

**State of the State Address
Governor Frank Keating
February 4, 2002**

Thank You. Thank you, very much. That that was wholesome. (Laughter)

Mr. Speaker, Mr. President, Leader Morgan, Leader Dunlap, Members of the House and Senate, Members of Judiciary, Members of the Cabinet, my fellow Oklahomans, this is the final time that we will have this conversation together.

Over the course of the last seven years, we have fussed and fought and debated and argued and agreed and disagreed and compromised and reconciled in the ways that we believe are best for Oklahoma. Because I truly believe, as the only governor in the history of the state who has served in both the House and the Senate, that all of you, all of us, do what we feel in our own hearts is best to lift up our state and advance the interest of this wonderful home of ours, our Oklahoma.

Not too many years ago I spoke to some of my young staffers, and I say to them, This job does not pay a great deal of money and about after the first month the big black car wears off, so why are we here? We are here to make Oklahoma better. We are here to make Oklahoma richer and smarter. We're here together to lift up our state and make it a prosperity center.

Later I shared with you the chiding that, then governor, now President Bush, gave me once he said, Frank I can beat you every time. You don't have right to work. You have an expensive Workers' Comp system and you tax everything. And we debated those issues and argued over those issues. Everyone in his own unique way, attempting to advance the interest of our state, and that is good.

Much later I showed you the infamous chart. The chart showing that over 30 of the border counties of Oklahoma, compared to the border counties of our neighbor states, in Missouri and Kansas, New Mexico Arkansas, Colorado, and Texas, the vast majority of our border county, rural to rural, experienced a lower per-capita income than the corresponding border county across the border.

And I said to you then, and I say to you here, same language, same sun, same sky, same moon, same star, same people, same food, same culture, what is the difference? Government. And from day one I have advanced the same incorrigible agenda. Reduce the size of government so that our people can have more. Reduce taxes so that those who earn their money can keep more of their money. Remove artificial barriers to growth, so that anything that holds us back and keeps us down, will be eliminated. And we, all of us -- black, white, red, yellow, Protestant, Catholic, Jew, believer, unbeliever, rural, urban, can be lifted up together.

I told you last year the agenda for last session, and I repeat it again for this session. To you my friends, Members of the House and Senate, independently elected by people who care as much as you and I about this state, the agenda must be to get our congressman back.

We cannot permit to happen in 10 years what happened this past year, and you know and I know that people move to a place in fewer numbers because they view that place is not alive from an economic development and prosperity standpoint, and they move away from a place in greater numbers if they think there is better opportunity elsewhere. This grand land of ours, this extraordinary people of ours, the history of our

forefathers, those wise men and women who sat in your seats, simply could not, would not, must not, permit that to recur. And we, here today in this session, must not permit that to recur.

We have to think about our children. We have to think about your grandchildren and how can we best make Oklahoma the prosperity center for them. And, yes, Cathy and I in July, for your ears only, will be grandparents for the first time. Ryan and Carrie are here, and I would say that all of us who are parents and all of us who are grandparents, believe the same thing. We want to leave a legacy. We want to leave a state that merits, that deserves our children and grandchildren. We believe that in our hearts.

We have in a bipartisan way worked hard together to make this a better place. We have made Oklahoma safer. As a result of the leadership of this legislature, we passed truth in sentencing. For the first time ever, we used private prisons. We distinguished between ordinary criminals and the violent and the chronic, and we said the violent and the chronic will not get out. No great surprise. As a result today, crime is down four years in a row. And what does that say? That says that Oklahoma is safe for business. That says Oklahoma is safe for our families, our wives, our children, and grandchildren. That says that we can focus on things that matter and not attempting to protect ourselves against those who would pray on us.

That says a lot.

Several years ago there was a metropolitan writer who predicted that if the administration succeeded in focusing on the violent and the chronic, we would have to build a thousand-bed prison every year as far as the eye could see. And what has occurred? We built no public prisons. The few private prisons that have been constructed are now disputing and debating and competing each with the other to see who can get in-state and out-of-state inmates.

The crime rate is down four years in a row. Oklahoma is a safer place.

Oklahoma is cleaner. The courage of this legislature to pass the first in the nation poultry regulation bill, and the toughest in the nation swine regulation bill makes a statement that, what is important, even to those of us who love chicken and who love bacon, but what is important is quality of life. There are simply no way you can sell your town. We can't sell our state. We can't sell our cities if the water and the air are fouled. So Oklahoma, one of the first states of the Union, stepped across the line, and said yes to economic development but said no to the unbridled economic development that would destroy the quality of water in our state.

