
To the Joint Interim Committee on Transportation Funding,

I am preparing this testimony in response to the Special Session to address the Oregon Department of Transportation's (ODOT) funding gap. I am a state employee, though I do not work at ODOT. I provide this testimony anonymously to avoid implying a policy position of my agency. I thank Strong Towns PDX for submitting this testimony anonymously on my behalf. The views expressed herein are my own and provided outside of the official capacity of my employment.

Currently, ODOT faces a funding gap of \$354 million dollars to maintain the existing level of service for the 2025-27 biennium. This funding is necessary to maintain critical services related to road maintenance, technical support, and operations. In addition to this baseline, House Bill 2025¹ included many additional capital expenditures financed through an increase in taxation. This Special Session is a direct consequence of that bill's failure to pass during the 2025 Session.

While ODOT's funding gap poses immense risk to the agency's core functions, it is also important to acknowledge the reason for HB 2025's demise. Among the many provisions the bill accomplished, it did so with substantial additional taxes levied on Oregonians.

In response to this tax, Oregon Republicans, and some Democrats, framed the additional taxes as spending money the state could not afford on wasteful or unnecessary measures. While the criticism of wasteful spending was accurate, these actors completely ignored the main culprit driving these additional costs - highway expansions.

Highway expansion costs disproportionately more than comparable investments in maintaining our transportation network. For an illustration of the scale of this disparity, the Republican-backed transportation bill proposed complete elimination of investments for walking, cycling, and passenger rail, amounting to a total savings of \$85 million dollars, according to their own press release². Compare that investment to a single project: the Rose Quarter "Improvement Project" - a highway expansion currently estimated to cost \$2.1 billion. Put another way, **this single highway project is estimated to cost twenty-five fold of all state biennial investment in walking, cycling, and passenger rail.**

To be clear, investments that encourage driving at the expense of other modes will continue to drive the state deeper into financial precarity. This is not an opinion - it is a physical consequence of the fourth power law³. Frequent usage of roads by heavy vehicles causes exponentially more wear than lighter vehicles. This effect is exponential, meaning the impact of pedestrians and cyclists to roads is so low as to be negligible in comparison to cars and trucks.

From simply a financial perspective, the single most fiscally responsible action the state can take is to invest in alternatives that provide Oregonian's alternatives to driving, including walking, biking, and transit. Every time an individual chooses to walk to a nearby store, ride a bike to an appointment, or take light rail to work, that individual saves drivers and the state a substantial amount of time and money by substantially reducing stress on Oregon's roads.

¹ <https://olis.oregonlegislature.gov/liz/2025R1/Measures/Overview/HB2025>

² <https://www.oregonlegislature.gov/houserepublicans/Documents/Press%20Release%20House%20Republicans%20Announce%20Proposal%20that%20Protects%20Families%20from%20Tax%20Increases%20Stabilizes%20Transportation.pdf>

³ https://en.wikipedia.org/wiki/Fourth_power_law

This is in contrast to investments in highway expansions, which induce driving and force drivers and the state to pay for the increased time spent in traffic and wear on state and local roads. While the increase to car travel creates larger motor vehicle fuel receipts and registration fees, this increase will never be sufficient to offset the increased maintenance liabilities created by the investment. As a case in point, ODOT's revenue from taxation on motor fuels has remained flat⁴ in spite of year-over-year increases to vehicle miles traveled⁵. This is a dynamic that can only be fixed by either 1) increases in taxation or 2) decreases in expenditure.

In light of the upcoming Special Session, this means that there is a clear path to both addressing ODOT's budget shortfall while simultaneously avoiding or minimizing tax increases for Oregon households:

Cancel the Rose Quarter Expansion.

The Rose Quarter "Improvement Project" is in a precarious financial position due to ODOT leadership's mismanagement. The project ballooned from an original \$450 million estimate to \$2.1 billion today, and ODOT concedes this price will continue to increase beyond this estimate⁶. In addition to this, federal funding for the project has been rescinded by Congress, meaning the full cost of an expansion would fall to Oregon households to pay for. Said another way, **Oregon taxpayers are almost entirely on the hook to pay for this expansion and it will force the state to increase taxes to pay for it.** And this is ignoring other highway expansions that will similarly cost billions of dollars to complete.

I direct this message in particular to Legislators who insist on keeping taxes low for Oregonians - it is not possible to deliver on the promise of low taxes while retaining currently planned highway expansions, most notably the Rose Quarter. It is fiscally impossible to do so, even if the Legislature rescinded every single dollar of investment from other modes and from ODOT's core functions to maintain our state transportation network.

I also direct this message to state officials that insist that the Rose Quarter expansion must proceed, even at the direct cost to the livelihood of ODOT employees and the state's broader transportation network. I believe it is particularly reckless to bargain the livelihood of employees on the bet that the Legislature will continue to bail out the agency's financial mismanagement.

Finally, this response has focused only on the fiscal reality ODOT faces, ignoring the additional safety and livability impacts associated with ever increasing investment in highway expansion. For concision, I will omit discussing these further to highlight the key point of this testimony:

Cancelling unnecessary highway expansions is the single most fiscally responsible option the state has to reduce taxation burden for Oregonians while maintaining its existing transportation system.

Thank you for the opportunity to submit this testimony,

A concerned Oregonian

⁴ <https://www.oregon.gov/odot/about/pages/transportation-funding.aspx>

⁵ https://www.oregon.gov/odot/Data/documents/VMT_Statewide.pdf

⁶ <https://www.oregonlive.com/politics/2025/05/pricetag-for-portlands-rose-quarter-free-way-project-could-exceed-2-billion-officials-now-say.html>