

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: July 5, 2016 **Approx Start Time:** 10:30 **Approx Length:** 30 min

Presentation Title: Proposed Change in Special County Allotment for New Highway Funding

Department: Transportation & Development

Presenters: Mike Bezner, Transportation & Development

Other Invitees:

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Support for a proposed concept for distributing new highway funds from a future legislative action.

EXECUTIVE SUMMARY:

The State Highway Fund (SHF) is currently distributed to counties based on the number of registered vehicles in each county. Many counties with small populations and a lot of road miles receive a share of the State Highway Fund which is inadequate to support a road department. For example, Wheeler County's 2015 SHF is \$134,000 with 259 miles of roads. This amount makes it almost impossible to operate a road department. Underfunded rural counties can try to raise local revenues, but because there are so few residents, a local gas tax or vehicle registration fee would not provide much relief.

For this reason, members of the Oregon Association of County Engineers and Surveyors (OACES) worked collaboratively to propose a change in the Special County Allotment for any new revenue that gets generated from a package passed during the 2017 Legislative Session. The OACES funding committee included Mike Bezner and two members from every AOC district. The committee met multiple times over the past two years. The committee considered full formula changes on existing revenue, new revenue, a "\$1M Minimum" for each county, and a wide variety of other options.

The consensus proposal assumes the transportation package will raise \$100M statewide, equivalent to a 3.5 cent gas tax increase (including an equivalent weight-mile tax increase). The counties 30% share, which is the only part impacted by this new proposal, would amount to \$30M. AOC has indicated they expect the package to raise more revenue than this, so consider it a conservative estimate of new funding. The proposal is to take \$5M off the top of the \$30M and redistribute it via a new formula. The new formula allocates this \$5M to counties with less than 200,000 registered vehicles according to the ratio of vehicles per mile in that county. This method accounts for a county's inability to self-finance their road system. At the OACES Spring Conference in May, this proposal was supported unanimously by the road officials in attendance.

This would mean an increase of \$2,544,000 of new revenue to the Clackamas County Department of Transportation and Development, as opposed to \$3,054,000 based on the existing formula.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

This would impact future revenues if the State Legislature passes a funding package.

What is the cost? There is no cost. This proposal would reduce future additional revenues, not decrease existing revenues.

What is the funding source? State Highway Fund

STRATEGIC PLAN ALIGNMENT:

This issue aligns with the following Board Strategic Priorities:

- Grow a vibrant economy – many of our goods travel to and from other counties in Oregon. Their road conditions impact our county’s businesses.
- Build a strong infrastructure – the proposed method still brings significant additional funding to Clackamas County.

LEGAL/POLICY REQUIREMENTS:

Current state law would have to be changed in order to change the method of distributing funds.

PUBLIC/GOVERNMENTAL PARTICIPATION:

Staff has worked with other County Road Officials, including Washington and Multnomah counties, and we achieved consensus from the working group.

OPTIONS:

1. Support the proposed new method to distribute future new revenues amongst the counties.
2. Propose a different new method.
3. Reject creating a new distribution method for new funds.

RECOMMENDATION:

Staff respectfully recommends:

1. Support the proposed new method to distribute future new revenues amongst the counties.

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Mike Bezner @ 503-742-4651

Special County Allotment based on a Miles / Vehicles Ratio

Approved By OACES 5-11-2016 as a Concept Proposal for Further Discussion

Assumptions & Methodology:

1. Special County Allotment (SCA) = \$5.75M (\$0.25M Historic ODOT, \$0.5M Historic County, \$5.0M new County revenue)
2. Special County Allotment Program administered by AOC (simplifies need to legislate allocation methodology)
3. Special County Allotment Program only eligible to counties with less than 200,000 registered vehicles
4. Methodology: SCA redistributes funds taken off the top to counties based on a miles/registered vehicles ratio
 - a. Total new SCA funding "taken off the top" = \$ 5,000,000
 - b. Total SCA funding available = \$ 5,750,000
 - c. Calculate the road mile/vehicle registration ratio for each county
 - d. Sum the ratios for all counties < 200K registered vehicles = 0.91
 - e. Calculate the proportional amount of the SCA to each county (miles/vehicles)/ratio sum * SCA funding)

