



SURFACE is a publication of TRUST dedicated to bringing news about the financing of Oklahoma's transportation infrastructure to community, business and policy leaders around the state. This biannual publication has a central focus of:

- Federal and state funding
- Regulatory news from state Capitol and Congress
- TRUST events and news
- Innovative topics on transportation funding

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SURFACE

WINTER 2016

ELECTION YEAR BRINGS NEW LEADERSHIP, MEMBERS TO LEGISLATURE

WHEN OKLAHOMA VOTERS APPROVED 12-YEAR TERM LIMITS IN 1990 FOR MEMBERS OF THE OKLAHOMA LEGISLATURE,

many political observers believed the vast majority of legislators would serve their maximum allowed time just as long as their constituents continued to re-elect them. The first class of legislators impacted by term limits were those elected in 1992, and while numerous Senate and House members have served their maximum time, the trend during the last three election cycles has been many members choosing to not seek reelection and end their legislative service before reaching the 12-year point. Observers need to look no further than the recent election cycle which resulted in the swearing in of 44 new members.

While the presidential race and numerous high-profile state questions dominated most of the political conversation over the summer and fall, the broad change in the state legislature, due to term limits and incumbents not seeking reelection, is perhaps the most important political development in Oklahoma in many years. While Republicans will continue to hold wide majorities in both chambers (Senate 42-6, House 76-25), new members of both parties are sure to make their presence felt both inside their respective caucuses and during committee and floor debate.

For the first time in four years the Senate will have a new President Pro Tempore in Senator Mike Schulz of Altus who succeeds former Senator Brian Bingman who was term limited. Senator Schulz previously served as Majority Floor Leader, and will serve as Pro Tempore during the 2017 and 2018 sessions before he is term limited in 2018. On the House side, Rep. Charles McCall of Atoka is the incoming Speaker of the House succeeding former Rep. Jeff Hickman who served the past three sessions but also was term limited. Rep. McCall was first elected in 2012 and is term limited in 2024.

Newly elected Senate members are: Michael Bergstrom (SD 1), Dewayne Pemberton (SD 9), James Leewright (SD 12), Greg McCortney (SD 13), Roland Pederson (SD 19), Tom Dugger (SD 21),

Lonnie Paxton (SD 23), Joe Newhouse (SD 25), Julie Daniels (SD 29), Chris Kidd (SD 31), Dave Rader (SD 39), Adam Pugh (SD 41) and Paul Scott (SD 43).

Newly elected House members are: Rick West (HD 1), Matt Meredith (HD 4), Josh West (HD 5), Tom Gann (HD 8), Kevin McDugle (HD 12), Avery Fix (HD 13), Scott Fetgatter (HD 16), Justin J.J. Humphrey (HD 19), Dell Kerbs (HD 26), Kyle Hilbert (HD 29), Mark Lawson (HD 30), Greg Babinec (HD 33), Ryan Martinez (HD 39), Tim Downing (HD 42), Marcus McEntire (HD 50), Kevin West (HD 54), Carl Newton (HD 58), Rhonda Baker (HD 60), Rande Worthen (HD 64), Scott McEachin (HD 67), Carol Bush (HD 70), Monroe Nichols (HD 73), Dale Derby (HD 74), Meloyde Blancett (HD 78), Mike Osburn (HD 81), Tammy West (HD 84), Collin Walke (HD 87), Forrest Bennett (HD 92), Mickey Dollens (HD 93), Roger Ford (HD 95), Jason Lowe (HD 97) and Tess Teague (HD 101). ■



Senator Mike Schulz,
President Pro Tempore



Rep. Charles McCall,
Speaker of the House

Transportation Innovation Banquet Features Legislative Leaders

THE ANNUAL TRUST TRANSPORTATION INNOVATION BANQUET BROUGHT A NEW FORMAT THIS YEAR;

a 'transportation chat' hosted by TRUST co-chairman and former Oklahoma Governor Frank Keating. Governor Keating's colleagues in the chat were Senate President Pro Tempore Mike Schulz and Speaker of the House Charles McCall. Both leaders expressed their longstanding support

to invest in and modernize Oklahoma's transportation infrastructure system despite recent budget deficits. Governor Keating, a longtime advocate for transportation investment, praised the commitment made by the legislature since 2006 to return transportation as a core priority of state government. A capacity crowd of TRUST members, transportation advocates, legislators and elected officials and special guests attended the banquet held December 14th at the Oklahoma History Center. The event included presentation of the 2016 TRUST Guardian of Transportation award to Oklahoma Corporation Commissioner and former Speaker of the House Todd Hiatt. Commissioner Hiatt joins Oklahoma Secretary of Transportation and former ODOT and Oklahoma Turnpike Authority director Gary Ridley, former Governor George Nigh, former state Rep. Mark Liotta, TRUST co-founder Tom Love and U.S. Senator Jim Inhofe as recipients of the prestigious annual award. ■



Senator Mark Allen, ODOT director Mike Patterson, Commissioner Todd Hiatt, Senate President Pro Tempore Mike Schulz, Speaker of the House Charles McCall, Rep. Mike Sanders and Secretary of Transportation Gary Ridley at the TRUST Transportation Innovation Banquet.



