

JOINT SENATE REVENUE AND SENTATE TRANSPORTATION COMMITTEES

May 3, 1999 Hearing Room A

3:05 p.m. Tapes 113 - 114

MEMBERS PRESENT: Sen. Randy Miller, Chair

Sen. Thomas Wilde

Sen. Lee Beyer

Sen. Tom Hartung

Sen. Charles Starr

Sen. Marylin Shannon

Sen. Mae Yih

Sen. Susan Castillo

Sen. Gary George

MEMBER EXCUSED: Sen. Ted Ferrioli

Sen. Lenn Hannon

STAFF PRESENT: Dick Yates, Economist, Legislative Revenue Office

Gary Roulier, Administrative Support

MEASURE/ISSUES HEARD: Oregon Department of Transportation on Transportation Issues

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

| TAPE/# | Speaker | Comments |
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| TAPE 113, A | | |
| 003 | Sen. Miller | Opens a joint meeting with the Senate Transportation Committee at 3:13 p.m. and opens an informational meeting on transportation issues. |

OREGON DEPARTMENT OF TRANSPORTATION (ODOT) ON TRANSPORTATION ISSUES

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| 021 | Henry Hewitt | Chair, Oregon Transportation Commission (OTC). Presents (EXHIBIT A), a response to a presentation by Sen. George on transportation issues. Emphasizes that the transportation system continues to deteriorate under current funding levels. |
| 061 | Hewitt | Stresses that ODOT is an efficient, well-managed agency. Responds to the assertion that ODOT has enough money (page 2 of the exhibit). Emphasizes that the budget referred to by Sen. George included a proposed \$2-300 million in bonds. |
| 087 | Sen. George | Responds that his reference was to a proposed budget. |
| 096 | Hewitt | Agrees that Sen. George was referring to a proposed budget and points out that ODOT is proposing an increase for the 99-01 budget. Notes that the total revenues for ODOT for the next biennium are \$1.7 billion (page 3 of the exhibit). |
| 144 | Hewitt | Summarizes the increases in overhead which are a result of spending on information technology and Y2K expenses (page 3 of the exhibit). |
| 166 | Sen. Miller | Inquires about the safety category in the third grouping and how it differs from the safety programs in the second grouping (page 3 of the exhibit). Asks if ODOT has the authority to transfer highway funds to high-speed rail. |
| 171 | Hewitt | Responds that the category in the third grouping refers to anti-drunk driving and other safety education programs. Adds that highway funds cannot be diverted. |
| 196 | Grace Crunican | Director, ODOT. Adds that many of the funds in the rail category are federal railway funds. |
| 209 | Sen. Miller | Asks if ODOT communicates with the congressional delegation to discuss priorities. |
| 211 | Hewitt | Responds that he does not communicate personally but adds that ODOT constantly works to develop priorities and secure funding. |
| 219 | Sen. Miller | Comments that he would encourage ODOT to communicate with the congressional delegation to provide input into state priorities. |
| 229 | Crunican | States that ODOT does work hard to make sure that highway dollars are reinvested in highways. Adds that the high speed rail corridors are funded from the federal Railway Administration program. |
| 248 | Sen. Shannon | Asks if the chair feels that the witnesses adequately answered the question. |

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| | | Discusses lobbying efforts by ODOT to inform the congressional delegation about priorities. |
| 277 | Hewitt | Responds that the objective is to ensure that Oregon receives 100 percent of its share of highway dollars. |
| 286 | Sen. Shannon | Remarks that she does not understand how the OTC chair could not be aware of the lobbyist budget and objectives. |
| 300 | Hewitt | Answers that ODOT is briefed regularly on what is being discussed in Congress. Notes that many projects are approved and lobbied for by regional organizations outside of ODOT. |
| 316 | Sen. Shannon | Asks about specific lobbying efforts by ODOT for light rail. Notes that ODOT publishes materials that list Portland Lightrail first. |
| 327 | Hewitt | Responds that certain federal funds are earmarked for transit and adds that ODOT works to support all transportation providers. |
| 335 | Crunican | Reviews the contractual relationship with lobbyists. Notes that many projects are listed in the Congressional Briefing Book. Emphasizes that light rail being listed first was incidental. |
| 372 | Sen. Miller | Comments that the congressional delegation often sets up some impossible choices. Adds that the pursuit of funds for high speed rail was meant to maximize Oregon's share of federal funds, rather than a statement of priority. |

396 Hewitt Agrees and adds that ODOT's responsibility is to maximize the opportunity to obtain as many funds as possible from the federal government.