Package Size \$ 30,000,000

New Transportation Package - 2017

	Road Mileage	Vehicles	Miles/Vehicles	Existing 2015 SHF	New SCA to County	Forgone Revenue to New SCA	Prior SCA to County	Prior 2015 Full Payment	New Revenue to Counties		New Revenue + New Formula		New Formula	
									Total New Revenue	\$ Change	% Change	\$ Change	% Change	
Sherman	447	3,770	0.1186	\$ 206,427	\$ 651,482.41	\$ (4,510)	\$ 81,617	\$ 288,044	\$ 22,549	\$ 962,076	\$ 674,032	234.0%	\$ 646,973	205.3%
Gilliam	407	3,602	0.1130	\$ 197,228	\$ 620,850.76	\$ (4,309)	\$ 95,943	\$ 293,171	\$ 21,544	\$ 935,566	\$ 642,395	219.1%	\$ 616,542	193.3%
Wheeler	259	2,415	0.1072	\$ 132,234	\$ 589,276.53	\$ (2,889)	\$ 10,081	\$ 142,315	\$ 14,445	\$ 746,036	\$ 603,721	424.2%	\$ 586,388	367.3%
Harney	812	11,359	0.0715	\$ 621,965	\$ 392,782.79	\$ (13,588)	\$ 237,202	\$ 859,167	\$ 67,941	\$ 1,319,890	\$ 460,724	53.6%	\$ 379,195	40.3%
Morrow	959	15,773	0.0608	\$ 863,654	\$ 334,072.57	\$ (18,868)	\$ 120,655	\$ 984,309	\$ 94,342	\$ 1,412,723	\$ 428,414	43.5%	\$ 315,204	28.7%
Wallowa	713	11,892	0.0600	\$ 651,149	\$ 329,436.07	\$ (14,226)		\$ 651,149	\$ 71,129	\$ 1,051,714	\$ 400,565	61.5%	\$ 315,210	42.8%
Lake	729	13,023	0.0560	\$ 713,077	\$ 307,576.40	\$ (15,579)		\$ 713,077	\$ 77,894	\$ 1,098,547	\$ 385,470	54.1%	\$ 291,998	36.2%
Malheur	1,735	36,599	0.0474	\$ 2,003,987	\$ 260,475.44	\$ (43,781)	\$ 204,503	\$ 2,208,490	\$ 218,907	\$ 2,687,872	\$ 479,382	21.7%	\$ 216,694	8.8%
Grant	488	11,589	0.0421	\$ 634,558	\$ 231,371.77	\$ (13,863)		\$ 634,558	\$ 69,316	\$ 935,246	\$ 300,688	47.4%	\$ 217,508	30.3%
Baker	904	23,543	0.0384	\$ 1,289,103	\$ 210,980.90	\$ (28,163)		\$ 1,289,103	\$ 140,816	\$ 1,640,900	\$ 351,797	27.3%	\$ 182,818	12.5%
Jefferson	601	26,968	0.0223	\$ 1,476,639	\$ 122,450.98	\$ (32,260)		\$ 1,476,639	\$ 161,302	\$ 1,760,392	\$ 283,753	19.2%	\$ 90,191	5.4%
Wasco	674	32,052	0.0210	\$ 1,755,015	\$ 115,542.37	\$ (38,342)		\$ 1,755,015	\$ 191,710	\$ 2,062,268	\$ 307,253	17.5%	\$ 77,200	3.9%
Umatilla	1,670	91,216	0.0183	\$ 4,994,554	\$ 100,596.29	\$ (109,117)		\$ 4,994,554	\$ 545,584	\$ 5,640,734	\$ 646,180	12.9%	\$ (8,520)	-0.2%
Union	598	33,368	0.0179	\$ 1,827,073	\$ 98,470.81	\$ (39,916)		\$ 1,827,073	\$ 199,582	\$ 2,125,125	\$ 298,052	16.3%	\$ 58,554	2.8%
Crook	472	32,818	0.0144	\$ 1,796,957	\$ 79,025.35	\$ (39,258)		\$ 1,796,957	\$ 196,292	\$ 2,072,274	\$ 275,317	15.3%	\$ 39,767	2.0%
Klamath	869	84,417	0.0103	\$ 4,622,273	\$ 56,562.21	\$ (100,983)		\$ 4,622,273	\$ 504,917	\$ 5,183,753	\$ 561,480	12.1%	\$ (44,421)	-0.8%
Tillamook	328	34,146	0.0096	\$ 1,869,672	\$ 52,780.14	\$ (40,847)		\$ 1,869,672	\$ 204,235	\$ 2,126,687	\$ 257,015	13.7%	\$ 11,933	0.6%
