

Oklahoma State Senate

May 26, 2010

Senate Review by Gary Stanislawski

We've made it to the final week of this year's session. I'm so pleased that a budget agreement was reached last week. As a member of the GCCA, I can tell you that it was no easy task crafting this year's budget. You'd think our work would be easier given that we had less money to work with, but it proved much tougher.

In the end, though, we were able to agree on a package that protected our state's core services by enacting smaller cuts to our key agencies like education, health care, public safety and transportation among others. These are the areas that are imperative to the health and safety of our citizens as well as our state's economic recovery.

Under the FY 2011 agreement, \$6.68 billion in general revenue will be appropriated to state agencies and programs, a 7.6 percent reduction in total appropriations from the original FY 2010 budget. Both chambers approved the General Appropriations (GA) bill, SB 1561, last week and it's now on the Governor's desk for his final approval.

This week, we'll be voting on the other proposals that have been brought forth to help generate additional funds for the state. We had to figure out a way to come up with \$1.2 billion to fill the revenue hole created by the national recession. The plan is to use \$540 million in federal stimulus funds, around \$272 million from the state's Rainy Day Fund and raising an additional \$180 million through various means. We'll also be instituting a two year moratorium on certain tax credits which will save the state \$150 million.

We're also going to take steps to help bring in new revenues – hopefully around \$300 million a year. One of the ways we plan to do this is through expedited tax collections and increased permit fees including the fee for getting certified copies of driving records, which is expected to raise \$11.4 million. Insurance companies will also be paying a new one percent fee on health care claims, which should bring in \$78 million. The insurance fee will be put into an account with the Oklahoma Health Care Authority, which should be matched about 3-to-1 with federal funds.

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Unfortunately, a majority of the budget shortfall had to be made up with cuts to state agencies. With a budget hole of over \$1.2 billion, hard decisions had to be made and all state agencies had to take a cut. Most took around a 7.5 percent cut to their budgets except education, public safety, transportation and other vital state services.

Education seems to be the public's main concern as it affects everyone. It's also one of our top priorities as the economic health of our state is directly tied to the education levels of our citizens. I'm pleased to say K-12 education and career technology education were cut just under three percent. One of the reasons for this was to help prevent teacher layoffs. Of course, how school districts choose to spend the money they're appropriated is up to them, but hopefully they can make up their budget shortfalls in other ways besides getting rid of teachers.

Higher education will be cut just over three percent. We wanted to keep their budget cuts at a minimum to hopefully avoid significant tuition increases at our universities and colleges, which can deter some from going to college. Again, it's in our state's best interest to help as many students obtain their college degree as possible.

Ensuring the public safety of our citizens is also crucial so the Department of Public Safety will only be cut by one percent. This should help keep our highways safe by preventing trooper furloughs. The Department of Corrections will only receive a three percent reduction, which should prevent furloughs or layoffs in our prisons and police departments.

I was especially pleased that \$5 million was appropriated for our senior nutrition programs around the state, which received significant funding cuts from the Department of Human Services last year. This additional money will ensure that senior centers around the state will be able to keep providing hot, nutritious meals to our seniors. For many, that's the only meal they get in a day.

I'll have more specifics about the budget next week after we consider the remainder of the bills.

If you have a question or comment about state government, you can contact me by writing to Senator Gary Stanislawski, Room 427A, State Capitol Building, Oklahoma City, OK 73105. Or you can call us at (405) 521-5624.