TAPE 114, A

003 Sen. Shannon Reiterates that the flexible federal dollars should be redirected to roads.

013 Sen. Beyer Asks about the aeronautic funds and if they can only be used on aviation-related projects. Inquires if railroad funds are being used to improve the safety and condition of rail lines.

024 Hewitt Responds that the aeronautic funds go only to aviation-related projects. Adds that the greatest need for the high speed rail is in the condition of the crossings.

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| 028 | Beyer | Comments that his district almost lost some timber companies due to lack of rail service. |
| 038 | Sen. Wilde | Comments about the use of private funds to pay for high speed rail corridor projects. |
| 045 | Sen. Miller | Asks about the total revenue and how much is available for roads. |
| 061 | Hewitt | Responds with a discussion of which revenues must be used for roads. |
| 081 | Crunican | Adds that the totals would include an additional \$50 million due to a recent analysis provided by ODOT to the Ways and Means Committee. |
| 087 | Sen. Miller | Asks about the administrative costs associated with building roads. |
| 095 | Hewitt | Explains that any administrative costs would need to be directly attributable to road construction or maintenance. Adds that much of the increases in revenue go directly to cities and counties. Comments that there is not a lot of seepage going into overhead. Discusses with Sen. Miller the revenue available for the construction of new roads. |
| 135 | Hewitt | Emphasizes that ODOT is willing to work with the legislature to reprioritize if necessary. Notes that the net revenues available for highway programs will increase approximately \$200 from the last biennium (page 3 of the exhibit). Adds that bridge maintenance will begin to address the long-deferred maintenance of bridges. |
| 173 | Sen. Shannon | Asks if ODOT has considered moving transportation growth management back to the Land Conservation and Development Department (LCDC). |
| 180 | Hewitt | Responds that ODOT is working efficiently with communities to address planning for transportation growth. |
| 193 | Sen. Shannon | Asks how many ODOT employees are in LCDC. |
| 198 | Hewitt | Responds that there are none. |
| 201 | Crunican | Adds that the transportation growth management fund is \$10 million and discusses other budget categories. |
| 222 | Sen. Yih | Asks about the necessity of applying to LCDC and ODOT for the same request. |

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| 237 | Crunican | Answers that transportation growth management is a grant program reviewed by both agencies, but emphasizes the program only requires one application. |
| 254 | Sen. Castillo | Inquires whether federal dollars are flexible and whether ODOT is informed as to the uses by local governments. |
| 272 | Crunican | Responds that ODOT distributes the funds to local governments and does not mandate uses. |
| 282 | Sen. Castillo | Asks how local communities use the flexible dollars. |
| 290 | Crunican | Answers that ODOT has not performed a study. Adds that local communities generally use the funds on smaller preservation projects. |
| 298 | Hewitt | Adds that the use of the flexible dollars varies widely by region. |
| 301 | Sen. Shannon | Asks about staffing of the engineering office in ODOT. |
| 310 | Crunican | Responds by listing staff. |
| 316 | Hewitt | Presents (EXHIBIT B) and summarizes the ODOT budget. Explains ODOT administrative costs (page 103 of the exhibit). |
| 370 | Hewitt | Notes that ODOT expenditures on administration are approximately 7 percent of the total (page 103 of the exhibit). Stresses that the percentage is similar to other states. |

