

**State of the State
Governor George Nigh
January 9, 1979**

Lieutenant Governor Bernard
President Pro Tempore Howard
Speaker Draper
Members of the First Session
of the Thirty-seventh Legislature

Our legacy is an outstanding natural environment, our excellent labor force, successful businesses, and our general quality of life, which have put us in a growth cycle while many states suffer a decline.

Today **Oklahoma** is the envy of the other states. No one can deny we have come a long way in past years and we have an even greater future ahead.

Many of you in these Chambers have played a vital role in this legacy that we share today. Our state programs, growth, budget, and prosperity, did not just happen. You, and others who preceded you, worked long and hard as partners with countless Oklahomans to make January 1979 possible.

I am proud to have been a part with you, as first a member of the House of Representatives for eight years, and as President of the Senate in my capacity as Lt. Governor for 16 years. Although I have 24 years' legislative experience and although I have twice previously been sworn in as Governor, it is today in a far different role that I speak to you.

I have much I want to accomplish as Governor, but I want to remind you and, through you, the public, that Rome was not built in a day. I will not accomplish all of my goals in the first year of my term, just as you as a Legislator will not accomplish your total legislative goals in a single session. We are looking at a long-range picture as well as a short-range picture. We should do as much as possible that can be done quickly, always realizing it will not all be done at once.

This record-breaking budget will allow us to do more for every state agency and more nearly meet the needs of our people than ever before. Yet, even though we have a record budget, I am the first to know that it will not please everyone. Maybe that is the nature of the budget process.

My recommendations to this Session of the Legislature are **only the beginning** of my goals and plans. I will constantly remind you that this is the beginning of a four-year term, and just as I took a methodical approach to making my campaign to pledges, I choose to take the same methodical approach to fulfilling them.

The record-breaking billion dollar budget is possible because of the economic growth in Oklahoma. This is not a false growth, as it greatly exceeds the rate of inflation.

The key to continued prosperity for Oklahoma's economy is continued growth. People repeatedly asked me in the campaign what was my number one priority – was it roads, schools, public services? My response as a candidate was that my number one issue and priority was the continued sensible, controlled economic growth, as economic growth will help us take care of all of our other priorities which we individually might consider number one. Continued economic growth is essential if we are to meet the needs of the future. As Governor, it will be my number one issue and priority.

I do not believe that haste necessarily serves us well in public service. I believe in careful study and reasoned actions. Haste is necessary in emergency, but not in the day-to-day conduct of our routine business.

Let us be mindful in this day of economic growth that we have an obligation to keep government growth to an absolute minimum. The temptation to spend all we have must be overcome. Certainly some government services should be increased, improved and expanded. The public demands and needs vital government services. As a rule, however, the growth of State government needs control.

We need to bear in mind the trust placed in us and the responsibility we share to give our taxpayers the greatest return possible on their investment in their government. As Donna and I travelled during the campaign to literally every county and virtually every town in Oklahoma the two concerns most often voiced were inflation and taxes. As I spent the many hours necessary to develop this budget, I saw that it is indeed possible to fulfill my pledge to cut taxes and still write a budget containing record-breaking increases for the needs of our State.

I firmly believe the fairest place to start with tax relief is with the elimination of the double taxation caused by the elimination of the deduction for Federal Income Tax paid. The Legislature, many of you here today, met the financial challenge of Oklahoma earlier and enacted this tax when the State was in desperate need of additional revenue. But, because of our healthy economic conditions today, we can give some tax relief and continue to more nearly meet needs of our State. This proposal is practical and affordable. We should eliminate a portion of this tax this year, and reexamine our economic condition annually to see if we can continue to reduce this tax out of existence.

My plan will this year give an approximately \$20 million reduction to those who have been paying this double tax. Under my proposal, our taxpayers would receive the full deduction, 100 percent, for the first \$1300 in Federal Income Tax they pay, rather than the \$500 which they may deduct under current law. Additionally, they would be allowed to deduct another 5 percent of the Federal tax they pay over the \$1300 up to a maximum of \$2400 in Federal taxes, compared to a maximum of only \$1700 now.

