



**16th Annual Conference** of the  
National Association of State Highway  
and Transportation Unions (NASHTU)



April 20-22, 2015

Washington, D.C.



# WE BUILD THE ROADS

## 16th Annual Conference of the National Association of State Highway and Transportation Unions (NASHTU) 2015

The 16<sup>th</sup> Annual NASHTU Conference was held April 20-22, 2015 in Washington, D.C. Conference participants discussed transportation funding proposals, cost effective and safe transportation delivery methods, as well as NASHTU's strong opposition to the inclusion of outsourcing mandates and incentives in the next surface transportation authorization. NASHTU attendees also heard remarks from Rep. Donna Edwards, (D-MD), Member of the Transportation and Infrastructure Committee and Rep. Bill Pascrell (D-NJ), Member of the Ways and Means Committee. In addition, NASHTU members met with their state's Representatives and Senators in their Capitol offices to advocate safe and cost effective transportation solutions. Other conference speakers included representatives of the Federal Highway Administration (FHWA), American Association of State Highway and Transportation Officials (AASHTO), Transportation Trades Department (TTD), AFL-CIO, Project On Government Oversight (POGO), State Innovation Exchange (SiX), and many other public interest organizations.

NASHTU is advocating two legislative proposals that are designed to protect public safety and tax dollars as states undertake federally-funded transportation improvement programs.

The first is **HR 1692 (Edwards)**, which would require public employees to perform the **construction inspection** on all state and local transportation projects that utilize federal funds. Public inspectors

ensure that construction standards are met, that projects meet safety requirements and that the materials used will stand the test of time. When the construction inspection function is outsourced, there is no representative of the public on the job site and private companies are responsible for inspecting the work of other private companies. Examples include Boston's \$24 billion "Big Dig" (a concrete slab from a tunnel ceiling fell and killed a woman), the Los Angeles Red Line Subway (Hollywood Boulevard collapsed), the 8-805 Interchange in San Diego (10,000 defective welds on a seismic retrofit project), the Connecticut I-84 project (hundreds of drains that lead nowhere), and many other projects.

NASHTU's second legislative proposal would ensure taxpayers safe, high quality transportation services at the best possible price by requiring state and local transportation agencies to prepare a simple **cost comparison** prior to contracting for transportation services. Increasingly, transportation agencies are spending hundreds of millions of federal dollars on private contracts for architectural, engineering, construction inspection and related transportation services without determining if these contracts are cost effective, result in the construction of safe projects, or in any way serve the public interest. In state after state, independent and comparative analyses have determined that outsourcing engineering work and other transportation functions costs significantly more than doing the work with public employees.

## About NASHTU

NASHTU's roots extend back to 1999 when a number of unions and employee associations representing engineers and related transportation workers employed by state transportation departments began to share information and discuss how to address common issues. NASHTU, the National Association of State Highway and Transportation Unions, has now grown into **a coalition of 38 unions and affiliates from 20 states and the District of Columbia representing hundreds of thousands of state and locally employed public transportation workers throughout the United States.**

The annual conferences have demonstrated that wasteful outsourcing of engineering, technical, and other transportation services is a problem in nearly every state. By coming together and sharing strategies and perspectives, NASHTU can help each member union be more successful in its fight to limit wasteful, overpriced outsourcing.

NASHTU Conference attendees have heard from a variety of speakers over the years including: Secretary of Transportation Ray LaHood, Former Transportation Secretary Norm Mineta, Deputy Secretary of Transportation John Porcari, Representatives John Mica, James Oberstar, Nick Rahall, Peter DeFazio, Don Young, Stephen Lynch, Elijah Cummings, Robert Filner,

Earl Blumenauer, William Pascrell, Donna Edwards, Timothy Walz, Judy Chu, John Garamendi, and Senators Amy Klobuchar, James Jeffords and Robert Menendez. Bud Wright, Executive Director of AASHTO, and Ed Wytkind, President of the AFL-CIO Transportation Trades Department have also addressed our Conference.

In 2002, NASHTU produced a highly acclaimed report, **Highway Robbery**, which focused on the problems of outsourcing (fraud, inefficiency, and waste) from around the country and brought them together in one document.

In 2007, NASHTU released **Highway Robbery II**, an update of the 2002 report that highlights the enormous problems, including delays in project delivery, cost overruns, and reduced project safety that have been created in recent years when transportation agencies unnecessarily outsource design, construction management, and inspection on transportation projects.

NASHTU has also sponsored legislative proposals designed to improve safety and reduce costs of surface transportation projects throughout the nation.

For more information, please visit NASHTU's website at [www.nasthu.us](http://www.nasthu.us) or call 916-446-0584.

