



JACKSON COUNTY

Roads

Roads and Parks Administration

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Director

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January 30, 2023

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

Re: HB 2101, Public Hearing January 31, 2023 5:00 PM

On behalf of Jackson County Roads, I appreciate the Joint Committee on Transportation's willingness to explore the development of a sustainable funding source for the Surface Transportation Block Grant (STBG) Fund Exchange Program. I respectfully ask you to **support HB 2101**. The legislation will 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 on the state transportation system.

History

On any given day, Oregonians travel across a network of transportation facilities that include city, county and state highways. Rarely, if ever, do they notice whose roadway they are traveling on. I feel it is safe to say not only do they not notice, they simply do not care. They do care and give great value to the premise that all roads are maintained efficiently and the network of roads, bridges, highways and paths connect as seamlessly as possible.

This goal takes a coordinated effort amongst jurisdictions with unique partnerships, such as the Fund Exchange Program which has been in place for nearly 40 years. During the 40-year span, the Fund Exchange Program has proven to be a win-win for both ODOT and local jurisdictions, with ODOT seeing revenue generation from the program (program generates approximately \$3.9 million annually for ODOT), while providing local jurisdictions the ability to leverage transportation dollars at a far greater rate, better serving the public. The STBG Fund Exchange is a model of coordination amongst government service providers that the public expects and appreciates.

Locally, the Fund Exchange Program is a key funding element of the Foothill Road Corridor project that is a partnership between Jackson County, the City of Medford and ODOT. This regional project will enhance a key Rogue Valley transportation route to adapt to growth in our community, address severe safety concerns, and provide an important alternative route during emergencies in Southern Oregon. When the Cascadia earthquake event occurs, this route will prove vital as an alternative to Interstate 5, which may likely not withstand seismic impacts in the Medford area. The Foothill Road route will provide access to Southern Oregon for emergency service providers, as well as freight moving along the west coast.

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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.

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. Counties have engaged with ODOT on the agency's budget issues in good faith and will continue working with ODOT to develop amendment language for HB 2101 to find long-term, sustainable solutions for the STBG Fund Exchange Program.

Thank you for working to address this important topic and supporting HB2101 to help us continue to deliver a high-quality transportation system in Oregon.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Lambert", with a long horizontal flourish extending to the right.

Steve Lambert
Director