

SENATE COMMITTEE ON TRANSPORTATION

February 5, 1999 Hearing Room B

1:00 p.m. Tapes 18 - 19

MEMBERS PRESENT: Sen. Marylin Shannon, Chair

Sen. Mae Yih, Vice-Chair

Sen. Susan Castillo

Sen. Joan Dukes

Sen. Gary George

Sen. Lenn Hannon

MEMBERS EXCUSED: Sen. Ted Ferrioli

STAFF PRESENT: Don Scott, Administrator

Valerie Luhr, Administrative Support

MEASURE/ISSUES HEARD: Safety concerns on Highways 22 and 18

Introduction of Committee Measure

DOT audit results and actions

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
TAPE 18, A		
004	Chair Shannon	Calls the meeting to order at 1:13 p.m. Opens an informational meeting.
<u>SAFETY CONCERNS ON HIGHWAYS 22 AND 18</u>		
011	Mike Propes	Polk County Commissioner. Submits information from the <i>DRAFT 1998 Oregon Highway Plan</i> [EXHIBIT A]. Presents introductory remarks.
018	Tony Snyder, P.E.	County Engineer/Public Works Director, Polk County. Comments on Polk

		County's partnership with the Oregon Department of Transportation (ODOT). States the cities of Monmouth, Independence, and Dallas and Willamette Industries representatives expressed concerns about projects on the two highways and formed an ad hoc group to address their concerns. Narrates a power point presentation on Polk County Highway 22 and Highway 18 transportation priorities [EXHIBIT D].
070	Chair Shannon	States safety should be the number one priority if people are being killed.
075	Snyder	Comments on ODOT's Interim Corridor Strategy for the Willamina to Salem corridor. Believes preventable accidents and fatalities will continue until the two highways are upgraded to divided highways with interchanges. These highways were built for rural transportation needs. Comments on the accident on Highway 22 west of Highway 51. Reviews plans for Highway 22. Expresses support for the continuation of existing safety improvements for Highway 223 and Salt Creek Road. Reviews plans for Highway 18.
135	Snyder	Reviews ODOT's policy on safety upgrades. Most safety upgrades are done in association with pavement rehabilitation.
143	Chair Shannon	Asks whose policy requires the removal of memorial crosses.
144	Snyder	States it is ODOT's policy.
161	Ken Woods	Chair, Mid-Willamette Valley Area Commission on Transportation. Reviews the commission's mission statement and states the commission is an advisory body to the Oregon Transportation Commission (OTC). Comments on the commission's membership. Discusses projects the commission recommended for the Statewide Transportation Improvement Program (STIP) that did not get on it. States the commission's technical advisory committee recommended the adoption of four out of 16 project proposals. States two of the four projects were reviewed today.
206	Chair Shannon	Asks Woods if he thinks ODOT would have concluded the roadways need to be fixed
208	Woods	States they would have.
209	Chair Shannon	States she has concluded that the department does the projects they want to do.
211	Woods	States the commission is trying to educate as many people as possible about the situations on the highways.
220	Chair Shannon	Asks how long the commission has been meeting.
222	Wood	States it will be three years in March.
230	Sen. Hannon	Asks where the projects are in the state implementation plan.
236	Propes	References his submitted testimony. States the projects under discussion fall under investment scenario 4. References the chart on page 113. States it would take a policy change to address the projects with existing or additional monies.
281	Chair Shannon	Asks about ODOT's policies.

