

**DRAFT 08/14/2014 – NOT ENDORSED OR APPROVED BY ANYONE**  
**Draft Straw Man to be proposed to the Oregon Transportation Forum**

	Road Funding	Non-Road Funding
<p>Fix-It – Safely operate and maintain the existing transportation system with improved reliability and efficiency</p>	<ul style="list-style-type: none"> <li>• Index the Highway Trust Fund for fuel efficiency and inflation to avoid continued loss of purchasing power.</li> <li>• Increase Highway Trust Fund Revenues by approximately \$300 million per year</li> <li>• Distribute to ODOT/Counties/Cities 50/30/20 (\$150 million/\$90 million/\$60 million)</li> <li>• Increase Small City allotment program from \$1 million to \$2 million from the City share</li> <li>• Example revenue sources (comparable to JTA):               <ul style="list-style-type: none"> <li>→ Implement the reforms recommended in the DMV Cost of Services Study (September 23, 2013) - \$42 million</li> <li>→ Increase Vehicle Registration Fee from \$43 to \$68 - \$130 million</li> <li>→ Increase Gas Tax from 30 to 35-cents - \$133.5 million</li> <li>→ All sources maintain heavy/light vehicle cost responsibility</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Increase the state funding contribution to transit services for the elderly and disabled from approximately \$10 million per year to \$30-50 million per year.</li> <li>• Provide \$22.6 million per biennium to continue operation of the Cascades AMTRAK service between Eugene and Vancouver, BC</li> </ul>
<p>Enhance – Upgrade the transportation system to meet goals for economic development and livability</p>	<p>Increase the gas tax and weight-mile tax 5-cents for an expanded multi-modal “Enhance” program</p> <ul style="list-style-type: none"> <li>• Distribute 50% to expand the ODOT “Enhance” program and supplement existing state and federal funding sources for improvements of state significance.</li> <li>• Distribute 50% to establish a complimentary regional and local “Enhance” program to supplement and integrate with existing federal Surface Transportation Funds (STP) distributed to metropolitan planning organizations and cities and counties outside MPOs for projects of regional and local significance.</li> <li>• Consider consolidating funds to cities and counties outside MPOs to be managed as a multi-modal, multi-jurisdictional “Enhance” program by the ACTs.</li> </ul> <p>Increase the gas tax and weight-mile tax by 1-cent for a 10-year pilot program to facilitate the transfer of road jurisdiction between ODOT and local governments.</p>	<p>Restore Connect Oregon funding to the \$100 million per biennium level:</p> <ul style="list-style-type: none"> <li>• Dedicate funding to non-highway passenger and freight improvements.</li> <li>• Establish a long-term plan for a Multi-Modal Trust Fund to expand the program and establish it on an on-going basis to be administered for non-highway, multi-modal improvements with continuity and consistency similar to the Highway Trust Fund.</li> </ul>

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<p>Policy – Implement policy/programs to improve the efficiency and effectiveness of transportation service delivery and the safety and sustainability of the transportation system</p>	<ul style="list-style-type: none"><li>• Direct the development of a 10-year multi-modal strategic transportation needs assessment to serve as the basis for future funding proposals.</li><li>• Preserve local funding options</li><li>• Continue the phase-in of a road user charge:<ul style="list-style-type: none"><li>→ Extend the road user charge to include 55+mpge</li><li>→ Provide for a peak period time and place opt in option</li><li>→ Direct the Road User Fee Task Force to develop a full phase-in plan</li></ul></li><li>• Enact policies to further advance implementation of plans for greenhouse gas reduction.</li><li>• Incentivize to co-location of ODOT and local government road maintenance facilities.</li></ul>
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## ***OREGON TRANSPORTATION FORUM DRAFT TRANSPORTATION FUNDING AND POLICY PROPOSAL (“STRAW MAN”)***

Oregon’s roads are crumbling. Freight movement faces serious bottlenecks. Many bridges need reinforcement to withstand earthquakes. Our public transit agencies are unable to keep up with demand for service. Some rural communities do not have easy access to essential services. Many Oregonians are unable to safely walk or bicycle in their neighborhoods. Past transportation decisions have failed to adequately consider impacts on public health and the environment. Federal funding is more and more tenuous, and instead of financing new projects, a large portion of current funds must pay off earlier investments.

