-2012 Higher Education entities achieved over \$49.2 million in IT cost savings and efficiencies. In FY-2013 Higher Education entities have budgeted over \$40 million in IT cost savings and efficiencies. For FY-2014 Higher Education entities are estimating \$48.0 million in IT cost savings and efficiencies.

Historical Society (OHS) Commerce & Tourism Cabinet



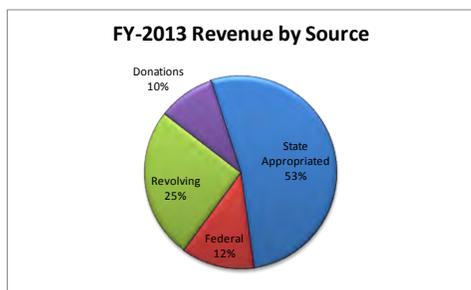
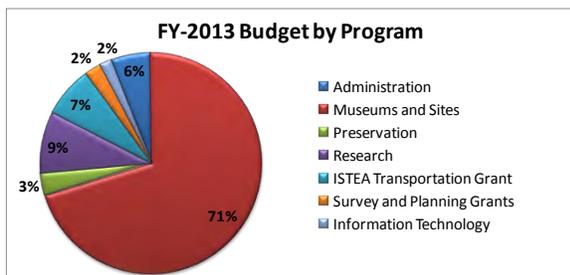
Mission

The Oklahoma Historical Society (OHS) 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

- Opened the last of six exhibits focused on popular culture in Oklahoma including exhibits on rock and roll music, country music, the

television show “Hee Haw,” cartoonists, movies, and popular writers.

- Completed site work and construction documents for a new museum to commemorate the Battle of Honey Springs, the largest battle fought in Oklahoma during the Civil War. The museum will be completed by the summer of 2015, the 150th anniversary of the war’s end.
- Averaged more than one donated collection a day with highlights including: 1.4 million fully identified photographs, largest Leon Russell Collection in the world, and a 1956 tank trailer.

Goals for Upcoming Year

- Establish an institutional home for OHS in Tulsa, comparable to the Oklahoma History Center, called the Oklahoma Museum of Popular Culture.
- Establish a grants-in-aid program for local organizations to collect, preserve and share history at the grassroots level.

Major Agency Projects

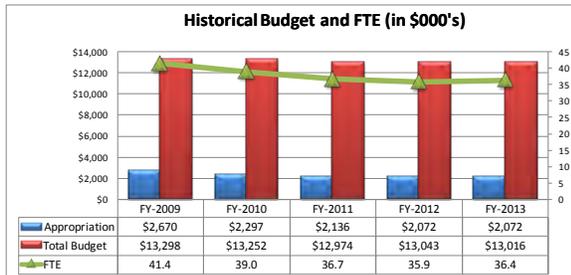
- Digitization of the 1.4 million photographs included in OPUBCO collection (within two years the collection will be searchable on website).
- Continuing exhibit initiative called “Crossroads of Commerce: A History of Business Innovation in Oklahoma.” Projected opening in fall of 2014, this exhibit will trace the evolution of the state and local economy from the 1720s to present.
- Complete restoration of the six-reel silent film, *Daughter of Dawn*, made in 1920 in the Wichita Mountains with a cast of 300 Kiowas and Comanches; a distributor has been selected for film festivals, theatrical showings, and DVD sales.

Savings, Efficiencies and Shared Services in FY-2013

- Consolidation of museums and historic sites into multi-site operational units increased sharing of resources, reduced administrative overhead, and improved fund raising coordination efforts.
- Completed a multi-year effort to reorganize research staff with full-time, experienced and motivated team leaders working with part-time and contract employees.
- Contracting with Oklahoma Department of Corrections to stretch grant funds by using prison labor to digitize photographs at a fraction

of the previous cost using full time state employees.

Horse Racing Commission (OHRC) Human Resources and Administration Cabinet



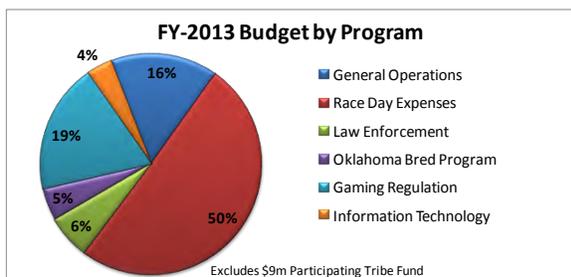
Mission

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.

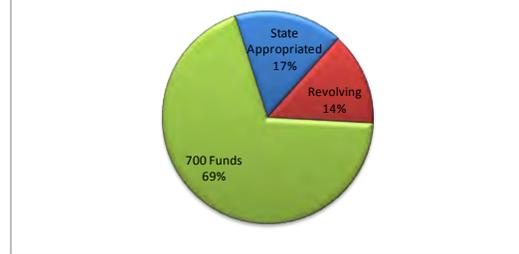
Programs

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

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



FY-2013 Revenue by Source



Accomplishments over Past Year

- Initiated drug testing protocols for the detection of the powerful painkiller Dermorphin, which resulted in 15 equine positive reports; and
- Continued upgrading the Commission's internal database, data entry programs and consolidation of numerous licensing functions.

Goals for Upcoming Year

- Continue to detect and prevent the use of illegal substances through rigorous drug testing methods;
- Further upgrade the Commission's internal databases, data entry programs and public reporting functions; and
- Find creative ways to work within the legislative appropriation.

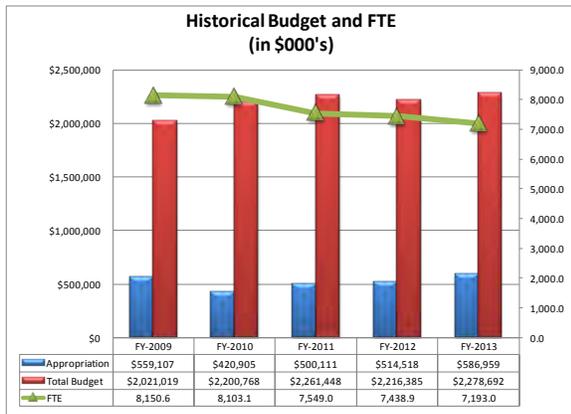
Major Agency Projects

- On-going project of updating and streamlining current databases and applications.

Savings, Efficiencies and Shared Services in FY-2013

- Continuing contract with OMES for IT services.

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



Mission

The Oklahoma Department of Human Services was created as a state agency by the people of Oklahoma in 1936 *“for the relief and care of needy aged persons who are unable to provide for themselves, and other needy persons who, on account of immature age, physical infirmity, disability or other cause, are unable to provide or care for themselves”* (Oklahoma Constitution, Article XXV). In 2012, SQ765 abolished the Commission for Human Services and House Bill 3137 (2012) vested all statutory duties and responsibilities of the Commission with the Director who is now a gubernatorial appointee confirmed by the Senate.

OKDHS helps individuals and families in need, to help them lead safer, healthier, more independent and productive lives.

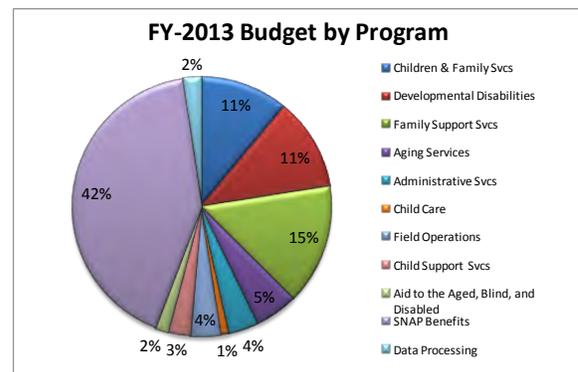
- **Safety** - *protect and serve* vulnerable adults and children, and reduce the risk of harm to individuals and families.
- **Respect** - *treat* everyone with courtesy, promote mutual respect and honor individual and cultural differences.
- **Family** - *build* on the strengths in each family. Healthy families are the foundation of a healthy society.
- **Relationships** - *promote* honest, dependable and compassionate relationships and partnerships to build healthy families and communities.

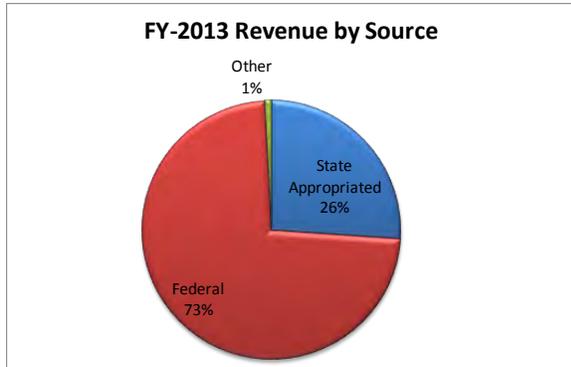
- **Excellence** - *deliver* prompt, accurate and courteous service in a fiscally responsible manner.

Programs

- **Aging Services**
 - ADvantage Program
 - Personal Care Program
 - Local Social and Nutrition Programs
- **Child Welfare 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
- **Adult and Family Services**
 - TANF
 - Supplemental Nutrition Assistance Program “SNAP” (formerly Food Stamps)
 - Aid to the Aged, Blind, and Disabled
 - Adult Protective Services

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





Accomplishments over Past Year

OKDHS operates in 77 counties and 153 locations managing 1,882,543 square feet of floor space. OKDHS employs 7,041 full-time individuals. This number reflects a decrease of more than 356 employees who separated from the agency from July 1, 2010 to June 30, 2012, because of turnover, consolidation, voluntary buyouts, retirements and reductions in force.

Adult and Family Services

Agency Reorganization & Consolidation

House Bill 3134 (2012) mandated the elimination of the Field Operation Division (FOD) and the vertical integration of all program divisions and staff with the elimination of FOD effective January 1, 2013. The two new service areas, Child Welfare Services (CWS) and Adult and Family Services (AFS), absorb all functions of the previous three Human Services Centers divisions (Children and Family Services, Family Support Services and Field Operations). Realignment of all positions and functions within these two service areas occurred prior to January 1, 2013.

The AFS director and senior leadership are building processes and procedures to incorporate programs and field staff so all AFS staff are working with the same shared direction and purpose. Reorganization offers an opportunity to reexamine business practices to bring statewide consistency to customer service and efficiency to work processes.

Supplemental Nutrition Assistance Program (SNAP)

SNAP, formerly the Food Stamp Program, helps low income individuals and families improve access to nutritious food. The average benefit is \$4.38 per person per day or \$1.46 per meal. Altogether,

375,170 Oklahoma families participated in the program in 2012 – 36,000 more than in the previous year. In 2012, OKDHS distributed \$945,039,010 in food benefits – a 9.2 percent increase over the previous year and double the amount distributed five years ago. The U.S. Department of Agriculture estimates that for every dollar spent on SNAP, \$1.79 is generated throughout the economy. Based on this projection, the SNAP program created \$1.7 billion in economic activity for Oklahoma in 2012. The U.S. Department of Agriculture’s Food and Nutrition Services continue to recognize OKDHS for its outstanding administration of the SNAP program.

TANF

Due to passage of House Bill 2388 (2012), adult parents or needy caretakers applying for TANF cash assistance are required to be screened for illegal use of a controlled substance or substances prior to approval for cash assistance. If the adult parent or needy caretaker screens positive, he or she is ineligible for inclusion in the TANF benefit for a period of time. During 2012, TANF rules were revised and OKDHS and community mental health staff were trained to implement legislation.

Aging Services Division

ADvantage Program

ASD’s ADvantage program served approximately 20,930 persons in 2012. The State of Oklahoma achieves significant savings by providing long-term care in the ADvantage Program instead of nursing home care. For 2012, the average daily Medicaid cost of serving a person is \$27.72 compared to the nursing home daily cost of \$102.28.

Child Care Services (OCCS)

Child Care Peer Review Board

SB1800 (2012) expanded the duties of the Child Care Advisory Committee to provide advice regarding concerns brought by child care facilities or referred by OCCS to assist facilities in meeting minimum requirements. In addition, it requires the Child Care Advisory Committee to create a Child Care Peer Review Board which will participate in the OCCS grievance process. OCCS is working with the Child Care Advisory Committee to develop these processes.

Oklahoma Child Support Services (OCSS)

Increasing child support collections to assist families to help themselves become more independent is a

key leadership goal, and OCSS is proud to have collected a record \$339 million on behalf of children and families in FY-2012. Collections rose more than 6.8% over FY-2011. For every state dollar appropriated, OCSS collects more than \$31 in child support and receives more than \$4 in federal matching funds. The result is that families receiving reliable child support are less likely to require state assistance than those who do not.

Child Welfare Services

The mission of the OKDHS Child Welfare Services (CWS) is to support and help the OKDHS child welfare staff and contractors improve the safety, permanence and well-being of children and families involved in the Child Welfare system. In 2012, progress toward this mission includes the development and implementation of Oklahoma's Pinnacle Plan established with initiatives based on new core commitments that represent the foundation of reform. OKDHS-CWS is committed to:

- **equity**, where all children, youth, and families have access to and receive unbiased treatment and services;
- keeping children **safe with their families**, through prevention services, kinship placements, and timely reunification whenever possible;
- ensuring every child is **safe while in out-of-home care** and custody by recruiting, retaining, and **supporting resource families** who best match the needs of the children and can provide for their safety, permanency, and well-being;
- moving to a continuum of care that best meets the needs of children and provides for **least restrictive family-like placements**, except in extraordinary circumstances;
- recruiting, retaining, and supporting the **best child welfare staff** through a commitment to ongoing staff development and ensuring **manageable caseloads and workloads**; and
- **engaging local communities** in improving child welfare outcomes.

Oklahoma's Pinnacle Plan was endorsed by the co-neutrals with the plan start date of July 1, 2012. Over the past six months, CWS began the implementation of the Plan and agreed upon goals or initiatives.

Developmental Disabilities Services Division State Operated Intermediate Care Facilities for Persons with Intellectual Disabilities (ICF/ID)

The Oklahoma Commission for Human Services took action on November 1, 2012, and voted to promote community based services for Oklahomans with developmental disabilities served through OKDHS. Transition of the residents of Southern Oklahoma Resource Center (SORC) in Pauls Valley, and Northern Oklahoma Resource Center Enid (NORCE) will commence in 2013, and begin the process of discontinuing state operated institutions for Oklahomans with developmental disabilities. Oklahoma has a comprehensive community based waiver program, and a system of contract service providers that are well-versed in providing community based services, and in the challenges of de-institutionalization. These community providers serve the full range of intellectual and physical disabilities. The target date for discontinuation of services at SORC is April 2014, and NORCE is August 2015.

Request for Community Services List (DDSD Request List)

As of November 20, 2012, there were 7,019 Oklahomans on the Request for Waiver Services List. Waiver services are services provided in communities all across Oklahoma. Community services allow Oklahomans with developmental and intellectual disabilities to live in their respective communities, maintain relationships and family connections, while receiving the services necessary to promote their health and safety. This chronological list is maintained based on date of application. As of November 20, 2012, the application date being processed for waiver services was August 18, 2004.

Office of Client Advocacy

The Office of Client Advocacy (OCA) provides assistance, conducts investigations and maintains grievance programs to promote client safety, independence, and to ensure the delivery of OKDHS programs or services in a fair, honest and professional manner. In 2012, OCA provided quality advocacy services to over 1,100 Oklahomans with developmental disabilities.

Office of Inspector General

The Office of Inspector General (OIG) completed 219 internal audits and desk reviews and as a result of the audits identified \$191,493 in cost savings. OKDHS investigations saved Oklahoma \$6,332,980 in funds for the USDA Supplemental Nutrition Assistance Program. The Office of Inspector General investigated 45 child care homes or facilities for claims accuracy and contract compliance with \$119,398 in overpayments identified.

Goals for Upcoming Year

2013-2018 Strategic Plan Objectives for OKDHS

The Oklahoma Department of Human Services will continue to serve those Oklahomans most in need through innovative, effective programs that can produce a greater degree of independence for families and individuals. The following strategic objectives will be addressed:

- **Customer Service:** Services will be readily accessible and provided with consistency. OKDHS will be a welcoming environment for individuals in need of services.
- **Partnerships:** Partnerships with stakeholders will be proactively pursued and stakeholder concerns systematically addressed.
- **Employee Engagement:** Workforce planning and development will create an encouraging workplace and engaged employees.
- **Communication** A clear, consistent message about OKDHS will be known by clients, employees, and the public.
- **Business Process Improvement:** Staff and divisions will have the skill sets and training for new ways to do things and to do effective work. Employees will be empowered to meet customer needs.
- **Accountability:** OKDHS is committed to building, measuring, celebrating and educating on accountability in all aspects of the work and services provided.

Major Agency Projects

Child Welfare Services

The Pinnacle Plan is crafted and timed to address performance deficits to achieve improvement over the next three years. The goals for next year are listed as follows:

Pinnacle Point 1

- Place all children under the age of six in family-like settings and reduce the number of children under age 13 placed in shelters;
- OKDHS will increase availability of initial training sessions for new resource families in districts 7 and 14 (Oklahoma and Tulsa Counties);
- Continue to increase the number of resource families and provide enhanced supports;
- Provide second of incremental increase in resource family reimbursement rates;
- Develop an online application process for individuals interested in becoming resource parents; and
- Increase the number of children who receive trauma screenings and assessments when placed in out-of-home care.

Pinnacle Point 2

- Conduct regularly scheduled meetings to monitor progress on Pinnacle Plan implementation, support staff in carrying out responsibilities, break down barriers, provide opportunities to share critical information such as policy updates, and ensure staff is focused on Pinnacle Plan goals.

Pinnacle Point 3

- Develop trauma-informed initiatives to focus on secondary trauma for child welfare staff;
- Increase the number of child welfare specialists by an additional 100 positions;
- Eliminate secondary assignments for visiting children statewide;
- Develop a certification process for child welfare specialists;
- Create an intensive training and mentoring program for child welfare supervisors;
- Implement a field training program for all new child welfare specialists; and
- Provide updated technology such as tablets and/or smart phones for all child welfare specialists.

Pinnacle Point 4

- OKDHS will support implementation of the Casey Strategic Plan created by region 3 (Oklahoma County) leadership including judges, attorneys, advocates, child welfare staff, and providers;
- Increase the number of family team meetings;
- Increase permanency for children who are legally free; and

- OKDHS will request the Oklahoma House of Representatives conduct an interim study exploring the agency representation model (OKDHS attorneys) and the prosecutorial model (district attorneys) currently in place in Oklahoma.

Pinnacle Point 5

- Submit a continuous quality improvement plan to the co-neutrals to include the use of standardized review processes for measuring casework and outcomes associated with individual children;
- The quality assurance teams will also develop and provide leadership for a statewide continuous quality improvement plan that involves all staff across the agency as well as external stakeholders, including providers, community partners, service recipients, and resource parents; and
- The plan will provide ongoing assessment of key processes and metrics, include commitments to evaluate child protection and maltreatment in care investigations, and integrate lessons learned from abuse and neglect in care to implement into ongoing quality assurance and practice improvement.

Pinnacle Point 6

- Complete alignment of OCA with Child Protective Services;
- Enhancement of the SACWIS system to capture OCA finding for federal reporting;
- Increase worker visits with children;
- Provide training for group home staff to support trauma-informed care;

Pinnacle Point 7

- Continued action steps on Oklahoma Trauma-Informed System Implementation Plan;
- OKDHS will create and annually distribute an online survey to child welfare staff at all levels in order to assess possible service gaps for particular districts and regions;
- Continued expansion of Comprehensive home-based services (CHBS);
- Update joint protocols with law enforcement to ensure continued emphasis on working together for ensuring children's safety; and
- Collaboration with Oklahoma Bureau of Narcotics and Dangerous Drugs to increase response and tracking for drug endangered children (DEC). Oklahoma has been selected as the site for the 2013 National DEC conference.

Developmental Disabilities Services Division

Transition to Community Services

Transition of the 231 residents of Southern Oklahoma Resource Center (SORC) in Paul's Valley, and Northern Oklahoma Resource Center Enid (NORCE) will commence in 2013, and begin the process of discontinuing state operated institutions for Oklahoman's with developmental disabilities. The services available to the residents transitioning into community homes will include: case management, residential services, vocational/employment services, nursing, occupational therapy, physical therapy, speech therapy, nutrition therapy, assistive technology devices and services, specialized medical supplies, architectural modifications and transportation, in addition to all necessary medical and dental services. The target date for discontinuation of services at SORC is April 2014, and NORCE is August 2015.

Savings, Efficiencies and Shared Services in FY-2013

Reduction of Paper Warrants

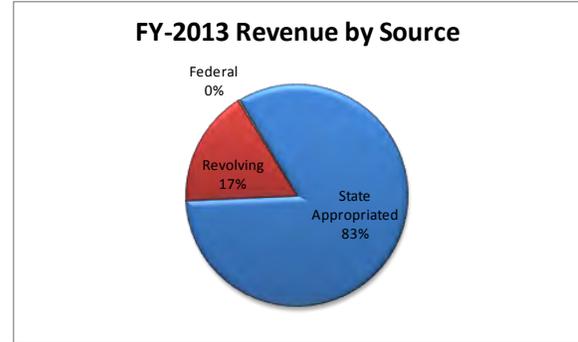
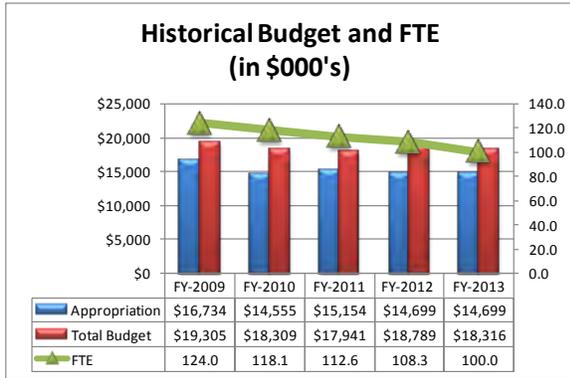
Paper warrant issuance to vendor and clients has been the primary payment method for both OKDHS client benefits and vendor payments. Utilization of paper warrants has an increased manpower requirement, delayed disbursement of benefits and payments, and a higher chance for fraud due to ease of forging a paper document compared to direct electronic payments. The OKDHS Finance Division, by working with other divisions and vendor-partners to accept payments through direct deposit or debit cards, has reduced paper warrants to 0.5 percent of all benefit disbursements. The Finance Division plans to eliminate paper warrant issuance for Child Support, Family Assistance, and Respite Vouchers by December 2012, with the remaining paper warrants eliminated by July 2013. The elimination of paper warrants will greatly reduce the chance of fraud, allow repurposing of personnel to more critical OKDHS areas and provide for a more timely benefit distribution.

Direct Cost Certifications

OKDHS recently completed an initiative to automate the process of certifying the activity of staff dedicated to certain federal programs. This initiative allows the OKDHS Cost Accounting and Revenue

Enhancement Unit to electronically obtain employee certifications necessary for federal grants that have a large federal reimbursement, due to the program having 100 percent employee dedication to the grant program. The employee certification was previously a manual process that took seventy-nine days (2 ½ months) and is now completed in approximately two weeks. Due to the reduction in time obtaining the Direct Cost Certifications, OKDHS is now able to focus resources used in this process on additional cost allocation documentation and reporting requested by OKDHS Federal Partners.

Indigent Defense System (OIDS) Safety and Security Cabinet



Accomplishments over Past Year

The agency continued to ensure adequate constitutionally-mandated legal representation to its court-appointed clients.

Goals for Upcoming Year

The agency seeks to continue to provide adequate constitutionally-mandated legal representation to its court-appointed clients during the upcoming fiscal year.

Major Agency Projects

The agency is currently implementing virtual desktop integration of its computer system. This will allow agency attorneys effective and secure remote access to databases while in the field and thereby substantially reduce paperwork generated in agency cases.

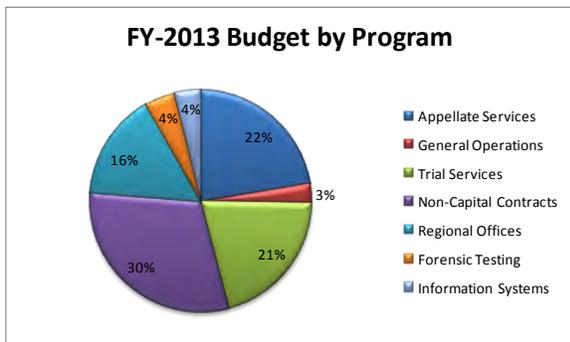
Mission

The mission of the Oklahoma Indigent Defense System 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.

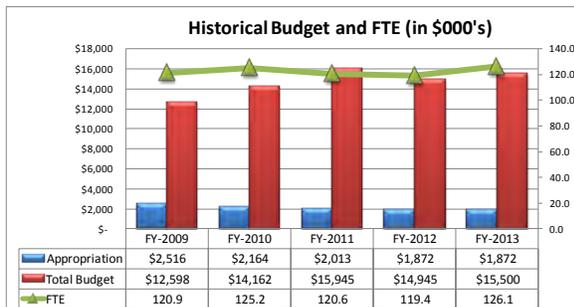
Programs

- Appellate Services
- General Operations
- Trial Services
- Non-Capital Contracts
- Regional Offices
- Forensic Testing
- Information Systems

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



Insurance Department (OID) Finance and Revenue Cabinet



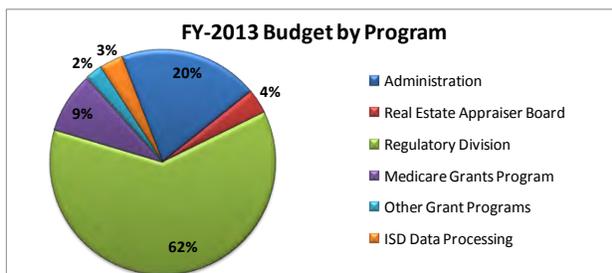
Mission

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
- Anti-Fraud Unit
- Medicare/Medicaid Fraud Prevention
 - State Health Insurance Counseling Program

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



Accomplishments over Past Year

- Improved multimedia communication tools, including upgrading our website, utilizing social media and releasing a mobile phone app;
- Held inaugural Tornado Summit (>1000 in attendance) and CEO Roundtable (>100 CEOs);
- Extended customer service capability throughout Oklahoma by creating three field representative positions;
- Recruited a captive insurance company to Oklahoma after SB1617 capped the amount such a company can be taxed each year;
- Expanded health insurance coverage for the uninsured through SB1621, allowing small employers to purchase group insurance outside of any federal exchange. Also, OID worked with the governor and the OK High Risk Pool to cover a gap in child-only policies and instituted an emergency open-enrollment period.

Goals for Upcoming Year

- Enhance financial team's timeline on exams by:
 - Implementing 5-year exam policy for all domestic insurers
 - Conducting eighty funeral home and cemetery exams
 - Improving communication with title insurers and considering market reforms by utilizing information from 2012 market conduct exam on title insurance
- Continue implementation of digital file storage and paperless office policy;
- Seek to improve Oklahoma's Insurance Service Office (ISO) average rating in an effort to lower the home insurance rates across the state;
 - Educate fire departments on ISO and how improving their rating correlates to lower insurance rates;

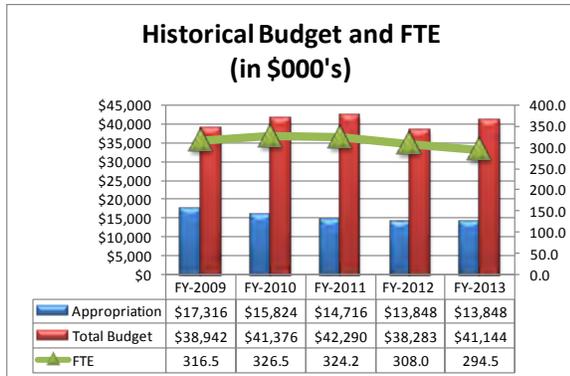
Major Agency Projects

- Improving efficiency and eliminating waste: OID is implementing all digital file storage and a paperless policy, creating savings on paper, printer, and ink usage.
- Annualizing Tornado Summit Event and Domestic CEO Roundtable: OID will annualize these events after their success last year. The 2nd annual Tornado Summit will be held on March 10-12, highlighting the tornado activity that occurred in 2012 and looking how to improve the insurance industry's response to natural disasters. The Domestic CEO Roundtable Event will again bring together Oklahoma insurance industry leaders and public officials for a discussion on the state of the industry and its mutual goals.
- Correlating ISO rating and homeowner insurance rates: OID has commissioned an ISO Coordinator to travel the state and teach local and rural the importance of an ISO ratings and how it can be improved.
- Reducing fraudulent activity on Oklahoma's senior population: OID has set up multiple Senior Fraud Conferences across the state. These conferences educate seniors on fraud tactics, provide tips on how to reduce chances of being defrauded, and information on who to contact if they have fallen victim to fraud.
- Enhancing financial and market conduct examination process: OID Financial Team plans to expand this process and conduct a greater number of examinations.
- Utilizing Business Imaging Systems to image a backlog of app. 1.5 million pages to reduce storage cost and space (600 sq foot of office space will be recovered). OID is currently utilizing an in house imaging department to image all mail received and should achieve this goal by the end of third quarter of FY-2013.

Savings, Efficiencies and Shared Services in FY-2013

- Extending a fiber optic connection to the OKC office building with aid of OMES that is estimated to result in \$1500/month savings on internet connection;
- Implemented in-house paperless initiative that has reduced overall paper consumption by 24%;
- Installed video conferencing capability in OKC and Tulsa office which allows meetings to be held without the need for travel;
- Increased efficiency in processing producer and adjuster license applications from partnering with SBS and NIPR systems. The processing time has improved from 3-5 days to 1-2 days, saving the state approximately \$55,000 a year in system usage fees; and

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



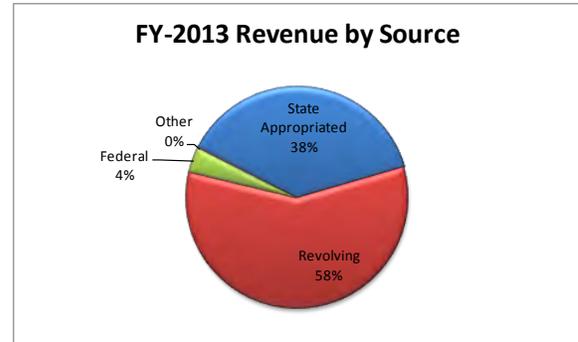
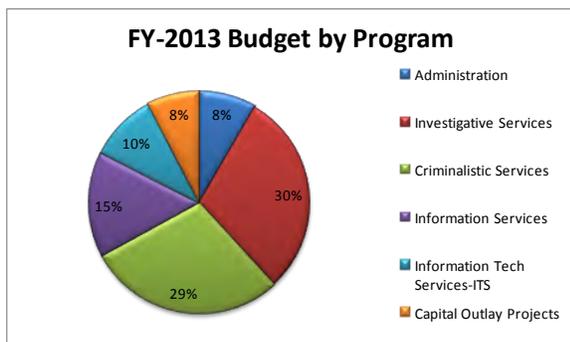
Mission

The mission of the Oklahoma State Bureau of Investigation is to ensure the safety and security of the citizens of Oklahoma.

Programs

- Administration
- Investigative Services
- Criminalistic Services
- Information Services
- Information Tech Services
- Capitol Outlay Projects

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



Accomplishments over Past Year

- The National Academy of Sciences published recommendations for the improvement of forensic science in the United States. Based on the NAS report, the Criminalistic Services Division developed the Oklahoma Forensic Science Research consortium with the goal of enhancing forensic research;
- A critical component to the success of the Oklahoma Information Fusion Center is the flow of information from local law enforcement, Fire Service, Emergency Management and other public safety agencies. The fusion center held 22 classes around the state to educate personnel from these agencies in the recognition, detection and reporting of Domestic and International Terrorism as well as other criminal activity. 411 individuals representing 266 different agencies were trained as part of the fusion liaison officer program;
- The Investigative Services Division established an MOU with the Department of Transportation to use their communication system with high-band radios to enhance mobile communication; and
- Relationships with District Attorneys, Sheriffs' Offices and Police Departments were strengthened through participation in numerous training events and conferences with members of these communities.

Goals for Upcoming Year

- The OSBI will work with OK.GOV to develop a user friendly, web-based, SDA application process. The on-line application will benefit both the applicant in submitting an application but also provide efficiencies for the OSBI. The new process will also offer an on-line payment option, which will be a more secure method of

payment. Upon full implementation the on-line process is projected to have over \$100,000 cost savings within five years;

- Continue to maintain/reduce backlog while meeting the days open goals for each forensic discipline;
- Evaluate/Implement Familial DNA testing for CODIS. This has the potential to increase the number of investigative leads that can be provided to law enforcement officers in cases involving DNA evidence, which will have the effect of reducing investigative costs if suspects are identified more rapidly; and
- Develop a user group to assist in researching and designing a needed upgrade to the AFIS.

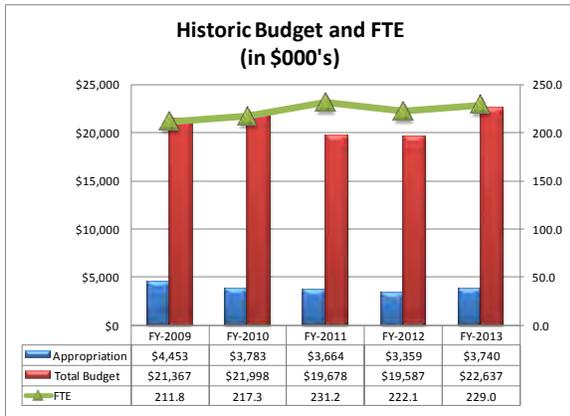
Major Agency Projects

- Computerized Criminal History (CCH) System upgrade project. Through the use of \$1.6M federal stimulus grants funding, the almost 20 year old CCH message switch and records management system was upgraded. This was a multi-year project with the majority of the project completed in FY2013. As this is the host for the state's criminal history information repository, upgrade was critical for the flow of criminal history information within the law enforcement networks, as well as for record search requests for employment purposes;
- Laboratory Instrumentation replacement/upgrade. Using \$2.3 million in federal grants and agency revolving funds, critical laboratory instrumentation used in forensic analysis is being replaced ensuring the continued timeliness and reliability of service to customers and compliance with laboratory accreditation standards (the majority of this project is scheduled to be completed in FY2013); and
- New high band radios are to be installed which will expand mobile communication for OSBI agents. These high band radios are for use for agents that do not reside within the 800 megahertz footprint. For those within the 800 MHz area, the remainder of vehicles not currently possessing 800 MHz radios will have installation completed. Funds for radio purchases are from federal grants.

Savings, Efficiencies and Shared Services in FY-2013

- Through changes in the mailing of SDA licenses, customers received their licenses more quickly and the OSBI saved on postage costs;
- As a result of staffing issues, the Trace and Drug forensic disciplines were combined, which allowed for cross-training of several employees, resulting in more employees trained to analyze Trace cases. This allowed for working these cases in a shorter amount of time;
- Through federal grant funding a LCMSMS instrument was purchase for the Toxicology unit, providing better detection of substances in blood in much less time and with use of fewer consumable lab supplies; and
- The OSBI is using Oklahoma Department of Transportation's fiber system for high band mobile communications.

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

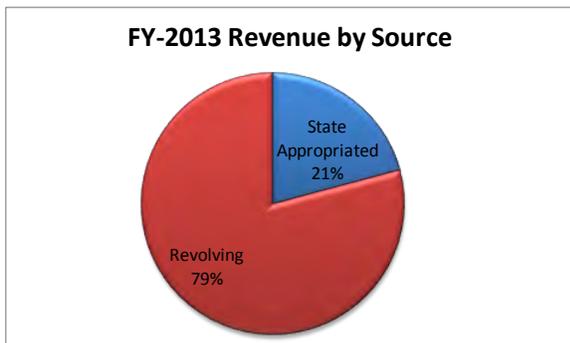
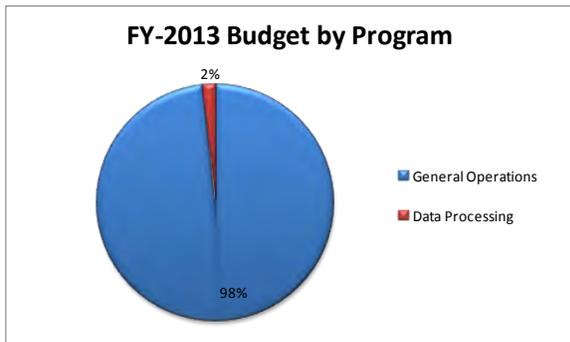


Mission

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

Programs

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



Accomplishments over Past Year

- Total patient encounters increased 3,000 from 45,500 to 48,500.
- Outpatient therapy encounters increased by 27%. The cost per outpatient encounter decreased by \$5.00 per visit.
- Therapeutic service screenings increased 16%.
- Achieved 100% on all Health Department Inspections.
- Two new community outreach groups were developed.
- A mobile therapeutic screening program was implemented to reach underserved counties.
- Teletherapy encounters increased by 13%.
- The home computer program doubled in its effectiveness, reaching more children residing in rural Oklahoma.
- A volunteer program was developed through collaborative work with Oklahoma public schools, colleges and universities.
- The Health Information Department now serves as a directed practice site for Health Information Technology students enrolled at Rose State.
- News releases, radio and talk show appearances created statewide media coverage valued at \$115, 100.
- Hospital units were upgraded to allow for emergency power to patient areas during the loss of electricity.
- Completed the construction of two summer camp cabins and an activities building funded entirely with donated monies.

