

2010 Special Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 1059 **STATUS:** A-Engrossed
SUBJECT: Greenhouse gas emission reductions for motor vehicles
GOVERNMENT UNIT AFFECTED: Department of Transportation, Department of Land Conservation and Development, Department of Higher Education, Cities and Counties
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REVIEWED BY: Susie Jordan, Laurie Byerly and Paul Siebert
DATE: February 17, 2010 - **REVISED**

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES:		
Oregon Department of Transportation (ODOT)	\$ 0	\$ 0
Personal Services – All Funds	\$ 1,075,000	\$ 1,275,000
Transfer to DLCD – All Funds	\$ 482,581	\$ See Analysis
Total ODOT – All Funds	\$ 1,557,581	\$ See Analysis
Department of Land Conservation and Development (DLCD)		
Personal Services – Other Funds (OF)	\$ 439,568	
Services and Supplies – OF	\$ 43,013	
PS/S&S – GF	\$ See Analysis	\$ See Analysis
DLCD Totals – All Funds	\$ 482,581	\$ 307,151

	<u>2009-2011</u>	<u>2011-2013</u>
REVENUES:		
		See Analysis.
POSITIONS / FTE:		
DLCD – Planner 3	4/2.16	2/1.75
DLCD – Planner 4	1/0.67	

EFFECTIVE DATE: On passage.

INTERIM JOINT COMMITTEE ON WAYS AND MEANS: The budgetary impact of this bill was not reviewed and approved by the Interim Joint Committee on Ways and Means Committee and is not included in the omnibus budget bill to be introduced by the committee.

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: The bill directs the Oregon Transportation Commission (OTC) to adopt a statewide transportation strategy on greenhouse gas emissions to aid in achieving emission reduction goals in ORS 468A.205, after consultation with metropolitan planning organizations (MPOs) and other state agencies and stakeholders; directs the Department of Transportation (ODOT) and the Department of Land Conservation and Development (DLCD) to establish guidelines for developing and evaluating alternative transportation scenarios to reduce greenhouse gas emissions, and to develop a toolkit to assist local governments in developing and executing actions to reduce greenhouse gas emissions; directs ODOT and DLCD, in cooperation with other state agencies and the Oregon University System, to educate the public about the

need to reduce greenhouse gas emissions and the costs and benefits of reducing greenhouse gas emissions; directs local governments within MPO boundaries, excluding the MPO serving Portland, after consultation with the MPO and state agencies, to consider if immediate action can be taken to reduce greenhouse gas emissions and to consider how regional transportation plans can be altered to reduce greenhouse gas emissions; and directs ODOT and DLCD to make a joint report to Legislative Assembly in 2011 regarding progress made in developing statewide transportation strategy, scenario, guidelines and toolkit.

Oregon Department of Transportation (ODOT): ODOT's fiscal analysis assumes that HB 2001 (2009) activities, once completed, will minimize the costs associated with this bill. ODOT anticipates \$1,075,000 in contract services and a special payment to DLCD of \$482,581 during the 2009-11 biennium. ODOT indicates that the work required for rulemaking and its supporting analysis, collaborative development of a Statewide Transportation Strategy, guidelines, toolkit and reporting requirements can be assumed within its existing 2009-11 legislatively adopted budget.

ODOT indicates that reprioritizing federal flexible Surface Transportation Program (STP) will be required to finance \$1,414,546 of these expenses. Federal flexible funds are currently used to fund public transit, rideshare, transportation demand management and planning. LFO is concerned that ODOT may be over-committing the use of federal flexible STP funding, since a large amount of the public transit discussions during negotiations of the transportation package in 2009 centered around availability of the federal flexible funds.

Use of STP funding requires a 10.23 percent match. ODOT will use \$117,360 from the Highway Fund for this match. However, ODOT notes that the restrictions on State Highway Funds prohibit the use of this fund as a match source for the public information and outreach portion required under Section 6 of the bill. ODOT anticipates that 25% of the outreach expense will be accomplished in the 2009-11 biennium and that the \$25,675 match can be made from non-highway (General Fund) fund sources within ODOT. ODOT will reprioritize 2009-11 activities to achieve the General Fund match. The match for the 2011-13 biennium will need to be identified from other sources, most likely the General Fund.

Department of Land Conservation and Development (DLCD): DLCD anticipates needing five limited duration Planner positions (2.83 FTE) to implement the bill in the 2009-11 biennium. Activities include participating in statewide strategy development, development of guidelines and a toolkit, conducting rulemaking activities, coordinating outreach, and reporting. Total expenditures are anticipated to be \$501,448 (including reprioritization of General Fund – see below) for the 2009-11 biennium. DLCD will receive a \$482,581 Other Funds (from STP Federal Funds) transfer from ODOT. The revenue source for 2011-13 biennium costs of \$307,151 will need to be identified.

DLCD will reprioritize the use of its legislatively adopted General Fund to pay the \$18,867 cost for the public information and outreach portion required under Section 6 of the bill.

Department of Higher Education: The fiscal impact on the Oregon University System (OUS) is indeterminate. If ODOT decides to contract with OUS to provide assistance with education and outreach, OUS considers this a standard research contract which does not require Other Funds limitation.

Other Fiscal Impacts: There may be a minimal impact to cities and counties from Section 7 of the bill related to consideration of immediate action on greenhouse gas emissions and transportation planning to reduce greenhouse gas emissions. The Department of Administrative Services is responsible for the management of the state motor fleet. The agency anticipates a minimal fiscal impact from the bill.