While transportation is not an end in itself, a safe and reliable transportation system provides a critical foundation for our prosperity and quality of life. It is our responsibility to invest in a better transportation system, immediately and over the long run, to ensure the health and economic wellbeing of our state’s residents and communities.

It is for these reasons that the following proposal is being considered.

### **GOALS OF THE PROPOSAL**

- Put Oregonians to work creating cutting-edge multimodal transportation networks to connect people to jobs, attract new talent, and compete on a global scale.
- Address costly and time-consuming freight bottlenecks and improve connections to ports and freight yards to better serve agriculture, forestry, manufacturing and other key Oregon industries.
- To keep goods and people moving safely and reliably, maintain the transportation system in a state of good repair and increase its resiliency to natural disasters.
- Improve public health and air quality by making our neighborhoods walkable and bikeable and improving access to transit.
- Serve all Oregonians in every part of the state without regard to age, race, disability, or income.
- Reduce transportation-related pollution, preserve our natural environment, and make our transportation system more resilient to the impacts of climate change.

### **THE STRAW MAN APPROACH**

Each proposal below has a brief explanation of the proposal, editorial comments and a location for each organization to indicate whether they believe the proposal should be included, modified, or excluded from a 2015 proposal. If it is decided that the proposal should be included, it will be prioritized based upon a ranking from 1 (low priority) to 4 (high priority). OTF Members and participants are strongly encouraged to provide alternatives or refinements to the proposals contained below if they do not meet the needs of your organization. The Straw Man proposals below come from the work groups established at the OTF February meeting and from input over the last several months and do NOT REPRESENT ANY FORMAL DECISION OF THE OTF. They represent a starting point to determine what proposals, if any, should be

forwarded to the Legislature and whether they will be submitted to the OTF membership for formal support.

## ***PRINCIPLES***

- **FUND ALL MODES:** There is an urgent need to provide adequate funding for all transportation modes that move passengers and freight in order to support economic prosperity, community livability, and environmental quality.
- **FIX IT FIRST:** The State of Oregon's first priority should be to maintain, rehabilitate and operate existing transportation facilities before building new ones.
- **PROVIDE RELIABLE FUNDING:** Stable and predictable revenues are critical to support ongoing road operations and maintenance as well as transit service enhancements.
- **SHARE COSTS FAIRLY:** The State of Oregon should raise revenue from system users, as appropriate, based on the benefits they derive or the costs they impose on the system.
- **PRESERVE LOCAL OPTIONS:** Addressing our transportation needs will require new funding at all levels of government. Accordingly, the Legislature should remove existing restrictions on local and regional revenue-raising authority and avoid enacting new limitations or pre-emptions.

## ***PROPOSALS***

**FIX-IT: Increase funds to safely operate and maintain the existing transportation system with improved reliability and efficiency**

- **Prevent loss of revenue and purchasing power of highway funds by indexing taxes and fees to inflation.**

**Comments:** This form of indexing alleviates the need for legislative action in order to counter the impact of inflation on the purchasing power of highway revenues. It would be applied to both heavy and light vehicles (trucks and cars) and therefore would meet the cost responsibility requirement of the constitution. The intent is merely to keep from falling behind, and the focus of this increased revenue would be on maintenance and operations rather than on building new facilities.

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SUPPORT  MODIFY  EXCLUDE

PRIORITY \_\_\_\_\_ (Rate 1 low – 4 high)

- **Prevent loss of revenue and purchasing power of highway funds by indexing gas taxes to increases in fuel efficiency of the automobile fleet.**

**Comments:** This form of indexing acts as a stop-gap measure to prevent further erosion of automobile taxes due to increased fuel efficiency of the fleet until a road user charge can be fully implemented. It does not resolve the problem of non-paying highway users, nor does it impact truck taxes as the indexing will only prevent reduction of revenue owed by automobiles as a class under the cost responsibility requirement of the constitution. As with indexing for inflation, the point of indexing for fuel efficiency would be to stabilize revenues available for maintenance and operations.

