

**SENATE COMMITTEE ON GENERAL GOVERNMENT AND  
TRANSPORTATION**

January 11, 2001 Hearing Room 343  
3:00 PM Tapes 01 - 02

**MEMBERS PRESENT:**        **Sen. Gary George, Chair**  
                                  **Sen. Rick Metsger, Vice-Chair**  
                                  **Sen. Bev Clarno**  
                                  **Sen. Ken Messerle**

**MEMBER EXCUSED:**        **Sen. Margaret Carter**

**STAFF PRESENT:**         **Patrick Balducci, Administrator**  
                                  **Nancy Masee, Committee Assistant**

**MEASURE/ISSUES HEARD:**        **Opening Statement by Chair**  
                                  **Introduction of Members and Staff**  
                                  **Adoption of Committee Rules**  
                                  **Overview of Transportation System**  
                                  **ODOT Function and Budget**  
                                  **Road Funding**

These minutes are in compliance with Senate and House Rules. <u>Only text enclosed in quotation marks reports a speaker's exact words.</u> For complete contents, please refer to the tapes.
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<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 01, A</b>		
003	Chair Gary George	Opens meeting at 3:09 pm. Welcomes committee and makes opening remarks.
005	Chair George	Asks committee to approve committee rules that have not changed since previous legislative session ( <b>EXHIBIT A</b> ).
<b>006</b>	<b>Chair George</b>	<b>MOTION: Moves to ADOPT the proposed Committee Rules dated 01/11/01.</b> <b>VOTE: 4-0</b> <b>EXCUSED: 1 – Sen. Margaret Carter</b>
	<b>Chair George</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
008	Chair George	Asks members to introduce themselves and state their expectations for the committee. Introduces staff. States he will announce appointments of the working groups to study <ul style="list-style-type: none"><li>• studded tire damage and fees</li><li>• highway cost allocation</li><li>• measures for streamlining the weight miles taxes</li><li>• alternative road funding mechanisms</li><li>• election reform.</li></ul>
010	Members	Introduce themselves and state their expectation of the committee.
015	Chair George	Gives overview of what his expectations of the legislative session

**ODOT Function and Budget**

090 Grace Crunican

will be. Introduces Grace Crunican.

Director, ODOT. Gives background of transportation system in Oregon. ODOT does not cover aeronautics or marine ports **(EXHIBIT B)**.

States ongoing problems that ODOT faces:

- Large size of the transportation system
- Widespread transportation needs
- Population expansion
- Mother Nature
- Aging roads and bridges

151 Crunican

Shows slides portraying road conditions and charts on funding. Explains management of road repairs and available funding.

178 Sen. Messerle

Asks how Oregon's transportation system compares with other western states.

188 Crunican

Says Oregon is comparable to Idaho presently. Washington seems to be slipping. States there is no standardized way of making comparison of the states across the board due to variations.

214 Crunican

Continues presentation. Shows coastal slides and describes conditions and costs. Describes 2,600 Oregon bridges. Many are aging and in need of repair. Discusses seismic retrofit. Shows slides of weathering and wear on coastal bridges. Gives examples of technology used to repair bridges.

261 Crunican

Continues presentation showing weatherization of roads and relating cost of maintenance. Discusses budgeting of programs.

330 Crunican

Discusses public transportation issues and programs in Oregon:

- General public – rural areas federally funded.
- Elderly and disabled – dedicated federal funds and state funds.
- Demand Management.
- Ride Share Programs.

360 Crunican

Explains division goals. Describes transportation network including rail systems. Describes improvement of quality of vehicles. Safety railroad crossings are a priority. Relates how the Legislature has enabled certain ODOT programs to be successful.

**TAPE 02,A**

026 Crunican

Describes the organizational chart. Explains the Highway Division, Maintenance, Regional Offices, Technical Services, Safety Division, Continues discussing rail safety and showing slides. Discusses volunteer assistance in transportation safety. Continues presenting overview of transportation function and budget.

050 Crunican

Education, driver behavior, Public Transit Division, and DMV programs discussed.

110 Chair George

Asks if cost recovery is important in balancing budgets. Innovative programs such as electronic transmission of applications is discussed.

