



Transportation Funding Package Op-Ed

By the WEA Transportation Revenue Workshop

After WEA's 2024 Policy Conference, we took some time to consider what we heard from panelists and attendees and built out our first-ever "[Blueprint for Impact](#)". Our goal was to develop a plan of action to help guide our work. Goal 3 of that document challenged WEA to "Support the adoption of a well-rounded transportation funding package that includes a transformative, equitable and uniquely Oregon approach to revenue generation." And so, we convened an eight-month Transportation Funding workshop to dig into ODOT's funding mechanisms, to study their models and get input from experts. We dove into topics like indexing the gas tax, VMTs (Vehicle Miles Traveled taxes, also known as a Road Usage Charge [RUC]), road delivery fees, and much more. We concluded the workshop by conducting a survey of businesses around the Portland Metro region to gauge the business community's feelings towards solutions legislators may consider to help address Oregon's transportation funding crisis.

53 responses were received (**45 unique organizations**) around the region (1 response from Marion County). The largest industry represented was "Engineering, Construction, or Development". With the new transportation package framework officially unveiled, we are encouraged by a commitment to the 50/30/20 rule (which represents the funding ratio for state/counties/cities), as well as indexing the gas tax to inflation. However, there are aspects of the framework we believe need improvement. Given the small sample size of this survey, we provide the following as a non-scientific 'temperature check', however, we do believe the results still bear sharing.

THINGS WE LEARNED:

When asked in our survey, "How much does the average Oregon driver pay annually for transportation in taxes and fees?" the largest number of respondents (47%) selected the **correct** price range between \$250 - \$350. However, an equal proportion of respondents selected above that range; 31% selected "\$500 - \$999" and 16% selected "More than \$1,000" (47% in total), indicating many respondents **overestimated** the amount of money they pay into the system.

When asked "Do you believe that a scaled-up VMT (Vehicle Miles Traveled) program (as an eventual replacement to the gas tax) would negatively affect your business?", **50% of respondents chose "No"**, 42% "Neutral", and only 8% chose "Yes". We believe this indicates a general understanding among respondents of the need to replace the diminishing gas tax revenue system.

RECOMMENDATIONS:

RECOMMENDATION #1. Communicate clearly and strategically.

Oregonians need proof that this funding will provide and maintain a SAFER transportation system, and that their money will be used EFFECTIVELY. In 2023, nearly 600 people died on Oregon roads, over 3,000 were hospitalized with serious injuries, and over 34,000 were treated in emergency rooms. This package needs to not only **prove** to Oregonians that the additional money they are paying will be going towards improving road safety, but it must also provide sufficient assurance that the departments responsible for this revenue will be held accountable for its proper usage. Insufficient or mismanaged funding for infrastructure maintenance, operation, and repair threatens both safety AND basic functionality (reliability, dependability, predictability). **Trust** in this package needs to be earned and maintained.

RECOMMENDATION #2. Be innovative with systems already in place.

With diminishing funds from the gas tax due to increasing fuel efficiency in new cars, we already know what the solution is: move to a VMT fee. We encourage legislators to prioritize and speed implementation. While we applaud the inclusion of a VMT in the package, it goes too slow and not far enough.

Every 2 years, every vehicle owner in Oregon must renew their vehicle registration. This workshop is advocating to simply add a step during that process that reports mileage. Just like our utility bills, we can pay an average of expected usage and then 'right-size it' with a one-time payment and then adjust moving forward. We can also overlay this with the driver's ability to pay. We could use the current regional map used for setting minimum wage to set cost per mile so those in rural Oregon aren't overly burdened by the cost for having to drive longer distances.

All this to say, there are low-cost, analog solutions for tracking mileage that would allow our state to avoid driver privacy concerns while also moving quickly to launch a first-in-the-country statewide VMT system. It is important to note that after the first public hearing of Washington State's recently proposed VMT legislation, 98% of 20,223 registered public testimonials were filed in opposition to the program, largely detailing concerns around location tracking. An odometer logging system should be the proposed program for the statewide VMT, with a GPS tracking program offered as a voluntary secondary system. This workshop believes that GPS tracking would be both costly and controversial. Avoiding it as the main component of an Oregon VMT program would help reduce privacy concerns.

RECOMMENDATION #3. Be bold, lean into full solutions.

We applaud the legislature leaning into well-thought increases in gas tax and fees. Through our workgroup and then our survey, we learned that we could turn up the dial on the overall cost of using the transportation system IF there were assurances the money would be well spent. We encourage a continued look at how to ensure the business community, especially those that rely on fleets and who move employees across the region throughout the workday, continue to have a voice as the final negotiations are navigated.

We are concerned, however, that there is an opportunity to get distracted with elements that we see as “nibbling around the edges”. Raising \$1 million on a bike tax? Raising an estimated \$13 million a year from a VMT fee for Battery Electric Vehicles?

We have heard concerns about a slow ramp up for the VMT, a faster approach may be more effective at producing the revenue that the state immediately needs. Using a combination of the current GPS system for those who opt-in with an analog DMV registration system for those who prefer, we see no reason not to move to a mandatory shift for all new vehicles by 2027. As we saw with the recent statewide uproar and subsequent pause on tolling, new programs can lose the support needed for a successful roll out.

We want to encourage Salem to trim the smaller ideas and focus on the funding mechanisms that meet the immense need of the state’s transportation system.

CONCLUSION:

We hope to continue to partner with our legislators who are working to make this funding package a reality in the 2025 session. We also hope to see movement toward bolder, bigger and faster solutions. Investing in our transportation infrastructure is vital for business as we move freight to market and people to jobs. It is also a job creator. Which, in uncertain economic times, is critical for our state.