

**State of the State Address
Governor Frank Keating
February 5, 2001**

Thank you. Gentleman, ladies, hello. Thank you. Thank you. As a postscript to what Lieutenant Governor Fallin said, I think it is very impressive to have that handsome new face on the wall right behind us. Mr. Speaker, congratulations. Lieutenant Governor Fallin, President Pro Tempore Taylor, Speaker Adair, Senate Minority Leader Dunlap, House Minority Leader Morgan, elected officials, members of the cabinet, distinguished members of the judiciary, and fellow citizens of our special state of Oklahoma, and most particularly those who suffered with us during our agony of last week, thank you for being here and participating in this celebration of Oklahoma.

Today, I would like to share with you three thoughts and discuss three items. First, a look back, what we have accomplished together, not as Republicans and Democrats but as Oklahomans first. Secondly, a look forward, what we can accomplish together, not as Republicans and Democrats only, but as Oklahomans first. And third, I would like to discuss the subject of legacy, what we can do, as individuals, to lift up our state, make this a better place; what we can do, collectively, as Oklahomans first, to make us a richer, more prosperous, healthier, safer, and this legislative session that I would commend to you, and that theme is the result and the challenges of the result of the loss of the congressional seat.

In 1908, we had eight representatives, and then it was seven, and then it was six, and now it is five. People move to a place because they see it as prosperity filled and business friendly. They move away from a state because they don't see it as prosperity filled and business friendly. Or they don't go to a state, in sufficient numbers, to permit us to be truly competitive with the states around us. But this year, our agenda must be to get our congressman back. That is our agenda for the 2001 session.

Today, we have one overriding goal: To make Oklahoma so prosperous, so attractive, so energetic, so reform minded, so desirable for business location for people and companies and jobs, that we will reclaim our congressional seat in 2011 and add one more. That is our agenda for the year 2001. We are going to get our congressman back. Since 1995, we, together, have made substantial progress, significant progress. Men and women of good will of both parties, working together to make our state a better place.

First, the road program: A three billion dollar road program with no tax increase and no scandal. Since 1995, we built, widened, and improved almost 3100 lane miles of Oklahoma highways, and constructed or replaced 300 bridges. In the next two years, we will add another 800 lane miles and 80 bridges. This is the largest road construction program ever in Oklahoma's history, and we did it together.

Second, criminal justice and a safer Oklahoma: Together, we have targeted violent and career criminals, those who are walking crime waves, those who prey upon our brothers and our sisters, our neighbors and our friends, and we've said that if you are violent and if you are chronic, we will use, for the first time, private prisons and we will use public prisons for the purpose of keeping you out of circulation. At no great surprise, over the course of the last three years, crime rate has collapsed across the board. That is good for Oklahoma and we did it together.

Third, tax cuts: We understand that the money we spend here is not our money. It belongs to the men and women of our state who earn it day-by-day, hour-by-hour, for the purpose of putting their children through school, permitting themselves to have a safe and secure retirement. This year we will have a significant surplus to spend or to give back in the nature of tax cuts. But look what we've done in the course of the last five years -- nearly six years now. We have made significant progress in giving back some of the money to the people. We enacted the largest tax cut ever in state's history. We cut the income tax from seven percent to six-and-three-quarters percent. And, no great surprise, because we are permitting more Oklahomans to keep more of their money, our state is more prosperous than ever before. And we did that together.

Fourth, the environment: Hog and poultry industries are growing in our state, without the kind of pollution problems others have experienced, thanks to foresight and wise regulation. Together, we enacted the strictest swine regulation bill in the history of the United States. Together, we enacted the first of the nation's poultry regulation bills.

We understand, as a state, the most precious thing we have is clear water and clear air. Our environment is exceedingly important as a quality of life issue for us, and we enacted these regulations, we passed these laws, together, because we love Oklahoma.

Fifth, education: Funding for common education, higher education and career education is at an all time high. Higher education spending is up by fifty percent. Common education spending is up by a third. Vocational technical career education is up significantly, as well. We did that together. We have funded more chairs in the higher education system than ever before, and this budget proposes to fund more, particularly in the technology areas, science and mathematics, in those areas where we are starved for available workers in Oklahoma to fill available jobs.

