

Governor proposes taxes go to aid plan Scholarships need stable revenue, he says.

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Gov. Brad Henry said Wednesday he wants to use a percentage of the state's income tax to permanently fund a state scholarship program.

Henry is proposing to earmark 1.25 percent of state income tax receipts, one of the state's largest funding sources, to the Oklahoma Higher Learning Access Program.

Income taxes for this fiscal year, which started July 1, are estimated to bring in \$2.8 billion. About 15 percent of income tax revenue is earmarked for designated purposes, such as the state teacher retirement system and education-related funds. The rest of the money goes to the state's general fund.

The program, which also is called Oklahoma's Promise scholarship program, allows students with family incomes of less than \$50,000 to earn free tuition for college or CareerTech schools if they take a college curriculum in high school, make good grades and stay out of trouble.

"We'll find ourselves in trouble, unable to keep that promise to our students if we don't find and enact a long-term, stable, significant revenue source to continue to pay for this most important program," Henry said.

About 15,000 students this year — up from about 2,000 four years ago — are receiving assistance this academic year from the program, said Higher Education Chancellor Glen Johnson. About 20 percent of all college freshmen this year received some assistance from the program, he said.

If the program's growth ever outpaces revenue growth, legislators would be asked to increase the earmarked percentage accordingly, he said.

Legislators appropriated \$37 million to the program this fiscal year, up from \$26 million the previous year. Estimates are the program will need \$48 million in the next fiscal year.

Henry's proposal would generate about \$36 million in the next fiscal year; other funding sources would make up the difference, according to the governor's office.

The governor's idea received a mixed reaction from legislators, who return Feb. 5 for this year's session.

Rep. Ken Miller, R-Edmond, said House Republicans will "continue to ratchet down the income tax to boost economic growth and opportunity, while the governor proposes to tie spending to this harmful tax.

"While OHLAP is a good program, it's never a good idea to tie spending to the income tax," said Miller, vice chairman of the House Appropriations and Budget Committee.

Senate President Pro Tempore Mike Morgan, D-Stillwater, said the governor's plan is "certainly intriguing."