

**77<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2013 Session  
BUDGET REPORT AND MEASURE SUMMARY**

**JOINT COMMITTEE ON WAYS AND MEANS**

**MEASURE: SB 5544-A**

**Carrier – House: Rep. Jenson**

**Carrier – Senate: Sen. Johnson**

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**Action:** Do Pass as Amended and be Printed A-Engrossed

**Vote:** 18 – 7 – 1

House

**Yeas:** Barker, Buckley, Frederick, Huffman, Jenson, Komp, Nathanson, Read, Smith, Tomei, Williamson

**Nays:** Freeman, Hanna, McLane, Richardson

**Exc:**

Senate

**Yeas:** Devlin, Edwards, Hansell, Johnson, Monroe, Steiner Hayward, Winters

**Nays:** Girod, Thomsen, Whitsett

**Exc:** Bates

**Prepared By:** Tamara Brickman, Department of Administrative Services

**Reviewed By:** Linda Gilbert, Legislative Fiscal Office

**Meeting Date:** June 14, 2013

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Agency

Oregon Department of Transportation

Biennium

2013-15

2011-13

**Corrected Copy**

**Budget Summary\***

	2011-13 Legislatively Approved Budget <sup>(1)</sup>	2013-15 Current Service Level**	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 0	0.0%
General Fund Debt Service	\$ 10	\$ 21,137,928	\$ 757,944	\$ 757,934	7579340.0%
Lottery Funds Debt Service	\$ 72,614,930	\$ 95,261,416	\$ 95,261,416	\$ 22,646,486	31.2%
Other Funds	\$ 3,236,023,369	\$ 2,854,560,192	\$ 3,279,323,699	\$ 43,300,330	1.3%
Other Funds Capital Improvements	\$ 3,259,788	\$ 3,338,023	\$ 3,338,023	\$ 78,235	2.4%
Other Funds Debt Service	\$ 367,214,388	\$ 415,690,341	\$ 464,052,646	\$ 96,838,258	26.4%
Other Funds Nonlimited	\$ 18,519,115	\$ 18,158,214	\$ 18,158,214	\$ (360,901)	-1.9%
Other Funds Debt Service Nonlimited	\$ 236,397,893	\$ 0	\$ 0	\$ (236,397,893)	-100.0%
Federal Funds	\$ 134,494,435	\$ 100,982,195	\$ 119,483,783	\$ (15,010,652)	-11.2%
Federal Funds Debt Services Nonlimited	\$ 21,621,528	\$ 21,621,529	\$ 21,621,529	\$ 1	0.0%
<b>Total</b>	<b>\$ 4,092,145,456</b>	<b>\$ 3,530,749,838</b>	<b>\$ 4,003,997,254</b>	<b>\$ (88,148,202)</b>	<b>-2.2%</b>

**Position Summary**

Authorized Positions	4,613	4,608	4,538	-75
Full-time Equivalent (FTE) positions	4,521.79	4,519.34	4,451.38	-70.41

<sup>(1)</sup> Includes adjustments through December 2012

\* Excludes Capital Construction expenditures

\*\* LFO Recalculation of Current Service Level

**2011-13 Supplemental Budget\***

	2011-13 Legislatively Approved Budget(1)	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$ Change	% Change
Other Funds	\$ 3,236,023,369		\$ 3,240,023,369	\$ 4,000,000	0.1%

## **Summary of Revenue Changes**

The Subcommittee, through Senate Bill 5545 (the agency's fee bill) ratified the following fee revenue amounts for fees either established or increased during the 2011-13 biennium: Increase in license plate manufacturing fee, an increase of \$414,523; Decrease in Outdoor Advertising for one sign only, a decrease of \$15,950; Establishment of Digital Sign Application fees, an increase of \$24,500; Establishment of registration plate fees for "Keep Kids Safe" plates, an increase of \$30,000; Establishment of Civil Penalty Fees for failure to comply with tollway fees, which is not expected to generate any revenue in 2013-15; and an increase in the Vehicle Code Book fee, an increase of \$7,600. The revenue changes pertain to the 2013-15 biennium.

## **Summary of Transportation and Economic Development Subcommittee Action**

The Oregon Department of Transportation (ODOT) is responsible for a wide range of programs and activities related to Oregon's transportation systems. The agency is involved in developing highways, roads and bridges, railways, public transportation services, bicycle and pedestrian paths, transportation safety programs, driver and vehicle licensing, and motor carrier regulation. The agency has offices and facilities statewide.

The Subcommittee reviewed the department's budget by division and approved a budget of \$4.0 Billion and 4,451.38 full-time equivalents (FTE). This budget is a 2.2 percent decrease from the 2011-13 Legislatively Approved Budget.

The agency's budget includes the following program units:

- Highway: Maintenance, Preservation, Bridge, Highway Operations, Modernization, Special Programs, Local Government;
- Driver and Motor Vehicle Services;
- Motor Carrier Transportation;
- Transportation Development: Transportation Program Development, Public Transit, Rail, Transportation Safety;
- Debt Service;
- Central Services;
- Capital Improvements; and
- Capital Construction.

Highway

The Highway Division consists of two major program areas: Maintenance and Construction. Construction includes the Preservation, Bridge, Modernization, Highway Operations, Local Government programs, and Special Programs.

Highway – Maintenance

The Maintenance program includes the routine daily activities of maintaining, repairing, or restoring existing highways to keep them safe and usable for travelers. Typical activities are surface and shoulder repair, drainage work, roadside and vegetation management, snow and ice control, bridge maintenance, traffic services, extraordinary maintenance or damage repair, emergency relief, fleet services and supply operations, and radio communications.

The Subcommittee approved the following:

- Package 070, Revenue Shortfalls, reduces Other Funds expenditure limitation \$4.1 million and eliminates 27 (26.66 FTE) positions to reflect the expectation that revenues will not grow as fast as costs.
- Package 092, PERS Taxation Policy, eliminates \$545,571 Other Funds expenditure limitation. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.
- Package 093, Other PERS Adjustments, eliminates \$4.4 million Other Funds expenditure limitation. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 110, State Radio Project Transfer of OSP Wireless Unit, provides \$2.6 million Other Funds expenditure limitation and 8.00 FTE to formally consolidate the State Police (OSP) Wireless unit with ODOT wireless, at ODOT. Budgets and staff (19 at ODOT, eight at OSP) are already managed by ODOT's Wireless Section manager, but under two agency identifications. This package establishes eight permanent ODOT positions. OSP has a package to abolish these positions and move the budget to ODOT. OSP will pay ODOT through a revenue transfer of \$898,601 for 35% of the wireless support, with ODOT covering the remaining expense from the highway fund.

