

Joint Transportation Committee

2025-2027 Highway Cost Allocation Study Expenditure Input Corrections

May 5, 2025



Reason for the Corrections

- 1. HCAS included some projects and non-project costs that are not eligible for State Highway Fund dollars.**

The costs have now been removed from the HCAS analysis.

- 2. Some projects were not properly identified as being bond funded.**

These projects have been reclassified as bond funded projects so that financing costs are reflected in the current HCAS while future bond payments will be reflected in future HCAS analysis.

Details of Corrections in 2025-2027

- Remove \$132 million in Federal Transit Administration funded projects.
- Remove \$31 million in EV Charging projects.
- Reclassify \$196 million in project costs to reflect bonding.
- Reclassify \$243 million in project costs to reflect new GARVEE bond program.
- Reduce Transportation Program Development costs by \$83 million.
(Non-highway, *Connect Oregon* planning.)

- ODOT provided corrected cost information.
- Project and non-project costs inputs to the model were adjusted accordingly.
- Bond rate assumptions were updated.
- The base HCAS model was rerun to produce corrected outputs.
- Alternative rate analysis was updated in a consistent manner.
- Bonding assumptions were corrected for previous HCAS studies (2019-2023) to ensure that the 2025 HCAS reflects those corrections as well.

2025-2027 Equity Ratios

Original

Declared Weight			Scaled Equity Ratio	
			All	Full-Fee
1	to	10,000	0.8878	0.8665
10,001	to	26,000	0.9938	1.1284
26,001	to	78,000	0.6088	0.8745
78,001	to	80,000	1.5911	1.5544
80,001	to	104,000	1.1013	1.0766
104,001	to	105,500	2.1756	2.1285
105,501	and	up	0.2893	0.2823
Total			1.0000	1.0000
10,001	and	up	1.2721	1.3657
26,001	to	80,000	1.3053	1.4253
80,001	to	105,500	1.5495	1.5152
26,001	to	105,500	1.3555	1.4458
26,001	and	up	1.3097	1.3905

Corrected

Declared Weight			Scaled Equity Ratio	
			All	Full-Fee
1	to	10,000	0.9178	0.8935
10,001	to	26,000	0.9938	1.1312
26,001	to	78,000	0.5548	0.7934
78,001	to	80,000	1.4608	1.4233
80,001	to	104,000	1.0018	0.9768
104,001	to	105,500	2.0329	1.9837
105,501	and	up	0.2663	0.2591
Total			1.0000	1.0000
10,001	and	up	1.1773	1.2595
26,001	to	80,000	1.1957	1.3028
80,001	to	105,500	1.4253	1.3901
26,001	to	105,500	1.2427	1.3227
26,001	and	up	1.2009	1.2722

- To achieve equity and maintain revenue neutrality (no increase in overall total revenue) the following rate changes provide an example of how to achieve this.
- Alternative fuel tax rate is reduced from \$0.49/gallon to **\$0.46/gallon**. Current rate is \$0.40/gallon.
- Alternative weight-mile tax rates are increased from ~70% of current rates to **~80% of current rates**
- No other changes to light or heavy taxes and fees

Alternative Rate Analysis Results

Corrected Current Rates

Declared Weight			Scaled Equity Ratio	
			All	Full-Fee
1	to	10,000	0.9196	0.8951
10,001	to	26,000	0.9938	1.1295
26,001	to	78,000	0.5506	0.7875
78,001	to	80,000	1.4531	1.4156
80,001	to	104,000	0.9974	0.9723
104,001	to	105,500	2.0364	1.9867
105,501	and	up	0.2665	0.2593
Total			1.0000	1.0000
10,001	and	up	1.1722	1.2539
26,001	to	80,000	1.1886	1.2952
80,001	to	105,500	1.4225	1.3872
26,001	to	105,500	1.2364	1.3161
26,001	and	up	1.1951	1.2663

Corrected Alt Rates

Declared Weight			Scaled 'Alt Equity' Ratio	
			All	Full-Fee
1	to	10,000	1.0243	0.9975
10,001	to	26,000	0.8781	0.9949
26,001	to	78,000	0.5539	0.7769
78,001	to	80,000	1.0034	0.9778
80,001	to	104,000	1.0200	0.9948
104,001	to	105,500	2.0332	1.9843
105,501	and	up	0.2667	0.2596
Total			1.0000	1.0000
10,001	and	up	0.9477	1.0060
26,001	to	80,000	0.8719	0.9394
80,001	to	105,500	1.4361	1.4010
26,001	to	105,500	0.9875	1.0444
26,001	and	up	0.9566	1.0071

Current Study

- Study Review Team reviewed results on April 28.
- An addendum to the HCAS report has been issued.
- The 2025 HCAS Final Report will be corrected and publish.

Future Work

- HCAS model can be updated to accommodate new bonding programs.
- Project/non-project and bonded project cost review process will be clarified in future HCAS work scope.

Corrections Going Back to 2019

- ODOT reviewed project lists.
- Removed projects not eligible for State Highway Fund dollars.
- Identified additional projects as bond funded.
- ECONW re-ran previous models with corrected inputs and summarized changes in results.

Summary of Corrections by Type and Biennium

Biennium	Correction	# of Projects	Costs	%
2019-2021	Projects Removed	4	\$ 7,517,649	0.2%
	Bonded Projects	1	\$ 19,283,940	0.5%
2021-2023	Projects Removed	4	\$ 16,754,842	0.4%
	Bonded Projects	6	\$ 111,958,820	2.6%
2023-2025	Projects Removed	5	\$ 11,062,965	0.2%
	Bonded Projects	7	\$ 158,633,259	3.4%
2025-2027	Projects Removed	47	\$ 162,693,769	3.5%
	Non-Project Costs Removed	NA	\$ 83,443,909	1.8%
	Bonded Projects	20	\$ 439,508,352	9.3%

Original and Corrected Full Fee Equity Ratios

	Original		Corrected	
	Basic	Heavy	Basic	Heavy
2011	1.00	1.01	NA	NA
2013	0.99	1.01	NA	NA
2015	1.00	1.00	NA	NA
2017	1.01	0.99	NA	NA
2019	0.98	1.03	0.99	1.02
2021	0.93	1.16	0.94	1.14
2023	0.88	1.32	0.88	1.33
2025	0.87	1.37	0.89	1.26

Basic vehicles – Under 10,000 lbs.
Heavy vehicles – Over 10,000 lbs.