



## **Oklahoma Aeronautics Commission**

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### **NEWS RELEASE**

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## **Legislation to Attract More Engineers into Aerospace Moves Forward**

**OKLAHOMA CITY** – Two pieces of legislation geared toward growing Oklahoma’s aerospace industry have cleared one more hurdle in the House and Senate.

House Bill 3239 by Skye McNiel in the House and Kenneth Corn in the Senate easily won approval on the Senate floor Thursday morning by a 42-3 vote.

HB 3239, which has often been referred to as the "Aerospace Industry Engineer Work Force Bill," grants engineers hired after Jan. 1, 2009, by an Oklahoma aerospace company a state 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 10 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 of 5 percent if the employee graduated from an out-of-state college or university.

HB 3239 also affords 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. The tax credit would be based upon the average annual tuition at a public university in Oklahoma, which is currently about \$3,600.

“The fact that an overwhelming majority of lawmakers in both houses support House Bill 3239 shows just how vital our state’s aerospace industry is to the state and its economic prosperity. They understand that,” said Victor Bird, director of the Oklahoma Aeronautics Commission. “But it’s important to point out that House Bill 3239 does not require any expenditure of state funds, which leaves additional monies for other worthy requests.”

Bird said that perhaps the most important aspect of HB 3239 is that it would result in an estimated \$163 million economic impact to the state in just the first year alone.

“Compare the \$163 million economic impact House Bill 3239 would have in the state to the estimated \$2.9 million that would not be paid into the state coffers, and one can clearly see that it’s a great investment on the state’s part. A more than 50 to 1 return on investment is a no-brainer,” Bird said.

HB 3239 will now go to conference where legislative leaders from both chambers will try to work out differences on a final bill.

Over on the House side, the Appropriations and Budget Committee yesterday afternoon approved the Senate's version of HB 3239 which is also designed to attract more engineers into the state's aerospace industry. Senate Bill 1171 by Sen. Mike Mazzei and Rep. Mike Jackson provides a \$5,000 tax credit for up to five years to new engineers who earn an undergraduate or graduate degree after December 31, 2008, and go to work for an Oklahoma aerospace company. There are no tax credits for the hiring company, however.

SB 1171 now moves on to the House floor for further consideration.

Bird said that the U.S. aerospace industry is currently facing a substantial shortage of engineers and the situation will get much worse in the next few years when an estimated 60,000 to 68,000 engineers retire. In Oklahoma alone, an additional 600 to 650 engineers will be needed by the year 2013.

“If we expect to keep our aerospace industry growing and competitive with other states and countries, then we must provide incentives to attract more engineers to the industry. If we don’t, the industry will suffer down the road, and I don’t think we can let that happen,” Bird said.

Bird noted that other states around the country have already passed legislation this year that has benefited their respective aerospace industries. He pointed to Kansas, Georgia and Washington as examples. Just last week, Kansas lawmakers passed a bill that allows Cessna Aircraft Company to access up to \$33 million in bonds to build an assembly plant in Wichita for its new Citation Columbus aircraft. The facility is expected to create more than 1,000 jobs.

Oklahoma’s aerospace industry is one of the state’s largest employers, resulting in approximately 150,000 direct, indirect and induced jobs statewide. The industry yields an annual industrial output of \$12.5 billion and generates an annual payroll of \$5 billion.

One in 10 Oklahomans derive their income from the aerospace industry and the average overall salary for an employee in the industry is nearly \$55,000, compared to the overall state average of about \$30,000. The median salary of an engineer in the aerospace industry is approximately \$75,000.

Oklahoma is recognized as one of seven centers in the world for the modification, maintenance, repair and overhaul of aircraft.

*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.*