

State Board of Equalization



Proposed FY 2027 Revenue Certification

Friday, Feb. 13, 2026



John Gilbert

Deputy Director of
Revenue & Budget
Office of Management
and Enterprise Services

Chris Cremin

Budget & Revenue
Analyst
Office of Management
and Enterprise Services



OKLAHOMA
Office of Management
& Enterprise Services

TABLE OF CONTENTS

Purpose of February BOE meeting

Report on constitutionally and statutorily required findings and certify amounts available for appropriation for FY 2027.

Page

Required Findings

Schedule 1	Appropriations Limitation (Agenda Item 5)	1
Schedule 2	Oklahoma Education Lottery Trust Fund (Agenda Item 6)	2
Schedule 3	Certification of Five-Year Averages (Agenda Item 7)	3
Schedule 4	Teachers' Retirement System Apportionments (Agenda Item 8)	4

Revenue Certification

Schedule 5	Revenue Certification Proposals for FY 2027 (Agenda Item 9)	5
------------	---	---

Budget Outlook

Schedule 6	FY 2027 Budget Outlook: Summary of Legislative Authority	6
------------	--	---

Appendices

Appendix 1	Budget Detail by Fund	7
Appendix 2	FY 2026 Certified Fund Revenue Projections	9
Appendix 3	Itemized Estimates of "Other" Revenues	10
Appendix 4	Informational ROADS Fund Apportionment Summary	11
Appendix 5	Education Reform Act – HB 1017	12
Appendix 6	Summary of Reserves and Unspent Revenues	13
Appendix 7	Glossary	14
Appendix 8	Statutory and Constitutional References	15



Required Findings



OKLAHOMA
Office of Management
& Enterprise Services

**APPROPRIATIONS LIMITATION
SCHEDULE 1**

Section 23, Paragraph 1 of Article X, Constitution of Oklahoma, provides for a limitation on appropriations, except for appropriations from the Constitutional Reserve Fund. Pursuant to said limitation, appropriations for the upcoming fiscal year, 2027, shall not exceed the amount appropriated for the current fiscal year, 2026, plus 12% adjusted for inflation as measured at the close of the calendar year. The amount appropriated from each fund by the First Regular Session of the 60th Legislature and acted upon by the Governor was \$12,470,444,793. The limit on appropriations for the First Regular Session of the 60th Legislature is \$15,234,204,790 for the fiscal year ending June 30, 2027.

FUND NAME	AMOUNT
GENERAL REVENUE FY 2026	\$7,754,273,650
GENERAL REVENUE FY 2025	\$29,152,073
GENERAL REVENUE FY 2024	\$759,392,964
GENERAL REVENUE FY 2023	\$563,696,626
REVENUE STABILIZATION FUND	\$238,077,462
ERRF (1017) FUND	\$1,274,188,466
ALCOHOLIC BEVERAGE CONTROL FUND	\$12,600,781
C.L.E.E.T. FUND FY 2026	\$2,472,205
C.L.E.E.T. FUND FY 2024	\$454,675
COMMISSIONERS OF THE LAND OFFICE FUND	\$6,703,421
COMMON EDUCATION TECHNOLOGY FUND	\$47,000,000
EDUCATION LOTTERY TRUST FUND	\$65,000,000
FMAP RATE PRESERVATION FUND	\$34,597,531
HEALTH CARE ENHANCEMENT FUND	\$98,173,950
HIGHER EDUCATION CAPITAL FUND	\$47,000,000
MINERAL LEASING FUND FY 2026	\$4,940,000
MINERAL LEASING FUND FY 2024	\$344,531
OCCUPATIONAL HEALTH AND SAFETY FUND FY 2026	\$1,083,285
OCCUPATIONAL HEALTH AND SAFETY FUND FY 2024	\$140,592
OHLAP FUND	\$70,000,000
OK STUDENT AID FUND	\$47,000,000
PUBLIC BUILDING FUND FY 2026	\$1,596,327
PUBLIC BUILDING FUND FY 2024	\$2,205,551
ROADS FUND	\$610,000,000
SPECIAL CASH FUND	\$187,000,000
STATE JUDICIAL REVOLVING FUND	\$15,537,314
STATE PUBLIC SAFETY FUND FY 2026	\$22,800,000
STATE PUBLIC SAFETY FUND FY 2024	\$9,479,944
STATE TRANSPORTATION FUND	\$204,509,528
TOBACCO SETTLEMENT FUND	\$10,000,000
TRS DEDICATED REVENUE REVOLVING FUND	\$433,935,232
TOTAL	\$12,553,356,108

The initial appropriation growth limitation is calculated by multiplying the preceding years' total appropriation by the sum of 100% plus 12% and an adjustment for inflation (2.7%) = 114.7%

Total appropriations for FY 2026	\$12,553,356,108
Growth factor	114.70%
Initial limit on appropriation for FY 2027	\$14,398,699,456
** Adjustment – certified funds not previously appropriated	\$835,505,334

Agenda Item 5

Final limit on appropriation FY 2027	\$15,234,204,790
--------------------------------------	-------------------------

* \$38,077,462 in appropriations from the Constitutional Reserve Fund into Special Cash are excluded.

** Additional language in Section 23, paragraph 1 of Article X, Constitution of Oklahoma reads that, "Said limit shall be adjusted for funds not previously appropriated." Adjustment is FY 2026 certified General Revenue Fund balance that was not previously appropriated.

OKLAHOMA EDUCATION LOTTERY TRUST FUND
FEBRUARY APPROPRIATIONS ANALYSIS & REQUIRED FINDINGS
SCHEDULE 2

Article X, Section 41 of the Oklahoma Constitution and Title 3A Section 713 of the Oklahoma Statutes requires the State Board of Equalization to determine if appropriations from the Oklahoma Education Lottery Trust Fund were used to enhance or supplant education funding.

	FY 2025 FINAL APPROPRIATIONS	FY 2026 AUTHORIZED APPROPRIATIONS	INCREASE OR (DECREASE)	PERCENT CHANGE
Total Education funding*	\$5,081,983,613	\$5,261,023,066	\$179,039,453	3.5%
Education Lottery Trust Fund**	\$69,752,171	\$65,000,000	(\$4,752,171) **	-6.8%
Education funding less Lottery Trust Fund	\$5,012,231,442	\$5,196,023,066	\$183,791,624	3.7%

Agenda Item 6

To determine if the Oklahoma Education Lottery Trust Fund supplanted or enhanced education funding, FY 2025 appropriations are compared to FY 2026 appropriations. If the appropriations base for education increased before adding Lottery Trust Fund, the Lottery Trust Fund served to enhance education funding. Education appropriations, excluding the Lottery Trust Fund, increased from FY 2025 to FY 2026 by \$179 million, or 3.5%. Since the base appropriation increased before the addition of Lottery Trust Fund, it is determined that the Lottery Trust Fund enhanced FY 2026 funding for education by the full \$65 million.