Estimates presented to me by the Tax Commission and Budget Office show that my proposal will have the greatest percentage impact on those taxpayers who have an adjusted annual income of between \$8,000 and \$20,000. More than 75 percent of the total dollar reduction will benefit those Oklahomans with incomes less than \$30,000 per year.

The number one enemy our citizens face today, particularly the elderly and those on fixed incomes, is inflation. This is the reason I support the President's anti-inflation efforts. Part of the cause of inflation is the unrestrained growth of government. As a candidate for Governor, I called for a controlled growth policy rather than no growth, realizing that as the State grows in a healthy condition, certain government services must expand to meet the needs of our people – but also understanding that “bigger” is not necessarily “better”.

We must not only call on others for assistance in this battle against inflation, but we the Government must set the example ourselves. In an effort to set the tone, you will note that I am not requesting any increase in funds or the number of employees in the Governor's office. Likewise, I call upon every State agency to reassess its own operations to determine where efficiencies can be made. We had six weeks to prepare this budget. We will have six months to prepare the next. As we develop future agency budgets, we will be looking more carefully at existing programs as well as requested increases.

Not only am I asking State agencies to look for ways to cut costs, I am asking the individual State employee to do likewise. I will be proposing an incentive plan to reward those State employees who can develop and present proposals which will member not only save taxpayer money, but also increase productivity.

The President, in his anti-inflation effort, has proposed a 7 percent growth limit on wages and salaries for next year. Some say the effort will fail because all will not do their part. Let no one say it failed because Oklahomans did not do their part.

Our anti-inflation efforts do not mean we can t do more for those who need and deserve our attention. Realizing that inflation impacts State employees to the same degree it does others, we must provide increases to help them keep pace. Some advocate-across-the-board salary increases for all employees as the easiest method to approach the problem. Others suggest providing merit incentives. I recommend both.

For each State employee, a \$600 across-the-board raise is mandated in my budget. In addition, I strongly feel we should recognize merit, and I have provided sufficient funding in each agency budget to allow one-step raises, on a merit basis, for one-fourth of each agency's employees.

In the areas of common education and vocational-education teachers, I am recommending an across-the-board **minimum** of \$600 more per teacher. However, I feel very strongly that further professional development should be encouraged and rewarded. Therefore, I am asking that the degree-differential incentives, be Increased by \$200 per year for Masters' Degrees and an additional \$200 per year for Doctorates. For support personnel, I am recommending funds sufficient to allow a 7 percent pay raise, not to exceed \$600 per year.

For higher education, funding has been recommended in the State Regents' budget to allow a **minimum** of \$600 per faculty member and employee. Additionally, as I have provided for incentive and merit increases for State employees and public school teachers, funding has been provided to give each institution money to provide additional raises on an incentive or merit basis which, in the aggregate, per institution, will produce increases not in excess of 7 percent.

All of these factors – a minimum increase, rewards for meritorious service, incentives for professional betterment, and the President's 7 percent guidelines – were considered in determining what compensation increases could be funded.

I have voiced across this State a strong concern for those of our citizens who living on fixed incomes. As we are currently trying to help our present State employees, we have a particular obligation to those who have served our State in its governmental processes. For that reason, I am supporting a measure which will increase the retirement benefits for those persons who have retired from State service.

The bill I am proposing would provide increases of 15 percent for those who retired prior to July 1, 1977 – raises of 10 percent for persons who retired between July 1, 1977 and July 1, 1978 – and a 5 percent increase for those who have retired since last July 1, or who will retire before next July 1. This is the minimum I feel we can policy do for those who have devoted their lives to make Oklahoma a better place for you and me. My proposed budget provides funding to pay for these increases. I propose that the State increase its contribution rate from the present 13 percent on the first \$1,250 of the monthly salary to a 14 percent rate on the same \$1,250 per month. The retirement system actuary has assured me that this increase will support the proposed cost-of-living increases on an actuarially sound basis.