# Sixteenth Annual Conference of the National Association of State Highway and Transportation Unions (NASHTU) Monday, APRIL 20 THROUGH WEDNESDAY, APRIL 22, 2015 Hyatt Regency Washington Capitol Hill

## AGENDA

### Monday, April 20, 2015

- 8:30 a.m. Breakfast
- 9:00 a.m. Welcoming Remarks – **Roy Flores**, Professional Engineers in California Government
- 9:15 a.m. **Larry Willis**, Secretary-Treasurer, Transportation Trades Department, AFL-CIO  
Introduction: Dennis Houlihan, AFSCME
- 10:00 a.m. **Findings and Recommendations of the House Special Panel on Public-Private Partnerships – P3s: Balancing the Needs of the Public and Private Sectors to Finance the Nation’s Infrastructure**  
Moderator: Dennis Houlihan, AFSCME
- **Steve Carlson**, Legislative Director, Rep. Michael Capuano, Ranking Member of Special Panel
- 10:15 a.m. **“Climate Change” – How the Climate for Public Sector Unionism Froze Up- and How to Reheat it**  
Introduction: Dennis Houlihan, AFSCME
- **Paul Booth**, Executive Assistant to the President, AFSCME
- 11:00 a.m. **Congressional Staff Panel: Transportation Authorization, Funding, and Outsourcing Mandates**  
Moderator: Nadine Westcott, PEGC
- **Helena Zyblikewycz**, Democratic Staff, House Transportation & Infrastructure Committee
  - **Jeff Pavlak**, Legislative Representative, Transportation Trades Department, AFL-CIO
- 12:00 p.m. Lunch – Hosted
- 1:00 p.m. **Honorable Jimmy Tarlau**, Maryland State Delegate
- 1:15 p.m. **David Kim**, Associate Administrator for Policy and Governmental Affairs, Federal Highway Administration  
Introduction: Ted Toppin
- 1:45 p.m. **Panel Discussion: Pension Funds and P3s: Hurting Public Employees or Good Public Policy?**  
Moderator: Dennis Houlihan
- **Bruce Blanning**, PEGC
  - **John Keenan**, AFSCME



# AGENDA

- 2:15 p.m. **Panel Discussion: Facing off against ALEC, RTW Laws, and Other Anti-Union Efforts**
- **Nick Rathod**, Executive Director, State Innovation Exchange
  - **Peggy Shorey**, State Coordinator, AFL-CIO

3:00 p.m. BREAK

6:30 p.m. **NASHTU Group Dinner** – *We, The Pizza* (305 Pennsylvania Avenue, SE)

## Tuesday, April 21, 2015

7:30 a.m. Breakfast

8:00 **Rep. Donna Edwards** (D-MD), Member, House Transportation and Infrastructure Committee  
Introduction: Jimmy Tarlau, Maryland State Delegate

8:30 **Cost Comparison in the States**  
Moderator: Dennis Houlihan, AFSCME

- **Travis Woodward**, CSEA/SEIU Local 2001
- **Joe Dorant**, MOSES

9:00 **Surviving an Anti-Public Employee Administration**  
Introduction: Jim Beverly, Ohio Civil Service Employees Association/AFSCME Local 11

- **Christopher Mabe**, President, Ohio Civil Service Employees Association/AFSCME Local 11

9:30 **Crafting Public-Private Partnership Enabling Legislation to Serve the Public Interest**

- **Ted Toppin**, PEEG

10:00 **Discussion: Aligning NASHTU's Policy Goals with Good Government Ideals**  
Moderator: Nadine Westcott, PEEG

- **Scott Amey**, Project on Government Oversight

10:30 **Results of a National Voter Survey on Transportation Issues**

- **Bruce Blanning**, PEEG

11:00 **Audit: FHWA's Oversight of State Transportation Improvement Programs**

- **Gary Middleton**, Program Director, Surface Transportation, USDOT, Office of the Inspector General

11:30 **Lobbying: NASHTU's Legislative Agenda**

- **Mary Richards** - MOSES
- **Ted Toppin** - PEEG

12:00 p.m. Lunch - On your own

1:00-5:00 **Lobbying on Capitol Hill**

5:30-7:30 **Congressional Reception** – Rayburn House Office Building, Room B-369