Last year, together, we passed the largest pay raise in state history for teachers. We are seventh and eighth in teachers' earnings, the National Board Certification, which is a tremendous compliment to the state of Oklahoma. No great surprise, our ACT scores have now defeated every state in the south. We have defeated Texas in something other than football for a change. I'm happy to say that. Our ACT scores now beat Georgia, the Carolinas, Florida, Texas, and Tennessee, all of the states in the south. We have the number one ACT high school in the United States at the Oklahoma School of Science and Math, of which we are very, very proud.

And finally, health and health care reform: Also, issues that we have addressed together. This legislature passed welfare reform, which I signed. And welfare rolls are down by over 70 percent in Oklahoma. We are not saying, in a mean spirited way, that we're not in a position to help those who are frail or elderly or incapable of helping themselves. What we are saying is if you are able-bodied, if you can take care of yourself, it is your responsibility as a human being to stand on your own two feet and contribute to the economic vitality of our state.

Welfare reform has worked in Oklahoma. We faced, this last year, a health care scandal, a nursing home scandal. And under the able leadership of Jerry Regier, whom I, as Governor, sent over as Secretary for Health and Human Services to put things right, we put things right. And we're making sure, as a result of Jerry's leadership, that the future will take scarce dollars and make sure that those dollars are invested, and solely invested, not for the purpose of political patronage, but for the purpose of lifting up the elderly, lifting up the frail, lifting up those who are least able to help themselves. Jerry

Regier, thank you very much.

We have done many things right. Together, we have safer communities, better schools, new roads, a cleaner environment, and real reform. And once again, thanks to the hard work and the dedication of the taxpayers of Oklahoma, we have 300 million dollars plus to spend or give back to the people of Oklahoma in the nature of tax cuts. And let us applaud our own citizens who made this possible.

The skeptics will say we can't get our congressman back. The skeptics said more crime was inevitable. But crime is down. The skeptics said we had to raise taxes to build roads, but we cut taxes and we built roads. The skeptics said a stronger school curriculum wouldn't work, but our children are learning more and test scores are rising. The skeptics said tax cuts would lead to deficits, but tax cuts have led to more prosperity and more surpluses. The skeptics said OU might win another national title in ten years or so, the skeptics were wrong.

We can succeed. If we can do it in athletics, which we expect, we can do it in economic development. I mean, think about that. We expect to go to the Final Four in basketball; we expect to be competitive in the NCAA, in golf, at basketball and football and track, and wrestling and every sport. We do well in the NAIA. We take great pride in our athletic prowess. We expect to be number one. But we sometimes begin to quake, begin to doubt ourselves when it comes to economic development.

We have a symbol here today that represents number one, that we ought to think in terms of economic development, both on and off the gridiron, a symbol that represents the excellence and that is the University of Oklahoma and OU's football team, the National Champions, Coach Bob Stoops. Bob, would you and Carol stand up, please? Cathy and I flipped a coin today, and I lost. She got to sit next to Bob Stoops. It's wonderful to have you here.

OU can win a National Championship and we can get our congressman back, provided we do it together, provided we step aside from partisanship and commit ourselves to uplifting Oklahoma, making ourselves a rich, prosperous, safe and smarter state.

Well, we've taken a look back and seen what we accomplished together. Let us look forward and see what, during this legislative session, we can do to make our state a better place. We must address the challenges before us in four basic areas.

To make Oklahoma grow, we must make Oklahoma smarter. This past week I had occasion to go to Durant and visit Durant High School. Durant High School is a place where learning is the focus. The district is below the state average in income, it has higher unemployment than the norm, more than half of its students qualify for free or reduced lunches. It's not a rich district.

But, Durant has twice the average for the state in gifted and talented programs. It has a strong K through 3 reading program. Its middle school students take algebra and pre-algebra. This year's new freshmen will do four years each of math, science, English, and social studies before they graduate.

Seven-three percent of Durant students take the ACT. The state average is sixty-four percent. Eighty-one percent of Durant's seniors complete a core curriculum. Sixty-one percent of those Durant seniors go right on to college, versus fifty-one percent, which is our state average. The college remediation rate in Durant, no great surprise, is twenty seven point six percent, which is well below the state average of thirty-eight percent. In

1999, its average ACT was twenty-one point two, which was well above the state average of twenty point seven. For 2000, the year 2000, last year, Durant's ACT scores rose to an incredible twenty-one point eight.

