

**State of the State Address
Governor Frank Keating
February 6, 1995**

It is customary on occasions like this to recognize the dignitaries and the distinguished. Let me begin with Lieutenant Governor Fallin...Speaker Johnson...President Pro Tempore Taylor...and, of course, the members of the House and Senate, cabinet designees and other state officials. Lastly, and first in my respect and affection, my wife, Cathy.

Unfortunately, some speakers stop right there. They neglect to recognize the most important people in the room: the people who hired them, who pay their salaries, and whose will they are expected to implement -- the citizens and taxpayers of Oklahoma.

To those citizens, the laws passed here have a real, everyday impact. To those Oklahomans, the money we spend is counted, not in millions, but in nickels, dimes and dollar bills -- the very taxes they pay.

Today I say to all of you, your voices rang with clarity and impact in November. I heard your message, and I was proud to deliver it. With your help, we're going to make that message the public policy of the State of Oklahoma.

We're going to replace yesterday with tomorrow, waste with efficiency, nonsense with common sense, and confusion with basic American values.

You asked us to do a specific job, to look long and hard at government, to cut where it's possible, and to serve where it's essential. You rang a fire bell over too much regulation, too much crime, too many taxes, and too little growth. You asked for reform and results, and you asked for it now.

That is precisely what this administration intends to deliver...and it won't be C.O.D.

First, I want to take a moment of personal privilege to express the appreciation of the Keating family for the many kindnesses and words of encouragement we've received from thousands of Oklahomans in the last few months. You have given us the most precious of all gifts -- your faith, your trust and your hopes.

I shall make many suggestions and solicit new ideas over the next few years, but I shall always begin with this central promise: asking God's help and guidance, I will strive to honor your faith, be worthy of your trust, and dignify your deepest hopes and aspirations with the best effort I can give.

But please don't assume it's all toil and trouble for the Keatings. Change can be fun, too. Cathy and I were discussing that very issue the other night. We decided that it's been a great adventure so far, and then I blew out the kerosene lantern, zipped up the tent and went to sleep...thankfully, the mansion does have indoor plumbing, so we don't need to borrow Senator Taylor's new bathroom.

Now, the state of our state:

Throughout the campaign, I pointed to facts that are simply unacceptable....

We're twenty-eighth in population, but forty-fifth in household income....

Per capita earnings make us the seventh poorest state in America, at 82 percent of the national average....

Economic growth? Ours is less than half the national average, less than our neighboring states, and far less than our true potential....

Oil production has fallen for eleven straight years. Natural gas production has gone down every year since 1990. And most of what we do produce is shipped out of state for wealth-creating value-added processing.

Twenty years ago, in the 1970s, our gross state product was rising at an annual rate of more than thirteen percent. Today we're lucky if it's four percent a year.

We have the second highest divorce rate in America, and twenty percent of our school age children live in poverty. Oklahoma is thirteenth in the percentage of our population on food stamps. Do you see a connection here?

It is easy to blame the oil bust, but our problems are not regional: in many ways, they are unique to Oklahoma.

I said our level of personal income is 82 percent of the national average. How are our neighbors doing? Personal income in Texas is 92 percent of the national average. Missouri, 94 percent...Kansas, 95 percent...and in Colorado, it's 103 percent.

Yes, we're ahead of Arkansas and Louisiana, and even New Mexico; but in the decade from 1983 through 1993, Oklahoma's average annual increase in personal income was dead last in the region.

Do we rank high in anything?

Well, we're tenth in the nation in per capita state government employment. And our annual rate of increase in state government revenue -- that's taxes, folks -- was 15.5 percent in the seventies, 7.2 percent in the eighties, and 5.2 percent so far in the nineties.

Which means that for the past twenty-five years, state government has managed to grow faster than the average Oklahoman's bank account. I find that intolerable. And, apparently, so do most Oklahomans, and most Americans. They voted last fall to get government off their backs and out of their pockets. They asked for a virtual revolution. Well, my friends...welcome to the revolution.

More than 130 years ago, Abraham Lincoln shared his vision of government in a state of the union speech to Congress.

Government, Lincoln said, has a "...leading object (which) is to elevate the condition of man, to lift artificial weights from all shoulders, to clear the paths of laudable pursuit for all, to afford all an unfettered start and a fair chance in the race of life."

I agree with Lincoln. Government should be a servant, not a master.

Where government can and should serve, it can and must serve efficiently and economically.

