

BUDGET REPORT AND MEASURE SUMMARY

Joint Committee On Ways and Means

Action: Do Pass The A-Eng Bill.

Action Date: 06/24/15

Vote:

Senate

Yeas: 11 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Winters

Nays: 1 - Whitsett

House

Yeas: 9 - Buckley, Gomberg, Huffman, Komp, Nathanson, Read, Smith, Whisnant, Williamson

Nays: 2 - McLane, Whitsett

Exc: 1 - Rayfield

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Reviewed By: Julie Neburka, Legislative Fiscal Office

Agency: Department of Transportation

Biennia: 2015-17; 2013-15

Budget Summary*

| | 2013-15 Legislatively Approved Budget ⁽¹⁾ | 2015-17 Current Service Level | 2015-17 Committee Recommendation | Committee Change from 2013-15 Leg. Approved | |
|---------------------------------------|---------------------------------------------------------|----------------------------------|-------------------------------------|------------------------------------------------|---------------|
| | | | | \$ Change | % Change |
| General Fund | \$ 12,740,000 | \$ 9,321,835 | \$ 19,730,545 | \$ 6,990,545 | 54.9% |
| General Fund Debt Service | \$ - | \$ 7,967,450 | \$ 7,967,450 | \$ 7,967,450 | 100.0% |
| Lottery Funds Debt Service | \$ 93,953,970 | \$ 114,855,747 | \$ 107,484,140 | \$ 13,530,170 | 14.4% |
| Other Funds Limited | \$ 3,370,464,891 | \$ 2,654,093,402 | \$ 2,733,861,380 | \$ (636,603,511) | -18.9% |
| Other Funds Capital Improvements | \$ 3,338,023 | \$ 3,438,164 | \$ 5,438,164 | \$ 2,100,141 | 62.9% |
| Other Funds Debt Service | \$ 464,052,646 | \$ 442,110,823 | \$ 442,110,823 | \$ (21,941,823) | -4.7% |
| Other Funds Nonlimited | \$ 19,045,687 | \$ 18,158,214 | \$ 18,158,214 | \$ (887,473) | -4.7% |
| Other Funds Debt Service Nonlimited | \$ 713,809,175 | \$ - | \$ - | \$ (713,809,175) | -100.0% |
| Federal Funds Limited | \$ 119,553,108 | \$ 107,136,132 | \$ 110,217,062 | \$ (9,336,046) | -7.8% |
| Federal Funds Debt Service Nonlimited | \$ 21,621,529 | \$ 21,621,529 | \$ 21,621,529 | \$ - | 0.0% |
| Total | \$ 4,818,579,029 | \$ 3,378,703,296 | \$ 3,466,589,307 | \$ (1,351,989,722) | -28.1% |

Position Summary

| | | | | |
|--------------------------------------|----------|----------|----------|--------|
| Authorized Positions | 4,556 | 4,550 | 4,510 | -46 |
| Full-time Equivalent (FTE) positions | 4,467.47 | 4,452.98 | 4,400.89 | -66.58 |

⁽¹⁾ Includes adjustments through December 2014

* Excludes Capital Construction expenditures

2013-15 Supplemental Budget

| | 2013-15 Legislatively Approved Budget | 2013-15 Committee Recommendation | Committee Change |
|---------------|------------------------------------------|-------------------------------------|------------------|
| Other Funds | \$ - | \$ 15,000,000 | \$ 15,000,000 |
| Federal Funds | \$ - | \$ 5,000,000 | \$ 5,000,000 |

Revenue Summary

The Oregon Department of Transportation (ODOT) receives \$27.7 million General Fund for debt service, its Senior and Disabled Transit program, and for Amtrak Passenger Rail. General Fund represents 0.5 percent of the department's revenues. Lottery Funds (\$107.5 million) are dedicated to debt service for various projects funded through lottery bond sales, and represent 3.0 percent of the department's budget.

More than 80.0 percent of ODOT's available revenues are Other Funds. The five largest revenue sources in this category are motor fuel taxes (\$1.1 billion), driver and vehicle licenses and fees (\$772.0 million), weight-mile taxes (\$608.0 million), Federal Funds from the Federal Highway Administration (FHWA) that are matched with state funds for highway projects (\$725 million), and bond sale proceeds (\$390.0 million in 2015-17). Federal Funds from other federal agencies including the National Highway Traffic Safety Administration (NHTSA), the Federal Railroad Administration, and the Federal Transit Administration are dedicated for identified purposes.

Federal highway funding represents a risk to ODOT. The federal gas tax and other transportation user fees have not been raised since 1993, and have fallen short of covering the amount of funding Congress authorizes for surface transportation programs. In passing the current surface transportation authorization legislation, *Moving Ahead for Progress in the 21st Century* (MAP-21), Congress ensured the solvency of the federal Highway Trust Fund through May 2015. Expiration of this surface transportation funding bill exposes a federal Highway Trust Fund deficit of 20-25 percent for highway, transit, and safety programs. This funding reduction will compound the structural deficit in the State Highway Fund, where revenue growth has not kept pace with inflation, despite its historically slow growth.

