

## 2019: THE CHALLENGES AHEAD

A new year, a new governor, a new legislature and a new optimism for the upcoming legislative session. Our state's budget is in better shape, but many challenges lie ahead if we are to make Oklahoma a top 10 state.

In 2018, the State Chamber launched OK2030, a strategic vision plan for Oklahoma's future. A top goal was government reform to make our government more efficient and more accountable—a goal shared by newly elected Governor Kevin Stitt. Last year we saw significant success in this area, but much more is required, and we look forward to working with the Governor, our elected officials and business leaders to achieve this goal.

Additionally, Oklahoma's education outcomes must be improved if we want our children and businesses to be successful.

There are many threats to Oklahoma businesses this legislative session and once again, the State Chamber will defend business from job-killing, costly and unnecessary regulations. We'll oppose rollback of hard-fought reforms to Oklahoma's workers' compensation and legal system, protect the right to work and oppose other costly mandates that inhibit economic growth.

Our team will be lobbying hard at the State Capitol this year to protect Oklahoma's business climate. To prevent losing the gains made, we need your engagement more than ever. Here are some of our driving objectives for the State Chamber of Oklahoma's 2019 legislative agenda....

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#### Economic Development, Taxation and Retail

- Oppose efforts to conform Oklahoma state tax law in order to preserve tax savings from changes to federal tax law contained in the Tax Cut and Jobs Act of 2017
- Support economic development incentives that create and maintain jobs and investments in Oklahoma including the Governor's Quick Action Closing Fund, Tax Increment Financing (TIF) Districts and Business Improvement Districts (BID)
- Support the expansion of public/private partnerships using best practices such as opportunity zones
- Reduce business uncertainty by supporting a state budgeting process that produces multi-year strategic spending plans, utilizing best practices for agency operations, forecasting revenues, spending commitments, budget limitations and pension obligations

#### **Energy & Natural Resources**

- Support Oklahoma's current oil and natural gas pooling laws to protect the development of Oklahoma's resources for the benefit of mineral owners, the state budget and economic development
- Support and protect the state's current eminent domain laws for energy infrastructure development
- Support the rights of industry, public and private land and mineral owners to be free from burdensome regulations due to candidate, threatened and endangered species
- Support funding for water resource infrastructure development



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#### Human Resource and Labor Law

- Support business protections and property owners' rights regarding medical marijuana
- Support the mirroring of federal law on wage and hour laws
- Support business and property owners' rights to regulate the possession of weapons on their property

#### Legal Reform

- Support business-friendly protections in the new medical marijuana laws
- Support judicial redistricting for the Supreme Court to include Congressional districts and at-large districts
- Support pro-business lawsuit reforms and reforms to Oklahoma's product liability laws; push back against legislation that would expand liability

#### Workers' Compensation

- Enhance and protect the 2013 reforms to the Workers' Compensation system enacted by Senate Bill 1062
- Support Workers' Comp legislation addressing coverage of medical marijuana as a reimbursable expense
- Support reforms to reduce the liability and improve the efficiency of the Multiple Injury Trust Fund

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#### Health Care

- Support efforts, including training and funding, to create, increase and protect access to health care services to rural and underserved areas
- Continue to support a long-term solution to address full reimbursement funding for Medicaid services since erosion of funding shifts cost increases to businesses and other taxpayers
- Support efforts to develop a state-based plan maximizing state and federal funds to broaden health insurance coverage to Oklahoma's uninsured residents and reduce the costs of uncompensated care that are currently shifted to employers and health care providers
- Maintain opposition to new state and federal mandated private health insurance benefits that would raise costs to businesses attempting to provide quality health insurance benefits until such time as an independent cost/benefit analysis accompanies and justifies any proposed health insurance benefit mandate

#### Workforce Development

- Fund advancement opportunities for teachers through the newly created teacher licensure ladder
- Protect accountability systems, like A-F school site report cards and the Reading Sufficiency Act, to ensure schools have strong metrics by which to measure growth and improvement
- Increase access to degree and industry endorsed skills certificate programs tied to critical occupations and support employer incentives for programs such as apprenticeships and internships
- Develop and fund a mechanism to assist educators who agree to stay in the profession with loan forgiveness through public-private funding, with increased funding for teachers who teach in a high-need subject area or school
- Support the passage of policies that promote school choice in order to give students free market choice when selecting the school that best meets their individual needs

"We're pleased to see the Governor's administration and many legislators prioritizing reforms we've been calling for through our OK2030 vision plan and legislative agenda. Reforms to enhance government accountability and efficiency—such as budget transparency, direct appointments and the Legislative Office of Fiscal Transparency (LOFT)—are essential to stewarding Oklahoma tax dollars responsibly and with the greatest possible impact."