*Total Education funding includes base appropriations and spending authorizations to the Department of Education, Career and Technical Education, and Regents for Higher Education. Federal monies and one-time expenses are excluded.

**SB 612, effective Nov. 1, 2023, amends Title 3A, Section 713 to require that proceeds to the Lottery Trust Fund above \$65,000,000 be deposited to the Teacher Empowerment Revolving Fund. The Teacher Empowerment Revolving Fund is a revolving fund at the State Department of Education that does not require legislative appropriation.

**REVENUE STABILIZATION ACT
CERTIFICATION OF FIVE-YEAR AVERAGES
SCHEDULE 3**

Certification of five-year averages:

<u>Agenda Item 7:</u>	(A1)	(A2)	(A3)
	GROSS PRODUCTION OIL TAX	GROSS PRODUCTION NATURAL GAS TAX	CORPORATE INCOME TAX
FY 2021	\$136,654,276	\$281,945,361	\$452,137,848
FY 2022	\$406,414,059	\$668,309,139	\$527,114,968
FY 2023	\$542,613,777	\$779,096,601	\$598,497,550
FY 2024	\$359,675,976	\$359,755,375	\$533,941,162
<u>FY 2025</u>	<u>\$356,587,558</u>	<u>\$336,419,136</u>	<u>\$481,655,374</u>
Proposed five-year average:	\$360,389,129	\$485,105,122	\$518,669,380

Calculations

	FY 2027 PROPOSED FIVE-YEAR AVERAGE	FY 2027 PROPOSED COLLECTION	FY 2027 PROPOSED POTENTIAL DEPOSIT
GPT-Oil	\$360,389,129	\$212,957,000	\$0
GPT-Gas	\$485,105,122	\$416,248,000	\$0
Corporate Income Tax	\$518,669,380	\$457,133,055	<u>\$0</u>
		POTENTIAL UNCAPPED RSF DEPOSIT	\$0

Certified FY 2026 General Revenue estimate (June 2025)	\$8,275,753,538
Proposed FY 2027 General Revenue (Feb 2026)	\$8,678,813,141
FY 2027 capped RSF deposit (3% of proposed GR)	\$260,364,394
FY 2027 potential uncapped RSF deposit	\$0

Required finding

None of the revenue sources designated by Title 62, Section 34.102 are estimated to exceed the five-year averages calculated pursuant to Section 34.103 of the same title in FY 2027. Therefore, no deposit will be made.

Legislative history and relevant statutes are available on Appendix 8, Page 15.

* Per Title 62, Section 34.102, Paragraph E, uncapped deposits to the Revenue Stabilization Fund from Corporate Income Tax are limited to 75% of revenues in excess of the five-year average, with the remaining 25% going to the Constitutional Reserve (Rainy Day) Fund.

**OKLAHOMA TEACHERS' RETIREMENT SYSTEM DEDICATED REVENUE REVOLVING FUND
FEBRUARY DETERMINATION OF BASELINE
SCHEDULE 4**

Title 68, Section 2355.1B, added by laws 2007, SB 357, as amended by SB 1092, effective Nov. 1, 2007, requires that the Board of Equalization, at the constitutional meeting, "2. Beginning with the February meeting in the sixth year after the Board determines an initial baseline amount, annually review such amount to determine if it differs from the average annual amount of revenue which was finally apportioned to the credit of the Teachers' Retirement System Dedicated Revenue Revolving Fund pursuant to Sections 1353, 1403 and 2352 of Title 68 of the Oklahoma Statutes over the most recent five fiscal years. If the Board determines that the initial baseline amount is less than the five-year average annual amount, a new baseline equal to the five-year average annual amount shall be determined and applied as provided in paragraph 5 of Section 1353, paragraph 5 of Section 1403 and paragraph 3 of Section 2352 of Title 68 of the Oklahoma Statutes; and 3. Determine the proportion of the baseline amount attributable to each revenue source specified in paragraph 2 of this section whenever the Board determines a baseline amount." HB 2741, passed during the 2020 legislative session, amended Title 68, Sections 1353, 1403 and 2352 and struck requirements that in no event individual income tax, corporate income tax, sales tax and use tax apportioned to Teachers' Retirement System Dedicated Revenue Revolving Fund be less than the baseline established by the Board of Equalization.

Calculations

OKLAHOMA TEACHERS' RETIREMENT SYSTEM DEDICATED REVENUE REVOLVING FUND						
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
						5-YR AVG APPORTIONMENT
SOURCE	FY 2021*	FY 2022*	FY 2023	FY 2024	FY 2025	Feb 2026
Income Tax-Individual	\$136,678,702	\$203,220,215	\$224,782,193	\$221,852,109	\$238,623,494	\$205,031,343
Income Tax-Corporate	\$23,952,798	\$40,769,023	\$40,674,591	\$36,287,263	\$34,321,297	\$35,200,994
Sales Tax	\$95,335,310	\$148,812,913	\$165,767,014	\$164,548,408	\$144,988,816	\$143,890,492
Use Tax	\$15,915,529	\$26,038,839	\$30,277,211	\$32,399,012	\$33,867,070	\$27,699,532
						TOTAL FIVE-YEAR AVG APPORTIONMENT
						\$411,822,361

INITIAL BASELINE APPORTIONMENT (FEB 2013)	\$288,923,294
CURRENT BASELINE APPORTIONMENT (FEB 2024)	\$386,623,592
PROPOSED BASELINE APPORTIONMENT (FEB 2026)**	\$411,822,361

Agenda Item 8

The new five-year average apportionment to the Oklahoma Teachers' Retirement System Revolving Fund from income taxes, sales taxes and use taxes is greater than the previously determined baseline. The new baseline for such apportionment in FY 2027 shall be **\$411,822,361**.

* HB 2741 redirected a portion of TRS dedicated revenues in FY 2021 to the Education Reform Revolving Fund (1017 Fund). HB 2894 restored TRS apportionment percentages for FY 2022 and will increase the apportionment share of dedicated revenues from FY 2023 through FY 2027.

** The current year proposed estimate for apportionment to the TRS Dedicated Revenue Revolving Fund is \$433,935,232 (Appendix 1, Page 8).



