



August 25, 2025

Joint Interim Committee On Transportation
900 Court St. NE, Salem, Oregon 97301

RE: Counties Urge Support for Transportation Funding, Legislative Concept 2

Co-Chairs Wagner and Fahey, Co-Vice Chairs Bonham and Drazan, Members of the Joint Interim Committee On Transportation Funding,

The Association of Oregon Counties (AOC) and the Oregon Association of County Engineers and Surveyors (OACES) have long advocated for a comprehensive transportation funding package that stabilizes, modernizes, and diversifies the State Highway Fund. Legislative Concept 2 is an important stopgap measure that addresses many short-term needs and will allow counties to maintain current services and operations.

Oregon counties are responsible for the largest share of Oregon's public road system, with over 32,000 miles and over 4,000 bridges. The county road system is very diverse – a third of our road miles are unpaved, they are urban and suburban, rural and rural residential, they are forest roads, farm-to-market routes, alternatives to state highways, and critical emergency routes.

AOC particularly appreciates that LC 2 maintains the traditional 50/30/20 State Highway Fund Distribution formula. Counties are the state's partner in maintaining a safe and seamless shared transportation system, and shared revenues through the 50/30/20 State Highway Fund formula support this partnership.

AOC is also grateful that the Small County Allotment is included in LC 2. The Small County Allotment, Section 20, redistributes a small percentage of the counties' 30% share of the State Highway Fund outside of the typical county formula to the smallest population counties, based on a ratio of road miles to registered vehicles. This county-initiated and county-supported allotment ensures low-population counties can maintain their thousands of road miles and bridges.

Historic inflation, lost federal support, labor shortages, and persistent supply chain disruptions for basic construction materials have severely limited the number of road preservation, safety, and deferred maintenance projects Oregon counties can afford. The county revenue forecast over the next five years shows a 59 percent annual shortfall for county road departments statewide. This threatens counties' ability to maintain their share of the road system in a safe condition.

Since 1990, declining revenues have forced counties to reduce operations and maintenance personnel by 30%. Over 400 road personnel are currently needed statewide to return county road services to adequate staffing levels. Oregon counties have downsized road crews, reduced services, postponed crucial safety interventions, and delayed routine maintenance for decades.

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Without new, sustainable, and stable revenue, our roads will deteriorate and become more dangerous.

AOC estimates that without new revenue, over the next five years, more than 4,500 miles of county roads will go without critical maintenance work and will quickly deteriorate beyond repair, over 800 miles of county roads will go without needed reconstruction, and 169 county bridges will miss essential maintenance. Without maintenance work, a \$40,000 per-mile repair will become a \$630,000 per-mile road reconstruction. Without bridge maintenance, heavy vehicles such as school buses, agricultural equipment, and emergency vehicles will be rerouted and forced to travel much farther.

AOC and OACES support LC 2 and urge the legislature to work with your partners to develop a comprehensive statewide transportation package that addresses long-term systemic needs in the 2027 legislative session. Oregon needs a modernized and sustainable transportation funding plan. Counties are grateful to be included in the discussion, and we hope to have the opportunity for more in-depth conversations going forward.

Sincerely,

Brian Worley
County Road Program Director
Association of Oregon Counties

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Legislative Affairs Director
Association of Oregon Counties

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