Goals for Upcoming Year

In addition to our established performance measures, the following FY-2013 goals were identified by the J.D. McCarty Center:

- Continue to work with OMES to acquire an Electronic Health Record.
- Implement a power mobility program.
- Design and implement a Direct Care Specialist Mentoring/Training program.
- Implement at least one additional therapy group.
- Develop and implement a feeding/re-feeding program for children with special needs.

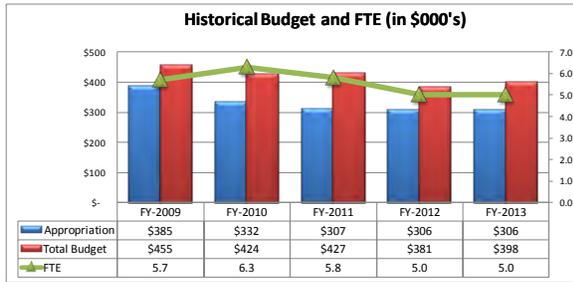
Major Agency Projects

- Initiate required repairs to J.D. McCarty Center's existing reservoir and dam.
- Complete repair work on the hospital buildings as a result of the June 14, 2010 storm.
- Repair or replace damaged flooring in the hospital units, conference and auditorium areas.

Savings, Efficiencies and Shared Services in FY-2013

- J.D. McCarty Center had a 4% increase in expenditures from FY'11-FY'12, but it was outpaced by a 6% increase in revenue resulting in a net gain of \$200,000.
- Center staff accepted expanded roles often overseeing several programs and multiple job duties creating a savings over \$1,043,375, while continuing to maintain and increase patient services.

J.M. Davis Memorial Commission Commerce & Tourism Cabinet

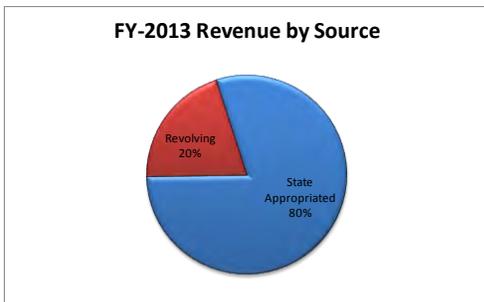


Mission

The mission of the J.M. Davis Commission is to protect, preserve and display the world's largest private arms collection and other unique artifacts in the J.M. Davis Arms and Historical Museum 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](#).

Accomplishments over Past Year

- Provided educational viewings to visitors from 48 states and 17 countries resulting in tourism dollars for the Oklahoma economy;
- Celebrated Mr. Davis's 125th birthday on June 30 by releasing a book about Mr. Davis's life and unveiling a desk top statue in his image; and
- Hosted the city-wide Veteran's Day flag retirement ceremony that was among the eight community events held at the museum.

Goals for Upcoming Year

- Increase attendance and add two to three major displays at the museum.

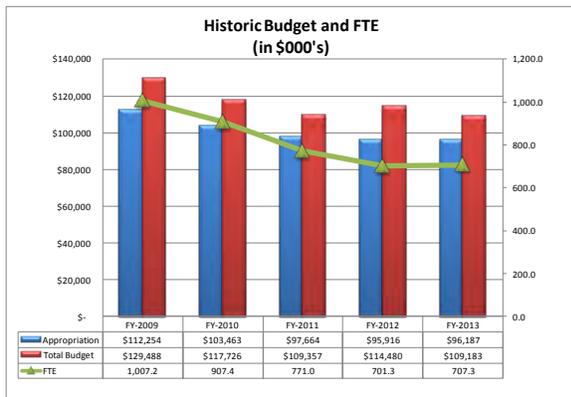
Major Agency Projects

- A 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.
- Establish a larger World War I display on 100th anniversary.

Savings, Efficiencies and Shared Services in FY-2013

- Continuing contract with OMES for accounting and payroll; and
- Ongoing effort to realize savings on energy from newer lighting system.

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



Mission

The Office of Juvenile Affairs (OJA) is a state agency entrusted by the people 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

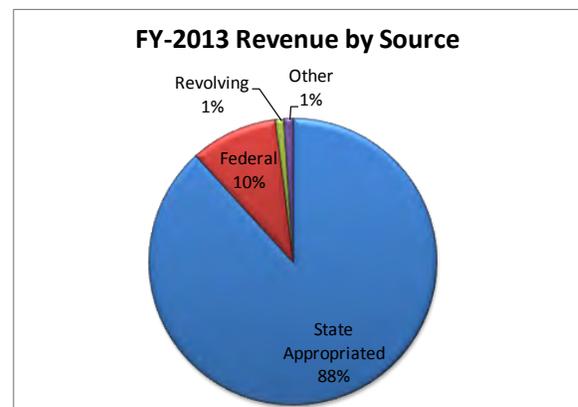
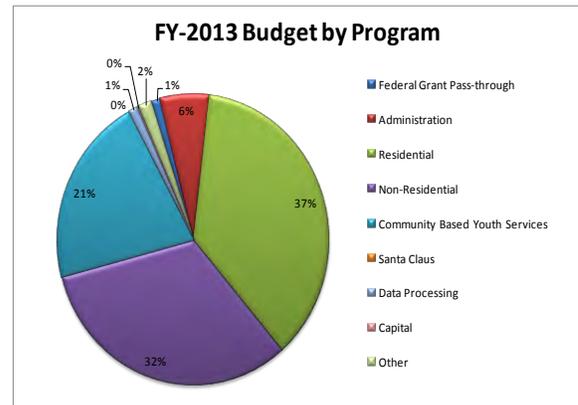
- Community-At-Risk Services
- Residential Substance Abuse Treatment
- State Transition and Reintegration Services (STARS)
- Community Based Youth Services

Community Outreach

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

- Santa Claus Commission
- Administrative Services

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



Accomplishments over Past Year

The OJA, Tipton School District and Tecumseh School District completed an educational needs assessment at each OJA education site (COJC and SWOJC) to evaluate if educational programs meet student needs relative to the intake, treatment and transition of OJA youth.

Due to the rise in youth held for long periods in detention while awaiting placement in an OJA institution, OJA has developed the Juvenile Upward Movement Program (JUMP) to be implemented as a pilot program. JUMP brings the orientation phase of institutional placement into a detention facility which reduces the "dead time" between a youth's adjudication by the court and his or her placement in

an OJA institution. JUMP will also shorten a youth's length of stay in institutional placement.

Goals for Upcoming Year

The educational needs assessment goals for the upcoming year include: the institutional schools will administer an academic assessment in math and reading with 90% of students assessed within 10 school days of arrival at the facility and 90% of students assessed within 90 days prior to release; all institutional students to read at or above grade level; and institutional students will demonstrate an aggregate average growth in math and reading of at least one grade level on an annualized basis.

The OJA will implement a payroll conversion from monthly to biweekly pay. The estimated cost is \$1.2 million and this will cover the cost to pay for leave (40 hrs. sick, 40 hrs. annual) used by employees to bridge the first two week pay cycle. Replace current security surveillance systems at both OJA Institutions due to outdated equipment, blind spots and bad coverage areas for the safety of staff and residents.

Replace outdated Digital Video Recording devices (DVR's) to provide more storage, enhanced quality and establish a hardware standard for OJA Institutions.

Complete the installation of 220 new computer workstations in OJA Offices across the state to eliminate the oldest outdated computer hardware. Move all agency computers to current software platforms including Microsoft Windows 7 and Office 2010.

The OJA will develop an agency specific, computer-based training (CBT) program. All OJA employees have extensive training requirements ranging from 16 to 160 hours per year. OJA's CBT program will reduce employee travel, improve delivery consistency, provide needed flexibility for 24-hour facilities and will match essential curriculum to individual training needs.

Major Agency Projects

OJA has joined together with ten (10) other states and the University of Maryland's Center for Educational Excellence in Alternative Settings to form a consortium for the purpose of improving the

education quality and cost efficiency provided to the youth in OJA institutions. OJA is in the first year of a three year project commitment.

OJA is developing a program designed to shorten the time residents in the institutions will be required to remain in residence and improve the effectiveness of the overall experience. The program will be referred to as the "Community Step Down Program."

The Strengthening Custody and Transition Services Pilot Initiative is a pilot program through the Oklahoma Commission on Children and Youth (OCCY). It has been in place at COJC for two years, and is now in its initial phase at SWOJC. The initiative is designed to provide transitional school-to-work services for eligible youth in OJA custody through agency partnerships.

Continue the migration and development of the Juvenile On-Line Tracking System (JOLTS) to a web based platform to provide more transparency in data between OJA, it's contractors, law enforcement and other health and human services agencies.

Savings, Efficiencies and Shared Services in FY-2013

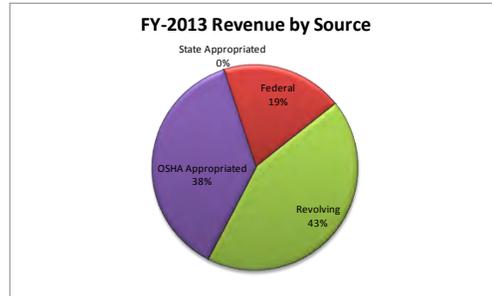
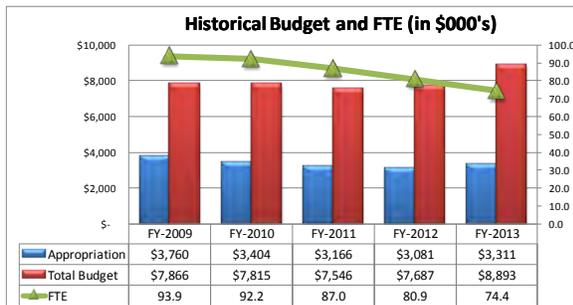
The OJA Juvenile Services Division staff is currently required to make monthly visits to all youth outside their home. At present, they complete that task by driving to the facility and having a face-to-face meeting with the youth. For the upcoming year OJA will allow the visits for those youth in OJA institutions to occur via videoconference. This would cut down on travel expenses and employee time, sometimes several hours, for a one-hour visit. OJA will also involve the youth's parents in more frequent visits with their children via the use of the video conference equipment.

Following the last round of personnel voluntary retirement buyouts there were three one-worker OJA county offices that were closed and the services provided in those counties consolidated with larger neighboring counties, which provided savings for the cost of personnel, office rent and phone/computer services. OJA Staff from Bryan County now provides services for Atoka County and staff from Pittsburg County provides services for Coal and Latimer Counties.

The OJA had numerous executive staff positions retire or resign in the last fiscal year. These positions included Chief of Staff, the Division Directors of Financial Services, Institutional Services and Juvenile Services, Human Resources Administrator, Institution Superintendent and Deputy Superintendent. Each position was staffed with existing OJA personnel. These staff performed their regular job assignments in addition to their acting job responsibility for an extended period of time until permanent employees were hired.

FY-2014 Executive Budget

Labor, Department of (ODOL) Commerce & Tourism Cabinet



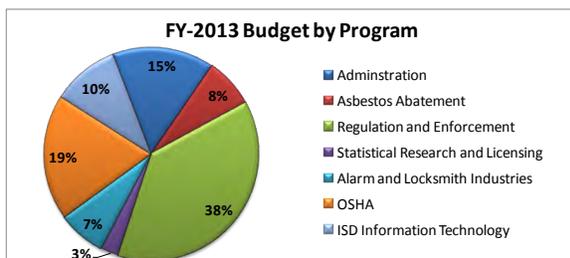
Mission

The Oklahoma Department of Labor (ODOL) was created by the Oklahoma Constitution in 1907 and 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, and 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
- Alarm and Locksmith

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



Accomplishments over Past Year

- Acquired new regulatory duties due to transfer of Alarm and Locksmith industry from the Oklahoma State Department of Health and transitioned first licensing program to the AMANDA licensing software.
- Contracted with Career Tech to proctor tests with the transfer of Alarm and Locksmith industry and increased efficiency of inspectors to perform duties within their job description. ODOL has also partnered with entities to administer testing for other license programs.
- Returned unused or inadequately used vehicles and shared cars through better scheduling of consultations or inspections.
- Re-organized divisions, reassigned workload, cross trained employees and improved efficiencies. As employees retired or resigned, workload within the affected division was reassessed and redistributed where possible.

Goals for Upcoming Year

- Replace all leased fleet with efficient fleet to realize a cost saving in excess of \$145,000.
- Develop training programs for ODOL employees and host OSHA training programs that have a national effect.

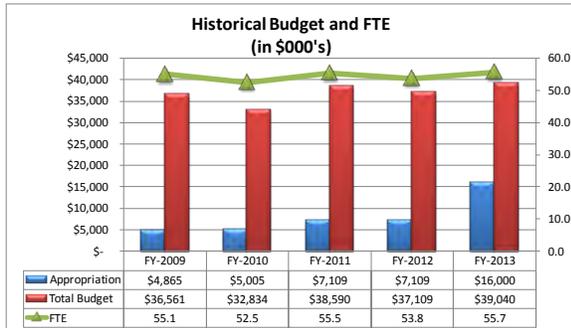
Major Agency Projects

- AMANDA Transition – proceeding with the retirement of the ODOL Internal Database and conversion to AMANDA phase II project, allowing centralized reporting from database information and accounts receivables.
- Online Transactions – after AMANDA phase II has been completed, ODOL will be equipped to accept online licensing and portal payments.

Savings, Efficiencies and Shared Services in FY-2013

- Transferred duties of the Certified Purchasing Officer (CPO) to OMES with an approximate savings of \$15,000 annually;
- Completion of IT consolidation with OMES produced realized savings that allowed employees to move to the salary midpoint for the respective pay-band; and
- With purchase of twelve new vehicles, improved fuel efficiencies will provide savings.

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



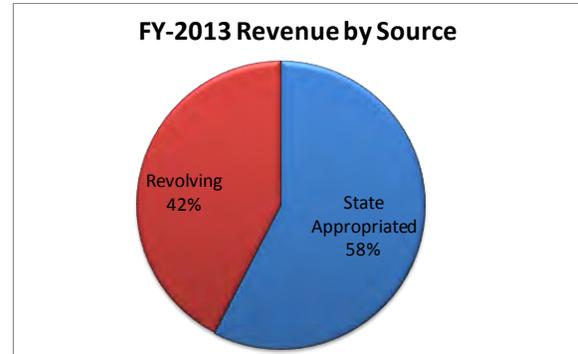
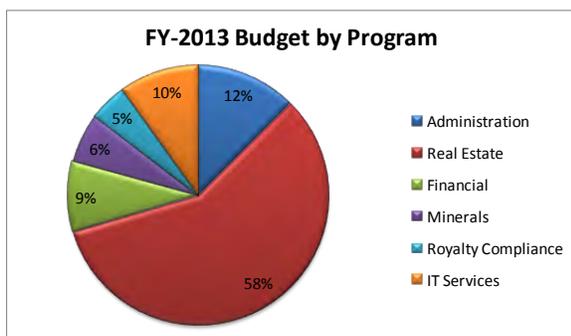
Mission

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

- Record Distributions to Beneficiaries of \$140.6 Million
- Record Distributions to Common Schools totaling \$102 Million
- Record Collections of royalty under payments
- Fall 2011 lease auction results saw the highest ever lease totals increasing 21.5% over the last time comparable properties were leased in 2006.
- Legislatively created revolving funds to help protect, properly steward, make improvements and develop water resources on CLO land.
- Completion of Phase I of major IT project and update of agency database

Goals for Upcoming Year

- Develop Electronic Fund Transfers to receipt and pay agency funds electronically
- Create legislation to allow the movement and transfer of agency funds to support beneficiary distributions
- Expand the use of technology to operate the agency more efficiently
- Focus on commercial development of agency properties
- Continue recruitment of staff with an emphasis on education and certification

Major Agency Projects

The agency intends to implement the following projects in late FY-2013 and FY-2014:

- Geographic Information Mapping System (GIS)
- Electronic Fund Transfers (payments and receipts)
- Records Management
- Electronic Lease Bonus Auctions and Live Video Streaming of Auctions

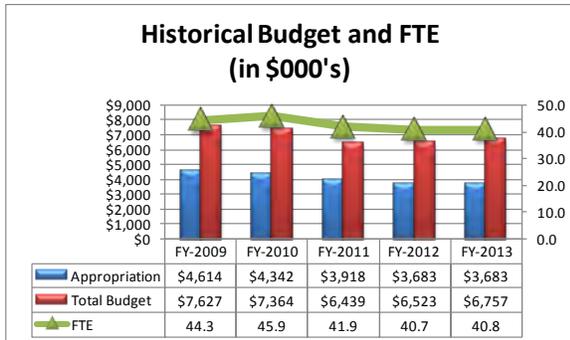
- Improve stewardship on agency land through projects such as soil conservation and Red Cedar eradication

Savings, Efficiencies and Shared Services in FY-2013

Savings achieved in the past fiscal year:

- Data Base Implementation (\$46,000)
- Personnel Reductions in Financial Services Division (\$70,500)
- Increased P-Card purchases vs. regular voucher processing (\$11,000)
- Voucher Scanning Services through OMES (\$1,000)
- Payroll Shared Services (\$730)

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



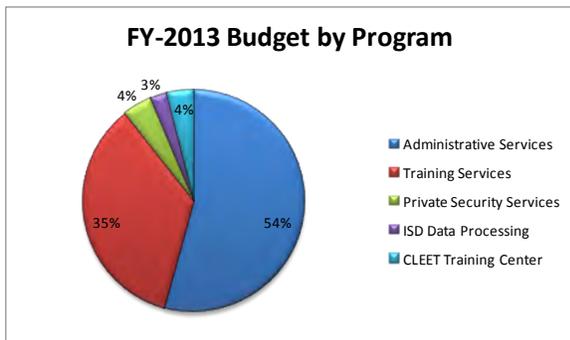
Mission

The mission of the Council on Law Enforcement and Training is to provide the citizens of Oklahoma with peace officers who are trained to be professional, ethical, conscientious, sensitive to needs of the public, knowledgeable and competent in identified learning objectives; and to protect the public by regulating private security in the State of Oklahoma through education and licensing requirements and to ensure licensees practice within the provision of the law.

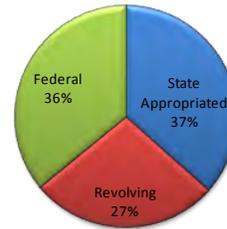
Programs

- Administrative Services
- Training Services
- Private Security Services
- ISD Data Processing
- CLEET Training Center

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



FY-2013 Revenue by Source



Accomplishments over Past Year

- Utilizing a grant from Homeland Security, CLEET provided training in “Rapid Response to Active Shooters” to all first responder patrol officers in Oklahoma. To date, more than 400 officers have received the two-day, hands-on training with classes being conducted across the state weekly;
- In July of 2012, CLEET held a joint conference with the Oklahoma Chiefs of Police Association, the Oklahoma Sheriffs and Peace Officers Association, and the Oklahoma Sheriffs Association at the University of Central Oklahoma. Over 50 agencies were represented at the event and great feedback was received on numerous issues related to training (i.e. distance education, basic and continuing education and compliance for departments);
- Successfully conducted Evidence Based Sexual Assault training for all officers in the state, including new recruits and certified peace officers;
- Established an e-newsletter to provide current information to all recipients on recent developments in the training provided by CLEET and other agencies and to recognize the efforts of adjunct instructors that help with the training in the basic academy and continuing education;
- Conducted regional meetings across the state detailing all of the activities CLEET is engaged in and received feedback on all aspects of the CLEET operation; and
- There are 11 blocks of instruction in the basic academy curriculum. CLEET has hired a curriculum specialist to upgrade the material for each block. CLEET has reached out across the state to enlist instructors to serve on curriculum review committees for each of the blocks.

Goals for Upcoming Year

- CLEET will play an instrumental role in providing training to officers of the Oklahoma Justice Commission;
- Refund CLEET construction bonds;
- Research development of bridge program for Reserve to Fulltime law enforcement (academy); and
- Upgrade basic academy curriculum and reserve academy curriculum.

Major Agency Projects

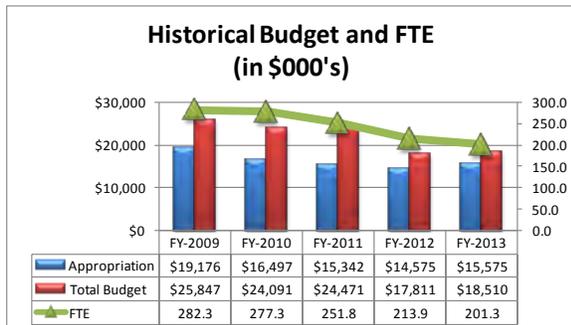
- Select architect, complete design phase and select construction company for multi-purpose CLEET safe/class room and adjunct dormitory;
- Parking lot and roadway asphalt repair work;
- Integration of Fax server system;
- Develop new software program to replace legacy Business Information Management (BIM) system; and
- Implement new professional Identification Card system for Private Security Licensees.

Savings, Efficiencies and Shared Services in FY-2013

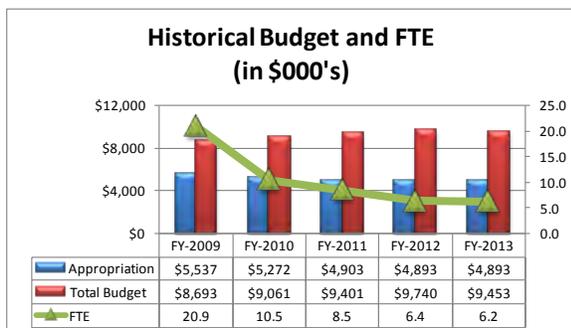
- Delayed the Law Enforcement Driver Training (LEDT) vehicles replacement cycle, resulting in savings of up to \$45,000 annually;
- Downgraded overnight and weekend security services for the agency from armed security to unarmed security. The number of hours provided for contracted security services have also been decreased by over 14%. This change has resulted in savings of approximately \$20,000 per year;
- Decreased payroll and related expenses by continuing to delay the filling of vacated positions for as long as five months after positions have been vacated and hiring replacements at lesser salaries than their predecessor. These savings vary depending on the number of vacancies and the length of time each position is left unfilled; and
- Continued to monitor its use of utilities and operate the facilities in the most efficient manner possible to maximize savings in utility consumption and costs.

Legislature

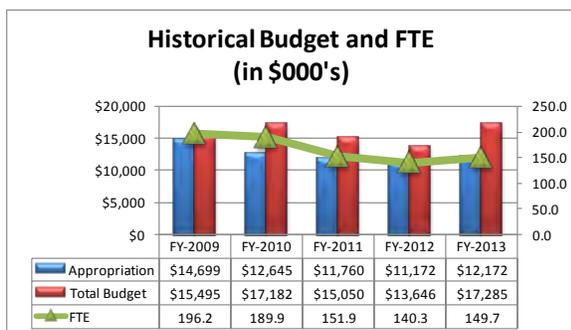
House of Representatives, Legislative Service Bureau (LSB) and State Senate



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:

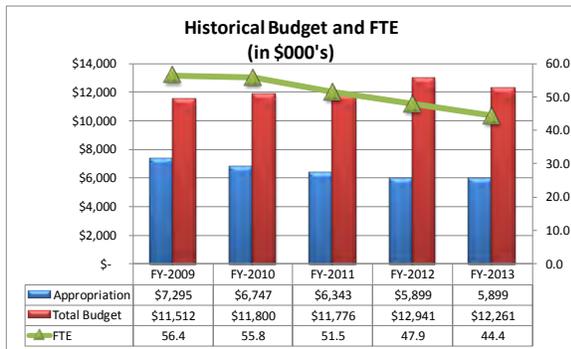
- Bills that will become law when passed by both chambers and signed by the Governor;
- Joint Resolutions that have the effect of law if passed by both chambers and signed by the Governor but may not become part of the statutes;
- Concurrent resolutions which express the will of both chambers; and
-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

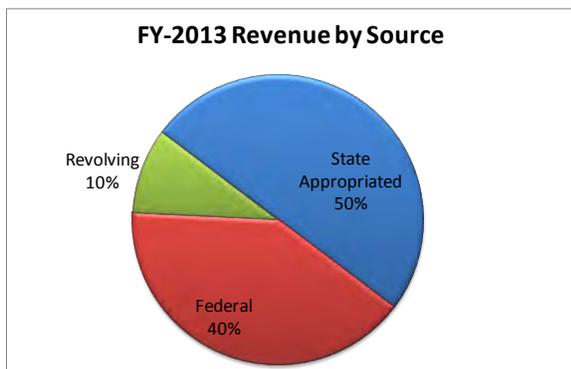
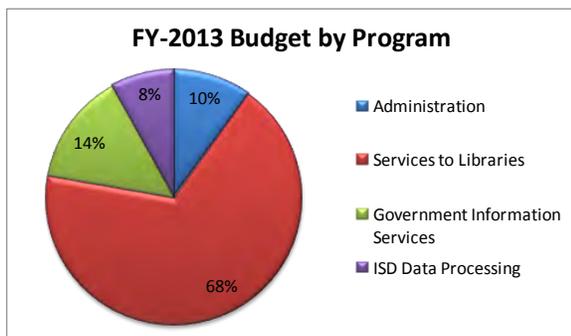


Mission

The Oklahoma Department of Libraries (ODL) 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

- **Continued Support of Literacy Initiatives:**
 - *Co-sponsored the largest state literacy conference to date*
More than 380 participants attended the joint State Literacy and Adult Education Conference, held in Norman in September 2011. Over 60 workshops on topics relevant to adult education and literacy professionals, volunteer tutors, and adult learners were presented by state and national experts.
 - *Early Childhood Literacy Project*
60 libraries and literacy programs participated in workshops presented by national experts in the field of emergent literacy. Parents were also included in the project. They were provided with early literacy information, including strategies they can use to help their children develop important early literacy skills. In order to promote early literacy skills at home, the project also provided books for children to take home and keep.
 - *Summer Reading Program*
Partnership with public libraries reached 26% of eligible children.
- **Increased 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 from 40 million searches to almost 52 million searches.
 - Provided hands-on instruction on these resources to over 600 librarians, an almost 100% increase over the previous year.
 - Online historical documents and state government publications available from the ODL had over a 200% increase in usage.
- **Increased Cooperation with Tribal Constituents:**
 - ODL sponsored the 2012 International Conference of Indigenous Archives, Libraries, and Museums. Over 550 participants from throughout the United States and Canada attended this three-day conference where they learned techniques for acquiring, preserving, and passing on artifacts, records and documents related to

their tribal heritage. The conference provided an opportunity for participants to learn about customs and cultures of many indigenous peoples and showcased Oklahoma's contributions to tribal archives, libraries and museums.

Goals for Upcoming Year

- Final steps to complete the installation of high speed internet connections and video conferencing capabilities to 44 selected public libraries in rural areas of Oklahoma. This will allow local library customers access to online classes, virtual job fairs, skills coaching by Workforce Development staff at the Oklahoma Department of Commerce, continuing professional development, etc.
- Development and Presentation of Oklahoma's first Health Literacy Summit. A collaboration of health and literacy organizations, the conference focuses on information that will help adults who have difficulty using the everyday health information that is routinely available in places such as health care facilities and pharmacies.
- Increase state government information available online through partnership with the OMES to meet mandates of having all state agency documents and forms available and searchable in one online location.
- Development of a "one-stop" online site to provide citizens detailed information on every Oklahoma state agency, board, and commission. The site will guide citizens to the most often needed information and resources provided by the state.

Major Agency Projects

- **Implementation of Documents.Ok.Gov.**
62 O.S., § 34.11.3 establishes the *Oklahoma State Government Open Documents Initiative*, which charges the Chief Information Officer to promulgate procedures for state entities to submit a searchable electronic version of each publication to the documents.ok.gov website. In partnership with OMES, the ODL manages this project and makes state agency electronic publications and forms available to the public. The ODL already owned the software and developed a similar project to meet its statutory

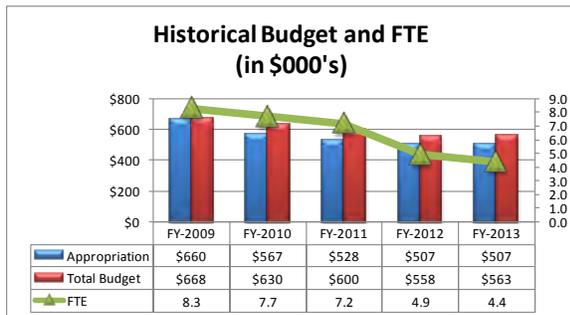
mandate, so there is no additional cost to the state for this enhanced level of service.

- **OKconnect, Broadband Technology Opportunity Program (BTOP) Grant**
Installation of high-speed Internet connections and video conference capabilities for 44 public libraries is nearing completion. With increased connectivity resources, there are dramatic improvements in downloading information and participation in video conferencing events. This technology can be a boon for distance education in the selected communities and enable small business to communicate globally with their partners and attend training sessions without travelling to out of town locations. The libraries will also have access to special learning and career software to help students with homework and assist job seekers with résumé creation, interviewing skills and job testing.

Savings, Efficiencies and Shared Services in FY-2013

- **Implementation of documents.ok.gov.**
By using software already purchased and in use by the ODL, they were able to save the state significant time and money to implement this legislatively mandated service.
- **Statewide access to full-text online magazines and journals for all Oklahoma libraries.**
Vendors have agreed that by contracting for statewide services with the ODL, the savings for all types of libraries is approximately 90% of the total cost it would take if all libraries were to purchase the same service separately.
- **Public wireless Internet access** is now available through OMES for the Allen Wright Library and Cartwright Law Library provides for uniform WIFI service within the State Capitol Complex.

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

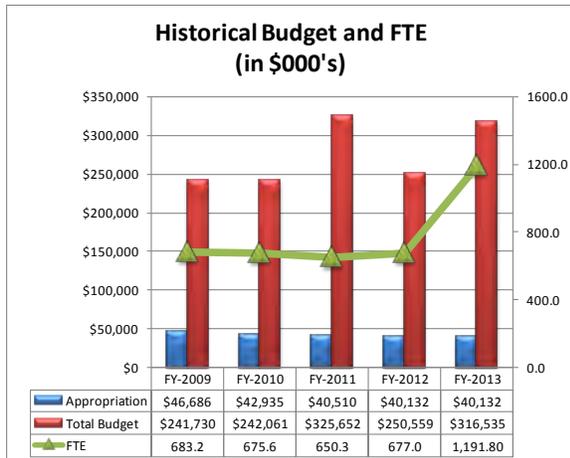
Oklahoma Linked Deposit Review Board
As President of the State Senate, the Lt. Governor utilizes the State Senate for IT services. The Lt. Governor's office utilizes the Office of Management and Enterprise Services for all shared services.

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

Savings, Efficiencies and Shared Services in FY-2013

- Reduction in level of full-time employees;
- Utilization of the online electronic payment system and overall reduction of paper use; and
- Utilization of shared services through the Office of Management and Enterprise Services for all accounting, human resources, IT and purchasing.

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



**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).*

Mission

The Office of Management and Enterprise Services (OMES) is part of the Executive Branch. It is under the administrative control of the Director of OMES who is appointed by the governor, with the advice and consent of the Senate. In the past, OMES's (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, OMES'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 OMES.

Divisions and Missions

Information Services Division (ISD): Information Services Division will provide Oklahoma state agencies with quality, cost effective and secure Information Technology and Telecommunications products and services.

For more information about the Information Services Division programs, visit their [website](#).

Division of Capital Assets Management (DCAM), formerly Department of Central Services:

The Division of Capital Assets Management assists customers in accomplishing their missions by providing essential services and quality solutions for construction, facilities, real estate, fleet, risk management, property re-utilization, printing and distribution.

For more information about the Division of Capital Assets Management programs, visit their [website](#).

Human Capital Management (HCM), formerly Office of Personnel Management:

To deliver reliable and innovative human resource services to our partner agencies to achieve their missions.

For more information about the Human Capital Management programs, visit their [website](#).

Central Purchasing Division: Provide leadership and services for innovative, responsive and accountable public procurement by working in partnership with state agencies, local governments and suppliers to provide quality goods and services, striving to optimize taxpayer dollars while carefully monitoring and improving the use of our time, talent and resources.

For more information about the Central Purchasing Division programs, visit their [website](#).

Employees Group Insurance Division (EGID), formerly Oklahoma State and Education Employees Group Insurance Board:

In an ever-changing environment, the EGID division is committed to serving the State of Oklahoma by providing, with the highest degree of efficiency, a wide range of quality insurance benefits that are competitively priced and uniquely designed to meet the needs of our defined population.

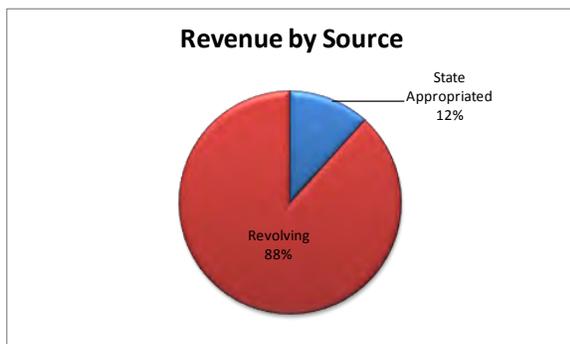
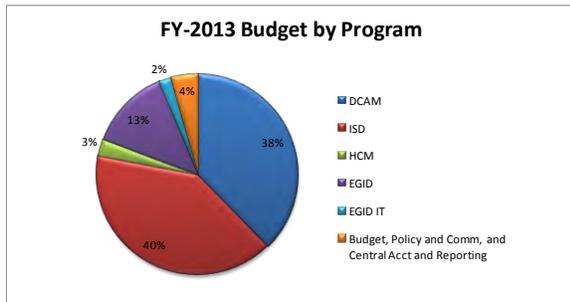
For more information about the Employees Group Insurance Division programs, visit their [website](#).

Division of Budget, Policy and Communications:

This division provides expert analysis and

management of statewide budget, policy and revenue information.

For more information about the Division of Budget, Policy and Communications programs, visit their [website](#).



Accomplishments over Past Year

- DCAM includes Oklahoma's shared financial services shop, Agency Business Services (ABS). ABS currently does the financial transactions for OMES as consolidated by House Bill 2140 as well as thirty-five (35) client agencies. The estimated annual savings attributable to ABS client agencies' use of shared services is just over \$1.1 million. In the year ended June 30, 2012, ABS contracted with nine (9) agencies resulting in estimated savings of just over \$300,000 annually;
- 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 function of the consolidated agencies. This project is ongoing with 40 agencies consolidating during

- FY-2012 and another projected 20 agencies to be added during FY-2013 per the CIO website;
- Met legislative mandate to reduce Information Technology spending by 15%;
- Completed the legislatively mandated creation of the centralized information technology organization by transferring personnel to the ISD division;
- Completed information technology consolidation for 25 executive branch agencies bringing the total to 50 agencies that have been consolidated into the information technology services model;
- The Efficiency and Performance Division developed a performance measurement process which includes establishing a framework for a statewide performance measurements website, (initial version available in February 2013). The team will continue to expand their work with state agencies to create a more enhanced, comprehensive website in the future. A guide for agencies strategic planning processes has been developed to assist agencies in the strategic planning process;
- HCM administered 20,510 online and written tests and 4,129 performance tests for statewide jobs;
- HCM processed 115,960 applications and opened 4,099 job requisitions;
- Benefits Management achieved its goal of increasing online enrollment. For Option Period 2013, over 90% of state employees made their benefits choices online, compared to 86% for Plan Year 2012;
- Benefits Management was able to maintain the administrative fee for Plan Year 2013 at 1.15%. This is a reduction from the 1.20% fee for Plan Year 2011 and 1.25% for Plan Year 2010;
- Benefits Management kept the amount spent on employee benefits in Plan Year 2012 the same as was spent in 2011;
- Benefits Management sponsored an expanded Health Exposition for state employees that included exercise classes, demonstrations of health cooking, various wellness screenings and educational screenings. Approximately 2,500 state employees attended the Exposition;
- DCAM aligned all Departments to share resources and implement a flatter organization;

FY-2014 Executive Budget

- DCAM Risk Management held property insurance rate increases to 5.9% compared to 15% industry wide;
 - DCAM Surplus Property extended the Federal LESO program to all 77 counties to support local law enforcement;
 - DCAM Fleet reported data for all state fleet systems; revamped the Alternative Fuels Technician Certification to improve quality control;
 - DCAM Construction promoted a legislative initiative to implement facility planning for all state agencies;
 - DCAM Facilities implemented planned maintenance schedules for all 19 state buildings under management;
 - Central Purchasing Division survived and thrived through consolidation, with 38% turnover in personnel. Reorganized and re-staffed to align resources to operational metrics. Continued growth in cost savings from statewide contracts and implementation of strategic practices with each acquisition;
 - EGID HealthChoice doubled the financial incentive to \$200 to members who participated in the HelpCheck program. This program encourages members to improve personal health status through a combination of preventive doctor visits, laboratory tests and health-risk assessments. Over 6,200 Oklahoma Public Employees participated in the HelpCheck program during 2012;
 - EGID HealthChoice incentivized members to be tobacco free by reducing their out of pocket cost for health care services. HealthChoice also continued offering free products and counseling for employees to be tobacco-free. Actuarial estimates of plan costs for tobacco related illness are \$52 million annually; and
 - EGID HealthChoice negotiated better pricing with network providers for injected drugs and dialysis services resulting in a projected annual savings of \$15 million.
- bringing the total to 82 agencies by fiscal year end;
- Reduce the operational information technology spend by 3% for consolidated agencies;
 - Provide information technology services to public education institutions in order to increase quality and reduce cost;
 - The Transition Project Office/Efficiency and Performance Division team will continue to develop and institute a statewide performance management system. The objective is to implement processes to identify, evaluate, prioritize, initiate, and oversee through completion projects which bring value to the State. This will include executing an efficiency review process within our own agency as well as with other state agencies to contribute to the improvement of statewide initiatives;
 - A new reporting and statistical team will be created. The OMES reporting staff will focus efforts on data which can be utilized for data-driven planning and policy decision making. Basic gathering of report repository functionality requirements and fact finding of potential software vendors will be progressing through this first year;
 - DCAM will create unified, web based customer service surveys for all DCAM departments; Transparency of enterprise financial model (cost recovery) for all departments; convert Leasing and Real Estate brokerage to fee model; unify customer agency survey process and eliminate duplication (property, insurance, inventory);
 - DCAM Risk Management will maintain insurance renewals at or below current rates;
 - DCAM Surplus Property will co-locate state and federal operations for additional program efficiencies;
 - DCAM Fleet will publish best practices, provide training to owning agencies; publish performance metrics for all owning agencies;
 - DCAM Construction will have legislative initiative to unify and align process for capital asset management (transition to Department of Real Estate Services' develop web portal for public bidding of small construction projects);
 - DCAM Facilities will develop facility operations and maintenance standards, as well as performance metrics for statewide implementation;
- Goals for Upcoming Year**
- Complete information technology consolidation for an additional 32 executive branch agencies

- DCAM Central Printing will create a web-based portal to complete all state printing requests to private vendors and the central print shop;
- Central Purchasing Division will have continued growth in cost savings through statewide initiatives; continue the development of the internal wellness culture; improve the effectiveness of the CPO program and State Use; and assure innovative use of the state purchase card to capture efficiencies and offsetting administrative costs with enterprise funds;
- EGID HealthChoice will be reviewing its inpatient reimbursement methodology to ensure reimbursements for this category of health care costs is meeting standards of industry best practices. This effort will include engagement with plan actuaries and fee schedule consultants; and
- EGID HealthChoice will revamp the HealthChoice Help Check program to make it more user-friendly in an effort to further increase participation.