Rising utility rates are of tremendous concern to our citizens, particularly those living off fixed incomes. As I campaigned, I pledged a three-pronged approach in this area. I pledged a member of the Governor's staff would be present at rate increase request hearings at the Corporation Commission. I am assigning a staff member to do this. I stated I would recommend necessary funds to see that the Corporation Commission has the expertise to analyze rate increase requests of the public utilities. I have done this. I also pledged to work with the Attorney General to see that the people's interests were adequately represented. I have met with Attorney Cartwright and assured him of my support in this area. He is currently assessing his funding needs and I have assured him of my support should he need additional staff for this function. This subject will receive my continued attention.

I am not making any specific statement on energy. This will take all the joint efforts that we can muster. This is a subject of great caution. It is vital that we protect the interests of our consumers, commercial users and developers as well. While we are willing to share our excess energy at a fair price, it should not be at the expense of our citizens. We must protect the energy we need for present and planned development. We must formulate the State's energy policy together. My staff and I personally will be meeting with appropriate leadership to develop a unified approach to energy legislation.

I will continue to emphasize economic development. The economy of Oklahoma is good and employment at an all-time high.

It's a household expression that we are number one, and Oklahoma is number one in percentage of full employment.

We are doing a great job with current unemployment at the 4 percent mark. However, I realize that you can play games with percentages. As one out-of-work man told me, he didn't have a job, and he was 100 percent unemployed. Despite our strong economy and bright job picture, let us realize there are sections of Oklahoma geographically and culturally with a high ratio of either unemployment or under-employment.

Specific problems of lack of job opportunities continue in certain geographical adding areas – among minorities and women, among urban, the young, the older people. This is an unacceptable situation. Benefits of full employment and of equal rights should be shared by all Oklahomans. I personally support equal rights and opportunities for all – and strongly recommend your support of these rights – one way to publicly express our concern is the ratification of the Equal Rights Amendment.

In the area of unemployment, I am proposing a direct action program to put problem solvers into the problem areas. In addition to a general increase for the Department of Industrial Development, I recommend a special \$75,000 appropriation to them to field a specialized three-member team.

This team will add thrust to economic development efforts because we'll be using a team of specialists, assembled especially for this purpose and functioning as a tactical unit to overcome employment problems.

The special economic development team will plan and implement programs to meet the needs of our problem unemployment areas and top priority will be given those locations and groups with the records of highest chronic unemployment.

During my campaign for this office, I pledged to seek substantial increases in funding for the State Department of Transportation to help bring our State highway system back into the good condition Oklahomans deserve. As you remember, the 1978 Legislature appropriated \$14 million to go to the Highway Department as a one-time program to help repair the damage caused by last winter's storms. My recommendation before you provides \$35 million new dollars for new highway projects for Oklahoma, which is made up of appropriating that \$14 million again this year and adding to it an additional \$21 million increase over last year's figures. Of this \$35 million total, I have asked the Department of Transportation to develop a formula which will distribute a one-time \$6 million to the counties, cities and towns which so desperately need help with their streets and roads.

During my campaign for Governor, I pledged that my first official act would be to create the Governor's Food and Agriculture Advisory Commission for the purpose of advising me of how the Governor can act in every way possible to support the State's number one industry, agribusiness. Immediately upon assuming office, I created this Commission with Governor Bernard as co-chairman, which has representatives from every area of agribusiness. While we realize that most government actions impacting our farmers and ranchers are actions of the Federal government, the Oklahoma State government needs to take an advocacy role on these subjects to assure that our voices are heard in Washington. I solicit your assistance in this area.

