

THE FIRST WORD

March, 2008

2008 Legislature Moves Toward First Major Deadline

The 2008 Legislative Session is now in full swing, and the first major deadline of the session is just two weeks away.

The first “cut” of bills occurred last week when the deadline for bills to be out of Committee passed. Most of the “carryover” bills from last session are now officially dead along with a bevy of bills which did not receive Committee approval. To give you a little idea of this first “cut”, prior to the Committee deadline there were 4,992 bills (carryover and new this session) which were “active.” Following the deadline, that number dropped to 2,913.....meaning that 2,079 bills simply died!

Of the remaining 2,913, many of those will be weeded out on or before March 13th, the major deadline under which bills must be approved by their “House of Origin.” Once March 13th passes, the number of “active” bills will probably drop by another 30-40%.

With that, there are still many bills which ACEC OKLAHOMA is actively working and watching, and here’s a brief update on those issues:

TRANSPORTATION FUNDING - There are five active bills which make up the total effort to provide ODOT with a stable, consistent funding source, not subject to annual appropriation by the Legislature.

The major issues being addressed in these bills are: 1) Removal of the 3% “trigger” which requires state revenues to grow by 3% for ODOT to receive the full \$50 million increase in annual funding; 2) Raising the “ceiling” on ODOT funding from \$270 million per year to \$500 million per year; and 3) eliminating the “diversion” of Title-Tax-License (TTL) fees by incrementally shifting the TTL revenues from the State General Fund to ODOT.

Here’s a brief overview of each of the issues:

Removal of the 3% “trigger” is critical in that ODOT’s Eight-Year Plan is based, in part, on receiving the full \$50

million annually, not the \$17.5 million increase received if the “trigger” isn’t met. Last year the “trigger” was not met, and ODOT’s funding was down \$32.5 million. The “trigger” was also missed this year, so ODOT stands to take another \$32.5 million hit. Since this money can never be recouped, ODOT may have to either remove or push back some \$127 million or more in projects over the next few years. Removing the “trigger” is the only way that the Legislature can guarantee that their commitment to increase ODOT funding \$50 million annually can be realized.

Raising the ceiling from \$270 million to \$500 million is more critical for the “out years” as it makes the commitment to continue raising the funding levels for ODOT. In fact, the bill has no fiscal impact on the current year, or even the next 2-3 year’s, state budget. It is still very important, however, as it allows ODOT to plan for the future.

Ending the “diversion” of TTL fees is an issue which has been discussed for many years, and is critically important to providing ODOT with a stable funding source. While gas tax revenues are relatively flat due to the increase in fuel-efficient vehicles, the prices of vehicles continue to increase every year. That means TTL fees are continually climbing and ODOT funding needs to come from an index that is increasing rather than flat! ODOT receives less than 1% of TTL fees, with approximately 30% of TTL fees going to the State General Fund. This proposal would increase ODOT’s share of the TTL fees 5% per year until all of the TTL fees currently going to General Fund are transferred to ODOT.

As always, however, this proposal is already meeting with opposition from the Oklahoma Education Association (OEA), which is the state teachers union. Public schools already directly receive \$218 million in TTL fees, and that “ear-marked” funding would not be touched by the proposal to end the “diversion.” However, OEA officials’ claim that they stand to lose around \$60 million in funding which comes from the State General Fund.....that’s \$60 million out of a \$2.5 BILLION annual appropriation. Joel Robison, an Oklahoma Education Association lobbyist said that it’s

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not that roads and bridges don't deserve additional money, "It's just the way that the bill would take money from all other state services in order to fund them."

Senators Kenneth Corn, Brian Bingman, and Roger Ballenger along with Representatives Guy Liebman and Mike Thompson are the sponsors of one or all of the five bills, and are doing yeoman's work in shepherding these bills through the process. The State Senate has already passed the Corn, Bingman and Ballenger proposals, and the Liebman/Thompson proposals are awaiting House action.

While progress is being made, there are no guarantees at this point. There is budgetary impact from the TTL and "trigger" bills the final revenue estimates in April will determine if the Legislature believes there is funding available to absorb the fiscal impact of these bills.

ODOT DEMAND SERVICES CONTRACTS – SB 1181 (Sen. Rabon & Rep. Thompson) would clarify existing language regarding Demand Services contracts used by ODOT and the Oklahoma Turnpike Authority. There have been some recent concerns by the Federal Highway Administration as to interpretation of Oklahoma's statutes. This bill addresses these concerns and has the full support of ODOT, ACEC OKLAHOMA, and the FHWA.

The bill has passed the full Senate, and will now go to the House.

