

FY-98 EXECUTIVE BUDGET



STATE OF OKLAHOMA
Governor Frank Keating

State of Oklahoma
Office of the Governor

February 3, 1997

It is with great pleasure that I submit to the Legislature and to the people of Oklahoma, for their consideration, this executive budget. This document reflects the priorities outlined in my growth agenda for our state for this third year of my administration and is balanced as required by state law.

For the last two years, I have presented budgets that emphasized the need to reduce the tax burden on Oklahoma's taxpayers by reducing the size and cost of Oklahoma state government and by designing tax policies to encourage the growth of our economy. Funding increases in this budget are intended to develop growth for Oklahoma and are predicated on reform. This budget again emphasizes the need to reduce taxes, control the cost of state government and other efforts to improve the quality of life in Oklahoma.

This budget presents my recommendations to make Oklahoma a rich and prosperous state. I have traveled extensively this year, telling Oklahoma's story to the world. Interest in Oklahoma as a corporate site location, a source of abundant resources, and a home, is greater than ever. We have shown the nation that we can pull together and accomplish anything.

I will discuss the progress we have made in the past year and how the proposals outlined in this budget document will be implemented in fiscal year 1998 in my State of the State presentation. Please consider these recommendations with a vision of Oklahoma's future in mind. These are not quick fixes, but rather long-term solutions for an Oklahoma that can be a great place to raise a family, earn a living, and get the best education, in a crime-free environment.

Sincerely,

Frank Keating

This budget document was prepared for

Governor Frank Keating

by the Office of State Finance, Budget Division, and the
Deputy Director with the aid of his research staff

Under the direction of the
Secretary of Finance and Revenue

Tom Daxon, CPA

Deputy Director - Douglas J. Enevoldsen
Budget Division Director - Rollo Redburn

Copies have been distributed to members of the State Legislature, members of the media, state officials and the State Publications Clearinghouse. You may access the FY-98 Executive Budget via the internet on the Oklahoma Homepage at <http://www.oklaosf.state.ok.us/>. This document may be viewed in the Office of State Finance during normal working hours. Local libraries may request one by contacting the Office of State Finance; a copy will be mailed to the library if it is available at the time of the request.

The Office of State Finance is located at: 122 State Capitol Building, Oklahoma City, OK 73105. The phone number is (405) 521-2141, fax (405) 521-3902.

This publication, printed by Central Printing, is issued by the Office of State Finance as authorized by Sections 41.33 and 41.34 of Title 62 of the Oklahoma Statutes. Seven Hundred Fifty (750) copies have been prepared and distributed at a cost of \$6,500.00. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

OKLAHOMA OFFICE OF STATE FINANCE

February 3, 1997

Citizens of the State of Oklahoma Members of the First Regular Session of the Forty-sixth Legislature

Governor Frank Keating's FY-98 budget recommendations consist of the following two documents:

"FY-98 EXECUTIVE BUDGET"

This document includes Governor Keating's budget recommendations. It is prepared for distribution to the State Legislature, the media, state agencies, and the state Publications Clearinghouse.

The Executive Budget is available on the Internet. You can view this information and the "Historical Data" document described below by accessing the Oklahoma Home Page, the Home Page of the Office of the Governor, or the Home Page of the Office of State Finance. The Oklahoma Home Page address is <http://www.okla.state.ok.us/>.

"FY-98 EXECUTIVE BUDGET - HISTORICAL DATA"

This document is the larger of the two documents and includes detailed financial information about each agency of state government. The information in this document is arranged by Cabinet Department and Branch of Government. Information for Executive Branch agencies is followed by information for the Legislative Branch and the Judicial Branch.

The individual display for each agency/entity of government includes the Mission Statement; a description of the Board/Commission that governs the agency; a description of agency Duties/Responsibilities; Constitutional and Statutory References related to the entity; information regarding agency Workload or Performance Criteria, and Expenditure and Personnel data for FY-95, FY-96, and the FY-97 budget.

The Appendixes of this document include summary information relating to legislative appropriations, state revenues, and agency expenditures.

122 State Capitol Building Oklahoma City, OK 73105 (405) 521-2141

Office of State Finance Budget Staff

Rollo Redburn (405) 521-3715
E-Mail: Rollo.Redburn@OKLAOSF.STATE.OK.US

Ernie Diamond (405) 521-6482
E-Mail: Ernie.Diamond@OKLAOSF.STATE.OK.US

Alison Fraser (405) 521-2236
E-Mail: Alison.Fraser@OKLAOSF.STATE.OK.US

Jim Harris (405) 521-2821
E-Mail: Jim.Harris@OKLAOSF.STATE.OK.US

Harold (Skip) Hayes (405) 521-2816
E-Mail: Skip.Hayes@OKLAOSF.STATE.OK.US

Jauna Head (405) 521-2369
E-Mail: Jauna.Head@OKLAOSF.STATE.OK.US

Terri Karlsson (405) 521-3277
E-Mail: Terri.Karlsson@OKLAOSF.STATE.OK.US

Sherri Lindsey (405) 522-3393
E-Mail: Sherri.Lindsey@OKLAOSF.STATE.OK.US

Willard Linzy (405) 521-6176
E-Mail: Willard.Linzy@OKLAOSF.STATE.OK.US

Bill Moore (405) 521-3643
E-Mail: Bill.Moore@OKLAOSF.STATE.OK.US

Nancy Tarr (405) 521-3097
E-Mail: Nancy.Tarr@OKLAOSF.STATE.OK.US

Diane Thomas (405) 521-3786
E-Mail: Diane.Thomas@OKLAOSF.STATE.OK.US

Linda Hughes (405) 521-2814
E-Mail: Linda.Hughes@OKLAOSF.STATE.OK.US

Cabinet Assignments

Governor, Lieutenant Governor, Secretary of State Jim Harris

Administration and Regulation Harold (Skip) Hayes, Diane Thomas

Agriculture Diane Thom as

Commerce Harold (Skip) Hayes

Education Ernie Diamond, Terri Karlsson

Energy Diane T homas

Environment Diane Thoma s

Finance and Revenue Jim Harris

Health and Human Services Jauna Head, Sherri Lindsey

Human Resources Harold (Skip) Hayes, Jim Harris

Military Willa rd Linzy

Safety and Security Willard Linz y

Tourism and Recreation Diane Thomas

Transportation Alison F raser

Veterans Affairs Jauna Head

Legislature J im Harris

Judiciary Willar d Linzy

Revenue and Taxes Nancy Tarr

Budget System Bill Moore

Administrative Support . . . Linda Hughes, Brian Dutton, Lawanda Foy, Humberto Marroquin

Office of State Finance
Economic and Fiscal Policy Research Staff

Doug Enevoldsen (405) 521-4678
E-Mail: Doug.Enevoldsen@OKLAOSF.STATE.OK.US

James Wilbanks (405) 522-0676
E-Mail: James.Wilbanks@OKLAOSF.STATE.OK.US

Zaiyen Hwang (405) 522-0141
E-Mail: Zaiyen.Hwang@OKLAOSF.STATE.OK.US

Kay Tanapongtham (405) 522-0924
E-Mail: Kay.Tanapongtham@OKLAOSF.STATE.OK.US

Harry Culver (405) 521-3768
E-Mail: Harry.Culver@OKLAOSF.STATE.OK.US

Jim Hibdon (405) 522-0677
E-Mail: Jim.Hibdon@OKLAOSF.STATE.OK.US

Table of Contents

Governor's State of the State	1
Oklahoma	9
Statewide Organization Chart	9
Cabinet Section with Secretary Pictures and Biographies	11
Overview of Oklahoma	29
Economic Section	89
Regulatory Reforms	94
Summary of Funds Available	96
Taxes - Major Sources and Proposed Changes	98
General Spending Philosophy	117
Major Budget and Policy Issues	121
Budget Issues by Cabinet / Branch of Government	130
Governor, Lieutenant Governor, Secretary of State	132
Administration and Regulation	134
Agriculture	138
Commerce	142
Education	144
Energy	164
Environment	166
Finance and Revenue	168
Health and Human Services	176
Human Resources	194
Military Affairs	196
Safety and Security	200
Tourism and Recreation	216
Transportation	220
Veterans Affairs	224
Legislature	226
Judiciary	228
Summary of Expenditures (budget initiatives)	231
Summary of FTE Changes (FY-89 through FY-98 proposed)	248
Rainy Day Fund	256

FY-98 EXECUTIVE BUDGET

Summary of Funds Available257

Budget Process258

Funds subject to appropriation260

Glossary261

Acronyms266

Indexindex

The State of the State

February 3, 1997

Governor Frank Keating

Lieutenant Governor Fallin, Speaker Benson, President Pro-Tempore Taylor and members of the House and Senate:

I want to begin today with a celebration of success.

Last year we worked together to achieve real progress for Oklahoma.

We implemented historic tax cuts to give our economy a much-needed boost.

We found a permanent solution to the perennial mid-term school funding challenge.