- Package 120, Transfer of OEM CSEPP Unit to ODOT, provides \$648,250 Other Funds expenditure limitation to create two permanent positions (2.00 FTE) to operate and maintain the communications network established as part of the Chemical Stockpile Emergency Preparedness Program (CCEPP). This portion of Office of Emergency Management (OEM) transfers to ODOT, now that CSEPP is complete.
- Package 130, State Radio Project Conversion to Operations, provides \$3 million Other Funds expenditure limitation to support the State Radio Project day to day operations and maintenance, expected to be complete by mid-2014. It adds 14 permanent positions (12.25 FTE). The additional positions are needed because the new digital radio system is more technically complex than the analog system it replaced. The Subcommittee's recommendation reflects that two positions associated with broadband will not work on this part of the conversion and pushes the start date for seven unfilled positions to January 1, 2014. The other seven positions are currently working with the construction phase of the project and will convert to operations work.
- Package 810, LFO Analyst Adjustments, transfers position (1.00 FTE) #3471123 from Highway Maintenance to Driver and Motor Vehicles, which reduces personal services in this program by \$238,920 Other Funds and services and supplies by \$97,476 Other Funds. The package also reconciles State Government Service Charges to appropriately align budget services by adding \$389,062 Other Funds.

#### Highway – Preservation

The Preservation Program uses a statewide Pavement Management System that monitors and forecasts pavement conditions on state highways. Part of the Highway Program preservation projects add useful life to a road without increasing its capacity, primarily through pavement resurfacing. ODOT has adopted a pavement preservation program designed to keep highways in the best condition at the lowest lifecycle cost. The program focuses on taking preventive measures to add useful life to a road before the pavement reaches poor condition.

The Subcommittee approved the following:

- Package 070, Revenue Shortfalls, reduces Other Funds expenditure limitation \$563,175 and eliminates three positions (2.90 FTE) to reflect the expectation that revenues will not grow as fast as costs.
- Package 092, PERS Taxation Policy, eliminates \$81,927 Other Funds expenditure limitation. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

- Package 093, Other PERS Adjustments, eliminates \$654,634 Other Funds expenditure limitation. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 810, LFO Analyst Adjustments, eliminates \$1,538 Other Funds expenditure limitation to reconcile state telecommunications charges to appropriately align budget services used.

#### Highway – Bridge

This program preserves the more than 2,600 bridges and other highway related structures on the state highway system and maintains the National Bridge Inventory (NBI). Projects that rebuild or extend the service life of an existing bridge (including replacement) are identified through the Bridge Management System (BMS). The BMS is also used to store inventory and condition data to analyze and predict performance measurement goals, system conditions and needs. Routine bridge inspections are performed every two years. The BMS is used to develop programs for the Statewide Transportation Improvement Program (STIP) and the Major Bridge Maintenance program.

In 2003, the Legislature passed the Oregon Transportation Investment Act (OTIA) III, which authorized the sale of bonds for highway improvement projects, including bridges. At the conclusion of OTIA III, which will occur in 2014, 150 bridges will have been replaced.

The Subcommittee approved the following:

- Package 070, Revenue Shortfalls, reduces Other Funds expenditure limitation \$578,707 and eliminates four positions (3.06 FTE) to reflect the expectation that revenues will not grow as fast as costs.
- Package 092, PERS Taxation Policy, eliminates \$84,506 Other Funds expenditure limitation. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.
- Package 093, Other PERS Adjustments, eliminates \$675,240 Other Funds expenditure limitation. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 810, LFO Analyst Adjustments, eliminates \$4,743 Other Funds expenditure limitation to reconcile state telecommunications charges to appropriately align budget services used.

#### Highway Operations

The Highway Operations Program consists of two separate programs: Highway Safety and Highway Operations.

The Highway Safety Program is responsible for identifying all fatal and serious crash sites around the state and recommending cost-effective mitigation strategies. Solutions range from signal lights and building left turn lanes, to closing accesses to highways, fixing guardrails and installing breakaway sign posts. The program consists of several parts including:

- Highway Safety Program, which exists to achieve a significant reduction in traffic fatalities and serious injuries;
- Project Safety Management System, which is a comprehensive data analysis and reporting system designed to improve decision making for improved safety of Oregon's transportation system;
- High Risk Rural Road Program is aimed at carrying out safety improvement projects on rural roads with identified safety issues; and
- Safe Routes to School Program assists communities in identifying and reducing barriers and hazards to children in grades kindergarten through 12 that are walking or bicycling within two miles of a school.

Highway Operations is responsible for developing strategies and tools to deal with increasing traffic volume and limited funding by relying on emerging strategies and technology-based tools to increase system efficiency, increase safety and manage congestion. Program activities include traffic management, intelligent transportation systems and transportation system management, transportation operations centers and incident management, transportation demand management, and landslide and rock fall mitigation.

The Subcommittee approved the following:

- Package 070, Revenue Shortfalls, reduces Other Funds expenditure limitation \$536,642 and eliminates four positions (3.26 FTE) to reflect the expectation that revenues will not grow as fast as costs.
- Package 092, PERS Taxation Policy, eliminates \$77,184 Other Funds expenditure limitation. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

- Package 093, Other PERS Adjustments, eliminates \$616,736 Other Funds expenditure limitation. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 810, LFO Analyst Adjustments, eliminates \$29,997 Other Funds expenditure limitation to reconcile state telecommunications.

#### Highway – Modernization

Modernization projects add capacity to the highway system by adding lanes, widening bridges, rebuilding roads with major alignment improvements or major widening, building new road alignments or new facilities such as by-passes. These projects improve safety, relieve congestion, and allow more efficient movement of people and goods across the state. ORS 366.507 requires ODOT to dedicate approximately \$100 million per biennium for highway modernization work.

In recognition of the need to focus on preserving the state's existing infrastructure, the Oregon Transportation Commission has reduced the Modernization Program to the minimum level allowed under law. As a result, few new modernization projects have been considered over the last several years. The exception is the \$200 million Modernization program funded through Oregon Transportation Investment Act (OTIA) in 2001 and 2002 as well as \$500 million identified in 2003 (OTIA III). The Modernization program also administers the Immediate Opportunity Fund (IOF) program in partnership with the Business Development Department. With the passage of the Jobs and Transportation Act (House Bill 2001), the 2009 Legislature increased funding to ODOT and directed a portion of this new funding to be spent on projects within Maintenance, Preservation, Safety and Modernization. In the same Act, the Legislature also authorized ODOT to bond for projects that mainly will be Modernization projects but will also fund projects in Preservation, Safety, Special Programs and Local Government.

The Subcommittee approved the following:

- Package 070, Revenue Shortfalls, reduces Other Funds expenditure limitation \$526,496 and eliminates three positions (2.70 FTE) to reflect the expectation that revenues will not grow as fast as costs.
- Package 092, PERS Taxation Policy, eliminates \$79,199 Other Funds expenditure limitation. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.



- Package 093, Other PERS Adjustments, eliminates \$632,840 Other Funds expenditure limitation. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 150, Columbia River Crossing Project, provides \$450 million Other Funds expenditure limitation related to the Columbia River Crossing project, (I-5 Bridge Replacement). This amount was confirmed in legislative hearings and HB 2800 (2013) has been approved and signed by the Governor. Actual construction depends on a Treasurer's evaluation, Washington State approval, Coast Guard permit, and specific federal participation. Furthermore, the Department may determine that bonding is not the ideal method for funding the project. Therefore, the recommendation includes a request that the Department of Administrative Services unschedule this expenditure limitation until the project meets the above mentioned requirements and work on the project begins.
- Package 810, LFO Analyst Adjustments, eliminates \$1,415 Other Funds expenditure limitation to reconcile state telecommunications.