Revenue Certification



OKLAHOMA
Office of Management
& Enterprise Services

**REVENUE CERTIFICATION PROPOSALS FOR FY 2027
SCHEDULE 5**

	FY 2027 ESTIMATE Dec 2025	FY 2027 95% ESTIMATE Dec 2025	PROPOSED COLLECTION FY 2027 ESTIMATE Feb 2026	PROPOSED AUTHORITY FY 2027 95% ESTIMATE Feb 2026
General Revenue Fund				
Alcohol Beverage Tax	\$47,783,000	\$45,393,850	\$48,016,000	\$45,615,200
Mixed Beverage	\$120,893,000	\$114,848,350	\$122,285,000	\$116,170,750
Cigarette Tax	\$35,653,069	\$33,870,415	\$32,834,389	\$31,192,669
Tobacco Products Tax	\$31,412,694	\$29,842,060	\$31,573,704	\$29,995,019
Franchise Tax	\$1,151,000	\$1,093,450	\$1,093,000	\$1,038,350
Gross Production Tax-Gas	\$455,294,000	\$432,529,300	\$416,248,000	\$395,435,600
Gross Production Tax-Oil	\$205,935,000	\$195,638,250	\$212,957,000	\$202,309,150
Income Tax-Individual	\$3,421,174,078	\$3,250,115,374	\$3,567,885,498 ²	\$3,389,491,223
Income Tax-Corporate	\$462,986,288	\$439,836,973	\$457,133,055	\$434,276,402
Insurance Premium Tax	\$142,735,063	\$135,598,310	\$142,735,063	\$135,598,310
Motor Vehicle Taxes	\$50,608,000	\$48,077,600	\$49,161,000	\$46,702,950
Sales Tax	\$2,370,460,738	\$2,251,937,701	\$2,386,255,790 ³	\$2,266,943,001
Use Tax	\$602,257,661	\$572,144,778	\$608,971,475	\$578,522,901
Interest & investments (State Treasurer)	\$405,000,000	\$384,750,000	\$410,000,000	\$389,500,000
Other OTC (see Appendix 3)	\$56,170,775	\$53,362,236	\$56,015,256	\$53,214,493
Collections by other agencies (see Appendix 3)	\$223,208,103	\$212,047,698	\$215,648,910	\$204,866,465
General Revenue Totals	\$8,632,722,468	\$8,201,086,344	\$8,758,813,141	\$8,320,872,484
OHLAP Transfer	(\$80,000,000)	(\$80,000,000)	(\$80,000,000)	(\$80,000,000)
TOTAL GENERAL REVENUE	\$8,552,722,468	\$8,121,086,344	\$8,678,813,141	\$8,240,872,484
State Certified Funds				
C.L.E.E.T.	\$2,352,560	\$2,234,932	\$2,350,000	\$2,232,500
COMMISSIONERS OF THE LAND OFFICE FUND	\$12,315,403	\$11,699,633	\$12,315,403	\$11,699,633
MINERAL LEASING FUND	\$5,000,000	\$4,750,000	\$5,000,000	\$4,750,000
OK EDUCATION LOTTERY TRUST FUND	\$65,000,000	\$61,750,000	\$65,000,000	\$61,750,000
PUBLIC BUILDING FUND	\$2,575,600	\$2,446,820	\$2,575,600	\$2,446,820
OCCUPATIONAL HEALTH AND SAFETY FUND	\$1,110,285	\$1,054,771	\$1,130,285	\$1,073,771
ALCOHOLIC BEVERAGE CONTROL FUND	\$13,147,000	\$12,489,650	\$12,827,000	\$12,185,650
OK PENSION IMPROVEMENT REVOLVING FUND	\$246,978	\$234,629	\$246,978	\$234,629
STATE PUBLIC SAFETY FUND	\$25,400,000	\$24,130,000	\$25,400,000	\$24,130,000
STATE HEALTH CARE ENHANCEMENT FUND	\$111,474,000	\$105,900,300	\$104,731,000	\$99,494,450
GRAND TOTAL STATE FUNDS	\$8,791,344,294	\$8,347,777,079	\$8,910,389,407	\$8,460,869,936
Federal Certified Funds				
STATEWIDE RECOVERY FUND	\$184,221,701	\$184,221,701 ¹	\$184,221,701	\$184,221,701 ¹
ARPA ADMINISTRATIVE COSTS FUND	\$840,752	\$840,752	\$840,752	\$840,752
GRAND TOTAL FEDERAL FUNDS	\$185,062,453	\$185,062,453	\$185,062,453	\$185,062,453

Agenda Item 9

The estimate of total certified state revenues is **\$8,910,389,407** and the certified state revenue available for appropriation is **\$8,460,869,936**. The estimate of total certified federal revenue available for appropriation is **\$185,062,453**.

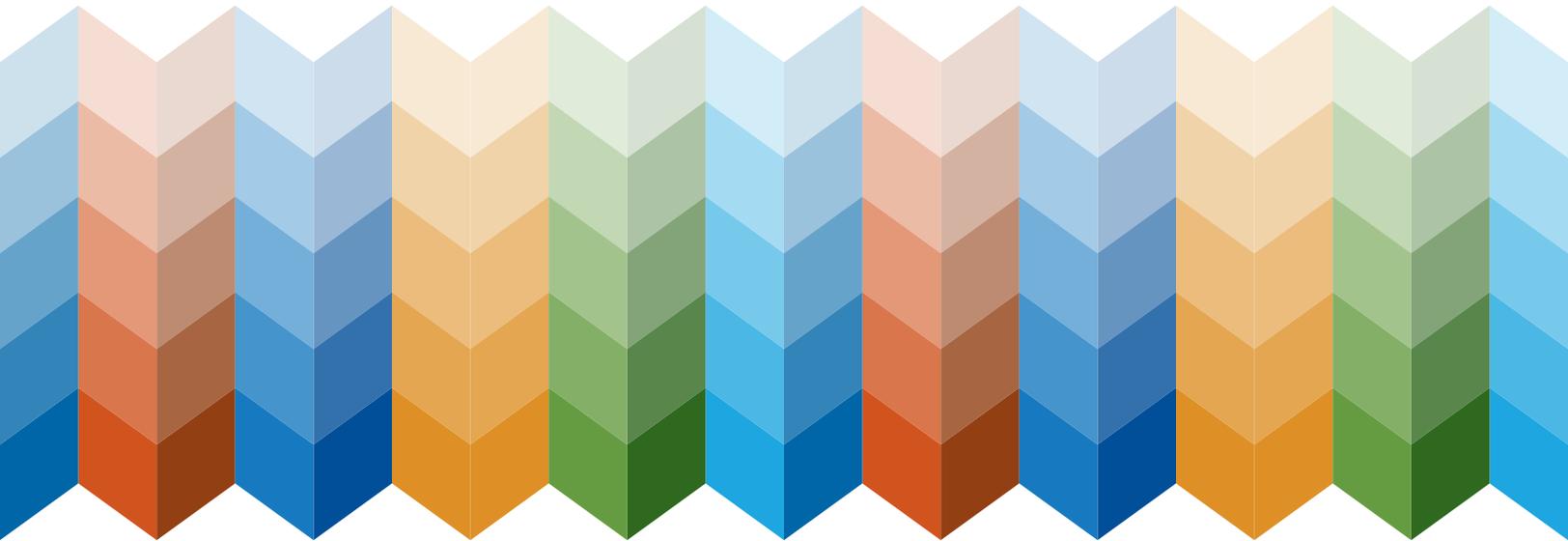
¹ Statewide Recovery Fund includes total ARPA funds and interest received after all administrative expenses paid and appropriations made. Federal funds are certified for appropriation at the full amount of the estimate and not subject to the 95% availability rule as directed by Article X, Section 23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