We gave higher education the largest budget increase ever and raised spending on our common schools and vo-tech system to record levels.

We worked with our state's tribal leaders to preserve both their sovereignty and Oklahoma's motor fuel tax revenues.

We renewed the important Quality Jobs Act. We also put a lid on property taxes. Together, those steps sent a message to the rest of America that we are open for business.

We strengthened funding for our highway system and took the first steps on the long road back for our troubled teacher retirement system.

We gave the guardians of our children better mechanisms to protect the innocent from abuse and neglect. And on election day, we came together to pass a long-needed bill of rights for crime victims.

We did these things -- a Governor and two houses of the Legislature, with the support and encouragement of the people of Oklahoma.

Last November the voters of Oklahoma didn't choose between the parties -- they elected the best qualified candidates to represent them at the Capitol. There are men and women of goodwill and great ability on both sides of the aisle, in both chambers, ready to get on with the business of our state.

Today our challenge is to work together for the good of Oklahoma.

Let's write history this year.

Together, we can make the successes of 1996 a footnote to the historic achievements of 1997. To paraphrase Thomas Jefferson, this can be a year when we are all Democrats and we are all Republicans because we are first of all Oklahomans.

Our opportunities are unprecedented, but they require bold and decisive action. This year, I will ask you to focus on three central themes:

-- Economic growth, with a special emphasis on workers' compensation reform, education reform, right-to-work and tax cuts;

-- The safety and security of our citizens, through prison and criminal justice reform;

-- A revitalization of our transportation infrastructure.

FY-98 EXECUTIVE BUDGET

I will also encourage you to act swiftly on a measure of national importance. All eight members of Oklahoma's Congressional delegation have voiced their support for a federal balanced budget amendment to the United States Constitution. That amendment may soon be sent to the states for ratification. We Oklahomans know the wisdom of a constitutional mandate for fiscal common sense. Let's send some Oklahoma values to Washington by being the first to ratify this vital amendment.

Before we decide where Oklahoma should go, we must first take a clear snapshot of where we are.

The state of our state as we enter the 90th year of our existence is much better than when you and I first visited two years ago.

Our economy is starting to move. We've added 68,000 new jobs in the past two years, with healthy and steady growth in both the goods producing and service sectors. The forecasts for 1997 predict continued economic growth in the 2.5 to 3 percent range. The economists at Oklahoma State University have called ours a "tortoise" economy -- slow and steady, but always plodding ahead.

That's promising, but we don't live on an island. Oklahoma is tied to a national and a global economy. Our people continue to lag behind in the all-important area of per capita personal income -- the dollars and cents they put in their pockets every payday. Oklahomans make between 80 and 88 percent of the national average, depending on how you adjust for cost of living, but that's not the question.

The question is: Why isn't it 100 percent? Or 105 percent? Why, with our wonderful human and natural resources, are our people still in the bottom ten in earnings and the top ten in poverty, especially in our rural areas?

In 1995, while America's median household income rose 2.7 percent, Oklahoma household income fell by more than five percent.

The percentage of Oklahomans living in poverty rose above 17 percent. Happily, there are indications we began reversing that trend in 1996. The economic tide may be slowly rising, but compared with our neighbors Oklahoma's boats aren't floating any higher. Oklahomans continue to be outearned by residents of most of our neighboring states.

If we're the tortoise, some of our neighbors are hares. And unlike the fable, we can't count on those hares to stop running short of the finish line. We need to craft an economy that combines the tortoise's steady progress with the hare's bounce and energy.

In the past two years we have restrained the growth of government, cut taxes and spent the public's money wisely. The fiscal policies of government do have a direct bearing on the health of the economy.

Tax and spend too much and we retard growth. Rely too much on one-time funds to finance recurring government operations and we place a heavy burden on tomorrow's taxpayers.

Grow government faster than the economy and we siphon off fuel needed to drive the private sector, where real economic growth and prosperity happen.

Raid the piggy bank too often and you'll ultimately find yourself out in the rain with no financial umbrella.

But we must do much more to assure real and enduring increases in income and wealth for our citizens.

Our first priority is true reform of our workers' compensation system.

We've heard it said that we should be patient and wait for the reforms of 1993 to work. Last week I joined legislative leaders in pushing for a significant ten percent rate cut. But we aren't going to fix this problem a few percentage points at a time.

In fact, our worker's comp costs were the ninth highest in the nation in 1994, seventh highest in 1995 and fifth highest in 1996. We're still headed in the wrong direction and we can no longer afford to hope: it is time to act.

FY-98 EXECUTIVE BUDGET

While costs have increased, benefits paid to deserving injured workers have not. Oklahoma's system is the fifth most expensive of those states surveyed -- yet our workers rank 35th in real benefits. We're paying far too much for a system that too often fails to help the truly deserving.

In less than two years, Oklahoma's workers' comp costs ballooned 62 percent. We are hemorrhaging, and a Band-Aid won't work. What we're hemorrhaging is jobs -- the very lifeblood of economic growth. Excessive workers' compensation costs are nothing more than a tax on business, and it is time to give Oklahoma employers a tax cut while we craft a system that fully protects the truly deserving injured worker.

I have insisted that new judges appointed to the workers' comp bench be fair and impartial. I am proud of the appointments I've made so far, but even the finest judges can do little when they are required to administer a broken system.

You've all heard the horror stories. Each of you has businesses in your home districts crying out for real workers' comp reform.

-- Michelin's Ardmore plant employs one-tenth of their total U. S. workforce . . . while it consumes a third of Michelin's workers' comp expenses.

-- Continental Carbon has plants in Alabama, Ohio, Texas and Ponca City. Their workers' comp costs in Oklahoma are two and a half times the total of the other three facilities combined.

-- Reinforcing Services in Catoosa pays 160 percent more for workers' comp than their competitors in Kansas.

-- American Airlines -- our state's largest civilian employer -- has similar maintenance facilities in Tulsa and Fort Worth. Workers' comp claims here cost more than double those in Texas. American is one of our most valued employers -- we must do what is necessary to help them remain competitive in Oklahoma.

These and other business owners have joined together with representatives of the legal and medical professions in a lengthy study of our workers' comp system. The Commission on Worker's Compensation Reform, so ably led by Lieutenant Governor Fallin, has produced a model bill supported by members of both parties -- a true bipartisan effort to restore Oklahoma's competitive position and craft a workers' comp system that protects workers and employers alike, while holding down costs and reducing fraud.

Senate Bill 730 would revolutionize workers compensation coverage in Oklahoma.

It would limit payments for permanent disability in cases of sprains or strained muscles. It would reduce temporary disability payments from the current level of more than five years. It would modify notification procedures and more clearly define work-related injuries. It would more clearly define levels and types of injuries and limit court deviation from the findings of independent medical examiners.

The bill would also penalize employers who fail to pay legitimate claims and require that medical treatment be provided in a more timely manner. This bill is neither pro-employer nor pro-worker. It is fair to all.

The bill would also place reasonable caps on attorney fees and encourage voluntary mediation, to avoid unnecessary legal fees and contention. Our workers' comp system should not be a dueling arena. It was designed to protect workers who are truly injured -- not to enrich third parties or encourage fraud. By passing these needed reforms we can restore workers compensation to its original purpose and assure that workers, employers, insurance carriers and the public once again have faith in the system.

This bill amounts to a multi- million dollar tax cut for Oklahoma businesses. Those savings will translate into jobs in your communities.

FY-98 EXECUTIVE BUDGET

Reform equals jobs, which leads to population growth and new prosperity for more Oklahoma families.

If we are concerned with the prospect of losing a seat in Congress after the next census, we'd better get busy now creating the most pro-growth climate possible. Together we can make Oklahoma a destination for business and jobs -- but only if we take bold and aggressive action NOW.

We must give these bills and the reforms they contain a full, fair and positive hearing. After our joint session today, members of the Fallin Commission will visit your offices. Listen to their concerns and to those of the employers of your districts. There is no more vital measure to assure Oklahoma's real economic growth than true worker's compensation reform.

A second growth ingredient is quality education.

Last year, we increased funding for common, higher and vocational-technical education. State funding for our public schools has essentially doubled in less than a decade.

I will propose significant budget increases for common, vo-tech and higher education.

I want to thank the Senate for embracing the concept of performance incentives in their budget proposals. We begin this session closer than we have ever been in our budget recommendations, and I am confident we can work together to find common ground.

No one in this chamber today is anti-education. We all want the best possible schools for our young people.

But money alone is not the answer. Being pro-education means more than just writing a bigger check every year. This year, we must also concentrate on academic standards and creative ways to unleash the potential of our schools and the children they educate.

In 1996 I had the privilege of representing Oklahoma at a national education summit. I joined 39 other governors, President Clinton and business leaders from across America in a unique discussion of education. Two weeks ago, Wayne Allen of Phillips Petroleum convened a similar summit here in Oklahoma.

