A PROGRESS REPORT ON OKLAHOMA TRANSPORTATION

restoreTRUST.org

T.Z.U.S.T

RANSPORTATION REVENUES USED STRICTLY FOR TRANSPORTATI

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



CONTENTS

02

2019 TRUST Legislative Agenda

03

TRUST Transportation Day at the Capitol

04

2019 Legislative Session

05

Why Join TRUST?

06

TRUST Event & Member Programs

07

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OF TRANSPORTATION, ODOT EXECUTIVE DIRECTOR

SHORTLY FOLLOWING HIS INAUGURATION AS OKLAHOMA'S 28TH CHIEF EXECUTIVE OFFICER,

Governor Kevin Stitt named Oklahoma Turnpike Authority Executive Director Tim Gatz as his cabinet Secretary of Transportation. Gatz succeeds ODOT Executive Director Mike Patterson who was appointed to the cabinet by former Governor Mary Fallin in 2017. Patterson retired from ODOT April 1 after nearly 40 years with the agency, and Gatz was named by the Oklahoma Transportation Commission as his successor. Upon Gatz's confirmation by the state Senate as cabinet secretary, he joins TRUST president Neal McCaleb and TRUST board member Gary Ridley as recent individuals to serve simultaneously as executive director of ODOT, OTA and Secretary of Transportation.

Gatz began his career at ODOT in 1990 as a draftsman, and served in several capacities before elevating to deputy director in 2013. He was tapped by the Oklahoma Turnpike Authority to serve as executive director in 2016 succeeding former executive director Tim Stewart, who resigned to lead the E-470 tolling authority in Colorado.

Patterson joined ODOT in 1980 as deputy comptroller and subsequently served as comptroller,

CONTINUES ON PAGE 3 ------





Mike Patterson

Tim Gatz

2019 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 maintenance. TRUST opposes the diversion of funds from ODOT's general budget and/or the eight-year plan to aid budget deficits.

SUPPORT THE FULL STATUTORY ALLOCATION TO THE ROADS FUND. In an

effort to continue the replacement and rehabilitation of state highways and bridges, TRUST supports this statutory allocation as a core business function of the state.

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 nontransportation uses of state government.

RESTORE FUNDING TO COUNTY IMPROVEMENTS FOR ROADS & BRIDGES (CIRB) FIVE-YEAR CONSTRUCTION WORK

PLAN. To rehabilitate county bridges and highways, TRUST supports the CIRB program and its revolving fund to be used strictly for CIRB transportation projects with no interruption of current projects and no elimination of planned projects. Furthermore, TRUST calls for the restoration of diverted funds from CIRB to the state budget over the past several years.

PROTECT TRANSPORTATION-DEDICATED REVOLVING FUNDS. TRUST supports the protection of transportation dedicated revolving funds. The funds are intended to fund transportation infrastructure projects and

RENOVATION OF PORT OF ENTRIES - WEIGH STATIONS. TRUST supports methods to complete the construction of Oklahoma's new ports of entries in order to protect highways and bridges from overweight

should not be diverted for other governmental purposes.

freight. Doing so will result in additional revenues from fines and fees due to increased monitoring of overweight commercial traffic. TRUST also supports returning the one-cent transportation user fee from the Petroleum Storage Tank Indemnity Fund to transportation needs to service the bond debt. This allows for no revenue impact or increased taxes while utilizing transportation fees to support transportation needs.

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.

OKLAHOMA MUST CONTINUE TO INVEST IN SURFACE TRANSPORTATION INFRASTRUCTURE IN ORDER TO GROW OUR ECONOMY, AND PROVIDE A MODERN, SAFE NETWORK OF HIGHWAYS AND BRIDGES IN EVERY COUNTY. WHEN THE LEGISLATURE, WITH THE SUPPORT OF THE EXECUTIVE BRANCH, MADE THE DETERMINATION TO RETURN TRANSPORTATION FUNDING AS A CORE PRIORITY OF STATE GOVERNMENT OVER A DECADE AGO, IT CHANGED THE FACE OF OKLAHOMA'S TRANSPORTATION SYSTEM ON THE STATE AND COUNTY SYSTEMS. THAT MOMENTUM MUST CONTINUE IN ORDER FOR OKLAHOMA TO PROSPER.