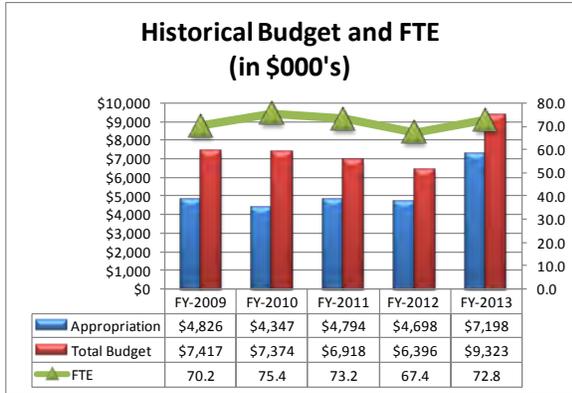
Major Agency Projects

- HCM began an e-Learning Program with a three-month Pilot from March to May 2012. Seventy-five state employees from various agencies and diverse job titles participated. To date, 1439 licenses have been activated for the fiscal year 2012 – 2013. These employees are able to access relevant job training at their desks with no associated travel expenses;
- Benefits Management continued administration of the OKHealth Wellness Program in 2012. 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 using the many resources available on the new OKHealth web site;
- DCAM will complete implementation of the AssetWorks enterprise platform for Fleet, Facilities, Capital Planning and Surplus Property operations;
- DCAM completed first annual Real Property Inventory and data.ok.gov portal for GIS system;
- DCAM will complete a legislative report on the Capital Planning – Asset Management initiative;
- Central Purchasing Division plans full implementation of an electronic catalog solution so agency customers can locate items on statewide contracts and will continue leadership in the Procurement to Pay optimization project to bring efficiency and effectiveness to the states business processes;
- EGID HealthChoice will hire a consultant to perform a cost benefit analysis to determine whether EGID should continue offering the Employer Direct Contract Prescription Drug Plan which requires administratively burdensome compliance requirements or contract through a Pharmacy Benefits Manager (PBM) to offer an Employer Group Waiver Plan where many of the compliance requirements would reside with the PBM;
- EGID’s current version of its core eligibility and premium accounting system has reached the end of its developmental life cycle and is being upgraded to the new web-based browser version. The intent of the upgrade is to take advantage of new functionality not currently available in the classic version and to create a more web-friendly application;
- EGID HealthChoice is analyzing the possibility of moving toward provider group contracting which provides more efficiency in claims processing and provider payments;
- EGID HealthChoice is rolling out a pilot program for 100 participants that meet specific medical criteria through a certification process to obtain bariatric procedures; and
- During 2013, EGID HealthChoice will take advantage of CMS’s expanded Medicare Coverage Gap Discount Program which will allow HealthChoice to receive an expected additional \$9.6 million in reimbursements from drug manufacturers and an additional \$3.6 million from CMS for Medicare Part D Reinsurance for its HealthChoice Medicare Supplement with Part D plans. These additional funds will be used to offset pharmacy costs for members enrolled in a HealthChoice Medicare Supplement plan.

Savings, Efficiencies and Shared Services in FY-2013

- Approximately \$1.1 million was saved due to financial shared services by DCAM;
- ISD reduced information technology spending by \$35M based on 2009 as the base year. Total estimated savings for the past four years is \$120M;
- ISD completed consolidation projects that have an estimated annual savings of \$8.4M annually;
- ISD completed consolidation projects that have estimated annual cost avoidance of \$6.5M annually;
- HCM directed the interagency team comprised of representatives of the Employees Benefits Department, OMES/ISD (CORE), and the Oklahoma Public Retirement System and other state retirement agencies in producing the fourth annual Total Compensation Statement for approximately 33,000 state employees. The statements were provided only in an electronic format saving the state approximately \$14,000;
- HCM remodeled previously underutilized space in the Jim Thorpe building into a training room. This room was utilized 42 days in the Spring of 2012 resulting in a savings to the state of \$4,725 based on the cost to rent a training room in FY-2011;
- DCAM Risk Management lowered property and liability premiums across all state agencies by \$2.5 million;
- DCAM Surplus Property saved state agencies \$105,669 in recycling and document shredding costs; provided local law enforcement with \$7,003,000 in weapons, aircraft and vehicles; provided state agencies with \$7,000,000 in donated federal property;
- Oklahoma Capitol Improvement Authority has returned \$10 million in rebates to offset bond payments by clearing 25 years of bond balances;
- Central Purchasing Division FTE reduced from 34 to 29 as a result of the consolidation. Appropriated dollars have been reduced by 50% compared to FY-2009 by utilization of statutory authority to assess fees on effective statewide contracts. Statewide contract savings will be reported in February of 2013;
- EGID HealthChoice realized \$5 million through provider claim and claims processing audits;
- EGID HealthChoice reduced claims costs by \$3 million due to negotiations with non-network providers;
- EGID HealthChoice realized \$2.12 million recovered from subrogation;
- EGID HealthChoice renegotiated pharmacy contracts in March 2012 producing an expected savings of \$13.1 million for the plan and \$19.8 million for the members for plan year 2012;
- DCAM Surplus Property donated \$350,000 in vehicles and equipment in the aftermath of the Woodward tornado to the Woodward Police Department in conjunction with the Woodward County Emergency Management office; including HUMVEES, trucks and forklifts at no charge. OMES was told it helped save lives because they were the only vehicles that could get around over the wreckage during initial rescue efforts;
- EGID HealthChoice allows providers to utilize an online website to update pertinent information;
- IT consolidation complete for Information Services Division, Division of Capital Assets Management, Central Purchasing Division and Human Capital Management;
- Due to Option Period enrollment, the EGID IT consolidation is being performed in multiple phases. The phases that have been completed are 1) network connectivity has been converted to State owned fiber, 2) the helpdesk cases are being handled by the ISD service desk, 3) the disaster recovery equipment has been relocated to the ISD datacenter in Tulsa thus providing approximately 100 miles of geographical separation, and 4) one employee has been transferred to work in the ISD service desk. Per agreement with EGID, the remainder of consolidation tasks will be re-initiated beginning January 2013; and
- OMES shared services used by the agency divisions include human resources, financial accounting, legal, information technology, communications, purchasing, and accounts payable.

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



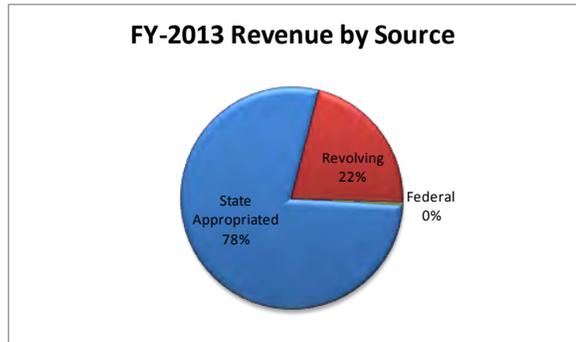
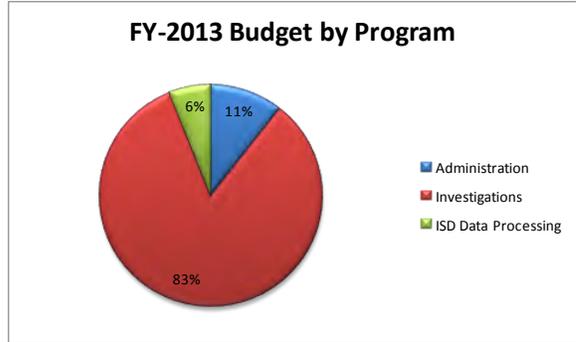
Mission

The mission of the Office of the Chief Medical Examiner 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 exam (including radiology, toxicology, histology and microbiology), complementing the activities of law enforcement agencies, district attorneys and public health officials. The OCME strives to accept these responsibilities with integrity, diligence and compassion in order to best assist and provide answers to families, law enforcement and taxpayers of this state.

Programs

- Administration
- Investigations
- ISD Data Processing

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



Accomplishments over Past Year

- Purchased digital x-ray equipment for both offices;
- Purchased and installed evidence drying cabinets in both offices;
- Updated the refrigerator cooling system to have a back up cooler;
- Collected \$9,250 in back cremation and out of state permit fees;
- Hired four additional Forensic Pathologists;
- Maintained continued accreditation from the Accreditation Council for Graduate Medical Education Fellowship program in Oklahoma City;
- OCME Laboratory received reaccreditation by the American Board of Forensic Toxicology;
- 17 investigators obtained their national accreditation through the American Board of Medicolegal Death Investigators. (ABMDI);
- Chief Investigator named to the ABMDI Advisory Council;
- Senior Chemist named President-Elect of the Southwestern Association of Toxicologists;
- Chief Administrative Officer appointed by Governor to the Anatomical Board; and
- Hired Forensic Pathologist Fellow for 2014.

Goals for Upcoming Year

- Interviewing two additional potential Forensic Pathologists;
- Continue training investigators to be qualified to submit for their national accreditation;
- Begin graduate level forensic investigator teaching programs with OSU and UCO;
- Achieve accreditation by the Accreditation Council for Graduate Medical Education Fellowship program for Tulsa; and
- Continue to collect the outstanding cremation and out of state permit fees in the amount of \$29,925.

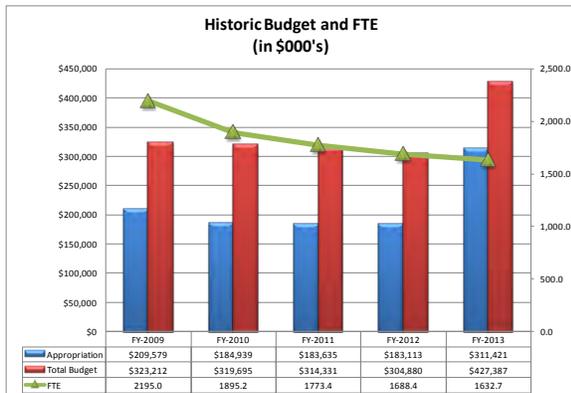
Major Agency Projects

- Installation of new phone/announcement systems for Tulsa;
- Installation of network cable system for Tulsa;
- Installation of new purchased computers;
- Installation of new roof, reconstructing and updating morgue for Tulsa; and
- Installation of digital x-ray equipment for both offices.

Savings, Efficiencies and Shared Services in FY-2013

- Implemented a change in process and added additional staff to the cremation and out of state permit units. Currently, 80% of all permit requests are completed within 24 hours. All permits are completed within 48 hours;
- October 2012, began the IT consolidation, which should be completed by March 2013;
- December 2012, began the process of exchanging our fleet vehicles to CNG cars in the metro areas and more efficient cars for the rural areas;
- Updated the lighting in Tulsa office to eliminate fire hazards and to incorporate high efficiency lighting; and
- Implemented lab equipment for more efficient testing.

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

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

Program areas related to treatment and recovery include:

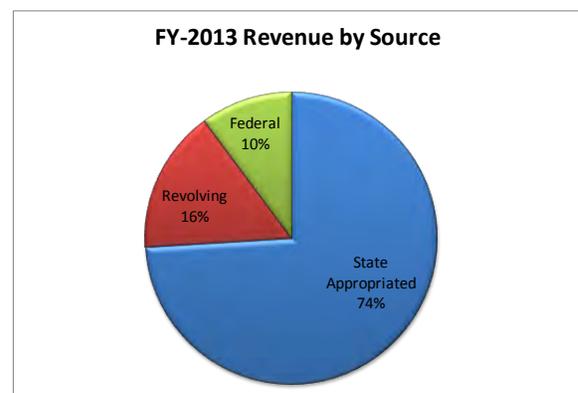
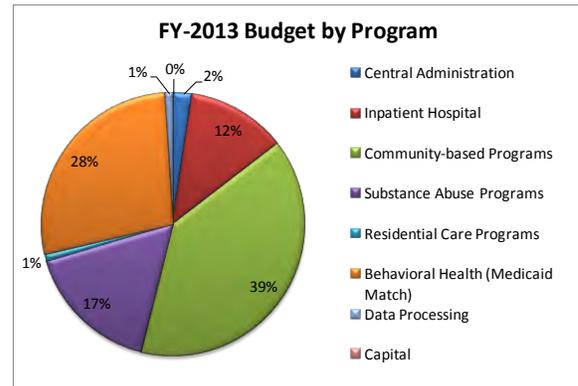
- Community mental health centers
- Outpatient and residential substance abuse services
- Crisis and inpatient psychiatric care
- Drug courts and mental health courts
- PACT services
- Systems of Care
- Gambling outreach and addiction services

Prevention programs include:

- Regional prevention coordinators
- Underage Drinking initiatives
- Synar (Illegal Tobacco Sales to Minors) Compliance

For more information about ODMHSAS's programs,

visit [their website](#).



Accomplishments over Past Year

- ODMHSAS received appropriated funding for an urgent care crisis center facility. Through savings generated by a unique partnership created by bidders through a competitive request for proposals, ODMHSAS was able to expand the opportunity from one center to two (Tulsa and Ardmore). These two new programs will divert people in crisis from the criminal justice system and general medical emergency departments to appropriate services, reduce utilization of inpatient psychiatric services, reduce incarceration rates among people with psychiatric disorders and decrease the distances law enforcement officers travel to transport persons with mental illness who are in need of psychiatric care.
- Opened a new, eight-bed residential substance abuse treatment unit for women at Jim Taliaferro Community Mental Health Center in Lawton. Most of the women in the program are court-referred, as the unit is a component of the Smart on Crime program. Smart on Crime

addresses the primary cause of incarceration for many non-violent offenders – substance abuse and mental illness – and directs treatment services toward at-risk populations.

- Advanced Systems of Care wraparound services for children ages 6-18, now operational in 58 of Oklahoma's 77 counties. This evidence-based treatment program has achieved significant results, with major reductions in arrests, out-of-home placements, school detentions and self-harm attempts.
- Development of a jail screening pilot initiative through our network of community providers and expansion of re-entry programs, which involves partnering with DOC to help offenders re-integrate successfully back into the community.

Goals for Upcoming Year

- Take additional steps to introduce evidence-based purchasing practices into the state Medicaid behavioral health purchasing system and effectively manage program growth. In the first year of management, the ODMHSAS is projected to reduce program growth rates from 14 % to 7%.
- Develop a comprehensive state plan for prescription drug abuse. ODMHSAS has been tapped by the Governor to direct this priority effort. Prescription drug abuse has a direct relationship with family failings and greater child welfare involvement, expansion of our continuous struggle to stop drug abuse among our state's younger population, and a negative impact on Oklahoma's workforce and resulting productivity. Prescription painkillers are now the most commonly involved drugs in unintentional overdose death. In 2010, 662 Oklahomans died of an unintentional poisoning, compared to 127 deaths just a decade before. Per capita, Oklahoma is one of the leading states in prescription painkiller sales and, in 2009, had the highest prevalence of prescription painkiller abuse for the population age 12 and older, with one in 12 Oklahomans abusing painkillers.
- Expand crisis center and urgent care facilities. Two new units were established in FY-2013. However, three more are needed to effectively cover the state. These crisis centers will have a profound effect on the State's ability to divert individuals from the criminal justice system into appropriate treatment crisis centers. The

benefits to the citizens of Oklahoma include reduced crime and recidivism, cost savings and healthier communities.

- Suicide prevention: The Department's goal is to increase the use of evidence-based suicide prevention programs and strategies throughout the state, and to provide suicide prevention training and technical assistance to local community partnerships. The overall goals of the project are to:
 - Reduce the rate of suicide deaths and suicide attempts among Oklahomans;
 - Increase help-seeking behaviors among Oklahomans; and
 - Improve community infrastructure that will support the implementation of evidence-based suicide prevention strategies such as gatekeeper training and screening.
- Reduce underage alcohol consumption and promote awareness of the statewide "social host law." Alcohol remains the leading substance of abuse 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, ODMHSAS will partner with law enforcement to increase compliance checks and to enforce the newly enacted statewide social host ordinance.

Major Agency Projects

- Implementation of the first phase of the ODMHSAS Smart on Crime programs which were funded, through the leadership of Governor Fallin, in FY-2012 and FY-2013. 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. This program includes an innovative initiative in Lawton diverting women who have come in contact with law enforcement into a comprehensive treatment program 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 most common afterhours 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 with follow-up, case management services and medications when needed. This model will provide ready access to less intensive levels of care, thus diverting many individuals from costly inpatient admissions and/or involvement with the criminal justice system.

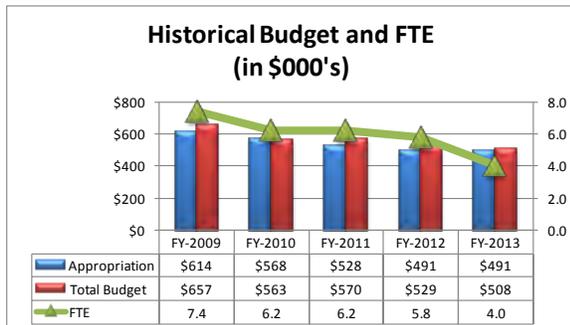
- Implementation of an optional certification for outpatient mental health provider organizations. Since administrative rules were implemented on July 1, 28 providers have applied for this certification, representing a conservative estimate of savings to private Oklahoma treatment providers of \$250,000.

Savings, Efficiencies and Shared Services in FY-2013

- Administration – Payroll has been reduced by 11% or \$13 million over the past four years. The department’s 2.7% administrative cost rate is the lowest among any state behavioral health agency.
- Behavioral Health – After receiving responsibility for Medicaid related behavioral health purchasing in the 2012 legislative session, ODMHSAS is making program changes to the Behavioral Health Rehab Services that will curb the annual 14% growth experienced over the past five years and bring the program more in line with evidenced based practices and industry standards. These changes are projected to save the state \$7.8 million in FY-2013 and \$18.7 million in FY-2014.
- Full implementation of the ODMHSAS telemedicine program, the nation’s most comprehensive behavioral health telemedicine network, with more than 140 sites statewide. In FY-2012, the agency saved \$2.4 million by

delivering services via telemedicine, up from \$1.8 million in FY-2011. Approximately 21,800 Oklahomans were served – 5,400 more than in FY-2011. Additionally, more than 13.5 million kgs of CO2 were prevented from being emitted into our atmosphere by conducting services and business processes via telemedicine – more than 11 times that of FY-2011.

Merit Protection Commission Human Resources and Administration Cabinet



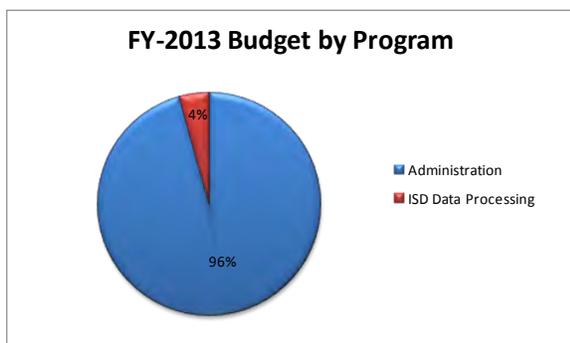
Mission

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 Commission has jurisdiction over state employees that are in the classified service and limited jurisdiction over state employees in the unclassified service. All state employees and positions are subject to the laws of the Oklahoma State Personnel Act and the decisions of the Commission.

Programs

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



Accomplishments over Past Year

- IT consolidated;
- Shared services with OMES agency accounting

and HR functions; and

- Worked with the Chief Information Officer to develop a plan to upgrade courtroom equipment and software, while maintaining autonomy in providing court related services. This plan to upgrade equipment and software has been a work in progress for the past six months and is nearing completion.

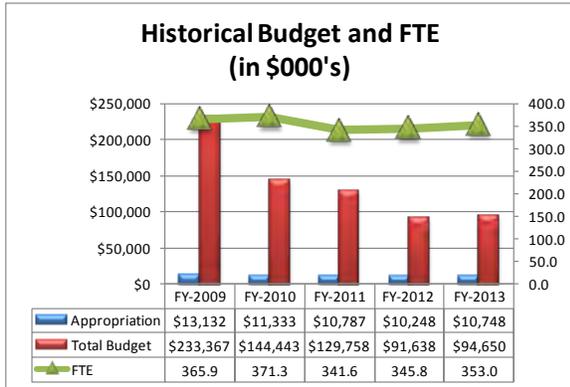
Goals for Upcoming Year and Major Agency Projects

In FY 2014, as part of an ongoing commitment to development, the Commission will focus on developing webcast trainings. The courses will be offered to employees of the State of Oklahoma. The commission's goal is to provide online learning that can be accessed 24 hours a day, seven days a week. Merit Protection Commission will offer courses in Progressive Discipline, Grievances and Appeals. Attendees will be able to make time for e-learning and prepare for a self-paced course. Merit Protection Commission can also utilize this system for other employee and agency services such as mediation. The benefits of webcasting or an e-learning program will increase the opportunity for outreach and scope of services delivered, increase the number of learning opportunities for all employees, especially those in rural areas of the state, reduce training costs and travel fees, increase the likelihood of participation and trainings will be offered to more employees

Savings, Efficiencies and Shared Services in FY-2013

Shared services through the Office of Management and Enterprise Services for accounting and HR functions.

Military Department (OMD) Military Affairs Cabinet



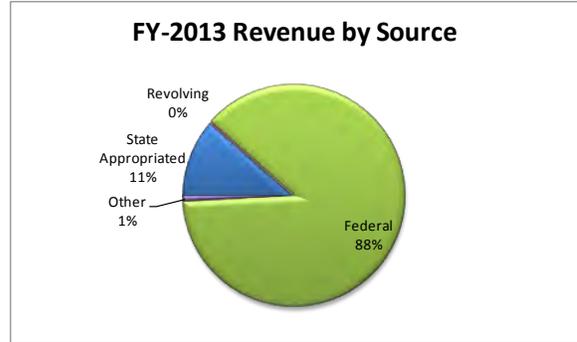
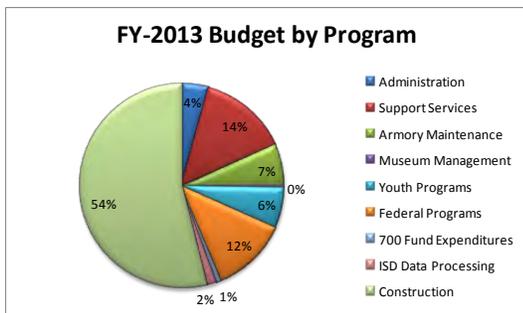
Mission

The Oklahoma National Guard provides public safety by supporting the preservation of rights of all citizens of our state and nation. The Oklahoma Military Department (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

- Administration
- Support Services
- Armory Maintenance
- Museum Management
- Youth Programs
- Federal Programs
- 700 Fund Expenditures
- ISD Data Processing
- Construction

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



Accomplishments over Past Year

- Successfully supported the training, facilities, mobilizations and overseas deployment of members of the Oklahoma Air and Army National Guard;
- Provided continuous oversight and ensured proper reimbursement of millions of dollars to the state through federal cooperative agreements; and
- Provided trained and ready forces to support state missions, such as wildfire fighting missions throughout the year.

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; and
- Improve and modernize the legacy facilities (armories) across the state at a cost of approximately \$3 million per armory usually funded with equal shares of federal and state funds.

Major Agency Projects

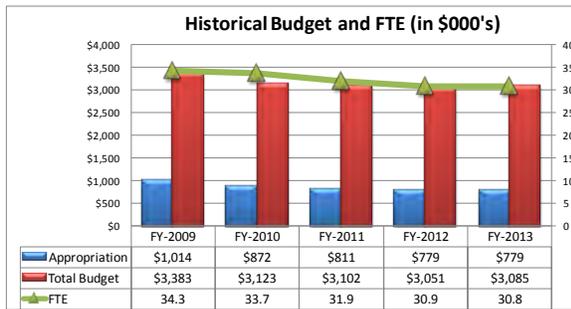
- Land acquisition is a priority for future facilities constructed with federal funds;
- The Adjutant General's priorities are the projects on which the agency will concentrate all efforts; and
- OMD's intent is to program and execute two armory modernizations per year at a projected cost of \$3 million per year or \$15 over the next five years.

Savings, Efficiencies and Shared Services in FY-2013

The Oklahoma Military Department 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.

Mines, Department of (ODM) Energy Cabinet



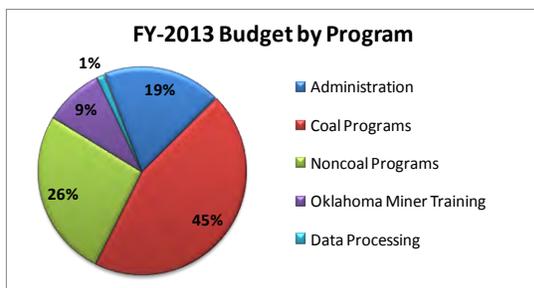
Mission

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.

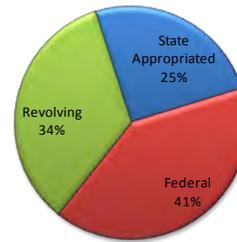
Programs

- Coal Programs
 - Coal Combustion Byproducts (Fly Ash)
- Non-Coal (Minerals) Programs
 - 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](#).



FY-2013 Revenue by Source



Accomplishments over Past Year

- Increased availability and access to information on the agency website concerning coal and mineral mining and reclamation in Oklahoma.
- Acquired a map scanner from the federal Office of Surface Mining Reclamation and Enforcement that assists in the preservation of historical and current mine maps.
- Assisted local county governments with road restoration work near mine sites that posed a threat to public safety.

Goals for Upcoming Year

- Meet the statutory mandated inspection frequencies, while determining if flexibility of inspections has altered mine site safety.
- Continue to enhance online permitting process.
- Continue scanning project to preserve surface and underground mining maps and make them available on the website.

Major Agency Projects

- Conducting health and safety inspections on over 700 sites per year (3,000 inspections).
- Reclaiming coal mine and non-coal mines sites using funds from forfeited reclamation bonds.
- Continuing involvement with Attorney General's office in litigation with federal government concerning the surface coal mining program.
- Administration of miner training through contract with Eastern Oklahoma College for the Oklahoma Miner Training Institute (OMTI).

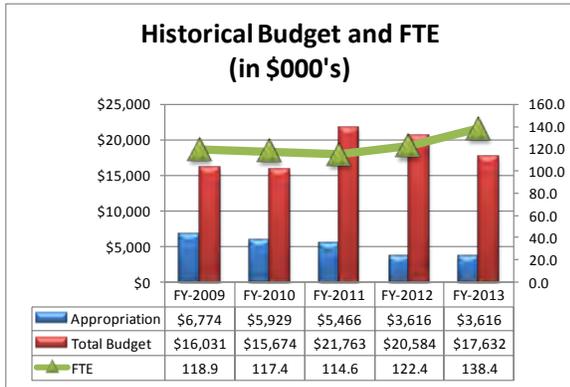
Savings, Efficiencies and Shared Services in FY-2013

- Consolidated payroll processing with OMES resulting in elimination of one FTE; led to a total savings of \$34,000.

FY-2014 Executive Budget

- Consolidating IT with OMES Information Services Division. Benefits include agency-wide file sharing and full IT support for the agency.
- Updated website to the New Gen 4 template, allowing more on-line permitting services for the mining industry.
- Replaced two leased inspection vehicles with vehicles purchased from the state Surplus division with expected savings approximately \$15,000 over the next three years.
- Increased usage of “p-card” resulting in savings through the direct purchase of registration fees, lodging and supplies.

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



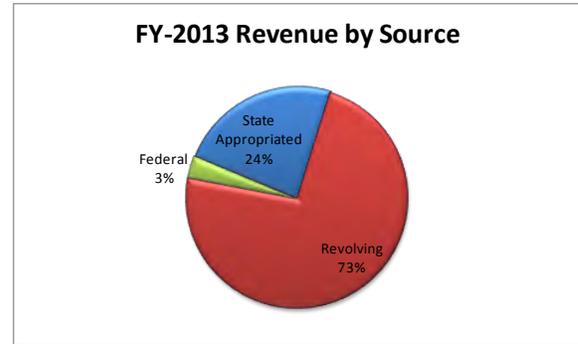
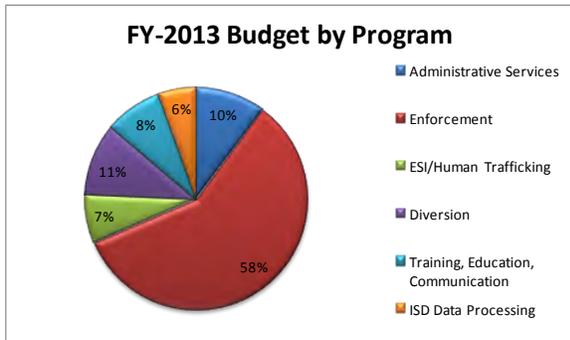
Mission

Committed to honor, integrity and excellence, the Oklahoma Bureau of Narcotics will serve the citizens of Oklahoma in the quest for a drug free state. This mission includes drug and human trafficking prevention, intervention and elimination.

Programs

- Administrative Services
- Enforcement
- ESI/Human Trafficking
- Diversion
- Training, Education, Communication
- ISD Data Processing

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



Accomplishments over Past Year

- Reduced the local availability of drugs;
- Dismantled drug distribution organizations;
- Provided youth and adult drug education programs;
- Established a statewide Drug Endangered Children program; and
- Created and implemented a Human Trafficking Unit.

Goals for Upcoming Year

- Expand the newly-formed Human Trafficking unit;
- Conduct statewide training for the new Drug Endangered Children program;
- Target Mexican cartel drug distribution and marijuana growing organizations;
- Assist with state law enforcement and national tracking programs to address the meth lab surge in Oklahoma;
- Tackle the rise in synthetic drug production and abuse; and
- Increase school drug education programs.

Major Agency Projects

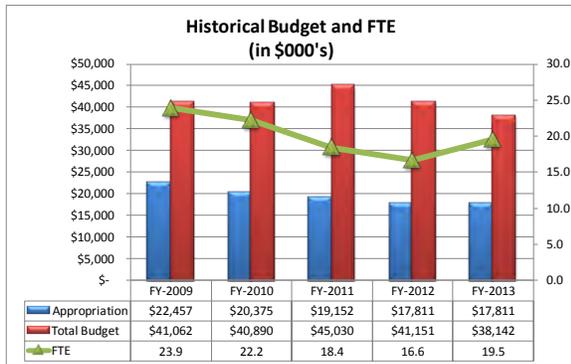
- Prescription Drug Monitoring Program: OBND maintains the nation's only real-time prescription drug monitoring program (PMP) used to address the prescription drug abuse epidemic;
- Take-Back Program: OBND coordinate's the nation's only statewide drug Take-Back program that has safely disposed of more than 25,000 pounds of unwanted drugs from home medicine cabinets;
- Human Trafficking Unit: OBND has launched a Human Trafficking Unit to address this growing threat;

- Oklahoma Drug Endangered Children Program: OBN is coordinating the statewide Drug Endangered Children (ODEC) program to reverse the alarming trend of children injured or killed in drug environments;
- Meth Lab Container Project: OBN is providing meth disposal containers for law enforcement to more efficiently and effectively address the current meth lab surge; and
- Prescription Drug Task Force: OBN is coordinating a statewide Prescription Drug Task Force to more efficiently and effectively address the prescription drug abuse and fraud epidemic in Oklahoma.

Savings, Efficiencies and Shared Services in FY-2013

- OBN purchased and installed 125 drug Take-Back boxes for the public to safely dispose of unwanted home medication. OBN partnered with Covanta Energy in Tulsa to destroy the drugs and convert the waste material into clean energy at no cost to the state of Oklahoma. This program earned the prestigious Henry Bellman Award for Excellence in 2012;
- OBN installed meth lab disposal containers in strategic locations around the state. This has saved hundreds of law enforcement man-hours and saves the state approximately \$1.4 million per year in disposal fees;
- OBN provides free drug education programs for schools which save school districts thousands of dollars otherwise spent paying private drug education organizations; and
- OMES PeopleSoft/Core System is utilized for processing Accounting, Budgeting, Procurement and Human Resources transactions.

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



Mission

OCAST fosters 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 innovative firms and their products or services; and enhancing the competitiveness of Oklahoma companies and small-to medium-sized manufacturing firms.

OCAST achieves part of its mission through public-private partnerships with Oklahoma non-profit entities with unique capabilities and complementary missions.

OCAST's strategic partners are:

- The Oklahoma Manufacturing Alliance, a 501(c) (3), is a coordinated network of application engineers and extension agents that assists small- and medium-sized manufacturers to become more competitive in their marketplace.
- i2E, a 501 (c) (3), manages the OCAST Technology Commercialization Center and Seed Capital Fund. The Technology Commercialization Center provides commercialization bridging and mentorship programs for the management teams of start-up and existing companies.

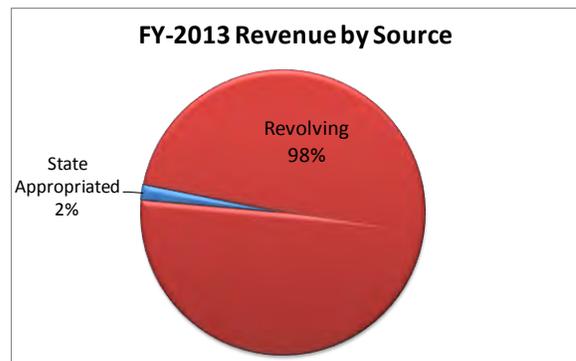
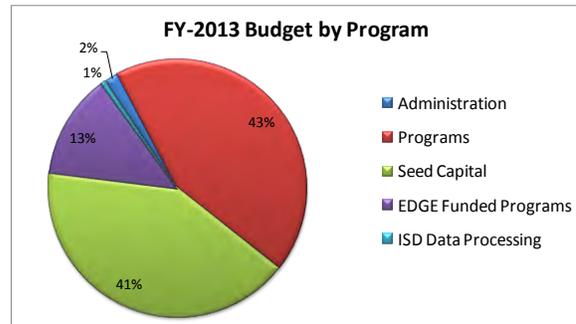
Programs

- Programs include:
 - Oklahoma Health Research (OHR)
 - Oklahoma Applied Research Support (OARS)
 - Intern Partnerships

- 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
- Fiscal agent for the EDGE Program

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



Accomplishments over Past Year

Consistent with its mission to grow Oklahoma's economy through science and technology, the agency annually measures and reports its impact. Metrics include: return on investment (ROI) that incorporates the attraction of private and non-state dollars; jobs created and retained; increase in per capita income as the result of innovative businesses that pay higher salaries; the value of intellectual property (licenses, patents, royalties, etc.); increase in the amount and quality of innovation capital; and the number of clients served. In addition, OCAST continued to refine its operations by implementing best practices, productivity and efficiency improvements that contribute to the agency's

recognition as a national model for technology-based economic development. Following are a few highlights from the OCAST [2013 Impact Report](#) to stakeholders:

- 170 new jobs were created with a total payroll of \$5.9 million
- \$5.1 million direct impact on gross sales at participating companies
- 172 student interns were supported by OCAST grants
- \$10 million awarded to 76 peer-reviewed OCAST projects
- 2,395 projects awarded since 1987
- \$5.1 billion cumulative financial impact since 1987
- 21:1 cumulative return ratio (calculation includes attraction of private and non-state investment)

Goals for Upcoming Year

Work toward an improved quality of life and standard of living for the citizens of Oklahoma by enhancing the value and efficiency of the state's investment in OCAST. This is achieved by delivering:

- optimal results through strategic investment in applied and basic research
- innovation capital
- manufacturing and small business support
- innovative new programs that meet client needs and that help advance our state in the innovation economy
- increased public/private collaborations to accelerate commercialization activities

Major Agency Projects

According to a 2012 study by SRI International comparing Oklahoma's technology-based economic development program to other states' programs, Oklahoma has one of the most comprehensive programs – from basic and applied research and development, to small business support to financial instruments for growth and sustainability.

