

Inside the Capitol
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February 8, 2010
Second Session of the 52nd Legislature

As the saying goes, "the governor proposes and the legislature disposes." So sometimes the governor's proposed budget doesn't amount to much. This year I think it would be useful to pay attention. Governor Henry offers a way forward that avoids dismantling state government programs that provide for the health and safety of Oklahomans and offer educational opportunities for our children. If these programs are dismantled over the next two years they will remain damaged for years, and many will not return.

If the governor's budget were adopted, funding for FY2011 would total \$6.9 billion, some \$1.6 billion more than certified by the Board of Equalization in December. The governor proposes:

- \$203.7 million of revenue enhancements, the result of 20 separate proposals including such things as increasing the cost of the decal on vending machines, a one-year moratorium on certain income tax credits for tax year 2010, and repealing the income tax credit for investments in certain large investment companies that invest in rural business ventures;
- \$30.6 million of fee increases, including fees for oversize weight permits and copies of certified driving records;
- \$190 million of revenue increases from compliance initiatives such as better vehicle insurance compliance and better collection of sales taxes on internet sales;
- \$233 million in bond issues for roads and equipment and IT purchases;
- \$765.5 million in federal stimulus fund and rainy day fund spending; and
- (\$66) million in targeted cuts achieved by various savings including combining 16 state agencies.

Most agencies would receive a 3 percent cut while the Department of Education, Department of Career and Technology Education, State Regents for Higher Education, Department of Health, Department of Mental Health and Substance Abuse Services, Department of Human Services, Department of Rehabilitation Services, Department of Corrections, Department of Public Safety, and Department of Veterans Affairs would be cut only 0.5 percent.

Without the governor's recommended actions, the FY2011 cuts will be much deeper following the 7.5 percent cuts in FY2010 and preceding another round of probable cuts in FY2012 without available stimulus and Rainy Day funds to cushion the blow.

I've heard negative comments from some legislators regarding the governor's budget, but as fiscal realities begin to set in his ideas may start looking better. No one expects the legislature to agree with all the proposals, but most are worth a serious look. And the legislature hopefully will have a few good

ideas of its own. The point the governor has made is that there is something we can do. The ship of state can be kept afloat.