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Appendix C: MOE Waiver Request

1. A description of the extent to which the State experienced fiscal burdens in preventing, preparing for, and responding to the coronavirus and an explanation of how those fiscal burdens affected the State’s ability to maintain fiscal effort (e.g., the status of and any changes to the State’s rainy day fund, whether the State experienced a decline in revenues, or an increase in other emergency expenses resulting from the pandemic, such as expenses related to health care, unemployment insurance, or support for small businesses); and
   1. Like many states in the union, Oklahoma was rebuilding a strong economic position when COVID-19 struck, immediately shutting down the economy in the wake of the March 11, 2020 Thunder-Jazz MBA game in OKC. The day before, the State announced [that total GRF collections for 2020 were slightly below the estimate](https://oklahoma.gov/omes/newsroom/2020/march/total-grf-collections-2020-slightly-below-estimate.html) and the next revenue announcement further set the tone for the year: [March revenues miss estimate](https://oklahoma.gov/omes/newsroom/2020/april/march-revenues-miss-estimate.html). It was in this context that the Legislature passed a budget for FY21 with cuts, including a cut to Higher Education that causes this waiver request to be submitted.
   2. In the subsequent legislative session, which appropriated funding for FY22, education entities did receive appropriation increases; however, the increases for higher education did not keep pace with other spending increases in state government as Oklahoma rebounds from the pandemic.
2. Documentation and data supporting the description of the State’s fiscal burdens (e.g., revenue data, appropriation tables, unemployment statistics, etc.) including any State action that impacted State revenue (e.g., tax increases or decreases).
   1. There were two bills that negatively impacted FY21 state revenues. The total impact was a decrease of just over $4M. In light of anticipated declines in state revenues in FY21, the Oklahoma legislature re-apportioned several sources in FY22 and FY23 (including roads and retirement systems) to the funds available for appropriation and authorization. This causes a rise in our total appropriation number for a restricted purpose – a purpose that was previously being fulfilled outside the appropriations process. In the case of roads funding, this change amounts to a $575M increase in Oklahoma’s appropriation authority in FY22 for that dedicated purpose that was previously being accomplished outside of the appropriations process. All revenue tables are available on the [OMES Website](https://oklahoma.gov/omes/services/budget.html) under Monthly Revenue Information.
   2. Numerous bills impacted revenue estimates for FY22 as the Governor and Legislature worked to ensure the Oklahoma economy rebounded from the pandemic. Relevant legislation to target the recovery predominantly impacted sales and income tax collections, with a net FY22 budgetary impact of $140 million. Itemization of these actions can be found on Table 5 of the [June 2021 Board of Equalization Packet](https://oklahoma.gov/content/dam/ok/en/omes/documents/BOE06012021.pdf).
3. In addition, in its waiver request, a State should submit information on the relevant factors listed below to support its request. The Secretary may ask States for additional information after States submit the MOE waiver request form.
   1. State support for higher education decreased from FY20 to FY21, but increased in FY22 and FY23. Exceptional circumstances beyond the global pandemic in general include a special meeting on [April 20, 2020 of the state’s constitutionally created Board of Equalization](https://oklahoma.gov/content/dam/ok/en/omes/documents/boe04202020.pdf) meeting to reduce estimated revenue for FY21 by $416.8 million or 6%. The State further increased appropriations to higher education in FY22 and FY23.
   2. The state has not used ESSER, GEER or HEER to replace State funding for education but to provide necessary one-time funds to mitigate the risks of COVID-19 while continuing to provide educational opportunities for Oklahoma’s students.