SUPPORT  MODIFY  EXCLUDE

PRIORITY \_\_\_\_\_ (Rate 1 low – 4 high)

- **Increase funds to maintain highway infrastructure by adopting a \$300 million/year increase for maintenance and preservation of state/county/city highways and roadways. (50/30/20 split). For illustrative purposes only, this could be accomplished by adoption of the following:**

- Implement reformed fee structure recommended in the *DMV Cost of Services Study (2013)* - \$42 million
- Increase vehicle registration fee from \$43 to \$68 - \$130 million
- Increase gas tax from 30 to 35 cents - \$133.5 million
- Total: \$305.5 million  
(Revenue totals for vehicle registration fee and gas tax include heavy/light vehicle cost responsibility)

**Comments:** This proposal is comparable in size to that adopted by the Jobs and Transportation Act of 2009. It preserves the usual 50/30/20 split between state/county/city, providing much needed maintenance funds to all state, county and city operators of the road and highway system. In addition to basic maintenance and operations, the state portion of this fund could be used for seismic retrofitting, replacement of DMV’s computer system, or maintaining rest areas (currently supported by revenues from the sale of drivers’ records).

SUPPORT  MODIFY  EXCLUDE

PRIORITY \_\_\_\_\_ (Rate 1 low – 4 high)

- **Provide \$22.6 million per biennium for Cascades AMTRAK service.**

**Comments:** This proposal requests state general funds to cover the lost federal and state funds that were used to operate and maintain Oregon’s portion of the Cascades AMTRAK service. This amount is in addition

to \$6.8 million from custom license plate revenue and \$3.16 million from gas taxes on lawn mowers and other non-road equipment.

SUPPORT  MODIFY  EXCLUDE

PRIORITY \_\_\_\_\_ (Rate 1 *low* – 4 *high*)

- **Provide up to \$75 million per biennium of state funds to cover the cost of elderly and disabled transit service.**

**Comments:** This proposal is intended to provide stability to funding for elderly and disabled transit services and provide a nexus for transit related state planning efforts. The rationale is that the state already has significant responsibility for providing services to vulnerable populations. Most of the funding for those services comes from the General Fund.

SUPPORT  MODIFY  EXCLUDE

PRIORITY \_\_\_\_\_ (Rate 1 *low* – 4 *high*)

### **ENHANCE: Increase funds to support economic development and livability by enhancing the existing transportation system**

- **Adopt a 5-cent gas tax increase with an equivalent increase in truck taxes for a state and local “Enhance” program to improve and expand the transportation system. Fifty percent would be directed to the ODOT “Enhance” program for projects of state significance and fifty percent would be distributed according to the existing formula for federal Surface Transportation Program (STP) funds that are distributed to metropolitan regions and to cities and counties outside metropolitan regions for projects of regional and local significance (alternatively, the city and county portions could be distributed through the ACTs). Funds would be focused on improvements to highways, streets and roads and to other modes to the extent permitted under constitutional restrictions on the use of highway funds. Metropolitan areas and localities may choose to allocate funds to projects of statewide significance since these projects also provide substantial regional and local benefit.**

**Comments:** This proposal generates \$133.5 million per year. The proposal maintains a 50/50 split between an ODOT “Enhance” program for projects of statewide significance and a regional/local “Enhance” program managed by metropolitan areas and cities and counties outside metropolitan areas (or by MPOs and ACTs).



DRAFT

SUPPORT  MODIFY  EXCLUDE

PRIORITY \_\_\_\_\_ (Rate 1 *low* – 4 *high*)

- **Increase funds to enhance non-highway modal infrastructure by restoring the *Connect Oregon* multi-modal funding level to \$100 million in lottery bonds for the 2015-17 biennium. Funds would be used for grants and loans to support capital projects that involve one or more of the following modes of transportation: air; marine; freight rail; passenger rail; public transit; bicycle; and pedestrian.**

**Comments:** This is a short-term step to be taken while we progress toward the creation of a Multi-Modal Trust Fund analogous to the Highway Trust Fund, with dedicated revenues evenly split between passenger and freight investments.