It brought together legislative leaders of both parties, business executives, school officials, representatives of teacher associations and many others concerned with quality education.

We locked ourselves in a room and had an open, honest talk about our schools. Never before have such diverse groups come together to carry on such a conversation. I can report to you today that we reached general agreement on some basic principles. They mirrored those that emerged from the national education summit, and I believe they reflect the hopes of our people.

Our schools need a stronger, tougher curriculum. They need less regulation and more involvement by parents, businesses and the community. Yes, they require adequate funding, but funding must go hand-in-hand with real reform.

We must consider and pass such reforms as school choice, charter schools and tougher academic standards that require all Oklahoma high school students to take four years each of math, science, English and social studies -- a core curriculum that would make our schools the most demanding in America. I want to thank Representative Bryant for working so hard for the charter school concept, Representative Steidley for pushing school choice and my Secretary of Education, Dr. Floyd Coppedge, for his strong support of rigorous academic standards.

My common education budget includes seed money for charter schools and to help create more Great Expectations and High Schools That Work schools. I will propose funding to continue building our ONENET technology network. This year,

FY-98 EXECUTIVE BUDGET

under the long overdue funding formula reforms we passed last session, we can provide for growing school districts from day one.

It is also time to bring real-world thinking to the way we reward our teachers. I will propose a teacher incentive program backed by \$32 million in funding that would pay annual performance awards of from \$500 to \$5,000 to teachers in schools where student achievement scores show progress and learning.

Some 40 percent of our teachers would benefit from this program, including those in selected high challenge schools where students display promise and progress.

This is a bold and innovative plan -- it sends a message to students and teachers alike that in the real world, accomplishment brings real rewards. The best teachers merit our gratitude, but they also deserve a tangible reward for their outstanding performance.

I will also support funding for mandated raises for our career teachers, as I did last year. This year, send me a bill free of items other than a career teacher pay raise and I'll gladly sign it.

I recently had the pleasure of visiting the classroom of George Abshire, Oklahoma Teacher of the Year and a finalist for the National Teacher of the Year honor. George teaches math at East Middle School in Jenks. His students want to learn. They trust him to teach them well -- and he does, just like thousands of other Oklahoma teachers who spend hours in the classroom every day and more hours at home, preparing lessons and scoring papers.

George Abshire knows what's best for his students. So do most parents. They know that rigorous academic standards in a free and safe learning environment will assure success for most students. Teachers and parents, working together, have the answers. Let's give them the power by reducing unnecessary regulation and giving every Oklahoma family the right to choose the school that's best for them.

George will be in Washington early next month to represent Oklahoma as he competes for the title of National Teacher of the Year. We wish him the best, but he is already a winner -- just like thousands of his fellow teachers in schools all across our state.

A third component of our growth agenda is taxes -- not more taxes, but less.

My tax cut proposals would result in annualized cuts totaling some \$71 million for businesses and individuals. It's their money, they earned it and we need to let them keep more of it to keep our economy growing.

This year, let's repeal the burdensome and unfair corporate franchise tax, which siphons \$38 million from growing businesses and prevents them from hiring new workers. We should also implement a 30-month reduction of 25 percent in unemployment taxes to reflect our low unemployment rates. That would pump an additional \$54 million into the economy over the next two-and-one-half years, creating more jobs and more prosperity.

I will also propose reductions in the corporate income tax and a series of targeted tax cuts and credits, including special tax credits for teachers who pursue advanced degrees and companies that contribute to public education at any level.

Our second key priority is the safety of our citizens.

Step one is to move rapidly to repeal the early release law, and I am pleased to see that this action has strong bipartisan support.

Step two is to pass truth-in-sentencing -- another anti-crime measure with solid support on both sides of the aisle.

Truth-in-sentencing will keep the worst offenders behind bars for at least 85 percent of their sentences. More importantly, it will keep those violent and habitual criminals out of our homes and neighborhoods.

We must face the sad reality that our prison system as it now operates is neither a deterrent to crime nor an adequate guardian of the public safety. Convicted felons in Oklahoma serve an average of less than one-fourth of their terms. Acting

FY-98 EXECUTIVE BUDGET

Director James Saffle has done an outstanding job in implementing new inmate classification rules, but he can only do so much.

When I asked Mike Quinlan, the former head of the Federal Bureau of Prisons, to assess our prison system, he found much to praise. But he asked a fundamental question: What have we been doing to discharge our responsibilities as guardians of the public safety? The answer is clear: Not enough.

My budget will request \$46 million in additional funding for the Department of Corrections.

A portion of that money must go to increase staffing at the operational level. The remainder should be used to lease additional private bed space to place inmates now, without excessive capital construction costs. We can create a prison system that works through the prudent use of growth revenues, without a tax increase. By the year 2,000, we must expand our bed capacity to levels that will protect the public safety and assure that dangerous criminals remain in jail. Our prison system will require further substantial investment in the coming years.

I know it's unpleasant to spend money on prisons. It costs money to keep a criminal in jail -- but it costs far more to release criminals who prey on the innocent. You can measure the costs of incarceration, but what does a burglary cost? A robbery? An assault, a rape or a murder? How do you assign a dollar amount to the suffering caused by crime?

Oklahomans deserve to be safe and secure in their homes, their schools, their neighborhoods and the workplace. Public safety is their most fundamental right and our most fundamental obligation. I urge your full consideration of the reforms suggested by the Quinlan report and the swiftest possible action on repeal of early release, approval of truth-in-sentencing and the increased prison budget. Let's get on with the business of making our state a safe place to live and work and raise a family.

I will also ask the Legislature to consider the findings of a task force I appointed to assess our trauma care system for the seriously injured. Injuries are the leading cause of death for children and adults up to the age of 44. Oklahoma's injury death rate is 20 percent above the national average. My budget proposal will include initial funding to begin implementing the task force's recommendations. Modern medicine can save lives after accidents and other serious injuries, but only if the resources and expertise can be brought to bear in every county and community.

I would also ask the citizens of Oklahoma to join my wife, First Lady Cathy Keating, in a year-long effort to increase awareness of the unique health issues facing women. Cathy, thank you for taking the lead on this most important front.

But our number one public health problem continues to be self-inflicted. I want to share a letter I received some weeks ago from the law enforcement officials of one of our rural counties. We don't think of rural Oklahoma as a hotbed of crime, but listen to what these officers said:

"In October a high school cheerleader was murdered, the combined result of alcohol and drugs . . . less than a month earlier a 20-year-old died as a result of a single shot gun blast . . . drugs were a major contributing factor. In May a mother of two small children took her life violently, again as a result of drugs." All this in one of our smallest counties with a population of 7,000.

This plague must stop.

We've all seen the frightening statistics. Drug and alcohol abuse is rising again among our young people.

Our state must adopt a no-tolerance policy for drug dealers and drug users, for drunk drivers, for all those whose substance abuse is tearing the very fabric of our society. I will ask for increased funding for law enforcement, and I encourage our health and treatment officials to work together to find more efficient ways to deliver services to those who seek a clean and sober life.

FY-98 EXECUTIVE BUDGET

It is also time for families, churches, community organizations and schools to unite in a concerted effort to deliver this basic message: Don't start, and if you're already hooked, stop. Our most precious capital is human. We are each God's special creations. We can do much to stem the rising drug tide through enforcement, education and treatment -- but this is at bottom an issue of the soul.

Last fall I asked Oklahoma's religious leaders to join in a call for a new spiritual awakening -- a statewide discussion of issues like drugs and crime and the breakup of the family.

We can't effectively address these issues unless we talk about them, and we can't talk about them unless we also pray about them.

Oklahoma, I hope you will join me as we continue talking and praying about these soul issues in 1997. The answers aren't always in a new bill or a new government agency; ultimately, the answers live in our hearts.

Finally, it is time to get serious about our decaying network of roads and highways.

Highway appropriations were lower in 1995 than they were in 1991. The minimal increases of the past two fiscal years have barely made a dent in our needs. Through the years we have been a net donor in the amount of taxes we pay versus the federal highway funds returned to Oklahoma. Hopefully, Congress and the President will move to correct that imbalance, but given the trend toward devolution of powers and responsibilities to the states, we must make our own investments in highways if we are to remain competitive.

I will propose an additional \$56 million in highway funding this year to begin underwriting an ambitious \$750 million highway bond program that will carry us into the new century. I am encouraged by broad legislative support for this program. Oklahoma must build and maintain a modern highway system if we expect to compete in the new century. While national leaders talk of bridges to the future, we must be about the business of building real bridges to carry our commerce and our hopes.

Nowhere is the need for adequate highways more apparent than in rural Oklahoma. Last year we took some encouraging first steps by passing a rural redevelopment bill. I will support reasonable legislation to extend that concept, and I will propose expanding the Quality Jobs Act to assist smaller companies, especially in rural Oklahoma. Every Oklahoman deserves the chance to compete for a quality job.

For far too long, Oklahoma has been arbitrarily divided into rural and urban areas.