# AGENDA

## Wednesday, April 22, 2015

- 8:00 a.m. Breakfast – Hosted
- 8:30 **Lobby Day Reports**  
Moderator: Mary Richards, MOSES
- 9:00 **Jim Tymon**, Chief Operating Officer/Director of Policy and Management, AASHTO  
Introduction: Nadine Westcott, PECG
- 9:30 **Rep. Bill Pascrell** (D-NJ), Member, House Ways and Means Committee  
Introduction: Bill Ricci, CWA Local 1032
- 10:00 **Panel and Discussion: *Developments at Highway Departments Throughout the Nation***  
Moderator: Dennis Houlihan, AFSCME
- **George Heath**, SEIU Local 517M
  - **Raymond Berg**, Montana Public Employees Association
  - **Joe Dorant**, Massachusetts Organization of State Engineers and Scientists
  - **Vince Oliveri**, Professional & Technical Employees Local 17
  - **Gary Apanasewicz**, Ohio Civil Service Employees Association/AFSCME Local 11
- 11:00 **Action Plan for NASHTU for 2014-2015**
- **Dennis Houlihan** – AFSCME
  - **Mary Richards** – MOSES
  - **Jimmy Tarlau** – CWA (retired)
  - **Nadine Westcott** - PECG
- 11:30 Adjournment

# Sixteenth Annual Conference of the National Association of State Highway and Transportation Unions (NASHTU) CONGRESSIONAL RECEPTION



Ted Toppin, PECS, introduces Rep. Alan Lowenthal (D-CA).



Rep. Judy Chu (D-CA)



Rep. Brad Sherman (D-CA)



Rep. Dave Loebsack (D-IA)



Rep. Earl Blumenauer (D-OR)



Rep. Janice Hahn (D-CA)



# Sixteenth Annual Conference of the National Association of State Highway and Transportation Unions (NASHTU) CONGRESSIONAL RECEPTION



Rep. Janice Hahn (D-CA) stands with members of PEGC



Rep. Tom Emmer (R-MN) greets representatives from the Minnesota Government Engineering Council



Gary Apanasewicz, OCSEA/AFSCME Local 11, Nick Alfano, CWA 1032 New Jersey, and Jim Beverly, OCSEA/AFSCME Local 11



Dennis Houlihan, AFSCME, Michael Lund, Alaska Public Employees Association/AFT, and Ted Toppin, PEGC



Rep. Don Young (R-AK) and his fiancé, Anne Garland Walton, with representatives of the Professional and Technical Employees Local 17



Rep. Earl Blumenauer (D-OR) with members of the Association of Engineering Employees of Oregon (AEEO).

# Sixteenth Annual Conference of the National Association of State Highway and Transportation Unions (NASHTU) PROCEEDINGS

## Introductions and Welcomes

**Roy Flores, PEGC**, gave the opening remarks at the 16<sup>th</sup> Annual NASHTU Conference. NASHTU is the united voice for tens of thousands of state and local workers who provide cost-effective, safe transportation projects for taxpayers. Just like last year, the timing of this year's NASHTU conference coincides with debate in the House and Senate on the surface transportation authorization. It allows us to be a part of the conversation and remind our Members of Congress that public employees perform important work that shouldn't be outsourced to the private sector. We are expecting another great battle over the inclusion of outsourcing mandates and incentives and it is important that NASHTU members let their Members of Congress know about their concerns. In addition, we will be advocating for HR 1692 (Edwards), which would require construction inspection to be performed by public employees, and other good government policies that ensure the transportation projects are delivered safely and cost-effectively.



Roy Flores

## Speaker: Larry Willis



Larry Willis

**Larry Willis, Transportation Trades Department, AFL-CIO**, explained that TTD is similar to NASHTU in that they are a broad coalition of transportation unions but they cover all modes of transportation and represent both public and private labor interests. Transportation is the backbone of the U.S. economy and, unfortunately due to underinvestment, the transportation system is failing. It is time that decision makers be brave and make the tough decisions that will raise adequate revenue to pay for transportation systems. Members of Congress need to hear from NASHTU members about the importance of transportation in their district and the U.S. as a whole. They need to hear about the public sector's expertise and role in project delivery. This year, due to Congress's inaction last year in doing anything more than raising short term funds and extending the authorization, we once again face an authorization deadline, and the HTF falling below adequate levels shortly thereafter.

The Senate is drafting a bill currently and there will be a mark-up in the next few weeks. Because of NASHTU's and TTD's work last year on the Senate draft, Senator Barbara Boxer, Ranking Member of the Environment and Public Works (EPW) Committee, is aware of the strong opposition on outsourcing mandates and incentives.

On the House side, Transportation and Infrastructure Committee Chair Rep. Bill Shuster is conservative but is good on transportation issues. He wants the committee to be bipartisan. Rep. Peter DeFazio (D-OR), the new Ranking Member of the Committee, is good and very pro-labor. He has a good working relationship with Chairman Shuster and should keep the committee working in a bipartisan manner.

