



# Oregon

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**DATE:** February 3, 2016

**TO:** House Committee on Transportation and Economic Development

**FROM:** H. A. (Hal) Gard, Administrator  
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**SUBJECT:** House Bill 4078

## INTRODUCTION

HB 4078 would establish a fund to target state investments in public transportation improvements based on plans and performance goals. It would help smaller providers to improve Oregon's public transportation for their community's needs and maximize much valued federal transit dollars for the state. The bill does not allocate any dollars to the newly-established fund.

## DISCUSSION

Oregon providers currently miss opportunities to leverage federal funds available to improve public transit services in smaller urban and rural areas. Neither ODOT nor providers have sufficient nonfederal matching funds to use for this purpose.

Oregon providers also miss opportunities to create a connected system of public transportation. They seldom have the local resources to support connected or expanded services beyond their immediate political boundaries. Having resources to join with neighboring systems can bring returns to a much larger population and address broader state goals.

A state funding program that implements carefully planned improvements with stated performance goals has the potential to energize small urban and rural communities. HB 4078 requires ODOT to develop a program, administer the funds, provide technical assistance, review plans, and oversee the program and report. ODOT would involve stakeholders extensively in the development of the administrative rules that define the program.

Once rules are established, and providers are given information, ODOT's role would establish a program, administer the funds, provide technical assistance, review plans, oversee the program and report progress. Although much of the program can be administered with existing staff and functions, the division will need to identify resources to deliver the new activities.

## **CONSIDERATIONS**

HB 4078 requires ODOT to set up the new program, despite no dollars being allocated to the newly established fund. ODOT recommends the legislature consider delaying the implementation of the program until dollars are allocated.

## **SUMMARY**

HB 4078 sets up a new fund and program that, if funded, ultimately will allow small transit agencies to better compete for federal funds and to create a better connected transportation system. The bill does not provide any dollars to the fund, but requires ODOT to set up a program for transit agencies to compete for funds.