There are no second-class citizens or regions in Oklahoma. We must succeed or fail together -- and failure is unacceptable. This session, let's think like Oklahomans. As we design a highway program for tomorrow, let's be fair to every section of our state. We can no longer afford to think and act as if Oklahoma ended at some arbitrarily drawn city limit or county line.

Let me close today with a challenge.

We are ten years away from our centennial as a state.

Never in Oklahoma's history have we been presented with the opportunities we have as this Legislature convenes for the 1997 session.

We can build an economic base for unlimited growth. We can bring true and lasting reforms to our criminal justice system. We can assure a quality education for every child. We can create a transportation system poised to take full advantage of our unique location and resources. We can launch Oklahoma into a new century as a leader.

We can do this and more -- but only if we look beyond one year or one session. We need the courage to say no to those special interests who would hold us back, and the wisdom to say yes to policies of hope and promise.

FY-98 EXECUTIVE BUDGET

We have the power to craft tomorrow -- but only for a brief moment. If we fail to act now, others will once again pass us by.

A few years ago, one of our greatest presidents told us it was "morning in America." He was right. That bright new morning soon brought us vast economic growth and victory in the long cold war. We are a better nation today because we recognized the unique opportunities of the time and moved to grasp them.

More recently, another president urged us to "build bridges to the future." We can debate what those bridges ought to be made of, but all of us agree that they're needed.

A new Oklahoma faces the challenges of a new morning, and the hard work of constructing the right bridges to move us forward.

Our people are anxious to accept that challenge. They expect us to meet it -- with honest and vigorous debate, yes, but also in a spirit of cooperation and mutual trust.

Let's get to work.

FY-98 EXECUTIVE BUDGET

Executive branch of the State of Oklahoma

GOVERNOR

Lt. GOVERNOR

CABINET DEPARTMENTS:

**ADMINISTRATION
and
REGULATION**

(appropriated agencies)
Banking Department
Capitol Improvement Authority.
Department of Central Services
Consumer Credit Commission
Election Board
Ethics Commission
Horse Racing Commission
Insurance Commissioner *
Securities Commission
(non-Approp. Agencies)
Accountancy Board
Architects Board
Chiropractic Examiners Bd.
Cosmetology Board
Dentists, Bd. of Gov. of Reg.
Embalmers & Fun. Dir. Bd.
Engineers & Land Surveyors Bd.
Medical Licensure & Superv., Bd. of
Motor Vehicle Commission
Okla. Board of Nursing
Optometry Board
Osteopathic Examiners Board
Perfusionists, Bd. of Examiners of
Pharmacy Board
Podiatry Board
Psychologist Bd. of Exam.
Real Estate Commission
Social Workers Bd.
Speech Pathology and Audiology Bd.
Used Motor Vehicle and Parts
Vet. Med. Exams. Bd.

**FINANCE
and
REVENUE**

Auditor & Inspector *
Finance, Office of State
School Land Commission
State Insurance Fund
Tax Commission
Treasurer *
Firefighters Pen. & Retire.
Law Enforcement Retire.
Police Pen. & Ret. Bd.
Public Empl. Retire. Sys.
Teachers' Ret. System
Investment funds - Ret. Systems

AGRICULTURE

Agriculture Depart.
Conservation Commission
Foresters Board
Peanut Commission
Sheep & Wool Commission
Soybean Commission
Wheat Commission

EDUCATION

Anatomical Board
Arts Council
Education, Dept. of
Educational TV Authority.
Regents For Higher Education.
Library Department
Medical Technology and Research Authority
Private Vocational. School, Bd. of
School of Science & Math.
Student Loan Authority
Teacher Preparation Commission
Vocational. & Tech. Education
Center. for the Advancement of Science and
Technology.

ENVIRONMENT

Department of Environmental Quality
Water Resources Board
Wildlife Conservation Commission

**SAFETY &
SECURITY**

Alcohol Beverage Laws
Enforcement. Commission
Attorney General *
Civil Emergency Management
Corrections Department
Council. Law Enforcement
Education and Training
District Attorney's Council
Indigent Defense System
Medicolegal Investigations Bd.
Narcotics and Dangerous
Drugs Control
Investigation, Bureau of
Pardon and Parole Board
Public Safety Department
State Fire Marshal

**SECRETARY of
STATE**

ENERGY

Corporation Commission *
Energy Resources Board
Interstate Oil Compact Commission
L.P.G. Board
L.P.G. Research, Mktg. Commission
Marginally Producing Oil and
Gas Wells, Commission
Mines, Department of

O.U. Geological Survey
(incl. in High.Ed.)

**TOURISM
and RECREATION**

Historical Society
J.M. Davis Memorial Commission
Tourism & Recreation
Will Rogers Memorial Commission

**MILITARY
AFFAIRS**

Military Department

TRANSPORTATION

Transportation Department
Turnpike Authority

**HUMAN
RESOURCES**

Office of Personnel Mgt.
Employee Benefit Council
Employment Security Com.
Human Rights Com.
Merit Protection Comm.
Personnel Management
St. & Educ. Empl. Group Health
Ins.

**HEALTH &
HUMAN SERVICES**

~~Children & Youth Commission~~
Handicapped Concerns
Health Care Authority
Health Department
Human Services Department
Indian Affairs
J.D. McCarty Center
Juvenile Affairs, Office of
Mental Health Department
Nursing Home Admin. Board
Physician Manpower
Training Commission
Department of Rehabilitation
University Hospitals Authority

**VETERANS
AFFAIRS**

Veterans Affairs
Department

COMMERCE

Commerce, Department of
Industrial Finance Authorities
(Okla. Finance Authorities)
Labor Department *

* State wide elected officials are listed in Cabinet structure for liaison only

FY-98 EXECUTIVE BUDGET

FY-98 EXECUTIVE BUDGET

Frank Keating Governor, State of Oklahoma

Biography

Governor Frank Keating was inaugurated as Governor of Oklahoma in January of 1995. During his first two years in office, he stood firm for fiscal common sense, launched an aggressive economic growth and development effort, won record tax cuts and other reforms, and initiated a series of historic reforms in welfare and corrections.

Frank Keating was raised and educated in Tulsa, where he graduated from Cascia Hall High School. He received his degree in history from Georgetown University and earned his law degree at the University of Oklahoma. In 1969, he joined the Federal Bureau of Investigation as a Special Agent. He later returned to Tulsa as an assistant district attorney and in 1972 launched his career in elective office as a member of the Oklahoma House of Representatives. Two years later, he won election to the Oklahoma State Senate and later rose to Minority Leader.

Frank Keating was appointed U.S. Attorney for the Northern District of Oklahoma in 1981, and was later named chairman of all United States District Attorneys. In 1985, he joined the Reagan administration in Washington; he later served under President Bush as well. He was Assistant Secretary of the Treasury (1986-88) where he supervised the U.S. Customs Service, the Secret Service, the Bureau of Alcohol, Tobacco and Firearms, and the Federal Law Enforcement Training Center. He was Associate Attorney General (1988-89) where he supervised the Federal Prison System, the U.S. Marshals Service, the Immigration and Naturalization Service, all 94 U.S. Attorneys and Interpol; and as General Counsel and Acting Deputy Secretary of the Department of Housing and Urban Development (1990-93) where he was instrumental along with Secretary Jack Kemp in restoring the department's integrity after a series of scandals.

Through his first two legislative sessions, Governor Keating repeatedly resisted irresponsible spending proposals. His 57 vetoes in one year set an Oklahoma record, and he successfully blocked effort to raid the state's emergency Rainy Day Fund for operational expenses as he held the line on spending through 2.5 percent reductions in the budgets of most state agencies. While reducing the state bureaucracy by 2.5 percent, Governor Keating substantially increased funding for roads, higher education and corrections. During the 1995 legislative session, the Governor won approval of a sweeping welfare reform program designed to limit AFDC dependence and move welfare recipients from dependence to work. He also was successful in negotiating tort reform and during the interim following the session won agreement on a bipartisan plan to utilize private prison space to alleviate chronic overcrowding in Oklahoma's prison system.

The 1996 legislative session was even more successful as Oklahomans demanded action on the Keating growth agenda. The Governor won legislative approval for a series of growth oriented tax cuts that benefited the elderly, agriculture, and operators of marginal oil wells. The \$45 million in tax cuts and credits was the largest single-year tax cut in Oklahoma history. The Governor also ended more than 30 years of financial uncertainty for growing school districts by insisting on a permanent solution to eliminate annual midterm funding problems for those schools. The Keating leadership style played a central role in winning a negotiated settlement with

FY-98 EXECUTIVE BUDGET

a number of Oklahoma's largest Indian tribal governments on the vexing issue of motor fuel taxes paid on fuel sold by tribe-operated service stations.

