METRO 2025 LEGISLATIVE ISSUE IDENTIFICATION

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ISSUE: 2025 Transportation Package

BACKGROUND:

Oregon's transportation system is experiencing significant funding challenges. Oregon relies on three main revenue sources to fund the State Highway Fund: gas tax, vehicle fees and heavy truck fees. Historically, these sources have provided adequate funding for the state and local transportation system. Today, those funding sources are not keeping pace with need. The state and local governments are facing a steep fiscal cliff and are unable to support the maintenance, operation and safety of their transportation systems. Declining gas revenue, high inflation and restricted funding are all contributing factors to the current transportation funding crisis. Failure to act in the upcoming session will result in significant transportation budget cuts immediately and into the future.

In response, the Governor and Legislative leadership have indicated their commitment to a transportation package in 2025. Initial framing is back to basics: solving for state and local transportation agencies' fiscal cliffs, addressing operations and maintenance, finding an ongoing source of sustainable revenue, and finishing unfinished projects from HB 2017.

In the summer of 2024, the Joint Committee on Transportation embarked on a Transportation Roadshow, traveling the state to learn about transportation needs in different communities. The Committee made 13 stops, including three in the Metro region. In addition, starting in October, the Committee is facilitating three workgroups on relevant transportation package topics: Back-to-Basics Maintenance and Preservation, Public and Active Transit, and Finishing 2017 Priority Commitments. These workgroups are anticipated to last until the start of session and provide initial framing for the package.

Facilitated through JPACT, Metro staff worked with jurisdictional partners over the last year to develop transportation priorities and coordinate advocacy efforts. Metro staff planned a similar effort for Metro Council. In the winter and early spring, JPACT received educational presentations to prepare them for priority discussions. Metro Council received similar educational presentations in the summer. JPACT discussed draft priorities in the summer and early fall with final adoption of the priorities in October. Metro Council discussed the same draft priorities in the summer and early fall. Metro Council's adoption of transportation priorities will be a part of its state legislative agenda adoption.

RECOMMENDATION:

Support the passage of a transportation package that advances the JPACT priorities: addressing short-term funding solutions, long-term sustainable funding, finishing what we started, safe urban arterials and streets, transit investments, and resiliency. (full JPACT priorities are below)

LEGISLATIVE HISTORY:

Historically, the Oregon Legislature passes a large transportation package every decade. These packages focus on solving issues of that decade. In 2009, coming out of the Great Recession, the package focused on jobs and growing the economy. In 2017, among other issues, the package focused on solving critical statewide congestion and investing in transit operations for the first time.

OTHER INTERESTED PARTIES:

State and local government partners, freight interests, business interests, transportation advocates and environmental advocates.

IMPACT IF PROPOSED ACTION OCCURS:

State and local governments avoid fiscal cliff and provide transportation system improvements for their constituents. Oregonians will likely experience the transportation system as they have over the past decade and will not see a decline in the system.

RACIAL EQUITY IMPACTS

The racial equity impacts of the transportation package will depend on the package components, how programs are implemented, and which projects are chosen. BIPOC members are disproportionally impacted by transportation disinvestment and safety issues. On our roadways, BIPOC members are more likely to be killed in a traffic crash and experience other types of violence. 76 percent of pedestrian deaths occur in the communities in our region where more BIPOC, people with lower incomes and people with limited English proficiency live. This is especially true for Black people: in 2020, Black people accounted for 18.5 percent of traffic deaths in Portland, three times higher than residents' share of Portland's population. A transportation package that focuses on basic maintenance and safety projects like sidewalks, better lighting, and crosswalk and intersection improvements are critical to protecting BIPOC communities, that additional projects are located BIPOC communities, and increased investments in transit are also critical to advancing racial equity.

CLIMATE IMPACTS

The climate impacts of the transportation package will depend on the package components, how programs are implemented, and which projects are chosen. Shifting people out of cars and into walking, biking and transit is one of the strongest transportation strategies we have for combatting climate change and reducing GHG. A package that prioritizes increased investments in transit, walking, and biking will be critical to meet our state and region's climate goals. Statewide Transportation Improvement Fund, Safe Routes to School, Great Streets, and Oregon Community Pathways are all crucial programs that improve safety and improve climate outcomes. Additionally, even with increased mode shift, people will still drive cars. Increased investments in electrification infrastructure and incentives for electric vehicles are needed to help meet climate goals.