The TTD was pleasantly surprised that the House panel charged with studying the role of Public-Private Partnerships (P3) released a report saying that while P3s may have a role in transportation, the role is limited and P3s are not a replacement for new revenue. On the flip side, the Obama Administration has pushed forward on P3s with their Build America Investment Initiative. While Build America will likely include important labor standards, it remains to be seen how accurately the program reflects the interests of public sector workers.

# Findings and Recommendations of the House Special Panel on Public-Private Partnerships – P3s: Balancing the Needs of the Public and Private Sectors to Finance the Nation’s Infrastructure

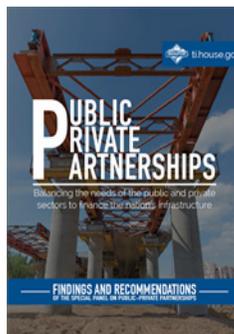


Steven Carlson

**Steven Carlson, Legislative Director for Rep. Michael Capuano (D-MA)**, said that the Special House Panel on Public Private Partnerships was created in January 2014 and that his boss, Rep. Michael Capuano, was appointed Ranking Member. Over the course of six months the panel studied the appropriate role of P3s in infrastructure. At the conclusion, the panel released a bipartisan report that overall was pretty measured on the use of P3s. The report had several conclusions about the role of P3s in infrastructure development, including: P3s are not a funding mechanism for infrastructure, P3s have a limited use – only a small number of projects are appropriate for P3s and that there is always a federal financing component, usually through TIFIA or some other federal loan or grant program.

The report also made some recommendations for going forward with P3s for infrastructure: including, providing more information about the role P3s can play for states and localities, continuing federal access programs such as TIFIA and Private Activity Bonds, and increasing transparency to ensure that the public interest is protected.

To view the full report, please visit



[http://transportation.house.gov/uploadedfiles/p3\\_panel\\_report.pdf](http://transportation.house.gov/uploadedfiles/p3_panel_report.pdf).

## “Climate Change” - How the Climate for Public Sector Unionism Froze Up - and How to Reheat It



Paul Booth

**Paul Booth, AFSCME**, discussed the history of the anti-labor movement as well as some recent threats that labor is facing. Specifically, the Friedrichs vs. CTA case that is pending at the U.S. Supreme Court is particularly concerning. If the Supreme Court takes up the case and decides against the California Teachers Association (CTA), it could singlehandedly wipe out all unions’ ability to collect fair share fees. It is important to communicate with your membership about the important work that unions do. To illustrate the explanation of fair share fees, Paul showed the linked video.

It is also important that unions, both public and private, work together to oppose efforts to weaken labor. In the same spirit and intent that created NASHTU, we should be prepared to

create and resource appropriate operational vehicles focused exclusively on repelling the anti-union attacks. The efforts in Wisconsin may have started out only targeting public employee unions and collective bargaining, but once that goal was achieved, anti-labor conservatives pressed forward with Right-to-Work and Prevailing Wage legislation, which affects both public and private labor unions in Wisconsin.

## Congressional Staff Panel: Transportation Authorization, Funding, and Outsourcing Mandates



Helena Zyblikewycz

**Helena Zyblikewycz, Democratic Staff, House Transportation and Infrastructure Committee,** said that transportation was facing a couple of deadlines. The latest extension of the surface transportation authorization will expire on May 31, 2015 and the HTF will need additional revenue sometime in July. The Congressional Budget Office estimates that authorizing the transportation program at current levels plus inflation will require an additional \$92 billion – a heavy lift for this Congress. Committee Ranking Member Rep. Peter DeFazio (D-OR) has been very vocal in pushing for additional investment to bring our transportation system into the 21<sup>st</sup> Century. At this point, negotiations between Democrats and Republicans on the policy components of a long term bill are happening but are still in the beginning stages. We are most likely looking at a short term extension at this point. Extending the authorization until the end of the calendar year will also require an estimated \$8-\$10 billion cash infusion into the Highway Trust Fund. Democrats on the committee have prioritized investment in freight corridors, continued investment in transit and transportation

alternatives programs, incentives for states that have raised additional revenue for transportation, and strong Buy America language, among many other priorities.

Democratic Committee Member Rep. Donna Edwards (D-MD) has voiced opposition to the inclusion of outsourcing mandates or incentives in the transportation bill. Ranking Member Peter DeFazio offered an amendment to the last draft House transportation authorization to strip out a provision that incentivized outsourcing transit services.

