

THE FIRST WORD

June, 2015

Legislative Session Comes To An End ROAD Funds Protected; CIRB Capped; ODOT Takes Budget Hit

The first session of the 55th Oklahoma legislature adjourned on Friday, May 22nd, one week earlier than its mandatory adjournment. With Governor Fallin and legislative leaders agreeing to the final \$7.1 billion FY-2016 state budget earlier in the week, the Legislature passed the Budget bills and closed for business.

It was an interesting year for ACEC OKLAHOMA, dealing with issues ranging from PVC piping and professional liability for school storm safety inspections, to maintaining level funding for transportation.

Regarding transportation funding, the County Improvements for Road and Bridges (CIRB) five-year plan - funded by motor vehicle fees - will be capped at \$120 million annually with approximately \$70 million in FY-2015 and FY-2016 "spillover" funds being used to assist in balancing the \$611 million state budget deficit. The \$120 million left in place fully funds the CIRB 5-Year Plan. While capping the fund at \$120 million diverts some \$70 million in transportation dollars to the general fund, it could have been worse as there was some discussion of a lower cap which would have been a huge blow to the CIRB program.

ODOT will continue to receive full appropriation to the ROADS fund, and its eight-year highway and bridge construction plan will continue as scheduled. This is great news as the 8-year plan will stay in place without any reductions in funding.

However, ODOT's budget was reduced 6.25% resulting in an approximate \$12.3 million reduction over FY-2015. It remains to be seen how ODOT will re-balance their budget to cover this reduction. At the June Transportation Commission meeting, Executive Director Mike Patterson told the Commission that despite the \$12.3 million budget reduction for FY 16, the maintenance program would remain a priority for the Department and would not be impacted by the reduction.

As previously reported, ACEC OKLAHOMA successfully beat back an effort by the PVC industry which would taken the engineer's professional judgment and technical expertise out of the determination as to the proper type of piping material for a specific program.

Also, ACEC OKLAHOMA back effort to provide liability protection for design professionals providing voluntary "pre disaster" school inspections failed to gain legislative approval.

That's the wrap on the 2015 session. It could have been better, but could have been worse, but the profession and business of engineering didn't get hurt, so that makes for a good overall session.

ODOT Faces Smaller Budget; Record Flooding

While the Legislature was reducing ODOT's budget, Oklahoma was experiencing its wettest May on record, with massive flooding in several areas of the state.

Governor Fallin has instructed ODOT to expedite bidding on county infrastructure projects and to explore additional mean of supporting the recovery from record flooding.

At the June Commission Meeting, Executive Director Patterson said that ODOT is working closely with both FEMA and FHWA, and the federal dollars are available to repair flood damaged state and county roads and bridges.

He also noted that ODOT may be calling on their "consulting engineering partners" to assist with inspections and assessments to help ODOT, FEMA, and FHWA determine the extent of the damage to the Oklahoma transportation system.



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ODOT/ACEC OKLAHOMA Partnering Conference Draws Huge Crowd

Nearly 450 ODOT Staff and Consultants participated in the 14th Annual ODOT/ACEC OKLAHOMA Partnering Conference, May 14th in Oklahoma City.

DeWayne Ables, Pioneer IQ, Olathe, KS, presented an outstanding program focusing on the "people" side of engineering. Three breakout sessions were also held, focusing on 3-D Modeling, On-Line Invoicing, and, Environmental Constraints for Geotech.

Thanks to everyone who attended, and we look forward to the 15th Annual Partnering Conference in 2016!!!



Welcome New Members

ACECOKLAHOMA is excited to welcome two new member firms to the Council.

Myers Engineering, Consulting Engineers, Inc. is a 12-person civil engineering firm providing services for highways, airports, transportation infrastructures, water & wastewater, environmental compliance, permitting, site use & development, construction management, and facilities. Headquartered in Oklahoma City, William Myers, E.E. Myers, and Matthew Coe lead the firm.