² \$30 million to fund the Filmed in Oklahoma Act per Title 68, Section 3634; \$8 million to fund the Film Enhancement Rebate Program per Title 68, Section 3624; and \$211.9 million in transfers to the ROADS Fund (Appendix 4) have been apportioned from Personal Income Tax.

³ Pursuant to Title 68, Section 1353, Subsection B, \$5 million has been apportioned from Sales Tax to the Municipal Road Drilling Activity Revolving Fund.



Budget Outlook



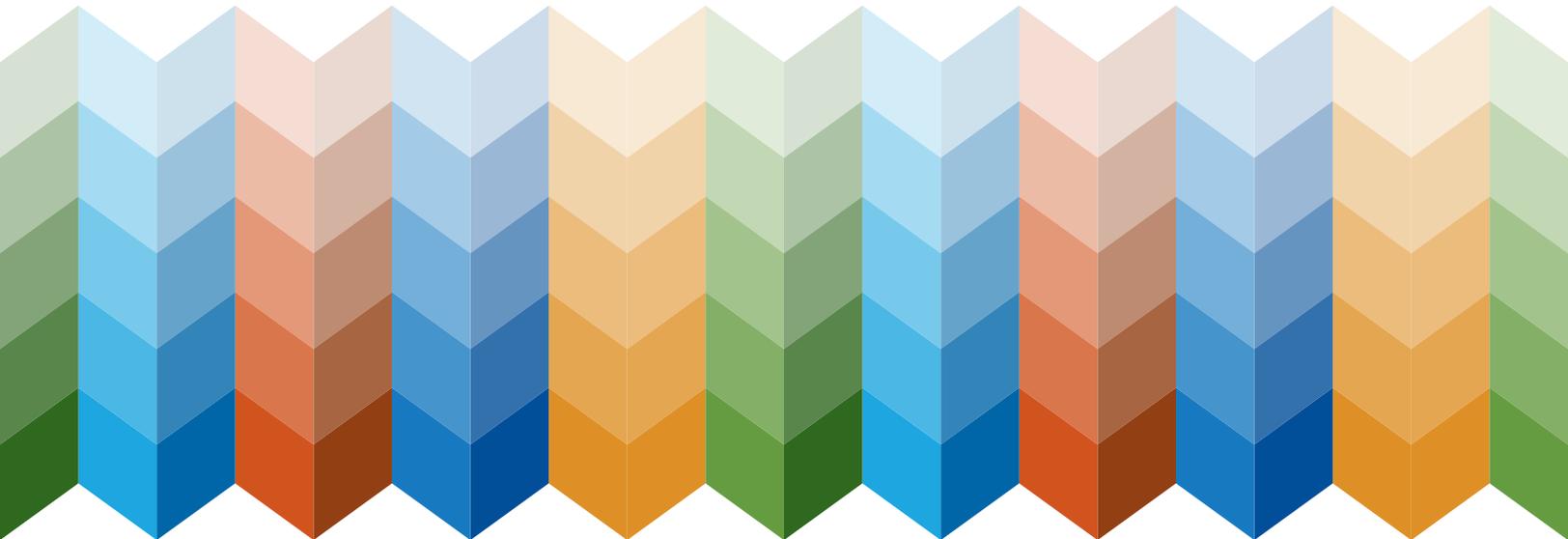
OKLAHOMA
Office of Management
& Enterprise Services