#### Highway – Special Programs

The Special Programs unit consists of construction projects and construction project support. These construction projects do not fit the general construction limitation categories and usually fall under special rules or program areas. Activity areas within this program unit include: pedestrian and bicycle, salmon/watershed work, forest highway program, jurisdictional exchange, winter recreation parking and snowmobile facilities. The construction project support is composed of the necessary administrative, indirect and program support for the construction portion of the Highway Division.

The Subcommittee approved the following:

- Package 070, Revenue Shortfalls, reduces Other Funds expenditure limitation \$2.5 million and eliminates 13 positions (12.64 FTE) to reflect the expectation that revenues will not grow as fast as costs.
- Package 092, PERS Taxation Policy, eliminates \$341,268 Other Funds expenditure limitation. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

- Package 093, Other PERS Adjustments, eliminates \$2.7 million Other Funds expenditure limitation. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 810, LFO Analyst Adjustments, eliminates \$72,673 Other Funds expenditure limitation to reconcile State Government Service Charges to appropriately align budget to services used.
- Package 812, Sno Park Fees, is a revenue package and direction to ODOT to amend rules to set Sno Park fees as follows: Annual permit - \$25. Three-day permit - \$9. One-day permit - \$4. These fees will not require subsequent legislative ratification. If additional expenditure limitation is needed, it can be requested during the February 2014 Legislative session.

#### Highway – Local Government

ODOT is responsible for administering all Federal Funds supporting highway construction in Oregon. All local expenditures related to federal highway programs are included in ODOT's budget. About 25 percent of the Federal Funds that come to Oregon are shared with local partners. Activities and programs include:

- Project and program support for the local portion of Oregon Transportation Investment Act (OTIA) funding;
- Fund exchange, which exchanges federal funds for state funds to help local agencies develop projects using their own contracting regulations;
- The Special City Allotment, which requires the distribution of \$1 million per year in state gas taxes to cities with populations of less than 5,000; and
- Federal aid programs including the Surface Transportation Program (STP), Local Bridge program, Congestion Mitigation and Air Quality, High Risk Rural Roads, Transportation Enhancement, Discretionary Funding Program, Safe Routes to Schools and Metropolitan Planning.

The Subcommittee approved the following:

- Package 070, Revenue Shortfalls, reduces Other Funds expenditure limitation \$166,215 and eliminates one position (.80 FTE) to reflect the expectation that revenues will not grow as fast as costs.

- Package 092, PERS Taxation Policy, eliminates \$20,854 Other Funds expenditure limitation. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.
- Package 093, Other PERS Adjustments, eliminates \$166,634 Other Funds expenditure limitation. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 810, LFO Analyst Adjustments, eliminates \$1,375 Other Funds expenditure limitation to reconcile state government telecommunication charges to appropriately align budget to services used.

#### Driver and Motor Vehicles Services

Driver and Motor Vehicles Services' (DMV) mission is to promote driver safety, protect financial and ownership interests in vehicles, and collect revenue for Oregon's roads. DMV manages driver and vehicle programs. Driver programs include licensing drivers; verifying identification; testing driver skills, knowledge, and vision; and maintaining driver records. The vehicle program is responsible for registering and titling all vehicles in Oregon. DMV also issues trip permits for unregistered vehicles moving through the state and regulates vehicle-related businesses in the state. Driver fees support driver programs and vehicle fees go to the Oregon Highway Fund.

The Subcommittee approved the following:

- Package 070, Revenue Shortfalls, reduces Other Funds expenditure limitation \$2.1 million and eliminates 18 positions (18.00 FTE) to reflect the expectation that revenues will not grow as fast as costs.
- Package 092, PERS Taxation Policy, eliminates \$270,121 Other Funds expenditure limitation. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

- Package 093, Other PERS Adjustments, eliminates \$2.2 million Other Funds expenditure limitation. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 810, LFO Analyst Adjustments, eliminates \$742,939 Other Funds expenditure limitation. Actions were taken to both reconcile State Government Service Charges and charges for the Office of Administrative Hearings to appropriately align budget to services used (a \$1 million reduction), as well as transfer position #3471123 from Highway Maintenance to this division (\$238,920 Personal Services and \$97,476 Services and Supplies).

**Budget Note:**

The Department is directed to prepare and submit a report to the appropriate committees of each regular, odd-numbered year session of the Legislative Assembly beginning with the 2015 Legislative Assembly and concluding with the 2021 Legislative Assembly on the effects of implementing Chapter 48, Oregon Laws 2013 (Enrolled Senate Bill 833). The report shall include data and analysis on the following:

1) Changes in the number of uninsured drivers in Oregon; 2) changes in the number of unlicensed drivers in Oregon; 3) changes in the number of motor vehicle accidents in Oregon, particularly accidents that involve injuries or fatalities when an uninsured or unlicensed driver is involved; 4) number of driver cards, driver permits and driver licenses issued each year; 5) any trends in the information provided compared to previous reports; and 6) any additional information the Department determines is relevant to the implementation of Chapter 48, Oregon Laws 2013 (Enrolled Senate Bill 833).

If the measure is referred for a vote of the people and is defeated, the Department need not report to the Legislative Assembly.

**Motor Carrier Transportation**

The Motor Carrier Transportation Division (MCTD) helps truckers comply with laws and rules related to registration, safety, highway-use tax, truck size and weight. MCTD's mission is to promote a safe, efficient and responsible commercial transportation industry by simplifying compliance, reducing unnecessary regulations, protecting highways and bridges from damage, enhancing private-public partnerships, fostering effective two-way communication, delivering superior customer service and recognizing the vital economic interest of the commercial transportation system.

The Subcommittee approved the following:

- Package 070, Revenue Shortfalls, reduces Other Funds expenditure limitation by \$879,954, Federal Funds expenditure limitation by \$18,563 and eliminates six positions (6.00 FTE) to reflect the expectation that revenues will not grow as fast as costs.
- Package 092, PERS Taxation Policy, eliminates \$112,096 Other Funds expenditure limitation and \$2,652 Federal Funds expenditure limitation. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.
- Package 093, Other PERS Adjustments, eliminates \$895,704 Other Funds expenditure limitation and \$21,194 Federal Funds expenditure limitation. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 810, LFO Analyst Adjustments, eliminates \$25,765 Other Funds expenditure limitation to reconcile state telecommunication service to appropriately align budget to services used.

