

State of Oklahoma

State Capitol – Oklahoma City OK 73105

FOR IMMEDIATE RELEASE -- 5/20/2010

Gov. Henry, legislative leaders strike budget agreement

(Oklahoma City) Gov. Brad Henry, House Speaker Chris Benge and Senate President Pro Tempore Glenn Coffee today announced they have reached agreement on a final budget framework for next fiscal year, a move that should clear the way for an orderly adjournment of the 2010 legislative session. The Fiscal Year 2011 budget plan will be submitted to lawmakers for their review and approval in the days to come.

To fill a \$1.2 billion revenue hole created by the national recession, the governor and legislative leaders have proposed a balanced budget using a series of targeted agency cuts, reserve and stimulus funds, cost recovery methods and other savings and efficiencies across state government. The agreement is designed to shield core services by enacting smaller, targeted cuts to key agencies in education, health care, public safety, transportation and other priority areas.

“In the face of a historic revenue shortfall, this was a very difficult and painful budget to craft, but I am proud that we were able to strike an agreement that largely protects the core services that are so important to Oklahomans and the state’s economic recovery,” said Gov. Henry. “All levels of public education and our classroom teachers in particular play such an important role in this state’s economic future that it was critical to shield them from the deepest cuts, and we did that.

“I want to thank Speaker Benge, Pro Tem Coffee and Democratic leaders Charlie Laster and Danny Morgan for all of their hard work and diligence under very challenging circumstances. Many agencies and programs will still feel the pain of the budget crunch, and that was unavoidable, but despite some bumps along the way, we were able to strike a bipartisan agreement that will help Oklahoma recover from these trying economic times.”

Legislative leaders also praised the budget agreement.

“This budget represents the tough decisions we have said all session would be required to fill a \$1.2 billion shortfall, which inevitably will touch every aspect of state government. I believe this budget insulates vital government services like public safety, transportation, health care and education from dramatic cuts while also leaving our state in a fiscally sound position for the next Legislature and beyond,” said Speaker Benge, R-Tulsa. “This budget is a true product of consensus, which means compromises were made on both sides of the aisle. We believe this is a fiscally prudent budget that will help our state continue to weather this economic downturn with the hope that revenues will stabilize as the economy improves. What our state is dealing with is not unique, but I believe we were prepared for this day and handled it much like many Oklahoma families are treating their own personal budgets. We have lived within our means.”

“In divided government, parties have to work together to do the people’s business. During a tight budget year, this agreement provides a responsible reduction in spending and protects taxpayers from a tax increase. Republicans have always fought to be prudent with taxpayer dollars, and I knew it was vital to maintain the \$100 million reserve fund that will aid in the probable FY 2012 budget holes,” said Senate President Pro Tempore Coffee, R-Oklahoma City.

“The Governor, Speaker and I were able to work together in a bipartisan fashion and keep Oklahoma’s government running. I especially want to thank Senator Mike Johnson, our Appropriations Chairman, for his expertise and

vision in helping us draft a budget that adequately funds the core functions of this great state.”

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.

Cost recovery methods will include, among other things, expedited tax collections, increased permit fees and a moratorium on tax credits.

As part of the agreement, K-12 education and career technology education will receive targeted cuts of just 2.9 percent to help avert teacher layoffs and other classroom reductions. Higher education’s budget will be reduced by 3.3 percent.

The Department of Public Safety will be cut by only 1 percent in an effort to head off trooper furloughs. The Department of Corrections will receive a 3 percent reduction.

The agreement also calls for providing additional, long-term funding to the Oklahoma Department of Transportation for road and bridge maintenance and repair efforts.

Despite receiving a small decrease in state appropriations, the Oklahoma Health Care Authority will receive an increase in overall funding from other sources to address expected cost increases in health care programs. The Department of Mental Health and Substance Abuse Services will be cut by .5 percent and the Department of Veterans Affairs by 3.5 percent.

The agreement also calls for a \$5 million line-item appropriation to senior nutrition programs and \$12.4 million to the Rural Economic Action Plan or REAP.

In the final days of the legislative session, lawmakers will work to pass a variety of bills needed to implement the budget agreement, including a general appropriations bill. The Legislature must adjourn by no later than 5pm, Friday, May 28.

###