Now what is unique about Durant? They focus clearly on learning and core academics. They still have sports and electives. Matter of fact, last year they even put on a very successful production of the Wizard of Oz. But in Durant, learning comes first. There is no apology and there is no compromise. And we're honored today to have representatives from Durant schools here, as well as the Superintendent, and members of the faculty and staff. Would you stand up, please? Members of the Durant High School. There they are in the back.

Well, in the spirit of Durant, where learning comes first, today I propose a revolutionary system of block grants for schools that will encourage and reward success. Remember this. We have effectively doubled spending on common education in a little more than a decade. But these block grants, the total funding of a hundred million dollars in new money, with 80 million of that going into the block grant scheme, will provide for three different areas of commitment and elevation of test scores and achievement.

First, are matching grants to schools that cut administrative overhead and devote more dollars to spending in the classroom. Last year when I spoke to you, I mentioned that if we would just go to the national average in administrative overhead we would free up an additional fifty-seven million dollars for the classroom. That's what the matching grants are for. For every dollar of administrative overhead that is cut, in this block grant formula, a dollar will go to the classroom.

Secondly, reward grants to recognize and support schools where learning is the focus. And third, improvement grants, to help districts achieve better performance and accountability to move toward the model, what I describe as a 21st Century School Model. And I'm proud to say that this is a bipartisan initiative. And I particularly appreciate Superintendent Sandy Garrett being with me when I announced the initiative this past week. Thank you, Sandy, for your leadership.

Now, what will qualify for these grants? First, are you offering and are you requiring that each student take six academic hours a day? Second, do you offer and do you require four years each of math, science, English, and social studies for every student? Third, have you ended social promotion? Fourth, is more money flowing to the classroom and less money going to administrative overhead? And fifth, most importantly of all, are your students learning?

Now, schools may use these block grant funds, eighty million dollars in this account, for the purpose of salary increases for teachers or technology, bonus pay or merit pay, whatever they decide is best necessary to lift them up and improve their academic performance.

Now, that hundred million dollar school funding package also includes fourteen million dollars for textbooks and also funds to help schools aid learning-adopted programs that we've had in existence for some years, like Great Expectations, and Schools In Tune, that work. Fund those things that work; encourage those things that work so we can lift up achievement across the board. We can get our congressman back if we make Oklahoma smarter.

Our second goal is equally clear, we need to make Oklahoma richer. First, we need real workers' compensation reform now.

The system is clearly broken. The State Chamber of Commerce, this past year, said that we're among the five most costly systems in the nation, yet we were forty-eighth in benefits paid to injured workers. Attorney involvement is still approximately four times the national average. This is nothing less than an added tax on business. It costs us jobs and growth and it helped lose us a congressional seat.

Previous reforms and the appointment of judges that I've made have helped, but now is the time for the next step in real reform. Replace the costly and anachronistic court system with a speedy, fair administrative system, as is the case in forty-seven other states.

Secondly, tax cuts. This is a balanced budget. I am pleased to see bipartisan support this year for a back-to-school sales tax holiday. Let's stop sending Oklahomans to buy in Texas.

But, we've got to do more. We have analyzed what has held us back, and one of those reasons is we tax everything. Oklahoma's high marginal income tax rate chills savings and investment and it is at the same rate as the capital gains tax. So if you have a small business in Oklahoma, you will leave the state to sell it and we will lose you, your productivity, your investment and your genius forever. That is unacceptable.

I propose in this budget to cut the state income tax by half a point and to continue that half point cut over the next six years. This will lower Oklahoma's rate to 3.75 percent, which is lower than all of our neighbors, except Texas. Oklahoma's current high marginal rate of 6.75 percent is a scandal. It is higher than Kansas. It is higher than Missouri. It is higher than Colorado. And, of course, it is higher than Texas that has no tax at all. With a top rate kicking in at \$10,000 for a single person, it is far more punitive to our lower income residents than even the tax systems of Arkansas and New Mexico. It's time to lower it.