Mark W. Funke, Chairman – State Chamber Of Oklahoma



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#### Aerospace, Defense, Technology and Telecommunications

- Support development of Oklahoma's strengths and resources as a prime location for development, testing and flight of Unmanned Aerial Systems (UAS); monitor efforts to regulate UAS and oppose regulations which place unnecessary burdens on the growth of the industry
- Support initiatives to expand developing technology businesses including autonomous systems, software, hardware, data centers and services
- Protect a pro-investment environment to support the development of telecommunication infrastructure
- Support efforts to address increasing workforce and training needs in the growing aerospace and defense manufacturing, maintenance, repair and overhaul (MMRO) and developing technological industries

#### Transportation & Infrastructure

- Preserve Oklahoma's state highway funding and protect the Eight-Year Construction Work Plan by returning the statutory allocation of all motor fuel taxes that are being diverted to the general fund as a primary input into the safety and wellbeing of our citizens and the growth and sustainability of the state's economy
- Support implementation of the state's Bridge Improvement Plan to repair or replace all of Oklahoma's structurally deficient bridges on the state's highway system by 2020 and the continued improvement of functionally obsolete bridges into the future
- Support all modes of transportation including transit and passenger rail service as well as emerging technologies to meet the needs of the traveling public and the demand of our growing economy
- Support the elimination of the backlog of infrastructure maintenance on the McClellan-Kerr system and the completion of the channel to a depth of twelve feet

# OKJOBKILLERS.COM

A number of bills being proposed this year could be devastating for Oklahoma's business community. Our annual OKJobKillers.com website sounds the alarm about proposed legislation that could damage our economy by imposing costly mandates and unnecessary red tape on Oklahoma's job creators. The website also features bills that threaten to roll back pro-growth policies that are vital to a competitive business climate. The site—launched in mid-February each year—is regularly updated throughout session with status updates and newly proposed legislation. Please join us in helping defeat these bad-for-business bills through frequent engagement with your legislators and our team of issue experts!

# WHY IT MATTERS

The policies we choose to fight for each year are the result of careful deliberation by our member-based committees, State Chamber leadership and our Board of Directors. These policies are also guided by data on the strength, competitiveness and economic viability of our state. Below are just a few rankings and statistics that illustrate what Oklahoma is doing well—and what must be improved.

# \$43.7 BILLION GENERATED AEROSPACE, TECHNOLOGY, DEFENSE AND TELECOMMUNICATIONS

Oklahoma's aviation and aerospace industry generates \$43.7 billion in annual economic activity and represents 14.5% of all non-farm employment in Oklahoma (OK Aeronautics Commission)

#### HIGHEST STATE AND LOCAL SALES TAX RATE



Oklahoma's combined state and average local sales tax rate is the sixth highest in the nation. (Tax Foundation)



#### LOWEST COST OF ELECTRICITY

#### **ENERGY & NATURAL RESOURCES**

The cost of electricity in Oklahoma is the sixth lowest in the nation. (U.S. Energy Information Administration)



#### HIGHEST RATE OF UNINSURED

#### **Health Care**

Our state had the second highest rate of uninsured individuals in the country in 2017. (U.S. Census Bureau)



#### MOST BURDENSOME LICENSING LAWS

#### Human Resources and Labor Law

Oklahoma has the 18th most burdensome licensing laws for moderate income occupations in the nation. (Institute for Justice)



#### HIGHEST INCARCERATION RATE

#### **Legal Reform**

Oklahoma has the second highest incarceration rate in the nation. (Bureau of Justice Statistics)













3RD

#### HIGHEST ROAD-RELATED REPAIR COSTS



#### **Transportation**

Driving on roads in need of repair costs each Oklahoma motorist \$833 a year in extra vehicle repairs and operating costs, which is the third highest in the nation. (TRIP)

2,153

#### **EMERGENCY TEACHING CERTIFICATES**



## Workforce Development

During the 2017-2018 school year, Oklahoma issued 2,153 emergency teaching certificates, which was 63.2% more than the previous school year. (Oklahoma State Dept. of Education)

<sup>\$</sup>480

### MILLION IN UNFUNDED LIABILITY



### Workers' Compensation

The unfunded liability of Oklahoma's Multiple Injury Trust Fund is currently \$480 million, which is 307% higher than it was in 2008. (Oklahoma Multiple Injury Trust Fund)



#### MOVING OKLAHOMA FORWARD

OK2030 is a long-term vision plan to dramatically improve Oklahoma's business climate, workforce, government, health care and more. In addition to the legislative priorities outlined here, we're also working to implement a number of OK2030 policy reforms. These reforms, detailed in the 2019 OK2030 Update, will bring immediate and long-term improvements our state's business competitiveness, fiscal stability, workforce pipeline and overall quality of life. Last year, we were able to advance an impressive 35 bills related to 13 OK2030 policy recommendations at the State Capitol. This year, we hope to see even more OK2030 reforms implemented to fix longstanding issues holding our state back from its potential. Learn more about the OK2030 strategic plan and follow our progress at www.OK2030.org.





WE MEAN BUSINESS