We also for the first time in many years focused on what is our most significant environmental challenge and that's the Tar Creek Super Fund site. That is the most serious Super Fund site in the United States. Here is an area of the state that should be second to none in terms of economic development and tourism condemned as a result of the link and lead mining of many years ago, in many cases long before we became a state.

And I want to compliment the legislature for your willingness to invest in that cleanup, your willingness to consider that as a grand water-fouled wetland for the sake of future tourism and recreation development in Oklahoma. And I am particularly happy as a result of Secretary Griffin's leadership that we have the federal government's attention, and I hope that the members of the House and Senate delegation, the federal members from Oklahoma will focus on that site as the final site that we need to address in

Oklahoma in order for us to be able to say with a straight face and a smile that, north, south, east, and west, our air and water quality are second to none. Oklahoma is cleaner.

Oklahoma is friendly to business. We passed tort reform. We limited punitive damages to double actual damages, and we said to business in Oklahoma and to workers in Oklahoma, you will be fairly treated. No one group has an advantage over the other. And business is not frightened away from Oklahoma. Business comes here and will come here because of this extraordinary effort that many of you passed.

We also embarked on the largest road construction project ever in the history of Oklahoma, ever. And the method and the madness was to connect every single community of 10,000 and more by a four-lane highway to the interstate highway system. What does that suggest? That every community is important; that no community should be left out; that all of Oklahoma should be stitched together; and that all of our people should have an equal chance at the good life. That's what you said. That's what we said. And with no tax increase and no scandal, we've embarked on the largest road construction program ever.

Recently, as a result of the leadership of two of the men behind me, the speaker and the pro tem, we committed ourselves, and all of you Republicans and democrats alike did, to the Garvee Program, to do what? To build our Oklahoma's infrastructure. You build it; they will come.

When you consider, for example, from Altus to Lawton it took 10 years to build that four-lane highway, if we built four-lane highways, interstate highways, to connect our communities to the interstate system, to provide an opportunity for economic development, after what you have done in the past and you will do in the future, business will come, but they will not come without an infrastructure. And you had the courage to pass the legislation to build the infrastructure and I commend you.

Welfare reform, we reduced our welfare roles by over seventy percent, some say nearly eighty percent. That's an extraordinary achievement. And what we said was that every life is precious. Every person is unique. We are a rich enough state that if an individual is elderly and frail, a poor, a defenseless, mentally or physically deficient person, we are a rich enough state to take care of that person. But if you can take care of yourself to be truly human, to participate in this glorious event we call "life," you have to take care of yourself. And as a result of the reduction of your welfare roles, we have many men and women who have never worked that are actively members of the Oklahoma economy. That's very good news.

We together passed Workers' Compensation reform twice. A step in the right direction, not a step all the way. That's always a movable target, but we went from 42nd in cost to about 30th in cost as a result of your reforms in October. I would hope that this legislative session you would take another look and another look at what's necessary to reduce cost because this is a tax. And a small business in Oklahoma, we want to make sure that the worker is properly compensated, but at the same time small business in our state can hire the worker. And that's a balance that we must achieve and can achieve if we're to lift up Oklahoma.

And lastly, on the economic development front we passed "Right to Work" on September 25th. Eight times is a charm. We're open for business.

Oklahoma is also smarter. As a result of the legislature's leadership, we now have four years of English, three years of math, science, and social studies expected of every

child in Oklahoma, because we know in order to attract more business and more industry, higher paying jobs to our state, we have to be able to say we have a better educated work force. We also passed charter school and choice legislation. A preliminary step not nearly as far as we should go, but what was the reason for that? What was the method in that? To provide competition to education and in education. If you only have one restaurant in town, the food would be pretty mediocre, and to provide competition to all aspects of education is precisely what this legislature should do, must do, and I would hope that you would examine additional efforts to expand the number of charter school and choice opportunities in Oklahoma.

Oklahoma is smarter, and Oklahoma is also better. We cleaned up the health department scandal. To imagine that individuals were paid for no work in a limited budget state like ours -- we cleaned it up. We've also adopted a number of initiatives together to try to hold families together, to reduce the incidents of divorce, and out-of-wedlock births, and violence against the young and violence against the old and drug abuse. And why is that? What was the method in that? OU and OSU's economics department said, In addition to those things I've mentioned, some of which we have addressed that holds us back, and holds us down, those social indicators are as responsible as anything for the poverty of some of our people. And we together have addressed those issues. I would hope in this legislative session you would readdress them as well.