117 Crunican

Discusses car license automation through car dealers and

		business that can be transacted over the internet. Comments on cost recovery through fees by DMV and constitutional requirement of use of the highway fund.
137	Sen. Messerle	Asks what is the number of employees at ODOT.
140	Crunican	Responds approximately 4,800 including 2,800 Highway employees and 915 DMV employees.
152	Chair George	Asks about Salem danger zones on rails.
168	Crunican	Responds she does not know the specifics on that. Says all investments in program are not completed. In 2000, there were no deaths at crossings. Explains the Motor Carrier Division handles truck inspections, handles safety issues related to trucks, and administers weight-mile taxes Their employees are down to 282.
180	Crunican	States the Transportation Development Division has 128 employees. They collect data and information and monitor the cost responsibility study.
222	Crunican	Discusses research, growth programs, and statewide highway planning. Explains the Central Services Department, which has 559 employees. Their activities include: <ul style="list-style-type: none"> <li>• Financial Services</li> <li>• Human Resources</li> <li>• Information Systems</li> <li>• Port Services</li> </ul>
245	Crunican	Discusses 1999 accountability bills. Describes the bill to raise taxes included accountability but the bill failed; however, ODOT implemented accountability anyway. Describes audit process from private sector that showed no abuse.
280	Crunican	Explains that HB 2478 required a highway construction plan and State Transportation Improvement Plan (STIP).
286	Sen. George	Commends Kay VanSickle’s projects including King City and the Hwy 217 Interchange with as little disruption of traffic as possible.
303	Crunican	Discusses “good customer service” by ODOT. Explains Arch Cape tunnel shutdown for repairs. Comments on rewards for contractors for speedy jobs. Comments on penalties paid for going over timeline. Local communities benefit. Discusses ODOT Efficiency Committee.
368	Crunican	Discusses program budget. Explains the State Transportation Improvement Program (STIP) (page 7). Discusses federally-regulated projects.
<b>TAPE 1,B</b>		
016	Crunican	Comments that private sector participation is sought to serve on area commissions. He noted this has been a successful effort. Explains budget “bubble chart.” Explains revenues collected by ODOT; part goes to counties, parks, universities. Explains program budget related to 1997 and 1999 sessions. States some successes are preservation of bridges and roads.
073	Crunican	Describes the Oregon Transportation Network that has provided funding for the department. Concludes presentation. Asks for

076	Chair George	questions.
080	Crunican	Asks about HB 3465 that recommends streamlining. Responds four approaches to be pursued two by the Legislature and by Rep. Patridge and by Sen. Corcoran.
094	Chair George	Asks about accounting problems.
100	Crunican	Discusses equipment depreciation and allocating funds.
112	Chair George	Comments on partnering already going on. County and state engineers in Jackson county share buildings, equipment, and plan projects.
124	Crunican	States there are good results in ODOT sharing with local governments. Some counties may lack equipment or personnel and good cooperative effort is sought between counties and state.
147	Chair George	Supports sharing whenever possible by state and counties. Wants a highway work environment that enhances cooperation.
160	Crunican	Supports that idea. Says ODOT is trying to eliminate any obstacles.

**Road Funding**

175	Patrick Balducci	Staff. Gives historical overview of Oregon Highway Tax System.  Remarks that 1999 Measure 76 changed the constitution to say that the Legislature shall review highway tax structure every two years and shall adopt adjustments to ensure fairness and proportionality. Measure 82 repealed law that had the five-cent gas tax increase and the weight-mile tax repeal. Discusses "User Pays" concept. Discusses the Highway Cost Allocation Study. Compares other states' methods of financing highways to Oregon's system ( <b>EXHIBIT C</b> ).
240	Balducci	States that Oregon was the first state to conduct a Highway Cost Allocation Study. The 2001 study will soon be published.  Explains the three tiered tax structure of tax. Gives examples of different types of vehicles and how taxes are tied to their weight and number of axles and travel distance. Oregon is rated as having one of the highest motor fuel taxes in the nation, but considering all the other forms of taxation on lighter vehicles by other states, Oregon's taxes would be rated one of the lowest in the nation.
300	Balducci	Continues discussing Oregon Highway Cost Allocation Studies. Shows pie chart on cost responsibility. Shows historical cost responsibility split. Discusses how other states impose taxation for funding compared to Oregon.
	Balducci	Discusses four states that impose weight mile taxes. Diesel tax not imposed in Oregon. Explains chart showing increasing weight distance tax rate by heaviest vehicles.

**TAPE 02, B**

007	Balducci	Continues presentation
050	Sen. Metsger	Thanks Patrick for a succinct explanation of Oregon's tax system.
064	Chair George	Comments on the issue of "fairness" of responsibility.
066	Chair George	Adjourns meeting at 4:45 p.m.

Submitted By,

Reviewed By,

Nancy Masee,  
Committee Assistant

Patrick Balducci,  
Administrator

**EXHIBIT SUMMARY**

**A – Committee Rules, staff, 2 p**

**B – Written testimony, Grace Crunican, 60 pp**

**C – Written testimony, Staff, 17 pp**