

Submitter: Susan McCalib
On Behalf Of:
Committee: Joint Interim Committee On Transportation
Funding
Measure, Appointment or LC 2
Topic:

I am writing to express significant concerns regarding the proposed tax increases during the special legislative session scheduled for August 29, 2025, to address the Oregon Department of Transportation's (ODOT) \$350 million budget shortfall.

While I recognize the need for stable transportation funding, I strongly oppose any new taxes or fee hikes—such as the proposed 6-cent gas tax increase, \$42 vehicle registration fee hike, \$139 vehicle title fee increase, \$30 electric vehicle surcharge, and the Payroll Tax doubled to 0.2% tax on wages—until ODOT addresses its systemic financial mismanagement. A recent audit revealed that ODOT overestimated its 2023-25 budget revenue by a staggering \$1.1 billion, nearly 19% of its \$5.9 billion biennial budget. This error, attributed to an over-reliance on a flawed cash flow model and failure to reconcile projected revenues with actuals, demonstrates a critical lapse in fiscal oversight. Such a significant miscalculation undermines public trust and raises questions about the competence of ODOT's upper management.

Before any additional taxpayer funds are allocated, I strongly urge:

1. ****A Comprehensive, Independent Audit****: The Secretary of State must conduct a thorough performance audit of ODOT's budgeting processes, project cost estimates, and financial controls to identify the root causes of this billion-dollar error and prevent future mismanagement.
2. ****Accountability for Upper Management****: Those responsible for this egregious oversight, including senior leadership, must be held accountable. I call for the immediate termination or resignation of key ODOT executives involved in the budgeting process, as their failure has jeopardized essential services and public safety.
3. ****Transparency in Fund Allocation****: Any new revenue must be accompanied by clear, enforceable measures to ensure funds are used efficiently for critical maintenance and operations, not misallocated or wasted on poorly managed projects.

Raising taxes without addressing these issues is unacceptable and burdens Oregonians already facing high costs, including the nation's fourth-highest gas prices. I urge you to prioritize accountability and explore alternative solutions, such as redirecting existing emergency funds, as suggested by House Minority Leader Christine Drazan, to avoid further taxing struggling families.

I respectfully request that these concerns be addressed before any vote on new taxes during the special session. Oregonians deserve a transportation agency that manages public funds responsibly.

Sincerely,
Susan McCalib