283	Propes	States ODOT's policies are driven by preservation. References the chart on page 108 in his testimony.
299	Chair Shannon	States the legislature has a policy setting role.
302	Propes	States safety should be the highest priority. References page 41 of ODOT's budget. ODOT has \$51 million budgeted for safety improvements statewide. Believes more money is needed to make the highways safe.
325	Chair Shannon	References a transcript in which the OTC chair stated the casino and others have an interest in helping with the highway projects. Asks Propes if he has talked with casino representatives.
332	Propes	States he has been working with the tribal council. Comments on the casino's \$2.5 million investment in the state highway.
352	Chair Shannon	States the commissioner also mentioned the Shilo Inn owner. Asks Propes if he has spoken with the Shilo Inn owner.
356	Propes	States he has not. The county has not approached individual businesses. The state of Oregon is the biggest pusher of tourism in the state. States Polk County is not getting the benefit of those tourism dollars.
387	Bob Wolfe	Polk County Sheriff. States the sheriff's office has jurisdiction on state highways and in rural county areas. Their response to accidents on state highways takes away from their ability to respond to other situations. States his office receives funding from ODOT for overtime.
TAPE 19, A		
008	Propes	Comments on the response of ambulance services. States the ODOT personnel have been very good to work with, but their hands are tied by ODOT policy.
024	Chair Shannon	States ODOT employees are great people, but the problem is policy.
028	Rep. Lane Shetterly	House District 34. Believes the witnesses have covered all the pertinent points. Comments on the Dallas volunteer fire department's response to accidents. References the 2000-2003 STIP in which only \$68 million was targeted to safety, \$52 million earmarked for high crash sites, and 41 percent was targeted for pavement preservation and this works against Polk County. Safety issues need to be a priority.
067	Chair Shannon	Asks Rep. Shetterly to identify which policy needs to be changed.
069	Rep. Shetterly	States it stems from the Governor's directive to the OTC on where dollars are to be spent.
078	Sen. Dukes	States the specific conversation should revolve around the <i>Oregon Highway Plan</i> . States safety has all but disappeared from the plan. Reads a passage on page 102 [EXHIBIT A]. States the plan needs to reflect safety as the number one priority.
095	Sen. George	References gas tax increases for the last ten years. References fuel tax receipt increases for the current biennium. References amounts spent on projects that are on a list from the 1996-98 biennium. Compares the amounts to ODOT's total

		revenues, and wonders why new roads are not being built. Believes every state highway could be repaved for \$600 million. Comments on ODOT's request to remove the mandatory \$54 million for new construction.
150	Sen. George	States the Grand Ronde Tribe built the underpass for under \$2 million and ODOT states it costs \$10 to \$20 million to build an overpass. Comments on Yamhill County's response to accidents.
168	Propes	States Polk County has been in partnership with Yamhill County.
171	Sen. Castillo	Reference the statement made that immediate change could be made if enforcement was increased, but it is a temporary solution. Asks if road condition or driving under the influence is a major cause of accidents and fatalities.
185	Propes	States it is a mix of driver behavior and road conditions. Many accidents happen because there is little room for error. References an accident that occurred when a driver reached for his sunglasses. Believes road improvements will stop some of the problems. References a statewide map showing accidents. States Polk County has the longest stretch of highway for the western part of the state. Comments on his area's population growth. States the accidents in his area are a statewide problem because the people are from all over Oregon.
228	Rep. Shetterly	Believes highway engineering should take driver habits into account.
243	Snyder	Comments on the safety purpose of concrete barriers on highways. States there is a solution, but money, intention, and initiation are needed.
260	Vice Chair Yih	Asks if the witnesses have testified at any of the ODOT hearings around the state.
263	Propes	Responds affirmatively.
268	Vice Chair Yih	Asks about ODOT's response to their concerns.
270	Propes	States the department said there was not enough money. Overlays fall within ODOT's policies and guidelines, but not safety projects.
285	Snyder	Comments on allowing ODOT to have a policy to address critical safety issues with available dollars, instead of following the Governor's direction for pavement preservation. States ODOT's definition of safety is fixing small safety problems at individual locations. ODOT views turning highways 18 and 22 into four-lane divided highways as modernization.
319	Sen. George	References provisions in SB 626 (1995 Session). States ODOT is spending 17.5 percent on pavement, bridge, concrete, curbs, and earth base rock. Bridges and roads alone are 11.5 percent. References population, registration fees, and vehicle miles traveled statistics in a report he has from ODOT. States the solution given was "less reliance on auto travel."
372	Sen. Hannon	Asks if a lack of transportation planning has prohibited economic growth.
378	Propes	States the commission has denied things in Polk County because of their concern for the impact to the state highway system. States economic development activities have been confined to mostly within city limits.

