

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3065 - 9

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Modifies provisions related to financing of transportation projects.

Government Unit(s) Affected:

Oregon Department of Transportation (ODOT)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

	2021-23 Biennium	2023-25 Biennium
Other Funds	587,566	508,769
Total Funds	\$587,566	\$508,769
Positions	2	2
FTE	1.13	2.00

Analysis: The measure allows the Oregon Department of Transportation (ODOT) to:

- Use the \$30 million in State Highway Fund annual revenue dedicated to the I-5 Rose Quarter Project to also pay for the I-205 Stafford Road to Oregon Route 213 project, I-5 Boone Bridge Seismic Improvement Project, and implementation of the toll program established under ORS 383.150;
- Raises ODOT’s short-term borrowing authority from \$100 million to \$600 million and the maximum maturity of short-term obligations from 3 to 5 years;
- Makes programmatic changes to Oregon statutes related to tolling;
- Renames the State Tollway Account the Toll Program Fund and establishes the fund as separate and distinct from the State Highway Fund;
- Authorizes the State Treasurer, at the request of ODOT, to issue tollway project revenue bonds for the purpose of financing tollway projects;
- Requires toll projects to make improvements or fund efforts to reduce congestion, improve safety, and reduce impacts of diversion;
- Requires ODOT to implement a method for establishing equitable income-based toll rates to be paid by users of the tollway;
- Requires the Director of ODOT to make a determination whether a project labor agreement (PLA) is appropriate for each of the projects and shall consider:
 - Whether a project labor agreement will secure a skilled and diverse workforce;
 - Whether a single project labor agreement for all the projects listed is feasible and beneficial;
 - Whether the project labor agreement includes provisions for employing a sufficient percentage of apprentices in apprenticeable occupations, and whether the employer is or will agree to become a training agency;
 - The numbers and categories of the trades and crafts that the project will likely require;
 - The potential for labor disruptions in connection with the project;

- Whether anticipated benefits for the public, including efficiencies from using skilled labor, a quality of construction, improved safety for workers and the public, and timely completion of the project, outweigh anticipated costs associated with a project labor agreement;
- The urgency of the project and the harm to the public interest if delays occur in the project schedule; and
- The size and complexity of the project and the time necessary to complete the project.

In addition, ODOT is directed to ensure the PLA is appropriate for a particular project, by ensuring that, for those projects with PLAs:

- The project has a general contractor or project manager with experience negotiating and administering PLAs;
- All contractors and subcontractors to compete for contracts and subcontracts to perform work on or supply materials for the, without regard to whether the contractor subcontractor is a party to any other collective bargaining agreement;
- Prompt, effective, and mutually binding procedures are in place for resolving labor disputes that arise during the term of the agreement; and
- All contractors and subcontractors at any tier that perform work on the project are bound to the provisions set forth in the measure.

The provisions allowing for the expanded use of the \$30 million per year previously dedicated to the Rose Quarter Project could require a future budget adjustment to account for the redirection of funds. The increase in short-term borrowing authority may require additional expenditure limitation, but the extent is unknown at this time. The change in tolling statutes are not anticipated to have a fiscal impact. The equitable income-based tolls will require an outside consultant to prepare a report and provide recommendations and will cost approximately \$300,000 Other Funds. The implementation of PLAs will require two permanent positions: one Operations and Policy Analyst 4 (0.63 FTE) and one Operations and Policy Analyst 3 (0.50 FTE) to evaluate projects for suitability and develop internal business processes, policies, and procedures to manage the PLAs in the 2021-23 biennium.

This measure requires budgetary action for the allocation of State Highway Fund resources and position establishment and warrants a referral the Joint Committee on Ways and Means.