#### Transportation Program Development

State and federal laws and rules require ODOT to conduct project development activities such as planning, scoping of projects and data collection to design and operate an efficient multimodal transportation system. The Transportation Program Development unit coordinates the future use of transportation resources among federal, state, regional, and local agencies. Transportation Program Development has five major program responsibilities:

- Statewide and regional planning.
- Analysis, Research and Funding – including the Bridge Management System and the Pavement Management System.
- Statewide Transportation Improvement Program – Oregon’s four-year capital program that identifies the scheduling of and funding for transportation projects and programs.
- Active Transportation – including sustainable, multimodal transportation options; and
- Transportation System Projects – including ConnectOregon and Oregon Transportation Commission Flexible Funds Program.

The Subcommittee approved the following:

- Package 070, Revenue Shortfalls, reduces Other Funds expenditure limitation by \$824,868, Federal Funds expenditure limitation by \$2,505 and eliminates four positions (4.00 FTE) to reflect the expectation that revenues will not grow as fast as costs.
- Package 092, PERS Taxation Policy, eliminates \$124,815 Other Funds expenditure limitation and \$335 Federal Funds expenditure limitation. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.
- Package 093, Other PERS Adjustments, eliminates \$997,330 Other Funds expenditure limitation and \$2,676 Federal Funds expenditure limitation. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 513, Oregon Sustainable Transportation Initiative, provides \$192,661 Other Funds expenditure limitation to support the Department of Land Conservation and Development's (DLCD) work to reduce greenhouse gas emissions. ODOT would send the funds to DLCD to support a new planner position. The planning work includes assisting local governments to amend land use and transportation plans to reduce greenhouse gas emissions. Also, to encourage metropolitan groups to use scenario planning to discover policies that could reduce emissions. This would integrate the Governor's 10-Year Energy Plan with transportation planning.
- Package 810, LFO Analyst Adjustments, eliminates \$13,863 Other Funds expenditure limitation to reconcile State Government Service Charges to appropriately align budget to services used.

**Budget Note:**

The Department is directed to develop a comprehensive report on highway and corridor feasibility studies that have been completed over the last 10 years and what actions the studies generated. Of particular interest are studies that address east-west corridors across the state. The Department is to present the report to the Transportation and Economic Development Subcommittee of Ways and Means during the 2014 Legislative Session.

Public Transit

The Public Transit Division provides grants, policy leadership, training and technical assistance to communities and local transportation providers. The division also assists in the development and use of transit, ridesharing, and other alternatives to driving alone as ways to reduce congestion, diminish environmental impacts and make more efficient use of Oregon's transportation system.

The Subcommittee approved the following:

- Package 070, Revenue Shortfalls, reduces Other Funds expenditure limitation by \$18,742, Federal Funds expenditure limitation by \$34,072 and eliminates one position (.30 FTE) to reflect the expectation that revenues will not grow as fast as costs.
- Package 090, Analyst Adjustments, shifts \$1.8 million for 12 positions (12.00 FTE) from Federal Funds to Other Funds to align with the Transportation Commission's directive to reorganize the public transit division to a regional structure, providing public transportation and intermodal expertise at the regional level and improving local planning and transit integration. The reorganization will make each transit coordinator responsible for activities related to all programs, providers and services offered within a region. The division is using a Federal Transit Administration (FTA) approved Indirect Cost Allocation Plan for program administration. The cost allocation is reimbursement-based; therefore, all expenses are incurred as Other Funds, but reimbursed by federal revenue.
- Package 092, PERS Taxation Policy, eliminates \$41,403 Other Funds expenditure limitation and increases Federal Funds expenditure limitation by \$33,391. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.
- Package 093, Other PERS Adjustments, eliminates \$330,833 Other Funds expenditure limitation and increases Federal Funds expenditure limitation by \$26,688. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 191, Senior and Disabled Transportation, provides \$2 million General Fund to support Elderly and Disabled Transit.
- Package 810, LFO Analyst Adjustments, eliminates \$431 Other Funds expenditure limitation to reconcile state telecommunications service charges to appropriately align budget to services used.

Rail

The Rail Division represents and advocates for customers of passenger and freight railroads to ensure a safe, efficient and reliable rail transportation system. Among the division's responsibilities are: rail safety; crossing safety; rail planning, projects and operations; passenger rail; crossing blockage; and railroad property management.

The Subcommittee approved the following:

- Package 070, Revenue Shortfalls, eliminates \$96,046 Other Funds expenditure limitation to reflect the expectation that revenues will not grow as fast as costs.
- Package 081, May 2012 E-Board, provides \$6.9 million Other Funds expenditure limitation and \$1.4 million Federal Fund expenditure limitation for unspent Other and Federal funds that were approved in the May 2012 meeting of the Emergency Board.
- Package 092, PERS Taxation Policy, eliminates \$13,182 Other Funds expenditure limitation. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.
- Package 093, Other PERS Adjustments, eliminates \$105,334 Other Funds expenditure limitation. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 170, Passenger Rail Program, provides \$18.8 million Federal Funds expenditure limitation to support continuing two daily roundtrips between Eugene and Portland. This is the amount by which personal license plate revenue does not meet operating expenses. Negotiation with Amtrak is not complete, nor will it be until September to December 2013. This amount may be inadequate, once cost negotiations are complete.
- Package 810, LFO Analyst Adjustments, eliminates \$3,079 Other Funds expenditure limitation to reconcile state telecommunications service charges to appropriately align budget to services used.



### Transportation Safety

The Transportation Safety Division, in consultation with the Transportation Safety Committee, works with many partners to organize, plan and conduct a statewide transportation safety program. These partners include other state agencies, governor-appointed advisory committees, local agencies, nonprofit groups and citizens. The staff coordinates general activities and programs of the several departments, divisions or agencies of the state engaged in promoting transportation safety. The division promotes safety through education, enforcement, emergency medical services and engineering. The division serves as a clearinghouse for all transportation safety materials and information used throughout the state. The division cooperates in promoting research, special studies and analysis of problems concerning transportation safety and makes recommendations to the legislature concerning safety regulation and laws.

The Subcommittee approved the following:

- Package 070, Revenue Shortfalls, eliminates \$44,559 Other Funds expenditure limitation and \$41,513 Federal Funds expenditure limitation to reflect the expectation that revenues will not grow as fast as costs.
- Package 092, PERS Taxation Policy, eliminates \$5,926 Other Funds expenditure limitation and \$5,830 Federal Funds expenditure limitation. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.
- Package 093, Other PERS Adjustments, eliminates \$47,351 Other Funds expenditure limitation and \$46,588 Federal Funds expenditure limitation. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 810, LFO Analyst Adjustments, eliminates \$748 Other Funds expenditure limitation to reconcile state telecommunications service charges to appropriately align budget to services used.

### Debt Service

The Debt Service program consists of principal and interest payments related to debt and loan activities. Other Funds Debt Service consists of Revenue Bonds for the State Radio Project (SRP), the Transportation building, OTIA, and the Jobs and Transportation Act (JTA), as well as Certificates of Participation (COP) for the DMV Building. Lottery Bond Debt Service is for the following projects: Short Line Infrastructure Assistance, Industrial Rail Spur Infrastructure, South Metro Commuter Rail, Southeast Metro Milwaukie Extension, Connect Oregon I, II, III, and IV and the Oregon Street Car. General Fund Debt Service is bonds to be issued for the Lane Transit District.

