



CITY OF BEND

January 30, 2023

LOCATION

710 NW Wall Street
Downtown Bend

MAILING ADDRESS

PO Box 431
Bend, OR 97709

PHONE

(541) 388-5505
Relay Users Dial 7-1-1

FAX

(541) 385-6676

WEB

bendoregon.gov

MAYOR

Melanie Kebler

MAYOR PRO TEM

Megan Perkins

CITY COUNCILORS

Anthony Broadman
Barb Campbell
Ariel Méndez
Megan Norris
Mike Riley

CITY MANAGER

Eric King

Joint Committee on Transportation

Att: Co-Chairs Gorsek and McLain, Co-Vice Chairs Boquist and Boshart Davis,
and Members of the Joint Committee on Transportation

RE: HB 2101

Dear Co-Chairs Gorsek and McLain, Co-Vice Chairs Boquist and Boshart Davis,
and Members of the Joint Committee on Transportation,

On behalf of the City of Bend Transportation and Mobility Department, we would like to thank the Joint Committee on Transportation for the opportunity to develop a sustainable funding source for the Surface Transportation Block Grant (STBG) Fund Exchange Program. We ask you to **support HB 2101** to allow the Oregon Department of Transportation (ODOT) the flexibility to exchange State Highway Fund dollars with counties and cities to cost-effectively manage federal funding.

Background

For approximately 40 years, the Surface Transportation Block Grant (STBG) Fund Exchange Program has been a significance funding source for our transportation system maintenance and improvements for arterials and collector roadways. The STBG program funds have been a key funding element in our efforts to improve our system conditions (Overall Pavement Condition Index (PCI) of 68 in 2015, up to a PCI of 76 today for 882 lane miles) for efficient and cost-effective preservation, maintenance, and safety improvements.

The STBG program funds have also supported multiple goals and policies in our Transportation System Plan such as multi-modal improvements for all users, vision zero efforts, improved transit, and an overall safer system through our preservation program treatments of arterial and collector roadways.

The STBG Fund Exchange Program allows local agencies to exchange federal dollars for state dollars. Federal funds come with burdensome federal requirements, which local governments simply cannot afford; however, the Oregon Department of Transportation (ODOT) is well positioned to spend federal funds cost-effectively. Everyone wins with this arrangement; the state alleviates the burden of administering local federal-aid projects and counties alleviate the burden of federal requirements. Due to a favorable exchange

rate, the STBG Fund Exchange Program is also a revenue generator for ODOT when functioning with full state resources.

Problem

ODOT is restricted from using their Transportation Projects and Programs budget to support the fund exchange program and must use their Operations and Maintenance (O&M) budget to sustain this cost-saving program. Due to spending limitations in their O&M budget, and long-term deficits in the State Highway Fund, ODOT has proposed reducing and eliminating the fund exchange program. Reduction or elimination of the program will negatively impact the transportation systems of Cities and Counties across the state.

Solution

HB 2101 would remove restrictions that prevent ODOT from flexibly exchanging State Highway Funds outside of their O&M budget and codify the STBG Fund Exchange Program in statute. The City of Bend is supportive and a willing partner to long-term, sustainable solutions for the STBG Fund Exchange Program.

We appreciate the opportunity to provide testimony to the Joint Transportation Committee in support of HB 2101. Thank you for your consideration in preserving this valuable program, maximizing the value and efficiency of taxpayer funds.

Sincerely,



David D. Abbas, PE

City of Bend

Transportation & Mobility Department Director