LEED CERTIFICATION FOR STATE BUILDINGS - There were three bills which were introduced which would have required LEED "Silver" Certification for all new or reconstructed state buildings. Only one of the bills, HB 3396 by Cargill (R-Harrah), received Committee approval, and is not awaiting action by the full House.

As ACEC OKLAHOMA understands it, this bill will probably end up in an Interim Study this coming summer. While requiring LEED certification is probably a good thing in the long-run, there is some concern that this issue needs and deserves more in-depth study before being forced into state statute.

PE/LS BOARD STATUTE UPDATE – The State Board of Licensure for Professional Engineers and Land Surveyors proposed updates to the State Licensing Act. The bill is mostly "clean up" language but also includes authorization for the Board to enact Rules allowing for the use of "Electronic Signatures" by engineers and land surveyors.

The bill is awaiting Senate action and ACEC OKLAHOMA expects no problem with this bill receiving full legislative approval.

DESIGN/BUILD & CONSTRUCTION MANAGEMENT – There are two pieces of legislation dealing with D/B and CM for "vertical" construction which ACEC OKLAHOMA is closely watching.

SB 1850 by Sen. Coates would modify the criteria for use by the State of these project deliver methods, and is an outgrowth of an Interim Study which Senator Coates held this past summer. The bill has passed from Committee and is awaiting full Senate action.

HB 3123 by Rep. Tad Jones would continue to allow school districts to use the D/B or CM project deliver systems, but would remove the requirement that school districts select Construction Managers (CM) from the pre-approved list maintained by the Construction and Properties Division (C & P) of the Department of Central Services. C & P maintains a list of Construction Managers who have been pre-approved by having been "certified" as Construction Managers by one or more of six certification-granting bodies. Under this bill, schools would not have to pick from this list, rather, schools could effectively hire anyone as a CM who they believed "qualified" to perform the duties.

While ACEC OKLAHOMA is not opposed to the use of CMs by schools, but we and other construction industry groups are concerned that some public school districts may not have background or expertise to fully assess the qualifications and/or expertise of individuals claiming to be competent construction managers.

This bill has received Committee approval and is awaiting full House consideration.

TAX CREDITS FOR EMPLOYING ENGINEERS – Two bills have been introduced which would allow aerospace companies to claim business tax credits of up to \$10,000 per year for employing new and/or recent aerospace engineering graduates. Both bills are seen as incentives for the growing aerospace industry to not only remain in Oklahoma, but as an attempt to bring more aerospace industry growth to the state.

While this does not directly impact ACEC OKLAHOMA members, we are watching these closely to determine if there is an opportunity either this year or in coming years to expand these tax incentives to all engineering disciplines.

That's the latest update. As always, ACEC OKLAHOMA is closely watching the activities as the State Capitol and is actively working to represent your interests. If you have any questions regarding the issues addressed above, or any other bills in which you might be interested, please don't hesitate to contact ACEC OKLAHOMA.

Cobb Inducted into OSU Hall of Fame

The Oklahoma State University Alumni Association inducted three new members into the Association's "Hall of Fame" on Friday February 22nd, including ACEC OKLAHOMA Past President Jim Cobb.

Also inducted were former OSU Head Basketball Coach Eddie Sutton and humanitarian Juanita "Bobby" Nofflet.

The founder of Cobb Engineering Company, Jim received degrees from OSU in 1959 and 1960, and his company has supervised construction of over \$1 billion in highway, bridge, and municipal projects over the past 38 years.

ACEC OKLAHOMA congratulates Jim in this prestigious honor, and thanks him for his years of service to ACEC OKLAHOMA and the Oklahoma engineering profession.

Welcome New Member

ACEC OKLAHOMA welcomes our newest member firm, Walter P Moore of Tulsa.

Walter P Moore is a 400+ person Structural and Infrastructure Engineering firm based in Houston, TX. The Tulsa office is one of 11 company-wide.

The firm's office is located at 7666 E. 61st Place in Tulsa. Brion Bannister is the Principal/Executive Director of Traffic and Transportation Engineering with Kenley Williams serving as Senior Associate/Managing Director, Transportation Engineering Services Group.

We welcome Walter P Moore to ACEC OKLAHOMA, and look forward to having the firm as an active member of the Council.

SAVE THESE DATES!!!!

Thursday, April 17, 2008 -- ACEC OKLAHOMA Board and General Membership Meeting, Doubletree Warren Place, Tulsa

Thursday, April 24, 2008 -- ODOT/ACEC Annual Partnering Conference, Clarion Meridian Conference Center, Oklahoma City.