**Jeff Pavlak, Legislative Representative, Transportation Trades Department, AFL-CIO,** said that Congressional Republicans have a lot of “political realities” to work out within their party. Republicans in Congress are getting more conservative and normally bipartisan issues, including transportation, are increasingly facing resistance. There are bills in the House that would abolish the transit account within the Highway Trust Fund and repeal some labor protections for transit employees. On the Senate side, 28 Republicans voted in favor of a devolution proposal that was taken up as part of the extension debate. Those 28 Senators represented more than half of the Republican Caucus at the time. These dynamics could complicate how transportation authorizers, like Shuster and Inhofe – who both have a pragmatic outlook on infrastructure investment – are able to move bills out of Congress.



Jeff Pavlak

Last year, the Senate EPW committee marked up a draft transportation authorization that included an incentive by way of an increased federal share to states that outsource their engineering services. TTD, NASHTU, and others strongly opposed the language and had many conversations with Senate EPW members and staff. When the Senate began work this session on a draft authorization bill, Senator Boxer asked that language be removed. On the House side, there could be a push for outsourcing incentive language to be included. It is very important for NASHTU members to ask their Members of Congress to oppose this language.

## Speaker: Del. Jimmy Tarlau

**Jimmy Tarlau, NASHTU founding member and elected Maryland State Delegate**, discussed his successful campaign for election to the Maryland State Legislature and his “Get out the Vote” efforts. Jimmy was an original founding member of NASHTU and helped organize the first conference held in Chicago in 2000. Since that first conference, Jimmy has been heavily involved with NASHTU’s legislative priorities and has taken a lead role in planning our annual conferences in Washington, D.C.

Jimmy started his political career in 2007, when he successfully ran for Mount Rainier City Council in Maryland. After serving seven years, he decided to make a run for State Delegate. Now elected in the 47<sup>th</sup> District, Jimmy serves on the House Ways and Means Committee. Jimmy talked about his legislative priorities including tax fairness proposals, limiting lobbyist influence, and taking on private utilities. He also discussed the challenges of balancing those priorities with Democratic Legislative Leadership and a newly elected Republican Governor.



Del. Jimmy Tarlau

## Speaker: David Kim

**David Kim, Associate Administrator of Policy and Governmental Affairs for FHWA**, said that it is crunch time for transportation. The current extension of MAP-21 will expire at the end of May and Congress will either have to negotiate and pass a long term authorization or, more likely, pass a short term extension. In addition, the Highway Trust Fund is facing a cash shortfall at the end of July and Congress will need to agree on new funding for the Highway Trust Fund to keep transportation projects from being delayed. The Administration recently released a new version of its surface transportation authorization, the Grow America Act. The original legislative proposal, released last year, was a 4-year, \$302 billion dollar authorization. The updated Grow America Act is a 6-year, \$478 billion authorization. The bill proposal calls for greater, more robust, investment across all modes of transportation. It focuses on Fix-it-First, a program to bring all roads and bridges to a state of good repair, has a dedicated source of funding for freight projects, and increases the amount of funding for TIGER, a competitive grant program. The U.S. DOT recently released a report called, *Beyond Traffic 2045*. The report is a 30-year look into the future of our transportation system and identifies the challenges and how changes in population and driving habits will affect the system. The report also looks at how the system will be impacted by climate change and the role of emerging smart technologies such as automated cars. To view the full report, please visit: <http://www.transportation.gov/BeyondTraffic>.



David Kim

## Panel Discussion: Pension Funds and P3s: Hurting Public Employees or Good Public Policy?



Bruce Blanning

**Bruce Blanning, Executive Director, PEEG**, said that Public-Private Partnerships are not good public policy because outsourcing always costs more than doing the work in house. P3s are not a source of funding for infrastructure; they are a substitution for political will. P3s may be a mechanism for upfront, fast money, but the public always pays through tolls or taxes. Pension Funds should address three questions prior to choosing where to invest its capital: 1) is it profitable or have a good return on investment, 2) is it good public policy, and 3) does it harm the members of the fund.

The California Public Employees Retirement System (CalPERS) has 1.7 million members. It covers state employees as well as most other city and county employees in California. Currently, CalPERS has a little over \$300 billion dollars and most of that money is from returns on investment. Investment officers at CalPERS make a bonus or commission in addition to their salary and that is probably a good thing. It gives an extra incentive to make sure that wise investment decisions are made. However, it can also cause investment officers to blindly invest in good profitable deals that may be bad public policy or harmful to CalPERS members.

A few years ago, CalPERS started to move toward investing in P3s. PEGC expressed concern and under the perceived threat of a lawsuit, CalPERS back-stepped a bit and made a new policy that stated it would not make investments that could cause harm to members. Well, CalPERS ended up putting aside \$3 billion in a Infrastructure Fund and using \$84 million to invest in a P3 in Connecticut, using the rationale that Connecticut public employees who may be displaced by the P3 are not members of CalPERS.

