

State Question 744

Frequently Asked Questions

Q: What is State Question 744?

A: It's an initiative that will be on the statewide ballot November 2, 2010, which would mandate that Oklahoma spend as much per-pupil on education as the average of surrounding states.

Q: How much will it cost?

A: That depends on whom you ask. The OEA's website dedicated to SQ 744 originally said that based on 2007-08 data, Oklahoma spent \$7,615 per pupil while the regional average was \$9,078. According to the OEA, that difference of \$1,463 meant that the state would have to spend \$850-million dollars more on education to get to the regional average.

However, the OEA has recently updated the site which now shows Oklahoma spending \$8,006 per student with the regional average coming in at \$9,633. That's a difference of \$1,627 per student yet somehow the OEA claims that the cost of SQ 744 is still \$850-million!

If you take a closer look at those figures, the original price tag is underestimated. [The State Department of Education website](#) lists the 2007-08 enrollment at 634,251 students. If you multiply that by the \$1,463 that the OEA first required us to spend per student, you'd get nearly \$928-million!

And if you use the "updated" difference of \$1,627 per student, the cost of SQ744 jumps up to \$1.032-billion! And that's still using the 07-08 enrollment figures which have probably gone up as well.

Q: The OEA says SQ 744 will not raise our taxes. Is that true?

A: The OEA is right that there is nothing in SQ 744 that requires a tax increase. But that's the problem: it's an unfunded mandate. The OEA claims that normal growth in state revenue will pay for it, but they use an average of 5% growth in revenue per year to justify that position. In the last year alone, revenues have dropped more than 20%. A House interim study found that the only ways to fund SQ 744's mandate would be through tax increases or cuts in all other state agencies.

Q: What kind of tax increase would be needed to raise \$850-million?

A: Testimony from that same interim study found that using income taxes alone would require a rate increase from the current 5.5% to 7.35%. That would make it the highest rate in the region and 15th highest in the country!

Sales taxes are the only other stable source of revenue large enough to raise an additional \$850-million. The current state sales tax rate of 4.5% would have to go up to 6.175% to raise enough money. That rate would be just below Texas (6.25%) for the highest in the region.

Q: What will the money be used for?

A: Almost anything a school board wants. There is nothing in SQ 744 that mandates that the extra funds make it into the classroom. A school district could use the money for administrative raises or more janitorial supplies. There is no link between the money and an improved education for children.

In fact, if you look at what happened in Kansas where a court ordered a massive increase in education spending, there has been no significant improvement in test scores since the court ruling. Yet at the same time, spending on K-12 education in Kansas is up 50% since the year before the court ruling and the state had to enact the biggest tax increase in its history to pay for it.

Q: Will the Oklahoma legislature be in control of education spending?

A: Not really. Since a formula based on spending in other states will be used to determine how much Oklahoma has to spend, the Oklahoma legislature will lose control of 50% of the state's budget. Instead, lawmakers in Texas, Missouri, Kansas, Colorado, New Mexico and Arkansas will indirectly determine how much Oklahoma spends. If the Texas legislature were to enact an income tax in order to raise education spending by a thousand dollars per student, they would also be raising the cost of education in Oklahoma as well.

Q: What happens if the regional average goes down?

A: There's a clause in SQ 744 that says if the regional average goes down, Oklahoma's education spending has to remain the same. It can't ever be reduced, even during a revenue shortfall like we're experiencing right now.

Q: How can we defeat SQ 744?

A: Talk to people about it! Make sure they know about SQ 744 and the problems it will bring. Direct them to STOP744.com. Write a letter to the editor of your local paper and if you're not sure what to say, consider using one of our templates as a guide. Call your local radio station and talk to the host about SQ 744. If you have a neighborhood or civic group, go to our Speakers Bureau link and contact us about making a presentation to the group about SQ 744. Send in a self-addressed, stamped envelope and get a bumper sticker for your car so your whole community will know you oppose SQ 744. Become a fan of STOP744 on [Facebook](https://www.facebook.com/STOP744) and follow us on Twitter [@STOP744](https://twitter.com/STOP744). And don't forget to sign the petition so that you can receive regular updates on what we're doing to help defeat State Question 744!



State Question 744

As part of our efforts to make sure our clients have the most up to date information on issues that have the potential to impact them, FKG is providing this update on SQ 744. This November, SQ 744 will be one of 11 State Questions on Oklahoma's ballot. This is a constitutional amendment designed to assure that appropriations for our state's common education system must at least equal the average per pupil expenditure of our neighboring states. This idea sounds like a good one until you look a little closer at the impact. SQ 744 is turning out to be one of the most important issues facing our state and, should it pass will have far reaching implications for everyone.

Consider the following:

- By some estimates the measure would **cost \$1.7 billion** over three years to implement. This effectively will guarantee funding shortfalls for **all** other areas of government. These shortfalls will have to be addressed by some combination of **cutting services/reducing government, repealing tax incentives and increasing taxes**. With extreme shortfalls, there will be efforts to look for money any place it can be found and we have seen some of those ideas floated in the past.
- A recent Sooner Poll found that almost **two-thirds of Oklahomans favor tying public education funding to a regional average**, the latest Oklahoma Poll shows. Sixty-five percent of the 755 people surveyed July 16-21 said they support State Question 744.
- The **National Education Association — the nation's largest teachers union — has donated \$3 million** to the campaign in support of State Question 744. Oklahoma's State Question is important nationally because success in forcing constitutionally mandated increased education spending in Oklahoma will lead to the ability to duplicate the effort across the country. The stakes are high for the NEA thus their willingness touch large amounts of money to pass SQ 744.
- The primary group working to defeat SQ 744 is *One Oklahoma Coalition*. The coalition is a non-profit corporation whose sole focus is opposing this measure. Find out more about the opposition group at <http://www.nosq744.com/>

Some of the organizations that are members of the coalition are:

Oklahoma Farm Bureau
The State Chamber of Oklahoma
Oklahoma Public Employees Association
Greater Oklahoma City Chamber of Commerce
Tulsa Metro Chamber of Commerce
Association of Oklahoma General Contractors
T.R.U.S.T. (Transportation Revenues Used Strictly for Transportation)
Americans For Prosperity
Oklahoma Business and Education Coalition
Oklahomans For Responsible Government
Oklahoma Bankers Association
Oklahoma Highway Users Federation
Oklahoma Association of Healthcare Providers
American Farmers and Ranchers
Oklahoma Chamber of Commerce Executives Association

Oklahoma Agribusiness Retailers Association
American Council of Engineering Companies of Oklahoma
Oklahoma Professional Economic Development Council
Oklahoma Pork Council
Oklahoma Wheat Growers Association
Oklahoma Asphalt Paving Association

FKG encourages you to give serious consideration to the implications to you and your business should SQ 744 pass in November. Please let us know if you would like more information on SQ 744.

Fried.Kilpatrick.Guinn