



## ALEX CUYLER

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Intergovernmental Relations Manager  
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DATE: January 31, 2023  
TO: Joint Committee on Transportation  
FROM: Alex Cuyler, Lane County Intergovernmental Relations Manager  
RE: HB 2101, relating to highways

Dear Co-Chair Gorsek, Co-Chair McLain and Members of the Committee:

Lane County wishes to express our support for HB 2101 which would codify the Surface Transportation Block Grant Fund Exchange Program in statute and provide a sustainable funding source for local roads and transportation needs.

County roads are a critical part of our statewide road systems, and are integral to the transportation of goods and people. In Oregon, counties are responsible for 62 percent of non-federal roads and 41 percent of bridges. Because of the Funds Exchange Program (FEX), Lane County Public Works has been able to budget for at least nine different necessary road repair and improvement projects.

We also want to emphasize that while Lane County is certified by the Oregon Department of Transportation to deliver federal projects, many of the smaller cities in Lane County are not certified. Without the ability to exchange federal dollars for state dollars, they have no way to efficiently utilize federal dollars.

When receiving federal money, local governments are faced with burdensome license and reporting requirements. The Funds Exchange Program alleviates these costly restrictions by converting federal funding to state funding. This program is also a revenue generator for ODOT due to the generous federal exchange rate, creating a win-win situation for both parties.

Even though FEX is an effective program, ODOT is proposing to cut the program budget by 50 percent in 2023 and possibly eliminate the program in the coming years due to their Operations and Maintenance deficit issues. Local governments would be severely impacted if ODOT makes these proposed cuts. Through HB 2101, the Legislature has the ability to ensure the survival of this program by removing restrictions that prevent ODOT from flexibly exchanging funds.

In FY 2022-23, Lane County Public Works received \$1,125,000 through ODOT Funds Exchange. Losing this revenue and being burdened with the costs of federal-aid requirements would make a significant impact on our ability to operate and maintain safe roadways. HB 2101 is a smart use of taxpayer dollars and supports state and local governments' transportation needs.

Thank you for the opportunity for Lane County to provide its perspective on this bill.