

THE FIRST WORD

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Lost The Battle, But the War's Not Over SQ 723 Defeated; Legislature Now On Hotseat

The voters of Oklahoma spoke loudly on September 13th when 87% of the voters overwhelmingly voted "NO" on State Question 723. With gas prices having soared from \$1.60 in October, 2004 when the petition circulation began to over \$3.00 per gallon on election day, the defeat was not unexpected. However, the margin of defeat was greater than anyone had expected.

But, as they say, "With every dark cloud, there is a silver lining!"

While many would say that the \$2 million raised and spent to pass SQ 723 was wasted, those attending the pro-723 "watch party" were almost unanimous in that it was "money well spent" due to the fact that the crisis facing Oklahoma's transportation system has been brought to the forefront of public discussion.

"This was a tough sell from the beginning," said Oklahomans for Safe Bridges and Roads Chairman Neal McCaleb. "But when the gas prices rose to the levels of \$3 a gallon, I think it became an impossible sell."

"This rejection puts the issue squarely in the hands of the Legislature," said McCaleb. "We have to fully fund House Bill 1078 in the next legislative session."

McCaleb also announced that Oklahomans for Safe Bridges and Roads, the coalition formed to gain passage of SQ 723, would not go away following the defeat. Instead, McCaleb said that OSBR would shift its focus to become a permanent advocacy group to seek legislative solutions to the funding crisis.

"It is now the responsibility of OSBR and all our supporters to hold the Legislature accountable for promises made at the Capitol," McCaleb said.

Even before the polls had closed, the Republican leadership in the House and Senate had began crafting a new highway funding proposal. Informed sources tell ACEC OKLAHOMA that the Democratic leadership is scrambling to come up with a plan to counter the Republicans.

The morning following the election, in response to the will of the people, Republican legislators said the leadership of the Oklahoma House of Representatives and Senate Republicans will now seek a nearly \$300-million increase for road maintenance and repair.

"Yesterday, the people said: Not one more dime of my money; fix Oklahoma's roads with the dollars you already take from us," said House Speaker Todd Hiett, R-Kellyville. "We all agree that Oklahoma's roads are in bad shape. But the voters expect us to live within our means."

"Senate Democrats have been in charge for nearly 100 years, and they have ignored our state's transportation needs for decades," stated Senate Republican Leader Glenn Coffee, R-Oklahoma City. "Only now, with a Republican majority in the House and with a record number of Republicans in the Senate, have roads and bridges finally become a priority at the Oklahoma State Capitol. The plan we are unveiling today confirms the Republican commitment to improving our roads and bridges – without a tax increase."

State Rep. Mark Liotta, who chairs the appropriation subcommittee with oversight of transportation, said the new Republican plan will build on this year's successes. Under the new proposal, the new road funding secured last session of \$35 million annually will be increased to \$50 million per year.

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The total amount of new road money guaranteed over the next several years would increase from \$170 million to at least \$200 million. Under the more aggressive Republican plan, the 2005 appropriation for roads will double in five years.

The Republican plan also calls for using \$100 million in one-time surplus revenue for emergency bridge repair.

"This appropriation will take care of more than 50 of the worst bridges statewide," said Liotta, R-Tulsa. "We will direct ODOT to identify and focus on the bridges carrying the most traffic that have the lowest safety ranking." The Republican plan also includes a separate plank to pay for repair of county roads and bridges. State Question 723 would have given 10 percent of new money to counties, but the Republican plan will actually provide greater financial aid to cash-strapped county governments.

Currently, county governments receive 15 percent of revenue generated by motor vehicle registration fees. Under the Republican plan, the counties' share would double to 30 percent, providing an extra \$85 million to \$100 million per year.

The additional money would come from the state's general revenue fund and would not require cuts in any other programs. State Rep. Jim Newport, R-Ponca City, said the additional county road funding will benefit public school safety.

"The people of Oklahoma have spoken, and they have said they send enough tax dollars to Oklahoma City. The people want the Legislature to prioritize spending – and to start spending their money more wisely. Our plan wisely makes roads and bridges a priority for the first time in recent memory," said Sen. Owen Laughlin, R-Woodward.