NEAL MCCALEB,

TRUST president



Speaker of the House Charles McCall speaks at TRUST Transportation Day at the Capital

TRANSPORTATION DAY AT

THE CAPITOL FEATURES GOVERNOR STITT

TRUST TRANSPORTATION DAY AT THE CAPITOL WAS HELD MARCH 13TH WITH OVER 125 TRUST MEMBERS AND TRANSPORTATION ADVOCATES IN ATTENDANCE. The annual legislative

luncheon was extremely well attended by an impressive contingent of legislators, county commissioners, TRUST members and state transportation officials. Following lunch, guests moved to the Blue Room to hear remarks from Governor Kevin Stitt, Senate President Pro Tempore Greg Treat, House Speaker Charles McCall, House Deputy Majority Leader Mike Sanders, Senate Transportation Committee Chairman Rob Standridge, House Transportation Committee Chairman Avery Frix, Senate Transportation Subcommittee Chairman Gary Stanislawski and House Appropriations Committee Chairman Todd Russ. Attendees also heard from Secretary of Transportation and incoming ODOT Executive Director Tim Gatz, retiring ODOT Executive Director Mike Patterson and Randy Robinson of the Association of County Commissioners of Oklahoma. There was consensus from Governor Stitt and legislative leaders that the impressive progress made over the last decade to rehabilitate Oklahoma's surface transportation infrastructure must continue in order for Oklahoma to achieve true Top 10 status. TRUST appreciates the governor and legislative leaders for taking time from their busy schedules to participate in TRUST Transportation Day at the Capitol. Following the Blue Room event, attendees made office visits to their hometown legislators and members of the Senate and House Transportation Committees. Later in the day, dozens of transportation advocates from across Oklahoma attended a retirement reception for Patterson at the Oklahoma History Center.



Governor Kevin Stitt was the featured speaker during TRUST Transportation Day at the Capitol.



Senate President Pro Tempore Greg Treat makes a point while addressing the audience at TRUST Transportation Day at the Capitol.

CONTINUED FROM PAGE 1



Former Governor and TRUST Co-Chairman Frank Keating, former ODOT Executive Director Mike Patterson, TRUST Co-Chairman Kell Kelly and ODOT Executive Director Tim Gatz at the retirement reception for Patterson at the Oklahoma History Center.

director of finance and administration and deputy director before assuming the role as executive director in 2013 following the retirement of Ridley.

"The members of TRUST extend deep appreciation to Director Patterson for his decades of service to ODOT and the exemplary job he did as executive director," said Kell Kelly, TRUST co-chairman and former chairman of the Oklahoma Turnpike Authority. "His shoes will be tough to fill, but if there is ever an individual to step in and fill this crucial role, it is Tim Gatz. I worked closely with Director Gatz at the Oklahoma Turnpike Authority and know him to be a consummate professional with a deep and expansive knowledge of the transportation industry and what it takes to continue to move Oklahoma forward in this vital area. On behalf of TRUST and transportation advocates across the state, I extend congratulations to Director Patterson on his well-deserved retirement, and to Director Gatz on his appointments."

2019 LEGISLATIVE SESSION OFF TO ENERGETIC START



ACCO Executive Director Gene Wallace and county commissioners from across Oklahoma attended TRUST Transportation Day at the Capitol.

THE FIRST SESSION OF THE 57TH OKLAHOMA LEGISLATURE BEGAN FEBRUARY 4TH COMPLETE WITH OVER 50 FRESHMEN

LEGISLATORS. Coupled with over 40 freshmen elected in 2016, over 75% of the 149-member legislature has less than four years' experience. The Senate is led by President Pro Tempore Greg Treat (SD 47) and the House of Representatives by Speaker Charles McCall (HD 22). Senator Rob Standridge (SD 15) is chairman of the Senate Transportation Committee and Rep. Avery Frix (HD 13) chairs the House Transportation Committee. Unlike the four previous sessions (2015-2018) where multimillion-dollar budget deficits resulted in budget cuts to many state agencies and programs, including ODOT and the CIRB fund, the 2019 legislature is operating under a budget surplus of approximately \$542 million which was certified in February by the State Board of Equalization. Governor Kevin Stitt has called on the legislature to set aside \$200 million of the surplus to the Constitutional Reserve (Rainy Day) Fund with hopes of ultimately building the fund to upwards of \$2 billion, or the equivalent of three months' operation budget for the state. In his FY20 executive budget, the governor called for most state agencies, including ODOT, to receive the same budget as FY19. For ODOT, that is \$165,853,359, however the figure does not include the annual ROADS fund allocation. One bill garnering the eyes of TRUST and state transportation officials this session is HB 1950 by Rep. Dustin Roberts (HD 21), which would add a transportation user fee of \$150 upon every electric-drive motor vehicle, \$60 upon every plug-in hybrid-drive motor vehicle and \$30 upon every hybrid-drive motor vehicle effective January 1, 2020. TRUST supports the bill because as automobile manufacturers increase the development of electric/hybrid vehicles, the measure will help ensure that transportation revenue will not decrease as fuel tax receipts decline. With the CIRB fund tapped for millions of dollars in recent years to aid the budget deficit, ODOT and county officials are closely watching HB 2676 by Rep. Kevin Wallace (HD 32) that will allocate \$30 million back to the fund, which will remain capped at \$120 million annually.