OCAST continues to enhance its already rich portfolio of programs that moves research through the process of discovery, development and commercialization. These programs include:

- Oklahoma Applied Research Support Program (OARS) – accelerates the development of technology to commercialize the products or services to stimulate Oklahoma's economy.

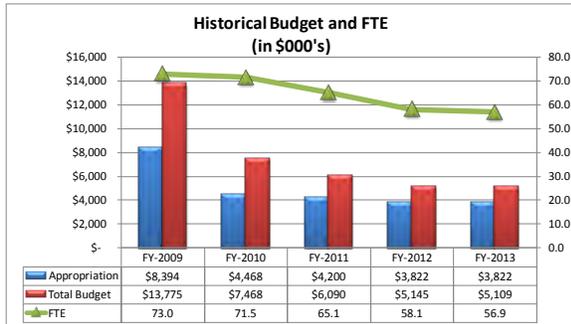
- Plant Science Research Program – focuses on Oklahoma's agricultural strengths, stimulating the development of new products and services.
- Oklahoma Nanotechnology Applications Project – focuses on nanotechnology research and applications.
- Oklahoma Technology Commercialization Center – provides expert assistance in technology, business, management, and marketing; and provides access to expert assistance with legal and intellectual property matters to technology-based firms. (Operated by i2E).
- Technology Business Finance Program – provides early-stage, pre-seed funding to qualified technology firms and manufacturers to help commercialize new technologies and introduce innovation into their existing products or process. Matching funds are required, and repayments are restored to the fund for future loans. (Operated by i2E.)
- Small Business Research Assistance (SBRA) Program – provides assistance to Oklahoma firms to successfully apply for research funding under the federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. It is specifically designed to accelerate technologies to commercialization.
- Oklahoma Inventors Assistance Service (IAS) – assists Oklahoma inventors through the complicated process of developing their invention and with patenting/licensing, marketing and manufacturing issues. (Managed by Oklahoma State University).
- Oklahoma Seed Capital Fund – provides seed capital investment in very early-stage Oklahoma companies that are engaged in commercialization of promising new technologies, and is authorized by provisions in the Oklahoma Constitution. Matching funds are required, and repayments will be available for future investments. The intent is for the seed capital fund to eventually become self-sustaining. (Operated by i2E.)
- The Oklahoma Industrial Extension Service – assists Oklahoma's small- and medium-sized manufacturers to compete successfully in

the global marketplace. (Operated by the Oklahoma Manufacturing Alliance).

Savings, Efficiencies and Shared Services in FY-2013

- Agency IT needs supported by OMES through shared services.
- Acquired additional necessary cell phone capacity with no increase in total cost due to the selection of the most economical plan.
- Internally developed and implemented Access database tracking of awards authorizations and payments in Administration and Finance, replacing multiple spreadsheets.
- Internally developed and implemented Access database tracking received invoices from receipt through payment, including the ability to access scanned voucher packets.
- Continuing to benefit from conversion of program solicitation cycle and award processes from hard copy to an electronic version through the OKGrants project. OKGrants provides a more secure system than using hard copies and a number of time-saving efficiencies have also been gained.

Oklahoma Educational Television Authority (OETA) Education Cabinet



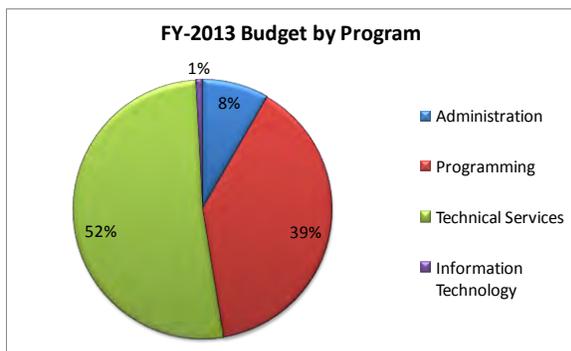
Mission

OETA's mission is to provide educational and public television programming and services to the people of Oklahoma on a coordinated statewide basis. OETA's creative use of telecommunications technologies delivers essential, life changing educational and public television programs and value-added services that enriches the quality of life for all Oklahomans.

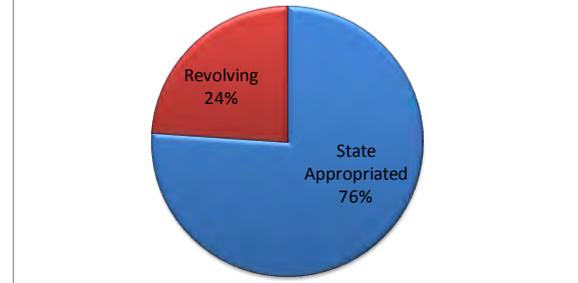
Programs

- Programming
- Technical Services

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



FY-2013 Revenue by Source



Accomplishments over Past Year

- Launched OETA LEARNING MEDIA, an online library of more than 20,000 free classroom tools and teacher resources. Currently more than 1,000 Oklahoma educators use this free resource.
- Conducted a statewide community engagement project, THE DUST BOWL, partnering with state conservation groups to foster awareness of Oklahoma conservation resources and to share and preserve survivors' experiences. More than 3,000 Oklahomans of all ages participated in the project's statewide events.
- Hosted Read Across Oklahoma, with more than 2,000 at-risk preschoolers and the general public attending a day full of interactive literacy activities at the OKC Zoo and hundreds more attending in Tulsa.
- Partnered with The Journal Record on a yearlong investigation that revealed patterns of abuse and neglect at state VA centers. The story resulted in new measures to protect Oklahoma's veterans.
- Provided comprehensive live election night coverage in 2012.
- Continued our Electronic Field Trip Program, taking thousands of Oklahoma students through U.S. history via a live broadcast.
- Delivered GED tutoring and resources, as well as job training through GED Connection and TV 411, programs designed to strengthen Oklahoma's workforce.
- Replaced on-air server and increased storage capability that will allow OETA to store and air even more Oklahoma-focused programs.

Goals for Upcoming Year

- Implement a statewide teacher professional development training program with the guidance of the State Department of Education.

This program will utilize OETA online resources. OETA's Oklahoma content will be correlated with Common Core State Standards.

- OETA aims to advance the state's ongoing economic development efforts by creating an innovative business program. This project initiative will showcase services available in Oklahoma and unite state policy-makers, private business developers and existing and potential business owners, managers and entrepreneurs.
- OETA will continue its work pursuing satellite service providers to ensure that all Oklahomans can receive OETA.
- OETA will continue to provide information about the legislative process, issues of statewide significance, and free enterprise in Oklahoma.
- Enhance news and public affairs coverage through State Impact Oklahoma, an Oklahoma public media partnership that pools news-gathering resources to produce in-depth news material that would otherwise be impossible.

Transportation, Oklahoma Department of Career and Technology Education, Oklahoma Department of Agriculture and various law enforcement agencies to maximize coverage of state communication services. Although OETA have not contracted with OMES at this time for shared services, the agency expects to in the future.

Major Agency Projects

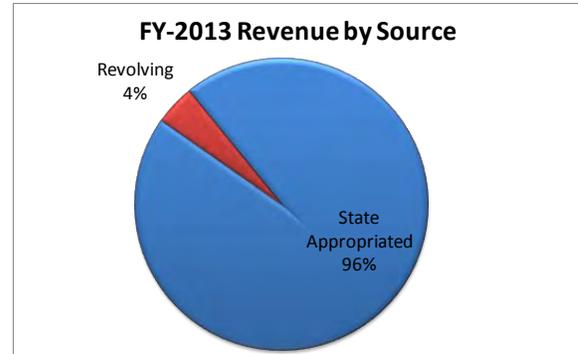
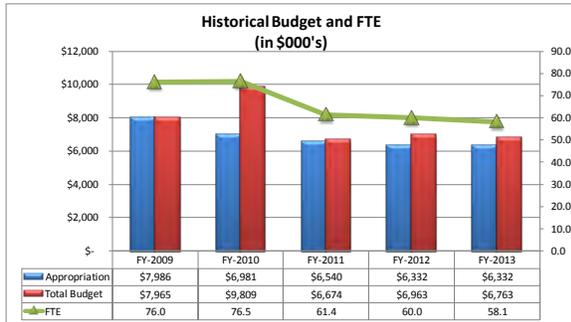
- LIVE Coverage of the State of the State with Governor Mary Fallin and increased legislative coverage through a new connection from the State Capitol to our TV Production facilities. OETA aims to develop CSPAN style coverage of the legislature.
- Connect the 4 quadrants of the state through various partnerships with regional Colleges and Universities, private businesses and local media.
- Implement a statewide teacher professional development training program with the guidance of the State Department of Education.

Savings, Efficiencies and Shared Services in FY-2013

Several staff positions have been eliminated and duties reassigned 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. We continue to save on electrical service where possible with infrastructure.

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

Oklahoma School of Science & Mathematics (OSSM) Education Cabinet



Accomplishments over Past Year

OSSM graduated its 21st class and maintained the operations of fifteen regional center locations.

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

- An increase in ACT Composite Scores from 28.5 to 32.6.
- Three National Merit Scholars and Fifteen National Merit Finalists
- Eight National Merit Commended Scholars
- Two Students with a Perfect ACT Composite
- First Place Team in the Oklahoma Mathematics League
- Two Oklahoma Medical Research Foundation Sir Alexander Fleming Scholars
- Two 2011-12 State Winners of the Siemens Award for Advanced Placement
- Two Students Qualified for the American Invitational Mathematics Test
- One Semifinalists for the U.S. Physics Olympiad Team
- One Semifinalist for the U.S. Biology Olympiad Team
- One Finalist for the U.S. National Chemistry Olympiad Team
- Twenty-four College Board Advanced Placement Scholars
- Best in State – Varsity TEAM+S Engineering Competition
- Two Student Awards, High School Division, OU Graduate Research Symposium
- Thirty-four Oklahoma State Regents for Higher Education Scholarship Recipients
- Three Recipients of a State Superintendent Award for Arts Excellence
- Eleven Presidential Service Award Winners

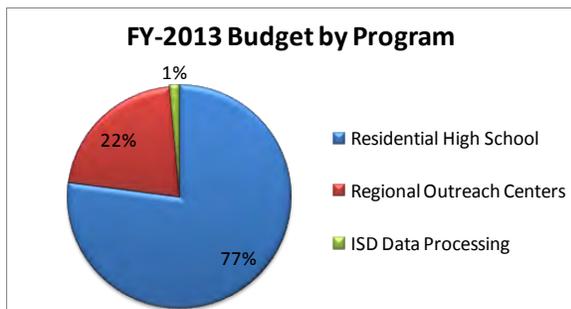
Mission

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](#).



Goals for Upcoming Year

The primary goal of OSSM remains to be to provide the quality educational program at the main campus, regional centers and outreach programs. This quality of service is not only mandated but is expected. The challenge includes keeping the level of services in the residential and regional center programs without compromising the integrity or quality of the programs, maintaining the operations of all existing regional centers and continuing to expand the outreach program.

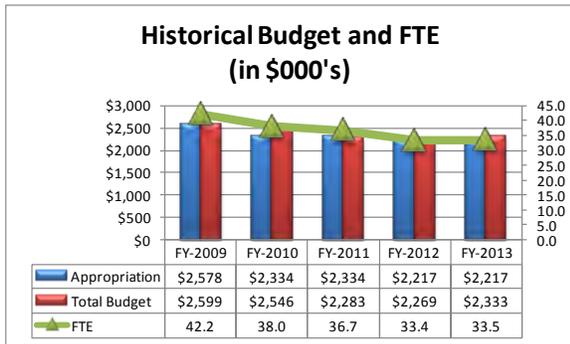
The second phase of the dormitory was completed in FY-2012 and OSSM's goal is to obtain adequate funding to begin the expansion of this once in a life time opportunity to additional Oklahoma students beginning in FY-2014.

Savings, Efficiencies and Shared Services in FY-2013

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. The agency has realized efficiencies through the advancement of technology, most notably the use of the State's financial software system for all operations.

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**



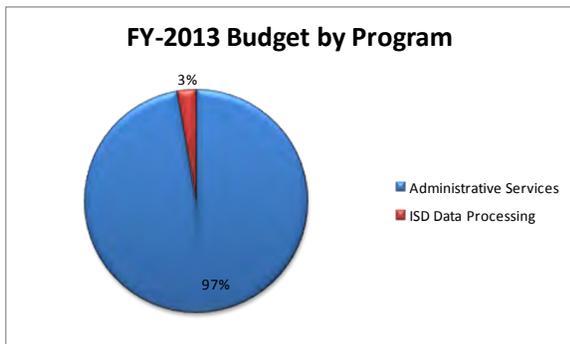
Mission

The mission of the Pardon and Parole Board is to provide quality and timely information to the Pardon & Parole Board members and Governor for them to make informed Clemency decisions on adult incarcerated felons.

Programs

- Administrative Services
- ISD Data Processing

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



Accomplishments over Past Year

- The PPB consolidated IT staff with the Office of Management and Enterprise Services; and
- With the passage of State Question 762, the Board implemented new policies and procedures to carry out the review and parole of those offenders who have been convicted of non-violent crimes.

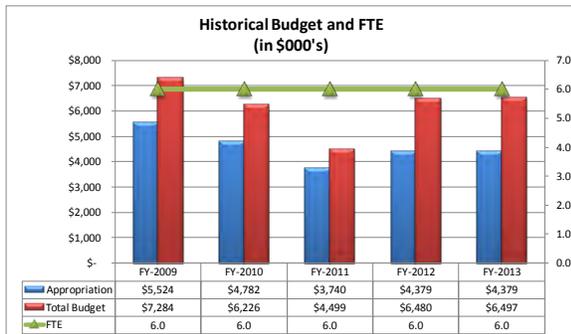
Goals for Upcoming Year

- The PPB plans on completing the upgrade of the web site and revision to the Investigator Report database system;
- Provide better online access helping the citizens of Oklahoma understand and participate in the parole process; and
- Validate and revise the Board’s Risk Assessment Tool.

Savings, Efficiencies and Shared Services in FY-2013

- Reorganized staff to streamline the processing of Parole recommendations to the Governor’s Office; and
- Used shared services through OMES for Business Office activities: financial, purchasing, accounting, and human resources, as well as IT services.

Physician Manpower Training Commission (PMTC) Education Cabinet



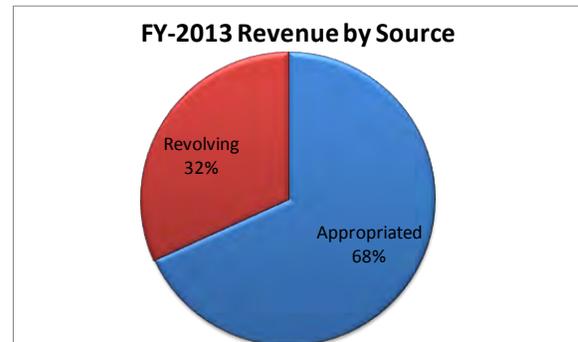
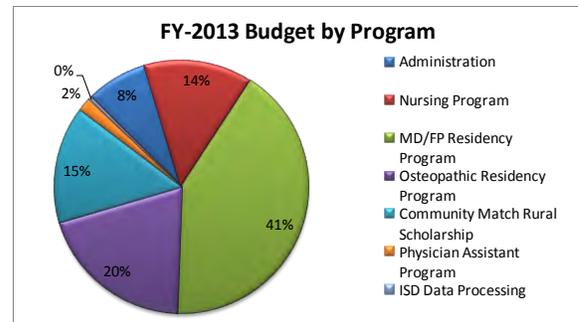
Mission

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,
- Physician Assistant Scholarship Program.

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



Accomplishments over Past Year

- 232 nursing students received scholarship funds
- 19 medical students received scholarship funds
- 16 family practice residents received scholarship funds
- 3 physicians received scholarship incentive funds to begin practice in a rural community
- 9 physician assistant students received scholarship funds
- Grant funds secured to administer the Oklahoma Medical Loan Repayment Program.

Goals for Upcoming Year

- Implement the Oklahoma Medical Loan Repayment Program.
- Maximize the number of scholarship recipients according to appropriated funds available.

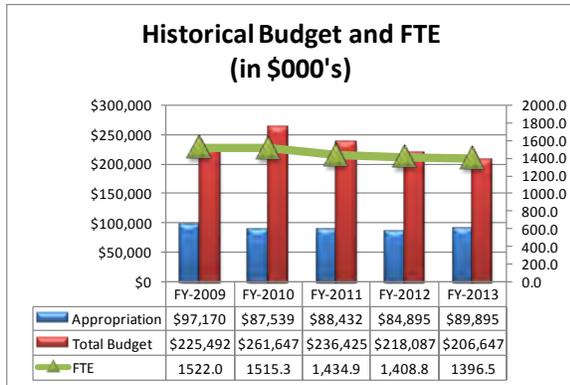
Major Agency Projects

To fully implement and maximize the placement of physicians in rural Oklahoma; through the Oklahoma Medical Loan Repayment Program.

**Savings, Efficiencies and Shared Services in
FY-2013**

This year, the agency continued lower than historical administrative costs with current copier lease and OMES IT support.

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



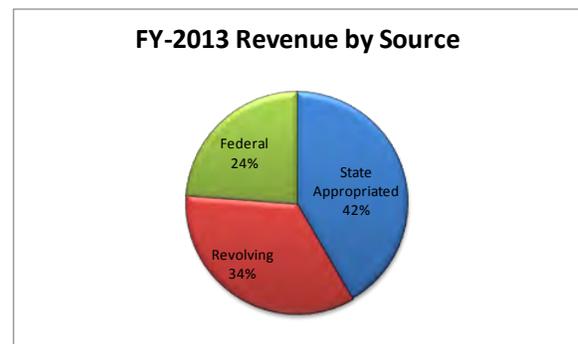
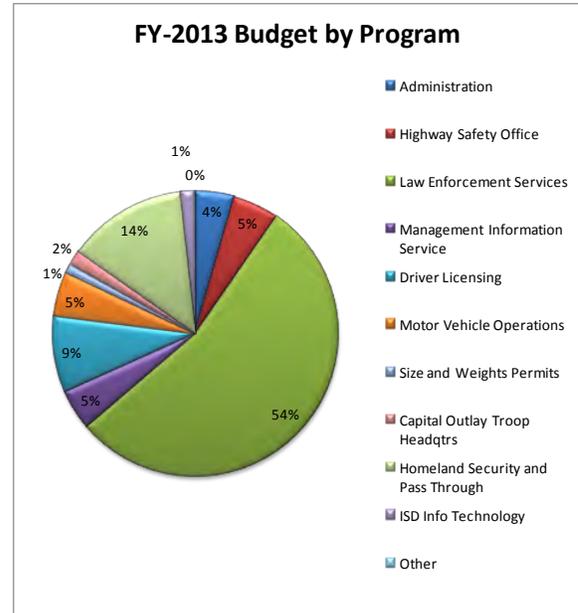
Mission

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

Programs

- Administration
- Highway Safety Office
- Law Enforcement Services
- Management Information Service
- Driver Licensing
- Motor Vehicle Operations
- Size and Weights Permits
- Capital Outlay Troop Headquarters
- Homeland Security and Pass Through
- ISD Info Technology

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



Accomplishments over Past Year

- The Oklahoma Highway Patrol graduated its first group of cadets (30) since 2009;
- DPS celebrated its 75 Anniversary of serving the citizens of Oklahoma; and
- The DL division added examiners, as well as updated DL sites, to help reduce customer wait times throughout the state.

Goals for Upcoming Year

- The Oklahoma Highway Patrol has already selected cadets and will begin the 61st OHP Cadet Academy which will be complete before the end of FY-2013; and
- The Driver License division will continue to modernize services, including online scheduling to further reduce wait times for the citizens.

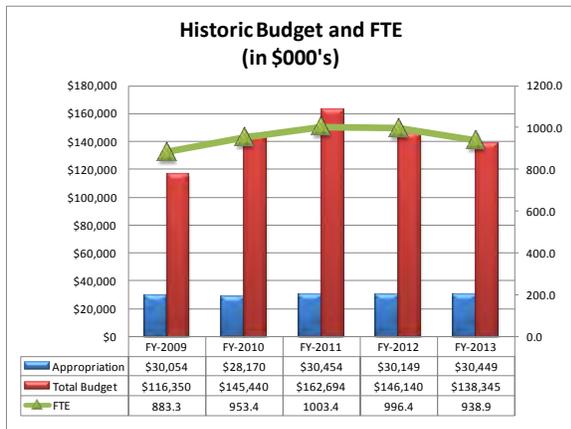
Major Agency Projects

- 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, radio shop, new car prep, driver license services and CDL services; and
- Relocate Troop C headquarters to the Muskogee Reserve Center. This relocation will also include driver licensing services and an additional DL examiner.

Savings, Efficiencies and Shared Services in FY-2013

The redesign of numerous divisions, combined with enhanced processes and leveraging current technology, has led to increased efficiency. DL wait times have decreased significantly and further improvements will be made with the new online scheduling system.

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



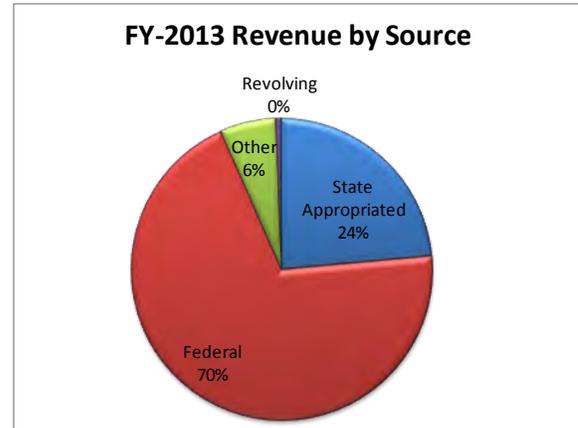
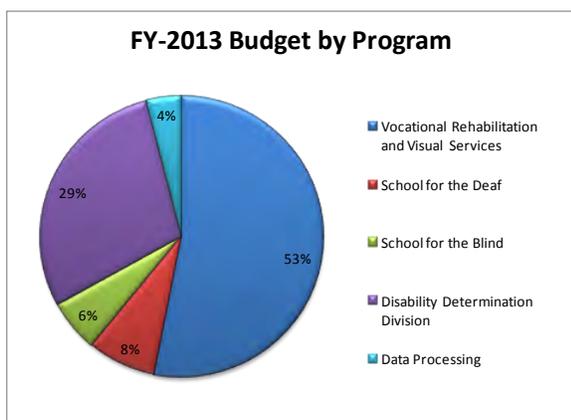
Mission

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.

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 programs, visit [their website](#).



Accomplishments over Past Year

- DRS surpassed the federal oversight agency's goal of 2,812 employment closures by 294, as 3,106 clients found gainful employment.
- Creation of the DRS Disability Determination Division's Disability (DDD) Investigation Unit, a partnership with the Attorney General's office. First year savings of \$6 million in federal benefits, with a continued emphasis towards reducing abuse.
- DDD earned the prestigious, national Phoenix Award from the Social Security Administration in 2011 for improving performance, boosting productivity, increasing case clearances and serving as a national resource for disability case processing. Since 2011, DDD continues to achieve a high level of quality by focusing on performance, productivity and morale. DDD cleared 85,825 disability determination cases in 2012, achieving 94.8% accuracy. Since being selected as a Regional Center in 2009, DDD's cases have increased over 25,000 claims per year.
- 100% graduation rate at Oklahoma School for the Blind.
- DRS served 1,802 high school students with disabilities and prepared them for life after high school. DRS contributed over \$3.1 million in supporting transition-aged clients in Oklahoma through its various programs. DRS is known nationally for excellence in Transition programs. Work experiences are a critical component of preparing youth for transition to adulthood. The program allows the students to gain valuable employment skills that will serve them the rest of their lives. Research shows that students with disabilities who have job

experience in high school are more likely to acquire jobs at higher wages after they graduate.

- DRS Vocational Rehabilitation Social Security Reimbursement Program earned more than \$1.8 million by removing 153 social security recipients from SSA rolls. Each recipient is an individual who maintained wages high enough to permanently leave the Social Security Administration disability and Supplemental Security Income programs. DRS is reimbursed by SSA when vocational rehabilitation services result in someone reaching this level of sustained employment success.
- DRS served 41 students in Project SEARCH. Project SEARCH is a one-year, worksite-based school-to-work program for high school students with disabilities. Students complete between three and four rotations of 10 weeks each on various jobs within a host employment setting.
- DRS completed the 2nd WINGS Leadership Training cohort in October 2012. DRS partners for this training with the University of Arkansas CURRENTS.
- Cold Case Unit received 374 referrals from VR/VS counselors and obtained resolution on 197 of those for a 53% success rate. This is the first unit of its kind in the country and serves as “promising practice” for other rehabilitation programs. This unit had a direct impact on Social Security Reimbursement revenues.
- DRS fostered partnerships with Office of Juvenile Affairs, the Oklahoma Commission for Children and Youth, Oklahoma Employment Security Commission, State Independent Living Council, Oklahoma Rehabilitation Council and Local Workforce Boards. DRS works to form partnerships that will improve the lives of individuals with disabilities.
- DRS formed partnership with Oklahoma Office of Juvenile Affairs to place a DRS Transition Counselor at COJC to help transition juveniles into the job market.
- DRS established cooperative agreements with all 9 Tribal VRs in Oklahoma. The collaboration allows for the provision of the most beneficial and appropriate services for Native Americans with disabilities in the most efficient and cost effective manner.
- DRS started a program of Certified Benefit Planners to assist SSA recipients in navigating

the transition away from social service support to a life of gainful employment. The planners assisted with the successful transition of 153 clients.

Goals for Upcoming Year

Vocational Rehabilitation/Visual Services

- DRS will meet or exceed federal program standards and indicator guidelines.
- DRS will continue to lead in a partnership with OESC to complete statewide Workforce Center(s) accessibility design to provide equal access for all consumers.
- DRS will continue to follow the Governor’s initiative regarding Oklahoma businesses utilizing career readiness certificates achieved through the WorkKeys assessment.
- DRS professional staff will begin the next WINGS Leadership Training in December 2012 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 and exceed public expectations.
- Maintain 100% graduation rates with graduates attending college and/or reaching employment goals.

Disability Determination Division

- DDD will meet or exceed federal program production standards and continue quality performance while dealing with significant workload increases.
- 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. In addition, the study will 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 the internal client system to

allow the creation of accessible electronic case files and storage in a central repository that can be searched and viewed from within a client's file.

- The DRS partnered its client management software, AWARE, with a business intelligence software company, Tableau. Tableau uses cutting edge technology to increase the speed at which voluminous data sets can be accessed, analyzed and shared. DRS is working to expand the usage of Tableau beyond the client service data sets.

Savings, Efficiencies and Shared Services in FY-2013

- DRS's DDD Disability Investigation Unit - Savings of \$22.8 million dollars of federal benefits over the last three years.
- The Paperless Imaging Project was expanded to include administrative support documents in the form of contracts, purchasing and claim documentation. The project continues to yield savings through less physical storage needs, broader access to information, and expands the accessibility of the information.

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 (Police)
- Oklahoma Public Employees Retirement System (OPERS) and Uniform Retirement System for Justices and Judges (URSJJ)
- Oklahoma Teachers Retirement System (TRS)
- Retirement Plan for Full-time Employees of the Department of Wildlife (Wildlife)

Systems are funded with employee contributions, employer contributions, returns 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 as 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.

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.

TRS’s funding ratio 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

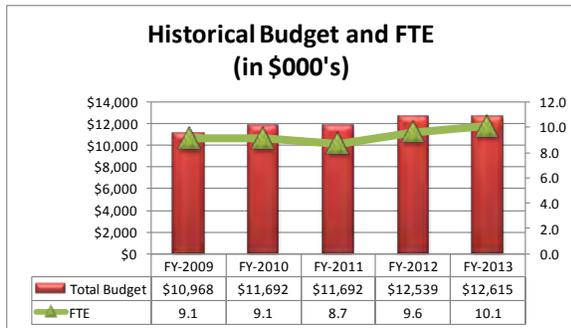
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firefighters although the members are employed primarily by cities and counties rather than the state.

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 would receive 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



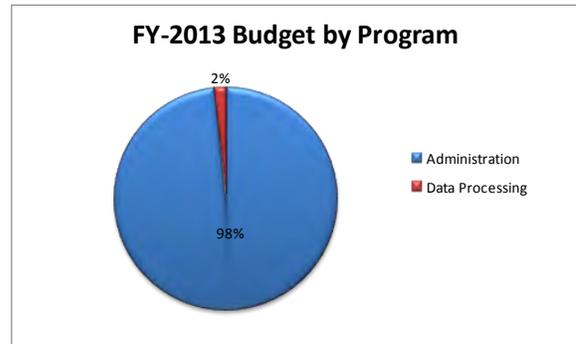
*Firefighters Pension and Retirement is a non-appropriated agency.

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 successfully imaged all of member records which provided increased efficiency and member services. The agency has also reduced the number of checks written to members from 2,846 to 896.

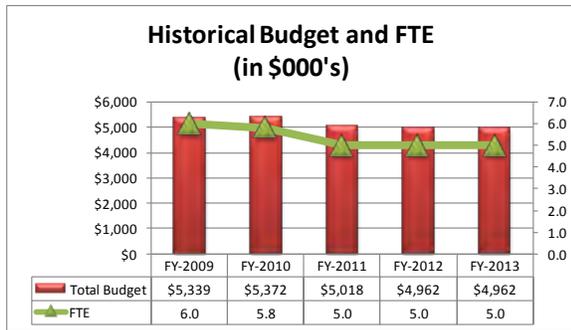
Goals for Upcoming Year

To achieve 100% participation in direct deposit for all members receiving a pension benefit and to continue with the imaging of member records to be more efficient in a workflow process.

Savings, Efficiencies and Shared Services in FY-2013

- Imaging of member files and member direct deposit.
- Use of OMES shared services for IT, Peoplesoft (GL, A/P, HCM, ELM), and the State Treasurer's ACES system.

Oklahoma Law Enforcement Retirement System (OLERS)



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

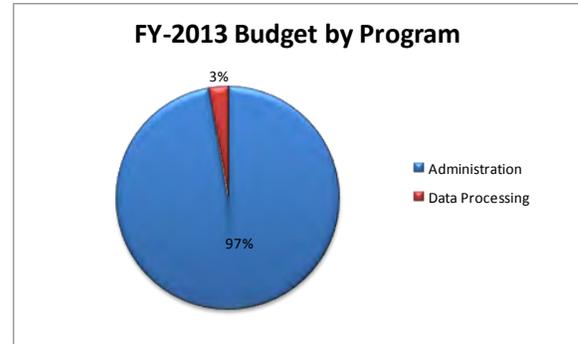
Mission

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](#).



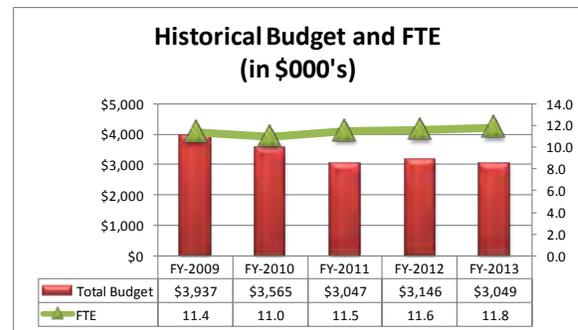
Accomplishments over Past Year

- 100% of customers who received paper checks have been converted to Direct Deposit.

Savings, Efficiencies and Shared Services in FY-2013

- Elimination of paper check costs and conversion to Direct Deposit for all employees; and
- Use of OMES payroll services.

Oklahoma Police Pension and Retirement System (OPPRS)



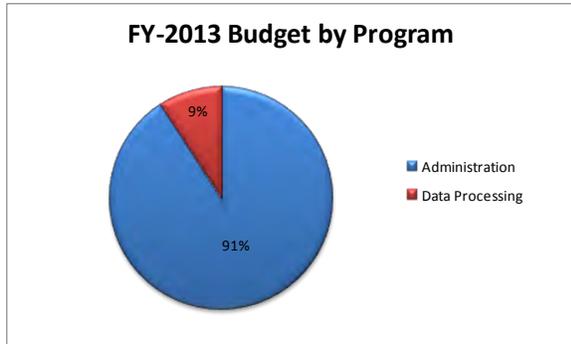
*Police Pension and Retirement System is a non-appropriated agency.

Mission

The OPPRS mission is to provide secure retirement benefits for members and their beneficiaries.

Programs

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



Accomplishments over Past Year

- Reached full staffing goals with a structure in place to deal with imminent retirements in fiscal year 2013.

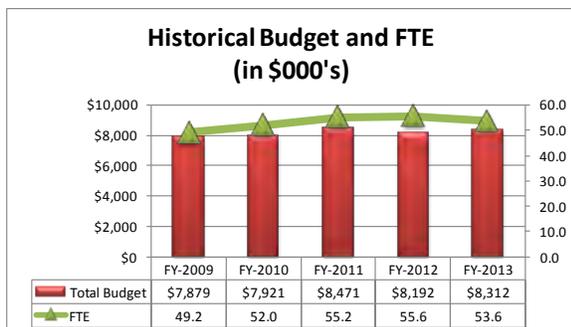
Goals for Upcoming Year

- Expand training of new staff members and streamline cyclical processes where feasible.

Savings, Efficiencies and Shared Services in FY-2013

- Information systems support through OMES Information Services Division.

Oklahoma Public Employee Retirement System (OPERS)



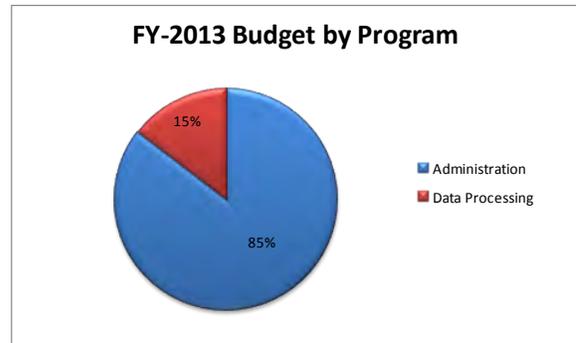
*Public Employee Retirement System is a non-appropriated agency.

Mission

The mission of the Oklahoma Public Employees Retirement System Board and staff is to provide and promote comprehensive, accountable and financially sound retirement services to Oklahoma's public servants in a professional, efficient and courteous manner.

Programs

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



Accomplishments over Past Year

- OPERS has been a leader over the last decade in advocating important pension reforms which have reduced pension liabilities and have improved funding.
- Implemented financial literacy seminars for active members. The two classes are "Managing Your Retirement Income" and "Controlling Your Financial Future." Through December 2012 OPERS has conducted 166 seminars for 3,066 members from 25 agencies.
- Handled a record number of retirements during the previous three years. As a baseline for comparison purposes, OPERS had 1,624 retirees in FY-2009 and 1,814 in FY-2010. In FY-2011 the retiree numbers jumped to 2,209. By FY-2012, although authorized VOBO activity had leveled off OPERS still processed 1,722 retirements.
- Entered into a "first of its kind" agreement with the State Auditor & Inspector (SA&I) to specifically audit payroll, enrollment and hiring issues dealing with OPERS at the county level. The SA&I office has completed 30 of these audits and identified numerous instances of employers failing to timely enroll employees in OPERS and a variety of other deficiencies. These efforts have led to the collection of several thousand dollars of contributions owed to OPERS, as well as crediting service for our active members.
- Continued to increase the number of documents scanned on the "front end" and then placed in electronic work flows. Now front-end scanning includes withdrawals, direct deposits, member

requests, tax withholding, vital documents and rollovers. Our IT staff has created a way to put several mass-mailed documents, such as member annual statements and 1099s, directly into our imaging system without scanning.

- Call Center continues to take on more varieties of calls including SoonerSave and the retiree area. The number of inbound calls taken by the Call Center went from 21% in June 2011 to 35% in June 2012. The Call Center staff members have also taken on more work in processing documents and replying to general email. It is now a "Contact Center."
- Continued to push content to the agency Intranet site, most recently adding the Procedures Manual and the office master calendar.
- OPERS and OMES EBD have continued to improve the annual option period online process to promote SoonerSave enrollment and changes. In 2011, SoonerSave increased with 493 new enrollments and 1,200 changes to existing participants. In 2012 OPERS received 400 new enrollments and 1,723 deferral changes.
- Continued to survey the membership with completed surveys on the withdrawal process as well as the New Retiree area. The OPERS staff consistently receives excellent remarks.
- OPERS Board and staff successfully completed significant requests for proposals for the SoonerSave Recordkeeper and Stable Value Fund provider and Investment Consultant.
- OPERS and the URSJJ have continued to be recognized several years in a row for outstanding achievement in financial reporting by the Government Finance Officers Association (GFOA). OPERS' Consolidated Annual Financial Report (CAFR) has been recognized for 16 years in a row and the URSJJ CAFR for 15 straight years. In addition OPERS has been recognized for three years in a row by the GFOA for its Popular Annual Financial Report (PAFR). This "plain English" and shortened financial report gives our members the most important financial information about OPERS and the URSJJ in language that can be understood by just about everyone.
- Won a Public Pension Coordinating Council (PPCC) Standards award for the second time in 2012 for achieving adequate actuarial funding as well as administration and plan design.