Never be satisfied with what you have done thus far, but jam on the accelerator and take the next step to continue to make our state a better place. These initiatives -- making us cleaner, smarter, better, richer, all of these initiatives took effort, took bipartisanship, took thought. You've done it. We've done it. We'll continue to do it together, because the people expect it. The people demand it. For us to be truly a successful first world state, we can ask no less of ourselves, and we could do no less for the public.

Today I would like to focus on two pieces of unfinished business. First is tax reform, the need to provide a tax system that will not chill investment, savings, and income; and secondly, to vote on education reform so that we can address the needs for a much better educated work force, a much more highly gifted and educated populous.

Some years ago in this chamber you debated or your predecessors debated, Senator Stipe debated, the issue of changing the motto on our license plate, remember it was "Oklahoma is Okay." And then Representative Kevin Easley stood up in this chamber and he said, Oklahoma isn't just okay. Oklahoma is great."

That's the kind of vim and vinegar and focus and attention and excellence that I would like to see out of this session of the legislature.

Tax reform, we all know we have to have tax revenue. The fact is to have a highly gifted cadre of teachers at the common education level and the higher education level, we have to pay them good wages. The fact is to have an infrastructure to move product to market we have to have a highly significant and sophisticated infrastructure system, and that costs money. The fact is to be protected, we have to have a correction system, and we have to have a law enforcement system of educated and professional individuals so that we can ensure public peace and safety. That costs money.

All of us know that we have to have a tax regimen that will assure that we could do the things that the public expects us to do. But this session of the legislature is an

opportunity piece for you to examine the tax code of Oklahoma and to determine what in that tax code chills investment, savings, and income.

I want to thank the leadership, the Republican leadership as well as the majority leadership, for its willingness to establish a commission. To report back on April 12th, consisting of members of the legislature and private sector individuals, how best to create this tax system, this tax structure, so that Oklahoma can become rich.

But let me say something before you consider that recommendation and even before that committee meets. Nibbling at the edges is unsatisfactory. Treading water is not a public policy. Thinking about change will not bring change. We need to have it. As a result of our having a seven-percent income tax rate in Oklahoma today, we are the 12th highest taxed state in the Union with respect to income taxes.

As a result of that initiative today, we are the highest taxed income taxed state in the region. If we were to do it right, we would move from an income savings and investment system to a consumption system. When you consume, you pay. If we were today to design a system that was fairest and actually was best to ordinary taxpayers, that would be it. Think of it. If we were to abolish the income tax, every teacher in Oklahoma would have a seven-percent salary increase every farm worker, every manufacturing employee, yes, every union employee, everyone in the state who works would have an immediate seven-percent salary increase.

What this system would propose in abolishing the income tax would be to move the tax system from individuals to business. That would be the tax system, to move the tax system from individuals, saving investment, and income to business where the taxes can be passed on. If we were to do it right, we need to recognize and we need to do something very dramatic. We do not have mountains. We do not have a sea coast. This is not a ski capital. We have to do something very different in order for us to attract headquarters, companies to come here and to bring jobs here, to keep headquarters companies here and particularly to keep our retirees from leaving.

Think about that. Seven percent, a couple hundred dollars a month to the average retiree means no night out, no bass boat payment, no gifts for the grandkids. \$200 a month is a lot of money. And think if we did that. If this legislature sent to a vote of the people an initiative, a referendum, to repeal in its entirety the income tax, the franchise tax, the nuisance tax, the estate tax confiscates family farms and business, the sales tax on groceries is a nuisance to the average person.

If we can address those things, think, that this plan which will bring every Oklahoma family a significant raise in take-home pay, more purchasing power at the check-out stand, and the freedom to spend their money where and when and how they choose would make Oklahoma fundamentally different.

This next month Oklahoma is going to reopen on Broadway. We pick up the newspaper, and we see stories about our athletic prowess and we expect no less to make a national championship or be a national champion in whatever we're in. We expect no less. We'll read when Oklahoma reopens about this grand state and its bountiful natural resources, and we'll take great pride. But how often do we see an article in any newspaper that says, Invest here. Invest in Oklahoma. Move your business to Oklahoma. We don't see that very frequently, but we did last week. Investors Business Daily last week and let me quote to you a couple of pieces of this Investors Business Daily article. Think of

these kinds of articles and what impact they would have on our ability to grow the state if we could do these kinds of things in the area of tax reform.