The Subcommittee approved the following:

- Package 145, Debt Service for SRP, provides \$5.2 million Other Funds expenditure limitation to support debt service for the \$39.9 million borrowing needed to complete the State Radio Project. It is all Highway Fund. Over the life of the project the total project costs will need to be reconciled such that Oregon State Police/General Fund and ODOT Highway Fund each provide the correct share.
- Package 150, Columbia River Crossing Project, provides \$43.1 million Other Funds expenditure limitation for debt service related to the Columbia River Crossing project. Actual construction depends on a Treasurer's evaluation, Washington State approval, Coast Guard permit, and specific federal participation. Furthermore, the Department may determine that bonding is not the ideal method for funding the project. Therefore, the recommendation includes a request that the Department of Administrative Services unschedule this expenditure limitation until the project meets the above mentioned requirements and bonding actually occurs to fund the project.
- Package 190, Lane Transit District, provides \$757,944 General Fund debt service to support one-time bond issuance of \$15 million for the West Eugene EmX Extension transit project. The bonding for the project is in the bond bill (SB 5506) and the expenditure limitation for the project will be added to ODOT's budget if approved in SB 5506. If the project is not included in SB 5506, this General Fund will be disappropriated.

#### Central Services

The Central Services division provides administrative support for ODOT Headquarters and provides the centralized administrative support and managerial services to ODOT's seven operations divisions, the Oregon Transportation Commission, external partners and stakeholders. The services and programs include the Office of Civil Rights (OCR), Office of Employee Safety, Government Relations Section, Sustainability Program, Communications Division, Financial Services, Human Resources, Information Systems, Business Services and Audit Services.

The Subcommittee approved the following:

- Package 070, Revenue Shortfalls, eliminates \$1.9 million Other Funds expenditure limitation and 10 positions (9.89 FTE) to reflect the expectation that revenues will not grow as fast as costs.
- Package 091, Statewide Administrative Savings, eliminates \$7 million Other Funds expenditure limitation and \$709 Federal Funds expenditure limitation. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

- Package 092, PERS Taxation Policy, eliminates \$271,933 Other Funds expenditure limitation. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.
- Package 093, Other PERS Adjustments, eliminates \$2.2 million Other Funds expenditure limitation. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 810, LFO Analyst Adjustments, provides \$250,000 Federal Funds expenditure limitation for a fuels tax grant that was awarded after the Governor's budget was complete. The package also reconciles Other Funds State Government Service Charges (SGSC) and Office of Administrative Hearings charges to appropriately align budget to services used. The SGSC reduction is \$186,617 and the Administrative Hearings increase is \$1,032,517, which is offset by an equal reduction in DMV.

**Budget Note:**

The Department is directed to provide a report covering all internal audits performed during the 2011-13 biennium including the audit findings and Department response to the findings. The Department is to present the report to the Transportation and Economic Development Subcommittee of Ways and Means during the 2014 Legislative Session.

**Capital Improvements**

The Capital Improvement program provides for remodeling or repair of ODOT facilities where the projects are under \$1,000,000 and thus not large enough to qualify as Capital Construction. The Subcommittee approved a budget of \$3.3 million Other Funds, which provides funding at the Current Service Level. No packages were considered.

**Capital Construction**

The Capital Construction program provides for new construction, remodeling, or improvements to ODOT facilities that meet state budget criteria to be categorized as Capital Construction projects.

The Subcommittee approved the following:

- Package 810, LFO Analyst Adjustments, is a narrative-only package to authorize rescheduling \$20 million existing Capital Construction limitation for the State Radio Project (SRP). This package recommends using Highway Funds to bring the SRP to full scope. As ODOT

acquired and continued working on the project, a variety of unexpected expenses arose. Some examples are additional stakeholder outreach needed, quality assurance contracts, additional Department of Justice support for re-writing partner agreements, cost to downsize from Oregon Wireless Interoperability Network (OWIN) to SRP in terms of re-writing contracts, enterprise planning that had not been done. Without this additional funding, the radio project would be restructured to reduce site improvements by almost half and cancel remaining work on the trunked system. These reductions would result in additional maintenance costs at the unimproved sites in the next several years and failure to develop the trunked system outside the Salem area.

When the OWIN was downsized to the State Radio Project, a legislative oversight work group was formed. As the project work continued, the SRP team reported to the oversight group and alerted them to the developing shortfall. The last meeting was in December 2012 at which time the cost was identified to be around \$20-25 million if a contingency were included. This recommendation is for the identified work remaining and includes a small contingency. The project is far enough along that it is unlikely that costly surprises remain to be discovered.

Using Highway Funds eliminates the cost of debt service, which will benefit the expected eventual reconciliation between Highway Fund and General Fund, such that General Fund will not be responsible for a portion of the debt service.

Finally, this funding should be understood to be in addition to the final borrowing that has already been anticipated for the 2013-15 biennium, as part of the original \$209.9 million total budget.

### **2011-13 Supplemental Budget**

The Subcommittee approved a \$4 million Other Funds increase in Highway Maintenance for repair work related to landslide activity in 2012. The funds are provided to the Department from the Federal Highway Administration.

### **Summary of Performance Measure Action**

See attached Legislatively Adopted 2013-15 Key Performance Measures form.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

***Corrected Copy***

**SB 5544-A**

Oregon Department of Transportation  
 Tamara Brickman - 503-378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2011-13 Legislatively Approved Budget at Dec 2012 *	\$ 2,000,010	\$ 72,614,930	\$ 3,606,497,545	\$ 254,917,008	\$ 134,494,435	\$ 21,621,528	\$ 4,092,145,456	4,613	4,521.79
2013-15 LFO Computed Current Service Level (CSL)*	\$ 21,137,928	\$ 95,261,416	\$ 3,273,588,556	\$ 18,158,214	\$ 100,982,195	\$ 21,621,529	\$ 3,530,749,838	4,608	4,519.34
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>100-20 - Maintenance</b>									
Package 070: Revenue Shortfalls									
Personal Services	\$ 0		\$ (4,064,177)	\$ 0	\$ 0	\$ 0	\$ (4,064,177)	-27	-26.66
Package 092: PERS Taxation Policy									
Personal Services	\$ 0	\$ 0	\$ (545,571)	\$ 0	\$ 0	\$ 0	\$ (545,571)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ 0	\$ 0	\$ (4,359,373)	\$ 0	\$ 0	\$ 0	\$ (4,359,373)	0	0.00
Package 110: State Radio Project Transfer of OSP Wireless Unit									
Personal Services	\$ 0	\$ 0	\$ 1,552,252	\$ 0	\$ 0	\$ 0	\$ 1,552,252	8	8.00
Services and Supplies	\$ 0	\$ 0	\$ 670,569	\$ 0	\$ 0	\$ 0	\$ 670,569		
Capital Outlay	\$ 0	\$ 0	\$ 350,000	\$ 0	\$ 0	\$ 0	\$ 350,000		
Package 120: Transfer of OEM CSEPP Unit to ODOT									
Personal Services	\$ 0	\$ 0	\$ 418,300	\$ 0	\$ 0	\$ 0	\$ 418,300	2	2.00
Services and Supplies	\$ 0	\$ 0	\$ 159,950	\$ 0	\$ 0	\$ 0	\$ 159,950		
Capital Outlay	\$ 0	\$ 0	\$ 70,000	\$ 0	\$ 0	\$ 0	\$ 70,000		
Package 130: State Radio Project Conversion to Operations									
Personal Services	\$ 0	\$ 0	\$ 1,977,245	\$ 0	\$ 0	\$ 0	\$ 1,977,245	14	12.25
Services and Supplies	\$ 0	\$ 0	\$ 857,967	\$ 0	\$ 0	\$ 0	\$ 857,967		
Capital Outlay	\$ 0	\$ 0	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ 200,000		
Package 810: LFO Analyst Adjustments									
Personal Services	\$ 0	\$ 0	\$ (238,920)	\$ 0	\$ 0	\$ 0	\$ (238,920)	-1	-1.00
Services and Supplies	\$ 0	\$ 0	\$ 291,586	\$ 0	\$ 0	\$ 0	\$ 291,586		
<b>100-25 - Preservation</b>									
Package 070: Revenue Shortfalls									
Personal Services	\$ 0	\$ 0	\$ (563,175)	\$ 0	\$ 0	\$ 0	\$ (563,175)	-3	-2.90
Package 092: PERS Taxation Policy									
Personal Services	\$ 0	\$ 0	\$ (81,927)	\$ 0	\$ 0	\$ 0	\$ (81,927)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ 0	\$ 0	\$ (654,634)	\$ 0	\$ 0	\$ 0	\$ (654,634)	0	0.00

