



Oklahoma Aeronautics Commission

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NEWS RELEASE

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Bill to Address Shortage of Engineers Passes Out of House Subcommittee

OKLAHOMA CITY – Lawmakers today approved a measure that could make a significant impact on the long-term viability of Oklahoma’s burgeoning aerospace industry.

Members of the House Aerospace and Technology Subcommittee passed House Bill 3239 by Rep. Skye McNiell, R-Bristow, which encourages young people to pursue engineering as a career by providing incentives in the form of tax credits for engineers who choose to work for an Oklahoma aerospace company. The bill would also provide various tax credits to Oklahoma aerospace companies that hire those engineers.

“It’s extremely important that we legislators do what we can to continue to grow our state’s aerospace industry,” said McNiell. “It is one of the top employers, if not *the* top employer, in the state, providing more than 150,000 jobs and generating an industrial output of \$12.5 billion. This bill will certainly help ensure that this vital pillar of our state’s economy will continue to flourish well into the 21st century.”

McNiell said that Oklahoma’s aerospace industry is currently experiencing a shortage of skilled workers including engineers. She pointed to a recent report by the Governor’s Council for Workforce and Economic Development that estimated a shortage of 600 engineers in the aerospace industry by the year 2014.

Specifically, HB 3239 grants engineers hired after January 1, 2009, a tax credit of up to \$5,000 per year for a period of time not to exceed five years. It also allows aerospace companies a tax credit of 20 percent for compensation paid to a qualified graduate during the first five years of his or her employment if the employee graduated from an in-state college or university or a tax credit 10 percent if the employee graduated from an out-of-state college or university.

In addition, the bill would afford Oklahoma aerospace companies an opportunity to receive a tax credit in the amount of 50 percent of the tuition reimbursed to a new engineer graduate for the first four years of his or her employment at an Oklahoma aerospace company. The tax credit would be based upon the average annual tuition at a public college or university in Oklahoma.

Rep. Mike Jackson, R-Enid, who serves as subcommittee chairman, noted that last fall’s interim study on state’s aerospace industry clearly showed just how important the industry is to the state.

“I think I speak for the entire subcommittee as well as most of my colleagues in the House when I say that Oklahoma’s aerospace industry is critical to the state’s economic vitality. We saw that first hand during the interim study. Even though oil and gas is big business in our state, the aerospace industry is right up there. So, we must continue to diversify our economy if we expect our state to be a big player in the global marketplace,” Jackson said.

HB 3239 will now advance to the full Energy and Technology Committee.

“Even though our nation’s economy as a whole has slowed recently, Oklahoma’s economy is still moving along just above the national average. And I think our state’s aerospace industry has had a lot to do with that continued momentum. We are hopeful that this bill by Rep. McNiel as well as other aerospace-related bills that have been introduced this session will strengthen Oklahoma’s aerospace industry,” said Rep. Dennis Adkins, R-Tulsa, chairman of the E&T Committee.

Oklahoma Aeronautics Commission Director Victor Bird echoed many of the comments made by legislators and urged continued action to address the engineer shortage.

“The aerospace industry is our nation’s leading export, yielding a \$52 billion surplus in 2006. Why? Because we have always been in the vanguard, on the cutting edge in aerospace,” Bird said. “And just as our nation depends on engineers to maintain that competitive advantage, so too does Oklahoma. And that’s why it is so critical that we do something to address this looming crisis in our state.”

The mission of the Oklahoma Aeronautics Commission is to promote aviation, which includes fostering the growth of the aerospace industry and ensuring that the needs of commerce and communities across the state are met by the state’s 114 public airports that comprise the Oklahoma Airport System.