

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

SPRING 2017

THE FIRST SESSION OF THE 56TH OKLAHOMA LEGISLATURE, BUDGET DEFICIT DEFINES SESSION AGAIN

FOR THE THIRD CONSECUTIVE YEAR, MANEUVERING A MULTIMILLION DOLLAR BUDGET DEFICIT IS AT THE FOREFRONT OF THE 2017 LEGISLATIVE SESSION.

The first session of the 56th Oklahoma Legislature began February 6th and included Governor Mary Fallin's seventh State of the State speech. To address Oklahoma's budget and perceived revenue challenges, the governor advocated again for some of the same items she proposed in 2016, including a \$1.50 per pack tax increase on cigarettes. Governor Fallin's FY-18 executive budget also calls for enacting the state sales tax on 164 services not currently taxed as well the abolishment of the state sales tax on groceries and corporate income tax. With regards to transportation, Governor Fallin called for increasing the per gallon gasoline excise tax by 7 cents and the diesel excise tax by 10 cents, while dedicating 100% of all motor fuel tax revenues to the Oklahoma Department of Transportation, saying in the process, 'As we've discussed for decades, let's put the fuel taxes into roads and bridges.' The flip side to the governor's proposal is ODOT's apportionment

of individual income tax allocations (ROADS fund) would be returned to the General Revenue Fund for distribution to non-transportation state services. According to the governor the motor fuel and income tax proposals, along with new fees on electric and hybrid vehicles and annual agency appropriations, would allow ODOT's ongoing eight-year highway and bridge construction work plan to continue uninterrupted. While Governor Fallin, Senate President Pro Tempore Mike Schulz, Senate Appropriations Chair Kim David, House Speaker Charles McCall and House Appropriations & Budget Chair Leslie Osborn will largely determine the final FY-18 budget late in the legislative session, lawmakers again face a severe challenge of protecting core government services - transportation, education, human services, public safety, corrections - while continuing to enact reforms that reduce the cost of government and provide quality and efficient service to taxpayers.

In late February, the Oklahoma Department of Management and Enterprise Services declared a revenue failure for the current FY-17 budget

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2017 Oklahoma Legislative Agenda

MOTOR VEHICLE FEES REDIRECTED TO TRANSPORTATION

A core TRUST principle is all transportation-derived revenues are used strictly for transportation. TRUST supports returning all motor fuel taxes and the remaining allocation of vehicle-related fees to transportation purposes, and encourages the appropriate allocation of motor vehicle fees to state highways, county roads and municipal streets taking into consideration previous vehicle-related fees and general fund allocations. TRUST will continue to support this concept as a matter of sound public policy.

PROTECT ODOT EIGHT-YEAR HIGHWAY AND BRIDGE CONSTRUCTION WORK PLAN

TRUST's top priority is ensuring funding remains at a level where no current projects are interrupted, no planned projects cut and no motor fuel taxes and vehicle-related transportation fees diverted from ODOT's investment strategy which includes the eight-year construction work plan, the Asset Preservation Plan and highway and bridge maintenance.

SUPPORT THE CONTINUATION OF THE FULL STATUTORY ALLOCATION TO THE ROADS FUND

To continue the replacement and rehabilitation of state highways and bridges, TRUST supports the continuation of statutory allocations to a core business function of the state.

PROTECT COUNTY IMPROVEMENTS FOR ROADS & BRIDGES (CIRB) FIVE-YEAR CONSTRUCTION WORK PLAN

To rehabilitate county bridges and roads, TRUST supports the CIRB program and its revolving fund to be used strictly for CIRB transportation proj-

ects equaling no interruption of current projects, no elimination of planned projects and no diversion of transportation funds.

INFRASTRUCTURE BOND FINANCING

During uncertain budget times TRUST supports infrastructure bond financing to maintain critical transportation funding and projects, and vehemently opposes the diversion of motor fuel taxes and vehicle-related transportation fees to non-transportation uses of state government. If infrastructure bonds are a part of any budget agreement, state leaders must appropriate debt service for the bond payments, rather than require ODOT to make payments from existing revenues.