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

*Corrected Copy*

**SB 5544-A**

Oregon Department of Transportation  
 Tamara Brickman - 503-378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 810: LFO Analyst Adjustments Services and Supplies	\$ 0	\$ 0	\$ (1,538)	\$ 0	\$ 0	\$ 0	\$ (1,538)		
<b>100-30 - Bridge</b>									
Package 070: Revenue Shortfalls Personal Services	\$ 0	\$ 0	\$ (578,707)	\$ 0	\$ 0	\$ 0	\$ (578,707)	-4	-3.06
Package 092: PERS Taxation Policy Personal Services	\$ 0	\$ 0	\$ (84,506)	\$ 0	\$ 0	\$ 0	\$ (84,506)	0	0.00
Package 093: Other PERS Adjustments Personal Services	\$ 0	\$ 0	\$ (675,240)	\$ 0	\$ 0	\$ 0	\$ (675,240)	0	0.00
Package 810: LFO Analyst Adjustments Services and Supplies	\$ 0	\$ 0	\$ (4,743)	\$ 0	\$ 0	\$ 0	\$ (4,743)		
<b>100-40 - Highway Operations</b>									
Package 070: Revenue Shortfalls Personal Services	\$ 0	\$ 0	\$ (536,642)	\$ 0	\$ 0	\$ 0	\$ (536,642)	-4	-3.26
Package 092: PERS Taxation Policy Personal Services	\$ 0	\$ 0	\$ (77,184)	\$ 0	\$ 0	\$ 0	\$ (77,184)	0	0.00
Package 093: Other PERS Adjustments Personal Services	\$ 0	\$ 0	\$ (616,736)	\$ 0	\$ 0	\$ 0	\$ (616,736)	0	0.00
Package 810: LFO Analyst Adjustments Services and Supplies	\$ 0	\$ 0	\$ (29,997)	\$ 0	\$ 0	\$ 0	\$ (29,997)		
<b>100-45 - Modernization</b>									
Package 070: Revenue Shortfalls Personal Services	\$ 0	\$ 0	\$ (526,496)	\$ 0	\$ 0	\$ 0	\$ (526,496)	-3	-2.70
Package 092: PERS Taxation Policy Personal Services	\$ 0	\$ 0	\$ (79,199)	\$ 0	\$ 0	\$ 0	\$ (79,199)	0	0.00
Package 093: Other PERS Adjustments Personal Services	\$ 0	\$ 0	\$ (632,840)	\$ 0	\$ 0	\$ 0	\$ (632,840)	0	0.00
Package 150: Columbia River Crossing Project Services and Supplies	\$ 0	\$ 0	\$ 450,000,000	\$ 0	\$ 0	\$ 0	\$ 450,000,000		

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

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**SB 5544-A**

Oregon Department of Transportation  
 Tamara Brickman - 503-378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 810: LFO Analyst Adjustments Services and Supplies	\$ 0	\$ 0	\$ (1,415)	\$ 0	\$ 0	\$ 0	(1,415)		
<b>100-55 - Special Programs</b>									
Package 070: Revenue Shortfalls Personal Services	\$ 0	\$ 0	\$ (2,462,845)	\$ 0	\$ 0	\$ 0	(2,462,845)	-13	-12.64
Package 092: PERS Taxation Policy Personal Services	\$ 0	\$ 0	\$ (341,268)	\$ 0	\$ 0	\$ 0	(341,268)	0	0.00
Package 093: Other PERS Adjustments Personal Services	\$ 0	\$ 0	\$ (2,726,897)	\$ 0	\$ 0	\$ 0	(2,726,897)	0	0.00
Package 810: LFO Analyst Adjustments Services and Supplies	\$ 0	\$ 0	\$ (72,673)	\$ 0	\$ 0	\$ 0	(72,673)		
<b>100-65 - Local Government</b>									
Package 070: Revenue Shortfalls Personal Services	\$ 0	\$ 0	\$ (166,215)	\$ 0	\$ 0	\$ 0	(166,215)	-1	-0.80
Package 092: PERS Taxation Policy Personal Services	\$ 0	\$ 0	\$ (20,854)	\$ 0	\$ 0	\$ 0	(20,854)	0	0.00
Package 093: Other PERS Adjustments Personal Services	\$ 0	\$ 0	\$ (166,634)	\$ 0	\$ 0	\$ 0	(166,634)	0	0.00
Package 810: LFO Analyst Adjustments Services and Supplies	\$ 0	\$ 0	\$ (1,375)	\$ 0	\$ 0	\$ 0	(1,375)		
<b>200 - Driver and Motor Vehicle Svcs</b>									
Package 070: Revenue Shortfalls Personal Services	\$ 0	\$ 0	\$ (2,124,873)	\$ 0	\$ 0	\$ 0	(2,124,873)	-18	-18.00
Package 092: PERS Taxation Policy Personal Services	\$ 0	\$ 0	\$ (270,121)	\$ 0	\$ 0	\$ 0	(270,121)	0	0.00
Package 093: Other PERS Adjustments Personal Services	\$ 0	\$ 0	\$ (2,158,396)	\$ 0	\$ 0	\$ 0	(2,158,396)	0	0.00