- Published a shortened version of its member handbooks called "Essential OPERS to provide a summary of member benefits for members.

Goals for Upcoming Year

- Migrate completely to OPERS database server for Pension Administration and begin improvements to this system;
- Improve OPERS website with more online member transactions;
- Scan 100% of incoming forms and mail into our imaging system; and
- Begin to pay retirees one month after their retirement date with at least an estimated benefit.

Major Agency Projects

- OPERS is nearing completion of the development and implementation of a new pension administration system using database software and improved workflows. Phase one of this project involves moving the legacy applications to Oracle. Phase Two will involve cleaning up the data, and then improving on the workflows. Phase one will be completed by the end of FY-2013.
- OPERS will enter into a contract with OMES and ok.gov in FY-2014 for a complete overhaul to the agency website. The goal is to permit OPERS members to perform almost all transactions with OPERS online.

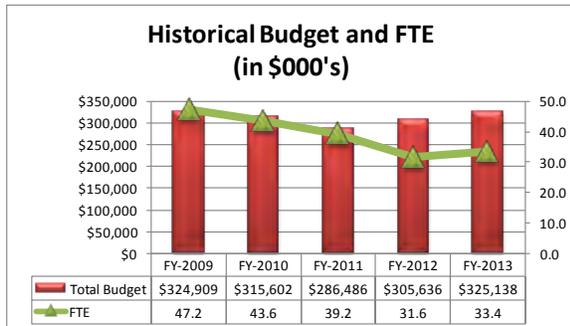
Savings, Efficiencies and Shared Services in FY-2013

- Implemented Remote Deposit Capture (RDC), which allows the agency to electronically transmit deposit information and images of checks received from participating employers. With RDC OPERS staff no longer making daily trips to the bank. OPERS was also able to reduce its monthly fleet management expenses because of RDC by returning a rented vehicle to Fleet Management which had been used for the daily delivery of the deposit to the bank;
- Eliminated a supervisory position after a retirement and moved the reporting staff members under other supervisors;
- Changed a supervisor position to a lower level classification saving salary expense and streamlining lines of authority;

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- Contracted with OMES to provide changes to internal imaging software instead of using an outside vendor. This saved several thousand dollars; and
- Information systems support has been routed through OMES Information Services Division.

Oklahoma Teachers' Retirement System (OTRS)



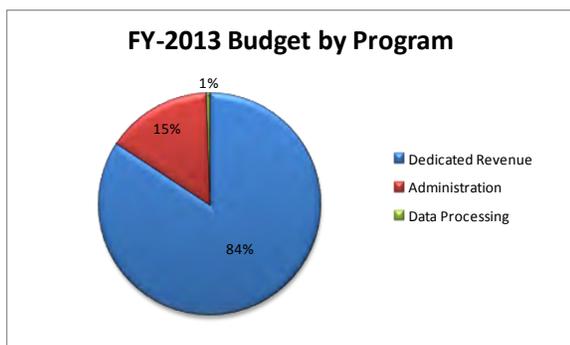
*Teacher's Retirement System is a non-appropriated agency.

Mission

The mission of the Oklahoma Teachers Retirement System (OTRS) is to collect, protect and grow assets to provide a secure retirement income for public education employees.

Programs

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



Accomplishments over Past Year

- Implemented a new client accounting system "ALICE;"
- Conducted retirement planning seminars at various locations in the state to educate OTRS clients;

- Paid 52,716 retirees approximately \$923 million during FY-2012; and
- Served 52,716 retirees (total retired and active members is 140,494).

Goals for Upcoming Year

- Migrate all "audited" client records to the new "ALICE" system; and
- Conduct two retirement planning seminars to educate OTRS clients.

Major Agency Projects

- Migration of "audited" client records to the new "ALICE" system and continued upgrades and enhancements to the ALICE system. Completion of these items will result in clients having the ability to access their own account information and generate their own estimates resulting in increased transparency.

Savings, Efficiencies and Shared Services in FY-2013

- \$3,441,000 in savings which resulted primarily from renegotiating investment manager costs and switching indexes;
- Continued upgrades to the Client Accounting System will result in better service for clients as teachers and retirees will be able to use the internet to view individual account information and interact with the agency via the internet; and
- OTRS uses the OMES Financial Accounting and Human Resources programs.

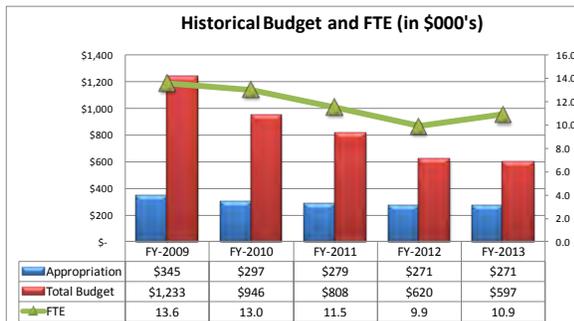
Department of Wildlife Retirement Plan (DWR)

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 participants.

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



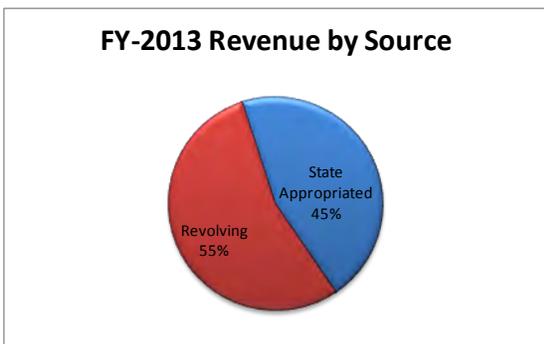
Mission

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](#).

100% of the budget for the Scenic Rivers Commission is for operations.



Accomplishments over Past Year

- Provided public use facilities and services to approximately 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 services offered by commercial flotation device operations, providing a direct economic impact to Cherokee County alone of \$12,000,000;
- Maintained and managed daily the 18 public use/access areas for scenic rivers;
- Operated the OSRC Visitor Center daily from May through September for the public to make inquiries for information, river conditions and access to river rangers;
- Published weekly floating advisories and river condition reports from May through September that were distributed electronically to more than 500 individuals, media and other organizations;
 - Published "River Currents" newsletter quarterly and maintained website to keep the public informed of scenic river issues;
- Hosted the annual Illinois River Festival in October, with 500 school children (2nd – 5th grades) participating, and the annual Illinois River Clean-Up Event, with 279 individuals participating and approximately 2,000 pounds of trash removed;
- Distributed 65,000 trash bags to river floaters and visitors with estimates of three pounds of trash was disposed/ bag (up to 195,000 total pounds);
- Removed 35,760 pounds of trash from public access areas;
- Removed approximately 500 tires from scenic rivers areas;
- Collected and properly disposed 12,000 gallons of wastewater from twelve permanent pit toilet and eleven portable/seasonal toilet facilities located in public access areas;
- Contracted with U.S. Army Corps of Engineers to manage and clean up public use areas that the federal agency had abandoned;
- Provided 170 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;
- Communicated and cooperated with Illinois River Association, Illinois River Watershed Partnership, Poultry Community Council, Poultry Partners, Save The Illinois River, Inc (STIR), Sierra Club, The Nature Conservancy, Northwest Arkansas City Officials/Boards/Public Works

Authorities and other environmental and conservation organizations;

- Partnered with sister-local, regional, state, federal and tribal agencies, including the Oklahoma Department of Transportation and Oklahoma Department of Wildlife Conservation, Oklahoma Conservation Commission and Oklahoma Department of Environmental Quality to provide public access to scenic rivers and education outreach programs;
- Continued “Frogology” education outreach program for the Illinois River Basin;
- Issued 343 Citations/Arrests and issued 896 written warnings, totaling 1,239 contacts with individuals who violated OSRC regulations and state law related to scenic rivers;
- Responded to calls, located and recovered the bodies of three drowning victims.

Goals for Upcoming Year

- Continue annual operations protecting and preserving Oklahoma Scenic River Areas;
- Coordinate with Secretary of the Environment (the OSRC was transferred from the Commerce-Tourism Cabinet to the Environment Cabinet) and members of the Legislature as a part of the scheduled Sunset Review.

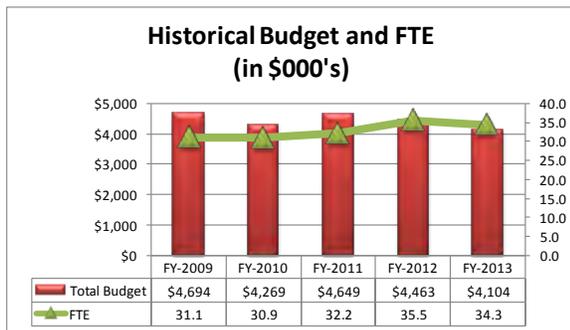
Major Agency Projects

- Continuing to build upon existing partnerships with citizens, state legislature and sister state agencies to ensure for protection and preservation of all six designated Oklahoma Scenic Rivers Areas; and
- Cooperating with OMES as that agency evaluates OSRC operations to identify areas where new efficiencies may be achieved to reduce costs and improve on services provided to the citizens of Oklahoma.

Savings, Efficiencies and Shared Services in FY-2013

- Relying upon more seasonal team members to provide services to scenic river visitors/stakeholders in lieu of hiring new full-time team members;
- Completed IT consolidation with OMES
- Recycled aluminum, iron and other materials from trash/waste collections that resulted in approximately \$750 revenue being generated back to the OSRC budget; and
- 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 Gauging Network. This partnership allows the state to leverage \$71,500 with federal cost-share match of \$134,300 for a total project cost of \$205,800.

Secretary of State (SOS) Secretary of State Cabinet



*Secretary of State is a non-appropriated agency.

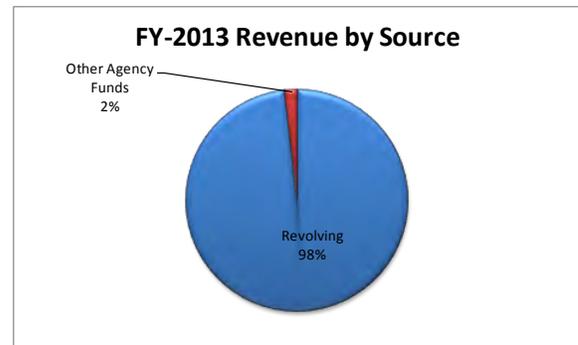
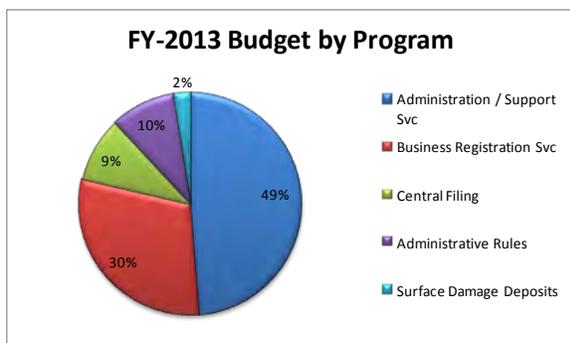
Mission

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 through the delivery of services designed to improve public access and public awareness. In providing these services, the office has adopted the mission statement: Be EPIC. SOS uses this acronym to remind employees of the agency's statutory and constitutionally required services by using Efficiency, Professionalism, Innovation and Customer service.

Programs

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

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



Accomplishments over Past Year

- Implemented the Business Activity Tax that provided a credit to business entities that removed almost \$1.5 million from the agency's typical revenue stream and moved it to the General Revenue Fund through OTC;
- Eliminated a position through attrition from retirements, some great hires and promotions and some innovation;
- Implemented SB 1070, The Oklahoma Solicitation of Charitable Contributions Act, which required programming changes by IT staff and website changes to assist SOS customers. This project was successful and now has online filing registration capabilities. SOS is currently working with Senator Paddock on a new bill to make further improvements to the Act that will benefit the filers with a reduction in paperwork, as well as benefit the SOS office because of the reduction of paperwork.
- Processed 1,373 probation and parole documents for the Governor to-date this calendar year. IT staff developed a system that allows these documents to be retrieved on the SOS website, which offers immediate access and almost eliminated the need for handling the telephone calls with questions about the paroles. In the wake of the passage of State Questions 762, SOS is now working with the Governor's Office and Probation and Parole to maintain a central website filing on the SOS website so that customers go to one website to find the parole information they need.
- Emailed notices instead of mailing hard copies. SOS was successful in getting a statute amended so that SOS can now provide email notices to business entities for their annual filings instead of having to send out hard copies as was previously required by the statute. Implementation is underway which includes preparing a link on the email notices that will

allow them to file online. SOS anticipates a savings not only from the reduction in postage and paper in the outgoing side of this process, but with the link, SOS anticipates further savings through online filing versus hard-copy filing.

- Reduced employee time on deposits. For years, the agency was sending an employee out of the building to make bank deposits. This took at least an hour of an employee's time. SOS switched to making the deposit directly with the Treasurer's Office on the 2nd floor of the Capitol every day. This saves employee time, as well as reduces the risk of loss and danger to the employee transporting money.
- Reduced use of tape. For years, the agency had been using tape to seal envelopes. Due to SOS large volume of mail, this resulted in a large purchase of tape and was very time consuming. SOS switched to using IAM to seal the envelopes as the postage is added through the metering machines. It is no extra cost because it is all done in one process. This saved employee time and the large purchases of tape.
- Reduced storage needs and costs. With the loss of one of the state's main storage facilities, this office went through an intense review of its storage spaces and the records and items being stored. SOS was able to remove 300 boxes of records through the Archives and Records process and place all other items that needed to be stored in existing storage, thereby removing any outside storage expense.

Goals for Upcoming Year

- Improve customer service further. With the passage of State Question 766, there are changes coming with regard to the Business Activity Tax law which will cause another flurry of activity for the business services division and IT staff. The goal is to manage the transition back to the way customers were used to doing business before the Business Activity Tax as seamlessly as possible. The law impacts tax years after 2012, so there will still be filings through 2013.
- Complete employee handbook. This goal had to be moved into this year, but 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 our State Constitution - SOS currently displays the only original copy of the State Constitution. While all efforts are made to protect the Constitution, the intent is to procure an exact replica that could be displayed as though it is the original so SOS can secure the original in a manner that will properly preserve this incredible, irreplaceable document. SOS has identified two vendors and continues to work with them on best solutions for this project.
- Procure a New Display for the State Constitution – SOS has obtained approval from the Capitol Preservation Commission to construct a new display for our State Constitution. The current display disrupts two offices and has now become nearly irreparable. Vendors have changed since its installation over a decade ago and technology has changed so much that it makes it in the best interest of the Constitution, to move it to an updated display.
- Received many accolades from individuals and law firms that manage business filings for their clientele regarding the increased speed with which their filings are managed and the knowledge of SOS staff.

Major Agency Projects

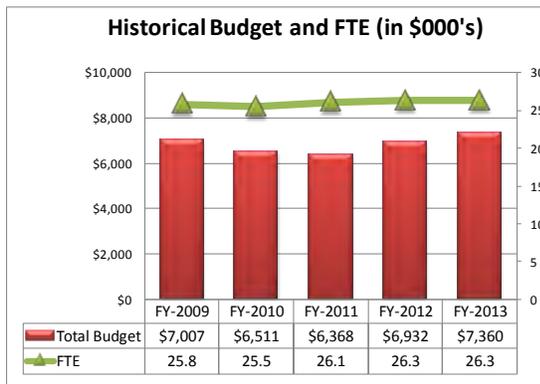
SOS has requested additional office space in the Capitol to consolidate staff into one building which would allow SOS to offer all business services in the same building. Should SOS be successful, the initial move will be a major project but would not require appropriated funding. It would also save SOS \$31,725 per year in rent.

Savings, Efficiencies and Shared Services in FY-2013

- Completed the consolidation and shared services requirements for it as set forth in HB 1304.
- Utilizes all of the information technology shared services.

Securities, Department of Finance and Revenue Cabinet

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



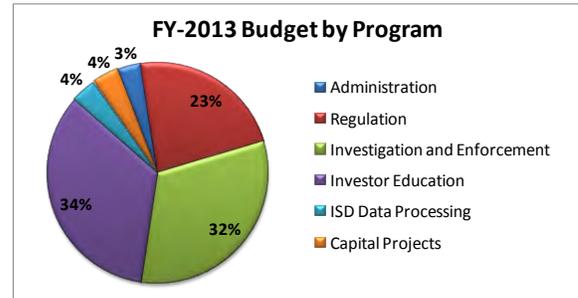
*Department of Securities is a non-appropriated agency

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, Oklahoma Business Opportunity Sales 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)



100% of the funding for the Department of Securities comes from agency revolving funds.

Accomplishments over Past Year

- Transition from federal to state registration of investment advisers with assets under management of over \$25 million and less than \$100 million;
- Purchase and preliminary implementation of an e-discovery on-site software solution that will enable more efficient management of enforcement investigations and response to discovery requests; and
- Increased communication with general public through Facebook, Twitter and a more user-friendly web site.

Goals for Upcoming Year

- Meet challenges presented by federal crowd-funding legislation;
- Increase on-site examinations of investment advisers; and
- Develop use of desk audits of securities firms when appropriate.

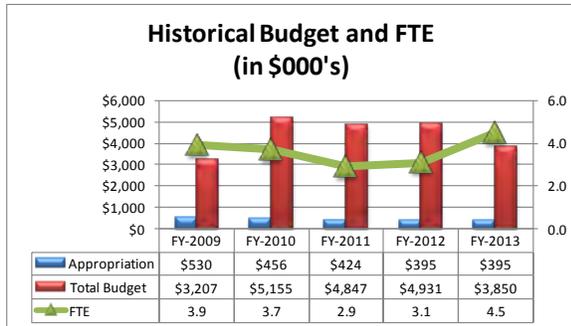
Major Agency Projects

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

Savings, Efficiencies and Shared Services in FY-2013

- Contract with OMES for financial accounting and accounts payable services which continues to result in savings.

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

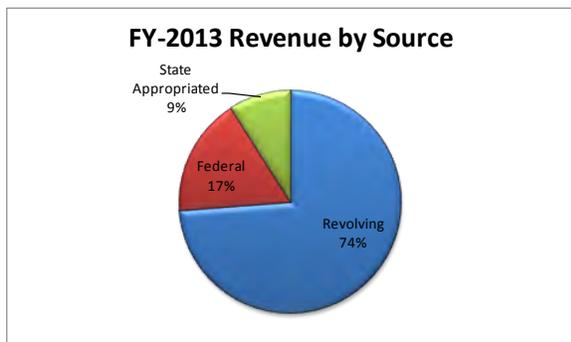


Mission

The Oklahoma Space Industry Development Authority (OSIDA) strives to be aggressive, deliberate and forceful in the planning and development of spaceport facilities, launch systems and projects and to successfully promote and stimulate the creation of space commerce, education and all aerospace related industries in Oklahoma.

Programs

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



Accomplishments over Past Year

A primary goal this past year was to focus on further reducing OSIDA facility maintenance expenditures. Two years ago OSIDA incorporated changes that reduced overall facility maintenance expenses by more than 50%. The goal this past year to further reduce maintenance cost was successful by implementing the use of Department of Correction workers. OSIDA has reduced its 2,700-acre facility maintenance cost by an additional 15%.

Goals for Upcoming Year

- Continue to maintain \$1.4 million a year Joint Use Agreement with the Altus and Vance Air Force Base and secure aerospace tenants for the facility that OSIDA is currently working with to establish a base of operations to include maintenance, repair and overhaul.
- The agency is expanding its roles to also serve Unmanned Aerial Systems Operations, Aeronautical Flight Test and Research. The Oklahoma Space Industry Development Authority plays a critical role in attracting space related operations to our state that also include manufacturing, research and development, and maintenance and overhaul of aerospace hardware, systems and components as well as manufacturing.

Major Agency Projects

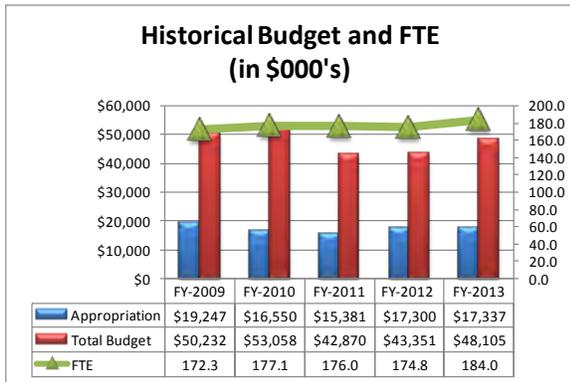
The agency is completing the construction of the OSIDA operations center. It is a FEMA project. The operations center will house the agency offices and feature a control room that will support the monitoring and recording of aerospace and aeronautical flight test data. It will be a key component with regard to further developing the facility and attracting aerospace tenants whose operations revolve around research and development flight test, manufacturing, maintenance and overhaul. The agency is presently located in a building on the campus of the Western Technology Center.

The agency is also in the process of having a new website designed that will serve as an information and marketing source and allow the Oklahoma Air and Spaceport to compete on a national and global basis.

Savings, Efficiencies and Shared Services in FY-2013

- Achieved greatest savings and efficiencies in the area of maintenance cost associated with the upkeep of the 2700 acre facility. Only revenues generated on the Spaceport and the Aerospace Industrial Airpark are utilized to maintain the facility.
- Works directly with tenants of its facility. This past year OSIDA was able to directly assist tenants of the facility when a severe thunderstorm produced damaging winds that caused roof damage to several tenant buildings. The agency provided direct assistance utilizing maintenance staff to assist tenants with cleanup and repair efforts until outside assistance was available to make permanent repairs to buildings. The agency's rapid response and assistance was responsible for allowing the tenants to continue operations and provide uninterrupted service.
- Uses OMES shared services for payroll, human resources and engineering review for construction and repair of infrastructure. Additional services are utilized in conjunction with the state IT Division and Web Site Construction and Design.

Supreme Court of Oklahoma Judiciary Cabinet



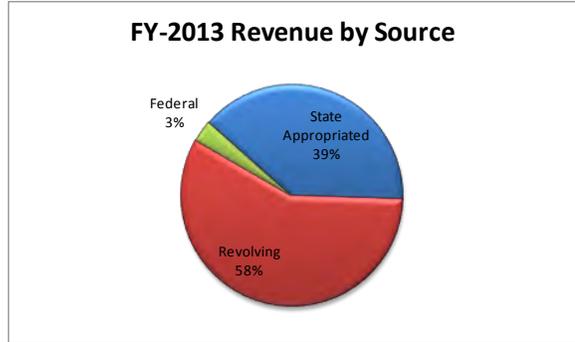
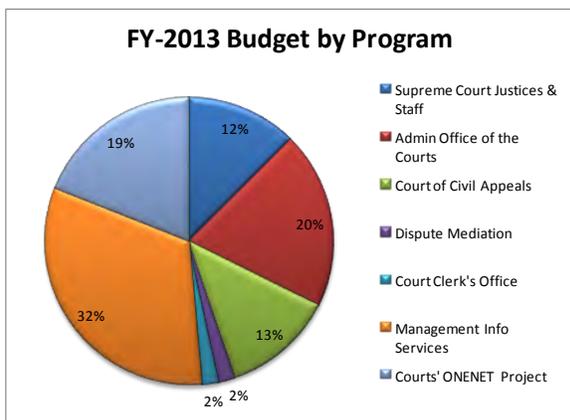
Mission

The mission of the Supreme Court of Oklahoma is to provide a fair and impartial justice system.

Programs

- Supreme Court Justices & Staff
- Administrative Office of the Courts
- Court of Civil Appeals
- Dispute Mediation
- Court Clerk's Office
- Management Info Services
- Courts' ONENET Project

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



Accomplishments over Past Year

The Supreme Court is currently designing a new unified case management system for the trial courts and appellate courts.

Goals for Upcoming Year

The Supreme Court is working on the pilot implementation of the new case management system and the design and implementation of a new jury management program and court fund accounting system.

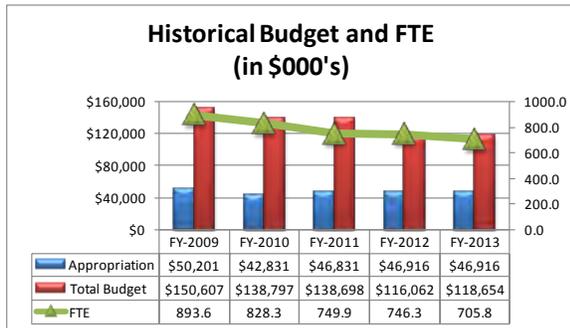
Major Agency Projects

The Supreme Court is in the process of implementing a statewide unified case management system for the trial and appellate courts that 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 exchanges with law enforcement agencies, district attorneys and other executive branch agencies.

Savings, Efficiencies and Shared Services in FY-2013

- The Supreme Court participates in the CORE budget, payroll and financials programs through the Office of Management Enterprise Services; and
- The Supreme Court saved money by restricting the use of Active Retired Judges in the District Courts, delaying replacement of district court personnel and seeking new technical solutions in replacing IT hardware.

Tax Commission (OTC) Finance and Revenue Cabinet



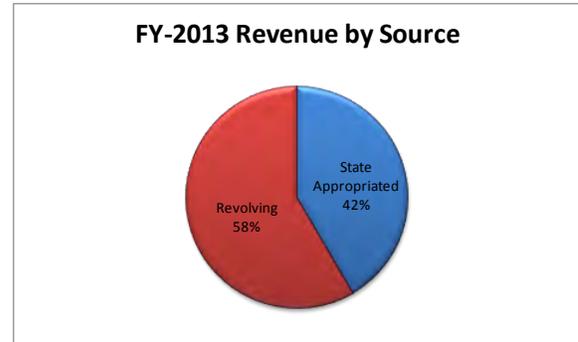
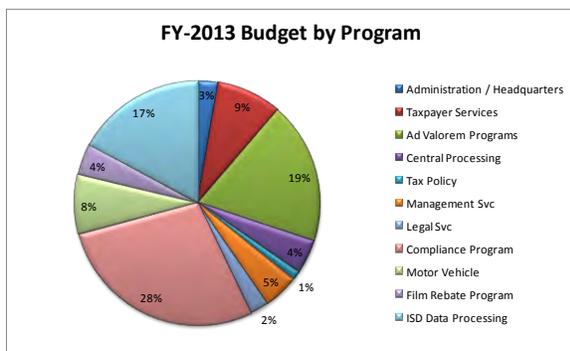
Mission

The mission of the Oklahoma Tax Commission (OTC) is 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
- Compliance Program
- Motor Vehicle
- Film Rebate Program

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



Accomplishments over Past Year

- Completed OneLink Integrated Tax System Phase II rollout;
- Established agency disbursements to businesses via direct deposit;
- Completed Interagency Agreement for Services transferring half of agency's IT positions to OMES;
- Executed a Mainframe Service agreement with OMES;
- Actively participated in OMES unified statewide consolidated mainframe initiative;
- Implemented tax refund debit card system as mandated by law;
- Provided on-line Withholding tax registration; and
- Implemented an on-line system for the oil and gas industry and the public to access information on all active and inactive wells throughout the state of Oklahoma.

Goals for Upcoming Year

- Complete OneLink phase III rollout;
- Implement Check 21;
- Launch redesigned agency website;
- Move on-line business tax filing system to OkTap which will allow taxpayers to view their account in detail and provide taxpayer self-management account functionality;
- Convert to a new Interactive Voice Response system (IVR) with Voice over Internet Protocol (VoIP) phones;
- Provide on-line Sales tax registration;
- Post all Oklahoma Tax Commission letter rulings to agency's web site in a searchable database; and
- Provide on-line report filing for the oil and gas industry along with expanding informational reporting to the public.

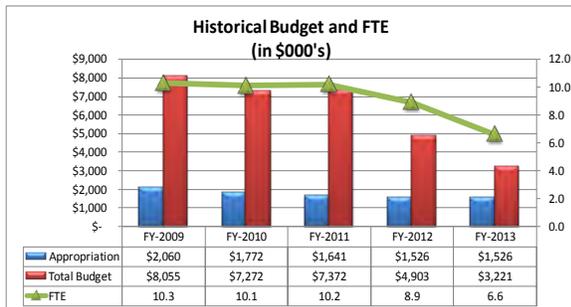
Major Agency Projects

The Tax Commission 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 our major tax systems into one integrated system. It will create numerous staff level production efficiencies and result in additional transactions being accomplished daily by all levels of staff.

Savings, Efficiencies and Shared Services in FY-2013

- OTC continues to leverage available technology in an effort to be effective and efficient with available resources. Savings were realized with direct deposit and debit card disbursements. The volume of paper checks generated has been significantly reduced saving the agency approximately \$500,000 annually.
- With enhancements to the Tax Commission's business on-line filing system, known as Quicktax, taxpayers are able to access the system 24 hours a day. Quicktax allows taxpayers to submit, view and correct business tax forms and make on-line payments for a variety of business taxes including sales and use tax, withholding, prepaid wireless and mixed beverage. Quicktax has been well received by Oklahoma taxpayers who enjoy the ease and convenience the system provides.
- Maintains all IT assets on the Asset Management module of PeopleSoft. Effective July 1, 2012, 49 Tax Commission IT positions transferred to OMES per HB 2140 and the agency signed a Mainframe Services Agreement with OMES. Additionally, the agency is actively participating in the OMES mainframe consolidation initiative.
- Utilizes in-house financial accounting for tax collection and administration, human resources, information services, procurement and public relations. The agency does perform financial transactions and maintains records utilizing the Core PeopleSoft system and utilizes services through central purchasing, motor pool and surplus.

Teacher Preparation, Oklahoma Commission for (OCTP) Education Cabinet



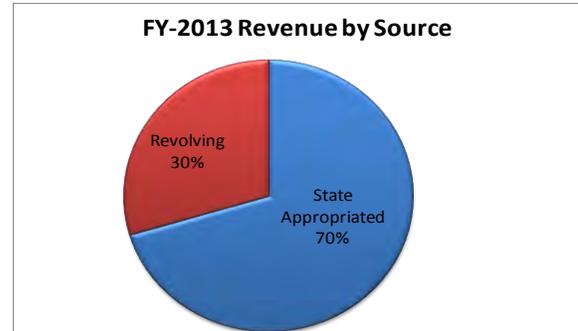
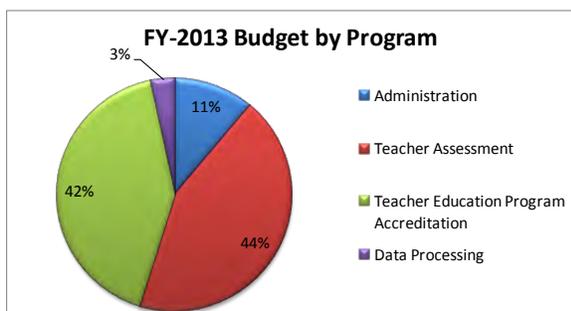
Mission

The Oklahoma Commission for Teacher Preparation establishes and enforces rigorous professional standards for the preparation and certification of all professional educators and advocates for continuous improvements in educator preparation practice and policy in order to promote higher levels of student achievement.

Programs

- Educator Preparation
- Educator Assessment

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



Accomplishments over Past Year

- Adopted the revised Interstate Teacher Assessment and Support Consortium (InTASC) Model Core Teaching Standards.
- Provided training to educator preparation faculty on the Teacher Leader Effectiveness models approved by the Oklahoma State Board of Education and on a co-teaching model for preparing student teachers.
- Initiated and supported the development of clinical model for preparing teachers that centers coursework around experiences in P12 classrooms.
- Facilitated the piloting of a teacher performance assessment with 6 educator preparation programs.
- Expanded the number of computer-based testing sites and opportunities for educator certification assessments.
- Facilitated state accreditation for two educator preparation programs.
- Provided Board of Examiner training to educator preparation faculty serving on accreditation teams.
- Facilitated an assessment focus group meeting to assist faculty preparing teacher candidates.
- Facilitated *Teaching 2030* state-wide discussion and training for National Board Certified teachers and educator preparation faculty.

Goals for Upcoming Year

- Continuous improvements in educator preparation practice and policy that result in highly effective educators and student achievement.
- Implement the InTASC Model Core Teaching Standards into educator preparation and assessment.

- Create an Oklahoma model for seamless partnership between educator preparation and P12 schools.
- Facilitate a teacher performance assessment.
- Strengthen requirements for admission to teacher education, setting minimum requirements for mentor teachers, increasing the number of required hours of clinical experiences and setting accountability measures for state program review process.
- Increase the number of National Board Certified teachers.

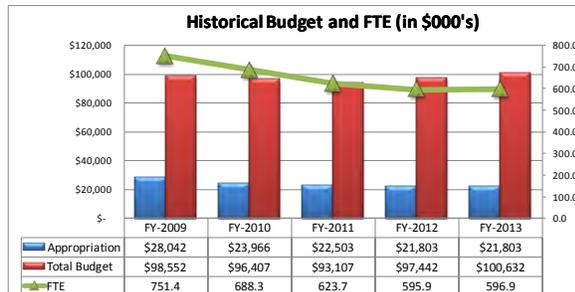
Major Agency Projects

- Educator preparation professional learning: Common Core standards, co-teaching/student teaching model and Oklahoma's Teacher Leader Effectiveness evaluation models.
- Pilot teacher performance assessments and clinically-based educator preparation programs.
- Incorporate InTASC standards into educator preparation programs and assessments.
- Develop new assessments for Elementary Mathematics Specialist and Gifted certification.
- Promulgate rules that advocate for continuous improvement in educator preparation.
- Update agency databases.

Savings, Efficiencies and Shared Services in FY-2013

- Savings and efficiencies included a reduction in force and contracting with OMES-ABS for financial services.
- OCTP contracts OMES-ISD for IT services and OMES-HCM for payroll and human resources services.

Tourism and Recreation Department (OTRD) Commerce and Tourism Cabinet



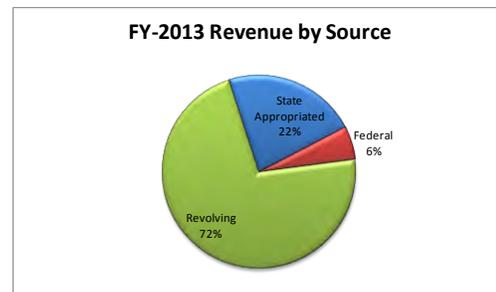
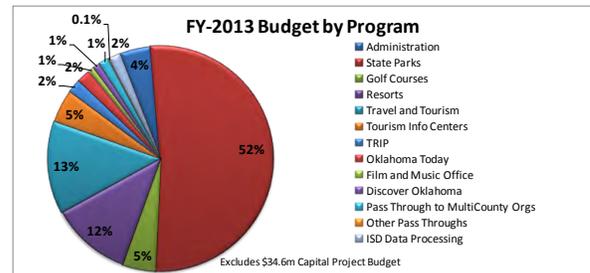
Mission

The mission of the Oklahoma 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 [their websites](#) ([State Parks](#), [Travel Promotions](#), [Oklahoma Today Magazine](#), [Discover Oklahoma](#), and [Oklahoma Film and Music Commission](#)).



