



OFFICE OF GOVERNOR MARY FALLIN

2011 Legislative Report: A Historic Session for Conservative Reform and Governance

A Fiscally Responsible Budget

The budget deal reached by the governor and state legislators represents a fiscally responsible plan to close the \$500 million revenue shortfall and balance the budget without raising taxes. Budget reductions range from 1 to 9 percent, although core government agencies dealing with education, health and human services, public safety and transportation received more limited cuts than other agencies. Additionally, education funding is boosted by a series of supplemental funding bills, while transportation funding is supported through a bond.

“Government needs to live within its means, cut spending and make tough budget choices, just like Oklahomans have had to do during this economic downturn,” Fallin said. “This year’s budget is a responsible, fiscally conservative plan that preserves core areas of government while reducing the overall size of our state agencies.”

Creating More and Better Jobs By Promoting a Business-Friendly Environment

A series of bills was sent to the governor this year in support of her goal of bringing more and better jobs to Oklahoma by building the best possible environment for business. These bills include landmark lawsuit reform legislation, comprehensive workers’ compensation reform, the creation of a governor’s closing fund to attract businesses to the state, a one-stop-shop for business licensing and permits, and more.

“My number one priority is to bring more and better jobs to the state of Oklahoma,” Fallin said. “The way to do that is through pro-business reforms that make our state a more attractive place for entrepreneurs and small businesses. The reforms we pursued this year have

helped to ensure that investors across the state and the nation have gotten the message loud and clear: Oklahoma is now open for business.”

Legislative/Policy Highlights

- Comprehensive Tort Reform
 - HB 2128: placing a hard cap of \$350,00 on non-economic damages
 - SB 865: instructing juries that awards are not subject to taxation
 - SB 862: eliminating joint and several liability
 - HB 2024: authorizing periodic payments (instead of lump-sum payments) for damages exceeding \$100,000
- Workers’ Compensation Reform
 - SB 878: rewriting the state’s workers’ compensation laws to reduce costs for businesses and ensure injured workers receive proper care and can return to work in a timely manner
 - HB 2038: authorizing workers compensation annual reports and data collection
- Quick Action Closing Fund
 - HB 1952: creating a Quick Action Closing Fund administered by the governor for the purpose of attracting new business and jobs to the state
- One-Stop-Shop for Businesses
 - HB 1601: creating a “one-stop-shop” centralized licensing plan for businesses
- Job Creating Tax Incentives
 - Allowing the income tax rate to be reduced from 5.5% to 5.25%
 - HB 1008: reinstating the job-creating tax credit for aerospace engineers
- Supporting Oklahoma Energy Producers
 - HB 1909: modernizing oil and gas statutes to better accommodate technological advances associated with horizontal drilling in shale reservoirs

Building a Smaller, Smarter Government that Better Serves our Citizens

As the governor outlined in her State of the State address at the beginning of this session, our state government too often operates like “an 8-track bureaucracy in an iPod world.” To create a more modern, cost-effective government and to save taxpayer dollars, Governor Fallin asked lawmakers to pass legislation consolidating and modernizing the state’s aging Internet Technology (IT) infrastructure, combining various state agencies with overlapping functions, and pursuing other reforms that streamline government services. The Legislature responded in the final weeks of session, sending those bills to the governor’s desk.

Additionally, Governor Fallin and legislative leaders worked to pass and sign into law a series of reforms designed to improve the fiscal outlook of the state’s public employee pension systems, which currently have \$16 billion in unfunded liability.

“I promised voters that I would lead the way in modernizing our state agencies, creating a smaller, smarter government, and saving taxpayer dollars in the process,” Fallin said. “The important government modernization reforms passed this session will help to reduce spending and deliver government services more effectively. Additionally, the Legislature and I have worked to take important steps to shore-up the state’s struggling pension systems and to ensure that we can keep our promises to our retired workers.”

Legislative/Policy Highlights:

- Achieving savings through agency consolidation, IT restructuring and smart spending
 - HB 2140: consolidating various agencies including Department of Central Services, the Office of Personnel Management, Benefits Council, and the State and Education Employees Group Insurance Board into the Office of State Finance.
 - HB 1304: consolidating and restructuring the state’s IT systems
 - SB 541: providing for OSF to analyze financial services among state agencies and mandating that those agencies operating in the least cost-effective manner contract their financial services with OSF
 - HB 1086: mandating cost-effective electronic payments to be disbursed from the State Treasury
 - SB 763: consolidating the Oklahoma Human Rights Commission into the Office of the Attorney general
 - HB 2131: reducing corrections costs by expanding community sentencing programs and other corrections reforms
 - HB 1035: requiring state agencies to use the Trip Optimizer System for vehicles used by state employees and requiring that the maximum authorized travel reimbursement shall be the lowest cost option determined by the optimizer