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

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**SB 5544-A**

Oregon Department of Transportation  
 Tamara Brickman - 503-378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 810: LFO Analyst Adjustments									
Personal Services	\$ 0	\$ 0	\$ 238,920	\$ 0	\$ 0	\$ 0	\$ 238,920	1	1.00
Services and Supplies	\$ 0	\$ 0	\$ (981,859)	\$ 0	\$ 0	\$ 0	\$ (981,859)		
<b>300 - Motor Carrier Transportation</b>									
Package 070: Revenue Shortfalls									
Personal Services	\$ 0	\$ 0	\$ (879,954)	\$ 0	\$ (18,563)	\$ 0	\$ (898,517)	-6	-6.00
Package 092: PERS Taxation Policy									
Personal Services	\$ 0	\$ 0	\$ (112,096)	\$ 0	\$ (2,652)	\$ 0	\$ (114,748)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ 0	\$ 0	\$ (895,704)	\$ 0	\$ (21,194)	\$ 0	\$ (916,898)	0	0.00
Package 810: LFO Analyst Adjustments									
Services and Supplies	\$ 0	\$ 0	\$ (25,765)	\$ 0	\$ 0	\$ 0	\$ (25,765)		
<b>400-10 - Transportation Prog Dev</b>									
Package 070: Revenue Shortfalls									
Personal Services	\$ 0	\$ 0	\$ (824,868)	\$ 0	\$ (2,505)	\$ 0	\$ (827,373)	-4	-4.00
Package 092: PERS Taxation Policy									
Personal Services	\$ 0	\$ 0	\$ (124,815)	\$ 0	\$ (335)	\$ 0	\$ (125,150)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ 0	\$ 0	\$ (997,330)	\$ 0	\$ (2,676)	\$ 0	\$ (1,000,006)	0	0.00
Package 513: Oregon Sustainable Transportation Initiative									
Special Payment to Land Conservation Dev (6660)	\$ 0	\$ 0	\$ (362,619)	\$ 0	\$ 0	\$ 0	\$ (362,619)		
Special Payment to Other (6085)	\$ 0	\$ 0	\$ 555,280	\$ 0	\$ 0	\$ 0	\$ 555,280		
Package 810: LFO Analyst Adjustments									
Services and Supplies	\$ 0	\$ 0	\$ (13,863)	\$ 0	\$ 0	\$ 0	\$ (13,863)		
<b>400-11 - Public Transit</b>									
Package 070: Revenue Shortfalls									
Personal Services	\$ 0	\$ 0	\$ (18,742)	\$ 0	\$ (34,072)	\$ 0	\$ (52,814)	-1	-0.30
Package 090: Analyst Adjustments									
Personal Services	\$ 0	\$ 0	\$ 1,821,742	\$ 0	\$ (1,821,742)	\$ 0	\$ 0	0	0.00
Package 092: PERS Taxation Policy									
Personal Services	\$ 0	\$ 0	\$ (41,403)	\$ 0	\$ 33,391	\$ 0	\$ (8,012)	0	0.00



**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

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**SB 5544-A**

Oregon Department of Transportation  
 Tamara Brickman - 503-378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 093: Other PERS Adjustments Personal Services	\$ 0	\$ 0	\$ (330,833)	\$ 0	\$ 26,688	\$ 0	\$ (304,145)	0	0.00
Package 191: Senior and Disabled Transportation Special Payments	\$ 2,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,000,000		
Package 810: LFO Analyst Adjustments Services and Supplies	\$ 0	\$ 0	\$ (431)	\$ 0	\$ 0	\$ 0	\$ (431)		
<b>400-12 - Rail</b>									
Package 070: Revenue Shortfalls Personal Services	\$ 0	\$ 0	\$ (96,046)	\$ 0	\$ 0	\$ 0	\$ (96,046)	0	0.00
Package 081: May 2012 E-Board Services and Supplies	\$ 0	\$ 0	\$ 6,169,165	\$ 0	\$ 639,888	\$ 0	\$ 6,809,053		
Special Payments - Dist to Other Gov Unit (6025)	\$ 0	\$ 0	\$ 750,404	\$ 0	\$ 750,000	\$ 0	\$ 1,500,404		
Package 092: PERS Taxation Policy Personal Services	\$ 0	\$ 0	\$ (13,182)	\$ 0	\$ 0	\$ 0	\$ (13,182)	0	0.00
Package 093: Other PERS Adjustments Personal Services	\$ 0	\$ 0	\$ (105,334)	\$ 0	\$ 0	\$ 0	\$ (105,334)	0	0.00
Package 170: Passenger Rail Program Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,500,000	\$ 0	\$ 16,500,000		
Special Payments - Dist to Non-Gov Units (6030)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,300,000	\$ 0	\$ 2,300,000		
Package 810: LFO Analyst Adjustments Services and Supplies	\$ 0	\$ 0	\$ (3,079)	\$ 0	\$ 0	\$ 0	\$ (3,079)		
<b>400-13 - Transportation Safety</b>									
Package 070: Revenue Shortfalls Personal Services	\$ 0	\$ 0	\$ (44,559)	\$ 0	\$ (41,513)	\$ 0	\$ (86,072)	0	0.00
Package 092: PERS Taxation Policy Personal Services	\$ 0	\$ 0	\$ (5,926)	\$ 0	\$ (5,830)	\$ 0	\$ (11,756)	0	0.00
Package 093: Other PERS Adjustments Personal Services	\$ 0	\$ 0	\$ (47,351)	\$ 0	\$ (46,588)	\$ 0	\$ (93,939)	0	0.00

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

*Corrected Copy*

**SB 5544-A**

Oregon Department of Transportation  
 Tamara Brickman - 503-378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 810: LFO Analyst Adjustments Services and Supplies	\$ 0	\$ 0	\$ (748)	\$ 0	\$ 0	\$ 0	\$ (748)		
<b>500 - Debt Service</b>									
Package 145: Debt Service for SRP Debt Service	\$ 0	\$ 0	\$ 5,226,430	\$ 0	\$ 0	\$ 0	\$ 5,226,430		
Package 150: Columbia River Crossing Project Debt Service	\$ 0	\$ 0	\$ 43,135,875	\$ 0	\$ 0	\$ 0	\$ 43,135,875		
Package 190: Lane Transit District Debt Service	\$ 757,944	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 757,944		
<b>700 - Central Services</b>									
Package 070: Revenue Shortfalls Personal Services	\$ 0	\$ 0	\$ (1,881,539)	\$ 0	\$ 0	\$ 0	\$ (1,881,539)	-10	-9.89
Package 091: Statewide Administrative Savings Personal Services	\$ 0	\$ 0	\$ (3,643,834)	\$ 0	\$ 0	\$ 0	\$ (3,643,834)	0	0.00
Services and Supplies	\$ 0	\$ 0	\$ (3,359,935)	\$ 0	\$ (709)	\$ 0	\$ (3,360,644)		
Capital Outlay	\$ 0	\$ 0	\$ (43,981)	\$ 0	\$ 0	\$ 0	\$ (43,981)		
Package 092: PERS Taxation Policy Personal Services	\$ 0	\$ 0	\$ (271,933)	\$ 0	\$ 0	\$ 0	\$ (271,933)	0	0.00
Package 093: Other PERS Adjustments Personal Services	\$ 0	\$ 0	\$ (2,172,873)	\$ 0	\$ 0	\$ 0	\$ (2,172,873)	0	0.00
Package 810: LFO Analyst Adjustments Services and Supplies	\$ 0	\$ 0	\$ 845,900	\$ 0	\$ 250,000	\$ 0	\$ 1,095,900		
<b>TOTAL ADJUSTMENTS</b>	<b>\$ (18,379,984)</b>	<b>\$ 0</b>	<b>\$ 473,125,812</b>	<b>\$ 0</b>	<b>\$ 18,501,588</b>	<b>\$ 0</b>	<b>\$ 473,247,416</b>	<b>-70</b>	<b>-67.96</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 2,757,944</b>	<b>\$ 95,261,416</b>	<b>\$ 3,746,714,368</b>	<b>\$ 18,158,214</b>	<b>\$ 119,483,783</b>	<b>\$ 21,621,529</b>	<b>\$ 4,003,997,254</b>	<b>4,538</b>	<b>4,451.38</b>
% Change from 2011-13 Leg Approved Budget	37.9%	31.2%	3.9%	-92.9%	-11.2%	0.0%	-2.2%	-1.6%	-1.6%
% Change from 2013-15 Current Service Level	-87.0%	0.0%	14.5%	0.0%	18.3%	0.0%	13.4%	-1.5%	-1.5%