The need for a comprehensive water plan will plan is critical. Today in Oklahoma we are confronted with the paradoxical nature of problems. We rose from what was once called the dustbowl state with as much man-made water as any comparable geographic area in the United States or in the world. We know the consequences of being without adequate water as well as anyone in the world. We owe a great debt of gratitude to former U.S. Senators Kerr and Monroney, former Speaker Carl Albert, Congressman Tom Steed and former Congressman Ed Edmondson for their foresight dedicated service in this area. At the same time, we know what can be done with technology at our disposal. We can see it in the lakes and waterways of Oklahoma. We have the tools and the know-how at our disposal. They await our solution.

Oklahoma needs a comprehensive water plan for its future. We have no greater obligation to the posterity of our state. We need a water plan that encompasses the totality of our varied geography. We must assure that the needs of those who presently benefit from water are protected. We must protect not only the present needs, but future needs that can be defined and for which we must now plan. At the same time, we must address the needs of the water-poor of our State. Adequate water is vital to the agribusiness of our State – which remains the keystone to our economic well-being.

The need for a statewide comprehensive water plan goes far beyond these factors. The inequity of a community within a few miles of a reservoir that has no drinking water must be remedied. The problems of a farmer who considers deeper drilling, as well as the problems of a great portion of our state and nation facing a diminishing water table, need our attention. It is our challenge, today not tomorrow, to cast aside parochialism and fashion a water plan we can grow with. If we protect the water of those who have it, and share the excess with those who need it, Oklahoma has more than enough for us all to enjoy today and for as many tomorrows as we can envision.

The water program is obviously a partnership program. I look forward to working with you as together we will establish a comprehensive water development plan for Oklahoma.

Another vitally important element in the Oklahoma economy, and one to which I have again pledged my support, is the travel, tourism and recreation industry. This is the fastest growing industry in the world.

In my years as chairman of the Oklahoma Tourism and Recreation Commission, Oklahoma has become a significant part of that growth. We have seen a rise from \$400 million to an estimated \$2 billion per year in what travelers are spending in Oklahoma.

Not only do Oklahoma businesses realize benefits from the sale of goods and services to travelers, but this industry provides jobs for thousands of Oklahomans. At the same time, we Oklahomans realize a substantial "bonus" in terms of tax revenue generated by out-of-state visitors. Their purchases of goods and services in our state generate taxes to help support government services for Oklahomans.

Continuing to strengthen Oklahoma's travel, tourism and recreation programs –both for economic development and for the quality of life benefits – will be an important program within my administration.

In developing my proposals for common education, I have looked at the problems not only from the standpoint of a candidate who spent the past year listening to the people from across our State, and not from the standpoint of a former Representative who served on the education committees of this Legislature, but from the standpoint of a public school teacher, which was my first profession. And, as a former high school history teacher, I can tell you from experience that if a student didn't have a solid foundation by the time he got to me, it was just that much more difficult for me, and for the student.

For this reason, my emphasis in education will be the elementary grades. I have asked Dr. Fisher to develop a model reading program specifically directed at those children in kindergarten through the sixth grade. If successful, we should gradually expand the program through the intermediate and senior levels of our school systems. Also specifically directed at the elementary level, my budget recommendation contains funding to create 50 new programs which will permit guidance counseling for elementary school children, with my long-range goal being to develop sufficient programs to reach every school age child in Oklahoma.

The last Legislature provided funding sufficient to create 377 new classes for the gifted and talented and those who need Special Education. I am recommending appropriation this year of an additional \$2.2 million to create another 377 classes for these students. Further addressing the individual needs of our students, ~I am recommending that increases be provided for the teachers who serve the needs of homebound students. These students, who are unable because of temporary or permanent impairments, to participate in regular school classes, deserve this special attention.