- Reducing the unfunded liability for public pensions:
 - HB 2132: eliminating unfunded cost of living adjustments
 - HB1010: increasing the retirement age for new members of the Uniform Retirement System for Justices and Judges
 - SB377: raising the normal retirement age for new teachers from 62 to 65 years of age
 - SB794: raising the minimum retirement of various public employees to 65 years of age
 - SB347: providing for the forfeiture of a municipal officer or employee’s retirements benefits upon conviction of crimes related to their office (bribery, corruption. etc)

Fighting the Federal Health Care Law While Pursuing Oklahoma Solutions for Better Health

At the beginning of 2011, Governor Fallin joined Attorney General Scott Pruitt in announcing a legal challenge to the federal health care law and its unconstitutional mandates. Since then, the governor has also rejected \$54 million in federal funds to ensure the state cannot be tied to “ObamaCare.” In addition to resisting the president’s health care law, the governor has worked to support initiatives that will improve the health of Oklahoma’s citizens and work to create a more flexible source of funding for Medicare and Medicaid in Oklahoma. The governor also signed into law important legislation helping to fund Oklahoma hospitals that otherwise might be in danger of closing.

“The state of Oklahoma has said loud and clear that we don’t want anything to do with President Obama’s health care law. It’s unconstitutional and unaffordable, and that’s why I worked with state leaders not only to challenge the law in court, but to return federal money to ensure our state is not forced to implement it,” said Fallin.

“It’s important, even as we fight the federal law, to work on state-based solutions to help our citizens. That’s why I’m continuing to support initiatives that will help improve the health of our citizens and improve access to quality, affordable care in Oklahoma.”

Legislative/Policy Highlights:

- Fighting “ObamaCare”
 - Joined Attorney General Scott Pruitt in announcing that the state of Oklahoma would file a lawsuit challenging the constitutionality of the federal health care law
 - Refused \$54 million in federal grant money to ensure that Oklahoma cannot be tied to the federal health care law
- Improving Access to Quality Care in Oklahoma
 - HB 1381: creating a provider assessment to support Oklahoma hospitals that provide care to low income patients and rural hospitals
- Improving Oklahoma’s health
 - Worked with the Health Department to unveil the “Shape our Future” campaign, encouraging schools, businesses and communities to embrace healthy living options
 - Included funding in budget for rehabilitation programs for those suffering from drug/alcohol addiction”

Improving Oklahoma Schools and Delivering Quality Education

As Governor Fallin told legislators earlier this year, “there is nothing more important to our future and our long-term prosperity than education.” State lawmakers agreed, and 2011 has become a banner year for education reform in Oklahoma, as a series of measures to improve student performance and increase accountability have been signed into law.

“Building a better and more prosperous Oklahoma requires strong schools and universities that produce the kind of educated, highly skilled work force that can compete in today’s global economy,” Fallin said. “The reforms we have passed and signed into law will help to ensure that schools are delivering the kind of education that our children deserve and our state needs.”

Legislative/Policy Highlights:

- **Increasing Accountability, Teacher Quality and Student Performance**
 - HB 2139: defining the responsibilities of the state superintendent of public instruction and the board of education
 - HB 1456: creating an A-F grading system for public schools
 - SB 346: ending social promotion for students going from third to fourth grade
 - HB 1380: ending “trial de novo” appeals process for teachers who have been dismissed

Protecting Children and the Lives of the Unborn

Governor Fallin believes that one of government’s most important responsibilities is to protect our children and the lives of the unborn. The 2011 legislative session produced important laws that will continue to affirm Oklahoma’s culture of life and defend our children from those who would do them harm.

“I believe life needs to be respected on every level,” Fallin said. “I was proud that our lawmakers made protecting the most vulnerable among us a priority.”

Legislative/Policy Highlights:

- **Protecting the lives of the unborn**
 - HB 1888: banning abortion after 20 weeks of pregnancy
 - SB 547: ensuring standard health insurance policies sold in Oklahoma do not include elective abortion coverage
- **Protecting Oklahoma’s children**
 - SB 576: authorizing the creation of a “most wanted” list for delinquent and missing parents who owe child support

- HB 2136: requiring the state department of Human Services to conduct criminal background checks on all adults living in a home before a foster child is reunited with a parent

Expanding Gun Rights and Defending the Second Amendment

Governor Fallin was happy to receive bills this year which protect gun owners and expand Second Amendment rights.

“In Oklahoma, we’re serious about gun rights and the Second Amendment,” said Fallin. “Our Founding Fathers were too. The bills we’re signing into law this year will help to expand rights and protections for law abiding citizens who own guns.”

Legislative/Policy Highlights:

- Protecting gun owners and the Second Amendment
 - HB 1439: Authorizing citizens who fear for their lives to use deadly force while defending themselves in their place of business
 - HB 1652: Allows gun owners with conceal and carry permits to leave guns in locked vehicles while on Career Technology campuses

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