Battlelines Are Already Being Drawn

The day following the Republican announcement of their new highway funding proposal, the Chairman of the Senate Transportation Committee, Senator Cal Hobson (D-Lexington) said that the Republican transportation plan announced yesterday that seeks to increase appropriations to counties across Oklahoma will do so at the risk of Oklahoma school children.

"The dollars it will take to increase the county appropriation from 15 percent to 30 percent will have to come from somewhere because those dollars are designated for specific services that Oklahomans count on every single day," Hobson (D-Lexington) said. "And that will mean less money for education-leaving Oklahoma school children behind."

Hobson also said the plank of the Republican plan that increases appropriations to counties is full of fatal flaws because it requires county elected officials to apply for funds from a politically appointed commission.

"Democrats in the Senate have long been supporters of funding transportation plans for county roads and bridges," Hobson said. "It is no secret that Democrats have been the first line of defense against others in the Legislature who sought to diminish the vital role county government plays in growing rural Oklahoma."

Hobson said county commissioners are elected officials in their own right and know better the transportation needs of a county than does a politically appointed commission.

"I am confident that a county commissioner in Creek County has a better understanding of the dangerous roads and bridges in their own backyard than does a politician or ODOT official in Oklahoma City," the Senator said. "Their plan to help counties is not a plan at all-it's a promise-and one that they more than likely won't be able to keep."

Hobson also added that the Republican plan has the potential to slow down the process of repairing county roads and bridges and leave rural Oklahoma in the dust.

"Anytime you politicize the process of a transportation plan, you are asking for a disaster," Hobson said. "By requiring county elected officials to apply for funds from a politically appointed commission, Oklahomans will see a biased selection of roads and bridges being repaired for political gain, and that is just plain wrong."

"Senate Democrats will continue to support plans to beef up dollars for repairing Oklahoma's crumbling roads and bridges-but not on the backs of Oklahoma school children," he said.

A week later, Roy Bishop, President of the Oklahoma Education Association, said that his organization will

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fight to make sure that education maintains its share of state revenues in 2006, and that OEA is leery of plans to divert more funds to highways.

“The OEA understands the need for quality roads and bridges... we are not going to dispute that,” said Bishop. “Our concern is that an enormous amount of money is going to be diverted from traditional education revenue sources. We’re talking about the motor vehicle tags.”

Bishop acknowledged that it costs more to build a bridge than it did 10 years ago, but added that it also costs more to educate children. “We’re worried about adequate funding for our schools,” he added.

He also said that if lawmakers draw back on funding for schools and place those resources in other areas, they will be breaking faith with voters who approved lottery and gambling proposals that dedicated revenues to education. “What’s frustrating is there are some legislators who believe that they fixed education by the lottery and gaming compacts,” Bishop said. “That’s supposed to be additional revenue, not in-lieu-of revenue. That’s what the people voted for – additional funding for education.”

What’s Next?

The 2006 Legislative Session is already shaping up to be a “battle royale” with regards to transportation and school funding.

- The state motor fuel tax will not generate adequate funding to adequately service Oklahoma’s transportation infrastructure.
- The only source available from which the Legislature can draw from to provide additional transportation funding is the state general fund.
- The education lobby will fight any effort to, as they say, “divert” it from traditional education revenue sources.
- Republicans control of the Oklahoma House of Representatives and the Democrats control both the State Senate and the Governor’s office.

- The State Board of Education has asked for an additional \$351 million in funding for common education bringing the total to \$2.5 billion for FY 2007, up from the FY 2006 appropriation of \$2.15 billion.
- 2006 is an election year with the entire House and half of the Senate standing for election, along with the Governor and other statewide offices.
- The voters have spoken.....No New Taxes; Spend What We Give You and Spend It Wisely

So, the 2006 Legislative Session will be “Roads versus Schools”, or better put “Roads versus Children.”

It should be a very interesting session.

IRS Increases Mileage Rate Until Dec. 31, 2005

The Internal Revenue Service and Treasury Department has announced an increase to the optional standard mileage rates for the final four months of 2005.

The rate will increase to 48.5 cents a mile for all business miles driven between Sept. 1 and Dec. 31, 2005. This is an increase of 8 cents from the 40.5 cent rate in effect for the first eight months of 2005.

