



**SCOTT MEACHAM  
OKLAHOMA STATE TREASURER**

**For Immediate Release: December 15, 2009**

## **Agency Funding Cuts Doubled as Revenue Shortfall Continues**

**OKLAHOMA CITY** – Monthly funding allocations to state agencies will be reduced by 10 percent this month and possibly next as November revenue collections fell well short of the estimate and prior year collections for an 11<sup>th</sup> consecutive month, State Treasurer Scott Meacham announced today.

The 10-percent reduction in monthly allocations in December and January, as authorized by State Finance Director Michael Clingman, reflects a doubling of the five-percent cuts in effect since the start of the fiscal year.

“Disappointing” is how Meacham described November’s revenue report. “We hoped we had begun to see the bottom of the recession in Oklahoma last month, but that does not appear to be the case.”

Preliminary reports show General Revenue Fund collections in November were \$316.4 million. That amount is:

- \$139 million or 30.5 percent below the prior year; and,
- \$105.8 million or 25.1 percent below the estimate.

Fiscal year-to-date collections total \$1.797 billion. That is \$717.1 million or 28.5 percent below the prior year and \$577.5 million or 24.3 percent below the estimate.

“Governor Henry and legislative leadership have agreed to the 10-percent cut in allocations for December, and cuts may remain at the 10-percent level in January depending on the report on December collections and the release of Tax Commission revenue projections for the remainder of the fiscal year,” said Meacham, who also serves as Cabinet Secretary for Finance and Revenue.

The State Board of Equalization will receive the Tax Commission projections next Monday, December 21, and the December revenue report will be issued on January 12.

Meacham said the governor and legislative leaders also agreed to fund the current \$41 million shortfall in the Education Reform Revolving Fund, also known as the 1017 fund. Year-to-date receipts for the 1017 fund are 14.9 percent below the estimate for that fund.

**(more)**

Even with the increased cuts in funding, an additional \$78.4 million was required to be transferred from cash funds to provide sufficient funds to make December allocations. A total of \$233.8 million has been utilized from cash funds since the start of the fiscal year in July to make monthly allocations at reduced levels. Those transferred funds will have to be repaid by the end of the fiscal year.

The 10-percent reduction amounts to a monthly cut of \$42.9 million in budgetary allocations to state agencies.

In November, net income taxes, a combination of personal and corporate income taxes, produced \$137.4 million, which is \$37.8 million or 21.6 percent below the prior year and \$40.8 million or 22.9 percent below the estimate.

Personal income tax collections for the month are \$137.4 million. That is \$29.3 million or 17.6 percent below the prior year and \$30.9 million or 18.4 percent below the estimate. After refunds were paid for the month, corporate income tax collections were recorded as zero. In November of last year, corporate income tax collections totaled \$8.6 million.

The state sales tax produced \$123.2 million for the month, which is \$26.5 million or 17.7 percent below the prior year and \$36.3 million or 22.8 percent below the estimate.

The gross production tax on natural gas yielded \$10.3 million for the month, which is \$53 million or 83.8 percent below the prior year and \$14.1 million or 57.8 percent below the estimate.

Motor vehicle taxes produced \$11.6 million in November, which is \$0.4 million or 3.6 percent above the prior year and \$2.6 million or 28.8 percent above the estimate.

For November, investments by the State Treasurer's Office yielded \$11.7 million. That is \$2.7 million below the same month of the prior year.

Other revenue, including investment earnings along with taxes on insurance, inheritance, alcoholic beverages and others produced \$34 million for the month. This is \$22 million or 39.3 percent below the prior year and \$17.3 million or 33.7 percent below the estimate.

