



July 12, 2024

DELIVERED VIA EMAIL

Joint Committee on Transportation
900 Court Street NE, Room 453
Salem, OR, 97301

Re: Transportation Accountability, Transparency, and Funding Mechanisms

Dear Co-Chairs McLain and Gorsek and members of the Committee,

As you consider sources of funding for transportation, you might consider best practices from around the country.

When I was on faculty at the University of Oregon, I led a research project about the [Effectiveness of Transportation Funding Mechanisms for Achieving National, State and Metropolitan Economic, Health and Other Livability Goals](#).

We developed a toolkit for states and metropolitan planning organizations (MPOs). In [Better Outcomes: Improving Accountability & Transparency in Transportation Decision-Making](#) (executive summary attached), we recommended a four-phase outcomes-based cycle, illustrated with best practices from around the country:

Phase 1: Planning

What outcomes do we want? What investments will be effective?

Phase 2: Governance & Finance

What sources of money are available? How can it be used? Who decides how to use it?

Phase 3: Programming

What investments do we make?

Phase 4: Reporting

How did our investments perform? What do we tell the public?

Although Phase 2 is especially relevant to your work, all phases are needed to be effective.

Regards,

A handwritten signature in black ink that reads "Rob Zako".

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Executive Summary

This report aims to help policymakers and staff at all levels of government make transportation investments that serve the public better.

Amazingly, we simply don't know how effective government spending is at achieving the outcomes the public expects and has been promised! Clearly, taxpayer dollars buy roads, bus service, airports, ferry service, and other transportation facilities and services. But it is unclear how well such investments help get people where they want to go, create jobs, improve public health, support community development, and provide other benefits. In other words, it is uncertain how cost-effectively the means (transportation investments) achieve the ends (public benefits)—how much “bang for the buck” transportation investments provide.

States, metropolitan planning organizations (MPOs) and local governments have opportunities to incorporate outcomes into all phases of transportation decision-making. This report recommends that governments make transportation investment decisions using a four-phase outcomes-based cycle: planning, governance & finance, programming, and reporting.

In more detail, this report offers eight sets of recommendations, summarized in Table 2, to improve on current guidance and practice:

Phase 1: Planning

What outcomes do we want? What investments will be effective?

- ➔ Develop performance measures that reflect local priorities.
- ➔ Plan to achieve desired outcomes cost-effectively.

Phase 2: Governance & Finance

What sources of money are available? How can it be used? Who decides how to use it?

- ➔ Tie sources of funding to desired outcomes.
- ➔ Provide flexibility to make cost-effective investments.
- ➔ Delegate investment decisions to policymakers with sufficiently broad authority.

Phase 3: Programming

What investments do we make?

- ➔ Make cost-effective investments to achieve desired outcomes.

Phase 4: Reporting

How did our investments perform? What do we report to the public?

- ➔ Analyze outcomes and adjust expectations.
- ➔ Report returns on investments to taxpayers.

Our recommendations are not entirely new, but rather build on the Moving Ahead for Progress in the 21st Century Act (MAP-21) and especially the Federal Highway Administration's *Performance-Based Planning and Programming Guidebook*.

Although a performance-based approach is good, we recommend focusing on **outcomes** more than **output measures**. Outputs are the actual product or service provided by an organization: added or repaired highway lane-miles, hours of bus service, and miles of sidewalks. But what really matters to Americans are the outcomes that might or might not result from the direct products of transportation spending: How many people get to work how much faster? How many new jobs are created? How well are downtown businesses thriving? To what extent are people walking and bicycling more and living healthier lives?

We also highlight the critical importance of transportation **governance and finance structures**. Typically, higher levels of government set the "rules of the game" by which lower levels of government must play: What sources of money are available? How can it be used? Who decides how to use it? Such structures can help or hinder efforts to make cost-effective investments to achieve desired outcomes.

We also recommend a greater emphasis on **accountability and transparency**—to the public. Longer and more detailed technical documents such as investment programs and budgets are necessary and useful within and amongst governments. But to enjoy the trust and support of taxpayers, governments at all levels need to be more accountable in reporting outcomes achieved and more transparent in communicating how decisions are made.

We hope these ideas will inspire some states, MPOs and local governments to improve their transportation decision-making processes to better deliver results to the public, and to provide increased accountability and transparency.

This report outlines an ideal four-phase process for delivering the transportation outcomes the public wants. Although various states and MPOs are successfully adopting some elements of this ideal process, none have yet embraced all elements. Fortunately, it isn't necessary to attempt all steps as once. Progress can be made incrementally. For more details, see the examples and references. The final section offers suggestions on getting started with an outcomes-based approach.

Ultimately, especially in an era of limited resources, we all have reasons for making sure that transportation investments can be stretched further and do more to deliver results to the public. Let's keep sharing with each other what works best.