He also continued to stand firm as a guardian of public funds, using the line item veto to reject excessive spending by the Legislature. In 1996, the Governor made a strong commitment to increase funding for higher education, common schools, corrections, and highways. The results included the largest increase for higher education in state history, a much needed influx of funds to shore up the state's underfunded teacher retirement system, a long overdue pay raise for career teachers and state employees, and significant increases in funding for common schools, prison, and roads. At session's end, leaders of both parties termed it one of the most important and achievement-filled in state history.

The Keating administration also launched a strong bid to make Oklahoma an economic powerhouse. Through state-wide business summits visits to economic development prospects, and constant challenges to his fellow Oklahomans, to help the state's economy grow, the Governor succeeded in attracting thousands of jobs to the state during his first months in office. Both Southwest and American Airlines

firms soon began adding Oklahoma to their short lists for future investment and expansion. Governor Keating recently joined the America On-Line computer service in announcing a new thousand job customer service center for Oklahoma City.

In his first 17 months in office, Governor Keating appointed nearly 900 quality Oklahomans to state agencies, boards, and commissions, keeping a campaign promise to make integrity among public servants a central theme of his administration. He demanded investigations into scandals within the Oklahoma Highway Patrol and appointed a widely respected former FBI senior agent to oversee state law enforcement. He also established two study groups - the Governor's Performance Team (composed of 50 state employees) and the Governor's Commission on Government Performance - to carefully examine every area of state government to do its job more efficiently and at less cost. Those recommendations were expected to form a central part of the Keating agenda for the last half of the 1990s.

Following the April 19 terrorist bombing of the Murrah Federal Office Building in Oklahoma City, Governor Keating mobilized relief and rescue efforts and represented his state with dignity. He and his wife Cathy have been recognized nationally for their role in the crisis. The Governor's Relief Fund has raised six million dollars to help bombing victims and provide a higher education for children of victims.

Governor Keating and First Lady Cathy Keating are the parents of three children: daughters Carrie and Kelly, both college students, and son Chip, a high school student.

FY-98 EXECUTIVE BUDGET

Mary Fallin **Lieutenant Governor, State of Oklahoma**

Biography

History was made in November 1994 when Mary Fallin became the first woman and first Republican ever elected Lieutenant Governor in the State of Oklahoma. Her swearing in on the south steps of the State Capitol on January 9, 1995 made her the highest elected woman to public service in state history.

Elected in 1990 to the State House of Representatives, Fallin earned a pro-business reputation during her four years of service, resulting in her recognition by the State Chamber of Commerce for the best pro-business voting record and her receipt of the Guardian For Small Business Award. An advocate for victims rights, Fallin received national attention for her legislation which gives protection to stalking victims. She also wrote several health care reform laws. Fallin was instrumental in getting a major piece of legislation passed into law that reformed small business insurance. Her efforts to ensure that Oklahomans retained control over their health insurance choices earned her the prestigious American Legislative Exchange Council's Legislator of the Year Award in 1993.

As Lieutenant Governor, Fallin has taken on the major economic development issue of ever-increasing workers compensation costs. She formed a statewide coalition of businesses of all sizes (which employ a total 63,000 workers) as well as employee representatives, insurance companies, lawyers and medical professionals to critically analyze the important issues regarding workers compensation laws in other states and recommend changes for Oklahoma. The Fallin Commission on Workers Compensation Reform will propose changes for introduction in the 1997 legislative session with the goal of lowering costs while providing better benefits for injured workers.

Lieutenant Governor Fallin is the chairman-elect the National Association of Lieutenant Governors and will host the 1998 annual meeting in Oklahoma City. She previously served on the Executive Committee, as the chair of the Health and Human Services Task Force. She also serves as Chairman of the Republican Caucus for the Association.

As President of the Senate, Lieutenant Governor Fallin serves on 13 boards and commissions including the Tourism and Recreation Commission, Film Office Advisory Commission, State Board of Equalization, Bond Oversight Commission, State Insurance Fund, Oklahoma Futures and the School Land Commission.

Raised in Tecumseh, Oklahoma, she is a graduate of Oklahoma State University and has completed graduate work at the University of Central Oklahoma. Public service is a family tradition; her father, the late Joseph "Newton" Copeland, served as Tecumseh's Mayor, and her mother, Mary Jo Copeland, served as the first woman mayor of Tecumseh.

Prior to running for political office, Fallin was in the hotel, resort management and tourism industry for ten years. Her experience also includes work in the commercial real estate business.

FY-98 EXECUTIVE BUDGET

The Lieutenant Governor lives in Oklahoma City with her husband, Dr. Joe Fallin, a dentist, and their two children, Christina and Price.

Tom Cole Secretary of State

Biography

Tom Cole was appointed the 28th Secretary of State of Oklahoma by Governor Frank Keating on January 9, 1995. In addition to his duties as Secretary of State, Cole serves as the Governor's chief liaison to the Oklahoma Legislature and the state's federal delegation in Washington, D.C.

Since 1989 Cole has been President of Cole, Hargrave, Snodgrass and Associates (CHS). CHS specializes in strategic planning, survey research, marketing, and public relations. Its clients include corporations, associations, institutions, and candidates for public office.

Cole took a leave of absence from CHS to serve as Executive Director of the National Republican Congressional Committee from 1991-1993. During Cole's tenure as the NRCC's chief political strategist, Republicans contested a record number of districts, picked up ten congressional seats, and elected 47 new members to the U.S. House of Representatives.

Cole's other elective and political posts include stints as a member of the Oklahoma State Senate (1988-91), Chairman of the Oklahoma Republican Party (1985-89), Executive Director of the Reagan-Bush re-election campaign in Oklahoma (1984), District Director for U.S. Representative Mickey Edwards (1982-1984), Deputy Campaign Manager for GOP gubernatorial nominee Tom Daxon (1981-82), and Executive Director for the Oklahoma Republican Party (1979-81).

A former college instructor, Cole has taught history and politics at Oklahoma Baptist University and Grinnell College. He also has held research and teaching fellowships at the University of Oklahoma and Yale University. In addition, Cole was a Fulbright Fellow at Queens College of the University of London (1977-78) and a Watson Fellow while affiliated with the Institute of Historical Research in London (1971-72).

A 1967 graduate of Moore High School, Cole holds a B.A. from Grinnell College, an M.A. from Yale University, and a Ph. D. from the University of Oklahoma. Cole and his wife Ellen have one son, Mason, and reside in Moore, Oklahoma.

Goals

- Timely assist customers while improving cost efficiency.
- Publish the first Administrative Code for the State.
- Construct a suitable display case for the State Constitution.

FY-98 EXECUTIVE BUDGET

Pamela M. Warren Secretary of Administration

Biography

Pamela Warren was appointed as Cabinet Secretary of Administration by Governor Frank Keating effective January 1 1997. Warren concurrently serves as Cabinet Secretary and Director of the Department of Central Services. As director, Warren is responsible for central purchasing, management of state office building space, the State Motor Pool, the State's self-insurance program, contracts State construction projects, and other central support services. As Cabinet Secretary, she oversees 30 boards and commissions that examine, license and regulate many professionals including medical, architects, engineers, banking and horse racing.

Prior to her appointment, Warren served as Assistant Secretary of State during the Keating and Walters' administrations. In this capacity, she served as Chief Administrator responsible for all administrative, policy, business, budgetary, personnel and legislative operations within the office.

From 1987 through 1994, Warren was employed by the Oklahoma Employment Security Commission as Director of Information and supervisor of the Employment Service Program.

Warren served as Senior Executive Assistant under Governor Nigh from 1985 to 1987 and was responsible for coordination and development of state policy for all intergovernmental activities, economic development, exports, reverse investments, international trade, overseas trade missions and public/private partnerships.

From 1982 to 1985, she worked as Administrative Assistant for Governor Nigh with specific liaison duties to all women's issues and later joined the Oklahoma Department of Economic Development as Industrial Development Coordinator specializing in marketing, and recruiting existing and potential industrial prospects.

In mid 1980, Warren was Program Director for the Ozarks Regional Commission and prior to that was the Planning Director at the Oklahoma Indian Affairs Commission. Warren began her public service career as a Housing and Urban Development (HUD) work-study graduate student intern at the Oklahoma Department of Economic and Community Affairs.

Warren received a Master of Regional and City Planning (M.R.C.P.) from the University of Oklahoma in July 1974 and a Bachelor of Science (B.S.) from Oklahoma State University. Warren resides in Oklahoma City, Oklahoma.

Goals

- Provide efficient, cost-effective goods and services to state agencies in a quality, customer-focused manner.
- Implement privatization in DCS where feasible.
- Streamline cabinet functions such as utilization of existing joint efforts in investigatory and prevention programs such as Workers Comp and OSHA.
- Continue to reduce FTE in DCS.

FY-98 EXECUTIVE BUDGET

Dennis Howard **Commissioner and Secretary of Agriculture**

Biography

Dennis Howard was appointed Oklahoma Secretary of Agriculture by Governor Frank Keating on January 1, 1995. Before his appointment, he served as Director of Public Affairs for Congressman Frank Lucas. From 1988 to 1994, he was the Director of Governmental Relations for the Oklahoma Farm Bureau.