A capacity crowd attended the TRUST Transportation Innovation Banquet at the Oklahoma History Center.



Commissioner Todd Hiatt, recipient of the 2016 Guardian of Transportation award, with TRUST co-chairman Kell Kelly at the TRUST Transportation Innovation Banquet.

BUDGET DEFICIT IMPACTS LEGISLATIVE PRIORITIES

THE SECOND SESSION OF THE 55TH OKLAHOMA LEGISLATURE BEGAN FEBRUARY 1ST AND ADJOURNED MAY 27TH.

After dealing with the largest budget deficit in recent years (\$611 million) during the 2015 legislative session, lawmakers were greeted by the largest deficit in state history (\$1.3 billion) during the 2016 session. As expected, the budget situation dominated the attention of the legislature, public and media during the four-month session. The final FY-17 budget reduced the Oklahoma Department of Transportation's operating budget. The ongoing ODOT eight-year highway and bridge construction plan, however is continuing due to the legislature and Governor Mary Fallin's agreement with ODOT to issue \$200 million in bond financing in exchange for \$200 million from the ROADS fund to assist with balancing the FY-17 budget. The eight-year plan continues to advance, and is on schedule to reduce the amount of structurally-deficient bridges on the state highway system to less than 1% by the end of 2019. The steady progress has allowed ODOT officials to begin incorporating more statewide highway pavement and widening projects into the eight-year plan which currently runs through 2024.

The 2016 session was challenging and stressful due to the budget cloud's constant presence over all areas of state government. No corner of government was spared from the intense scrutiny required to balance the deficit largely caused by a continued downturn in oil and natural gas prices. As the 2017 session looms, the preliminary outlook for the FY-18 budget is that another large deficit will greet legislators when they return to Oklahoma City February 6th. The best manner for transportation to remain as a core priority, and for the TRUST acronym to be tangible on the state, county and municipal level, is for a constant display of projects to be present across Oklahoma. The more orange safety barrels, construction workers and heavy duty equipment present, the better in order to demonstrate "progress". As always, TRUST members and all transportation proponents

must advocate constantly—as has been done since 2006—for transportation generated revenues to be used strictly for transportation purposes and not diverted to other areas of government. In order to create a modern, safe and efficient transportation infrastructure system throughout Oklahoma, continued investment in transportation must occur. It has been stated before but truly no two legislative sessions are alike. They each have their own personalities, priorities and politics. The past decade has seen TRUST aid in the creation of an environment that has returned transportation as a core priority of state government, and the results are evident across Oklahoma. 2017 will bring many new faces and ideas to the legislature along with a new budget complete with its own unique set of challenges and opportunities to improve Oklahoma's infrastructure on many levels. TRUST must once again stand ready.

In Washington, D.C., Oklahoma and America will reap the benefits of the hard work of Oklahoma Senator Jim Inhofe, who in 2015 as chairman of the Senate Environment & Public Works Committee, played a major role in the formulation of a five-year highway funding bill which Congress passed and President Obama signed into law. Oklahoma is very fortunate to have Senator Inhofe's constant and reliable voice for transportation in Washington. At the state Capitol, we are equally fortunate to have strong transportation advocates in Governor Mary Fallin, and Oklahoma's two new legislative leaders, Senate President Pro Tempore Mike Schulz and Speaker of the House Charles McCall, along with dozens of other Senate and House members. Oklahoma's transportation infrastructure is tracking in a positive direction, however to continue to progress, TRUST must always advocate for creation of a modern, first-class and safe infrastructure system across each level of government. Oklahoma's economy and the safety of our motorists depend on it, and the state legislature, governor and congressional delegation must continue to hear why proper transportation funding is vital to Oklahoma's future. ■

2016 TRANSPORTATION LEGISLATION ANALYSIS

THE LARGEST BUDGET DEFICIT (\$1.3 billion) in state history cast an ominous shadow over the 2016 legislative session, and when all was said and done, the final FY-17 budget agreement between Governor Mary Fallin and legislative leaders impacted transportation and every entity of state government. The total FY-17 ODOT appropriation represents, for the second consecutive year, over a 6% reduction in general operation revenue, however no reduction to the current eight-year highway and bridge construction plan is expected due to the legislature's passage of a \$200 million bond issue earmarked for the plan. In return, ODOT provided \$200 million in revenue to assist with filling the overall budget deficit.