During the 2018 session, two TRUST supported bills were signed into law by former Governor Mary Fallin that will greatly impact the future of transportation funding. Among the many provisions of HB 1010xx is a three and six cents per gallon excise tax increase on gasoline and

diesel fuel respectively, that beginning in FY20 (July1, 2019) will be allocated 100% to the ROADS fund. HB 1014xx reflects the full intent of the TRUST acronym by allocating all future motor vehicle fees, presently being diverted to the General Revenue fund, to the ROADS fund. These important pieces of legislation position the future of Oklahoma's transportation funding on a positive upward trend.

The ongoing ODOT eight-year highway and bridge construction plan continues to advance; however, the budget deficits of the past few years have caused delays in some projects being added to the plan. The plan, however, remains on schedule to reduce the amount of structurally-deficient bridges on the state highway system to less than 1% by next year. In its most recent bridge inspection report, ODOT found less than 140 structurally-deficient bridges remain, down from a high of 1,168 in 2004. 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 2027.

Even with a brighter economic outlook for FY20, it is imperative the transportation community continues its advocacy efforts as transportation funds could be targeted again to balance future budgets if and when the next economic downturn occurs. For transportation to remain a core priority at the state, county and municipal levels, TRUST, and all transportation proponents, must continue to be actively engaged at the state Capitol. As has been the case since the founding of TRUST in 2005, it has never been more important for transportation-generated revenues to be used strictly for transportation purposes and not diverted to other areas of government. The last few years have been very challenging, and the political environment at the state Capitol extremely intense. However, TRUST has been able to largely avoid the political trappings due to the impressive outreach of our members, which has in turn created an environment within the legislature that transportation must be valued and treated as a core priority of state government. Thank you to all who continue to support the TRUST mission.

Within the federal government, Oklahoma is extremely fortunate to have a congressional delegation solidly committed to supporting and rebuilding America's transportation network. Senator Jim Inhofe, ranking majority member of the Senate Environment & Public Works Committee, has been a tremendous transportation champion throughout his tenure, and Senator James Lankford has provided a reliably strong transportation voice as well. Oklahoma's House delegation can also be counted on to provide steady support for investing in America's and Oklahoma's surface transportation infrastructure. Thank you to each member of our congressional delegation.



An overflow crowd gathers in the Blue Room for the TRUST Transportation Day at the Capitol program.

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 13 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 have not "liked" TRUST on Facebook, 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 13 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.

2019 Event & Member Programs

Thank you to all TRUST members who have renewed their membership for 2019. 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 13, 2019: TRANSPORTATION DAY AT THE CAPITOL

Our annual Transportation Day at the Capitol was held March 13th beginning with lunch in the second-floor rotunda for TRUST members, transportation officials and legislators. The luncheon was followed by remarks in the Blue Room from Governor Kevin Stitt, legislative leaders, including each of the transportation legislative chairs and subcommittee chairs, and ODOT, OTA and county officials. Incoming ODOT Executive Director and Secretary of Transportation Tim Gatz was in attendance as well as retiring ODOT Executive Director Mike Patterson, who was also honored later in the day at a reception at the Oklahoma History Center. TRUST members and guests also made office visits to their hometown legislators and 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 annual Senate & House Transportation Committee dinners each spring. The events are designed for TRUST members and transportation industry advocates to interact with transportation committee members, hear remarks from state transportation officials and updates from legislative leaders on budget negotiations and transportation-related legislation.



Legislators, TRUST members and transportation advocates filled the 2nd floor state Capitol rotunda for the annual Transportation Day luncheon.



House Transportation Committee Chairman Avery Frix was one of four House leaders to attend TRUST Transportation Day at the Capitol.

SENATE & HOUSE TRANSPORTATION COMMITTEE DINNERS SPONSORSHIP - \$1,250

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

TRANSPORTATION INNOVATION FORUM TABLE HOST - \$1,250

TRUST hosts the Transportation Innovation Forum each fall attended by 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 transportation address or transportation discussion is provided by a prominent transportation official (s) 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 FORUM TABLE HOST - \$1,250

Includes logo placement at forum and admission 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.

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Please Plan to Attend our Upcoming TRUST

- Senate Transportation Committee Dinner April 29
- House Transportation Committee Dinner April 30
- Transportation Innovation Forum Fall 2019