Secretary Howard serves as a member on a number of State Boards and Commissions, including the State Equalization Board, the School Land Commission, the Board of Regents for OSU and A&M Colleges, and finally, the Oklahoma Board of Agriculture, where he serves as president. As Secretary of Agriculture, Howard holds a chair in the Governor's Cabinet and is accountable for the administration and enforcement of state laws. A long-time advocate of Oklahoma's agriculture industry, Howard recently completed the Oklahoma Agricultural Leadership Program. He is active in the Oklahoma Farm Bureau, Oklahoma Farmers Union, and Cotton Electric Cooperative.

Secretary Howard earned a bachelor's degree in public administration and a master's degree in rural adult education from Oklahoma State University. A native of Waurika, Howard and his wife Penny, have a daughter, Valerie, and a son, Daniel.

Goals

- Create jobs to process raw commodities into finished food and agricultural products.
- Serve those who want to continue living in rural areas where their parents and grandparents established their family roots.
- As an advocate for rural Oklahoma, develop strategies to help educate the non-farm public about agriculture's services and related issues.

Ronald Rosenfeld **Secretary of Commerce**

Biography

Governor Frank Keating appointed Ronald Rosenfeld as Secretary of Commerce in September, 1995. By a vote of 45-0, the Oklahoma State Senate confirmed his appointment.

Rosenfeld is a graduate of the Wharton School at the University of Pennsylvania and subsequently earned a law degree from Harvard. He brings a wealth of experience in real estate and investment banking to the office, having spent 15 years in the development of housing and shopping centers in the Midwest. In 1981, he became a partner in Prescott, Ball and Turbent, a regional investment banking firm, headquartered in Cleveland, Ohio. This firm was acquired by Kemper Financial

FY-98 EXECUTIVE BUDGET

Services and Rosenfeld became Executive Vice President of the firm until he resigned in 1989 to join the Bush administration in Washington, D.C.

In 1989, Rosenfeld was appointed Deputy Assistant Secretary of Housing FHA Commissioner with the U.S. Department of Housing and Urban Development, and given the responsibility for overseeing both single family and multifamily housing. He was later appointed as Deputy Assistant Secretary for Corporate Finance with the U.S. Department of the Treasury.

After leaving the public sector in 1993, Rosenfeld served as Executive Vice President of NHP, Inc., and as President and Chief Operating Officer of its subsidiary, the National Corporation for Housing Partnerships, one of the nation's largest operations involved in the ownership and management of affordable multifamily housing.

Rosenfeld moved to Oklahoma in 1995. He maintains his ties with the University of Pennsylvania as a member of the Board of Overseers of the Wharton School. He and his wife, Patti, live in northwest Oklahoma City. The Rosenfelds have six children.

Goals

- Develop 1,000,000 sq. ft. of industrial/commercial real estate for the purpose of recruiting new businesses and industries to the state.
- Develop a creative, practical solution to the dilemma of the lack of residential housing in the more rural economies within the state.
- Continue streamlining and decentralization of the Department of Commerce to more effectively serve the needs of Oklahoma's local economies.

Dr. Floyd Coppedge Secretary of Education

Biography

Floyd Coppedge serves Governor Keating's cabinet as Secretary of Education. He received his B.S. and M.T. from Northeastern Oklahoma State University with a major in mathematics. His doctorate is in secondary education and administration from Oklahoma University. His experience includes 30 years of teaching and administration at the secondary level and in colleges and universities. He has served on the faculties of Kansas State University, Indiana University, the University of Science and Arts of Oklahoma, and Oklahoma Christian University of Science and Arts. His most recent public school assignment was as principal of Douglas High School in Oklahoma City, 1988-1991. He served as Dean of the College of Education at Oklahoma Christian University of Science and Arts, 1991-1996.

Dr. Coppedge has published numerous works on instructional design, curriculum development, teacher education, school administration, math education, and other subjects. His current research and publishing interests include violence in the schools and the development of student leadership in secondary schools.

FY-98 EXECUTIVE BUDGET

Dr. Coppedge serves on the Editorial Review Board of the Journal of Educational Relations and served eight years on the editorial board of The Clearing House. He also co-chaired the Phi Delta Kappa Commission of Curriculum Models for Lifelong Learning. He now serves on the Executive Committee of the Southern Regional Education Board, and is a member of the Board of Examiners for the National Council of the Accreditation of Teacher Education (NCATE).

Dr. Coppedge has traveled to many countries and uses these travel experiences to broaden his understanding of other cultures and thereby improve his effectiveness as an American educator. In 1987, he directed a Study Abroad Program to Japan. While there, he was able to conduct a comparative study of schools in Japan and the United States. In the fall of 1994, he led a Study Abroad Program to Europe with 32 students from Oklahoma Christian. The group lived and studied in Vienna and visited eight additional European countries. During the summer of 1993, Dr. Coppedge extensively toured Jordan, Israel, Egypt, Greece, and Turkey.

Goals

- Develop high academic standards for common education.
- Develop a learning climate which focuses on academic excellence.
- Provide for parental/individual choice.
- Support programs that help students make successful transitions from school to work.
- Ensure that schools are safe for students and staff.
- Develop solutions for the dropout rates of high school students and the low achievement levels of others who receive high school diplomas even though only minimally educated.
- Encourage the development of performance-based salary plans for all education personnel.
- Control the continued rise in the cost of common education.
- Promote policies and practices that permit students to accelerate.
- Control the continued rise in the cost of higher education.

Mike Smith **Secretary of Energy**

Biography

Mike Smith has been the Secretary of Energy since he was appointed by Governor Frank Keating in 1995. Since 1995, he has been the Governor's Official Representative in the Interstate Oil & Gas Compact Commission, a Chairman in the Public Outreach Committee, Governor's Alternate in the Southern States Energy Board, and the Governor's Official Representative in the Interstate Mining Compact Commission. In 1996 he became the Governor's Representative in the Governor's Ethanol Coalition. Before becoming Secretary of Energy, Mike Smith was the Secretary of the Energy Resources Board, and a member in the Board of Directors.

Smith was the President of the Oklahoma Independent Petroleum Association in 1994 and was a member of the Board of Directors from 1981 to 1995. He is a member of the Oklahoma Bar Association, the American Petroleum Institute, and the Oklahoma Corporation Commission Blue Ribbon Advisory Committee on natural Gas.

FY-98 EXECUTIVE BUDGET

Smith has been a partner in the firm of Lawrence and Ellis since 1983. His work is in private practice of law specializing in oil and gas and environmental law. Prior to 1983, Mr. Smith was President of Red Rock Exploration, Inc., an Oklahoma City based independent oil and gas exploration company with drilling operations and production primarily in Central and Western Oklahoma. Mr. Smith was also a partner in the firm of Lawrence, Smith and Harmon, specializing in oil and gas law. Mr. Smith served for the United States Army.

Smith earned a bachelor's degree in Arts from the University of Oklahoma, and a Juris Doctor from the University of Oklahoma College of Law.

Goals

- Eliminate and/or consolidate as many agencies as possible within his Cabinet area.

Gary L. Sherrer Secretary of Environment

Biography

Gary Sherrer became Secretary of Environment after being appointed by Governor Frank Keating in February of 1995. Currently he is the Executive Director of the Oklahoma Water Resources Board. He oversees the Department of Environmental Quality and Department of Wildlife Conservation. He is also a Governor's appointee to the Red River Boundary Commission.

Sherrer is a member of Board of Directors of the Interstate Council on Water policy, and a member of the Canadian River Compact Commission. He is also the Arkansas-Oklahoma and Kansas-Oklahoma Arkansas River Compact Commissioner, as well as the Red River Compact Commissioner.

Sherrer served as Secretary of Agriculture under Governor David Walters, where he was responsible for the Department of Agriculture. He is a former member of the Board of Regents for Oklahoma State University and A&M Colleges, as well as a former director of Legislative and Regulatory Affairs for the Oklahoma Association of Electric Cooperatives. He also served a legislative director for the Oklahoma Farmers Unions.

Sherrer was a member of the Oklahoma House of Representatives from 1981 to 1988. He is a former chairman of the House Agriculture Committee, chairman of the Democratic Majority Caucus, and the House Assistant Majority Floor Leader.

Sherrer attended Oklahoma State University and obtained a B.A. in Speech from Southeastern State University, with honors, in 1973. He also served as a combat medic in Vietnam.

Sherrer is a native Oklahoman whose family lived in Snow, Pushmataha County, where he still owns property and cattle. Sherrer and his wife, Judith, and three daughters now live in Jones where he is a Deacon in the First Baptist Church.

FY-98 EXECUTIVE BUDGET

Goals

- Customer Service.
- An arrangement for satisfaction of the debt owed by the State for Sardis Reservoir, that will be mutually beneficial to the citizens in the area, the State and the Army Corps of Engineers.
- Fostering a spirit of cooperation and teamwork among the agencies in the Environment cabinet.
- A solution for problem faced by the Oklahoma Teachers Retirement System.