Second, the estate tax. We have talked about this and we have worked around the edges, but we haven't done what we have to do. To save Oklahoma's family farms and businesses, we need to become a federal pick up state and slowly, but ever so surely, reduce and ultimately abolish the estate tax. It is a non-budget item; we can do it this year.

This budget also proposes certain growth measures to attract and sustain exciting new businesses. Tax credits for gains on employee stock options for start-up businesses, research and development tax credits, and a request that those research and development tax credits become refundable to boost capital and student loan relief for start-up employees in start-up high tech firms.

Third, right-to-work. This year, give the people of Oklahoma -- (crowd noise) Seven times is a charm. Give the people of Oklahoma the right to vote on right-to-work. And let me say this, last year, this calendar year, 2000, eleven states lost representation in Congress - Eleven - We're one of them. Only one was a right- to-work state. Eight states are gaining one or more Congressional seats, six of them are right-to-work states. Right-to-work means growth, higher income, and higher jobs. I rest my case. (Crowd noise.)

We can get our congressman back if we make Oklahoma richer.

As we work to make Oklahoma smarter and richer, we must also continue our efforts to make Oklahoma safer. Thanks to the criminal justice reforms and tough parole

policies implemented by the administration and by you, on a bipartisan basis, as I've said, crime rates are down for three years running across the board.

This budget provides increased correctional officer staffing and salaries, increased salaries and staffing for OJA personnel, increasing the use of community sentencing in drug courts to assure that costly prison cells, both public and private, are used for the most dangerous and violent offenders. And, this is something I would hope you would particularly focus on. We are admitting to our system non-violent, non-chronic drug offenders who need to be in community sentencing, where they are punished at the community level inexpensively. We should not use scarce tax dollars for that purpose. First time drug offenders need to be clean and sober and community sentencing is the means.

It is also time to reduce Oklahoma's DUI limit to .08. New federal legislation will cut our highway funds if we do not comply. But compliance or not, it's the right thing to do.

We can get our congressman back if we insist and we make reality Oklahoma a safer place in which to live.

Our fourth and final goal is to make Oklahoma healthier. In my 1999 inaugural address I set four goals: By the year 2010 to cut our divorce rate in half, by the year 2010 to reduce our out-of-wedlock birthrate by a third, by the year 2010 to reduce drug addiction by half, by the Year 2010 to cut child abuse by half

Now, it's important to recognize that government cannot and should not pursue these goals alone. They will require the participation, support and yes, leadership of countless community groups, including especially faith-based organizations. But remember -- but remember why we are doing this? This is not a sectarian message. It's a secular message. The State Chamber of Commerce examined why this rapport? What holds us back? And they said we did not have enough college graduates in technology professions, we had a very expensive workers' comp system, we didn't have right-to-work and we taxed everything.

They also turned the page and determined what held us back on the social side: Too much divorce, too many out-of-wedlock births, too much violence, and too much drug abuse.

In the divorce arena, with the marriage initiatives we have made some progress. Thank goodness for Doctors Les and Leslie Parrott, and the special operation that we've instituted at Oklahoma State University. But, the fact is we need to pass the covenant marriage bill. And, the fact also is we need to remove mutual incompatibility as a grounds for divorce.

We, as a state, are making progress in out-of-wedlock births. We are also making progress against addiction. I'm also proud to say, under Howard Hendricks' excellent leadership in the Department of Human Services, we are making some modest progress in the arena of child abuse. But remember, every child is precious, every person is an asset, and every person is a unique creature of God. And we need to address, this legislative session, those social pathologies that hold us back. We need to reduce the divorce rate. We need to reduce out-of-wedlock births. We need to reduce the incidents of violence and drug abuse. And we need to do it individually and collectively through the faith community and every community of the state to champion the cause of a better life and better living for our people.

This budget also proposes seventeen new positions for nursing home inspectors. It also honors the selection of a new Department of Mental Health and Substance Abuse Services director, Terry Kline, who is a fellow Oklahoman. It provides for pay raises for front-line caregivers in the state veteran centers.

And also, it funds, initially, the Early Childhood Task Force that I set up last year. I particularly want to thank Pete Churchwell for his leadership. The preliminary report is available or has been made available to each of you. Further deliberations will be conducted this year. The infrastructure is now in place to assure all dollars are used most effectively to help young children be ready for school when it's time to go to school.