The bond issue protects the eight-year highway and bridge construction plan by maintaining funding to the ROADS Fund until the total increase in the program equals \$575 million, which is projected to occur within the next two fiscal years. Furthermore, since the inception of TRUST in 2006, the amount of motor vehicle fees redirected from the General Revenue Fund towards transportation programs has increased to where the CIRB fund now receives 20% of motor vehicle fees.

Two revenue failures for FY-16 were declared by the Oklahoma Office of Management and Enterprise Services in December 2015 and March 2016. Both failures caused ODOT's FY-16 budget to be further reduced by \$30.8 million, however approximately \$11.4 million was returned to the agency in September 2016 due to OMES overestimating the second of the two failures. Those funds were returned to the eight-year highway and bridge construction plan.

As of the end of 2015, less than 300 of the nearly 6,800 bridges on the state highway system were classified as structurally-deficient, down from a high of 1,168 in 2004. All of the remaining structurally-deficient bridges are scheduled to be replaced or rehabilitated in the next three years providing ODOT with the opportunity to focus on asset preservation, resurfacing, shoulder and other critical projects moving forward. ■

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Rep. Regina Goodwin and TRUST president Neal McCaleb pose at the TRUST House Transportation Committee dinner.



Rep. Mike Sanders speaks at the TRUST House Transportation Committee dinner.



OTC Commissioner Pete Regan, Senator Kyle Loveless and TRUST board member Jim Rodriguez visit at the TRUST Senate Transportation Committee dinner.

Why Join TRUST?

Be part of the voice for transportation advocacy that works with members of the state legislature to implement solutions. Without your membership to TRUST, we risk losing the valuable momentum we have gained over the past ten years. At the state Capitol we must have a constant and growing voice for transportation and urge you to join us in this vital cause.

MISSION STATEMENT

TRUST, *Transportation Revenues Used Strictly for Transportation*, is an advocacy group dedicated to restoring Oklahoma's transportation infrastructure. We are committed to creating a culture within Oklahoma government that values and adequately funds transportation as a core priority.

Principles of TRUST

- Use all state transportation-related taxes and fees strictly for transportation
- Protect and grow dedicated funds for Oklahoma's transportation system
- Educate policy makers and the public on the importance of investing in highways and bridges
- Support leaders who are committed to transportation as a core priority of state government
- Use high-quality, lasting materials in building and maintaining highways and bridges
- Advocate efficiency and accountability within the state legislature and Oklahoma Department of Transportation

TRUST ON THE WEB

restoreTRUST.org

OKLAHOMA TRANSPORTATION NEWS



Our online news page is updated daily with local and national legislative and transportation articles. To receive articles as they are posted, select the orange RSS feed button located on the news page of the website.

FOLLOW TRUST ON TWITTER AND FACEBOOK



You can follow TRUST on Twitter and Facebook under the username "restoreTRUST". If you are not Facebook "Friends" with TRUST, please do so today.

EVENTS ONLINE

TRUST provides the opportunity to register for upcoming events online. In addition to TRUST events, meetings for other transportation and member organizations are posted. To review the latest transportation happenings in Oklahoma, visit the events page at restoreTRUST.org. To have your organizations' activities posted contact TRUST membership director Helra Han at helrahan@gmail.com.

UPDATE YOUR MEMBER PROFILE ONLINE

In an ongoing effort to conserve operating funds, TRUST continually updates its mailing lists and contact database. If you wish to continue to receive TRUST mailings, emails and newsletters, or wish to add additional contacts within your organization, please visit restoreTRUST.org, click on the contribute page and select "update membership profile."



ODOT director Mike Patterson speaks at the TRUST Senate Transportation Committee dinner.



Guests visit at the reception prior to the TRUST Senate Transportation Committee dinner.



Pottawatomie County District 1 Commissioner Melissa Dennis and Carla Bonner with EST, Inc. at the TRUST House Transportation Committee dinner.



Oklahoma Secretary of Transportation Gary Ridley addresses the audience at the TRUST House Transportation Committee dinner.



TRUST co-chairman and former Governor Frank Keating, Senate President Pro Tempore Mike Schulz and Speaker of the House Charles McCall engage in a transportation chat at the TRUST Transportation Innovation Banquet.

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Please Plan to Attend our Upcoming TRUST

- Transportation Day at the Capitol – March 8, 2017
- Senate & House Transportation Committee Dinners – April/May 2017

Details Coming Soon!