But where it intrudes, impedes, obstructs and discourages, it's time to tell government, from Washington to the county courthouse...BACK OFF! A moment ago, I gave you a lot of facts about Oklahoma. Our economic picture is bleak, and recent promises of expected improvement are still measured in the single digits.

That's not acceptable. It is totally at variance with our great heritage. It conflicts with our great productivity and resources. And it is an affront to our great people.

There is one way out, and that's growth. Growth in jobs, in income, in industry, in productivity, in optimism, and in real economic progress for all Oklahomans.

Not growth in government, or regulation, or taxes.

Of course, we cannot legislate prosperity; but we can and we must establish the conditions that support it, and that includes right to work.

Let's put the right to work issue in its true perspective. Right to work is not anti-union. It's pro-business. Right to work is about individual freedom, and it's about economic growth and jobs. Tonight, I ask the legislature to move aggressively on this issue, during this session. And be reminded of this: last November, three men ran for governor. The two who openly supported right to work got three out of every four votes.

Right to work is the first step. Step two is tort reform, more workers' compensation reform, reforms in welfare, criminal justice, education.

Step three is a sensible, restrained budget, linked to specific cuts in taxes, designed to stimulate economic activity and growth.

I will present a detailed budget to you today. Let me summarize it for you -- and yes, it is revolutionary.

I shall propose a reduction in appropriations to state agencies of two and one-half percent for the coming fiscal year. This is not intended as an across-the-board cut. Instead, agency managers will be encouraged and expected to be creative. To use a scalpel rather than an ax.

They are encouraged to carry forward any savings from the current fiscal year and to set real world priorities and eliminate nonessential functions.

The old government mind-set said we did A, B and C last year; so we need to do the same this year, plus X percent. That's letting the budget drive priorities.

Welcome to the revolution. Priorities can and should drive the budget. Agency heads need the freedom to find and implement sensible ways to cut, retaining services which are truly essential. I will ask the legislature to approve measures that challenge managers to manage.

Several agencies should be partially exempted from this two-and-one-half percent cut for fiscal year '96. Those agencies which deal with public safety, law enforcement and corrections, as well as juvenile justice, are recommended for increases. Other recommended increases include:

The State Ethics Commission, to assure proper staffing; the Attorney General's Office, to add an initial 15 workers' compensation fraud investigators; the Oklahoma Tax Commission, to enhance tax collections; the Oklahoma Health Care Authority, to assist in the transition from fee-for-service Medicaid payments to managed care; common and vo-tech education, to fund student testing and open two new vo-tech centers; and increased funding of approximately \$20 million for highways, to speed long-neglected projects vital to our state's infrastructure.

In addition, I will propose appropriations to fund the remaining three months of the partial-year pay increase given state employees last fall.

At the same time, I will ask the legislature to free agency managers from archaic, constraining pay and staffing plans, and give them the flexibility to reward the best and brightest state employees.

These increases total \$84.4 million in new expenditures. They will be more than offset by new revenues already certified as available for fiscal year '96, and by the two-and-one-half percent reductions in appropriations to most state agencies.

Right to work, tort reform, workers' compensation reform -- all these measures will help bring jobs to Oklahoma.

Budget restraint will reduce the bloat of state government and impose sensible priorities.

The next part of a long-term growth strategy is taxes -- specifically, tax cuts.

I will propose a series of ten tax reductions designed to stimulate growth and savings, investment and progress. These cuts total \$137.5 million in annual impact in the out-years, but only \$64.6 million during the coming fiscal year.

When government imposes a tax, it ought to have a firm idea what the money will be used for. The same logic holds true for tax cuts. Our tax cuts will lead to growth:

--We should exempt the first \$50,000 in IRA, pension and annuity income from taxation for our citizens over 65. Let's attract older citizens to retire here. Let's keep Oklahoma's seniors here, too.

--High-tech business is good business. I will propose that we extend business tax credits to Oklahoma firms contracting with other Oklahoma businesses to upgrade software and computer systems.

--A tax credit for low-output stripper wells will provide needed relief to our energy industry and help keep those wells in operation.

--It's time to repeal the Oklahoma Corporate Franchise Tax. It's complicated, burdensome and unfair, with many companies paying more to their accountants to compute this tax than they pay to government. The Franchise Tax penalizes new small businesses. It's an anti-growth symbol we can and should do without.

--We can further assist new businesses by exempting corporations with less than \$25,000 in taxable income from the state income tax during their first five years of growth. That means more jobs and more investment. It encourages growth.