Let me mention two other very brief health issues that I would ask -- I would certainly commend for your consideration. First, a cancer center. Oklahoma is the only state in the union of our size that does not have a cancer research center. I would propose we use some of our Rainy Day funds for that purpose. I would ask the leadership to look at this issue with an open mind. We need to address this affliction to our people and make it possible for our citizens to be treated and have the research done here at home, as opposed to having to go out of state.

Secondly, the OU Health Science Center Partnership. I want to thank Dr. Don Capra for what he's done in bringing research dollars to Oklahoma. It's truly been an extraordinary achievement on the part of OU's Health Science Center.

Whatever we can do together to make our people healthier, we need to do, because every one of these citizens, particularly our future citizens, are the foundation stone for our prosperity society tomorrow. And if we will make Oklahoma healthier, we can get our congressman back.

I need to say a brief note about redistricting. This year we will draw six congressional districts into five. We will redraw all 101 house districts and all 48 senate districts. Redistricting must be fair and it must be sensible. And it must be guided by two fundamental principles that are not only legally required, in my judgment, but also morally required.

One: One citizen, one vote. Each district must have equal population.

Two: Community integrity. Districts must respect and not split our communities. I will veto any redistricting plan that violates these two simple, but very basic principles. We will not gerrymander Oklahoma in 2001. The purpose of redistricting is to assure a fair representation for our people not to protect or to create partisan advantage.

Let me conclude with you today with two notes. I had an occasion, after the election, to speak to the newly elected Republican house members. And, I asked them, at that time, to think about two things, and I would ask you, men and women of the house, and I, as the only Governor in the history of the state who has had the honor to serve both in the house and senate would remind myself of the same thing. Think of two concepts: First, term limits, and secondly, legacy.

Term limits: We are all term limited. We all have only so much time to serve the people. We all have only so much time to get results. We all have only so much time to make our state better. We need to be idealistic. We need to be forward thinking. We need, together, to lift up our state. Term limits are a legal reality. Either the law will get us, the folks will, or God will, but term limits are a fact of life.

Secondly, legacy: Every one of us should seek this year to make some substantial commitment to the good of our state. This is my second to the last State of the State.

And, I'm not here for my health. I'm here for the purpose of doing everything I can to make our state a safer, a richer, a healthier, a smarter state. We may disagree around the edges, we may disagree about fundamentals, but the reality is every one of us must think not Republican, and not Democrat, we must think Oklahoma, we must think legacy.

How best to leave behind a better state, a better people. That is our obligation. That is our responsibility. When I think about this state with such wondrous history, such a wonderful quality of life, such tremendous people, I think of the collective and the individual legacy that has gone before us. The collective legacy of Durant High School and the Durant schools, to lift up their school system, have a better educated work force and therefore, a more prosperous society. The individual legacy of Bob Stoops who said, "In two years I'm going to make a difference." And, did he ever.

Think about the history of our state, the men and women of greatness that came through our state, who stayed in our state, who were born in our state, who lifted up our state and made us a better place. Think about Will Rogers. Think about Jim Thorpe. In the military, if you are for the Air Force, think of Thomas Stafford; or in the Army, Denny Reimer; or the Navy, Admiral Bill Crowe. Think about John Kirkpatrick or Sinclair or Getty or Williams in business. Think about David Boren in academics, as the President of the University of Oklahoma, what he has accomplished. In public life, think of the contribution of Carl Albert and the contribution of Dewey Bartlett and Henry Bellmon and other great men and women who have served in this body and served as executive or elected officials in our state.

Every one of these people sought to make a contribution. And in some small way, or in some large way, they did. Lord knows Vince Gill did and Reba McEntire did. We have Pulitzer Prize winners. And we have scholars and we have athletes and we have entertainers and we have the greatest number of astronauts of any state in the union. They all thought legacy. What could they contribute to make their land a better place? And, I would ask all of you not only to give favorable consideration to my budget and favorable consideration to those agendas that I've outlined, but look within your hearts and make a commitment that before May comes you, too, will make a significant contribution to the state, a legacy to make our state richer, a legacy to make our state smarter, a legacy to make our state healthier, a legacy to make our state safer, so that we Oklahomans can celebrate this century not just as any century but as Oklahoma's Century.

Thank you all very much.

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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.