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Tuesday, March 25, 2014

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Report Lays Out Options for a Balanced Approach to Filling the Budget Hole

(TULSA, OK): Despite a drop in revenue certified as available for next year's budget, a new brief from Oklahoma Policy Institute shows that budget cuts are not inevitable. Lawmakers have numerous revenue options that they can use to fill the budget hole.

"After years of budget cuts and flat funding, our state agencies and public schools cannot absorb more cuts simply by tightening their belts", said David Blatt, OK Policy's Executive Director and the report's author. "Further cuts would mean worse services for Oklahomans and serious damage to our health, safety, and economic well-being."

The report, "Filling the Budget Hole: Options for a Balanced Approach" lays out seven options that state policymakers should consider as part of budget discussions this session:

- Curbing the tax break for horizontal oil and gas production
- Eliminating the "double deduction" of state income taxes
- Adopting combined corporate reporting
- Enhancing tax collection from online sales
- Tapping the Rainy Day Fund
- Maintaining transportation funding at current levels
- Accepting federal funds to expand health coverage

Oklahoma's public services never fully recovered from the prolonged budget crisis that accompanied the recession of 2009-10, and many agencies need funding increases next year simply to maintain existing services. In her FY 2015 Executive Budget, Governor Fallin proposed an overall cut of 1.9 percent across all of state government and cuts of 5 percent to most agency budgets.

"Oklahoma has gone from a budget shortfall in a national recession to a shortfall of our own creation," Blatt said. "But this year's \$188 million shortfall is not inevitable. It is a choice that we can and should avoid."

The full report and a 2-page executive summary are available at: //okpolicy.org/budgetoptions