--The key to sound public schools is our teachers. I will propose a \$25 per credit hour tax rebate for every elementary and secondary teacher who pursues an advanced degree.

--The graduates those teachers educate want to stay in Oklahoma after they finish college. Let's give a minimal tax credit to companies hiring graduates of our own colleges, young men and women who will build careers and a solid future here at home.

--Our energy reserves are vast, but production continues to decline. We can encourage more exploration by exempting the first year of production from successful wells from gross production taxes. Increased returns from drilling lead to more drilling, more jobs and more economic growth.

--Just as our teachers deserve help in furthering their education, so do our professional law enforcement officers. Officers seeking a law enforcement degree should receive a \$25 per credit hour tuition rebate.

--Finally, our agricultural heritage is a vital part of our economic past and future. Oklahoma is eleventh in the nation in total farms, fourth in cattle production, third in wheat. What we grow here can and should be processed here to add wealth here. I will propose specific tax credits for investors in Oklahoma-based enterprises designed to add value to our homegrown products. Again, a small slice out of government revenues to stimulate growth.

These measures -- right to work, tort and workers' compensation reform, sensible budgets, targeted tax cuts -- all send a consistent message: Oklahoma is ready to grow. We're serious about tomorrow, because we know that, to be competitive, we must change.

A final part of that message has to do with government itself.

As this session of the legislature considers our budget, tax and reform proposals, we will begin an in-depth look at state government -- what it does, what it needs to do, what it should logically stop or start doing.

The Governor's Commission on Government Performance will draw members from the public and private sectors. They will serve at no expense to the taxpayers, and they will spend much of 1995 examining government in detail.

I tried to count the total numbers of boards, agencies, committees, commissions, councils, compacts and agreements, offices, authorities, trusts and task forces operated by Oklahoma state government; but that's a matter for higher mathematics. I was a mere history major.

We have nearly 100 boards...75 or more commissions...an equal number of special committees...twenty-plus task forces...more than thirty-five councils...twenty-plus boards of regents...and who knows how many trusts, authorities and other public bodies.

The State of Oklahoma licenses, examines, reviews and otherwise monitors dozens of occupations.

Doctors and medical personnel, yes...the public safety is at stake, and government rightfully plays a role.

Let's turn the business of testing and licensing non-critical workers back to the professional associations representing those occupations, and spend our money and effort on things the people truly want, like good roads and schools.

The Governor's Commission on Government Performance will consider those options, and others. It will have one rule: use common sense, and downsize government wherever you can.

Let me say something about ethics. We have rigid ethical standards for public officials for a very good reason. They manage the public's money. Oklahomans have been very disappointed in the public conduct of our elected and appointed leaders on far too many occasions since 1907. They deserve better, and this administration intends to see that they get better.

There are no gray areas when it comes to corruption, conflict of interest and the misuse of public funds. If that means ethics rules that may prove inconvenient to a few for the protection of the many, so be it. We must reverse the Ethics Commission's ill-advised action to permit board and commission appointees to do business with the state, and to permit legislators to be hired by state government without a cooling-off period.

And while we're talking reform, let me remind you that Congress is considering an amendment to the United States Constitution requiring a balanced federal budget. I've always believed that what's good for Oklahoma is good for the nation as a whole. Therefore, I urge this legislature to approve that amendment as soon as it's transmitted to the states.

I can't speak as eloquently as the people did last November, not only in Oklahoma, but across the nation. They said it's time to strike a reasonable balance between compassion and responsibility, and thoroughly reform our welfare system.

They said, "Enough to crime!" And I say, "Amen to that!" It is time to lock up the truly dangerous and the most vicious offenders, and to pursue creative ways to deal with those who commit less serious offenses. Let's consider privatizing minimum security prisons, house arrest and other sentencing options, drug and alcohol treatment for those offenders who want sobriety.

They said, "Give us good schools." If you want something good, you shop for it. We need school choice for parents and students; and we need to always remember that learning happens in thousands of hometown and neighborhood schools, not at meetings of bureaucrats. The best-paid people in any school ought to be the master teachers. And the best schools should be run by a strong partnership involving parents, teachers, administrators and the local school board.

I applaud Secretary of Education-designate Linda Murphy for her belief in local control of local schools, and I applaud State Superintendent Sandy Garrett's call for the teaching of discipline and basic American values in the classroom. Put those ingredients together, and you have a recipe for good schools.