Accomplishments over Past Year

State Parks

- Obtained a 71% self-sufficiency rating for parks, (6% improvement over last year), 93% for golf courses and 82% for resorts/lodges;
- Collected concession revenues totaling \$904,988 from fifty private business concessionaires based on gross sales of \$19,994,152 (10.7% increase over last year);
- Obtained authorization through SB1913 to use oil and gas proceeds for the construction of a replacement lodge at Lake Murray;
- Increased off-season occupancy rates through marketing and promotional programs;
- Cooperated with the State Department of Education in developing educational materials that incorporate state parks;
- Completed 2012 OK Statewide Comprehensive Outdoor Recreation Plan and received preliminary approval from National Park Service;

Travel Promotion (Advertising, Marketing, Communication, TRIP)

- Highest ranking among state tourism websites to date, #4 among all states according to Quantcast.com (previous highest ranking #6);
- Highest number of annual visitor sessions on TravelOK.com, 3,511,445 (63% increase), highest number of annual page views, 17,858,145 since the site was launched (21% increase), highest number of email subscribers, 62,807 (50% increase) and highest number of mailed brochures, 704,053 (3.5% increase over

- 2011; 66% over 2010) while generating the highest brochure revenue, \$260,064;
- Increased social media total followers: Twitter (5,648, 107% increase), Facebook (12,276, 25% increase), Foursquare (42,988, 48% increase);
- Moved TravelOK.com and DiscoverOklahomaTV.com to in-house hosting and development;
- Ranked #1 for pages viewed per visit among all state tourism websites for eleven months during the 2012 calendar year;
- Created and launched the CheckMyOKLake.com to educate the public about water safety and blue-green algae levels in Oklahoma while also, publishing newspaper ads, producing television promotion and purchasing media time;
- Produced the following: OK Travel Guide, OK Travel Guide Destination Planner, the “Roots Along Our Routes” brochure, OK Indian Country Guide, Route 66 Guide (advertising revenue for OTRD-produced publications was \$374,000);
- Implemented “Oklahoma Road Shows” to stimulate in-state travel, by taking a travel show to large Oklahoma employers;
- Awarded the 2015 Travel Alliance Partners Annual Convention that will allow top group travel professionals to experience and tour Oklahoma during the week long convention;
- **Office of Film and Music:** Secured filming of *August: Osage County* through a competitive bidding process; launched a first-of-its-kind Oklahoma Music Guide (an online source for Oklahoma musicians, support services and venues); and expanded partnerships with seven organizations throughout the state;
- **Oklahoma Today:** renewed subscribers at an 80% annually (nationally, the average is about 50%) with average number of copies per issue at 37,946; released a digital edition to readers who prefer digital experience; produced the 2013 Oklahoma Travel Guide; and received awards including: Intl Regional Magazine Awards Magazine of the Year, Great Plains Magazine of the Year, Best Magazine by Society of Professional Journalists Awards, Wilbur Award;
- **Discover Oklahoma:** produced 35 episodes, featuring 130 stories; received a Telly Award for Excellence in Television Production; began writing/recording ‘Travel Minute radio PSA,’ a list of events sent weekly to 150 radio stations; and expanded public-private partnerships;

- **Consumer and Trade Marketing:** promoted Oklahoma’s travel opportunities at 20 consumer shows to a total audience of 275,000 while generating \$65,000; rebranded the cooperative consumer show program from *OklaStrong* to *Oklahoma Exhibitions*; completed more than 175 one-on-one appointments with tour operators resulting in 120 group tour sales; and
- **Tourism Information Centers (TICS):** served a total of 1,938,108 visitors (increase of 283,428 visitors); generated \$352,110.54 in gift shop revenue (25% increase); and entered into a partnership with OTA for a full service Pikepass sales counter in the OKC TIC lobby;

Goals for Upcoming Year

- Continue to expand partnerships with other state agencies to set joint goals and objectives that benefit Oklahoma’s citizenry;
- Continue to employ new technologies that reflect changing social and cultural attitudes and increase access to tourism information;

State Parks

- Cultivate new ideas for enhancement of revenue and savings in all areas of operation;
- Continue with aggressive capital improvements to increase quality for visitors and make facilities more energy efficient;
- Initiate construction of a CNG fueling station at Lake Murray State Park and transfer fleet to CNG vehicles to achieve savings in fuel costs;
- Seek acquisition of fee title ownership of key park resources in the state park system;
- Invest in research and planning to keep State Parks on track for continual improvement;

Travel Promotion (Advertising, Marketing, Communication, TRIP)

- Grow strategic partnerships to align/leverage resources to market and develop tourism;
- Continue to implement a cooperative tourism international campaign with Kansas to maximize consumer impact and overnight trip generation;
- Work with State Parks to develop marketing plan to enhance lodge, park and golf course usage with goal of self-sufficiency;
- Increase economic impact of the motor coach tourism industry on Oklahoma businesses;
- Maintain Quantcast rankings in top 10 among state tourism websites each month in 2013 and achieve #1 ranking for pages viewed per visit for every month of 2013, 19,000,000 page views,

4,000,000 visitor sessions, \$270,000 generated revenue, and 710,000 brochure orders;

- Grow our active Monthly eNewsletter subscriber base to 70,000;
- Improve website content and functionality: continue the effort to update state park profile pages with more complete data and launch a responsive design solution for TravelOK.com to address the growing mobile audience;
- **Office of Film and Music:** extend the sunset date for the Oklahoma Film Enhancement Rebate Program; secure the filming of the romantic drama *To The Ends of the Earth* which chronicles the life of Lydie Marland (played by actress Jennifer Lawrence, *Hunger Games*), the woman who was niece, adopted daughter and then wife of Oklahoma's 10th governor, Ernest Marland; create guidelines and protocol while Increasing awareness of OK Music Guide; unveil first marker for OK Music Trail; and create branding and complete Film Friendly Oklahoma;
- **Oklahoma Today:** reorganize staff to accurately reflect duties and responsibilities; continue redesigning magazine to be more reader-friendly; continue coverage of all 77 counties of Oklahoma; increase dynamic content on the website; increase print subscriptions and grow digital edition; gain 500 new corporate subscriptions; increase ad revenue and establish pricing for online advertising;
- **Discover Oklahoma:** continue to improve product through better writing, photography, audio, effects; grow viewership in every corner of Oklahoma; explore regional/national affiliate options (Travel Channel, Outdoor Channel, etc); reach a wider set of demographics; increase revenue streams to support the show; create more brand awareness in current markets;
- **Consumer and Trade Marketing:** expand cooperative tourism international campaign with the state of Kansas to maximize consumer impact and overnight trip generation; retain and increase the number of international wholesale tour operators; use VisaVue expenditure data as a benchmark for key and emerging international markets; increase international print circulation and broadcast exposure; expand Oklahoma Road Shows to year round program; and
- **Tourism Information Centers:** continue to seek out new revenue opportunities; improve operational efficiencies to reduce expenses; and provide outstanding customer service by

coaching and training TIC staff in customer service and sales skills.

Major Agency Projects

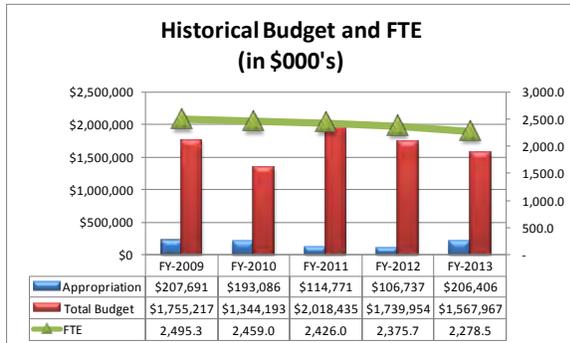
- Continue domination of the state tourism digital marketplace through TravelOK.com by search engine optimization, smart content creation, efficient traffic building programs, a shift towards digital marketing channels and continual metrics-driven improvements;
- Launching of a new regional advertising campaign using focus group study recommendations on focusing on Dallas market and how Oklahoma is unique; new ads are scheduled for production and will air early 2013;
- Launching of Oklahoma Music Trail, a statewide cultural trail that highlights Oklahoma's rich musical heritage; and
- Construction of the new lodge at Lake Murray State Park on target for completion in 2015.

Savings, Efficiencies and Shared Services in FY-2013

- Closed the First National TIC with estimated savings \$125,000 annually;
- Saved taxpayers approximately \$500,000 by continuing to lease three TICs to the Chickasaw Nation;
- Transferred development and maintenance of TravelOK.com in-house (as of November 13) instead of contracting with a third party firm to be more agile in the digital space and take advantage of emerging technologies, trends and digital best practices while saving up to \$500,000 per year;
- Launched display ad campaigns on Google Network and continued to utilize paid search advertising in lieu of a television buy to become even more effective at driving traffic to the website (without television, website traffic increased with an 18% growth rate over 2011 and 105% growth rate over 2010);
- Continuing to work with facilities to clean up surplus property; and
- Conversion to bi-weekly payroll for all employees that will result in labor efficiencies.

FY-2014 Executive Budget

Transportation, Oklahoma Department of (ODOT) Transportation Cabinet



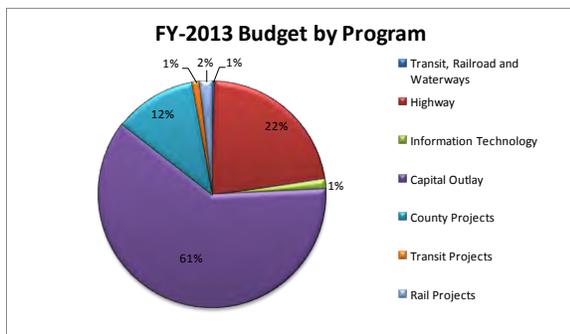
Mission

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.

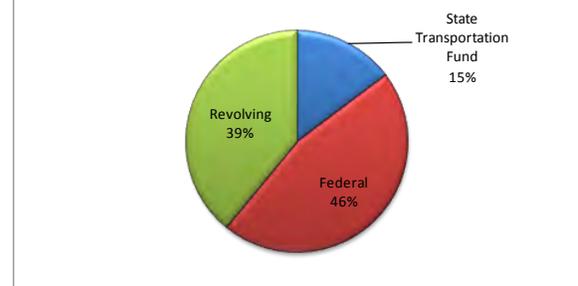
Programs

- Railroads
- Transit
- Waterways
- Transit Projects
- Rail Projects
- Highway
- Capital Outlay
- Country Projects

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



FY-2013 Revenue by Source



Rail Maintenance Revolving Fund (\$4.7 million): provides funding for the state owned rail property and the Eight Year State Rail Plan.

Passenger Rail Fund (\$9.9 million): annual subsidy payments for the Heartland Flyer are paid from this cash balance.

Mass Transit Revolving Fund (\$3.2 million): the allocation of state funding for transit operators in Oklahoma.

County Equipment Revolving Fund (\$7.6 million): this is an enterprise fund that provides a lease purchase program for counties to purchase construction and maintenance equipment.

County Road and Bridge funds (\$252.4): various funds that are used to fund the county road and bridge projects administered by ODOT.

Weight Station Revolving Fund (\$27.9 million): provides funding the construction of the new Port of Entry facilities and maintenance of all weight station facilities.

ROADS fund (\$31.7 million): provides partial funding for the Eight Year Construction Work Plan.

Highway Construction and Maintenance Fund (\$31.9 million): the fund provides money for the operational aspects of ODOT such as Administration, Engineering, Operations, and Maintenance. The current encumbrance balance of the fund is \$291.5 million.

Cash Management Improvement Fund (\$63.8): serves as the disbursing fund for projects administered by ODOT. The current encumbrance balance of the fund is \$781.0 million.

Accomplishments over Past Year

Governor's Bridge Plan

- The conditional issues that manifest in our bridge infrastructure are well known. Since the year 2000 Oklahoma has consistently ranked as one of the worst states on the national list of structurally deficient bridges. At the most recent peak as reported in December of 2004, 1,168 bridges or a full 17% of all highway system bridges were classified as structurally deficient. By comparison, that same year Texas ranked near the best in the nation with less than 2% of their more than 32,000 bridges classified as structurally deficient.
- State Fiscal Year 2013 showcases the culmination of a bold and visionary plan unveiled one year ago by Governor Mary Fallin that will virtually eliminate Oklahoma's bridge structural deficiencies. Governor Fallin challenged the Department to prepare an aggressive investment strategy to alleviate the condition of these bridges within an eight year window and then worked with the Legislature to insure a funding solution was in place.
- As a result, our structurally deficient bridge numbers are expected to drop to near zero by the end of the decade. Oklahoma's focus and progress is evident with the December of 2011 annual bridge inspection reports revealing that the 706 structurally deficient bridges recorded in 2010 have been reduced to 634 in 2011 marking a 10.2% reduction in structurally deficient bridges. In a period from July of 2011 to January 1 of 2013, the Department contracted for repair, rehabilitation or replacement work at 144 bridge locations. Also, the recently approved 2013 – 2020 Construction Work Plan includes 931 bridge replacements or major rehabilitations.
- Based on preliminary estimates, the number of structurally deficient bridges for the 2012 reporting cycle is expected to decline to near 550. The official compilation of the final statistical report from the Federal Highway Administration should be available by summer of 2013. When quantifying the magnitude of this accomplishment, on-highway system structurally deficient bridges are anticipated to be reduced by more than 20% since Governor Fallin took office.

Crosstown Beam Recycling

- The Interstate 40 Crosstown deconstruction project is completed with 2,060 beams having been successfully removed, inspected, serialized and shipped to 21 County staging areas. To date 252 Beams have been installed on 39 bridges in 16 Counties. The delivery of the beams was completed ahead of the anticipated December of 2012 target date. The additional deposits to the CIRB fund begin in January of 2013 and increase in 2014 and 2015. When fully mature, the contribution will generate an estimated \$45 million for recycled beam bridge construction during that time period.
- The projects that will be targeted to utilize the new CIRB funding are included in the CIRB 5 year Construction Work as presented to the Oklahoma Transportation Commission for approval in October of 2012. Project development and delivery will begin in earnest thereafter and will continue until all of the recycled bridge beams have been utilized in bridge replacement projects. It is anticipated that all of the targeted beam recycling CIRB projects will go to contract by the end of State Fiscal Year 2015.
- As previously stated, the re-tasking of the Interstate 40 bridge beams as a primary component of County bridges may be the largest single direct recycling effort of its kind. The effort is a shining example of State and Local elected officials and governmental entities working together with innovation and creativity to reduce the cost and increase the efficiency of transportation infrastructure investments. The results of the effort will be chronicled for future reference and Oklahoma will incorporate the lessons learned into our process of continuous government improvement.

Turnpike Widening Program

- On March 8, 2012, two contracts were awarded by the Oklahoma Turnpike Authority to widen approximately 16 miles of urban turnpikes. The areas widened were the most heavily traveled segments of the Turnpike System and were the areas identified by the Governor need improvement as part of the Bridge Improvement and Turnpike Modernization Plan announced in October of 2011. Construction began on both contracts in May 2012.

FY-2014 Executive Budget

- The Kilpatrick Turnpike Project in Oklahoma City awarded contract amount was \$54,821,199.50 and the Creek Turnpike Project in Tulsa awarded contract amount was \$58,856,579.42. The cost of both projects was less than previously estimated allowing the Authority to accelerate much needed bridge replacement projects and safety improvement projects along the Turnpike System.
- The Kilpatrick Turnpike project is scheduled to be substantially complete and open to traffic near the middle of May. The Creek Turnpike project is scheduled to be substantially complete in the middle of October. The 9 accelerated bridge replacement projects and safety improvement projects that includes 84 miles of cable barrier installation (a little over 13% of the Turnpike System) are currently in various stages of completion all targeted to be done by the summer of 2014.
- The employees involved in IT and Communications have been relocated to OMES. However, OMES has yet to accept the transfer of equipment.
- ODOT uses OMES shared services for purchasing, accounts receivable, human resources, payroll and training. Because of limited performance, ODOT continues to maintain the legacy human resources and training systems.

Goals for Upcoming Year

The primary goal for the agency is to reduce the number of structurally deficient bridges from the present level of approximately 550 to 470 which will keep pace with the Governor's Bridge Plan.

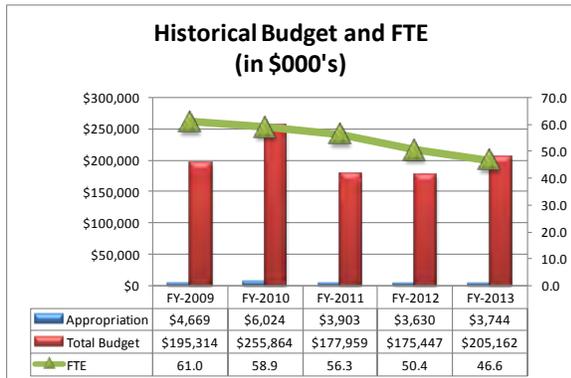
Major Agency Projects

- Continued reconstruction and expansion of I-40 in Oklahoma City and I-44 in Tulsa;
- Replacement of the east bound bridge of I-244 over the Arkansas River in Tulsa;
- Next phase of operational improvements at the I-235/I-44 interchange in Oklahoma City; and
- Continued reconstruction and rehabilitation of rural interstate highways.

Savings, Efficiencies and Shared Services in FY-2013

- As identified in the Governor's Bridge Plan, ODOT in cooperation with County Commissioners in Oklahoma are utilizing recycled beams from the deconstruction of the I-40 Crosstown bridge in Oklahoma City. This effort saved significant cost in the reconstruction of bridges on the county system.

Treasurer, Office of the State (OST) Finance and Revenue Cabinet



*State Treasurer is a non-appropriated agency.

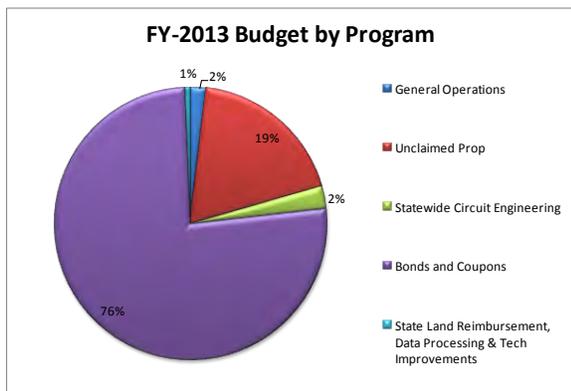
Mission

The mission of the Office of the State Treasurer (OST) 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.

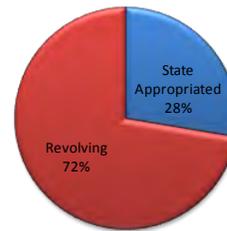
Programs

- Unclaimed Property
- Technology Improvements
- Bonds and Coupons

For more information about the State Treasurer's Office visit [their website](#).



FY-2013 Revenue by Source



Accomplishments over Past Year

- Eliminated non-core treasury functions by transferring agency purchasing and payables operations to the Office of Management and Enterprise Services Agency Business Services Division;
- Completed Phase I of Capitol Office Space Reconfiguration which increased usable workspace by 32 percent and reduced external leased office space and resulted in annual savings of \$25,000;
- Launched online reporting application that allows holders of unclaimed property to securely submit required annual reports via a web-based portal;
- Increased electronic payment options and electronic payment volumes in response to HB 1086, passed during the 2011 legislative session. The State Treasurer's office awarded a statewide contract for single issue, reloadable and instant issue prepaid debit cards;
- Replaced outdated and unsupported COBOL programming, resulting in a more efficient and stable environment for the processing of state financial transactions; and
- Established an online checkbook to further support goals of transparency and accountability.

Goals for Upcoming Year

- Launch an online checkbook to further support goals of transparency and accountability;
- Continue improvements and maintain operations while reducing the agency's reliance on appropriations by 5%;
- Complete Phase II of the Capitol Office Space Reconfiguration project along the south side of the Capitol's northeast hallway, increasing the number of workspaces by 85%, allowing for the further consolidation of all OST functions,

including the Unclaimed Property Division, resulting in the elimination of all externally-leased office space with annual savings of \$64,000;

- Increase efficiency in the Unclaimed Property Division by reducing average number of days required to process claims and increasing participation of businesses in electronic online holder reporting;
- Identify, purchase and implement new treasury investment system to provide more accurate and timely investment accounting and performance reporting, better manage liquidity, lower risk and increase earnings; and
- Establish a program allowing Oklahoma school districts to participate in the Treasurer's Certificates of Deposit Program with Oklahoma banks to provide the schools with more competitive returns while continuing to ensure state banks have a source of needed lending capital.

Major Agency Projects

- Institute multi-year systems development projects to replace COBOL-based systems that had exceeded the end of their product life cycle and were no longer supported by software vendors. Maximize opportunities afforded in systems based on new technology to increase overall efficiency and decrease staffing requirements.

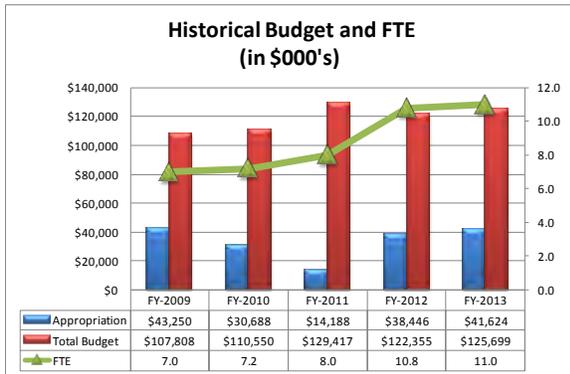
Savings, Efficiencies and Shared Services in FY-2013

- Realized savings by reducing leased office space with the completion of Phase I of the Capitol Office Space Reconfiguration project, reconfiguring State Capitol workspace, and increasing usable square footage by 32 percent. The changes to the workspace also enabled the office to address long-standing security concerns with the vault and teller windows.
- Developing and launching the Oklahoma Treasury Online Checkbook, offering citizens quick and easy electronic access to all receipts and expenditures by the state government.
- Continuing to improve outreach to Oklahomans with unclaimed property through a searchable online database, publication of the unclaimed property list, telethons with local television

stations and booths at the state fairs in Oklahoma City and Tulsa.

- Continuing to lessen burden on Oklahoma business through the Unclaimed Property Division's online holder reporting application, reducing the time and paperwork required to remit unclaimed property to the state.
- Implementing monthly publication of the Oklahoma Economic Report containing pertinent state economic information and policy perspectives for better management of state government. It is published electronically on the Treasurer's website and is viewed by 20,000 per month.
- Distributing a report each month on gross receipts to the state treasury, providing a more complete picture of performance of the Oklahoma economy.
- Transferred the State Treasurer's Office technology-related personnel and assets to The Office of Management and Enterprise Services Information Services Division effective August 1, 2011.
- Using the data center, purchasing and payables services and certain payroll processing services through OMES.

University Hospitals Authority (UHA) Health & Human Services Cabinet



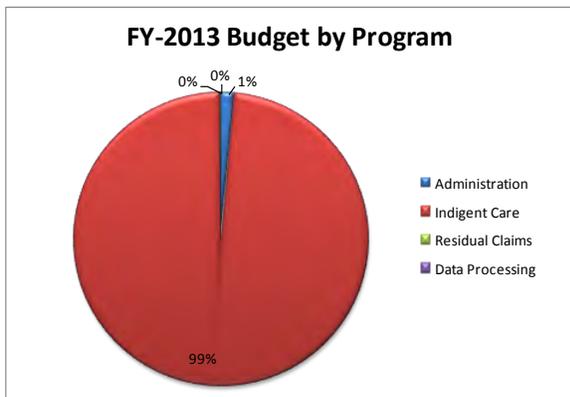
Mission

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.

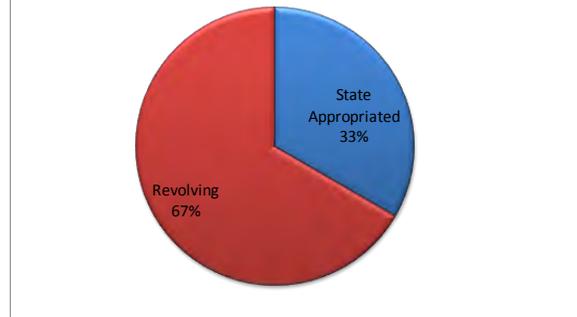
Programs

The Authority is responsible for the joint management of the OU Medical Center and Children's Hospitals by means of a Joint Operating Agreement with HCA Health Services of Oklahoma, Inc. and making yearly reports to the Governor and Legislature.

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



FY-2013 Revenue by Source



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;
- \$56 million of state and federally matched funds provided to 13 Oklahoma hospitals, supporting 822 total resident positions; \$6 million of this total is distributed to rural hospitals with \$31 million to the Oklahoma City hospitals and \$19 million to Tulsa hospitals;
- \$64 million of state and federally matched funds provided to OU Medical Center hospital, supporting 178,000 inpatient and outpatient occasions of service to the medically indigent and 3,100 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;
- Completion of the Samis 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;
- Provided operational support for the Oklahoma Institute for Disaster and Emergency Medicine, Dental College loan program, hearing services for deaf and/or hard of hearing children of Oklahoma and Tisdale Specialty Clinic in Tulsa, Oklahoma;

Goals for Upcoming Year

- Increase support levels of providing medical care to the state's indigent population and regaining compliance with the indigent care agreement;
- Maintain support levels of previous year for Colleges of Medicine graduate medical education programs and hospital graduate medical education program;
- Complete the installation of the proton accelerator and begin treating Oklahoma's pediatric cancer patients;
- Increase support of OU College of Medicine oncology services; and
- Begin programming and design of College of Medicine facility on the OUHSC campus in support of graduate medical education.

that are compliant with IPMVP (International Performance Measurement and Verification Protocol).

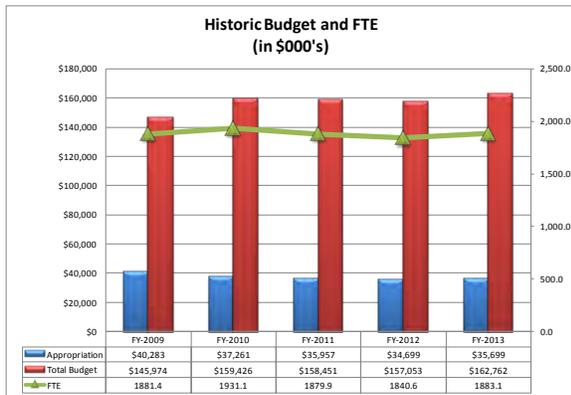
Major Agency Projects

- 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 in-patient beds, ICU beds and operating rooms
- Campus way-finding and hospital parking expansion to accommodate increased demand
- Facility energy savings plan

Savings, Efficiencies and Shared Services in FY-2013

- The University Hospitals Authority has implemented an aggressive energy savings plan designed to achieve the goals of Senate Bill 1096 and the Governor's energy savings efficiency initiative:
 - Each building has been loaded into the Energy Star portfolio manager and has been creating a utility database from 2011 and 2012 data.
 - By February 2013, we will have successfully centralized our building automation system and installed sub-meters on main electricity, steam and chilled water lines for accurate monitoring and control of utility consumption.
 - As building components need to be replaced, the agency is upgrading to high-efficiency equipment.
 - With the agency's enhanced monitoring and control systems we are able to begin implementing energy conservation strategies

Veterans Affairs, Department of (ODVA) Health & Human Services Cabinet



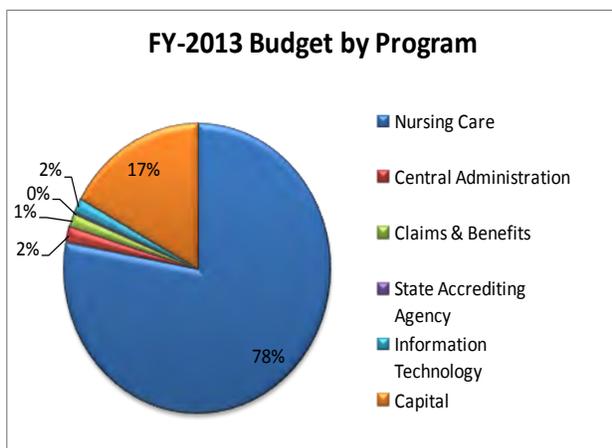
Mission

The mission of the Oklahoma Department of Veterans Affairs 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.

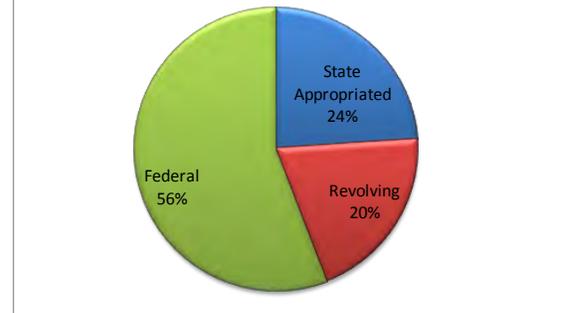
Programs

- Long Term Care Center Operations (located in Norman, Clinton, Ardmore, Sulphur, Claremore, Talihina and Lawton)
- Veteran's Claims and Benefit Administration
- State Accrediting

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



FY-2013 Revenue by Source



Accomplishments over Past Year

Goals achieved over the past year are as follows:

- All beds have remained open and available for admission.
- The occupancy rate has increased from a 96% average to a 98% average.
- Received \$1 million general revenue for funding additional Nursing FTE required to maintain staffing ratios to meet VA guidelines.
- Utilization of Health Care Academy for purposes of training staff at the Veterans Centers. Implementation of the Care-Tracker system utilized by Nurse Aids as a charting tool for purposes of recording all the care provided to each resident for whom they provide care each day.
- Construction projects have been accomplished or near completion at the following: New Dietary and laundry at Clinton Veteran Center; New laundry, Pharmacy, and Physical Therapy at Ardmore Veteran Center; Special Needs Unit, Feeding and Diversional Activity Area at Talihina; Massive remodeling and Construction project near completion at Sulphur Veteran Center; Two new Geothermal Heat and Air Systems at Lawton and Norman Centers.

Goals for Upcoming Year

- Continue to identify ways to improve the services provided to the residents by making changes utilizing the comments received on the Resident/Family Satisfaction Survey;
- Implement career progression ladder for ODVA Nursing Staff;
- Realign the Claims & Benefits division to provide services and outreach for an ever growing population of veterans in Oklahoma by providing more adequate training to claims

representatives, in order for proper claims to be submitted for veterans to receive their benefits;

- Restructure the central office to provide additional oversight for all veterans' centers.

Major Agency Projects

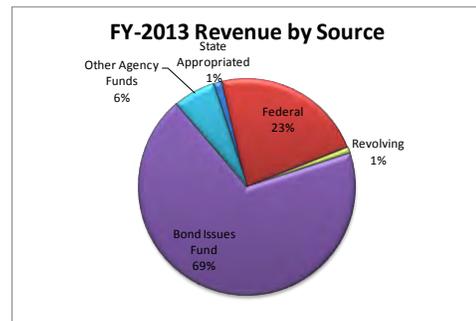
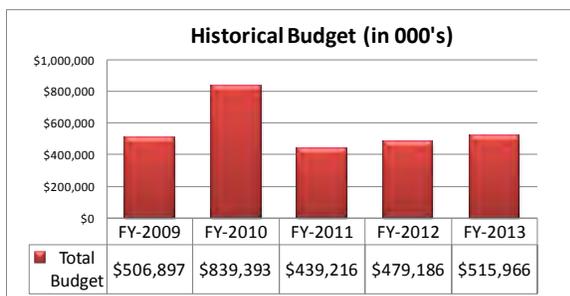
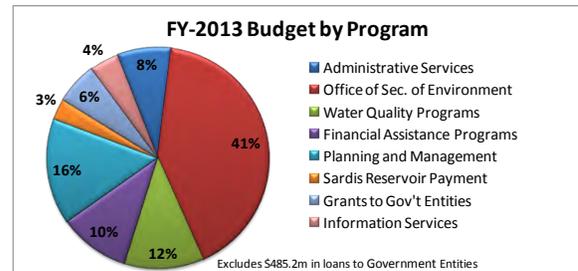
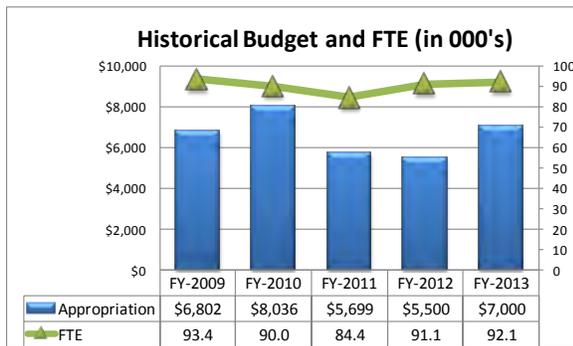
- Expand the use of telemedicine by renovating the telecommunication system so that the existing infrastructure for the telecommunications system at all seven Oklahoma Veterans Centers can accommodate VoIP and telemedicine.
- Provide a more secure environment for veterans by renovating the security camera system. This project includes installing and /or updating the existing security camera system at all seven Oklahoma Veterans Centers.
- Increase efficiency and reduce paper by renovating the Computerized Patient Records System (CPRS) with imaging. This project includes updating the existing CPRS system to accommodate digital images at all seven Oklahoma Veterans Centers.

Savings, Efficiencies and Shared Services in FY-2013

- Reduced Workers Compensation expenditure significantly;
- Increased use of P-cards resulted in rebate of approximately \$37,000/year; and
- Realized purchasing savings of approximately \$499,000 through application of best spending practices.

Water Resources Board (OWRB) Environment Cabinet

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



*Beginning in FY-2011, REAP appropriations were no longer passed through OWRB.

Mission

The Oklahoma Water Resources Board (OWRB) seeks to enhance the quality of life for Oklahomans by managing and improving the state's water resources to ensure clean, safe and reliable water supplies, a strong economy and a safe and 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

Accomplishments over Past Year

- *Initial Implementation of the 2012 Update of the Oklahoma Comprehensive Water Plan (OCWP):* To facilitate the OWRB's primary goal of implementation of the 2012 OCWP, state legislative leaders responded with a meaningful collection of water policy legislation and funding. OWRB and related agencies now possess both the directive and tools necessary to meet Oklahoma's water challenges through revitalized and innovative water management and protection programs.
- *State Question 764:* Recent passage of State Question 764 in November enabled OWRB's Financial Assistance Program to meet much of Oklahoma's \$82 billion water and wastewater financing need. The new Water Infrastructure Credit Enhancement Reserve Fund establishes a \$300 million pledge of credit that enables the OWRB to leverage funds in the bond market as water and sewer projects become ready for construction.
- *OCWP Public Water Supply Planning Guide:* In addition to thirteen Watershed Planning Region Reports and various other supporting materials and modeling tools, the OWRB published the Public Water Supply Planning Guide, which provides more than 770 water systems with a

primer for data collection, identifying gaps between existing infrastructure, supply, future needs and strategies to close identified gaps.

- *Online Provisional-Temporary Water Use Permit Application:* OWRB released a new program that facilitates same-day online approval of provisional temporary permits, providing enhanced convenience to Oklahoma water users, promoting the energy industry and saving considerable staff time in processing thousands of permit applications each year.
- *Financial Assistance:* OWRB approved 56 grants and loans totaling nearly \$142 million to address the water/wastewater infrastructure needs of Oklahoma communities and rural water/sewer districts. Additionally, the program closed six bond issues last year, two for the State Revolving Fund in the amounts of \$86.5 million for Clean Water and \$49.3 million for Drinking Water, and four for the State Loan Program totaling \$81.1 million.
- *Cooperative Technical Program and Floodplain Mapping:* OWRB continues to participate in FEMA's RISK Map program and is developing a statewide, watershed approach to floodplain management and risk assessment.

Goals for Upcoming Year

Continue implementation of the Oklahoma Comprehensive Water Plan, especially the eight priority recommendations:

- Address Oklahoma's \$82 Billion water and wastewater infrastructure needs;
- Continue to address the growing backlog of statutorily-required hydrologic studies and 20-year updates and stream water allocation studies to accurately determine water availability and management goals, including completion of maximum annual yield determinations for the Arbuckle-Simpson, Garber-Wellington, Rush Springs and North Canadian aquifers;
- Continue to reduce instances of unauthorized water use throughout the state through improved outreach and complaint response;
- Leverage available state and federal resources to meet community floodplain mapping needs;
- Expand comprehensive surface and groundwater monitoring programs
- Add additional monitoring sites and parameters to meet data and decision needs

- Identify waters not meeting uses and complete monitoring reports outlining program results; and
- Complete the federally required triennial water quality standards revision including evaluating beneficial and designated uses, modifying criteria and the anti-degradation policy.

Major Agency Projects

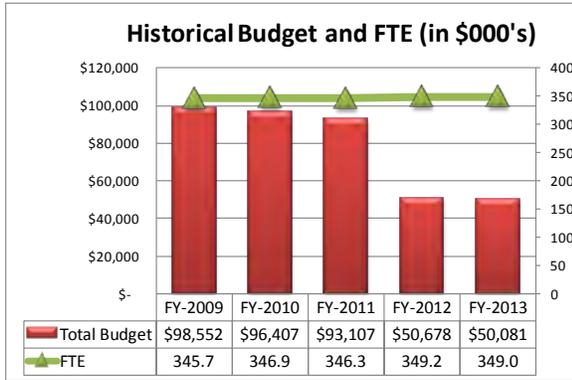
- *Water for 2060 Advisory Council:* passage of the Water for 2060 Act makes Oklahoma the first state in the nation to establish a bold, statewide goal of consuming no more fresh water in 2060 than is consumed today. The OWRB has partnered with the U.S. Army Corps of Engineers to begin the work required to support the new Water for 2060 Advisory Council. The Council's 15 members are charged with studying and recommending appropriate water conservation practices, incentives, and educational programs to moderate statewide water usage while preserving Oklahoma's population growth and economic development goals.
- *Water Monitoring and Analysis:* Additional appropriations expanded and integrated the state's water quality and quantity monitoring programs, another key grass-roots provision of the OCWP and ensures continued improvement in managing Oklahoma's water resources for future needs. OWRB initiated efforts to establish a comprehensive groundwater monitoring program by refining and expanding the existing network of water wells in cooperation with various stakeholders, peer agencies and landowners.
 - With an extended utilization of Gross Production Tax proceeds for OCWP implementation, particularly updates of hydrologic studies and enhancement of water management and modeling tools, OWRB will utilize approximately \$1.3 million to address OCWP's recommendation calling for completion or update of all surface and groundwater basin studies across the state within 10 years. Beyond providing fundamental information that ensures accurate, fair and reliable allocation of waters, advanced tools and resources applied to this effort will enhance the forecasting of potential water shortages in a stream basin or aquifer and enable a more

- accurate evaluation of various water use and rights scenarios.
- *Instream Flow Workgroup*: OWRB initiated work with the U.S. Army Corps of Engineers and to implement the OCWP instream flow recommendation. The Instream Flow Workgroup will begin meeting to craft recommendations for the most efficient, feasible method to balancing the water needs of consumptive users with those that rely upon water flowing in streams and lakes for economic development and recreation.
- Developed online data and mapping tools that maximize agency transparency. OWRB continues to advance transparency goals through enhanced public access to data. In addition to dozens of technical reports and background materials available online through the OWRB website, Geographic Information System staff has designed online interactive mapping applications that present comprehensive state water information in an easily accessible and understandable format.

Savings, Efficiencies and Shared Services in FY-2013

- Saved communities more than \$44 million on water systems through OWRB financing over traditional financing avenues.
- Completing a multi-year document imaging initiative that maximizes staff productivity and provides the public with unprecedented access to current and archived agency records and documents.
- Developed an online application to expedite temporary water use permits for oil/gas drilling in response to the recent exponential increase in oil/gas production in Oklahoma and to meet the unique needs of the state's water user community.
 - Reduction or elimination of significant mailing through online applications. This will also greatly reduce the time and effort required by Oklahoma's water rights holders to apply for permits or report annual water usage.
- Continued to enhance customer assistance and visibility with Oklahoma's water user community. OWRB staff routinely participates in workshops and take advantage of other opportunities to educate and advise water user groups on water rights and permitting requirements, dam maintenance and safety regulations, community floodplain management tools, financial assistance opportunities, water quality standards development and related issues. This information exchange ultimately results in accomplishment of two primary agency objectives: enhanced water management and an effective business climate.

