



Oregon

Kate Brown, Governor

Department of Transportation

Director's Office
355 Capitol St. NE, MS 11
Salem, OR 97301

DATE: February 21, 2018
TO: Joint Committee on Transportation
FROM: Matthew Garrett, Director
SUBJECT: HB 4060, Transportation Funding Package

Dear Members of the Joint Committee on Transportation:

As follow up to the testimony on HB 4060, the Oregon Department of Transportation would like to submit the following outstanding issues for consideration.

- **Section 1: Clarification of indirect fiduciary interest as related to the members of the Oregon Transportation Commission.** The Oregon Department of Transportation respectfully suggests replacing the language in HB 4060 with the following language to clarify both the intent and the application of fiduciary interests:

(3) At the time of appointment, a member may not have any direct financial interest related to the commission's duties.

(4) In the event that a commission member has a direct financial or fiduciary interest related to a matter under consideration by the commission, the member shall declare the conflict and abstain from deliberations and voting on the matter under consideration by the commission.

(5) When the Commission cannot take action because there is insufficient qualified commission members to vote, then those commission members who are disqualified from participation because of a conflict of fiduciary interest, may be eligible to vote, but may not participate as a public official in any discussion on the issue out of which the conflict arises.

- **Section 2: Modification of 20 year plan language.** The Oregon Department of Transportation respectfully suggests the following language replace the current in order to be in alignment with the Investment Strategy adopted by the OTC:

The OTC shall adopt an Investment Strategy every 5 years. This Plan should describe the state of the transportation system, planned improvements and 20 year projections of the needs of the system based on forecasted revenue. The Plan should also identify critical projects needed that are not projected to be funded.

- **Sections 10, 11, 12: Reduction of heavy fees.** ODOT implemented these increased fees in the system as part of the initial HB 2017 implementation work and would need to roll back the work already done.

- **Section 14, 15: Allocation splits for bridges, seismic, pavement, culvert and maintenance.** The allocation splits in HB 2017 are out of alignment with the investment strategy the OTC adopted, which will result in pavement conditions deteriorating at an advanced rate. Should the committee not wish to accept the modifications in HB 4060 to align the statute with the OTC strategy, the Transportation Commission could align federal funds to ensure the splits remain in line with the needs of the system condition as identified through the adopted investment strategy. (Already in HB 4060)
- **Section 17: Quarterly allocation reports.** ODOT's language in HB 4060 suggests semiannual reporting to align with our revenue forecast, as well as reporting on how the agency is meeting the allocation requirements. (Already in HB 4060)
- **Section 35, 36, 37: Just compensation for billboards.** All parties have agreed to language that is being drafted.
- **-3 Amendment: Repeal of the feasibility study.** ODOT believes that this language was a vestige from an earlier version of HB 2017 when the regional bond component was in the original bill and that a local feasibility study for cost responsibility is no longer necessary.
- **-7 Amendment: Aggregate.** ODOT and OCAPA worked through the interim and determined that additional collaboration with ODOT, OCAPA, DOGAMI, AGC and AOC to assess Oregon's aggregate reserves would fix the issues in sections 4 and 5. The -7 amendment is an additional policy discussion outside of that agreement that does not directly impact ODOT.
- **Conceptual Amendment: JPACT request to slow down value pricing.** This is not in alignment with the ODOT timelines to meet the bill deadlines. ODOT has no need to slow down the value pricing work.

The agency appreciates the consideration on the items above and intends to submit an agency bill in the 2019 legislative session to continue to address any outstanding issues from HB 2017. Many issues were not introduced as part of HB 4060, given less urgency for resolution.