

## Testimony: Transportation Legislation (HB 2017-3)

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The Joint Transportation Preservation and Modernization Committee is to be commended for working to invest in transportation critical to Oregon's future. Over half of U.S. states have increased investment in transportation since 2012 putting Oregon in good company.

Transportation for America (T4A) is an alliance of elected, business and civic leaders from communities across the country, united to ensure that states and the federal government step up to invest in smart, homegrown, locally-driven transportation solutions. These are the investments that hold the key to our future economic prosperity.

We welcome the opportunity to offer comments on HB 2017-3 based upon our experience working with state policy makers to increase accountability and transparency and realize the greatest return on taxpayer investment (ROI) in transportation.

### Projects Selected by Politics Instead of Merit

Adding accountability, objectivity, and transparency in the way potential transportation projects are evaluated is critical to building taxpayers' confidence in state spending and realizing the greatest return from scarce funds.

We commend the included requirement for cost-benefit analysis (CBA) for all projects in the State Transportation Improvement Plan (STIP) as a step in the right direction (Section 13). The value of CBAs is their ability to inform investment decisions. Toward that end, HB 2532 (Reardon) offers a model for prioritizing projects based on ROI and making that process clear to the public – adapting the [Smart Scale system](#) from Virginia. To gain the benefits of accountability and transparency of this concept, we recommend:

- Requiring CBA results for STIP projects to be ranked and published on the proposed website map (rather than just on OTC meeting materials) so projects' ROI can be compared.
- Applying this same ranking process to congestion relief district projects up for future consideration so the Oregon Transportation Commission (OTC) and legislature can assess the value to the state for each investment opportunity.
- Evaluating projects based on the benefits that are important to Oregonians, including safety improvements, economic development potential, health outcomes and environmental impacts.
- If the set of projects subjected to CBAs is pared down, focus on evaluating projects that expand capacity (as opposed to operations and maintenance), particularly those that are more expensive.

The bill as proposed funds many earmarks without clarity on how each of those projects was vetted or what benefit they will bring. Many projects are even listed without specific costs making it difficult to evaluate whether they add or subtract value for the package. While \$1.1 billion in projects addressing 3 bottlenecks in the Portland region were discussed at length, \$286 million in additional earmarks have been included in HB 2017-3 without significant public discussion (Section 71). Earmarked projects make up approximately \$1.4 billion of the \$8.2 billion package. This erodes public trust because

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taxpayers see projects being selected based on politics instead of need or ROI. The practice also diminishes badly needed investment in maintenance, operations, repair and seismic resilience.

We recognize the political imperatives to pass a transportation package. By establishing a project scoring and prioritization process legislators can ensure that future needs and projects for future funding are well vetted.

### Right-sized Projects

The 2009 Jobs and Transportation Act set ODOT on a course toward right-sizing projects through the use of practical design and least cost planning. ODOT has developed tools to implement these approaches to meeting the right transportation needs at lower cost, but uses the tools sporadically. To see the benefits of the legislature's directive come to full fruition – benefits like lower project costs and more funding available to address additional challenges – this package should:

- Require CBAs to include discussion and findings from prior transportation corridor analysis conducted using the ODOT's practical design and least cost planning tools.
- Add language from HB 2532 requiring OTC to conduct least cost plans on strategic corridors, and use practical design on all projects

### Seize Opportunity for Active Transportation

Given the popularity, low cost and multiple benefits of biking and walking infrastructure, it is surprising to see the anemic level this package invests in active transportation even as it implements a bicycle excise tax. The benefits of investing in biking and walking include strong ROI and reductions in health costs, congestion, emissions, and household transportation costs.

Safe Routes to School (SRTS) is a particularly popular and useful form of investment in biking and walking, providing the above benefits as well as improved student performance. Adding the education and encouragement component of SRTS to this package could double walking and biking rates (based on data from existing programs) for only 60 percent more investment.

- We recommend adopting the language from HB 3230 (Lively) including adding the \$6 million annual investment for education and encouragement. Many of the policies in HB 3230 come at no additional cost. The \$60 million for education and encouragement programs over 10 years represents less than 1 percent of the entire transportation package. It would be penny-wise and pound-foolish not to make this investment and double the benefit of the program.

### Elements of the Package with Strong ROI

There are several elements we believe are critical to the strength of this transportation package in delivering results for Oregon. These elements should be retained and/or strengthened.

- We endorse congestion pricing systems and tolling that will help set the Portland region on a course toward addressing congestion for the long term by creating incentive for people to travel at less congested times or use other modes. We recommend retaining the congestion pricing policy language and working to strengthen it, since it is a critical strategy for addressing congestion. Without putting a price peak-hour driving, the investments in freeway expansion to purportedly address congestion in the Portland region will have benefits that are limited in

- scope and duration. This is because congestion is not limited to these locations, and induced demand generated by the new capacity will incent more driving and traffic in the region.
- Increased authority, capacity and independence for the OTC represents a positive step toward strengthening oversight over ODOT, and should help build voters' confidence in ODOT's accountability and transparency.
  - The employee payroll tax that is estimated to generate \$107 million annually for transit is historic, and critical component to making this a balanced package. The state of Oregon funds about 3% of transit operations today, compared with 24% state support for operations nationwide. The legislature must make this investment and strengthen mitigation for low-income households to make this package a powerful tool in creating ladders of opportunity out of poverty, improving access to jobs and providing alternative options to congested car commutes.

Thank you for considering these recommendations.

Sincerely,



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