We must provide our students not only with top-notch teachers and facilities, we must provide our teachers the tools with which to work. I remember as a school teacher when, at times, we would be into the second six weeks of classes and still not have textbooks for the students. In the budget before you, I have recommended a 20 percent increase, \$1.2 million more, to provide more textbooks. Further, I have proposed in my budget funding necessary to increase support for schools at the local level to help keep pace with the upward spiral of their costs.

As a part of my recommendation for Common Education, I have provided funding for an increase of 74 library media improvement programs, at a cost of \$365,000. However, I finally believe the opportunity to learn should go beyond our public and formal education systems. Indeed, the purpose of these formalized systems is to encourage continued development and learning by the individual. That is the reason you will note that the requested appropriation for State libraries has been placed in the education portion of your budget document. I have asked for an increase of approximately \$600,000 to help develop our community libraries to better serve our citizens and support our belief in self-development. The bulk of the increase recommended, almost \$400,000, will go directly to the local communities to support your local libraries. Current funding for these libraries is at 11 cents per capita. Under my proposal, that support would be increased to 26 cents per capita.

The total Common Education program, with the administration costs, is in excess of \$43.5 million more than was provided last year, for a total of \$414 million. This students request represents an investment of which we can all be proud, and an investment which will help secure the future of our great State.

Higher Education continues to be important to our people, and the Regents do a good job in their work. I recommend a 12.6 percent increase in funding, \$25 million new dollars for the higher education operating budget to bring the total fiscal year 1980 appropriation to over \$223 million.

The Oklahoma State Regents for Higher Education do a good job of distributing the money we appropriate for colleges and universities at the institutional level. Although I know you are familiar with this procedure, I hope that you will help me explain to the public that we – the Legislature and Governor – do not determine what amount an individual institution receives.

Several areas of higher education need comment.

I would like to reiterate my belief that we should not create any additional institutions for higher education until we can more adequately meet the needs of those we have.

I would like to state that I would favor legislation that gives Langston University, or any university for that matter, its own board of regents. I believe this would benefit the campus.

In the area of post secondary education, I want to do everything possible to see that we eliminate any duplication or conflict between the vo-tech programs and colleges and universities. These are important, and it important to me that the services of both areas are provided in concert with one another.

Not everyone wants or needs a college education. But certainly the State's obligation is to provide an opportunity for leaning beyond high school for all avocations. Oklahoma is virtually the leader in the nation in educating our people beyond high school. One reason is our outstanding vo-tech program. Vocational and technical training opportunities are vital to industries and our work force. They deserve special consideration, and will receive high priority in my administration.

For the training and education of those whose talents and skills are suited better to those areas of intense skill training, we are recommending substantial increases for the State's vocational-technical education programs. Our budget recommendation contains an increase of \$1.8 million in operating funds for the Vo- Tech Board, which totals \$17.6 million – an increase of 12 percent, some \$300,000 of which is designated to beef up the program designed to concentrate on those students who are deemed to be potential drop-outs. Additionally, we are asking that capital expenditures in the sum of \$1.2 million be approved to complete the purchase of the Oklahoma City Skills Center and to provide substantial increases in equipment maintenance and repair funding.

Oklahoma is a big state, and, as I have said many times, no town is too small and no county is too far away to get my attention as Governor. The arts and humanities are important to all of our lives, and I believe that a concerted effort is needed to assure opportunities are available to all of our citizens, regardless of where they live.

For this reason, I am requesting a substantial increase in the appropriation to the Oklahoma Arts and Humanities Council of \$221,000. This increase brings their total to some \$450,000.

One of the great changes in Oklahoma has been the cultural changes, but our prime concern is the improvement in our quality of life. There is an obvious side benefit – this is an important industry to our State and enhances our tourism industry as well.

