

Submitter: Jeremy Morris
On Behalf Of: Klamath County Public Works
Committee: Joint Committee On Transportation
Measure: HB2101

The fund exchange program is very beneficial to cities and counties. It allows the money's to be used for maintenance, materials, or equipment purchases. This allows quick use of the funds. If this program is disbanded, many cities or counties will receive small amounts of federal dollars. Those federal dollars will need to be saved up for many years in a row to make a worthwhile project. Not to mention, federalized projects tend to cost 20 to 30 percent more and take several years extra to navigate the environmental permitting processes.

ODOT receives 50 percent of the gas tax revenue...over \$500M annually. ODOT can juggle this funding around to cover the maintenance and project needs throughout the state. Klamath County receives around \$800K in federal funding that is eligible for fund exchange. This is roughly 12 percent of our annual revenue (\$7.2M in gas tax revenue). We do not have the ability to juggle funding from other sources, our revenues are fixed.

As a matter of principle, ODOT shouldn't be allowed to balance their budget on the backs of cities and counties. For reference, our county road network is roughly four times larger than ODOT's highway system in our county. We have over 1,700 lane miles to maintain, ODOT has a little over 400 lane miles to maintain.

If legislation does not pass for "codifying" the fund exchange program, please consider allowing cities and counties to generate additional revenue streams. One such revenue stream is additional vehicle registration fees. This is limited to counties with more than 200,000 population so it is not applicable to smaller rural counties without a county wide vote. Another mechanism for cities is to develop and assess a local gas tax. There currently is a moratorium on establishing new local gas taxes.