SINCE 2006, THE LEGISLATURE HAS STEADILY INVESTED IN OKLAHOMA'S TRANSPORTATION INFRASTRUCTURE, MOST NOTABLY UPGRADING AND MODERNIZING BRIDGES AND HIGHWAYS ACROSS THE STATE, AND TAXPAYERS ARE ENJOYING THE BENEFITS. TRUST HAS BEEN AN ACTIVE VOICE AT THE STATE CAPITOL, AND OUR MEMBERS HAVE WORKED CLOSELY WITH THE LEGISLATURE AND GOVERNOR FALLIN TO MAKE GENUINE PROGRESS IN IMPROVING OUR HIGHWAY AND BRIDGE INFRASTRUCTURE. THE LEGISLATURE AND GOVERNOR DESERVE MUCH CREDIT FOR THEIR VISION AND SUPPORT.

NEAL MCCALED,
TRUST PRESIDENT



Lt. Governor Todd Lamb addresses the audience during TRUST Transportation Day at the Capitol.

PROTECT TRANSPORTATION-DEDICATED REVOLVING FUNDS

TRUST supports the protection of transportation dedicated revolving funds. The funds are intended to fund transportation infrastructure projects and should not be diverted for other governmental purposes.

RENOVATIONS OF PORT OF ENTRIES - WEIGH STATIONS

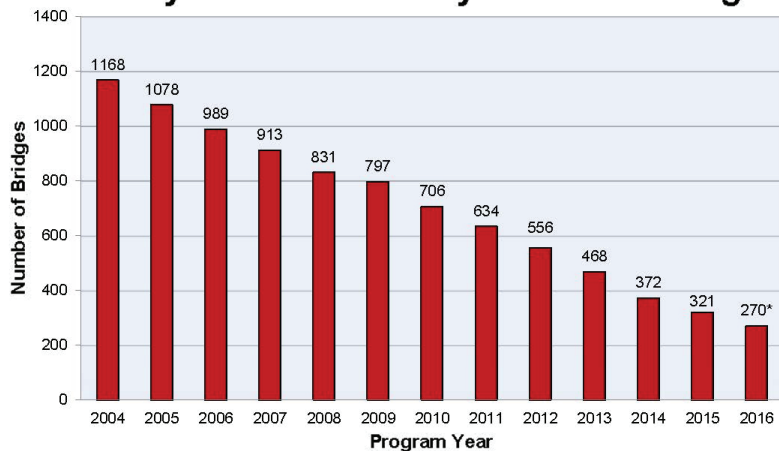
TRUST supports methods to complete the construction of Oklahoma's new ports of entries to protect highways and bridges from overweight freight. Doing so will result in additional revenues from fines and fees due to increased monitoring of overweight commercial traffic.

INNOVATIVE FUNDING FOR TRANSPORTATION

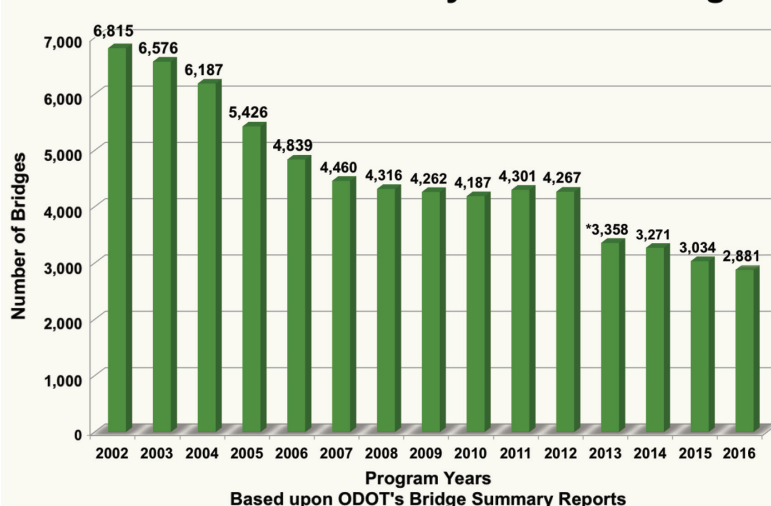
TRUST supports innovative and alternative transportation funding that is revenue adequate for the intended purpose and user equitable as part of a comprehensive approach to increase overall transportation funding. ■