**FY 2027 BUDGET OUTLOOK
SUMMARY OF LEGISLATIVE AUTHORITY
SCHEDULE 6**

	FY 2026 Jun 2025 EXPENDITURE AUTHORITY	FY 2026 Jun 2025 LEGISLATIVE APPROPRIATIONS	FY 2027 Dec 2025 EXPENDITURE AUTHORITY	PROPOSED FY 2027 Feb 2026 EXPENDITURE AUTHORITY
CERTIFIED FUNDS (95% of estimate)				
General Revenue Fund	\$7,858,465,862	\$7,754,273,650	\$8,121,086,344	\$8,240,872,484
C.L.E.E.T. Fund	\$2,472,205	\$2,472,205	\$2,234,932	\$2,232,500
Mineral Leasing Fund	\$4,940,000	\$4,940,000	\$4,750,000	\$4,750,000
Occupational Health and Safety Fund	\$1,083,285	\$1,083,285	\$1,054,771	\$1,073,771
Public Building Fund	\$1,596,327	\$1,596,327	\$2,446,820	\$2,446,820
Commissioners of the Land Office Fund	\$11,837,000	\$6,703,421	\$11,699,633	\$11,699,633
OK Education Lottery Trust Fund	\$61,750,000	\$61,750,000	\$61,750,000	\$61,750,000
State Public Safety Fund	\$22,800,000	\$22,800,000	\$24,130,000	\$24,130,000
Health Care Enhancement Fund	\$98,173,950	\$98,173,950	\$105,900,300	\$99,494,450
Alcoholic Beverage Control Fund	\$12,600,781	\$12,600,781	\$12,489,650	\$12,185,650
OK Pension Improvement Rev Fund	\$113,897	\$0	\$234,629	\$234,629
TOTAL CERTIFIED FUNDS	\$8,075,833,307	\$7,966,393,619	\$8,347,777,079	\$8,460,869,936
AUTHORIZED FUNDS (100% of estimate)				
ERRF (1017) Fund	\$1,049,164,216	\$1,274,188,466	\$1,091,849,950	\$1,102,410,823
Common Ed. Technology Fund (GP – Oil)	\$47,025,701	\$47,000,000	\$47,000,000	\$47,000,000
OK Student Aid Fund (GP – Oil)	\$47,025,701	\$47,000,000	\$47,000,000	\$47,000,000
Higher Ed. Capital Fund (GP – Oil)	\$47,025,701	\$47,000,000	\$47,000,000	\$47,000,000
Tobacco Fund	\$10,000,000	\$10,000,000	\$20,000,000	\$10,000,000
Judicial Revolving Fund	\$15,537,314	\$15,537,314	\$13,420,617	\$15,537,313
Transportation Fund	\$204,509,528	\$204,509,528	\$196,200,281	\$196,200,281
ROADS Fund	\$610,000,000	\$610,000,000	\$610,000,000	\$610,000,000
Teachers' Retirement System Revolving Fund	\$433,922,369	\$433,935,232	\$447,922,178	\$454,697,408
OHLAP Fund	\$70,000,000	\$70,000,000	\$80,000,000	\$80,000,000
TOTAL AUTHORIZED FUNDS	\$2,534,210,530	\$2,759,170,540	\$2,600,393,025	\$2,609,845,825
TOTAL RECURRING REVENUES	\$10,610,043,837	\$10,725,564,159	\$10,948,170,104	\$11,070,715,761
CASH AND ONE-TIME				
SPECIAL CASH FUND APPROPRIATIONS	\$187,000,000	\$187,000,000	\$0	\$0
CASH FLOW RESERVE FUND	\$0	\$0	\$70,000,000	\$70,000,000
CONSTITUTIONAL RESERVE FUND	\$38,077,462	\$38,077,462	\$0	\$0
REVENUE STABILIZATION FUND	\$238,077,462	\$238,077,462	\$0	\$0
PREP FUND	\$20,000,000	\$20,000,000	\$0	\$0
CERTIFIED & AUTHORIZED FUND CASH	\$16,573,225	\$15,875,292	\$4,843,066	\$8,093,066
AGENCY REVOLVING FUND AUTHORIZATIONS	\$34,597,531	\$34,597,531	\$0	\$0
ADD'L REV FUND APPROPRIATIONS	\$21,253,658	\$21,253,658	\$0	\$0
GENERAL REVENUE SURPLUS	\$1,365,574,730	\$1,352,241,663	\$835,505,333	\$835,505,333
TOTAL CASH	\$1,921,154,068	\$1,907,123,069	\$910,348,399	\$913,598,399
TOTAL STATE FUNDS	\$12,531,197,905	\$12,632,687,227	\$11,858,518,504	\$11,984,314,160
FEDERAL CERTIFIED (100% of estimate)				
STATEWIDE RECOVERY FUND	\$205,770,798	\$34,178,258	\$184,221,701	\$184,221,701
ARPA ADMINISTRATIVE COST FUND	\$3,506,932	\$2,666,180	\$3,506,932	\$840,752
TOTAL AUTHORIZED BUDGET	\$12,740,475,634	\$12,669,531,665	\$12,046,247,137	\$12,169,376,613



Appendices



OKLAHOMA
Office of Management
& Enterprise Services

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

	FY 2026 EXPENDITURE AUTHORITY 2025 SESSION Jun 2025	FY 2026 LEGISLATIVE APPROPRIATIONS 2025 SESSION Jun 2025	FY 2027 EXPENDITURE AUTHORITY 2026 SESSION Feb 2026
NON-RESTRICTED FUNDS			
GENERAL REVENUE FUND			
Certified	\$7,858,465,862	\$7,754,273,650	\$8,240,872,484
Prior Year Certified	\$42,485,140	\$29,152,073	\$104,192,212
Cash	\$1,323,089,590	\$1,323,089,590	\$731,313,122
TOTAL	\$9,224,040,592	\$9,106,515,313	\$9,076,377,817
C.L.E.E.T. FUND			
Certified	\$2,472,205	\$2,472,205	\$2,232,500
Cash	\$454,675	\$454,675	\$187,397
TOTAL	\$2,926,880	\$2,926,880	\$2,419,897
MINERAL LEASING FUND			
Certified	\$4,940,000	\$4,940,000	\$4,750,000
Cash	\$344,531	\$344,531	\$359,606
TOTAL	\$5,284,531	\$5,284,531	\$5,109,606
OCCUPATIONAL HEALTH AND SAFETY FUND			
Certified	\$1,083,285	\$1,083,285	\$1,073,771
Cash	\$140,592	\$140,592	\$484,961
TOTAL	\$1,223,877	\$1,223,877	\$1,558,732
PUBLIC BUILDING FUND			
Certified	\$1,596,327	\$1,596,327	\$2,446,820
Cash	\$2,205,551	\$2,205,551	\$1,048,051
TOTAL	\$3,801,877	\$3,801,877	\$3,494,871
SPECIAL CASH FUND			
Cash	\$187,000,000	\$187,000,000	\$0
TOTAL	\$187,000,000	\$187,000,000	\$0
STATEWIDE RECOVERY FUND			
Certified	\$205,770,798	\$34,178,258	\$184,221,701
TOTAL	\$205,770,798	\$34,178,258	\$184,221,701
ARPA ADMINISTRATIVE COSTS FUND			
Certified	\$3,506,932	\$2,666,180	\$840,752
TOTAL	\$3,506,932	\$2,666,180	\$840,752
SUBTOTAL NON-RESTRICTED FUNDS	\$9,633,555,486	\$9,343,596,916	\$9,274,023,375

(Continued)