**Wildlife Conservation, Oklahoma
Department of (ODWC)
Environment Cabinet**



*Wildlife Department is a non-appropriated agency

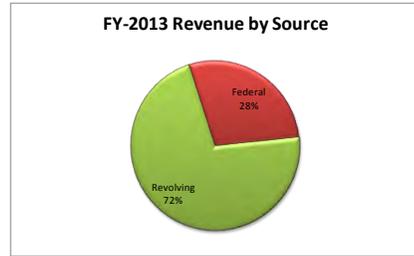
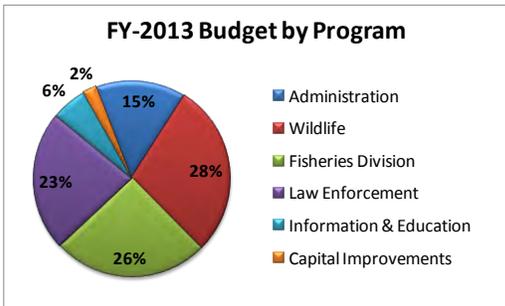
Mission

The mission of the Oklahoma Department of Wildlife Conservation (ODWC) is the management, protection and enhancement of wildlife resources and habitat for the scientific, educational, recreational, aesthetic and economic benefits to present and future generations of citizens and visitors to Oklahoma.

Programs

- Wildlife
- Fisheries
- Law Enforcement
- Information and Education

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



Accomplishments over Past Year

- Responded to the Endangered Species Action for the Lesser Prairie Chicken with the US Fish and Wildlife Service and completed the Lesser Prairie Chicken Conservation Plan that provides landowners and industry with conservation guidelines for future projects.
- Completed the acquisition of an additional 2,000 acres of the Cross Timbers Wildlife Management Area in Love County.

Goals for Upcoming Year

- Continue efforts to provide additional hunting and fishing access for sportsman through the acquisition of additional lands;
- Work with the Oklahoma Independent Petroleum Association to develop a Candidate Conservation Agreement with Assurances Program, which can provide landowners and industry with assurances against liabilities and federal restrictions in the event that the prairie chicken is listed as an endangered species; and
- Establish baseline biological data, build relationships with landowners and identify correlations between water flow and successful reproduction of native fish in order to set stream flows for aquatic resource conservation.

Major Agency Projects

- Continuation of Bobwhite Quail Research Initiative.
- Host the Bassmaster Classic fishing tournament Feb. 22-24 at Grand Lake of the Cherokees, which is expected to draw 70,000 visitors and more than 20,000 hotel nights in the region.

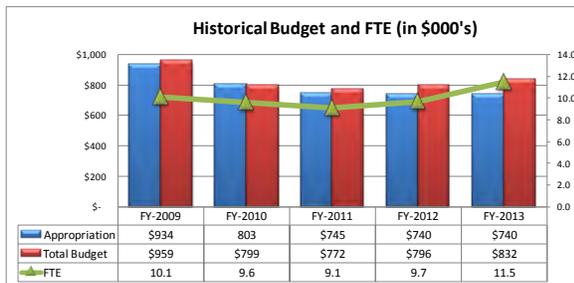
Savings, Efficiencies and Shared Services in FY-2013

- Continue efforts of IT consolidation with OMES.
- Developed an intranet that allows ODWC employees to access documents/information.

FY-2014 Executive Budget

- Sold all hunting and fishing licenses through an efficient web-based system which is faster, more convenient and more accurate for everyone involved including the license buyer, the license dealer and ODWC.
- Developed a system to provide public hearing comments online and allows sportsman to voice opinions regarding wildlife conservation (more than 1,800 people last year).

Will Rogers Memorial Commission Commerce and Tourism Cabinet



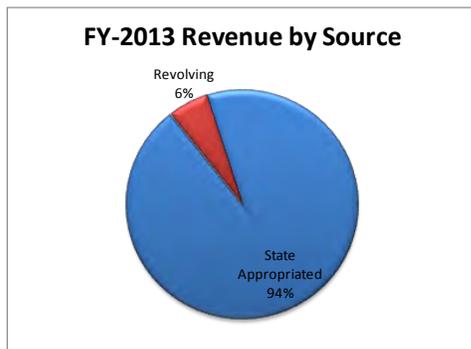
Mission

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.



Accomplishments over Past Year

- Increased recorded attendance at the Will Rogers Birthplace Ranch in FY-2012 by 9.8% over FY-2011 (36,944 recorded visitors);
- Fully implemented fees for admission to the Will Rogers Memorial Museum in Claremore for the first time in 74 years;
- Completed inventory cataloging of the museums' collections and initiated process to provide remote access to archival catalog;

- Developed two new partnerships to share the legacy of Will Rogers: Claremore Reveille Rotary Club (funding of admissions desk) and Masonic Charity Foundation of OK (funding for exhibits, collections storage and grounds-keeping);
- Increased the number of "friends" on the Will Rogers Facebook page to 2,903 from 1,235 (FY-2011), an increase of 135 percent; and
- Installed portable dehumidifiers and undertook other conservation measures that have allowed museum-standard humidity controls in collection vaults.

Goals for Upcoming Year

- Increase attendance at Memorial Museum by 5% and attendance at Birthplace Ranch by 3%;
- Complete the remote access to archival catalog;
- Develop two new partnerships;
- Attract seven motor-coach tour groups for 75th anniversary of museum next November;
- Increase Facebook "friends" by 10%; and
- Compose and distribute new museum brochure.

Major Agency Projects

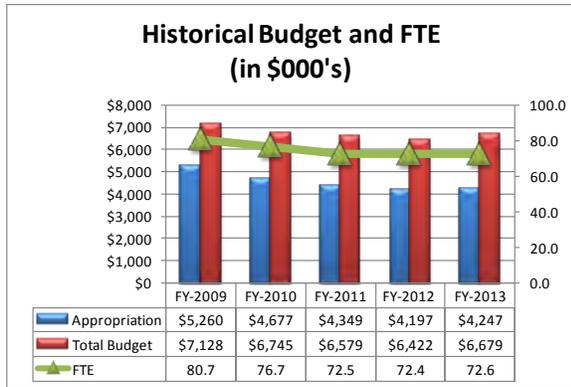
- Completion of "The Final Journey" exhibit relating and interpreting the story of Will Rogers and Wiley Post's ill-fated journey to Alaska (opening date: 1 March 2013);
- New exhibit of paintings of Will Rogers by famous Oklahoma artist Charles Banks Wilson;
- Installation of museum-standard shelving for improved storage of objects, art, and archives in our collection vaults;
- Digitization and online access of published and unpublished writings of Will Rogers;
- Improvement of current Children's Museum education materials and enhancement of website experience for young people;
- Development of requirements for replacement of HVAC system with museum-quality system;
- Development of an integrated public relations/marketing plan and master plan for exhibits at both museums; and
- Replacement of flooring and renovation of the stage in main theater in Memorial Museum.

Savings, Efficiencies and Shared Services in FY-2013

- Continue to utilize shared services (financial accounting and human resources) provided by OMES that allow for efficiency of personnel

spent on admissions management and education programming.

Oklahoma Workers' Compensation Court (OWCC) Judiciary Cabinet



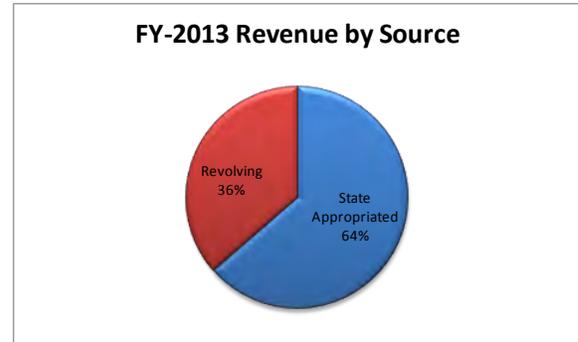
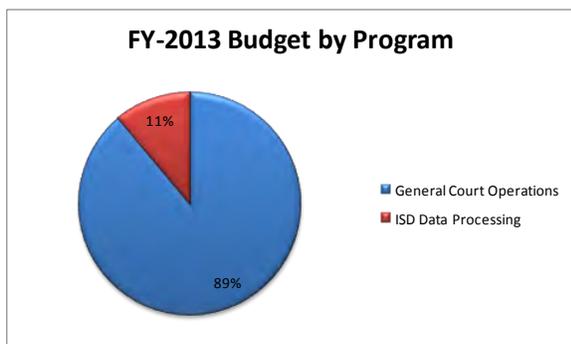
Mission

The mission of the Workers' Compensation Court of Oklahoma is to ensure fair and timely procedures for the informal and formal resolution of disputes and identification of issues involving work related injuries.

Programs

- General Court Operations
- ISD Data Processing

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



Accomplishments over Past Year

The OWCC continued implementation of the Workers' Compensation Code. Per the Code, the Governor appointed the Electronic Data Interchange (EDI) Advisory Committee. The Committee met and provided the Administrator with recommendations for use of EDI to benefit data collection and distribution for the benefit of insurance carriers, employers and parties to workers' compensation cases. The Administrator, with the assistance of the Physician Advisory Committee and the Advisory Council on Workers' Compensation, drafted and adopted the Oklahoma Treatment Guidelines (OTG) pertaining to spinal injuries.

Goals for Upcoming Year

The OWCC aims to implement EDI Committee recommendations, the OTG and a new fee schedule for medical procedure reimbursement.

Major Agency Projects

Major OWCC projects for the coming year include EDI and OTG implementation, new fee schedule development and the workers' compensation educational conference.

Savings, Efficiencies and Shared Services in FY-2013

- The OWCC reallocated personnel and enhanced service delivery while achieving an FTE count reduction through attrition; and
- The OWCC utilizes shared procurement services, which include state-wide contracts.

State Budget Information

Oklahoma State Budget Process

State Revenues

Constitutional Reserve Fund

Appropriation History

Higher Education Allocation

Non-Appropriated Agency Budget and FTE

FY-2014 Executive Budget

C-1

FY-2014 Executive Budget

FY-2014 Executive Budget

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 Management & Enterprise Services 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 Management & Enterprise Services (OMES), 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 Management & Enterprise Services (OMES) 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, OMES 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 Management and Enterprise Services, 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 Management and Enterprise Services 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 Management and Enterprise Services 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 Management and Enterprise Services 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 of Article X of the Oklahoma Constitution.”

This directs OMES to allocate all of the money appropriated to state agencies, unless revenue collections are less than the amount appropriated. When this occurs, OMES 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 the Office of Management & Enterprise Services 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 the Office of Management & Enterprise Services 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 Management & Enterprise Services, 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 Management & Enterprise Services, 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 Management & Enterprise Services 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 Management & Enterprise Services. 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.

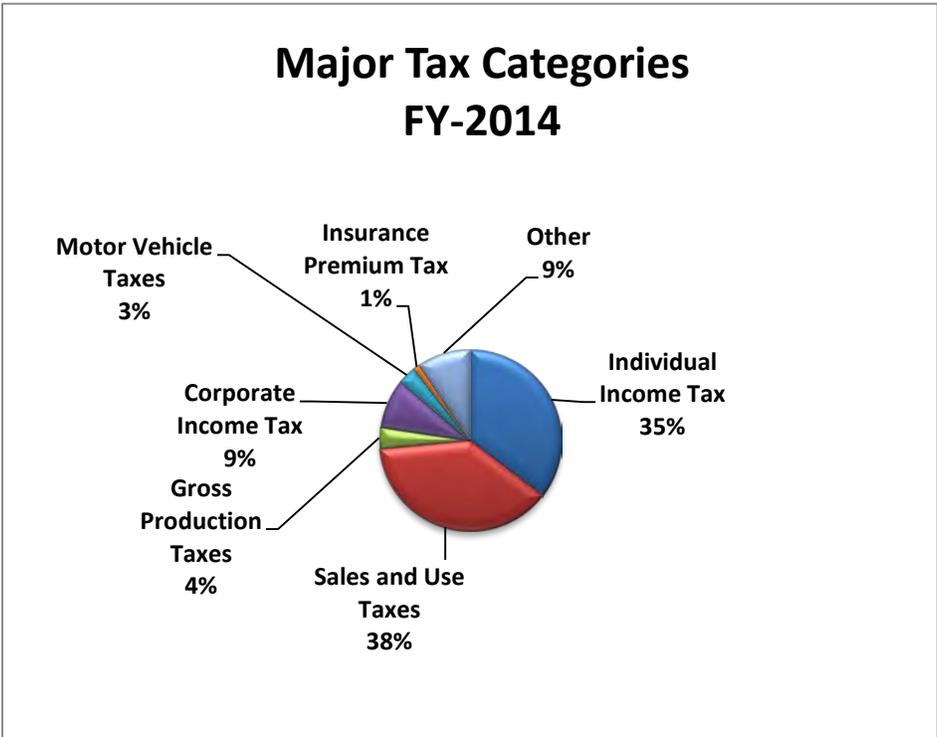
Oklahoma Revenues and Expenditures

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-2012. Most of the state’s appropriated revenue is from general taxes. For FY-2012, tax revenue comprised approximately 93% 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-2014 which provide approximately 91% 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 more than 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 to 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 through FY-2011. There have been no subsequent effective changes.

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 less than 10% 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 following table shows the change in apportionment through FY-2011. There have been no subsequent effective changes.

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 through FY-2011. There have been no subsequent changes.

Sales Tax and Use Tax Apportionment 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	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					
64%-Ok Tourism Capital 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. HB 2249, passed in the 2012 legislative session and effective January 1, 2013, reapportioned Motor Vehicle taxes previously flowing into the General Revenue Fund to increase funding for the County Improvements for Roads and Bridges Fund. The following chart shows this change in apportionment of motor vehicle taxes and fees.

Motor Vehicle Tax Apportionment				
	<u>FY-2012</u>	<u>FY-2013</u>	<u>FY-2014</u>	<u>FY-2015</u>
General Revenue Fund	29.84%	29.34%	26.84%	24.84%
State Transportation Fund	0.31%	0.31%	0.31%	0.31%
Counties	29.28%	*29.78%	32.28%	34.28%
Cities and Towns	3.10%	3.10%	3.10%	3.10%
School Districts	36.20%	36.20%	36.20%	36.20%
Law Enforcement Retirement	1.24%	1.24%	1.24%	1.24%
Wildlife Conservation	0.03%	0.03%	0.03%	0.03%

*This change increases the apportionment to the County improvements for Roads and Bridges Fund.

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>Diesel</u>
	<u>Tax</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%

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Constitutional Reserve "Rainy Day" Fund (CRF) History					
Description	FY-94	FY-95	FY-96	FY-97	FY-98
Beginning RDF Balance	91,140,995	45,574,052	45,574,052	114,300,821	308,906,533
Adjustments to the Balance	3,555	0	12,909	388,745	0
Appropriations	(45,570,498)	0	(22,688,345)	(52,825,496)	(154,444,000)
<i>-Budget Stabilization</i>					
1)Current Fiscal Year	-	-	-	-	-
2)Next Fiscal Year	-	-	-	-	-
<i>-Emergency</i>	45,570,498	22,787,026	22,787,026	57,150,411	154,453,266
End of FY Deposit	0	0	91,402,205	247,042,463	142,898,076
Ending Balance	45,574,052	45,574,052	114,300,821	308,906,533	297,360,609
 					
Description	FY-99	FY-00	FY-01	FY-02	FY-03
Beginning RDF Balance	297,360,609	149,858,523	157,542,574	340,685,730	72,398,995
Adjustments to the Balance	1,119,324	28,700	9,826	299,087	0
Appropriations	(148,621,410)	(74,929,261)	(78,771,287)	(268,585,822)	(72,262,663)
<i>-Budget Stabilization</i>					
1)Current Fiscal Year	-	-	-	98,242,957	36,199,498
2)Next Fiscal Year	-	-	-	-	-
<i>-Emergency</i>	148,680,304	74,929,262	78,771,287	170,342,865	36,199,498
End of FY Deposit	0	82,584,612	261,904,617	0	0
Ending Balance	149,858,523	157,542,574	340,685,730	72,398,995	136,333
 					
Description	FY-04	FY-05	FY-06	FY-07	FY-08
Beginning RDF Balance	136,333	217,501,299	461,316,574	495,690,168	571,598,627
Adjustments to the Balance	0	0	268,565	0	0
Appropriations	0	0	0	0	0
<i>-Budget Stabilization</i>					
1)Current Fiscal Year	68,167	-	-	-	-
2)Next Fiscal Year	-	-	-	-	-
<i>-Emergency</i>	68,167	54,375,325	115,329,143	123,922,542	142,899,657
End of FY Deposit	217,364,966	243,815,275	34,105,029	75,908,459	24,974,643
Ending Balance	217,501,299	461,316,574	495,690,168	571,598,627	596,573,270
 					
Description	FY-09	FY-10	FY-11	FY-12	FY-13
Beginning RDF Balance	596,573,270	596,573,270	249,143,318	249,203,157	577,460,132
Adjustments to the Balance	0	0	0	0	0
Appropriations	0	(347,429,952)	(249,143,316)	0	0
<i>-Budget Stabilization</i>					
1)Current Fiscal Year	-	223,714,976	149,143,316	0	0
2)Next Fiscal Year	-	123,714,976	100,000,000	0	0
<i>-Emergency</i>	149,143,317	149,143,317	62,285,829	62,300,789	144,365,033
End of FY Deposit	0	0	249,203,155	328,256,975	NA
Ending Balance	596,573,270	249,143,318	249,203,157	577,460,132	NA

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Agency/Cabinet Name	FY-2011 Appropriation	Percent Change	Percent of Total	FY-2012 Appropriation	Percent Change	Percent of Total	FY-2013 Appropriation	Percent Change	Percent of Total
SUMMARY BY CABINET									
Governor	\$2,129,671	-7.00%	0.03%	\$1,980,594	-7.00%	0.03%	\$2,172,900	9.71%	0.03%
Lieutenant Governor	527,699	-7.00%	0.01%	506,591	-4.00%	0.01%	506,591	0.00%	0.01%
Agriculture	36,152,328	-8.47%	0.57%	35,171,931	-2.71%	0.55%	37,671,931	7.11%	0.54%
Commerce & Tourism	79,220,298	-22.41%	1.25%	79,310,200	0.11%	1.23%	80,040,200	0.92%	1.15%
Education	3,349,808,681	0.11%	52.90%	3,383,750,778	1.01%	52.60%	3,453,676,479	2.07%	49.70%
Energy	10,944,695	-5.71%	0.17%	12,103,566	10.59%	0.19%	12,103,566	0.00%	0.17%
Environment	13,825,424	-16.89%	0.22%	13,057,644	-5.55%	0.20%	14,557,644	11.49%	0.21%
Finance & Revenue	86,322,407	2.32%	1.36%	83,888,022	-2.82%	1.30%	113,545,929	35.35%	1.63%
Health	945,058,437	17.87%	14.92%	1,154,810,182	22.19%	17.95%	1,295,187,762	12.16%	18.64%
Human Resources & Admin	23,121,506	-4.61%	0.37%	24,047,311	4.00%	0.37%	2,563,134	-89.34%	0.04%
Human Services	652,525,652	9.73%	10.30%	689,305,061	5.64%	10.71%	765,683,858	11.08%	11.02%
Military	10,787,365	-4.81%	0.17%	10,247,997	-5.00%	0.16%	10,747,997	4.88%	0.15%
Safety & Security	649,920,068	-1.51%	10.26%	639,191,659	-1.65%	9.94%	653,891,659	2.30%	9.41%
Science & Technology Dev.	19,152,096	-6.00%	0.30%	17,811,449	-7.00%	0.28%	17,811,449	0.00%	0.26%
Secretary of State	9,128,114	29.35%	0.14%	8,403,937	-7.93%	0.13%	8,393,937	-0.12%	0.12%
Transportation	115,195,299	-40.48%	1.82%	107,131,628	-7.00%	1.67%	206,800,291	93.03%	2.98%
Veterans	35,957,256	-3.50%	0.57%	34,698,752	-3.50%	0.54%	35,698,752	2.88%	0.51%
Total Executive Branch	6,039,776,996	1.45%	95.38%	6,295,417,302	4.23%	97.86%	6,711,054,079	6.60%	96.58%
The Legislature	32,004,383	-7.00%	0.51%	30,639,306	-4.27%	0.48%	32,639,306	6.53%	0.47%
The Judiciary	80,828,193	5.26%	1.28%	84,431,797	4.46%	1.31%	84,668,797	0.28%	1.22%
Total Legis. & Judic.	112,832,576	1.47%	1.78%	115,071,103	1.98%	1.79%	117,308,103	1.94%	1.69%
Total Excl. Sups./Ret.	6,152,609,572	1.45%	97.16%	6,410,488,405	4.19%	99.65%	6,828,362,182	6.52%	98.27%
Supplementals & Emerg. Fd. (I)	180,022,235	3030.82%	2.84%	22,600,000	-87.45%	0.35%	120,001,406	430.98%	1.73%
Total	\$6,332,631,807	4.32%	100.00%	\$6,433,088,405	1.6%	100.00%	\$6,948,363,588	8.0%	100.00%
GOV. AND LT. GOV.									
Governor	2,129,671	-7.00%	0.03%	1,980,594	-7.00%	0.03%	2,172,900	9.71%	0.03%
Lieutenant Governor	527,699	-7.00%	0.01%	506,591	-4.00%	0.01%	506,591	0.00%	0.01%
AGRICULTURE									
Agriculture	26,306,894	-14.15%	0.42%	25,610,247	-2.65%	0.40%	27,610,247	7.81%	0.40%
Conservation Commission	9,845,434	11.19%	0.16%	9,561,684	-2.88%	0.15%	10,061,684	5.23%	0.14%
TOTAL AGRICULTURE	36,152,328	-8.47%	0.57%	35,171,931	-2.71%	0.55%	37,671,931	7.11%	0.54%
COMMERCE AND TOURISM									
Commerce, Dept. of (b)	26,905,919	-42.49%	0.42%	29,073,212	8.06%	0.45%	29,573,212	1.72%	0.43%
REAP - local gov'ts thru commerce	12,400,504	-7.00%	0.20%	11,532,469	-7.00%	0.18%	11,532,469	0.00%	0.17%
J. M. Davis Memorial Commission	306,677	-7.50%	0.00%	306,009	-0.22%	0.00%	306,009	0.00%	0.00%
Historical Society	12,913,636	-2.05%	0.20%	12,502,546	-3.18%	0.19%	12,502,546	0.00%	0.18%
Labor Department	3,166,110	-7.00%	0.05%	3,081,160	-2.68%	0.05%	3,311,160	7.46%	0.05%
Scenic Rivers Commission	279,239	-6.00%	0.00%	271,315	-2.84%	0.00%	271,315	0.00%	0.00%
Tourism & Recreation (j)	22,503,229	-6.10%	0.36%	21,803,003	-3.11%	0.34%	21,803,003	0.00%	0.31%
Will Rogers Memorial Comm.	744,984	-7.25%	0.01%	740,486	-0.60%	0.01%	740,486	0.00%	0.01%
TOTAL COMMERCE & TOURISM	79,220,298	-22.41%	1.25%	79,310,200	0.11%	1.23%	80,040,200	0.92%	1.15%

FY-2014 Executive Budget

Agency/Cabinet Name	FY-2011 Appropriation	Percent Change	Percent of Total	FY-2012 Appropriation	Percent Change	Percent of Total	FY-2013 Appropriation	Percent Change	Percent of Total
EDUCATION									
Arts Council	4,406,689	-7.50%	0.07%	4,010,087	-9.00%	0.06%	4,010,087	0.00%	0.06%
Career. & Techn Education (e)	141,977,302	-2.90%	2.24%	133,742,618	-5.80%	2.08%	135,142,618	1.05%	1.94%
Education, Dept. of (c)	2,236,034,551	0.19%	35.31%	2,278,158,382	1.88%	35.41%	2,333,604,082	2.43%	33.58%
Educational TV Authority	4,200,360	-6.00%	0.07%	3,822,328	-9.00%	0.06%	3,822,328	0.00%	0.06%
Higher Educ., Regents for (d)	943,666,030	0.03%	14.90%	945,260,277	0.17%	14.69%	955,260,278	1.06%	13.75%
OSU Medical Authority	5,000,000	N/A	0.08%	5,000,000	0.00%	0.08%	8,080,000	61.60%	0.12%
Department of Libraries	6,342,616	-6.00%	0.10%	5,898,633	-7.00%	0.09%	5,898,633	0.00%	0.08%
School of Science & Math	6,540,080	-6.31%	0.10%	6,332,274	-3.18%	0.10%	6,332,274	0.00%	0.09%
Teacher Preparation Comm.	1,641,053	-7.40%	0.03%	1,526,179	-7.00%	0.02%	1,526,179	0.00%	0.02%
TOTAL EDUCATION	3,349,808,681	0.11%	52.90%	3,383,750,778	1.01%	52.60%	3,453,676,479	2.07%	49.70%
ENERGY									
Corporation Commission (f)	10,133,793	-5.60%	0.16%	11,324,427	11.75%	0.18%	11,324,427	0.00%	0.16%
Mines, Department of	810,902	-7.00%	0.01%	779,139	-3.92%	0.01%	779,139	0.00%	0.01%
TOTAL ENERGY	10,944,695	-5.71%	0.17%	12,103,566	10.59%	0.19%	12,103,566	0.00%	0.17%
ENVIRONMENT									
Environmental Quality, Dept. of	8,126,853	-5.50%	0.13%	7,557,973	-7.00%	0.12%	7,557,973	0.00%	0.11%
Water Resources Board	5,698,571	-29.09%	0.09%	5,499,671	-3.49%	0.09%	6,999,671	27.27%	0.10%
TOTAL ENVIRONMENT	13,825,424	-16.89%	0.22%	13,057,644	-5.55%	0.20%	14,557,644	11.49%	0.21%
FINANCE & REVENUE									
Auditor & Inspector (g)	5,152,673	-5.15%	0.08%	4,706,986	-8.65%	0.07%	4,706,986	0.00%	0.07%
Bond Advisor, State	155,556	-3.00%	0.00%	143,112	-8.00%	0.00%	143,112	0.00%	0.00%
Consumer Credit Commission	535,255	-7.00%	0.01%	331,730	-38.02%	0.01%	31,730	-90.43%	0.00%
Insurance Department (a)	2,012,836	-7.00%	0.03%	1,871,937	-7.00%	0.03%	1,871,937	0.00%	0.03%
Land Office Commission	7,109,000	42.04%	0.11%	7,109,000	0.00%	0.11%	16,000,000	125.07%	0.23%
Management and Enterprise Services, Office of	20,623,054	-7.00%	0.33%	19,179,440	-7.00%	0.30%	40,132,347	109.25%	0.58%
Tax Commission	46,830,944	9.34%	0.74%	46,915,944	0.18%	0.73%	46,915,944	0.00%	0.68%
Treasurer	3,903,089	-35.21%	0.06%	3,629,873	-7.00%	0.06%	3,743,873	3.14%	0.05%
TOTAL FINANCE & REVENUE	86,322,407	2.32%	1.36%	83,888,022	-2.82%	1.30%	113,545,929	35.35%	1.63%
HEALTH									
Health Department	61,547,757	-8.89%	0.97%	59,477,971	-3.36%	0.92%	61,783,682	3.88%	0.89%
Health Care Authority	699,875,770	27.42%	11.05%	912,219,389	30.34%	14.18%	921,983,007	1.07%	13.27%
Mental Health Department	183,634,910	-0.71%	2.90%	183,112,822	-0.28%	2.85%	311,421,073	70.07%	4.48%
TOTAL HEALTH	945,058,437	17.87%	14.92%	1,154,810,182	22.19%	17.95%	1,295,187,762	12.16%	18.64%
HUMAN RESOURCES & ADMIN.									
Central Services, Dept. of	15,973,031	-3.50%	0.25%	17,313,301	8.39%	0.27%	0	-100.00%	0.00%
Horse Racing Commission	2,135,741	-7.00%	0.03%	2,072,167	-2.98%	0.03%	2,072,167	0.00%	0.03%
Human Rights Commission	571,258	-7.00%	0.01%	531,270	-7.00%	0.01%	0	-100.00%	0.00%
Merit Protection Commission	527,921	-7.00%	0.01%	490,967	-7.00%	0.01%	490,967	0.00%	0.01%
Personnel Management	3,913,555	-7.00%	0.06%	3,639,606	-7.00%	0.06%	0	-100.00%	0.00%
TOTAL HUMAN RES & ADMIN	23,121,506	-4.61%	0.37%	24,047,311	4.00%	0.37%	2,563,134	-89.34%	0.04%

FY-2014 Executive Budget

Agency/Cabinet Name	FY-2011 Appropriation	Percent Change	Percent of Total	FY-2012 Appropriation	Percent Change	Percent of Total	FY-2013 Appropriation	Percent Change	Percent of Total
HUMAN SERVICES									
Children & Youth Commission	2,156,561	-6.00%	0.03%	2,027,167	-6.00%	0.03%	2,027,167	0.00%	0.03%
Disability Concerns	341,513	-6.00%	0.01%	317,607	-7.00%	0.00%	317,607	0.00%	0.00%
Human Services Dept. (h)	500,110,884	18.82%	7.90%	514,518,301	2.88%	8.00%	586,958,664	14.08%	8.45%
Indian Affairs	206,781	-7.00%	0.00%	192,306	-7.00%	0.00%	0	-100.00%	0.00%
J.D. McCarty Center	3,664,060	-3.14%	0.06%	3,359,210	-8.32%	0.05%	3,740,338	11.35%	0.05%
Office of Juvenile Affairs	97,663,872	-5.61%	1.54%	95,915,593	-1.79%	1.49%	96,187,205	0.28%	1.38%
Phys. Manpower Trng. Comm.	3,740,287	-21.78%	0.06%	4,379,254	17.08%	0.07%	4,379,254	0.00%	0.06%
Rehabilitation Svcs., Dept.of	30,453,770	8.11%	0.48%	30,149,232	-1.00%	0.47%	30,449,232	1.00%	0.44%
University Hospitals Authority	14,187,924	-53.77%	0.22%	38,446,391	170.98%	0.60%	41,624,391	8.27%	0.60%
TOTAL HUMAN SERVICES	652,525,652	9.73%	10.30%	689,305,061	5.64%	10.71%	765,683,858	11.08%	11.02%
MILITARY AFFAIRS									
Military Department	10,787,365	-4.81%	0.17%	10,247,997	-5.00%	0.16%	10,747,997	4.88%	0.15%
TOTAL MILITARY AFFAIRS	10,787,365	-4.81%	0.17%	10,247,997	-5.00%	0.16%	10,747,997	4.88%	0.15%
SAFETY AND SECURITY									
A.B.L.E. Commission	3,376,703	-7.00%	0.05%	3,140,334	-7.00%	0.05%	3,140,334	0.00%	0.05%
Attorney General	12,704,552	0.09%	0.20%	13,228,141	4.12%	0.21%	15,228,141	15.12%	0.22%
Corrections Department	462,141,777	-1.47%	7.30%	459,831,068	-0.50%	7.15%	463,731,068	0.85%	6.67%
District Attorneys Council	34,257,560	-7.00%	0.54%	32,887,258	-4.00%	0.51%	34,187,258	3.95%	0.49%
Emergency Management	692,744	-5.00%	0.01%	651,179	-6.00%	0.01%	651,179	0.00%	0.01%
Fire Marshal	1,932,004	-7.00%	0.03%	1,796,764	-7.00%	0.03%	1,796,764	0.00%	0.03%
Indigent Defense System (i)	15,153,971	4.12%	0.24%	14,699,353	-3.00%	0.23%	14,699,353	0.00%	0.21%
Investigation, Bureau of	14,716,322	-7.00%	0.23%	13,848,059	-5.90%	0.22%	13,848,059	0.00%	0.20%
Law Enf. Educ. & Training	3,917,618	-9.77%	0.06%	3,682,560	-6.00%	0.06%	3,682,560	0.00%	0.05%
Medicolegal Investigatons Board	4,794,164	10.28%	0.08%	4,698,281	-2.00%	0.07%	7,198,281	53.21%	0.10%
Narc. & Dang. Drugs Control	5,466,418	-7.79%	0.09%	3,616,418	-33.84%	0.06%	3,616,418	0.00%	0.05%
Pardon & Parole Board	2,334,162	0.00%	0.04%	2,217,454	-5.00%	0.03%	2,217,454	0.00%	0.03%
Public Safety Department	88,432,073	1.02%	1.40%	84,894,790	-4.00%	1.32%	89,894,790	5.89%	1.29%
TOTAL SAFETY & SECURITY	649,920,068	-1.51%	10.26%	639,191,659	-1.65%	9.94%	653,891,659	2.30%	9.41%
SCIENCE & TECH.DEVELOP.									
Center for Adv. /Sc. & Tech.	19,152,096	-6.00%	0.30%	17,811,449	-7.00%	0.28%	17,811,449	0.00%	0.26%
TOTAL SCIENCE & TECH.DEV.	19,152,096	-6.00%	0.30%	17,811,449	-7.00%	0.28%	17,811,449	0.00%	0.26%
SECRETARY OF STATE									
Secretary of State	304,426	-7.00%	0.00%	0	-100.00%	0.00%	0	#DIV/0!	0.00%
Election Board	8,047,225	36.24%	0.13%	7,805,808	-3.00%	0.12%	7,805,808	0.00%	0.11%
Ethics Commission, Okla.	545,882	-5.00%	0.01%	523,129	-4.17%	0.01%	588,129	12.43%	0.01%
Council on Jud Complaints	230,581	-7.00%	0.00%	75,000	-67.47%	0.00%	0	-100.00%	0.00%
TOTAL SECRETARY OF STATE	9,128,114	29.35%	0.14%	8,403,937	-7.93%	0.13%	8,393,937	-0.12%	0.12%
TRANSPORTATION									
Space Industry Development	424,289	-7.00%	0.01%	394,589	-7.00%	0.01%	394,589	0.00%	0.01%
Transportation Department (k)	114,771,010	-40.56%	1.81%	106,737,039	-7.00%	1.66%	206,405,702	93.38%	2.97%
TOTAL TRANSPORTATION	115,195,299	-40.48%	1.82%	107,131,628	-7.00%	1.67%	206,800,291	93.03%	2.98%
VETERANS									
Veterans Affairs Department	35,957,256	-3.50%	0.57%	34,698,752	-3.50%	0.54%	35,698,752	2.88%	0.51%
TOTAL EXECUTIVE BRANCH	6,039,776,996	1.45%	95.38%	6,295,417,302	4.23%	97.86%	6,711,054,079	6.60%	96.58%

FY-2014 Executive Budget

Agency/Cabinet Name	FY-2011 Appropriation	Percent Change	Percent of Total	FY-2012 Appropriation	Percent Change	Percent of Total	FY-2013 Appropriation	Percent Change	Percent of Total
LEGISLATURE									
House of Representatives	15,341,770	-7.00%	0.24%	14,574,682	-5.00%	0.23%	15,574,682	6.86%	0.22%
Legislative Service Bureau	4,902,835	-7.00%	0.08%	4,892,835	-0.20%	0.08%	4,892,835	0.00%	0.07%
Senate	11,759,778	-7.00%	0.19%	11,171,789	-5.00%	0.17%	12,171,789	8.95%	0.18%
TOTAL LEGISLATURE	32,004,383	-7.00%	0.51%	30,639,306	-4.27%	0.48%	32,639,306	6.53%	0.47%
JUDICIARY									
Court of Criminal Appeals	3,455,575	13.05%	0.05%	3,334,631	-3.50%	0.05%	3,484,631	4.50%	0.05%
District Courts	57,641,865	9.79%	0.91%	59,600,000	3.40%	0.93%	59,600,000	0.00%	0.86%
Supreme Court	15,381,358	-7.06%	0.24%	17,300,000	12.47%	0.27%	17,337,000	0.21%	0.25%
Workers' Compensation Court	4,349,395	-7.00%	0.07%	4,197,166	-3.50%	0.07%	4,247,166	1.19%	0.06%
TOTAL JUDICIARY	80,828,193	5.26%	1.28%	84,431,797	4.46%	1.31%	84,668,797	0.28%	1.22%
TOTAL EXCL. SUPPS./ & RETIREMENT SYSTEMS	6,152,609,572	1.45%	97.16%	6,410,488,405	4.19%	99.65%	6,828,362,182	6.52%	98.27%

SUMMARY OF OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION ALLOCATIONS (2012-2013)

<u>Regents' Allocation</u>	ORIGINAL ALLOCATION	% OF ORIGINAL ALLOCATION
University of Oklahoma	\$135,457,458	13.38%
OU Law Center	5,930,530	0.59%
OU Health Sciences Center	92,323,530	9.12%
OU Tulsa	8,176,378	0.81%
Oklahoma State University	121,508,490	12.00%
OSU Agriculture Experiment Station	26,463,909	2.61%
OSU Agriculture Extension Division	28,916,944	2.86%
OSU Institute of Technology, Okmulgee	14,370,429	1.42%
OSU College of Veterinary Medicine	10,806,637	1.07%
OSU, Oklahoma City	11,124,865	1.10%
OSU Center for Health Sciences	14,037,266	1.39%
OSU Tulsa	11,266,651	1.11%
University of Central Oklahoma	52,794,661	5.22%
East Central University	17,480,403	1.73%
Northeastern State University	36,782,485	3.63%
Statewide Literacy Program - NSU	68,476	0.01%
Northwestern Oklahoma State University	10,122,045	1.00%
Southeastern Oklahoma State University	18,702,428	1.85%
Southwestern Oklahoma State University	22,633,303	2.24%
Cameron University	21,608,265	2.13%
Langston University - Campus	18,592,255	1.84%
Langston - Endowment	1,663,652	0.16%
Oklahoma Panhandle State University	7,200,230	0.71%
University of Science & Arts of Oklahoma	7,388,510	0.73%
University of Science & Arts - Jane Brooks	25,283	0.00%
Rogers State University	13,884,642	1.37%
Carl Albert State College	6,382,114	0.63%
Connors State College	6,769,919	0.67%
Eastern Oklahoma State College	6,474,505	0.64%
Murray State College	5,727,612	0.57%
Northeastern Oklahoma A&M College	8,883,776	0.88%
Northern Oklahoma College	9,984,778	0.99%
Oklahoma City Community College	24,799,336	2.45%
Redlands Community College	6,358,917	0.63%
Rose State College	20,727,932	2.05%
Seminole State College	5,948,795	0.59%
Tulsa Community College	36,136,945	3.57%
Western Oklahoma State College	5,701,773	0.56%
Ardmore Higher Education Program	647,396	0.06%

FY-2014 Executive Budget

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	654,570	0.06%
OMES CORE Assessment Fees	139,858	0.01%
Section 13 Offsets	9,385,553	0.93%
State Regents' Budget/Regents' IT/OTCP	10,643,872	1.05%
OneNet Higher Ed User Fees	3,120,185	0.31%
Internet II / National Lambda Rail	1,430,003	0.14%
Scholar-Leadership Enrichment Program	286,030	0.03%
Grants Economic Development	413,361	0.04%
Oklahoma's Promise (OHLAP)	57,000,000	5.63%
Regional University Scholarships	986,068	0.10%
Prospective Teacher Scholarships	93,510	0.01%
Chiropractic Scholarships	37,404	0.00%
National Guard Waiver Program	1,912,853	0.19%
Tulsa Reconciliation Scholarships	46,755	0.00%
International Scholarship Program	120,000	0.01%
Concurrent Enrollment Waiver Program	2,678,560	0.26%
Teacher Shortage Incentive Program	376,558	0.04%
Student Preparation Program	1,098,472	0.11%
Summer Academies Program	561,060	0.06%
Oklahoma Tuition Aid Grants	19,115,722	1.89%
Academic Scholars Program	8,329,363	0.82%
Endowed Chairs Program	11,594,747	1.15%
Academic Library Databases	383,391	0.04%
OCIA Debt Service	18,660,060	1.84%
EPSCoR	2,576,836	0.25%
Quartz Mountain	1,121,219	0.11%
George & Donna Nigh Scholarship	65,457	0.01%
Oklahoma Tuition Equalization Program	3,406,848	0.34%
Capital and One-Time Allocations/Master Lease Program	1,012,622	0.10%
Office of Accountability	668,267	0.07%
Adult Degree Completion Program	<u>467,550</u>	<u>0.05%</u>
TOTAL ALLOCATIONS OF APPROPRIATIONS *	\$1,012,260,277	100.00%

* Includes \$47,372,299 from the Higher Education Capital Revolving Fund, \$47,372,299 from the Student Aid Revolving Fund, \$25,809,138 from the Lottery Trust Fund, \$57,000,000 designated General Revenue for OK Promise, and \$65,000,000 from the Special Cash Fund.