397	Chair Shannon	States the OTC commissioners will be invited to come before committee. Wants the legislature to have input into the <i>Oregon Transportation Plan</i> .
420	Rep. Shetterly	Believes it is good to have a conversation with OTC. Does not believe the commission is reluctant to deal with problems on highways 18 and 22. Credits the commission for having good faith and good intentions.
435	Chair Shannon	States there is a need to go one higher.
TAPE 18, B		
004	Sen. Dukes	States there is no need to go the Governor. The Governor did not tell the commission to change to preservation, but asked them to make the change. The statutes leave the decision to the commission and the commission chose to take the Governor's advice. At Chair Shannon's request, restates the OTC's authority pertaining to the <i>Oregon Highway Plan</i> and the STIP.
013	Sen. George	States the problem goes back to a philosophical bent that exists because the Governor selects the transportation commission. Outlines his idea for appointing the commission to achieve balance and diversity.
022	Chair Shannon	States the Governor appoints, but the Senate confirms.
026	Propes	States his appreciation for the support received today.
027	Chair Shannon	Extends her thanks to the witnesses. Closes the informational meeting. Opens a work session.
<u>INTRODUCTION OF COMMITTEE MEASURE WORK SESSION</u>		
033	Chair Shannon	Introduces and comments on LC 2139, dated 1/22/99, for which there will be amendments [EXHIBIT C] .
040	Vice Chair Yih	States she believes the proposed measure is a good idea, but wants the accounting system to be consistent with the comprehensive standard statewide accounting system.
045	Chair Shannon	States her agreement. States the auditor recommended a cost accounting system. States Mike Marsh is currently working on the system, but wants it in the statutes if he is not completed by the end of session.
050	Vice Chair Yih	States there needs to be a timeline.
051	Chair Shannon	States the timeline can be added by amendment.
052	Sen. George	Comments on the measure's requirement to produce products that demonstrate numbers. States he and Chair Shannon have been asking for these numbers for two years and that points out the need for the legislation.
067	Sen. George	MOTION: Moves LC 2139 BE INTRODUCED as a committee bill.
		VOTE: 7-0

		<p>AYE: In a roll call vote, all members present vote Aye.</p> <p>EXCUSED: 1 - Ferrioli</p>
073	Chair Shannon	The motion CARRIES.
075	Chair Shannon	Closes the work session. Reopens the informational meeting.
<u>SAFETY CONCERNS ON HIGHWAYS 22 AND 18</u>		
079	Mike Marsh	ODOT. Asks the committee if they would like follow up to the safety issue.
084	Gary Johnson	Regional Manager. States ODOT is striving to find solutions to the safety issues described. Commends the previous witnesses for their presentation. ODOT takes the behavioral and safety issues very seriously. States ODOT received input for the draft STIP on the interchange projects from the area commission. If monies become available, ODOT will do its best to see that those projects happen. States ODOT could do a presentation on the safety components of their projects. Urges the committee to have dialogue with the OTC. States in this go-round of the STIP, ODOT is trying to focus on critical safety issues in preservation work.
128	Chair Shannon	States she believes the crux of the debate is preservation versus the high crash areas (modernization). Wants to know how to move the focus from preservation to high crash areas.
137	Johnson	States that is what ODOT wants to present to the committee.
139	Chair Shannon	Asks if deaths are declining as a result of ODOT's work.
142	Johnson	Believes it is too early to say the death rate is declining. ODOT is in the process of adapting the current safety program to place more attention on high crash sites. States there is greater emphasis for those places on the map that Propes mentioned.
151	Chair Shannon	States the high crash sites are not news. States she hopes ODOT's efforts will not be "should work, could work, hope it works."
154	Johnson	States that is not ODOT's intention. ODOT wants to make the roads safer for everyone.
156	Chair Shannon	Asks why safety concerns have not been addressed.
158	Johnson	States he will explain what ODOT has done in the past and how they can do better in the future.
159	Chair Shannon	States she will invite ODOT to return.
160	Sen. Dukes	States the district managers recommend STIP projects to Johnson, and he in turn recommends them to the OTC. Asks Johnson what direction he has received from the OTC as to what can and cannot be put on the lists.
164	Johnson	States his agreement that the district managers recommend projects. States ODOT also receives recommendations from the Mid-Willamette Valley Area Commission on Transportation and others.

