

STATE NEWS WEEKLY SUMMARY CONTINUED



"I am very proud of this historic agreement for the state of Oklahoma," Governor Frank Keating said at an afternoon press conference where he was flanked by legislative leaders from both houses and political parties. "I congratulate the leadership of both parties for their bipartisan efforts in reaching this budget agreement."

The plan, which still requires legislative implementation, is broken down into three components: Midterm funding/Rural Economic Assistance Programs (REAP), Rainy Day Fund appropriations, and tax cuts.

The midterm/REAP plan calls for funding midterm adjustments for the 1994-95 and 1995-96 school years with a mix of Rainy Day and General Revenue fund money. Midterm funding for the 1996-97 school year will be taken exclusively from the General Revenue Fund.

Some \$12.6 million will be needed to fund the 1994-95 adjustments, while \$13.5 million will be needed for the 1995-96 funding. A total of \$15 million will be needed for the 1996-97 school year.

In addition, \$1.5 million will be taken from the Rainy Day Fund in fiscal year 1997 to fund a student tracking program.

Rural economic development will also get a boost under the first component of the plan. Some \$17 million, all from the General Revenue Fund, will be dedicated to rural projects, including \$7.5 million of rural highway projects through the Department of Transportation; \$4.5 million of rural infrastructure improvements through the Water Resources Board; and \$5 million for the so-called Rural Economic Assistance Program.

The second component of the budget and tax cut program calls for some \$22.7 million of the anticipated \$30 million that will make its way into the Rainy Day Fund to be utilized next fiscal year.

In addition to the \$14.5 million which will go to fund 1994-95 and 1995-96 midterm adjustments, as well as \$1.5 million for the student tracking program, the governor and lawmakers have agreed to take \$1.6 million from the fund for rural fire departments; \$1 million for weather modification/cloud seeding; \$1 million for the governor's emergency fund to cover claims remaining from last year's floods and anticipated claims from this year's wildfires; \$2.9 million for up-front medical payments required as the state's Medicaid program converts to a man-

aged care system; \$320,428 for matching funds to obtain \$1.7 million in federal aid for maintenance of National Guard armories across the state; and \$1.19 million for an Oklahoma Highway Patrol trooper academy and vehicles for the new troopers.

Keating indicated on Wednesday that he would sign off on the proposed Rainy Day Fund expenditures.

The final component of the program calls for some \$45 million in annualized tax cuts, including a plan to give private sector retirees the same tax break afforded state and federal retirees. That plan gives retirees over the age of 65 and with an annual income of \$25,000 or less a \$5,500 tax break. The tax break will be implemented over five years at \$1,100 per year.

Additionally, the tax cut plan includes income tax credits for estate taxes paid on family farms and businesses; income tax credits for investing in agricultural processing facilities and income tax credits for taxes paid on marginal wells.

The cuts are expected to total some \$5.2 million in fiscal year 1997. Considered on an annual basis, the governor noted, the cuts represent "the largest in Oklahoma's history."

Keating is expected to issue an executive order on Thursday authorizing the tapping of the Rainy Day Fund.

In addition, both legislative houses will soon consider legislation appropriating money from the Rainy Day Fund and making the specified midterm funding appropriations. Lawmakers will also have to complete work on the REAP bill, **HB1434**, and **HB2055**, which sets in place the midterm funding plan.

The legislature will also have to identify and draft language to enact the agreed to tax cuts.

—SHAWN ASHLEY
05/08/96

BUDGET MOVES CONTINUE

■(GIT) Less than one day after a bipartisan group of lawmakers announced an agreement on a major budget and tax cut initiative, the budget momentum continued to move forward.

Members of the House of Representatives on Thursday voted overwhelmingly in favor of three budget measures designed to give certain agencies in need a financial boost and to re-fund two agencies originally set for elimination.

House members voted 80-19 in favor of **SB838**, making supplemental appropriations to several agencies; 82-17 for **SB843**, making an appropriation to the Liquefied Petroleum Gas Board; and 97-2 for **SB847**, making an appropriation to the Commission on Consumer Credit.

HB838 appropriates \$426,462 to the State Board of Education for the Early Intervention (Sooner Start) program; \$500,000 to the State Supreme Court for the computer system enhancement; \$124,458 to the Court of Criminal Appeals for computer system enhancements; and \$200,000 to the Office of the State Auditor and Inspector for moving costs and a shortfall in collections.

Without debate, the bill received its passing vote.

Also receiving passing votes without debate were funding bills for the Liquefied Petroleum Gas Board and the Consumer Credit Commission. Both agencies had been scheduled for elimination by Governor Frank Keating.

A total of \$405,590 was appropriated to the petroleum gas board and its FTE limited to 10, while the consumer credit commission was appropriated \$683,795 and given an FTE approval of 16.

The three measures were approved in the Senate on Wednesday, only minutes after receiving conference committee reports and recommendations from the General Conference Committee on Appropriations.

—SHAWN ASHLEY
05/09/96

COMMERCE & INDUSTRY

WORLD TRADE CONFERENCE FEATURES GOVERNOR

■(OKLAHOMA CITY) Governor Frank Keating will be the keynote speaker for the 13th annual Oklahoma World Trade Conference on May 22, 1996, at the Doubletree Hotel in Downtown Tulsa. Governor Keating will also present the 1996 Governor's Award for Excellence in Exporting.

The conference offers Oklahoma businesses interested in the international marketplace an opportunity to gain an informative perspective on some of the dramatic changes taking place in our world. The conference is sponsored by the Oklahoma District Export Council in coordination with the U.S. and

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