P3s may not be a wise investment choice. While P3s usually have the profit outlined in the contract, they do not always pan out as planned. California has a bad record with P3s either being bought out by a public agency, going bankrupt, or costing excessively more than if the project was kept in the public sector.



John Keenan

**John Keenan, AFSCME**, outlined how pension funds have huge pools of capital to invest and infrastructure is a tempting investment because of the tremendous need. There has been plenty of news coverage of the vast resources needed to build up and maintain our infrastructure system. However, the cheapest way to finance infrastructure is tax-exempt bonds, not private financing. P3s are a confusing model and this can lead to problems, as they sound like free money but the devil is in the details. If private financing is used, such as a public-private partnership, costs are going to have to be cut in order for the project to be profitable for investors. This can either happen by cutting corners or labor costs during construction, or by cutting wages and benefits of employees who operate the project after it is completed. Either way, it is not good public policy and could be harmful to public employees.



Christine Silvia-DeGennaro and Nick Rathod

## Panel Discussion: Facing Off against ALEC, RTW Laws and Other Anti Union Efforts

**Christine Silvia-DeGennaro, State Legislative Affairs Coordinator for the AFL-CIO**, discussed the legislative and legal issues facing organized labor today.

**Nick Rathod, Executive Director of the State Innovation Exchange (SiX)**, discussed the changes in state legislative power in the last four decades. Over time, states that have Democratic majorities in both legislative houses have declined and more states now have Republican majorities. Having concentrated power in the legislative branches of states makes it remarkably

easy for the American Legislative Exchange Council (ALEC) to advance their right wing agenda. For example, the Stand Your Ground law was first enacted in Florida and quickly spread to 17 other states. ALEC, which creates model legislation for conservative lawmakers to bring back to their states, has had similar success with other conservative priorities, including RTW, curtailing environmental protections and civil rights, and the privatization of public infrastructure such as school, roads, and bridges. In an effort to combat ALEC and the conservative policies they are pushing, four different organizations combined forces to form the State Innovation Exchange (SiX), a research and strategy center that supports state legislators to advance progressive policies across the country. SiX officially launched last year with a conference that was attended by over 200 legislators representing 48 states. SiX aims to empower state legislators with top-notch research, training, policy expertise, communications support, political strategy and a space to network and share ideas.

## Speaker: Rep. Donna Edwards

**Rep. Donna Edwards (D-MD)** said that our infrastructure is not keeping up with population growth and we need to invest in our transportation system. Our highways and bridges need to be maintained to ensure safety. Within Rep. Edwards' Maryland district, a chunk of concrete fell from a federal system bridge and landed on a car travelling on the highway below. Luckily the driver was not seriously injured. Roads are bipartisan and the solution to the funding challenges needs to be bipartisan as well. We need to get past the debate and start solving the problem. It is time the Congress moves ahead on a long-term transportation authorization. Short-term authorizations or extensions do a great deal of damage because they remove the certainty of future highway funding and impede the states' ability to plan long term projects. A number of different proposals to fund a long term bill are being debated. However, as the funding crisis is solved, we need to make sure that the plan doesn't undo critical labor protections such as privatizing prevailing rates or doing away with critical public sector jobs.



Rep. Donna Edwards (D-MD)

## Panel Discussion: Cost Comparison in the States



Joe Dorant

**Joe Dorant, Massachusetts Organization of State Engineers and Scientists (MOSES)** talked about the Pacheco-Menard Law, which had been in effect in Massachusetts since 1993. The law mandates the use of cost comparisons prior to outsourcing for most state services. Unfortunately, engineering services are exempt from its provisions. The law was in response to the Governor, at the time, privatizing many state jobs, which led to thousands of layoffs of state employees. While the law has been praised by economists as the "most successful privatization legislation," opponents of the law say it is costly and prevents the state from utilizing privatization. Since the law has been enacted, it has been subject to numerous rollbacks and exemptions. Originally, the Pacheco-Menard Law required a cost benefit analysis for contracts costing over \$100,000. After initially raising the limit to \$200,000, opponents were successful in raising the limit to \$500,000 before a cost benefit analysis is triggered. This year, opponents of the law are attempting to exempt

certain public transportation systems – including subway and commuter rail – from the Pacheco-Menard requirements.