167	Sen. Dukes	States Johnson ultimately has responsibility to the OTC for what he allows into the STIP from his region.
169	Johnson	States that is correct. Comments on funding targets by categories and the allocation of projects.
173	Sen. Dukes	Asks how the region's money breaks down by policy area.
176	Johnson	States they use the STIP document as a four-year cycle.
178	Sen. Dukes	Asks for the last amount for Johnson's region.
180	Johnson	Submits proposed funding splits for 2000-2003 STIP [EXHIBIT C] . States the current STIP is similar in the total dollar amount to the proposed STIP. Reviews Region 2's share of the state total. States there are safety elements within all components.
229	Sen. Dukes	States the exhibit graphically depicts the OTC's switch in prioritization. States the regional managers must fit their projects within the categories; and when Johnson goes before the commission, he must also fit within the categories. States the commission has authority to put a project on the STIP, but not anyone below the commission.
249	Vice Chair Yih	Asks Johnson if he has short-term and long-term safety prevention measures. Comments on the county's request for the highways. Asks what he will recommend to the OTC. Short-term measures are not adequate.
265	Johnson	States his agreement with Vice Chair Yih. States the long-term solutions tend to be more expensive. States ODOT is working with a task force, the previous witnesses and others to find low cost, short-term measures, such as striping or putting up barriers.
292	Vice Chair Yih	Asks Johnson if he recommends both short-term and long-term fixes to the OTC.
298	Johnson	States he talks to the commission about both. Comments on the types of relatively small projects in the STIP.
321	Sen. George	References the dollar amounts for preservation and comments on the number of employees within ODOT. Asks if cutting ODOT staff could free dollars since the department is not building new roads. Asks why ODOT puts so much into planning. Asks why ODOT's costs are so high and the Grand Ronde Tribe was able to build the underpass for less than \$2 million.
350	Chair Shannon	Comments on a highway in Vice Chair Yih's district that was put out to bid at \$17 million and the contractor did the work for \$9 million.
358	Johnson	In response to the planning question, respectfully suggests that ODOT is not fully eliminating modernization from the equation. When there is little to spend, planning helps make choices.
372	Sen. George	States there is a backlog of projects on the STIP from which to choose.
374	Johnson	Expresses the OTC considers the backlog when dealing with planning. States another part of the "why plan" question is that ODOT and its local partners do not

		believe the current situation of needs outstripping the available funding will continue. States ODOT believes it is prudent to continue some level of planning for the future. The OTC is sensitive to how much they commit to planning in a constrained environment. Comments on ODOT's contract process for the Highway 34 improvements from I-5 to Lebanon. States he thinks it is unfortunate the \$17 million became the public number because it was truly an estimate.
TAPE 19, B		
004	Marsh	States ODOT's budget that is coming forward has less FTE than in the 1995-97 budget.
012	Chair Shannon	Reminds Johnson to respond to the question about the tribe's project.
014	Johnson	States the tribal partners were able to get a good price because the improvements were off the highway. The project was not designed as a state highway interchange. Comments on the tribe's contracting process. Comments on a project ODOT did on Highway 34 at the Oakville Road intersection to correct a severe safety problem that did not require an interchange or federal standards.
045	Sen. George	Comments on the Dundee Golf Course-Sokol Blosser project. States the estimates were in excess of \$1 million and it ended up costing \$90,000 to do the safety turn lane. Comments on a constituent's safety concerns with Highway 18. Comments on looking for low-cost solutions.
075	Johnson	States ODOT and the task force are looking for those low-cost solutions. States it is not necessary to go with a project that requires federal standards.
085	Vice Chair Yih	Asks Johnson for a breakdown of the taxes and actual cost of a gallon of gas.
093	Marsh	States federal tax is 18.5 cents and the state tax is 24 cents.
096	Chair Shannon	Clarifies it costs 57 cents for the gas.
099	Vice Chair Yih	States that every time a person buys gas, 42 percent is taxes, so the citizens are entitled to safe roads.
103	Marsh	State that is ODOT's goal.
<u>ODOT AUDIT RESULTS AND ACTIONS</u>		
108	Marsh	Asks if he should present introductory remarks to John Radford's presentation.
111	Chair Shannon	States Vice Chair Yih will ask questions of Radford.
113	Vice Chair Yih	Asks about the implementation of the comprehensive, statewide uniform cost accounting system. States Radford advocated for the system in 1993 and it would be done in two phases. Asks if ODOT's new cost accounting system will interface with the statewide system.
128	John Radford	Administrator, State Controllers Division, Department of Administrative Services (DAS). States DAS has completed the implementation of the centralized, comprehensive statewide accounting system at a cost of about \$21-22 million.

