

Oklahoma Legislative Updates

By Clay Taylor

The 56th Session of the Oklahoma Legislature has kicked off and the first two weeks are in the books. 2017 has already shown itself to be fast paced and difficult, and new leadership in both the House and Senate mean new thoughts and fresh ideas for how to deal with the biggest problem facing the state, the budget.

As it stands today, the legislature has to deal with a nearly \$900 million budget shortfall as well as the real possibility of another budget failure before the legislative session ends. How they deal with this is the story of the year, and has an impact on everything that is happening at the capitol.

Just last week Lieutenant Governor Todd Lamb, front runner for Governor in 2018, resigned from the Governor's cabinet over his disagreement with her proposals to deal with the state's budget woes. The Governor laid out an aggressive and broad revenue plan that included placing a sales tax on 164 services not taxed today, a repeal of the state sales tax on groceries, increased taxes on gas and diesel fuel, and an increase of \$1.50 per pack on tobacco.

The reception in the legislature to the Governor's plan was not dissimilar to that of the Lt. Governor. Her proposal is seen by many as a tax increase on the middle class, the working poor, and business. Due to the passage of State Question 640 in the early 90's, any revenue increasing measure may only pass by either a vote of the people or approval by 3/4's of both chambers. The difficulty of this high standard has placed the legislature under the gun when it comes to trying to find new revenue, which most agree the state needs to help overcome the current budget situation.

NEW LEADERSHIP

Both chambers of the legislature saw the election of new leadership teams this session. In the house, the new Speaker is Charles McCall (R-Atoka), a banker by trade who is only now serving his third term in the legislature. He could serve 4 years as Speaker under the current house rules, but could conceivably through a rule change serve for 8 years. His floor leader is Rep. John Echols (R-OKC), an attorney in the same legislative class as the Speaker. There is also a new Appropriations Chair, and for the first time in our State's history it is a woman. Rep.

Leslie Osborn (R-Mustang) is serving her 9th year in the legislature and has expressed a desire to rethink our budget system and find new revenues.

Speaker McCall leads a group of 32 new house members out of 101 total. Although currently the body only has 99 members as Rep. Tom Newell (R-Seminole) has resigned to pursue a career opportunity, and Rep. Dan Kirby (R-Tulsa) has resigned after a scandal that rocked the capitol involving inappropriate relationships with former Legislative Assistants. There will be special elections held for both house seats; Rep. Newell's open seat in Seminole will have a primary election March 7th and a general on May 9th, and Rep. Kirby's open seat in Tulsa will have a primary election on May 9th and a general election on July 11th.

In the Senate we have a new President Pro Tempore in Senator Mike Schulz (R-Altus) a cotton and wheat farmer who has been very active in the Farm Bureau and other agriculture organizations. Pro Tem Schulz is in the last two years of his 12 year term limit, and therefore the Senate will be electing a new Pro Tem at the end of this session. Joining his leadership team is new Floor Leader Senator Greg Treat (R-Edmond). Senator Treat was elected in a special election in 2011 and won't be term limited until 2024. The Senate also has a new Appropriations Chair, and it's another first female to hold the position. Sen. Kim David (R-Wagoner) is in her 7th year in the legislature and replaces term limited Sen. Clark Jolley as budget chair.

Pro Tem Schulz leads a body with 13 new members out of 48. The Republicans now hold 42 seats in the senate with Democrats holding only 6. Out of the 101 seats in the House, Republicans have 73 seats while Democrats only hold 26 seats.

OPA PRIORITY ISSUES

Of the nearly 2,300 bills introduced this session, the OPA legislative committee is tracking about 60 bills of which four have been deemed priorities. Healthcare funding has been an ongoing source of heartburn at the capitol due to budget constraints and the OPA is very interested in HB1841, the \$1.50 a pack tobacco tax increase. HB1841 recently passed out of the House Appropriations Committee by a vote of 17-10. Of the 10 nays 5 were from Republicans and all 5 Democrats voting voted against it as well. It now heads to the floor where it will need 76 votes to pass on to the Senate.

The increased revenue under HB1841 is to be used for Medicaid Reimbursable Activities, and delineates the money to go by percentage to the following: 45% to the Oklahoma Healthcare Authority, 28% to the Department of Mental Health and Substance Abuse, 13.5% to the Department of Human Services, 5.4% to the University Hospitals Enhancement Fund, 5.4% to the Oklahoma State University Medical Authority Enhancement Fund, and 2.7% to the Health Department. It is estimated it will generate a total of \$183.89 million, and could be used to get 3 to 1 federal matching dollars.

Common thinking is that the Democratic caucus' 26 votes will be needed in order to secure passage of HB1841, as was the case last year with the tobacco tax. Last year the caucus withheld their support of the measure unless the governor and legislative leadership agreed to use the funds from the tax for a 9/1 match on Medicaid Expansion under the Affordable Care Act. With the election of President Trump Medicaid Expansion has ceased to be on the table, but Democratic Leader Scott Inman (D-Del City), has stated his caucus will only vote for the tobacco tax if it is part of a package that includes other revenue enhancing measures. Even with the 26 Democrat votes it will be tough to get the needed 50 Republican votes in order to secure passage for revenue measures.

The OPA legislative committee is also watching several other bills, including: HB1710 by Rep. Mike Ritze (R-Broken Arrow) which would prohibit health plans from discriminating against physicians based on their classification (D.O. v. M.D.), SB720 by Sen. AJ Griffin (R-Guthrie) which would remove the requirement for a physician to supervise Certified Nurse Practitioners in prescribing certain drugs, SB798 by Sen. Rob Standridge (R-Norman) which would allow the Oklahoma Health Care Authority to use their own in house Administrative Law Judge during reimbursement rate disputes with providers, and SB813 by Sen. AJ Griffin (R-Guthrie) which would increase the fee for agencies licensed by the Department of Mental Health and Substance Abuse from \$300 to \$1000.