STRUCTURALLY DEFICIENT BRIDGES CONTINUE TO DECLINE

On System Structurally Deficient Bridges



Counties' Structurally Deficient Bridges



CONTINUED FROM PAGE 1

which reduces state agency budgets 0.7% or approximately \$36 million through June 30th. In order to balance the FY-18 budget, the possibility always exists for state leaders to undo years of transportation funding progress by further diverting transportation-generated revenues, such as those intended for the CIRB program, to other areas of state government. TRUST members have stood firm in their opposition to diverting transportation-generated funds, however time will tell this session if lawmakers will maintain their longstanding commitment to proper transportation funding. If they do not, Oklahoma stands to lose tremendous ground in developing and maintaining a first-class, modern surface transportation infrastructure system.

In Washington, the November general election not only brought America a new president, Donald Trump, but a new Secretary of Transportation, Elaine Chao, who was confirmed by the U.S. Senate 93-6.

In late 2015, Congress passed, and former President Obama signed, the FAST Act which is the first long-term federal highway funding bill enacted since 2005. The five-year legislation brings multi-year solvency to the Highway Trust Fund (HTF), which reimburses states for certain highway projects. Long-term stability for the HTF and federal surface transportation programs is a longstanding priority of the TRUST legislative agenda. Oklahoma Senator Jim Inhofe was instrumental in securing passage of the FAST Act as then chairman of the Senate Environment & Public Works Committee. Senator Inhofe remains the ranking Republican on the committee but is not serving as chairman during the current Congress. The members of TRUST are grateful for his continued dedication to ensure Oklahoma continues to receive its allotted share of federal highway dollars.

Also on Capitol Hill, former Oklahoma attorney general Scott Pruitt was confirmed in February by the U.S. Senate 52-46 to serve as director of the Environmental Protection Agency. Both Senator Inhofe and Senator James Lankford endorsed Pruitt's nomination before the EP&W Committee. Upon Pruitt's confirmation, Governor Fallin named former state representative, assistant attorney general and Secretary of State Mike Hunter to serve the remainder of Pruitt's current term as attorney general.

As our 2017 legislative agenda (see page two) states, TRUST will continue to advance many of the same goals advocated over the past decade including our top priority that all transportation-derived revenues be utilized strictly for transportation programs and not allocated for non-transportation government functions. TRUST is at the state Capitol each day to educate legislators on the importance of investing in and protecting Oklahoma's transportation infrastructure, and maintaining transportation at the center of the legislative conversation.

Since 2006, the executive and legislative branches have joined forces to establish transportation as a core priority, and that investment is seen all across Oklahoma in the form of new and refurbished highways and bridges on both the state and county highway systems. Oklahoma's transportation infrastructure system is in a much better place than it was just a few years ago, and our collective progress is a direct result of the investment made by TRUST members. ■

2017 TRANSPORTATION DAY AT THE CAPITOL

ON MARCH 8TH, TRUST HELD ITS ANNUAL TRANSPORTATION DAY AT THE CAPITOL.

The event was attended by an overflow crowd of TRUST members and transportation advocates who voiced their support to legislators for continued investment in Oklahoma's transportation infrastructure, including protection of the ODOT eight-year highway and bridge construction work plan. Attendees visited with legislators at a luncheon held within the second-floor rotunda and also made office visits. Following lunch, the event moved to the Blue Room where Governor Mary Fallin, Lt. Governor Todd Lamb, Senate President Pro Tempore Mike Schulz, House Majority Leader Mike Sanders, Senate Transportation Committee Chairman Mark Allen, Senate General Government & Transportation Subcommittee Chair Stephanie Bice, House Transportation Committee Chairman Steve Vaughan, House Appropriations Subcommittee for Transportation Chairman Dustin Roberts, Secretary of Transportation Gary Ridley, ODOT executive director Mike Patterson, OTA executive director Tim Gatz and Association of County Commissioners of Oklahoma executive director Gene Wallace addressed the audience. Thank you to all TRUST sponsors and transportation advocates who attended this important annual event. Your advocacy continues to make a positive impact. ■



AOGC executive director Bobby Stem, State Senate intern Charlotte Mitchell and Greater OKC Chamber government relations manager Derek Sparks at TRUST Transportation Day at the Capitol.