133	Vice Chair Yih	Comments on the \$2 million remaining from the \$24 million that was allocated.
135	Radford	States the system was financed primarily with certificates of participation, so the remaining dollars are in reserve for updates to the system. States the system is operative in almost all of state government. Comments on anomalies for the Oregon State System of Higher Education (OSSHE) and ODOT. States some organizations within state government are so large and so unique, it does not make sense to have them operating on a central system.
157	Chair Shannon	States Nevada went to a cost accounting system about eight years ago. Clarifies Radford said ODOT cannot go to a standardized cost accounting system because the department is so unique.
163	Radford	States there are two issues. One is cost accounting and the other is a general ledger disbursement, general control system. States DAS operates a statewide general control system. DAS uses a general control system for cash control and appropriation control. Explains a cost accounting system provides management information unique to an industry or entity for management decision making. States there are hardly any national standards in place for a cost accounting system. A cost accounting standards board exists at the federal level.
205	Marsh	References a handout from a previous meeting dealing with budget accounting and cost accounting. States Radford is separating the concept of cost accounting or general ledger accounting from cost accounting. The Statewide Financial Management System (SFMS) is a general ledger accounting system.
211	Chair Shannon	Asks Radford to respond to Vice Chair Yih's questions.
212	Radford	Responds to why ODOT is not on a central accounting system. States it would make sense to have ODOT on the central system to be able to spread fixed costs over a larger revenue base. Federal billing is the exception. ODOT has a unique general accounting problem with the Federal Highway Administration (FHWA). States it does not make sense for DAS to develop, implement, and manage a billing system unique to one agency. ODOT could come on a statewide system because the federal billing system can be interfaced with a statewide central accounting system. Discusses long-range and short-range reasons for moving or not moving ODOT onto the statewide system.
260	Chair Shannon	Asks Radford to clarify what system ODOT has in place.
261	Radford	States ODOT has a general ledger system in place. Discusses the reasons why ODOT's system nightly interfaces with DAS's system.
279	Vice Chair Yih	Clarifies the statewide system is implemented except for OSSHE, and ODOT has had its own system since the 1980s. Asks when ODOT's system will become obsolete and therefore move to DAS's system.
295	Marsh	States he is evaluating that issue and will report his findings to the committee. Reiterates Radford was discussing a statewide general ledger accounting and there is no statewide cost accounting system for ODOT to enter.
307	Vice Chair Yih	Clarifies ODOT does not anticipate moving into the present system soon.
312	Marsh	States ODOT is evaluating the move into SFMS. Reiterates Radford's comments that a significant cost would be involved. ODOT wants to develop a budget and

		report back to the legislature.
318	Vice Chair Yih	Asks Radford about ODOT's moving into an accounting system that would provide more accurate detail.
322	Radford	States for the purpose of cost accounting management information it is a department system for ODOT to develop and implement. Discusses the Corrections Industries system within the Department of Corrections.
349	Vice Chair Yih	States in 1993 Radford told the legislature that all agencies must work together to avoid duplicate taxes.
355	Radford	States Oregon had multiple accounting system before the statewide accounting approach. Compares Oregon's one payroll system to a neighboring state that has about seven or eight payroll systems--each requiring six to seven technical personnel to operate and maintain.
382	Vice Chair Yih	Clarifies ODOT will work with DAS when they are ready to move into the general ledger system.
385	Radford	State he hopes so.
387	Sen. George	Asks if it would be possible to calculate costs, such as putting a pipe across a road or building an overpass, with a cost accounting system. Asks if that would conflict with the general ledger system.
396	Radford	States a general ledger accounting system can only be pushed so far to give cost information. Explains why ODOT will need a more sophisticated model and system. States it would not be a wise decision to require ODOT use a general ledger system for the information the legislature wants.
416	Sen. George	References Code 201's payments to contractors. Asks if any system could pick out the code to get the information.
425	Radford	States ODOT will move into an automated interface to avoid duplicate data entry.
438	Chair Shannon	Declares the meeting adjourned at 3:03 p.m.

Submitted By, Reviewed By,

Valerie Luhr, Don Scott,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ Safety Concerns on Highways 22 and 18, written information, Mike Propes, 13 pp.

B ñ LC 2139, Sen. Marylin Shannon, 2 pp.

C ñ Safety Concerns on Highways 22 and 18, written information, Gary Johnson, 1 p.

D ñ Safety Concerns on Highways 22 and 18, written information, Tony Snyder, 14 pp.