The article is Investors Business Daily says as follows: "Investors, business owners, and those in the political and policy arenas would do well to pay attention to what's happening in Oklahoma right now. If Governor Frank Keating has his way, the Sooner state will make historic pro-growth improvements in its tax bill." And the writer continues: "A seven-percent rate on personal income, capital gains, dividends, and interest, exceeds the average of most states and serves as a real disincentive for living, working, investing, and risk taking, in the state." The writer continues: "From a supply side perspective, it is always preferable to tax consumption, the end point of the economic process, then to tax the returns on working, saving, investing, and risk taking. Indeed" he writes, "Most studies show that the economies in states without income taxes perform far better than states with income taxes."

And the writer concludes: "If the Keating tax plan does pass the state legislature, it almost certainly will win approval by the voters and that would mark a dramatic improvement for Oklahoma's economy, and competitive position among the states." And listen to this: "Making it a magnet for individuals, businesses, entrepreneurs, and capital."

Think of it.

That is an extraordinary opportunity for us, and I want to particularly thank the president pro tem of the senate. I want to thank Representative (Clay) Pope, and others, certainly, in the republican ranks, particularly who are in this debate, that recognize the importance of doing something fundamental to the tax code so that we can have a more prosperous society

The second issue, real school reform. We have put in the money. In the last seven years, we have increased common education spending by thirty percent. We have increased higher education spending by fifty percent. I want to thank Sandy Garrett for her leadership role in making this possible. And also, Senator Cathleen Wilcoxsen for her role as well in making education reform a reality.

But reform is not just about money. It's about learning too. Bear with me. 12 years ago our ACT scores were half a point behind the national average. Today after billions and new school spending, our ACT scores are still a half a point behind the national average. On the national assessment of education progress test, less than one Oklahoma fourth grader in four is rated as proficient in science. Thirty-eight percent of our eighth graders were below basic in science. Just three percent of African-American fourth graders rated proficient in math. Our state criterium reference test that measures knowledge of basic course materials, more than a third of our eighth graders failed history, and just forty-seven percent can pass geography.

As many of you know, we've talked about it before, nearly forty percent of our college graduates, the best and brightest we have, have to be remediated in at least on core subject in college. That is unacceptable. That simply cannot drive forward a prosperity economy.

Now this is in a world when the most basics of jobs increasingly called for greater -- increasingly called for greater knowledge and skills. Seventy percent of the fastest growing jobs in the next decade will require an education beyond high school. Forty percent of all new jobs will require an associates degree. In 1950, eighty percent of the jobs that were available for our people were unskilled. Eighty-five percent are described

as skilled. The chairman of IBM said recently that there are 780,000 technology jobs open across America that cannot be filled.

Let's talk about money. An Oklahoma high school graduate can expect to earn an average of \$20,000 a year. Add two years of college, it's 23; add a total of four years of college, it's 36, nearly double the income of a high school graduate.

The real world demands more skills, more knowledge, more learning than ever before, and our young people know this. Almost eighty-seven percent of our youngsters plan on some form of advanced education. In the year 2000 a national survey asked students, parents, and teachers about what kids want out of life. This is interesting. Seventy-one percent of the children, the high school students, said they expected to go to college. Parents were less optimistic. Only about fifty percent of parents felt that their children should go to college, but teachers and counselors were even less optimistic. Only a third of them felt that their students should go on to college. Why do our children have a more hopeful view of their future than their parents and their teachers do? Why do we continue to expect less of them than they expect of themselves?

By what right do some critics of learning-based education reform sit here and say, You kids are not capable of excellence.

Now, we made progress in recent years. I'm very proud of what the legislature did in 1999. The four years of English and three years of math, science, and social studies, a charter in choice. This last year's federal education bill will require us, this legislature, to test in grades three to eight, and as I requested of you last year, the federal government will provide funds for us to make sure that summer school and after school tutorials are available so children are not advanced beyond grade level when they're not ready.

Now if the congress and the President, if members of both parties in Washington can work together to address this issue to try to reform the education system, I would hope that we Oklahomans, Democrats and Republicans alike could do no less. In this legislative session we must do it.

The goals of our public education system should be very simple. First, that every child should know how to read and to enjoy reading. Secondly, that every child should have a solid foundation in literature, the social sciences, the biological and physical sciences, history and the arts. That every child should be able to use and to understand math; that every child should know about other cultures and be able to speak a foreign language.