Sherwood Construction Co., Inc., is our newest Associate Member. The company provides heavy highway construction, grading, concrete paving, bridge construction, and QA/QC. John Jackson, Steve Thoendel, and Kyle Conaway are the key contacts.

We welcome **Myers Engineering** and **Sherwood Construction** to ACECOKLAHOMA!!!!



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Leadership For Engineers Graduates Class #6

ACEC OKLAHOMA "Leadership For Engineers" program graduated it's 6th class in April, bringing the total number of graduates 89 from the program's inception.



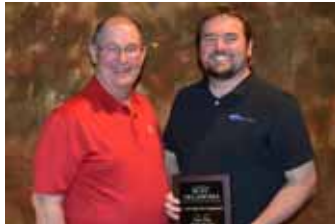
Tommy Bounds
Red Rock Consulting



Cort Westpahl
Triad Design Group



Ryan Francka
White Engineering Associates



Pete Ellis
Guy Engineering Services



Michael Dukes
Infrastructure Engineers



Dan Mazzei
Wallace Engineering



Matt Brown
Poe & Associates



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ZFI Engineering



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CEC



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President's Report

June, 2015

David Raymond, ACEC President

ACEC made progress on several fronts in May, most importantly securing improvements in FHWA regulations governing provision of engineering services; among these are protections for QBS in contract negotiations. In addition, the House passed an R&D tax credit extension. We also gained favorable language in the 2016 Congressional budget framework allowing for increased transportation funding contingent on new revenues; however, unfortunately, Congress once again abdicated its core governing responsibility of providing stable highway and transit funding by passing yet another short-term “patch,” this time for two months. The need for robust, long-term investment has never been more obvious, and ACEC continues to hold Congress’ feet to the fire, keeping in mind Winston Churchill’s famous adage that “Americans can always be counted upon to do the right thing, after they have exhausted all other possibilities.”

General

- Launched grassroots Action Alert for ACEC members to contact their Members of Congress on the need to end short-term transportation program extensions and find a sustainable, long-term solution.
- Georgia Governor Nathan Deal signed legislation this month that will increase the state’s investment in transportation infrastructure by approximately \$1 billion annually through increases in the state’s gas tax and other revenues; the Georgia Transportation Alliance, which was chaired by ACEC/Georgia Executive Director Michael Sullivan, was backed financially by ACEC’s Minuteman Fund.
- According to ACEC’s recent membership certification, the Council’s employee strength is now at an all-time high of nearly 558,000.
- *Engineering Inc.* won an international design excellence award (ASTRID Award) for its *January/February 2014 cover feature on “Storm Proofing.”*
- At the request of Senate Finance Committee Chairman Orrin Hatch (R-UT) and House Ways and Means Committee Chairman Paul Ryan (R-WI), ACEC submitted comments on proposed reforms to the tax code that emphasized the importance of treating corporations and passthrough businesses equally.
- Submitted letter to the Financial Accounting Standards Board (FASB) in support of its proposal to delay the effective date of its *Revenue from Contracts with Customers* accounting standard for one year, giving firms more time to prepare for compliance.
- The House and Senate adopted a budget blueprint for 2016 that provides for growth in transportation spending; ACEC and its coalition allies lobbied for the provision.
- Secured ACEC-backed provisions in the House passed FY’16 defense bill which will enhance data gathering on small business contracting and impose additional limitations on reverse auctions in construction projects.

Government Advocacy

- Secured several improvements and clarifications in final FHWA regulations on contracting for engineering and design-related services, including tighter QBS provisions and additional flexibility for firms serving in program management roles; we defeated efforts by public employee unions to mandate in-sourcing of certain activities.
- The House passed the American Research and Competitiveness Act of 2015, which permanently extends the R&D tax credit that incentivizes engineering firms, manufacturers, and other businesses to keep research and development jobs in the U.S.