###

**For more information contact:**

Tim Allen, Deputy Treasurer for Policy and Administration, (405) 522-4212

# General Revenue Comparisons With Prior Year

## CHART I

PRELIMINARY

### MONTHLY COMPARISON

SUMMARY Nov 2009

(In \$ millions)	FY-09 Actual	FY-10 Actual	Variance From Prior Year	
	Nov 2008	Nov 2009	\$	%
Net Income Tax	\$175.2	\$137.4	-\$37.8	-21.6%
Gross Production	63.3	10.3	-53.0	-83.8%
Sales Tax	149.7	123.2	-26.5	-17.7%
Motor Vehicle	11.2	11.6	0.4	3.6%
<b>Subtotal: Major Taxes</b>	<b>\$399.3</b>	<b>\$282.4</b>	<b>-\$117.0</b>	<b>-29.3%</b>
Other Sources (1)	56.0	34.0	-22.0	-39.3%
<b>TOTAL GEN REVENUE</b>	<b>\$455.4</b>	<b>\$316.4</b>	<b>-\$139.0</b>	<b>-30.5%</b>
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	<b>\$455.4</b>	<b>\$316.4</b>	<b>-\$139.0</b>	<b>-30.5%</b>

PRELIMINARY

### 5 MONTH YEAR TO DATE

SUMMARY Nov 2009

(In \$ millions)	FY-09 Actual	FY-10 Actual	Variance From Prior Year	
	Thru Nov 2008	Thru Nov 2009	\$	%
Net Income Tax	\$993.5	\$784.9	-\$208.6	-21.0%
Gross Production	424.8	93.7	-331.1	-78.0%
Sales Tax	722.1	619.3	-102.7	-14.2%
Motor Vehicle	85.3	57.4	-27.9	-32.7%
<b>Subtotal: Major Taxes</b>	<b>\$2,225.7</b>	<b>\$1,555.3</b>	<b>-\$670.4</b>	<b>-30.1%</b>
Other Sources (1)	288.1	241.3	-46.7	-16.2%
<b>TOTAL GEN REVENUE</b>	<b>\$2,513.8</b>	<b>\$1,796.7</b>	<b>-\$717.1</b>	<b>-28.5%</b>
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	<b>\$2,513.8</b>	<b>\$1,796.7</b>	<b>-\$717.1</b>	<b>-28.5%</b>

(1) Other sources revenue estimated pending final accounting.

(2) Recurring revenue after subtracting one-time funds.

Details may not sum due to rounding.

# General Revenue Comparisons With Estimate

## CHART II

PRELIMINARY

### MONTHLY COMPARISON

SUMMARY Nov 2009

(In \$ millions)	FY-10 Estimate	FY-10 Actual	Variance From Estimate	
	Nov 2009	Nov 2009	\$	%
Net Income Tax	\$178.2	\$137.4	-\$40.8	-22.9%
Gross Production	24.4	10.3	-14.1	-57.8%
Sales Tax	159.4	123.2	-36.3	-22.8%
Motor Vehicle	9.0	11.6	2.6	28.8%
<b>Subtotal: Major Taxes</b>	<b>\$370.9</b>	<b>\$282.4</b>	<b>-\$88.5</b>	<b>-23.9%</b>
Other Sources (1)	51.3	34.0	-17.3	-33.7%
<b>TOTAL GEN REVENUE</b>	<b>\$422.2</b>	<b>\$316.4</b>	<b>-\$105.8</b>	<b>-25.1%</b>
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	<b>\$422.2</b>	<b>\$316.4</b>	<b>-\$105.8</b>	<b>-25.1%</b>

PRELIMINARY

### 5 MONTH YEAR TO DATE

SUMMARY Nov 2009

(In \$ millions)	FY-10 Estimate	FY-10 Actual	Variance From Estimate	
	Thru Nov 2009	Thru Nov 2009	\$	%
Net Income Tax	\$966.3	\$784.9	-\$181.3	-18.8%
Gross Production	280.2	93.7	-186.5	-66.6%
Sales Tax	769.0	619.3	-149.7	-19.5%
Motor Vehicle	68.6	57.4	-11.2	-16.3%
<b>Subtotal: Major Taxes</b>	<b>\$2,084.1</b>	<b>\$1,555.3</b>	<b>-\$528.8</b>	<b>-25.4%</b>
Other Sources (1)	290.0	241.3	-48.7	-16.8%
<b>TOTAL GEN REVENUE</b>	<b>\$2,374.1</b>	<b>\$1,796.7</b>	<b>-\$577.5</b>	<b>-24.3%</b>
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	<b>\$2,374.1</b>	<b>\$1,796.7</b>	<b>-\$577.5</b>	<b>-24.3%</b>

(1) Other sources revenue estimated pending final accounting.

(2) Recurring revenue after subtracting one-time funds.

Details may not sum due to rounding.