Douglas	1,141	133,483	0.0085	\$ 7,308,893	\$ 46,967.37	\$ (159,678)		\$ 7,308,893	\$ 798,392	\$ 8,154,253	\$ 845,360	11.6%	\$ (112,711)	-1.4%
Columbia	538	63,587	0.0085	\$ 3,481,721	\$ 46,489.03	\$ (76,066)		\$ 3,481,721	\$ 380,328	\$ 3,908,538	\$ 426,817	12.3%	\$ (29,577)	-0.8%
Linn	1,103	139,631	0.0079	\$ 7,645,528	\$ 43,404.04	\$ (167,033)		\$ 7,645,528	\$ 835,165	\$ 8,524,097	\$ 878,569	11.5%	\$ (123,629)	-1.4%
Curry	225	30,072	0.0075	\$ 1,646,599	\$ 41,110.88	\$ (35,974)		\$ 1,646,599	\$ 179,868	\$ 1,867,577	\$ 220,978	13.4%	\$ 5,137	0.3%
Coos	526	74,419	0.0071	\$ 4,074,830	\$ 38,836.35	\$ (89,023)		\$ 4,074,830	\$ 445,117	\$ 4,558,783	\$ 483,953	11.9%	\$ (50,187)	-1.1%
Hood River	203	30,269	0.0067	\$ 1,657,386	\$ 36,849.74	\$ (36,209)		\$ 1,657,386	\$ 181,046	\$ 1,875,282	\$ 217,896	13.1%	\$ 641	0.0%
Lincoln	339	52,995	0.0064	\$ 2,901,754	\$ 35,148.06	\$ (63,395)		\$ 2,901,754	\$ 316,975	\$ 3,253,877	\$ 352,123	12.1%	\$ (28,247)	-0.9%
Yamhill	669	107,567	0.0062	\$ 5,889,856	\$ 34,173.04	\$ (128,677)		\$ 5,889,856	\$ 643,383	\$ 6,567,412	\$ 677,556	11.5%	\$ (94,504)	-1.4%
Polk	478	78,184	0.0061	\$ 4,280,983	\$ 33,592.83	\$ (93,527)		\$ 4,280,983	\$ 467,636	\$ 4,782,212	\$ 501,229	11.7%	\$ (59,934)	-1.2%
Benton	447	80,538	0.0056	\$ 4,409,877	\$ 30,496.02	\$ (96,343)		\$ 4,409,877	\$ 481,716	\$ 4,922,089	\$ 512,212	11.6%	\$ (65,847)	-1.3%
Josephine	561	102,933	0.0055	\$ 5,636,121	\$ 29,946.41	\$ (123,133)		\$ 5,636,121	\$ 615,666	\$ 6,281,733	\$ 645,612	11.5%	\$ (93,187)	-1.5%
Clatsop	229	43,014	0.0053	\$ 2,355,242	\$ 29,252.44	\$ (51,455)		\$ 2,355,242	\$ 257,277	\$ 2,641,771	\$ 286,529	12.2%	\$ (22,203)	-0.8%
Deschutes	937	212,819	0.0044	\$ 11,652,954		\$ (254,584)		\$ 11,652,954	\$ 1,272,919	\$ 12,925,873	\$ 1,272,919	10.9%	\$ (254,584)	-1.9%
Jackson	962	231,712	0.0042	\$ 12,687,445		\$ (277,185)		\$ 12,687,445	\$ 1,385,923	\$ 14,073,368	\$ 1,385,923	10.9%	\$ (277,185)	-1.9%
Lane	1,436	361,520	0.0040	\$ 19,795,113		\$ (432,467)		\$ 19,795,113	\$ 2,162,334	\$ 21,957,447	\$ 2,162,334	10.9%	\$ (432,467)	-1.9%
Marion	1,116	329,384	0.0034	\$ 18,035,498		\$ (394,024)		\$ 18,035,498	\$ 1,970,121	\$ 20,005,619	\$ 1,970,121	10.9%	\$ (394,024)	-1.9%
Clackamas	1,411	425,443	0.0033	\$ 23,295,232		\$ (508,934)		\$ 23,295,232	\$ 2,544,672	\$ 25,839,904	\$ 2,544,672	10.9%	\$ (508,934)	-1.9%
Washington	1,394	502,525	0.0028	\$ 27,515,875		\$ (601,143)		\$ 27,515,875	\$ 3,005,717	\$ 30,521,592	\$ 3,005,717	10.9%	\$ (601,143)	-1.9%
Multnomah	293	711,098	0.0004	\$ 38,936,338		\$ (850,648)		\$ 38,936,338	\$ 4,253,240	\$ 43,189,578	\$ 4,253,240	10.9%	\$ (850,648)	-1.9%
Total	26,673	4,179,743	0.9324	\$ 228,862,810	\$ 5,000,000	\$ (5,000,000)	\$ 750,000	\$ 229,612,810	\$ 25,000,000	\$ 259,612,810				