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

	FY 2026 EXPENDITURE AUTHORITY 2025 SESSION Jun 2025	FY 2026 LEGISLATIVE APPROPRIATIONS 2025 SESSION Jun 2025	FY 2027 EXPENDITURE AUTHORITY 2026 SESSION Feb 2026
RESTRICTED FUNDS			
COMMISSIONERS OF THE LAND OFFICE FUND			
Certified	\$11,837,000	\$6,703,421	\$11,699,633
Cash	\$612,687	\$0	\$14
TOTAL	\$12,449,687	\$6,703,421	\$11,699,647
OK EDUCATION LOTTERY TRUST FUND			
Certified	\$61,750,000	\$61,750,000	\$61,750,000
Cash	\$3,250,000	\$3,250,000	\$3,250,000
TOTAL	\$65,000,000	\$65,000,000	\$65,000,000
STATE PUBLIC SAFETY FUND			
Certified	\$22,800,000	\$22,800,000	\$24,130,000
Cash	\$9,479,944	\$9,479,944	\$2,113,938
TOTAL	\$32,279,944	\$32,279,944	\$26,243,938
HEALTH CARE ENHANCEMENT FUND			
Certified	\$98,173,950	\$98,173,950	\$99,494,450
Cash	\$0	\$0	\$0
TOTAL	\$98,173,950	\$98,173,950	\$99,494,450
ALCOHOLIC BEVERAGE CONTROL FUND			
Certified	\$12,600,781	\$12,600,781	\$12,185,650
Cash	\$0	\$0	\$0
TOTAL	\$12,600,781	\$12,600,781	\$12,185,650
OKLAHOMA PENSION IMPROVEMENT REV FUND			
Certified	\$113,897	\$0	\$234,629
Cash	\$85,245	\$0	\$649,100
TOTAL	\$199,142	\$0	\$883,729
SUBTOTAL RESTRICTED FUNDS	\$220,703,505	\$214,758,096	\$215,507,414
TOTAL RESTRICTED & NON-RESTRICTED	\$9,854,258,991	\$9,558,355,012	\$9,489,530,789
COMMON ED. TECH FUND			
Revolving Fund estimate	\$47,025,701	\$47,000,000	\$47,000,000
OK. STUDENT AID FUND			
Revolving Fund estimate	\$47,025,701	\$47,000,000	\$47,000,000
HIGHER ED. CAPITAL FUND			
Revolving Fund estimate	\$47,025,701	\$47,000,000	\$47,000,000
ERRF (1017) FUND			
Revolving Fund estimate	\$1,049,164,216	\$1,274,188,466	\$1,102,410,823
TOBACCO SETTLEMENT FUND			
Revolving Fund estimate	\$10,000,000	\$10,000,000	\$10,000,000
STATE JUDICIAL REVOLVING FUND			
Revolving Fund estimate	\$15,537,314	\$15,537,314	\$15,537,313
STATE TRANSPORTATION FUND			
Revolving Fund estimate	\$204,509,528	\$204,509,528	\$196,200,281
ROADS FUND			
Revolving Fund estimate	\$610,000,000	\$610,000,000	\$610,000,000
TEACHERS' RETIREMENT SYSTEM REVOLVING FUND			
Revolving Fund estimate	\$433,922,369	\$433,935,232	\$454,697,408
OHLAP FUND			
Revolving Fund estimate	\$70,000,000	\$70,000,000	\$80,000,000
TOTAL	\$12,388,469,521	\$12,317,525,552	\$12,099,376,613
**ADDITIONAL BUDGETARY AUTHORIZATIONS:			
Cash Flow Reserve Fund	\$0	\$0	\$70,000,000
Constitutional Reserve Fund	\$38,077,462	\$38,077,462	\$0
Revenue Stabilization Fund	\$238,077,462	\$238,077,462	\$0
PREP Fund	\$20,000,000	\$20,000,000 ¹	\$0
Agency revolving fund authorizations	\$34,597,531	\$34,597,531 ²	\$0
Additional revolving fund appropriations	\$21,253,658	\$21,253,658 ³	\$0
TOTAL AUTHORIZED BUDGET	\$12,740,475,634	\$12,669,531,665	\$12,169,376,613

^{**} Additional Budgetary Authorizations are those amounts, authorized by law, which do not affect the Certified Funds or specific Authorized Funds reported for board action. This section is provided for informational purposes and final budgetary comparison.

¹ Not included in total are HB 2792 reappropriations of \$153.9 million in lapsed funds to 10 projects which previously received appropriations from the PREP Fund.

² HB 2766 appropriates \$34,597,531 to the Oklahoma Health Care Authority from the Rate Preservation Fund.

³ HB 2777 appropriates \$21,253,658 from the Opioid Lawsuit Settlement Fund to the Opioid Abatement Revolving Fund.

FY 2026 CERTIFIED FUND REVENUE PROJECTIONS
Appendix 2

	FY 2026 estimate Jun 2025	FY 2026 projection Dec 2025	FY 2026 projection Feb 2026	CHANGE IN Feb 2026 projection From Jun 2025 estimate	DIFFERENCE (%)
General Revenue Fund					
Alcohol Beverage Tax	\$47,966,000	\$47,276,000	\$47,104,000	(\$862,000)	(1.80%)
Mixed Beverage Tax	\$115,175,000	\$116,261,000	\$117,340,000	\$2,165,000	1.88%
Cigarette Tax	\$30,931,317	\$35,748,115	\$34,275,534	\$3,344,218	10.81%
Tobacco Products Tax	\$33,668,227	\$32,268,178	\$32,380,877	(\$1,287,350)	(3.82%)
Franchise Tax	\$2,894,000	\$1,077,000	\$994,000	(\$1,900,000)	(\$0.66)
Gross Production Tax-Gas	\$348,426,000	\$359,360,000	\$357,082,000	\$8,656,000	2.48%
Gross Production Tax-Oil	\$291,432,000	\$261,574,000	\$272,450,000	(\$18,982,000)	(6.51%)
Income Tax-Individual	\$3,455,184,681	\$3,401,521,040	\$3,628,493,332	\$173,308,651	5.02%
Income Tax-Corporate	\$466,348,208	\$535,729,523	\$497,222,715	\$30,874,508	6.62%
Insurance Premium Tax	\$140,569,496	\$142,735,063	\$142,735,063	\$2,165,567	1.54%
Motor Vehicle Taxes	\$51,564,000	\$49,784,000	\$49,557,000	(\$2,007,000)	(3.89%)
Sales Tax	\$2,151,559,878	\$2,309,639,614	\$2,341,994,131	\$190,434,253	8.85%
Use Tax	\$567,720,779	\$564,449,733	\$572,874,928	\$5,154,149	0.91%
Interest & investments	\$410,000,000	\$430,000,000	\$440,000,000	\$30,000,000	7.32%
Other OTC (see Appendix 3)	\$53,552,734	\$54,642,090	\$54,467,000	\$914,266	1.71%
Collections by other agencies (see Appendix 3)	\$178,761,218	\$216,719,717	\$216,146,277	\$37,385,059	20.91%
OHLAP transfer	(\$70,000,000.00)	(\$70,000,000.00)	(\$70,000,000.00)	\$0	
Total General Revenue	\$8,275,753,538	\$8,488,785,072	\$8,735,116,858	\$459,363,319	5.55%
State Certified Funds					
C.L.E.E.T. FUND	\$2,602,321	\$2,352,560	\$2,350,000	(\$252,321)	(9.70%)
COMMISSIONERS OF THE LAND OFFICE FUND	\$12,460,000	\$11,731,049	\$11,731,049	(\$728,951)	(5.85%)
MINERAL LEASING FUND	\$5,200,000	\$5,200,000	\$5,200,000	\$0	0.00%
OK EDUCATION LOTTERY TRUST FUND	\$65,000,000	\$65,000,000	\$65,000,000	\$0	0.00%
PUBLIC BUILDING FUND	\$1,680,344	\$3,005,714	\$3,005,714	\$1,325,370	78.87%
OCCUPATIONAL HEALTH AND SAFETY FUND	\$1,140,300	\$1,272,603	\$1,172,603	\$32,303	2.83%
ALCOHOLIC BEVERAGE CONTROL FUND	\$13,263,980	\$13,147,000	\$13,147,000	(\$116,980)	(0.88%)
OK PENSION IMPROVEMENT REVOLVING FUND	\$119,892	\$239,784	\$239,784	\$119,892	100.00%
STATE PUBLIC SAFETY FUND	\$24,000,000	\$26,000,000	\$26,000,000	\$2,000,000	8.33%
STATE HEALTH CARE ENHANCEMENT FUND	\$103,341,000	\$113,133,000	\$107,827,000	\$4,486,000	4.34%
GRAND TOTAL	\$8,504,561,375	\$8,729,866,782	\$8,970,790,008	\$466,228,632	5.48%
Federal Certified Funds					
STATEWIDE RECOVERY FUND	\$205,770,798	\$205,770,798	\$205,770,798	\$101,470,889	49.31%
ARPA ADMINISTRATIVE COSTS FUND	\$3,506,932	\$3,506,932	\$3,506,932	\$2,297,068	65.50%
GRAND TOTAL FEDERAL FUNDS	\$209,277,730	\$209,277,730	\$209,277,730	\$103,767,957	49.58%