As I traveled across the State this past summer and fall, a major concern of the people was their sincere interest in law enforcement – all people want to feel in their homes and on the public streets and highways. In this regard, I have recommended for your consideration a budget which, when added to other available funding, will finally complete the one-man, one-unit concept for the Oklahoma Highway Patrol. These 92 new vehicles will have the effect of giving the Patrol a greater rolling strength at all

times; there will be no delays during shift changes. In addition to the greater visibility of the troopers on the highways and the greater security their numbers provide, the one-man, one-unit concept is a step toward better economies in the purchase and replacement of the vehicles. I am also asking that the Highway Patrol add 25 new officers, 20 on the highways, 5 on the waterways to help achieve the safety and security of our people.

In addition, I am asking that you approve a budget for the Oklahoma Bureau of Investigation which calls for an increase in funding in the amount of \$720,000, a portion of which will enhance and complete the operational capability of the Crime Bureau Laboratory at Tahlequah.

As tempting as it may be to pinch pennies, I strongly feel these areas, which provide safety and security for our citizens, are not the places to cut corners.

In the area of corrections facilities we face unique problems. The Federal District Court has ordered the State to accomplish both general and specific goals, many requiring large expenditures. While I regret the intervention of the Federal Court into State matters, I recognize my obligation, and my budget as proposed will satisfy the court-ordered reforms. At the same time, I hope the State will continue the appeal in this case.

I am recommending a 13.6 million supplemental appropriation to meet the court's order, \$17.8 million for capital outlay and \$8.9 million in new operating funds to satisfy the court-ordered reforms. This totals \$40 million new dollars for the Department of Corrections to provide improved medical care, supervision, legal counsel and facilities in line with the Court's Order.

The problem of two segments of our population trouble me deeply – and I do not have the answers to their problems. I ask you, in all of your work, to be constantly aware of the problems of the elderly and the problems of the handicapped.

In both instances, we are talking about common problems that are not limited to any geographical or class distinction.

Because of the broad range of problems people of the handicapped and the elderly, I will appoint a council to study the situation, Donna and I will work in this area personally, and we will ask for your help, the help of all related agencies in government and help of the general public.

I have a commitment to help address these problems, and it is a commitment that will run throughout my administration. Your help will be very important and greatly appreciated.

In managing State government, we must be mindful of the purpose of the services we offer the public. The public's convenience should be considered in every action taken by our boards, agencies and commissions. I will order each Agency within my purview to systematically review their rules and regulations for the purpose of unburdening, where possible, our citizens and businesses of unnecessary paperwork. I will encourage all other agencies to do the same.

In developing programs, I will encourage the legislature and the Executive Branch to look carefully at Federal programs offered to the State. The availability of Federal funds is not necessarily justification for creating government services at the State level the public does not want or need. We have also seen instances of Federal programs offered initially with Federal financial support that

eventually require State dollars for continuation. I will work with you in the supervision and efficient administration of Federal programs.

I commend you for selection of leadership. Speaker Draper will be an outstanding leader. I applaud his fresh approach and his sense of decorum.

In the re-election of President. Pro Tempore Howard you continue experienced and dedicated leadership. I applaud his call for innovation in State government. I believe that is a true mark of wisdom and I support his approach.

As I said many times while campaigning for the office of Governor I will be the best friend any Lieutenant Governor ever had. Governor Bernard makes this an easy pledge to fulfill. Not only does Governor Bernard bring years of experience as a member of the House, and as House leader, but he brings experience as a successful businessman with him. The Executive branch of our government can put this talent to work. It is an added benefit to me that Governor Bernard has a background of experience in the State's first industry, agriculture. I will work with him in this important area particularly. Just as I have made him co-chairman of the Governor's Food and Agriculture Advisory Commission, I will look to him as my number one advisor on these subjects. I will support him in his activities as Chairman of the Tourism and Recreation Commission.

I have spent 24 years in these Chambers and am aware of your problems. We serve the same constituents, and I expect you to keep the commitments you made to the people who elected you. I know you would expect no less from me. You may be certain that I intend to do everything possible to accomplish the goals and commitments I made in my campaign for Governor.

Senator Cate moved that the Second Joint Session be dissolved, which motion was declared adopted.

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.