



Oregon

Kate Brown, Governor

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DATE: April 19, 2017

TO: House Committee Transportation Policy

FROM: Paul Mather, Administrator
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SUBJECT: SB 38 – Jobs and Transportation Act Reallocations

INTRODUCTION

Senate Bill 38 gives the Oregon Transportation Commission the authority to reallocate dollars projects identified in the 2009 Jobs and Transportation Act.

BACKGROUND

The 2009 Legislature passed the Jobs and Transportation Act (JTA) that provided \$960.3 million in bonded revenue for projects identified in the Act and allocated dollars to those projects. The bill also made specific allocations to local governments in Eastern Oregon. Under current law any reallocations of funds must be made by the legislature by law. After this year, of the 51 original projects funded under Section 64 of the JTA only nine projects will still be under construction. Several of those nine are using remaining dollars from the original allocation within the original project boundaries designated by the legislature. As we enter the eighth year of the program, the majority of the projects and the program are nearing completion.

Managing these projects has been a challenge. At the time the program passed, the Bill assumed receiving more than \$140 million in Congressional earmarks for eight of the projects identified in the JTA. Shortly after passage of the Act, Congress stopped earmarking projects. Despite the lack of earmarks, ODOT still managed to complete most projects on or under budget, and still deliver some additional components after scaling back projects. We also delivered most projects either on or ahead of schedule.

WHAT THE BILL DOES

The bill gives the Oregon Transportation Commission the authority to reallocate any remaining funds on projects identified in the Jobs and Transportation Act. The bill requires that the commission first meet transfer obligations that the legislature has previously directed, which directs savings on three of the remaining nine projects.

In addition, the bill sets up criteria that the commission must follow when making any reallocations. The commission may only reallocate remaining funds to projects identified in Section 64 within the same ODOT region as the completed project, following the legislature's previous practice. This further limits the remaining projects to essentially three projects: OR 140, Newberg-Dundee and Sunrise.

Finally, the bill allows the commission to reallocate savings to leveraged federal grant funds. In the federal FAST Act (Fixing America's Surface Transportation Act), a series of large grant programs were set up. To be eligible and competitive for these grants, a significant amount of state funds are required. As these grant opportunities become available, having another source of scarce state funds to potentially leverage large sources of federal funds is extremely helpful.

SUMMARY

Senate Bill 38 gives the Oregon Transportation Commission the authority to reallocate remaining dollars from Jobs and Transportation Projects with very specific criteria, ensuring those dollars are put to use as quickly as possible on critical transportation infrastructure.