ITEMIZED ESTIMATES OF "OTHER" REVENUES
Appendix 3

	FY 2026 PROJECTED <u>Dec 2025</u>	FY 2026 PROJECTED <u>Feb 2026</u>	FY 2027 ESTIMATE <u>Dec 2025</u>	FY 2027 ESTIMATE <u>Feb 2026</u>
OKLAHOMA TAX COMMISSION:				
Bingo Excise & Charity Games	\$62,000	\$51,000	\$63,000	\$45,000
Tribal Cigarette Compacts	\$8,364,000	\$8,197,000	\$9,891,685	\$9,357,256
Other OTC	\$46,216,090	\$46,219,000	\$46,216,090	\$46,613,000
TOTAL OTHER OTC	\$54,642,090	\$54,467,000	\$56,170,775	\$56,015,256
COLLECTIONS BY OTHER AGENCIES:				
Attorney General	\$400,000	\$0	\$400,000	\$0
C.L.E.E.T.	\$248,140	\$250,700	\$248,140	\$250,700
Department of Consumer Credit	\$775,000	\$600,000	\$775,000	\$750,000
District Attorneys Council	\$14,316,972	\$14,316,972	\$12,504,314	\$12,504,314
Department of Public Safety	\$118,000	\$118,000	\$126,790	\$126,790
Horse Racing Commission	\$3,702,950	\$3,702,950	\$3,702,950	\$3,702,950
Insurance Department	\$89,357,847	\$89,357,847	\$96,494,600	\$89,357,847
Department of Labor	\$403,086	\$402,086	\$403,797	\$403,797
Medical Licensure	\$516,683	\$516,683	\$516,683	\$516,683
Nursing Board	\$405,976	\$405,976	\$430,503	\$430,503
OMES	\$4,028,797	\$4,028,797	\$4,028,797	\$4,028,797
Secretary of State	\$2,574,381	\$2,574,381	\$2,625,867	\$2,625,867
Department of Securities	\$19,296,000	\$19,296,000	\$19,355,000	\$19,355,000
Unclaimed Property (State Treasurer)	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Tribal Gaming (OMES)	\$27,295,885	\$27,295,885	\$28,115,662	\$28,115,662
Service Oklahoma	\$23,280,000	\$23,280,000	\$23,480,000	\$23,480,000
Department of Transportation	\$0	\$20,000,000	\$0	\$20,000,000
Other	\$20,000,000	\$0	\$20,000,000	\$0
TOTAL MISC	\$216,719,717	\$216,146,277	\$223,208,103	\$215,648,910
GRAND OTHER	\$271,361,807	\$270,613,277	\$279,378,878	\$271,664,166

INFORMATIONAL ROADS FUND APPORTIONMENT SUMMARY

Appendix 4

Selected legislative history of the ROADS Fund

HB 2272, passed in the 2008 legislative session, amends Title 69, Section 1521 of the Oklahoma Highway Code. Effective July 1, 2009, for FY 2010, the Oklahoma Department of Transportation (ODOT) will receive the total amount apportioned to the ROADS Fund for the preceding fiscal year plus an additional \$30 million each year until a cap of \$370 million is reached.

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

HB 1014xx, effective July 1, 2019, directs diesel and gasoline fuel taxes imposed by HB 1010XX and most motor vehicle revenues to the ROADS Fund. Contributions to the ROADS Fund from motor vehicle revenues and fuel taxes replace personal income tax contributions dollar-for-dollar. Offset personal income tax dollars are redirected to GRF.

HB 2743, passed during the 2020 legislative session, apportioned \$180 million in dedicated ROADS revenue to the Education Reform Revolving Fund for FY 2021 and FY 2022.

HB 2895, passed during the 2021 legislative session, restored dedicated revenue back to the ROADS Fund and canceled the ERRF transfer. The cap was raised to \$590 million effective FY 2023.

HB 2772, passed during the 2025 legislative session, raises the ROADS Fund annual cap to \$610 million effective FY 2026.

