

SB 1542 -2 STAFF MEASURE SUMMARY

Senate Committee On Transportation

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Meeting Dates: 2/2, 2/9, 2/16

WHAT THE MEASURE DOES:

The measure directs the Oregon Transportation Commission (OTC) to develop and maintain a 10-year capital investment plan (CIP) that includes a scoring methodology to rank projects in the Statewide Transportation Improvement Program (STIP) by priority and region of the state. It specifies certain criteria and target goals that must be used, requires cost-benefit analyses for projects, and directs the OTC to post this work on its website.

Detailed Summary:

- Clarifies the criteria the OTC uses when selecting projects for the STIP
- Specifies target goals the CIP must include, such as a state of good repair, safety, mobility, accessibility, sustainability, climate, and equitable access to the transportation system
- Directs the OTC to identify anticipated revenues during a 10-year period and describe the assumptions used, the planned distribution of anticipated resources, and the project scoring methodology, weights, and decision matrix
- Directs the OTC to devise and adopt rules for a scoring methodology for projects to include in the STIP, and to work with stakeholders to review and update the criteria
- Specifies safety and preservation must have the highest scoring weights
- Directs the OTC to create a priority list of projects in each region of the state, and create a decision matrix and publicly release assumptions and methodologies used to calculate scores
- Directs the OTC to include on its website its project rankings; information about its decision matrix; analysis for projects in which expected costs exceeded benefits; the CIP; evaluation of whether STIP projects are achieving prioritized outcomes; identification and explanation of deviations from the CIP; and any recommended changes to improve performance in future STIP cycles
- Applies to projects included in the STIP after the bill's effective date; only applies to pre-existing projects in specified circumstances

Fiscal impact: May have fiscal impact, but no statement yet issued

Revenue impact: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

- Budget challenges for ODOT, Oregon, and transportation projects
- Delegation of legislative authority over transportation projects and spending
- Differences between existing debt management policy versus changes in the bill
- ODOT's bond rating, bond proceeds and their use toward transportation projects
- Effect of inflation on project costs and savings

EFFECT OF AMENDMENT:

-2 The amendment replaces the measure. The amendment directs the Oregon Transportation Commission (OTC) to develop and maintain a 10-year capital investment plan (CIP) by rule, with input from a temporary advisory committee. The CIP must include target goals, anticipated revenue, and a scoring methodology to rank projects in the Statewide Transportation Improvement Program (STIP). The amendment increases the cost of projects requiring cost-benefit analysis from \$15 million to \$50 million, and includes exemptions from evaluation requirements for certain projects. The amendment would take effect on the 91st day following sine die.

Detailed Summary:

- Directs the OTC to develop the CIP by rule, which would apply to STIP projects on or after the Act's effective date
- Directs the OTC to create a CIP advisory committee for the purposes of adopting CIP rules, specifying representation and duties; sunsets these provisions on January 2, 2032
- Requires the CIP include specified target goals, anticipated revenues and resources, and a scoring methodology for STIP projects
- Directs the OTC to update the CIP during the same year the STIP is updated, but no less than every 4 years; directs the OTC to identify corrective actions and adjustments in the next CIP if target goals are not being met
- Directs ODOT to publish an annual report evaluating each region's projects for achieving progress towards goals
- Specifies the scoring methodology must assign the highest weight to safety and preservation projects, and sunsets this requirement on January 1, 3032
- Directs OTC to make the information used in score calculation publicly available on its website no fewer than 30 days before the OTC includes a project in the STIP, including a plain-language narrative
- Requires the OTC to have a cost-benefit analysis and specified information prior to scoring and ranking a project
- Defines terms, including defining transportation projects as those estimated to cost at least \$50 million, up from \$15 million, for the purposes of cost-benefit analysis during the project's scoping phase
- Provides exemption from STIP project evaluation for emergencies, urgent repairs, and projects mandated by federal law or court order

Fiscal impact: Fiscal impact issued

Revenue impact: No revenue impact

BACKGROUND:

The Oregon Transportation Commission (OTC) is established by statute (ORS 366.205) and is directed to supervise and control matters pertaining to Oregon's highways and winter maintenance policy. The OTC has rulemaking authority, and it adopts rules for infrastructure loans and assistance, approves funding plans, and selects projects for programs including but not limited to the Connect Oregon Fund, Multimodal Active Transportation Fund, and projects specified in House Bill 2017 (2017). The Statewide Transportation Improvement Program (STIP) is ODOT's capital improvement plan for state and federally funded projects. The OTC and ODOT develop it in coordination with other stakeholders.

Other states have implemented programs with scoring systems for transportation projects. These include Virginia's SMART SCALE, which seeks to quantify projects' benefits relative to the requested funding, examining criteria covering congestion, economic development, safety, and land use, among others. Washington State's DOT maintains the Gray Notebook, an online portal designed to report progress toward meeting the state's six statewide transportation policy goals. California requires its Inspector General to submit an annual report to the state legislature under its Road Repair and Accountability Act of 2017, which also requires cities and counties to provide year-end reporting accounting for all dollars received under the Act.