Thurs - Sat, June 12-14, 2008 -- Mid-States Joint Annual Convention, Chateau on the Lake, Branson, MO

Campaign Underway To Support Critical Study On QBS

ACEC OKLAHOMA received the following from Dr. Paul Chinowsky regarding ACEC's QBS Study. We are asking for your support by providing the requested information as soon as possible. Thanks in advance for your assistance!

ACEC is conducting a study in conjunction with the University of Colorado on contracting methods and their role in supporting long-term project goals. We have had significant national assistance in this effort, but we still need to gather additional project data to complete the statistical component of this study. We are focusing on getting 7 projects from each state to provide a general population from which to work from. We currently have almost 200 projects in our database.

Currently, Oklahoma has provided 0 projects for the study. As such, we are asking for your critical assistance in reaching the goal for your state.

The ACEC – APWA QBS Study requires that a large number of projects be nominated for inclusion in the statistical component of the research effort. The form for project nominations along with additional project information can be found at <http://www.qbsstudy.com>. The intent of the research team is to take a random sample of projects nominated for the study. The success of the QBS study is dependent on receiving a large number of project nominations, so we sincerely request your participation.

Once a project is nominated, we may contact the designated project representative to have further questions answered. **All information in the study will remain confidential.**

The following guidelines should be considered when nominating a project:

1. The project should have completed construction within the last 7 years.
2. Financial information should be available on the project, including the total design fee, total construction costs, change orders, etc.
3. It is important that the research include projects that fall into all categories of success (in terms of designer satisfaction and owner satisfaction) from very successful projects to projects that did not meet expectations. The study will not have a range of comparison if only excellent projects are completed. Therefore, each responding organization is asked to submit an "excellent" project and a second project that perhaps did not meet all expectations – this will help to provide the statistical variation needed. Additionally, it is important the projects with different contract and delivery variations be included.

PLEASE SUBMIT COMPLETED FORMS BY MARCH 28th TO Prof. Paul Chinowsky University of Colorado – this is a private fax, so no other individuals will see the material. (303) 665-3697



The upcoming ACEC Annual Convention and Legislative Summit in Washington (April 27-30) will feature the popular training program where participants play the role of Congressional members to better understand how lawmakers stake out positions on important issues.

The Convention, to be held at the Grand Hyatt Washington Hotel, also includes an outstanding lineup of media notables such as Chris Wallace, host of *Fox News Sunday*, Tucker Carlson, host of *MSNBC's Tucker* and former Clinton advisor Paul Begala, in addition to 30 top-tier education sessions on business management and exciting social activities.



Chris Wallace

The 2008 presidential election is shaping up as one of the most exciting in recent history. Join veteran broadcast journalist Chris Wallace, host of *Fox News Sunday with Chris Wallace*, as he handicaps the presidential race, from party nomination through the general election.

Conservative pundit and television personality Tucker Carlson takes on political analyst and former Clinton Administration Advisor Paul Begala on the 2008 national elections. Join us for a spirited debate about politics, the road to the White House, and much more!



Tucker Carlson



Paul Begala

The "Congressional Insight Program: Think Like a Member of Congress," is sponsored by the National Association of Manufacturers (NAM), and will be offered to Convention attendees during two sessions: 2:15 p.m. and 5:15 p.m. on Tuesday, April 28.

The sessions include expert facilitators who will provide insights on how elected officials think, and how to shape their views on important industry issues.

Interested participants are urged to reserve a spot at one of the sessions as seating is limited by clicking [here](#). Registrants will then be contacted by ACEC staff to select their preferred session.

In addition to these great speakers and educational programs, ACEC's Annual Consulting Congress Day activities will take place on Tuesday and Wednesday. ACEC OKLAHOMA will be scheduling appointments with the entire Oklahoma Congressional Delegation, and visiting personally with our delegation about important issues facing our members. These annual visits are critical to the success of ACEC's national government affairs program, and our Oklahoma Congressional Delegation is always very receptive to our issues and concerns.

ACEC OKLAHOMA Chairman Darold Davis, Chairman-Elect Steve Ford, National Director Mike Homan, and President Jim Sullins, are planning on attending and would welcome your participation.

Make your hotel reservations well in advance while rooms are still available. Contact the Grand Hyatt at 202-582-1234 and reference ACEC to secure your hotel room at a special discounted rate which expires on April 4th.

Convention registration information can be found on ACEC's website: <http://www.acec.org> Or, contact ACEC OKLAHOMA and we will provide you registration information.

We look forward to having you join us in Washington, DC April 27-30 for the ACEC Annual Convention and Legislative Summit.