FY-2013 Nonappropriated Agency Budgets and FTE

<u>Agency Number and Name</u>	<u>FY-2013 Budget</u>	<u>FY-2013 YTD FTE</u>
20 Accountancy Board, OK State Bd. of	\$2,119,748.00	10.0
22 Oklahoma Abstractor Board	\$306,259.95	3.0
39 Boll Weevil Eradication	\$959,511.18	10.1
45 Licensed & Landscape Architects, Bd.	\$938,614.00	3.0
60 Aeronautics Commission, Oklahoma	\$10,650,529.00	10.3
65 Banking Department, State	\$6,858,988.00	40.5
92 Tobacco Settlement Trust Board	\$45,073,223.00	13.8
140 Podiatry Board, State Board of	\$13,300.00	0.0
145 Chiropractic Examiners Board	\$225,328.66	2.0
170 Construction Industries Board	\$3,456,811.00	32.1
190 Cosmetology, State Board of	\$1,101,064.00	11.4
215 Dentists, Bd. of Governors of Regis.	\$579,080.18	4.0
285 Funeral Board	\$386,622.00	2.4
290 Employment Security Commission, OK	\$104,274,180.00	651.1
307 Interstate Oil Compact Commission	\$969,188.00	3.5
315 Firefighters Pension & Retirement	\$12,615,209.00	10.1
320 Wildlife Conservation Commission	\$50,080,797.00	349.0
343 Perfusionists Board	\$6,220.00	0.0
370 Industrial Finance Authority	\$6,642,342.00	4.3
416 Law Enforcement Retirement	\$5,094,192.00	5.0
435 Lottery commission	\$189,491,019.00	30.3
445 Liquefied Petroleum Gas Board	\$780,167.00	9.6
446 Marginally Producing Oil & Gas Wells	\$916,586.00	3.6
448 Licensed Alcohol & Drug Counselors, Board of	\$175,629.30	1.8
450 Medical Licensure & Supervision, Bd.	\$3,840,583.23	18.2
475 Motor Vehicle Commission, Oklahoma	\$430,427.00	3.7
509 Nursing Homes Administrators Board	\$353,616.00	3.0
510 Nursing, Board of	\$3,819,897.00	28.0
515 Public Employees Retirement Sys., OK	\$8,312,208.96	53.6
520 Optometry Board	\$611,318.00	2.0
525 Osteopathic Examiners Board	\$158,933.00	5.5
535 Peanut Commission	\$3,048,911.00	1.0
557 Police Pension & Retirement Board	\$4,531,434.00	11.8
560 Pharmacy Board	\$2,053,289.00	9.2
570 Engineers & Land Surveyors	\$263,897.02	9.5
575 Psychologist Examiners Board	\$2,146,704.00	1.9
588 Real Estate Commission	\$2,200.00	15.3
615 Foresters Board	\$236,741.00	0.0
622 Social Workers Board	\$7,360,478.00	1.6
630 Securities Commission	\$180,807.51	26.3
632 Speech Pathology & Audiology Board	\$325,138,026.00	2.1
715 Teachers Retirement System	\$1,009,288.00	33.4
755 Used Motor Vehicle & Parts Comm.	\$530,280.00	9.6
772 Chem. Tests for Alcohol & Drug Infl.	\$568,500.05	3.6
790 Veterinary Medical Examiners Board	\$450,400.00	4.8
875 Wheat Commission	\$2,422,500.00	3.1
Total:	\$811,185,047.04	1458.1

Appendix

Budget and Fiscal/Research Staff
State Organization Chart
State Agencies Indexed by Cabinet
Historical FTE by Cabinet and Agency
Glossary

FY-2014 Executive Budget

Office of Management and Enterprise Services Budget Division

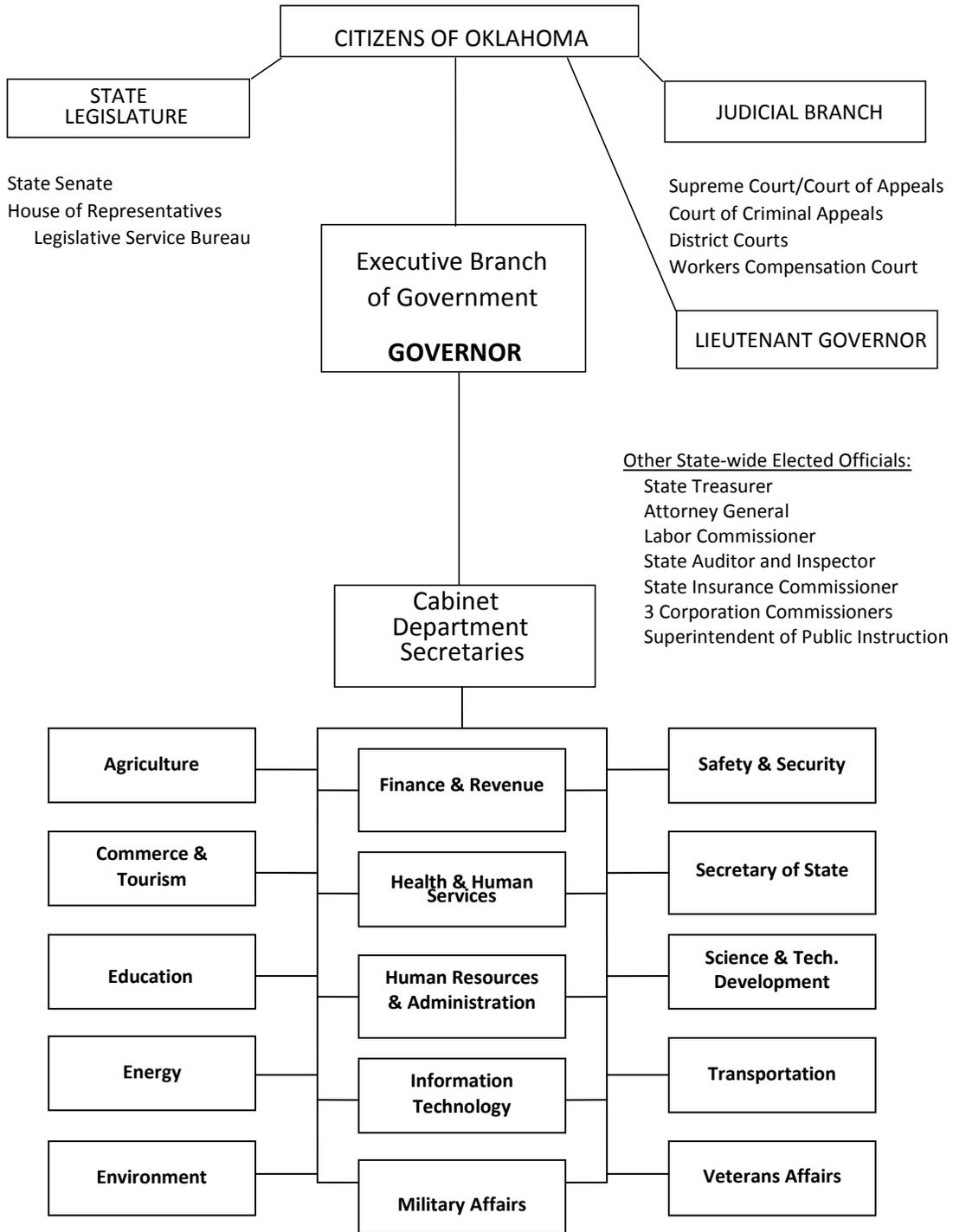
Please direct all press inquiries to (405) 521-3267 or 521-3097.

If you have questions about this function of government

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Agriculture, Commerce and Tourism, Energy, Environment	Austin Slaymaker (405) 521-6664 austin.slaymaker@omes.ok.gov
Education, Science and Technology Development.....	Rich Edwards (405) 522-4305 rich.edwards@omes.ok.gov
Governor, Lt. Governor, Finance and Revenue, Legislature, Secretary of State, Transportation, Human Resources and Administration	C.J. Co (405) 522-0924 cj.co@omes.ok.gov
Health & Human Services, Veterans Affairs	Lia Tepker (405) 522-5743 lia.tepker@omes.ok.gov
Military Affairs, Safety and Security, Judiciary.	Josh Maxey (405) 521-6369 josh.maxey@omes.ok.gov
Regulatory Services.....	Brett Deibel (405) 522-1317 brett.deibel@omes.ok.gov

FY-2014 Executive Budget



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-53	Office of the Governor	Southwestern Oklahoma State Univ.			
B-89	Office of the Lieutenant Governor	Student Loan Authority		B-100	Medical Licensure & Supv., Bd. of Merit Protection Commission
	<u>Agriculture</u>	Tulsa Community College			Motor Vehicle Commission
B-5	Agriculture, Department of	University of Central Oklahoma			Nursing Board
B-24	Conservation Commission	University of Oklahoma			Optometry Board
	Foresters, Board of Registered	Univ. of Science and Arts of Okla.			Osteopathic Examiners Board
	Peanut Commission	Western Oklahoma State College			Perfusionists, State Bd. of Examiners
	Wheat Commission	<u>Energy</u>			Personnel Management
	<u>Commerce and Tourism</u>	B-27	Corporation Commission *		Pharmacy Board
	Capital Investment Board		Energy Resources Board		Podiatric Medical Examiners, Bd. of Prof. Engin. & Land Surveyors Bd.
B-21	Commerce, Department of		Grand River Dam Authority		Psychologists, Bd. of Examiners
	Development Finance Authority		Interstate Oil Comp. Com.		Real Estate Commission
B-45	Employment Security Commission		LPG Board		Social Workers Board, Bd. of Lic.
B-60	Historical Society		LPG Research, Marketing and Safety Marg. Prod. O&G Wells, Comm. on		Speech-Lang. Pathology & Aud. Bd.
	Housing Finance Authority	B-103	Mines, Department of		State and Ed. Empl. Group Ins. Bd.
	Industrial Finance Authority		<u>Environment</u>		Used Motor Vehicle & Parts
B-76	J.M. Davis Memorial Commission	B-48	Dept. of Environmental Quality		Veterinary Medical Examiners Board
B-80	Labor, Department of *		Environmental Finance Authority		<u>Military Affairs</u>
	Municipal Power Authority	B-153	Water Resources Board	B-101	Military Department
	Native American Cultural/Ed. Auth	B-156	Wildlife Conservation, Dept. of		<u>Safety and Security</u>
B-129	Scenic Rivers Comm.		<u>Finance and Revenue</u>	B-1	ABLE Commission
B-141	Tourism & Recreation, Dept. of	B-11	Auditor & Inspector *	B-9	Attorney General *
B-158	Will Rogers Memorial Commission		Abstractors		Chem. Tests for Alc/Drug Infl., Bd. of
	<u>Education</u>	B-13	Banking Department	B-43	Emergency Mgmt, Dept. of
	Anatomical Board	B-14	Bond Advisor	B-29	Corrections Department
B-7	Arts Council		Building Bonds Commission	B-34	District Attorney's Council
B-16	Career & Technology Education		Capitol Improvement Authority	B-52	Fire Marshal, State
B-110	Educational TV Authority		CompSource Oklahoma	B-69	Indigent Defense System
B-38	Education, Department of *	B-26	Consumer Credit, Comm. for	B-72	Investigation, Bureau of
B-87	Library Department	B-70	Insurance Department *	B-84	Law Enf. Educ. & Trng., Council on
B-115	Physicians Manpower Trng. Comm	B-82	Land Office, Commissioners of the	B-95	Medicolegal Investigations, Bd. of
	Private Vocational School, Board of		Law Enforcement Retirement	B-105	Narcotics & Dang. Drugs, Bureau of
B-112	School of Science & Mathematics		Lottery Commission	B-114	Pardon and Parole Board
B-139	Teacher Preparation, Comm. for	B-90	Mgmt and Enterprise Services, Office of	B-117	Public Safety, Department of
	<u>Colleges and Universities</u>		Police Pension & Retirement System		<u>Science and Technology Dev.</u>
	Ardmore Higher Education Center		Public Employees' Retirement System	B-107	Center f/t Adv. of Sci. & Technology
	Cameron University	B-133	Securities Commission		<u>Secretary of State</u>
	Carl Albert State College	B-137	Tax Commission	B-41	Election Board
	Connors State College		Tobacco Settle. End. Trust Bd. of Dir.	B-50	Ethics Commission
	East Central University	B-147	Treasurer		Judicial Complaints, Council on
	Eastern Oklahoma State College		<u>Health & Human Services</u>	B-131	Secretary of State
	Langston University		Alcohol and Drug Coun., Bd. of Lic.		<u>Transportation</u>
	Murray State College		Community Hospitals Authority	B-3	Aeronautics Commission
	Northeastern Okla. A & M College		Construction Industries Bd.		Okla. Transportation Authority
	Northeastern State University	B-54	Health Care Authority	B-134	Space Industry Development Auth.
	Northern Oklahoma College	B-56	Health, Department of	B-144	Transportation, Department of
	Northwestern Oklahoma State Univ.	B-97	Mental Health and Sub. Abuse Svc.		<u>Veterans Affairs</u>
	Oklahoma Panhandle State Univ.		Nursing Homes, Board of Exam. for	B-151	Veterans Affairs, Department of
	Oklahoma State University		Uniform Building Code Commission		<u>Judiciary</u>
	Oklahoma University Law Center	B-19	Children & Youth, Commission	B-31	Court of Criminal Appeals
	Oklahoma City Community College	B-32	Disability Concerns, Office of	B-37	District Courts
	Okla. University Health Science Ctr.	B-63	Human Services, Department of	B-136	Supreme Court
	OSU -College of Osteopathic Medicine		Indian Affairs Commission	B-160	Worker's Compensation Court
	OSU -College of Veterinary Medicine	B-74	J.D. McCarty Center	B-86	<u>Legislature</u>
	OSU -Experiment Station	B-77	Juvenile Affairs, Office of		House of Representative
	OSU -Extension Division	B-119	Rehabilitative Services		Oklahoma State Senate
	OSU -Medical Authority	B-149	University Hospitals Authority		Legislative Service Bureau
	OSU -School of Tech. Training		<u>Human Resources and Admin.</u>	B-122	<u>Retirement System</u>
	OSU -Technical Institute of OKC		Abstractor's Board		Public Employees Retirement System and Retirement Systems for Justices and Judges
	OSU -Tulsa		Accountancy Board		Teachers Retirement System
	OU Health Sci. Ctr. Prof. Prac. Plan		Architects, Board of Gov. of Licensed		Oklahoma Law Enforcement Retirement System
	Qtz Mtn. Arts/Conf. Cntr/Nat. Pk.		Central Services, Dept. of		Police Pension and Retirement System
	Redlands Community College		Chiropractic Examiners Board		Firefighters Pension and Retirement System
	Regents for A&M Colleges		Cosmetology Board		Department of Wildlife Retirement Plan
B-58	Regents for Higher Education		Dentistry, Board of		
	Regional University System of OK		Employees Benefits Council		
	Rogers State University		Funeral Board		
	Rose State College	B-62	Horse Racing Commission		
	Seminole State College		Human Rights Commission		
	Southeastern Oklahoma State Univ.				

FY-2014 Executive Budget

Historical FTE Report By Cabinet/Agency

Cabinet/Agency	FY-2009	FY-2010	FY-2011	FY-2012	FY-2013
	Actual	Actual	Actual	Actual	YTD
	FTE	FTE	FTE	FTE	FTE
Governor	31.6	27.9	27.3	27.2	28.7
Lieutenant Governor	8.3	7.7	7.2	4.9	4.4
Agriculture	536.2	514.5	509.6	489.6	471.7
Commerce and Tourism	2,063.5	2,063.3	1,958.2	1,846.5	1,810.9
Education (excluding Higher Education)	1,005.6	975.0	877.0	801.9	800.0
Energy	1,023.8	967.1	955.2	955.7	808.8
Environment	1,022.8	1,015.3	1,011.1	961.8	948.4
Finance and Revenue	1,986.0	1,915.3	1,833.9	1,950.4	2,772.8
Health	4,884.3	4,560.0	4,335.7	4,219.6	4,129.1
Human Resources and Administration	772.7	752.0	712.7	678.6	250.6
Human Services	10,305.1	10,231.5	9,604.1	9,390.2	9,117.2
Military	365.0	371.3	341.6	345.8	353.0
Safety and Security	8,621.3	8,301.5	7,624.1	7,719.5	7,730.2
Science & Technology	23.9	22.2	18.4	16.6	18.1
Secretary of State	62.5	58.8	59.9	62.4	60.2
Transportation	3,090.2	3,051.8	3,014.6	2,945.7	2,876.9
Veterans Affairs	1,881.4	1,931.1	1,879.9	1,840.6	1,883.1
	37,684.2	36,766.3	34,770.5	34,257.0	34,064.1
Regents	319.0	309.8	302.7	297.6	295.9
Higher Education	32,821.2	33,427.6	33,215.1	32,111.4	32,250.5
	33,140.2	33,737.4	33,517.8	32,409.0	32,546.4
Total Executive Branch	70,824.4	70,503.7	68,288.3	66,666.0	66,610.5
Legislature	499.4	477.8	412.2	390.6	357.3
Judiciary	915.6	909.6	898.7	896.5	903.0
Subtotal	1,415.0	1,387.4	1,310.9	1,287.1	1,260.3
GRAND TOTAL	72,239.4	71,891.1	69,599.2	67,953.1	67,870.8
Total Excluding Higher Ed	39,099.2	38,153.7	36,081.4	35,544.1	35,324.4
Agriculture					
40 Agriculture, Department of	450.1	430.1	426.4	409.5	394.3
39 Boll Weevil Eradication	13.2	11.9	10.7	10.3	10.1
645 Conservation Commission	67.2	67.6	67.9	65.1	63.1
535 Peanut Commission	1.0	0.9	1.0	1.0	1.0
875 Wheat Commission	4.5	4.0	3.6	3.7	3.1
Total	536.0	514.5	509.6	489.6	471.6

FY-2014 Executive Budget

Cabinet/Agency	FY-2009 Actual	FY-2010 Actual	FY-2011 Actual	FY-2012 Actual	FY-2013 YTD
Commerce and Tourism					
160 Commerce, Department of	156.1	151.5	143.4	135.3	132.0
290 Employment Security Commission, OK	689.4	759.2	742.7	671.6	651.1
350 Historical Society, Oklahoma	168.5	164.2	153.4	158.4	153.5
922 Housing Finance Authority	112.1	115.8	117.6	114.7	112.3
370 Industrial Finance Authority	6.9	6.4	6.2	6.4	4.3
204 J.M. Davis Memorial Commission	5.7	6.3	5.8	5.0	5.0
405 Labor Department	93.9	92.2	87.0	80.9	74.4
981 Municipal Power Authority	56.1	56.8	57.8	58.7	59.0
568 Scenic Rivers Commission	13.6	13.0	11.5	9.9	10.9
566 Tourism & Recreation, Department of	751.4	688.3	623.7	595.9	596.9
880 Will Rogers Memorial Commission	10.1	9.6	9.1	9.7	11.5
Total	2,063.8	2,063.3	1,958.2	1,846.5	1,810.9
Education (Excl. Higher Education)					
55 Arts Council, State	15.2	15.4	13.3	12.7	14.0
800 Career & Technology Education	330.5	309.1	287.6	268.4	261.4
265 Education, State Department of	370.0	368.2	328.8	283.7	286.2
266 Educational Television Authority	73.0	71.5	65.1	58.1	57.1
430 Libraries, Department of	56.4	55.8	51.5	46.3	44.9
563 Private Vocational Schools Board	2.5	2.0	1.5	1.6	1.6
629 School of Science & Mathematics	76.0	76.5	61.4	61.1	58.3
618 Student Loan Authority	71.6	66.3	57.8	61.7	70.2
269 Teacher Preparation, OK Commission	10.3	10.1	10.2	8.4	6.5
Total	1,005.5	974.9	877.2	802.0	800.2
Energy					
185 Corporation Commission	479.1	430.6	424.7	413.9	421.3
980 Grand River Dam Authority (GRDA)	493.8	486.8	483.0	494.1	339.8
307 Interstate Oil Compact Commission	2.3	3.0	2.5	3.0	3.5
445 Liquefied Petroleum Gas Board	9.6	9.0	9.0	9.8	9.6
446 Marginally Producing Oil & Gas Wells	4.7	4.0	4.1	4.0	3.6
125 Mines, Department of	34.3	33.7	31.9	30.9	30.8
Total	1,023.8	967.1	955.2	955.8	808.7
Environment					
292 Dept. of Environmental Quality (DEQ)	583.7	578.4	580.4	521.5	507.3
835 Water Resources Board	93.4	90.0	84.4	91.1	92.1
320 Wildlife Conservation Commission	345.7	346.9	346.3	349.2	349.0
Total	1,022.8	1,015.3	1,011.1	961.8	948.4
Finance and Revenue					
22 Oklahoma Abstractors Board	2.4	3.0	2.8	3.0	3.0
300 Auditor & Inspector	123.3	117.3	116.0	119.2	121.1
65 Banking Department, State	38.8	39.6	40.8	42.1	40.5
390 CompSource	368.3	359.1	353.0	344.9	340.7
90 Office of Mgmt. and Enterprise Services *	162.6	172.6	183.9	323.7	1,191.8
315 Firefighters Pension & Retirement	9.1	9.1	8.7	9.6	10.1
385 Insurance Commissioner	120.9	125.2	120.6	119.4	126.1
410 Land Office, Commissioners of the	55.1	52.5	55.5	54.6	56.0
416 Law Enforcement Retirement	6.0	5.8	5.0	5.0	5.0
435 Lottery Commission	39.5	40.4	38.2	32.6	30.3
557 Police Pension & Retirement Board	11.4	11.0	11.5	11.4	11.8
515 Public Employees Retirement System	49.2	52.0	55.2	56.0	53.6
695 Tax Commission	893.6	828.3	749.9	751.1	705.8
715 Teachers Retirement System	47.2	43.6	39.2	32.4	33.4
740 Treasurer	61.0	58.9	56.3	48.4	46.6
Total	1,986.0	1,915.4	1,833.8	1,950.4	2,772.8

FY-2014 Executive Budget

Cabinet/Agency	FY-2009	FY-2010	FY-2011	FY-2012	FY-2013
	Actual	Actual	Actual	Actual	YTD
Health					
807 Health Care Authority	433.9	453.2	450.7	476.7	472.4
340 Health, Department of	2,218.0	2,172.9	2,071.5	2,007.8	1,971.5
452 Mental Health & Substance Abuse, Dept. of	2,195.5	1,895.2	1,773.4	1,688.4	1,632.7
509 Nursing Homes, State Board of	3.3	2.6	2.0	3.0	3.0
92 Tobacco Settlement Trust Board	6.2	7.1	7.6	10.9	13.8
753 Uniform Building Code Commission	0.0	0.0	1.6	2.9	3.5
170 Construction Industries Board	27.4	29.0	28.9	29.9	32.1
Total	4,884.3	4,560.0	4,335.7	4,219.6	4,129.0
Human Resources and Administration					
582 Bond Advisor, State	2.8	2.0	2.0	2.4	3.0
580 Central Services, Dept. of *	243.7	238.2	219.4	207.4	0.5
635 Consumer Credit Commission	17.0	17.2	16.6	19.0	20.1
353 Horse Racing Commission	41.4	39.0	36.7	35.9	36.4
355 Human Rights Commission	14.1	13.9	12.1	11.3	12.0
298 Merit Protection Commission	7.4	6.2	6.2	5.1	4.0
548 Personnel Management, Office of *	68.0	61.5	53.6	41.2	2.0
630 Securities Commission	25.8	25.5	26.1	26.3	26.3
Total	420.2	403.5	372.7	348.6	104.3
Human Resources and Administration -Non Appropriated					
20 Accountancy, OK State Board of	9.0	8.4	8.7	10.1	10.0
117 Commercial Pet Breeders				3.0	0.0
145 Chiropractic Examiners Board	2.9	2.9	2.7	1.7	2.0
190 Cosmetology, State Board of	11.5	12.1	12.1	11.2	11.4
215 Dentists, Bd. of Governors of Registered	4.0	4.0	3.8	4.0	4.0
815 Employees Benefit Council *	34.7	34.8	33.9	25.9	1.8
570 Professional Engineers & Land Surveyors	9.3	8.8	9.5	9.6	9.5
285 Funeral Board	2.5	2.7	3.2	2.7	2.4
516 OK State & Education Employees Grp.Ins.Bd. *	174.2	168.5	159.5	155.4	0.3
45 Licensed & Landscape Architects, Bd. of Gov.	3.0	3.0	3.0	3.0	3.0
450 Medical Licensure & Supervision, Board of	21.1	21.0	22.1	21.1	18.2
475 Motor Vehicle Commission, Oklahoma	3.3	3.3	3.3	3.2	3.7
510 Nurse Registration & Education Board	24.3	26.2	25.8	26.3	28.0
520 Optometry, Board of Examiners in	2.7	2.2	2.0	2.2	2.0
525 Osteopathic Examiners Board	5.5	5.3	5.1	5.6	5.5
560 Pharmacy, Board of	9.2	8.9	9.0	9.4	9.2
575 Psychologist Examiners Board	2.0	2.0	2.0	2.0	1.9
588 Real Estate Commission, Oklahoma	17.5	17.5	17.0	16.0	15.3
622 Licensed Social Workers, State Board	1.4	1.5	1.3	1.4	1.6
632 Speech Pathology & Audiology Board	2.1	2.0	2.0	2.1	2.1
755 Used Motor Vehicle & Parts Commission	9.1	9.8	9.3	9.8	9.6
790 Veterinary Medical Examiners, Board of	3.1	3.5	4.6	4.1	4.8
Sub-total	353.6	351.5	340.0	329.8	146.3
Total	773.8	755.0	712.7	678.4	250.6

FY-2014 Executive Budget

Cabinet/Agency	FY-2009 Actual	FY-2010 Actual	FY-2011 Actual	FY-2012 Actual	FY-2013 YTD
Human Services					
127 Children & Youth, Commission on	27.6	27.2	27.3	24.8	25.2
326 Handicapped Concerns, Office of	8.0	7.5	6.1	6.0	5.8
830 Human Services Department	8,150.6	8,103.1	7,549.0	7,438.9	7,193.0
360 Indian Affairs Commission	3.4	2.3	2.0	0.0	1.0
670 J.D. McCarty Ctr. for Handicapped Concerns	211.8	217.3	231.2	223.2	229.0
400 Juvenile Affairs, Office of	1,007.2	907.4	771.0	701.3	707.3
619 Physician Manpower Training Commission	6.0	6.0	6.0	6.1	6.0
805 Rehabilitative Services, OK Dept. of	883.3	953.4	1,003.4	979.0	938.9
825 University Hospitals Authority	7.0	7.2	8.0	10.8	11.0
Total	10,304.9	10,231.4	9,604.0	9,390.1	9,117.2
Safety and Security					
30 A.B.L.E. Commission	43.7	43.8	42.4	40.3	35.9
49 Attorney General	171.4	156.9	133.8	160.4	169.1
131 Corrections Department	4,968.2	4,653.2	4,150.6	4,265.9	4,281.4
415 Council on Law Enforcement Educ.&Trng.	44.3	45.9	41.9	40.7	40.8
220 District Attorney's Council	1,134.4	1,148.9	1,103.6	1,112.7	1,114.9
309 Emergency Mgt., Dept. of	27.7	26.7	25.0	23.9	26.4
47 Indigent Defense System	124.0	118.1	112.6	108.3	100.0
308 Investigation, Okla. State Bureau of (OSBI)	316.5	326.5	324.2	308.0	294.5
448 Licensed Alcohol & Drug Counselors, Board of	1.5	1.8	1.7	1.7	1.8
342 Medicolegal Invest. Bd.	70.2	75.4	73.2	67.4	72.8
477 Narcotics & Dangerous Drugs Control	118.8	117.4	114.6	122.4	138.4
306 Pardon and Parole Board	42.2	38.0	36.7	33.4	33.5
585 Public Safety, Department of	1,522.0	1,515.3	1,434.9	1,408.8	1,396.5
310 State Fire Marshal, Office of	29.6	27.4	23.9	20.9	20.7
772 Chem. Tests for Alcohol & Drug Infl.	6.8	6.1	5.0	4.7	3.6
Total	8,621.3	8,301.4	7,624.1	7,719.5	7,730.3
Science and Technology					
628 Cent.f/t Adv.of Science & Technology	23.9	22.2	18.4	16.6	18.1
Secretary of State					
678 Council on Judicial Complaints	2.0	2.0	2.0	2.0	2.0
270 Election Board, State	22.3	19.4	20.0	19.6	19.4
296 Ethics Commission	7.0	6.5	5.7	6.0	4.5
625 Secretary of State	31.1	30.9	32.2	34.9	34.3
Total	62.4	58.8	59.9	62.5	60.2
Transportation					
60 Aeronautics Commission, OK	11.6	11.6	10.2	10.1	10.3
346 Space Industry Development Authority	3.9	3.7	2.9	3.8	4.5
345 Transportation	2,495.3	2,459.0	2,426.0	2,352.6	2,302.1
978 Turnpike Authority	577.6	577.4	575.5	579.3	560.0
Total	3,088.4	3,051.7	3,014.6	2,945.8	2,876.9
Legislature					
422 House of Representatives	282.3	277.3	251.8	233.2	201.3
423 Legislative Service Bureau	20.9	10.5	8.5	6.4	6.2
421 Senate	196.2	189.9	151.9	150.9	149.7
Total	499.4	477.7	412.2	390.5	357.2

FY-2014 Executive Budget

Cabinet/Agency	FY-2009 Actual	FY-2010 Actual	FY-2011 Actual	FY-2012 Actual	FY-2013 YTD
Judiciary					
199 Criminal Appeals, Court of	31.0	29.5	28.5	29.6	28.9
219 District Courts	631.5	626.3	621.6	619.6	617.6
369 Workers' Compensation Court	80.7	76.7	72.5	72.4	72.6
677 Supreme Court/Court of Appeals	172.3	177.1	176.0	174.8	184.0
Total	915.5	909.6	898.6	896.4	903.1
State Regents					
	0.0	0.0	0.0	0.0	0.0
620 Quartz Mountain Conference Center	13.9	14.4	15.6	13.9	16.0
605 Regents For Higher Education	298.9	289.5	280.8	277.8	273.9
610 Regenional Unviversity System of Oklahoma	6.2	5.9	6.3	5.9	6.0
Total	319.0	309.8	302.7	297.6	295.9
Colleges and Universities					
	0.0	0.0	0.0	0.0	0.0
760 University of Oklahoma	7,362.6	7,344.5	7,307.8	7,282.9	7,412.9
770 Okla. University Health Science Ctr.	5,402.8	5,533.3	5,626.7	5,821.1	5,496.3
771 OU Health Science Ctr.Prof.Prac.Plan	378.8	396.4	420.3	646.7	924.0
Sub-total	13,144.2	13,274.2	13,354.8	13,632.4	13,833.2
10 Oklahoma State University	8,215.1	8,216.7	8,199.8	6,675.7	7,091.3
Sub-total	8215.1	8216.7	8199.8	8365.5	7091.3
100 Cameron University	605.8	608.6	602.0	655.6	618.0
108 Carl Albert J.C.	560.2	743.7	264.5	276.7	248.8
165 Conners State College	166.2	208.9	218.8	188.1	198.2
230 East Central Oklahoma State Univ.	584.4	592.0	581.5	585.7	564.0
240 Eastern Oklahoma State College	216.6	226.2	226.1	215.9	218.8
420 Langston University	444.1	476.7	461.3	434.2	440.1
470 Murray State College	179.7	179.3	171.5	172.6	194.9
480 Northeastern A & M College	281.6	297.2	279.9	252.8	229.8
485 Northeastern Oklahoma State Univ.	1,170.3	1,146.6	1,192.5	1,182.6	1,222.6
490 Northern Oklahoma College	358.8	361.5	361.5	364.2	343.3
505 Northwestern Oklahoma State Univ.	315.9	320.8	319.4	333.5	340.8
530 Oklahoma Panhandle State University	161.8	165.9	164.9	147.4	158.6
241 Redland Community College	201.8	196.7	202.6	209.1	207.1
461 Rogers State Univ.(Claremore J.C.)	391.7	405.8	410.0	393.8	397.5
531 Rose State College	550.6	558.5	587.0	456.7	484.6
606 Ardmore Higher EducationCenter	12.8	13.7	13.6	15.3	17.6
623 Seminole J.C.	174.2	174.1	173.5	170.4	170.2
633 South Oklahoma City J.C.	674.9	758.1	848.4	890.5	855.3
660 Southeastern Oklahoma State Univ.	535.8	541.5	542.1	550.3	526.2
665 Southwestern Oklahoma State Univ.	750.4	761.2	772.4	768.3	751.7
750 Tulsa J.C.	1,328.5	1,393.7	1,400.3	1,496.7	1,286.9
758 University Center of Ponca City	0.0	0.0	0.0	0.0	5.6
120 University of Central Oklahoma	1,456.6	1,462.6	1,513.8	1,563.8	1,495.5
150 Univ. of Science and Arts of Okla	172.7	175.8	185.8	188.6	180.5
41 Western Oklahoma State College	166.3	167.5	167.1	172.4	169.3
Sub-total	11,461.7	11,936.6	11,660.5	11,481.3	11,325.9
Total - College & University	32,821.0	33,427.5	33,215.1	33,479.2	32,250.4
Total	72,238.1	71,893.6	69,599.1	69,320.8	67,870.7

*HB 2140, effective August 2011, consolidated the Department of Central Services, the Employees Benefit Council, the Office of Personnel Management, and the Oklahoma State Education Employees Group Insurance Board into the Office of State Finance. The consolidated agency is the Office of Management and Enterprise Services.

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.

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 10% 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 2011 (FY-2011) runs from July 1, 2010 to June 30, 2011].

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.

Nonappropriated 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. Nonappropriated funds are also called "continuing appropriations." The terms have the same meaning.

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).