Memo



Date:October 17, 2024Subject:JPACT Priorities for the State 2025 Transportation Package

Purpose: A shared position statement that describes the Joint Policy Advisory Committee on Transportation's (JPACT) transportation values and priorities. This statement will be the foundation for our comments and engagement in processes leading up to a 2025 transportation funding package.

Background: JPACT's 2025 State Transportation Package values and priorities are rooted in conversations to date with regional partners and the 2023 update to the Regional Transportation Plan, which is a blueprint to guide investments for all forms of travel – motor vehicle, transit, bicycle and walking – and the movement of goods and freight throughout the Portland metropolitan region. The plan identifies current and future transportation needs and investments, and outlines what funds the region expects to have available over the next 25 years. The plan is updated every five years with input from community members, business and community leaders and governments as an opportunity to work together towards a future with safe, reliable and affordable travel options for all.

JPACT Priorities for a State 2025 Transportation Package:

The Portland metro area wants a safe, reliable, equitable, healthy and stable transportation system that is environmentally responsible, efficiently moves people and products to their destinations, and ensures all people can connect to the education and work opportunities they need to experience and contribute to our region's and state's economic prosperity and quality of life.

The Portland metro region accounts for more than 40 percent of the state's population. Our region continues to evolve -- working, shopping, and traveling in new ways that require expanded transportation options and solutions. Technological changes in transportation, communication and other areas are radically altering our daily lives. We are also facing urgent global and regional challenges: climate change is happening faster than predicted, and the transportation system is not fully prepared for the expected Cascadia Subduction Zone earthquake. Economic vitality and recovery depend very much on the efficiency and reliability of our transportation system, and we lack the funding at the state and local level to respond to these opportunities and challenges. For an export dependent state like Oregon, a resilient intermodal transportation system is especially critical to ensure local businesses can get their products to market. Intermodal transportation and marine highways offer a sustainable alternative for moving goods and improving overall freight mobility.

We are at a pivotal moment. As the region continues to emerge from the disruptions of the pandemic and respond to other urgent trends and challenges, the 2025 transportation package provides an opportunity for all levels of government and community to work together to deliver a better transportation future.

Our communities need:

- <u>Short-Term Funding Solutions</u>. Stabilize our existing state and local transportation system funding sources so we can prioritize the operations and maintenance of our existing facilities. Retain the existing 50/30/20 State Highway Fund revenue split.
- <u>Long-Term Sustainable Funding</u>. Invest in developing long-term, sustainable revenue solutions to provide much needed state and local operations and maintenance dollars for multi-modal investments into the future. Ensure that local agencies continue to receive a proportional local share (50/30/20) of all state collected transportation revenues. Ensure local agencies maintain and expand taxing authority for new types of funding.
- <u>To Finish What We Started</u>. Build government trust and accountability by ensuring the successful completion of the major bottleneck projects in the Portland metro region as promised by HB 2017.
- <u>Safe Urban Arterials and Streets.</u> Continue to invest in state programs that reduce fatal and serious injuries on our roadways and improve conditions on our most dangerous urban arterials. These investments should prioritize critical infrastructure improvements for all roadway users, and in major travel corridors with developing housing and job opportunities.
- <u>Transit.</u> Fund transit capital and operations, providing necessary solutions for expanding transit access statewide to make transit an easily accessible, attractive and equitable travel option.
- <u>Resiliency</u>. Ensure that our critical transportation infrastructure like airports and bridges are able to withstand large scale, known and unknown, climate and natural disasters. Plan, adapt and build climate resilient infrastructure responsive to the evolving needs of future generations.

JPACT members agreed to these priorities during the October 17, 2024 JPACT meeting. We are all committed to advancing robust and meaningful programs. Together we can create legislation that responds to the evolving economic and environmental needs across the state.