If you remember one word Frank Keating said today, that word should be "GROWTH." Growth in jobs, in income, in quality of life. We've heard good news in recent weeks about new jobs headed for Oklahoma.

But the real story lies behind the statistics: one thousand new jobs means one thousand individuals with new opportunities. It means a sack full of groceries, a new car, Christmas presents under the tree in December, a trip to one of our beautiful lakes in July, maybe even a new home or a room addition. A thousand new jobs is success multiplied, one life and one family at a time.

That is why economic development and growth is the centerpiece of this administration. Government reform, tax policy, education, transportation -- they all have a direct impact on the prosperity of our people. I pledge to you a continued full-court press to bring jobs and growth to our state; and I ask not only your help in establishing the climate that will attract them, but your active participation, as well.

Economic development is not just the Governor's job. As legislators, you make our laws. But you're also leading residents of your home communities, where many of you own businesses and work closely with Chambers of Commerce and other civic groups. When there's a chance for economic growth in Muskogee, or Guymon, or Lawton, or Miami, call me: I'll be there, ready to help.

And don't be surprised if you see me walking the halls upstairs during the session, asking what's up in your districts and how we can help. Remember, I used to work here....

It's been 22 years since I came to this chamber for the first time, as a young freshman representative from Tulsa's District 70. I sat back there with 25 fellow Republican House members and ten Republican Senators to hear my first state of the state address. I had only been here a few days, but I was soon to come to know men and women of both parties who would go on to lead our state and nation with distinction.

Early in this century, the United States Military Academy at West Point graduated what came to be known as "the class the stars fell on." The members of that class went on to lead America's armies in World War II. They became generals, and one even reached the White House.

I think of the 34th Oklahoma Legislature in similar terms. If only I'd known... Over there sat Hannah Atkins, future Secretary of State. There were three future members of the Corporation Commission in the room; and one of them --Jan Eric Cartwright -- would also be elected Attorney General.

Representative Spencer Bernard would end up Lieutenant Governor.

Near the back was a young representative named David Boren. His successor in the United States Senate today was a State Senator in 1973 -- Jim Inhofe.

And, of course, there was an eager, young, back-bencher named Frank Keating....

The best leaders who emerged from that legislature had one thing in common -- they sought to serve the people who elected them as Oklahomans first, and not just as Republicans or Democrats or adherents to special interests.

Tonight I challenge you to match the high standards they set. There is a lovely poem by Robert Frost in which he speaks of "promises to keep...and miles to go before I sleep."

You and I have promises to keep and many miles to travel before we sleep.

I ask you to join me in turning our roadblocks into stepping stones as we work together to make Oklahoma what we know it can be -- a crown jewel of pride and prosperity, a center of learning and growth, a national and international hub of commerce and vitality.

With faith in our people...trust in our heritage...and hope for a bright and vigorous future, we cannot fail.

Thank you, and may God bless the State of Oklahoma.

About Digitizing the Governors' State of the State Addresses

Section 9, Article 6 of the Constitution of Oklahoma provides as follows:

“At every session of the Legislature, and immediately upon its organization, the Governor shall communicate by message, delivered to joint session of the two houses, upon the condition of the State; and shall recommend such matters to the Legislature as he shall judge expedient.”

From statehood in 1907 to present, the state of the state addresses of Oklahoma's Governors have been recorded in pamphlets, booklets, and Senate Journals. One could not foresee the toll that time would take on the earliest of these documents. When these items first arrived at the Oklahoma State Archives, the leather bindings had dried considerably, cracking the spines significantly. Due to the acidity in the paper, many pages have darkened with age. Some of the more brittle pamphlets crumble at the slightest touch.

Thus when we decided to digitize these materials, we faced two challenges: the safety of the original documents and ease of viewing/reading for patrons. Our primary objective was that the unique and historic qualities of the documents should be reflected in the website. However, older fonts would not digitize clearly when scanned and even using a flatbed scanner could cause the bindings to worsen. An image of each page would increase download time considerably and any hand-written remarks or crooked pages could be lost. We decided to retype each document with every period, comma, and misspelled word to maintain the integrity of the document while placing some unique images of the documents online. Patrons can download the addresses quicker and view them clearer as well as save, print, and zoom with the Adobe Acrobat Reader. We have learned much from our efforts and we hope that our patrons are better served in their research on the state of the state addresses of Oklahoma's Governors.