Imagine, if talking to a prospective employer, I was able to say to that prospective employer, every single high school graduate in Oklahoma, every single college graduate in Oklahoma is the best educated in the country. Every one of these criteria apply to those high school and college graduates in Oklahoma. I guarantee you I could make the sale.

The 2002 education agenda is in four parts.

First, we must create a strong testing system in grades three through eight to assure that every child advances only when he or she has mastered basic reading and math skills.

Secondly, we must put in place a stronger remedial education program to help those who lag behind, catch up and succeed.

Third, we must expand the core high school curriculum to four years each of the four core subjects -- English, science, math, and social studies, plus two years of fine arts and foreign language, Four By Four Flex.

Fourth, we must strengthen our outstanding Career Tech system by making it a full partner in public education. Now Four By Four is not instead of Career Tech. It can make Career Tech an equal partner in helping every student learn in every grade. Career Tech -- and we know this, you know this. You worked at this. It has the classrooms, the facilities, the teachers, and the will to ensure core subject education throughout high school. By mirroring Career Tech courses and applied math and science and other fields in the courses already offered by public schools, we'll make both systems stronger by improving learning.

Let me once and for all dispel some myths about Four By Four.

First, does Four By Four mean every individual student has to take advanced calculus. No. It says that every student in every school in Oklahoma has to take four years in each of the four core subjects, which can include applied math and science classes.

Two, is Four By Four a one-size-fits-all curriculum? No. It says four core subject areas, not four specific classes. Schools and students should have the maximum flexibility to create and choose core courses.

Three, will Four By Four destroy Career Tech? No. Absolutely the reverse is the truth. We need Career Tech to make Four By Four succeed. It is time to make our fine Career Tech System an equal partner in education in the public schools.

Four, does each and every child have to take a full load of core subjects every year regardless of ability. I would ask that this Four By Four Flex proposal have a safety valve in it; that if the child, the parent, the principal, the teacher, and the superintendent think a child cannot handle this work, and hopefully this will be very rare, then that individual can opt out, otherwise, every child will opt in to Four By Four Plus.

You know, this January when the new Governor of Oklahoma takes office, I would hope that the new Governor would be able to say this, Welcome to Oklahoma. We're a state with safe communities and clean water. We have clean air and a modern transportation system. We have a state that welcomes business and investment, a state with the best educated work force in the land, and the most people friendly tax system anywhere. We're a state of the future.

It is up to you to give that Governor the tools. It's up to you to give me the tools. Last year when we talked, I asked you to think about legacy. I said that every one of us is term limited, and we are. God will get us. The voters will get us, or the law will. Every one of us is term limited, which means that every single one of you should think legacy. How can we make a dramatic and a dynamic contribution to Oklahoma? We simply cannot breath in oxygen and breath out carbon dioxide. We have to make a commitment as a legislature, as an administration.

Every day that we are here this is not a routine day. This is the day that counts for the future of Oklahoma. This is the week that is crucial to the future of Oklahoma. This is the month that will determine whether or not my grandchildren and your children and your grandchildren stay in Oklahoma.

These are extraordinary, precious, and important days. These things will not happen but for you. The Career Tech System did not happen but for this legislature. The changes we've made in corrections and tax policy and welfare, all of these things happened because of you. They will not happen by accident. They will happen because of you.

And I would encourage every single member, when you look at yourself in the morning in the mirror, you will say, Today I'm going to make a dramatic difference for the better for Oklahoma. This is not a routine day. This is not a routine month. This is not a routine session. This is an opportunity for all of us term limited, some sooner than others, to say to our children and our grandchildren, We turned Oklahoma into the wind. We turned Oklahoma around. Oklahoma is the place people want to go to. We're picking up two congresses. We're not losing one. That's what we want. That's what we need. That's what our children want. That's what our children need. That's what our grandchildren demand.

Seven years ago, I made reference to the friends I had in the house and senate, And they're still my friends. And seven years later after our service together, I want to conclude with the same words that I used in 1995, to conclude my first State of the State.

I said then "With faith in our people, with trust in our heritage, with hope for a bright and vigorous future, we cannot fail."

Ladies and gentlemen, we cannot fail. This is our moment in the sun. This is our opportunity. This is our unique slice of life that we can make a big difference for the sake of our state, for the sake of our children and our children's children. Let us not fail them.

Let's get to work. Thank you very much.

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.