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>2011-13 APPROPRIATION</b>									
<b>SCR 100-20 - Maintenance</b>									
Service and Supplies	\$0	\$0	\$4,000,000	\$0	\$0	\$0	\$4,000,000	0	0.00
<b>TOTAL RECOMMENDED APPROPRIATION</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,000,000</b>	<b>0</b>	<b>0.00</b>

## Legislatively Approved 2013-2015 Key Performance Measures

**Agency: TRANSPORTATION, DEPARTMENT of**

Mission: To provide a safe, efficient transportation system that supports economic opportunity and livable communities for Oregonians.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - Traffic Fatalities: Traffic fatalities per 100 million vehicles miles traveled (VMT).		Approved KPM	0.99	0.88	0.86
2 - Traffic Injuries: Traffic injuries per 100 million vehicles miles traveled (VMT).		Approved KPM	105.00	80.00	80.00
3 - Impaired Driving: Percent of fatal traffic accidents that involved alcohol.		Approved KPM	37.00	35.00	35.00
4 - Use of Safety Belts: Percent of all vehicle occupants using safety belts.		Approved KPM	97.00	97.00	97.00
5 - Large Truck At-Fault Crashes: Number of large truck at-fault crashes per million vehicle miles traveled (VMT).		Approved KPM	0.33	0.37	0.37
6 - Rail Crossing Incidents: Number of highway-railroad at-grade incidents.		Approved KPM	10.00	11.00	10.00
7 - Derailment Incidents: Number of train derailments caused by human error, track, or equipment.		Approved KPM	16.00	25.00	25.00
8 - Travelers Feel Safe: Percent of public satisfied with transportation safety.		Approved KPM	83.00	85.00	85.00
9 - Travel Delay: Hours of travel delay per capita per year in urban areas.		Approved KPM	20.00	20.00	20.00
11 - Passenger Rail Ridership: Number of state-supported rail service passengers.		Approved KPM	204,480.00	208,590.00	210,676.00
12 - Intercity Passenger Service: Percent of Oregon communities of 2,500 or more with intercity bus or rail passenger service.		Approved KPM	92.00	95.00	95.00
13 - Alternatives to One-Person Commuting: Percent of Oregonians who commute to work during peak hours by means other than Single Occupancy Vehicles.		Approved KPM	33.10	35.00	35.00

**Agency: TRANSPORTATION, DEPARTMENT of**

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
14 - Jobs from Construction Spending: Number of jobs sustained as a result of annual construction expenditures.		Approved KPM	11,700.00	14,200.00	14,200.00
15 - Pavement Condition: Percent of pavement lane miles rated "fair" or better out of total lane miles in state highway system.		Approved KPM	87.00	87.00	87.00
17 - Fish Passage at State Culverts: Number of high priority ODOT culverts remaining to be retrofitted or replaced to improve fish passage.		Approved KPM	190.00	187.00	185.00
18 - Bike Lanes and Sidewalks: Percent of urban state highway miles with bike lanes and pedestrian facilities in "fair" or better condition.		Approved KPM	42.30	46.00	48.00
19 - Timeliness of Projects Going to Construction Phase: Percent of projects going to construction phase within 90 days of target date.		Approved KPM	89.00	90.00	90.00
20 - Construction Project Completion Timeliness: Percent of projects with the construction phase completed within 90 days of original contract completion date.		Approved KPM	64.00	80.00	80.00
21 - Construction Projects On Budget: Percent of original construction authorization spent.		Approved KPM	97.00	99.00	99.00
22 - Certified Businesses (DMWESB*): Percent of ODOT contract dollars awarded to disadvantaged, minority, women, and emerging small businesses.		Approved KPM	10.40	11.50	11.50
23 - Customer Satisfaction- Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Accuracy	Approved KPM	90.00	90.00	90.00
23 - Customer Satisfaction- Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Availability of Information	Approved KPM	86.00	90.00	90.00
23 - Customer Satisfaction- Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Expertise	Approved KPM	89.00	90.00	90.00

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
23 - Customer Satisfaction- Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Helpfulness	Approved KPM	89.60	90.00	90.00
23 - Customer Satisfaction- Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Overall	Approved KPM	90.00	90.00	90.00
23 - Customer Satisfaction- Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Timeliness	Approved KPM	87.00	90.00	90.00
24 a - DMV Customer Services: Field office wait time (in minutes).		Approved KPM	10.20	11.00	11.00
16 - Bridge Condition: Percent of state highway bridges that are not deficient.		Legislative Delete	76.00		
24 b - DMV Customer Services: Phone wait time (in seconds).		Legislative Delete	33.40	45.00	45.00
24 c - DMV Customer Services: Title wait time (in days).		Legislative Delete	18.90	19.00	19.00
25 - Economic Revitalization Team Customer Satisfaction: Percentage of local participants who rank ODOT involvement with the Economic Revitalization Team as good or excellent.		Legislative Delete	1.00		

**LFO Recommendation:**

LFO recommends approval of the Key Performance Measures and targets with the following modifications:

Approve new measure for incident response with target established at 100%;

Continue internal measurement for bridge condition and employee safety;

Replace KPM #10 Senior Transit Rides with new methodology proposed by ODOT;

KPM #15 – Pavement Condition: Target is set too low, actual pavement condition over last five biennia has been 81-87%. Establish target at 87%.

KPM #19 – Timeliness of Projects Going to Construction Phase: Target is too low, set target at 90%.KPM #20 - Change language defining project completion.

**Sub-Committee Action:**

The Subcommittee approved the LFO recommendation and discussed the Department reconsidering the KPMs that simply count things that are not in the Department's control. It was also suggested that the Department explore a way to measure successful customer engagement.