Tom Daxon Secretary of Finance

Biography

Tom Daxon was appointed Secretary of Finance and Revenue by Governor Frank Keating in January of 1995. He serves as the Director of the Office of State Finance. As Director, he is responsible for preparation of the budget, financial reporting and accounting, and information services.

From December 1994 through March 1995, Mr. Daxon served as the Interim Treasurer for the Orange County California Treasurer's office, following the County's filing for bankruptcy. He was responsible for implementing controls in the Treasurer's office and advising county officials on financial issues.

Prior to the assignment with Orange County, Mr. Daxon was the Manager of Quality Assurance for Arthur Andersen & Company, for a major engagement with the Resolution Trust Corporation (RTC). His team eliminated a nationally-publicized backlog of unreconciled accounts and worked with outside auditors to obtain the RTC's first clean audit opinion. He was also responsible for special projects relating to privatization in state and local government for Arthur Andersen.

Mr. Daxon was previously a principal in Arthur Andersen's Washington, D.C. office, with firm-wide responsibilities. He served as instructor and speaker for both the firm and the AICPA on the Single Audit Act, and governmental accounting and finance issues. He was rated in the top 10% of AICPA instructors nationwide. Mr. Daxon led the team that developed GAAP-basis financial statements for the U.S. government.

In 1978, Mr. Daxon was elected Auditor and Inspector of Oklahoma. When Mr. Daxon inherited this office, it had been placed on probation by its federal oversight agency. The office achieved dramatic improvement under his leadership. He raised the number of CPAs/CIAs on staff from one to 26 while cutting the total staff from 126 to 81. He formed an investigative unit that exposed questionable practices in certain tag agencies and at the Department of Human Services. He cooperated with Federal officials in exposing the county commissioner scandal. He introduced modern auditing techniques that included operational reviews of audited agencies and

FY-98 EXECUTIVE BUDGET

financial reporting in accordance with generally accepted accounting principles, leading Oklahoma to become the first state to issue comprehensive GAAP-basis general purpose financial statements, using its own staff. Mr. Daxon was the Republican nominee for Governor in 1982.

Previously, Mr. Daxon was a resident of Sand Springs, and an auditor with the firm of Hurdman & Cranstoun in Tulsa, Oklahoma. He earned a B.A. in Economics from Oklahoma State University in 1970. He earned his M.S. from Oklahoma State University in Geography in 1977. Tom and Linda Daxon have two sons, Ben, 13 and Johnny, 11, who attend Putnam City Public schools.

Goals

- Become recognized as a national leader in providing timely, informative financial reporting to state leaders and the public.
- Make prompt, efficient payment of obligations and prompt, efficient collection of amounts due.
- Develop and implement improved policies to meet the State's long-range investment requirements.
- Develop and consistently apply procedures to evaluate agency activities and better prioritize needs for financial resources, identifying resources that can be made available through improved operations.
- Develop and implement policies to strengthen controls over State assets.
- Provide for timely, cost-effective information and telecommunication services to State agencies.

Ken Lackey Secretary of Health and Human Services

Biography

Ken Lackey became Secretary of Health and Human Services in May 1995 after being appointed by Governor Frank Keating. He is also the Executive Director of the Office of Juvenile Affairs.

Mr. Lackey is a member of the American Correctional Association, the Oklahoma Commission on Children and Youth, and the Director and member of Executive and Audit Committees for Public Service Company Oklahoma. He is a former member of the Oklahoma Commission for Human Services.

Mr. Lackey is an Advisory Director for Boatmen's Bank, Tulsa, and a Director for the Metropolitan Tulsa Chamber of Commerce. He is a former Director of the Tulsa-Rogers County Port Authority, the Metropolitan Tulsa Economic Development Foundation, and the Parkside Hospital in Tulsa. He is a former Chairman of the Tulsa

FY-98 EXECUTIVE BUDGET

Training Coalition, and former Director and Chairman of Audit Committee and Member of Compensation Committee for Western National Bank in Tulsa.

Prior to his appointment as Secretary on Health and Human Services, Mr. Lackey was the President, Director and Executive Committee Member for Flint Industries, Inc., a privately owned, oil and gas services and commercial construction company in Tulsa, Oklahoma. He also served as the Chief Financial Officer and Executive Vice-President/Chief Operating Officer. He served as the Vice-President and Treasurer for Kin-Ark Corporation, a firm involved in chemicals, galvanizing and hotel management in Tulsa, Oklahoma. Prior to these positions Mr. Lackey was a Financial Analyst, Executive Assistant to Treasurer, and Assistant Treasurer for Skelly Oil Company in Tulsa, Oklahoma. He also served in the United States Army from 1967 to 1969 as First Lieutenant and was awarded Army Commendation Medal.

Mr. Lackey earned a Bachelor of Science in Mathematics from the University of Mississippi in 1965, and a Master of Business Administration from the University of Texas at Austin in 1967.

Goals

- Implement new welfare reform TANF (Temporary Assistance to Needy Families) Act, by moving individuals from welfare to work. Implemented effectively, welfare reform can raise Oklahoma's per capita income and provide additional manpower to labor short areas.
- Move toward a shared information technology system and data base for all health and human service agencies with a goal of single point eligibility and coordination of services supporting or assisting families in need of temporary assistance.
- Support funding approaches which enhance collaboration among social services agencies at the local level. This approach continues the decentralization process started at the federal level and moves decision making closer to the client in need of services.
- Obtain additional matching funding for existing state dollars and orient those incremental funds toward collaborative, prevention-oriented projects at the local level.
- Continue the process of moving AFDC, aged, blind, disabled and mental health populations into managed care systems in an effort to fix and control open-ended costs while maintaining or improving quality of service.

Oscar B. Jackson, Jr.
Secretary of Human Resources

Biography

Oscar Jackson, as Governor Frank Keating's Cabinet Secretary of Human Resources, provides general oversight and liaison with several state government agencies in Oklahoma, which includes the Oklahoma Employment Security Commission, Merit Protection Commission, State and Education Employees Group Insurance Board, and the Oklahoma Human Rights Commission.

FY-98 EXECUTIVE BUDGET

Jackson is a member of the Board of Trustees for the Oklahoma Public Employees Retirement System, the Employees Benefits Council (Secretary), the Committee for Incentive Awards for State Employees (ViceChair), the State Agency Review Committee for the Oklahoma State Employees' Charitable Contribution Campaign (Vice Chair), the Human Resources Management Advisory Committee (Chair), and the Mentor Selection Advisory Committee (Chair). He is a past president of the National Association of state Personnel Executives and serves on the Executive Committee of The Council of State Governments, and the Board of Directors of the Urban League of Greater Oklahoma City.

Jackson began his career in public service in 1971 with the University of Oklahoma where he advanced to Manager of Employment Services for the Norman Campus prior to his resignation in 1979. After serving as Manager of EEO/AA Compliance Programs and Personnel Officer with the First National Bank and Trust Company of Oklahoma City, he returned to the public sector in 1980 as Director of the Human Resource Development Division of the Office of Personnel Management (OPM). In 1984, Jackson joined the Department of Human Services. There he held various management positions, including Division Administrator for Personnel Resources and Programs Administrator for the Personnel Unit. In this capacity, he was responsible for the management of all human resource functions of Oklahoma's largest state agency.

Jackson rejoined the staff of OPM as deputy administrator in the fall of 1990, and was initially named Administrator of Personnel Management and Cabinet Secretary for Human Resources in June of 1991 by Governor David Walters. In January 1995, Jackson was re-appointed to both positions by Governor Frank Keating.

Jackson has a Bachelor's degree in Business Education from the University of Oklahoma and has completed graduate work in Public Administration. Also, he is a graduate of Leadership Oklahoma.

Goals

- Improve the quality and quantity of services provided state government and other entities by Human Resources agencies.
- Reduce the cost and increase the value of services offered by Human Resource agencies.
- Use technology to streamline and automate Human Resource agency functions.
- Eliminate non-essential or low value-adding Human Resource agency functions.
- Outsource and privatize appropriate HR agency functions.
- Develop HR agency staff capabilities and skills.
- Create strong "partnerships" with state agencies, and public and private sector employers, to support the "growth and prosperity" economic development goal of the State of Oklahoma.

FY-98 EXECUTIVE BUDGET

Major General Stephen P. Cortright Department of Military

Biography

Major General Stephen P. Cortright is the Adjutant General of Oklahoma. As the adjutant general he is responsible for commanding units of the Army and Air National Guard. He is the Military Advisor to the Governor. He formally served as the Air National Guard Assistant to the Commander, Pacific Air Force.

