

Date: January 21, 2025
Time: 3:00 PM – 4:30 PM

Meeting Summary: January 21, 2025

Attendees:

- Matthew Kitchen (ECONorthwest)
- Sean Wallace (ECONorthwest)
- Zach Leshar (ECONorthwest)
- Bonnie Gee Yosick (ECONorthwest)
- Bob Russell (Oregon Trucking Association)
- Jana Jarvis (Oregon Trucking Association)
- Mazen Malik (Legislative Revenue Office)
- Marie Dodds (AAA Oregon/Idaho)
- Tim Morgan (AAA Oregon/Idaho)
- Sarah Iannarone (The Street Trust)
- Carl Riccadonna (Office of Economic Analysis)
- Jordan Macias (Office of Economic Analysis)
- Mitchell D'Sa (Office of Economic Analysis)
- Brian Worley (Association of Oregon Counties)
- Kevin Campbell (Victory Group)
- Daniel Porter (Oregon Department of Transportation)
- Allen Molina (Oregon Department of Transportation)

Agenda Overview

- Review of key findings from the 2025 HCAS.
- Incorporation of lookback study results into legislative recommendations.
- Clarification of expenditure allocation methodologies.
- Planning for final report submissions and legislative presentations.

Key Updates

HCAS Findings

- Matthew Kitchen presented the latest equity ratio updates:
 - Light-duty vehicles continue to underpay, maintaining an equity ratio of 0.86, which aligns with historical trends.
 - Medium- and heavy-duty vehicles remain consistent in overpaying relative to their cost responsibilities, reflecting updated methodologies and vehicle classifications.
 - Refinements in data collection and VIN-based weight classification processes contributed to these outcomes.
- Sean Wallace elaborated on the integration of federal and state expenditure mandates:
 - ADA compliance projects and modernization initiatives were highlighted as major factors impacting cost allocation.
 - The updated model ensures transparency and accuracy in aligning expenditures with cost responsibilities.
- Jana Jarvis raised questions about how shifting vehicle trends, including increased electric vehicle (EV) adoption, could influence future equity ratios. Matthew suggested further modeling to capture these impacts in subsequent cycles.

Lookback Study

- Insights from the 2019–2021 Lookback Study were reviewed:
 - Discrepancies between projected and actual expenditures were primarily attributed to fiscal irregularities during the pandemic.
 - The study highlighted the need for improved tracking of project-level expenditures to better align with HCAS methodologies.
 - Bob Russell emphasized the importance of standardizing the incorporation of actuals into HCAS findings to enhance legislative trust.
- The group discussed how lessons from the Lookback Study could inform future legislative reporting:

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- Carl Riccadonna suggested developing a framework for regular updates on revenue and expenditure reconciliation to avoid confusion.
- Sarah Iannarone advocated for clearer visual representations to help communicate these findings effectively to non-technical audiences.

Legislative Engagement

- The team deliberated on strategies to prepare for upcoming legislative presentations:
 - Matthew proposed focusing on the equity and fairness of the HCAS process, emphasizing its adaptability to shifting transportation needs.
 - Daniel Porter recommended including a detailed comparison of revenue and expenditure impacts, particularly highlighting modernization projects and their influence on cost allocations.
 - Mazen Malik stressed the importance of preemptively addressing potential questions on the role of EVs and other emerging trends in shaping future revenue streams.
 - Sean Wallace highlighted the role of updated methodologies in improving HCAS transparency, suggesting this could be a central theme for legislators.
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Next Steps

Final Report and Presentation

- ECONorthwest will finalize the draft report by **January 27, 2025**, ensuring all SRT feedback is incorporated.
- The finalized report will be circulated for comments by **January 29, 2025**, with submission to the Joint Committee on Transportation set for **January 31, 2025**.
- Legislative presentations are scheduled for late January or early February, contingent on final scheduling confirmations.

Action Items

- **ECONorthwest:** Complete final report, integrating lookback findings and final SRT feedback. Prepare presentation slides for review.

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- **SRT Members:** Review and provide comments on both the draft report and presentation slides by the specified deadlines.
- **Matthew Kitchen:** Develop simplified materials for the legislative audience, including visual aids to illustrate key findings.
- **Carl Riccadonna:** Coordinate with legislative staff to finalize the presentation schedule and address logistical needs.
- **Sean Wallace:** Prepare supplementary examples to clarify methodological changes and their impacts on equity ratios.