**Travis Woodward, Connecticut State Employees Association/SEIU Local 2001**, said that Connecticut created a State Contracting Standards Board back in 2008-2009. The Governor opposed the creation of the board and was slow to appoint members to it. Over the course of two years, the Board had performed only one cost-benefit analysis. It was on bridge design and even though CSEA felt the Board unfairly skewed the factors to favor the private sector, the result still showed that public employees cost less. Last year, CSEA was successful in getting cost benefit analysis legislation passed in the state. It requires the state to perform a cost benefit analysis prior to contracting if state employees currently perform the work and to conduct routine analysis on currently contracted work. The most recent relevant results on construction inspection show that the state could save 30% to 50% if they used state staff over contractors. A similar study on design showed the savings to be even greater: 59% to 62% if they used state employed engineers instead of contractors. They are currently awaiting results from the cost benefit analysis on bridge safety and material testing. CSEA is using the results of these analyses to pressure the Governor to hire additional DOT engineers although the state is pushing back and claiming that hiring new engineers is a time consuming and difficult process and the delay may jeopardize federal funds.



Travis Woodward

**Bruce Blanning, Professional Engineers in California Government (PECG)**, said that PECG conducted a national poll in early April to “see what the public thinks” about transportation, funding, and outsourcing. Polls can be good information to provide to legislators and other decision-makers.

Most people thought there was an urgent need to improve transportation funding and while there was general support for using general funds or corporate taxes to increase transportation funding. A majority of those polled did not support increasing the gas tax, vehicle license fees or a sales tax. In addition, a majority of respondents supported the following concepts: requiring competitive bidding for design and construction of transportation projects (80%); transportation services should be performed by public agencies if it costs less than using consultants; construction inspection should be performed in house; contractors should not inspect their own work; and public agencies should prioritize cost over getting projects done quickly.

## Surviving an Anti-Public Employee Administration

**Christopher Mabe, Ohio Civil Service Employees Association/AFSCME 11**, discussed his union’s challenges under the Kasich Administration. He said that these last few years have taught his union to rethink what success looks like. Even though labor was successful in its effort to repeal the anti-collective bargaining law, Governor Kasich won reelection this past fall. The continued success of the union relies on member to member contact. Members often wonder what unions do, why unions exist, and why it is important. In order to preserve its ability to contact its members (without relying on the state to continue to provide the data) OCSEA embarked on a campaign to collect accurate contact information for all of its members. OCSEA also expanding its list of allies by reaching out to outside constituency groups such as the American Civil Liberties Union (ACLU). While the connection between public union interests and ACLU might not be an obvious one, ACLU has been working side-by-side with OCSEA on prison privatization and other issues of mutual concern. OCSEA has also invested in its own leadership. They’ve taken the time and resources to train and reward their stewards and other union representatives. OCSEA has also held various media training open to many of its members in case an issue comes up that would benefit from members talking with the press. Christopher also recommended that groups poll their members to find out their political affiliation. It is important to know your Republican members and make sure they understand that the union is not fighting for a political philosophy, they are fighting to protect their jobs, salary, benefits, and retirement. In closing, Christopher said that OCSEA had survived an unfriendly Administration by going back to their roots and engaging their membership.



Christopher Mabe

## Discussion: Aligning NASHTU’s Policy Goals with Good Government Ideals



Scott Amey

**Scott Amey, Project On Government Oversight**, gave a brief history of POGO, which started out as a good government group that focused on military contract spending, but now investigates waste, fraud, abuse, and corruption in all federal agencies. Scott clarified that when he used the term outsourcing, he was not talking about privatization whereby a government sells or leases an asset or services, but instead he was referring to government contracts with the private sector to perform work that could be performed by federal employees. Over sixty percent of all federal contract spending is now spent on services. This essentially sets up a shadow government of contractors that is not easily tracked or overseen. Scott also referenced POGO’s study entitled, “Bad Business: Billions of Taxpayer Dollars Wasted on Hiring Contractors”. The study compared total annual compensation (salary and benefits) of federal employees in 35 occupational classifications covering 550 activities with contractor billing rates to perform equivalent work. The results found that contractors were more expensive in 33 of the 35 occupational classifications, and that outsourcing costs on average 83% more than the cost of federal employees doing comparable work.

## Audit: FHWA's Oversight of State Transportation Improvement Programs

**Gary Middleton, Program Director for Surface Transportation, USDOT Office of Inspector General** talked about the Inspector General's dual reporting role to the Secretary of USDOT and to Congress. The audits and investigations can be self-initiated by the agency or ordered through Congress. The IG sees its role as a way to jump start improvements to the program by promoting effectiveness and preventing waste, fraud and abuse. Recent notable audits and investigations include the I-35 bridge collapse in Minnesota, the Big Dig project in Massachusetts, and the New York Subway system that was heavily damaged and flooded during Hurricane Sandy. Over the course of 2014, the OIG conducted 129 audits that resulted in 411 recommendations and their investigations resulted in 64 convictions and over \$1.3 billion in fines, restitutions, recoveries, and forfeitures – the bulk of which comes from the Toyota settlement with the Federal Government.