General Cortright entered the United States Air Force on February 14, 1964. On May 12, 1964, he was commissioned as a second lieutenant and entered undergraduate pilot training at Webb Air Force Base, Texas. He is a command pilot with over 5000 hours of military flying time in the T-33, T-37, T-38, RF-4C, F100D/F, A-7D/K, and F-16C/D aircraft. He flew 217 combat missions while serving in Vietnam from September 1966 through July 1967.

General Cortright obtained a Bachelor of Science Degree in Business Administration from Oklahoma State University in 1964 and a Juris Doctor Degree of Law from University of Tulsa in 1973. General Cortright is a member of the American Bar Association, Oklahoma Bar Association, Tulsa County Bar Association, and Trial Lawyers Association.

General Cortright and his wife Barbara, both Oklahomans, are the parents of four children, David, Tiffany, Heather and Adam.

Goals

- Maintain the personnel and training readiness of the Oklahoma National Guard to meet our state and federal missions. Our emphasis will continue to be on technology as a means to accomplish this goal.
- Through a network of distance learning sites throughout the state, provide capabilities for the transmission and reception of not only military training, but also corporate and government education, video conferencing, and academic classes to each member of the Army and Air National Guard and the general public.

Bob A. Ricks Secretary of Safety and Security

Biography

Bob Ricks was born October 14, 1944 in Houston, Texas and received his early education in Del Rio, Texas. He received his Bachelor degree from Baylor University, Waco, Texas, in 1967 and his Juris Doctor degree from Baylor Law School in 1969, where he served as an Editor of the Baylor Law Review and was a member of Phi Delta Phi. He is married and the father of two children.

Mr. Ricks served 26 years in Federal law enforcement, during which he rose from the position of Special Agent to Special Agent In Charge of the FBI in Oklahoma. He also served in various other positions of authority from Assistant Special Agent in

FY-98 EXECUTIVE BUDGET

Charge, Inspector, and Deputy Assistant Director. He served as chairman for the Federal Executive Board, which had oversight responsibilities for all Federal agencies in the State of Oklahoma. Mr. Ricks also served three years with the Drug Enforcement Administration where he was the Chief Counsel for DEA.

On May 21, 1996 Mr. Ricks was unanimously confirmed by the Oklahoma State Senate as Cabinet Secretary for Safety and Security and Commissioner of Public Safety.

Goals

- Maintain an atmosphere of cooperation and communication among the thirteen agencies that constitute the Safety and Security Cabinet.

Edward H. Cook Secretary of Tourism and Recreation

Biography

Edward Hahn Cook was named Executive Director of the Oklahoma Tourism and Recreation Department February 24, 1995 following his appointment as Cabinet Secretary for Tourism and Recreation by Governor Frank Keating.

As executive director of the tourism department, Mr. Cook administers a \$47 million, 1,100 - employee agency that develops and promotes Oklahoma's tourism and recreation products. Under his auspices are 53 state parks, nine golf courses, five resorts and 10 Oklahoma Welcome Centers. He also oversees the state's \$3 million "Oklahoma Native America" advertising campaign.

From 1957 to 1960 Mr. Cook served in the U. S. Navy aboard destroyers in the South Pacific as an officer, achieving the rank received an Honorable Discharge in 1960, and entered the Inactive Reserve. In 1965, he was discharged from the Reserve holding the rank of Lieutenant, USNR.

Mr. Cook has an extensive background in industrial and economic development. He served on a volunteer basis as chairman of the Oklahoma City Chamber of Commerce in 1974 and 1975 and then as president from 1980 to 1987. He was instrumental in bringing General Motors and Xerox plants to Oklahoma City, and served on the county commissioners task force to protect Tinker Air Force Base.

He has been involved in numerous fundraising and charitable organizations, including United Way, Oklahoma Blood Institute, Allied Arts Foundation, State Fair of Oklahoma executive Committee, the Oklahoma Symphony Orchestra, the American Red Cross, Oklahoma Science and Arts Foundation, Oklahoma City Arts Commission and Oklahoma Zoological Society.

He most recently was president of Oil-Law Records Corporation. Prior to that, Mr. Cook was chairman of Hahn-Cook/Street & Draper Funeral Home & Flower Shops in Oklahoma City.

FY-98 EXECUTIVE BUDGET

Mr. Cook holds a bachelor of arts degree in political science and economics from Yale University. He resides in Oklahoma City with his wife Kaye.

Goals

- Achieve the lease and/or sale of state lodges and/or golf courses as a package.
- Secure removal of some of the restrictions on purchasing and construction, enabling government to operate more like a business.
- Develop an effective Oklahoma Film Office.
- Improve the maintenance of state parks.

Neal A. McCaleb Secretary of Transportation

Biography

As Oklahoma's Secretary of Transportation, Neal McCaleb oversees the construction and maintenance of the state's transportation systems including the 12,300-mile state highway system, the 552-mile turnpike system, the 88-mile state-owned railroad system and the state-assisted general airport programs. McCaleb is the first to serve as Director of both the Oklahoma Department of Transportation (ODOT) and the Oklahoma Turnpike Authority (OTA), in addition to being cabinet secretary.

McCaleb has been engaged in the practice of engineering for 39 years, designing and supervising the construction of roads, bridges, public facilities and architectural structures in Oklahoma and throughout the southwest.

A 1957 graduate of Oklahoma State University, he is a licensed professional engineer in Oklahoma and eleven other states, as well as a registered land surveyor. He is a lifelong resident of the state and a second-generation highway builder. His father, Burt McCaleb, designed and built Oklahoma highways for 45 years.

McCaleb has the distinction of serving as the state's first Secretary of Transportation under Governor Henry Bellmon, and was Director of the Oklahoma Department of Transportation from 1987 to 1990.

For eight years, McCaleb served in the Oklahoma House of Representatives, and was elected Minority Floor Leader in 1978. A Chickasaw Indian, the Secretary served as a presidential appointee on Ronald Reagan's Commission on Indian Reservation Economics in the 1980's.

Goals

- Stimulate economic growth and capital investment in Oklahoma through the improvement of our state's transportation system.

FY-98 EXECUTIVE BUDGET

- Improve accessibility of our rural cities to national and international markets.
- Eliminate urban traffic congestion with its attendant delays and negative impact on economic growth.
- Achieve a major rehabilitation of our aging highway system.
- Intermodally integrate state roads with state-owned and private rail systems, commercial airlines and water-based transportation.

Norman A. Lamb Department of Veterans Affairs

Biography

Norman Lamb was appointed by Governor Frank Keating to the position of Cabinet Secretary of Veterans Affairs in 1995. He served as Senate Liaison for Governor Keating in 1995. In 1982, he was the Republican Nominee for Lt. Governor, after serving as the Minority Floor Leader in the State Senate from 1978 to 1980.

Lamb was a member of the Oklahoma State Senate for 18 years from 1970 to 1988, and chaired the Republican State Convention in 1976. During that period, he served on the following committees: Agriculture, Economic Development, Education, Human Resources, Judiciary, Retirement, Revenue and Taxation, and Standards and Ethics. In 1976, Lamb was voted one of the Top 10 Most Effective Senators by Peers and one of the Top 10 Most Popular Senators by Peers.

During his years in the Senate, he was appointed by Senate Pro Tem Jim Hamilton to be the Special Prosecutor to investigate the Industrial Development Agency (later named the Department of Commerce.) Chairman Lamb and his committee uncovered alleged kickbacks and corruption in Gov. David Hall's administration, leading to the FBI investigation and conviction of Gov. Hall.

Lamb served as Chief Prosecutor and Assistant District Attorney for Garfield County from 1967 to 1970. He also served as Assistant Municipal Counselor of the City of Oklahoma City (1964-1965) and as Assistant County Attorney for Chickasha, Oklahoma (1963-1964.)

He was born in Canute, Oklahoma, and attended schools in Cordell, Putnam City, Midwest City, Tuttle, Moore, and Enid. He graduated from Cameron Junior College with a B.A. Degree and from the University of Oklahoma with a B.S. in Math and Education.

Lamb served in the U.S. Army and retired after 33 years active and reserve duty as a Colonel. During his active duty, he served at Ft. Bliss, Texas on Air Defense/Guided Missiles. His interest in serving his country extended to serving as a West Point (USMA) Liaison (Recruiting) to Oklahoma from 1986 to 1990.

He is an active member of Emmanuel Baptist Church in Enid and is currently a Sunday school teacher and a deacon. He has been a long-time member of the Enid Lions Club and the Enid Chamber of Commerce. Lamb's hobbies include

FY-98 EXECUTIVE BUDGET

after-dinner speaking, high school and college football officiating, and jogging. He participates in a weekly radio show, "Stand Your Ground" on KGWA-960, as the political conservative. He and his wife, Belva M. Clark Lamb, have three grown children; Kim Akers, Fawn Ingmire, and Todd Lamb, who is currently serving as an aide to Governor Frank Keating.

Goals

- Provide quality services to Oklahoma Veterans who nobly served their country in its times of need.
- Work with the legislature to resolve issues that would improve services to Oklahoma Veterans