TAPE 113, B

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| 010 | Sen. Miller | Asks about the budget category for government relations which seems to be a greater amount than the lobbying budget (page 109 of the exhibit). |
| 022 | Crunican | Responds that the line item is broad and includes the costs for publications, employee contacts, newsletters, and outreach, in addition to the lobbying budget. Adds that the contract for lobbying in Washington D.C. is \$270,000 per biennium. |
| 032 | Hewitt | Continues with a review of program expenditures (pages 106-109 of the exhibit). |
| 061 | Sen. Miller | Asks for an explanation of the category for special programs and civil rights (page 107 of the exhibit). |
| 069 | Doug Tindall | Maintenance Engineer, ODOT. Responds that the increase in the civil rights category is to respond to new federal requirements. Adds that ODOT has also consolidated other expenditures into this category. |

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| 090 | Hewitt | Responds to the allegation that ODOT has the wrong priorities. Outlines ODOT priorities to include preserving the existing system. Notes that highways are part of balanced system, and stresses that the Statewide Transportation Improvement Program (STIP) is built through a public process. |
| 129 | Sen. Miller | Asks about balancing the condition of highways against expenditures for lightrail and comments on congestion problems. |
| 155 | Hewitt | Reiterates that investment in all modes of transportation is critical. |
| 171 | Sen. Miller | Comments on the importance of insuring that public priorities are met. |
| 176 | Sen. Yih | Asks about administrative costs for the Department of Motor Vehicles (DMV), and whether ODOT includes overhead in administrative costs. |
| 186 | Crunican | Responds that there are administrative, indirect and direct costs, and summarizes how each category is accounted for in the budget. |
| 209 | Mike Marsh | ODOT. Adds that the total combined administrative and indirect costs for DMV includes costs for hearings and other functions that are not directly related to vehicle registration and licensing. Notes that ODOT is working closely with the Secretary of State to ensure that the process and definitions are consistent. |
| 236 | Sen. Yih | Comments that clear definitions are important to the budget-making process. Notes that the exhibit should indicate "billions" rather than "millions" (page 4 of EXHIBIT A). |
| 271 | Hewitt | Summarizes efforts to reach out to local communities to establish priorities for transportation investment. |
| 299 | Sen. Yih | Asks how much it cost ODOT to prepare the response to Sen. George's presentation. |
| 301 | Hewitt | Answers that ODOT would need to analyze the time spent in preparation. Comments on growth management issues. |
| 349 | Hewitt | Notes that there should be a balance between the needs of the highway and the needs of the community. |
| 365 | Sen. Wilde | Remarks that the program budget shows misplaced priorities because of reductions in the budgets for bridge maintenance and other preservation projects (page 106 of the exhibit). |

TAPE 114, B

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| 007 | Sen. Shannon | Asks about right-of-way expenditures along I-205 and about the value of right-of-way granted to Bechtel in the 1970s. Notes that the transit right-of-way was illegally purchased using federal highway funds and Oregon was reimbursed by the federal government Asks why Bechtel was not being charged the full value of the right-of-way. |
| 045 | Hewitt | Answers that he is not familiar with the issue. |
| 050 | Crunican | Adds that ODOT will follow-up in writing and that the I-205 corridor right-of-way originally included space for transit. Notes that federal legislation allows federal right-of-way to be used for other transportation purposes. |
| 092 | Hewitt | Comments that the ODOT budget is complex and that priorities are often local rather than ODOT decisions. |
| 121 | Sen. George | Reviews budget figures for the Newberg and Astoria bypasses. Comments on a report on Northwest rail corridors. |
| 172 | Sen. George | Notes that there is a disparity between vehicle miles, population growth and the growth of the ODOT budget. |
| 186 | Sen. Miller | Closes the informational meeting and adjourns the meeting at 4:48 p.m. |

Submitted By, Reviewed By,

Gary Roulier, Kim T. James

Administrative Support Revenue Office Manager

EXHIBIT SUMMARY

B ñ Transportation Issues, ODOT budget, Henry Hewitt, 114 pp