



## **Oklahoma Aeronautics Commission**

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### **NEWS RELEASE**

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## **Engineer Work Force Bills Pass House, Senate**

**OKLAHOMA CITY** – Bills aimed at increasing the number of engineers in the aerospace industry by providing various incentives passed out of the House and Senate today.

House Bill 3239 by Rep. Skye McNiel, R-Bristow, passed the full House by a vote of 88-9. The measure grants engineers hired after January 1, 2009, by an Oklahoma aerospace company 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 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 5 percent if the employee graduated from an out-of-state college or university.

In addition to the tax credits of 10 and 5 percent, the bill would also afford Oklahoma aerospace companies an opportunity to receive a tax credit for the tuition reimbursed to a new engineer graduate for the first four years of his or her employment. The tax credit would be limited to 50 percent of the average annual tuition at a public college or university in Oklahoma.

“Passing House Bill 3239 is critical to the well being of our state’s aerospace industry,” McNiel said. “Aerospace is the leading U.S. export, producing a \$52 billion surplus in 2006. I don’t think there are many industries in our nation that can say that. A big reason for that success is the intellectual capital the industry enjoys from the thousands of engineers who keep the industry in the vanguard.”

A bill by state Sen. Mike Mazzei, R-Tulsa, similar to HB 3239, also passed out of the state Senate today. Senate Bill 1171 provides a \$5,000 tax credit for up to 5 years to a new engineer who is awarded an undergraduate or graduate degree after December 31, 2008, and goes to work for an Oklahoma aerospace company. There are no tax credits for aerospace companies that hire engineering graduates, however.

Senators passed SB 1171 by a vote of 44-2 with senators Jeff Rabon, D-Hugo, and Randy Brogdon, R-Owasso, the only two lawmakers voting against the measure.

“The aerospace industry is one of the pillars to our state’s economy and is responsible for thousands of jobs across the state. If we don’t take the steps necessary to bolster the industry within our own borders, we run the risk of forcing many of our aerospace companies to look elsewhere to meet their work force needs. We cannot let that happen,” Mazzei said.

“This has certainly been a good day for Oklahoma’s aerospace industry,” said Oklahoma Aeronautics Commission Director Victor Bird. “This is just one more step in the process of creating an environment in

our state that will attract more young people into the engineering field and to keep them living and working in Oklahoma. In a very real sense, we are in a fight on the world stage to keep the industry we have and, hopefully, foster its growth.”

Bird said that HB 3239 and SB 1171 were introduced this session as a result of the skilled worker shortage within the aerospace industry, in particular the shortage of engineers. Currently, employers such as ARINC, Boeing, Northrop Grumman and Tinker Air Force Base in Oklahoma City, as well as NORDAM and Spirit Aerosystems in Tulsa, are in desperate need for more engineers due to the robust growth of the state’s aerospace industry. Finding engineers and eventually hiring them has been difficult for those companies and others that rely on engineers for their growth and viability, he said.

“A recent report estimates that Oklahoma will experience a shortage of between 600-650 engineers by the year 2013. We can’t let that happen. Losing the momentum that our aerospace industry has worked so hard to acquire would be disastrous for our economy. That’s why these bills are so important,” Bird said.

Bird noted that other states have recently developed programs or enacted legislation designed to bolster their respective state’s aerospace industry, including Kansas, Georgia and Washington. Even other countries are enticing U.S.-based, and even some Oklahoma-based, aerospace companies to move all or parts of their operations overseas through various incentives. Legislation like HB 3239 and SB 1171 will help even the playing field, Bird added.

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 salary for an employee in the industry is nearly \$55,000, compared to the overall state average of \$29,000. Oklahoma is 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.*