SUPPORT  MODIFY  EXCLUDE

PRIORITY \_\_\_\_\_ (Rate 1 *low* – 4 *high*)

- **Increase funds to enhance non-highway modal infrastructure by establishing a Multi-Modal Trust Fund analogous to the Highway Trust Fund. This would increase the *Connect Oregon* multi-modal funding level to \$198 million per biennium by dedicating 18% of lottery funds to the program. 50% of funds would be used for non-highway freight projects under the traditional *Connect Oregon* model, i.e. grants and loans to improve the movement of freight through capital projects that involve one of the following modes of transportation: air; marine; and rail other than passenger rail. 50% would be committed to non-highway passenger projects and operations and would be used to provide grants and loans to facilitate the movement of people through capital projects (or operations of a transit system) that involve one or more of the following modes of transportation: public transit, including operations; passenger rail; bicycle; and pedestrian.**

**Comments:** This proposal represents the concept forwarded as *Connect Oregon Plus* during the 2013 legislative session. It includes transit operation as an eligible expenditure in addition to air, marine, rail, transit, bike and pedestrian capital projects and divides the overall program evenly between freight and passenger investments. It establishes a Multi-Modal Trust Fund to allow for long-term planning and scheduling of projects on a systematic basis analogous to the Highway Trust Fund. It is generally acknowledged that obtaining a dedicated stream of lottery dollars of this magnitude will be difficult, and discussion continues related to an alternative dedicated revenue source or combination of sources.

SUPPORT  MODIFY  EXCLUDE

PRIORITY \_\_\_\_\_ (Rate 1 *low* – 4 *high*)

- **Increase funds to maintain highway infrastructure by adopting a 1-cent gas tax for a program to facilitate the transfer of road miles between ODOT and local governments to better align ownership and responsibility with state vs. local interests.**

**Comments:** Infrastructure transfers can be a valuable tool to make sure those impacted by a portion of highway infrastructure have decision making authority over it. Such transfers are not frequent, mostly because of the inability of the receiving entity to pay for maintenance and enhancement of the transferred asset. This proposal seeks to eliminate that obstacle. It is anticipated that a program of this sort would be evaluated after ten years to determine whether it is still needed; if not, the revenue stream could be redirected to the general highway fund.

SUPPORT  MODIFY  EXCLUDE

PRIORITY \_\_\_\_\_ (Rate 1 *low* – 4 *high*)

**POLICY AND PLANNING: Implement policy and programs to improve the efficiency and effectiveness of transportation service delivery and the safety and sustainability of the transportation system**

- **Develop a 10-year multi-modal transportation needs assessment to establish and quantify the need to operate, maintain and improve the system on a consistent statewide basis. This will serve as the basis for funding proposals to be considered by future Legislatures.**

**Comments:** This proposal is intended to provide a thoughtful framework of clearly defined system needs and quantification of costs and benefits associated with such needs in such a way that allows policy makers to make informed future decisions about transportation funding.

SUPPORT  MODIFY  EXCLUDE

PRIORITY \_\_\_\_\_ (Rate 1 *low* – 4 *high*)

- **Recommend that state transportation planning efforts (a) include findings regarding how each mode should best interconnect with other modes to maximize use of system resources and (b) evaluate the impact of the plans' findings on other transportation modes.**

**Comments:** This proposal attempts to eliminate siloed modal planning that does not allow for full consideration of modal connectivity in a systemic and holistic manner.

SUPPORT  MODIFY  EXCLUDE

PRIORITY \_\_\_\_\_ (Rate 1 *low* – 4 *high*)



- **Incentivize the co-location of ODOT and local government road maintenance facilities as appropriate.**

**Comments:** This proposal provides retention of savings from co-location of facilities of different government entities to facilitate and encourage such efficiencies.

SUPPORT  MODIFY  EXCLUDE

PRIORITY \_\_\_\_\_ (Rate 1 *low* – 4 *high*)

- **Direct the Road User Fee Task Force to develop an implementation phase-in strategy for transitioning the gas tax to a Road User Charge.**

**Comments:** This proposal provides legislative direction to continue the development of a road user charge in the hopes of hastening a transition to such a tax method.

SUPPORT  MODIFY  EXCLUDE

PRIORITY \_\_\_\_\_ (Rate 1 *low* – 4 *high*)

- **Enact funding and policy approaches that further advance planning for greenhouse gas reduction in the state’s urban areas, assist with the implementation of those plans, and direct that carbon emissions be considered as part of required land use and transportation plans.**

**Comments:** This proposal builds on existing statutory direction to Oregon MPOs to address greenhouse gas emissions from light vehicles.

SUPPORT  MODIFY  EXCLUDE

PRIORITY \_\_\_\_\_ (Rate 1 *low* – 4 *high*)