“This is about fairness for taxpayers,” said IRS Commissioner Mark W. Everson. “People are entitled to deduct the real cost of operating a vehicle. We’ve responded to the recent gas price increases by making this special adjustment so taxpayers get the tax benefit they deserve.”

In recognition of recent gasoline price increases, the IRS made this special adjustment for the final months of 2005. The IRS normally updates the mileage rates once a year in the fall for the next calendar year.

“With many predicting a decline in gas prices over coming months, we will hold off on setting the 2006 rate until closer to January,” Everson said. Next year’s rate could be lower than 48.5 cents.

While gasoline is a major factor in the mileage figure, other items enter into the calculation of mileage rates, such as the price of new vehicles and insurance.

Building Oklahoma: Working Together on Traditional Practice Issues

Oklahoma's Design and Construction industries will join together on Thursday, November 3rd for a "first-ever" symposium aimed at fostering a closer working relationship between engineers, architects and contractors.

The symposium, hosted by AIA Oklahoma, will be held at the Conoco Phillips OSU Alumni Center on the campus of Oklahoma State University in Stillwater. Registration will begin at 1:00pm with the symposium scheduled for 1:30pm.

A joint committee of ACEC OKLAHOMA, AIA Oklahoma, and AGC Oklahoma Builders Chapter developed the program which will provide a forum for discussion of topics of interest and concern among the design and construction professions.

Below is an outline of the agenda for the symposium:

1:00pm - Registration OSU Alumni Center classroom

1:30pm - Introductions and programs/concerns by the various organization representatives; general observations.

AIA - Terry Kerr, President
AGC - Chris Wilson, President
ACEC - Jim Stewart, Chairman-Elect

2:15pm - "Improving Communication & Coordination on a Project"

Moderator: Steve Ford, Zahl-Ford, Inc.
Fred Schmidt, Frankfort, Short & Bruza
John Jamison, Manhattan Construction
Jim Stewart, PSA Consulting Engineers

3:15pm - Break

3:45pm - "Documents: Expectations About Quality; What's the Deal With Alternates?"

Moderator: Connie McFarland, McFarland
Davies Architects
Steve Alter, Matrix A/E/P
Mike Atkinson, Flintco
Tom Hendrick, Wallace Engineering

4:45pm - "Contractor Licensing & Other Mutual Legislative Concerns"

Moderator: Cary DeHart, CMS Willowbrook
James Loftis, Loftis Architects & State Board of
Licensed Architects & Landscape
Architects
John Morrison, State Construction Administrator
State of Oklahoma
Dick Anderson, Executive Director
Bob Zahl, Zahl-Ford, Inc. & State Board of Licensure for
Professional Engineers & Land Surveyors

5:30pm - Closing

Registration will be \$50.00 per person for the Thursday, November 3rd symposium. As the symposium is part of AIA's 2005 Annual Convention, symposium attendees are also invited to participate in the entire convention which will continue on Friday, November 4th.

Registration information will be sent to all ACEC OKLAHOMA members in the next few days.

All ACEC OKLAHOMA members are encouraged to attend this important conference.

If you have any questions, please call ACEC OKLAHOMA.

ACEC Offers Many Avenues To Assist Firms Affected by Katrina

Several initiatives have been undertaken to provide ACEC members in the Hurricane-ravaged Gulf Coast states—many of whom are temporarily out-of-business—with meaningful assistance, including temporary job assignments and work space.

The various avenues of assistance available for Katrina-affected firms through ACEC were outlined in a message sent to the Executive Directors in the affected Gulf Coast states and include, in part:

- * Posted on the ACEC website free of charge temporary A/E job opportunities for your member firm employees who are out of work because of Katrina;

- * ACEC has also posted member firms that are offering temporary office space and supplies for displaced firms;

- * ACEC sent a letter to FEMA underscoring the importance of using your local firms in the relief and reconstruction efforts;

- * ACEC encouraged large, prime contractors (recruited by FEMA and the Corps) to use ACEC's searchable membership directory to identify local firms for subcontracting; and,

- * ACEC also publicized links to FEMA and the Corps on our website and in *Last Word* to help smaller firms bring their capabilities directly to the attention of federal and state agencies as well as contractors.