Selected summary of apportionments to the ROADS Fund

	FY 2024 ACTUAL Dec 2024	FY 2025 ACTUAL Dec 2024	PROPOSED FY 2026 PROJECTION Feb 2026	PROPOSED FY 2027 ESTIMATE Feb 2026
ROADS Fund Cap	\$590,000,000	\$590,000,000	\$610,000,000	\$610,000,000
OK Tourism & Passenger Rail Rev. Fund	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Public Transit Rev. Fund	<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>
Apportionment from motor vehicle revenues	\$232,114,631	\$220,584,758	\$236,899,000	\$241,177,000
Apportionment from diesel taxes	\$54,037,497	\$57,741,645	\$57,286,000	\$57,130,000
Apportionment from gasoline taxes	<u>\$58,769,798</u>	<u>\$59,025,185</u>	<u>\$58,702,000</u>	<u>\$104,731,000</u>
* Total apportionment from income tax	\$250,078,074	\$257,648,412	\$262,113,000	\$211,962,000

* Apportionment from income tax amounts has been removed from the respective individual income tax numbers.

EDUCATION REFORM ACT – HB 1017
Appendix 5

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

CALCULATIONS

EDUCATION REFORM REVOLVING FUND

SOURCE	FY 2025 ACTUAL Dec 2025	FY 2026 PROJECTION Feb 2026	FY 2027 ESTIMATE Feb 2026
Income Tax-Individual	\$379,070,465	\$383,615,230	\$372,800,002
Income Tax-Corporate	\$107,866,933	\$106,202,910	\$97,640,070
Sales Tax	\$288,872,955	\$294,500,463	\$300,054,409
Use Tax	\$87,976,104	\$92,384,258	\$96,913,647
Cigarette Tax	\$1,613,457	\$1,577,174	\$1,513,356
Tobacco Products Tax	\$717,539	\$692,394	\$669,542
Tribal Gaming	\$194,333,227	\$200,169,824	\$206,181,518
Horse Track Gaming	\$27,894,006	\$26,638,279	\$26,638,279
Special License Plates	\$859	\$0	\$0
TOTAL – 100% OF ESTIMATE	\$1,088,345,545	\$1,105,780,533	\$1,102,410,823

SUMMARY OF RESERVES AND UNSPENT REVENUES

Appendix 6

Fund	Amount
Constitutional Reserve Fund (Rainy Day Fund)	\$1,327,267,738
Revenue Stabilization Fund (RSF)	\$448,837,856
Total reserves (RDF and RSF)	\$1,776,105,594
2025 General Revenue	\$731,313,122
* 2026 General Revenue (unspent authority)	\$104,192,212
** Total General Revenue cash	\$835,505,334
* FMAP Rate Preservation Fund (projected balance)	\$535,039,858
* Education Reform Revolving Fund Cash (1017)	\$544,375,042
Total restricted cash	\$1,079,414,900
GRAND TOTAL	\$3,691,025,827

* Projected at end of FY 2026.

** Based on February's FY 2026 projections, an additional \$873.4 million General Revenue cash from the FY 2026 5% estimate cushion and surplus over the 100% estimate will be realized at year end. This cash will be available for the FY 2028 budget and bring the savings and reserves total to \$4.6 billion.

GLOSSARY

Appendix 7

Additional budgetary authorizations: Those amounts, authorized by law, which do not affect the Certified Funds or specific Authorized Funds reported for board action.

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

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

Authorized Funds: Funds not certified by the Board of Equalization. For non-certified funds, the Legislature authorizes the expenditure amount from the fund based on total (100%) estimated collections instead of appropriating 95% of total estimated collections. In statute, language specifically states that fund is a continuing fund, not subject to fiscal year limitations and is authorized to be expended by the Legislature.

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

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

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

Estimate: Expected collections for future fiscal year.

Expenditure authority: Expected collections and cash that the Legislature has the authority to spend.

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

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

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

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

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

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

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

STATUTORY AND CONSTITUTIONAL REFERENCES

Appendix 8

Purpose of BOE

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

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

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

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

The Office of Management and Enterprise Services (OMES) compiles revenue projections from revenue-collecting agencies, analyzes the information, and presents the information to the Board for its consideration and approval. Projections for the General Revenue Fund are estimated by the Tax Commission staff utilizing an economic model developed by Oklahoma State University, additional resources provided by Oklahoma-based research firm RegionTrack, and other national forecasts specific to the energy sector. Revenue estimates presented to the Board are based on current and prior year collection trends, economic forecasts, federal and state tax law changes, and other foreseeable factors. The amounts proposed as available for appropriation are calculated as 95% of the summation of the itemized estimate of revenue for the respective funds, except for federal funds which shall be certified for the full amount of the estimate.

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

Selected legislative history of the Revenue Stabilization Fund

Title 62, Section 34.103, Paragraph A of the Oklahoma Statutes requires the Board of Equalization to certify the five-year average of actual revenue collections "available to be apportioned to the General Revenue Fund" from the Gross Production Taxes on Oil and Natural Gas (Title 68, Section 1001), and Corporate Income Tax (Title 68, Section 2355).

Paragraphs B & C provide for the distribution revenue from each of these respective sources for the "ensuing fiscal year" in excess of the averages computed pursuant to Paragraph A. Paragraph B specifies "[100%] of such amount in excess... shall be deposited to the credit of the Revenue Stabilization Fund" for the Gross Production Tax on Oil and Natural Gas while Paragraph C specifies that for Corporate Income Tax "[75%] of such amount in excess of the five-year average... shall be deposited to the credit of the Revenue Stabilization Fund" and "[25%] of such amount in excess of the five-year average... shall be deposited to the credit of the Constitutional Reserve Fund unless such deposit would exceed the maximum balance permitted pursuant to Section 23 of Article X of the Oklahoma Constitution."

Any such distribution is subject to the controlling provision found in Paragraph B of Section 34.102 of the same title, which specifies that "no monies shall be deposited to the credit of the Revenue Stabilization Fund until such time as the amount of actual revenue certified by the State Board of Equalization as having been deposited into the General Revenue Fund for the first fiscal year prior to the beginning of the fiscal year that deposits to the Revenue Stabilization Fund are first made equals or exceeds...\$6,600,000,000." This requirement was met as of the February 2020 Board of Equalization meeting.

Paragraph C of Section 34.102 further states that "no deposits shall be made during a fiscal year where the State Board of Equalization General Revenue Fund certification for said fiscal year is less than the... certification for the previous fiscal year plus an increment amount otherwise calculated for deposit pursuant to subsection E," referring to the excess above the five-year averages of the Gross Production Tax on Oil, Gross Production Tax on Natural Gas, and Corporate Income Tax. Additionally, Paragraph D prohibits deposits into the Revenue Stabilization Fund during any year in which revenue failure has been declared from the month of the declaration. Paragraph D further prohibits deposits into the Revenue Stabilization Fund if that would cause deposits to the Revenue Stabilization Fund for the fiscal year to exceed 3% of the State Board of Equalization General Revenue Fund certification for that fiscal year.