Gary Middleton

Gary also spoke about fraud potential and reporting. He encouraged NASHTU attendees to report fraud via their hotline 800-424-9071 or e-mail at [hotline@OIG.dot.gov](mailto:hotline@OIG.dot.gov). Some examples of transportation-related fraud include bribery, kickbacks and corruption, bid rigging and collusion, conflicts of interest, false statements and claims, product substitution, quality control testing fraud, labor, time and materials overcharging, and Disadvantaged Business Enterprise fraud.

Currently, the OIG is conducting several audits involving FHWA including oversight of preliminary engineering on highway projects, oversight of States' use of Federal-aid funds through the Financial Integrity Review and Evaluation Program (FIRE), oversight of the State Transportation Improvement Programs (STIP), and FHWA project agreements with State Departments of Transportation.

### Speaker: Jim Tymon



Jim Tymon

**Jim Tymon, Chief Operating Officer and Director of Policy and Management, AASHTO** started out the discussion by giving a brief background on AASHTO, which is an association that represents state DOT management. Regarding transportation, Jim said that this year is much like last year. We are again facing the expiration of a reauthorization and funding shortfalls for the Highway Trust Fund (HTF). The current transportation authorization expires at the end of May and the USDOT is estimating that the HTF will run short of funding by the end of July. Congress needs to extend the authorization and identify revenue sources to cover the shortfall. Since the last time we raised the gas tax in 1993, its purchasing power has decreased dramatically. But transportation spending has continued to grow so the HTF's outlays are about \$15 billion more than it brings in.

Among the many options for raising transportation revenue, increasing the gas tax is the easiest, most straight forward way to fix the current funding gap. However, political realities make it almost impossible for this Congress to raise the gas tax. It is easier for states to show exactly how the money is spent so therefore it is easier to raise transportation taxes at the state level. The federal government has no way of guaranteeing voters that if they raise the tax, a specific road will be fixed. On policy, Jim said that AASHTO remains opposed to outsourcing mandates or incentives. States should be free to choose how best to deliver their transportation programs.

## Speaker: Rep. Bill Pascrell

**Rep. Bill Pascrell (D-NJ)** said that while many members of Congress give multiple floor speeches complaining about the lack of transportation funding and their state's crumbling roads, nobody is coming up with a solution to the problem. Congress has had to use short term general fund patches to backfill the Highway Trust Fund. Roadbuilders have no way of knowing whether the funding will be available for them to finish the job they are currently working on, much less plan for future projects. That's no way to run the government. Our infrastructure is not keeping up with our growth and the current state of our roads and resulting congestion are costing families and businesses time and money. Transportation used to be bipartisan. Congress used to be able to pass authorizations with robust funding and a five-year plan. That's what we need to do again.



Rep. Bill Pascrell (D-NJ)

Rep. Pascrell introduced legislation called the Bridge to Sustainable Infrastructure Act (HR 1846). This legislation, drafted by Reps. Pascrell, James Renacci (R-OH), Reid Ribble (R-WI), and Daniel Lipinski (D-IL), creates a bipartisan, bicameral commission to study and recommend transportation funding solutions over a period of 18 months following enactment. In order to fund transportation while the commission is doing its work, the legislation also calls for an immediate indexing of the fuel gas to inflation. Right now, this would be less than a penny per gallon for motorists. But over the 18 months, it would generate over \$28 billion dollars in revenue. After the commission has made its recommendations, Congress would be able to vote on the recommendations or come up with their own plan to generate an equal amount of money. If they don't, the gas tax user fee would automatically be increased. The time for transportation funding solutions has come – there is no more free lunch. Supporters of the bill include both business and labor groups as well as 32 members of Congress.

**The 16<sup>th</sup> Annual NASHTU Conference closed** with NASHTU attendees reporting on their meetings on Capitol Hill. Dennis Houlihan, AFSMCE, moderated a panel discussion during which several NASHTU attendees reported on state and local issues that were affecting their respective departments of transportation. There was also a discussion about the 2015-2016 NASHTU Action Plan.



Vince Oliveri, PTE Local 17, Raymond Berg, Montana Public Employees Association, Joe Dorant, MOSES, and George Heath, SEIU Local 517M participate in the *Developments at Highway Departments Throughout the Nation* panel.