



# OPhA

Oklahoma Pharmacists Association



## 52nd Legislature – 1st Session 2009

Session convened on Monday, February 2nd and per the State Constitution must adjourn no later than the last Friday in May!

The following is a quick outline of where we are as we get started. The Governor Henry opposes using "Rainy Day" Savings funds to off-set the current state deficit of what will be close to \$900 million dollars. Governor Henry would like to keep the "Rainy Day" funds in reserve, noting the state faced a serious shortfall six years ago; the shortfall was \$700 million, and the Rainy Day Fund was left intact. The shortfall of an estimated \$900 million is against last year's total budget of \$7.1 billion. The shortfall includes an estimated \$310 million decline in state revenue for the fiscal year that begins July 1, as well as more than \$180 million of one-time revenue sources and carryover money used last year to balance the 2008 fiscal year's \$7.1 billion budget. The rest of the shortfall comes from declining federal money coming to the state, mostly for the Medicaid program – **02/19/09**

During the first week of the Oklahoma Legislature Session. By way of update, here are some of the items that we know are of interest to you:

1. **Tort Reform** is clearly the number one priority of the Republican-controlled House and Senate. The Republican leaders are very anxious to force Democrat Brad Henry to either sign or veto a strong Tort Reform bill. If he signs such a bill, then the Republicans can announce that by finally taking control of both Houses of the Legislature that they finally had enough power to get it done. If he vetoes such a bill, then the Republicans will use it as a major reason for why we need to elect a Republican Governor in 2010 to replace the Democrat.

What we understand is currently taking place is on-going negotiations is that Republicans are pushing for reforms, while the Governor is pushing against efforts to cap attorney fees.

2. **Workers Compensation Reform** is taking a back-seat to the high-profile efforts on Tort Reform. We continue to talk up the issue and urge that it not be forgotten.

The main effort at this time appears to be a push by House Speaker Chris Bengtson to require that all Judicial Appointments currently made by the Governor would be required to also get approval from the State Senate. This could mean that appointments to the Workers Comp Court would have to be confirmed by the State Senate. This could be an important step toward limiting the growth of W/C lawsuits and judgments.

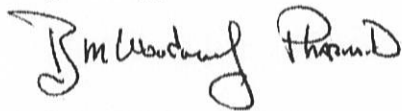
3. **Tax Reform and Tax Cuts** are still front and center, in spite of the announced \$600 million shortfall in this year's budget. The Senate Finance Committee seems focused on speeding up more cuts in the State's Income Tax Rate. There is also a major push in the Senate to phase out the current State Sales Tax on Groceries.

Both of these Tax Cut proposals seem to be moving forward in the Senate without Senate Republican Leadership having taken a strong position. Still lots to be decided in that regard.

4. **State Budget Shortfall** that currently stands at an estimated \$600 million is feared to increase by later in the Session. Oil and Gas revenues coming into the state are slow in being reported, so this shortfall figure may still reflect higher prices that have been steadily coming down. In both 2007 and 2008, the total state budget approved was approximately \$7.1 billion.

The discussions at this time focus around whether to do "across the board" cuts of 5-6% for every state agency and service, or whether to take a more targeted approach that reduces some much more than others. There appears to be a strong consensus that the state's "Rainy Day" savings fund that currently stands at more than \$600 million will not be tapped this year. There is strong concern that the short-fall by next year will be even worse and the money should be saved for the bigger problems still to come.

Respectfully,



Phillip Woodward, BS, PharmD.  
Executive Director  
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