TRUST president Neal McCaleb and OTA executive director Tim Gatz are flanked by a standing room only crowd at TRUST Transportation Day at the Capitol.



Governor Mary Fallin makes a point while speaking at TRUST Transportation Day at the Capitol.



Rep. Ed Cannaday, Rep. Brian Renegar and Rep. Donnie Condit were among the legislators attending TRUST Transportation Day at the Capitol.



Senator Stephanie Bice, Senate General Government & Transportation Chair, speaks during TRUST Transportation Day at the Capitol.

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."

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.

2017 Event & Member Programs

THANK YOU TO ALL TRUST MEMBERS WHO HAVE RENEWED THEIR MEMBERSHIP FOR 2017.

For members who have not renewed or prospective new members, our tiered membership levels offer multiple packages, branding opportunities and reduced admission to TRUST events. Members also have the flexibility to opt out of a membership package and sponsor or purchase admittance to individual events. New or renewed memberships can be registered online at restoreTRUST.org by clicking the contribute page or by contacting TRUST membership director Helra Han at helrahan@gmail.com.

MARCH 8, 2017: TRANSPORTATION DAY AT THE CAPITOL

Our annual Transportation Day at the Capitol was held March 8th beginning with lunch within the second-floor rotunda for TRUST members, transportation officials and legislators followed by remarks from executive and legislative branch leaders and transportation officials. TRUST members and guests also made office visits to their hometown legislators or transportation committee members. Transportation Day is an important annual event where transportation advocates join together to create a committed show of support for transportation funding and to emphasize our

legislative agenda. Thank you to all TRUST members, sponsors and transportation advocates who attended this year's event.

SENATE/HOUSE TRANSPORTATION COMMITTEE DINNERS

TRUST hosts its annual Senate and House Transportation Committee Dinners each spring. The events begin with a reception for TRUST members and transportation industry advocates to interact with transportation committee members. Both events include a seated dinner with remarks from state transportation officials and updates from legislative leaders on budget negotiations and transportation-related legislation.

Senate/House Transportation Committee Dinner Sponsorship - \$1,250 each event

Includes logo placement at events and admission for two (2) to reception/dinner. For TRUST members at the TRUSTee or Road Champion level, sponsorship and admission to both dinners are included. For TRUST members at the Advocate or Friend level, admission for one (1) to both events is included. Additional admissions are \$100.

TRANSPORTATION INNOVATION BANQUET

TRUST annually hosts the Transportation Innovation Banquet attended by over 225 TRUST members, legislators, federal, state and county elected officials, state and county transportation officials and transportation advocates who gather to discuss the current state of Oklahoma's and the nation's infrastructure. A keynote address or fireside transportation discussion is provided by key transportation officials and the annual TRUST Guardian of Transportation Award is presented to a deserving Oklahoman. You do not want to miss this outstanding opportunity to hear from and visit with Oklahoma's political and transportation leaders.

Transportation Innovation Banquet Table Host - \$1,250

Includes logo placement at event, admission to reception and dinner for eight (8). For TRUST members at TRUSTee and Road Champion levels, table host package is included. For TRUST members at the Advocate, Friend or Basic level, admission for one (1) is included. Additional admissions are \$175.

TRANSPORTATION FORUMS TRUST hosts periodic transportation forums which allow TRUST members to interact with congressional, state, county and municipal elected officials regarding transportation issues at their respective level.

Transportation Forum Sponsorship - \$1,000

Includes logo placement at forum and admission for two (2). For TRUST members at the TRUSTee, Road Champion, Advocate or Friend level, sponsorship and admission is included. Additional admissions are \$50. ■



ODOT executive director Mike Patterson, TRUST president Neal McCaleb and Secretary of Transportation Gary Ridley visit during TRUST Transportation Day at the Capitol.



TRUST members and legislators visit prior to lunch at TRUST Transportation Day at the Capitol.

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The TRUST Coalition
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Please Plan to Attend our Upcoming TRUST

- House Transportation Committee Dinner - April 19th
- Senate Transportation Committee Dinner - May 10th
- Transportation Innovation Banquet - Fall 2017