

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 894

STATUS: A Engrossed

SUBJECT: Requires the Department of Transportation to use one-half of one percent of all Federal Funds received by the department, up to a maximum of \$1.8 million, to increase diversity in the highway construction workforce.

GOVERNMENT UNIT AFFECTED: Department of Transportation

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REVIEWED BY: Susie Jordan

DATE: May 1, 2009 <Revised>

2009-2011

2011-2013

EXPENDITURES:

See Analysis

EFFECTIVE DATE: The bill includes an emergency clause and is effective on passage. The diversity program requirements are operative on October 1, 2009,

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: SB 894 directs the Department of Transportation (ODOT) to use one-half of one percent of all Federal Funds, up to a maximum of \$1.8 million, to increase diversity in the highway construction workforce. The bill specifies that ODOT is to use Federal Funds, and funds from other agency sources that ODOT may dedicate, to: establish a state oversight board; provide other specified services designed to increase diversity; and report to the Legislative Assembly by no later than December 1 of each even-numbered year on the performance outcomes from each of the activities specified in the bill.

ODOT has not identified the staffing requirements or other workload related to the requirements of this bill.

The primary fiscal impact of this bill is related to the requirement that one-half of one percent of all Federal Funds for currently designated purposes be diverted to the diversity program. The bill does not change the total level of spending, but does change spending priorities.

ODOT reports that it will receive about \$1.1 billion in Federal Funds in the 2009-11 biennium. This includes federal-aid highway funds of all types, including Federal Motor Carrier Safety Administration grants, Federal Transit Administration grants and Federal Rail Administration grants. ODOT notes that it may not be able to use Federal Funds to meet all of the mandates in SB 894. If ODOT is unable to use Federal Funds to achieve the total of \$1.8 million for diversity programs, it will need to look to other program areas for funding. This will result in a reduction in the funds available for other transportation programs, particularly funding for the highway construction program.