Summary of Transportation and Economic Development Subcommittee Action

The Oregon Department of Transportation's mission is to provide a safe, efficient transportation system that supports economic opportunity and livable communities for Oregonians. ODOT was established in 1969 and was reorganized in 1973 and 1993 by the Oregon Legislature. The department's director and five-member policy board, the Oregon Transportation Commission (OTC), are appointed by the Governor. The OTC develops and maintains state transportation policy and a comprehensive, long-range plan for a multi-modal transportation system, and provides policy direction and oversight for programs relating to rail, highway, motor vehicles, public transit, transportation safety, and other transportation-related activities.

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 and public transportation services; bicycle and pedestrian paths; transportation safety programs; driver and vehicle licensing; and motor carrier regulation. ODOT works with a variety of organizations on these diverse issues.

The Subcommittee approved budget for ODOT is \$3,466,589,307 total funds, with \$27,697,995 General Fund, \$107,484,140 Lottery Funds, \$3,181,410,367 Other Funds, \$110,217,062 Federal Funds, \$18,158,214 Other Funds Nonlimited, and \$21,621,529 Federal Funds Nonlimited and 4,510 positions (4,400.89 FTE). The total funds budget decreased by 28.1 percent from the 2013-15 Legislatively Approved Budget.

Nonlimited

This structure includes ODOT's Nonlimited expenditures for the Oregon Transportation Infrastructure Bank (OTIB). OTIB makes loans to local governments, transit providers, ports and other eligible borrowers. The fund was capitalized with a combination of federal and state funds and interest earnings. Revenue bonds also may be issued to provide additional capitalization. As loans are repaid, principal and interest is returned to the bank and made available for new loans. Staffing for OTIB is included in the Central Services Division, Financial Services program.

The Subcommittee approved budget for this structure is \$18,158,214 Other Funds Nonlimited, which is the same amount funded in the 2013-15 Legislatively Approved Budget.

Capital Improvements

The Capital Improvements Program funds ODOT building repair and remodel projects that fall below the capital construction threshold of \$1,000,000.

The Subcommittee approved budget for Capital Improvements is \$5,438,164 Other Funds. This is a 62.9 percent increase from the 2013-15 Legislatively Approved Budget.

The Subcommittee approved:

- Package 120, Capital Improvement, which increases the Capital Improvements expenditure limitation by \$2,000,000 Other Funds. Capital Improvement projects are capital projects totaling less than \$1.0 million. The funding will be used for the replacement, major repair and maintenance of ODOT structures such as roofs and HVAC systems and for the design and construction of smaller buildings. Projects identified as a high priority for funding from this limitation include replacing the roof, siding, and parking lots at the DMV Headquarters in Salem; replacing a boiler at the Region 3 headquarters building; and upgrading the boiler system at the Bend Truck Shop.

Highway/Maintenance

The Highway Maintenance program provides for a safe and useable state highway system that promotes efficient vehicle, passenger and freight movement through routine maintenance, preservation, restoration, and repair of existing highways. Highway maintenance activities fall into two categories: reactive – (fix it if it breaks), and proactive – (spend now to save later). Reactive activities include responding to weather events to keep the roads passable, responding to crashes, cleaning ditches, repairing guardrails, filling potholes, and replacing signals. Proactive activities include inspection, upkeep, preservation, or restoration activities to prevent problems or damage to highways and associated infrastructure in order to reduce life cycle costs. Maintenance is funded from the State Highway Fund, (Article IX, section 3a of the Oregon Constitution and ORS 366.505) and from FHWA as approved within the federal Transportation Act (currently MAP-21), which requires matching funds from state or local jurisdictions.

The Subcommittee approved budget for Maintenance is \$472,225,417 Other Funds and 1,359 positions (1,307.03 FTE). This is a 2.6 percent increase from the 2013-15 Legislatively Approved Budget.

The Subcommittee approved:

- Package 070, Revenue Shortfalls, which reduces Other Funds expenditure limitation by \$790,507 and seven positions (7.00 FTE) as part of ODOT's right-sizing process to align ongoing expenses with ongoing revenues.
- Package 801, LFO Analyst Adjustments, which increases Other Funds expenditure limitation by \$120,000 in the Maintenance division to pay the Department of Administrative Services (DAS) for maintenance of ODOT's light fleet vehicles. Responsibility for ODOT's light fleet was transferred to DAS as of July, 2014. This action is budget neutral as one position was reduced and transferred to DAS per the terms of the agreement.

Highway/Preservation

The Preservation program maintains 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 preventative measures to add useful life to a road before the pavement reaches poor condition.

Preservation is funded from the State Highway Fund, (Article IX, section 3a of the Oregon Constitution and ORS 366.505) and from FHWA as approved within the federal Transportation Act (currently MAP-21), which requires matching funds from state or local jurisdictions.

The Subcommittee approved budget for Preservation is \$265,980,054 Other Funds and 115 positions (114.50 FTE). This is a 6.4 percent increase in funding from the 2013-15 Legislatively Approved Budget.

The Subcommittee approved:

- Package 070, Revenue Shortfalls, which reduces Other Funds expenditure limitation by \$2,553,937 and nine positions (9.00 FTE) as part of ODOT's right-sizing process to align ongoing expenses with ongoing revenues.
- Package 801, LFO Analyst Adjustment, which is a technical adjustment that increases the Preservation program's Other Funds expenditure limitation by \$50,000,000 to reflect the re-programming of Statewide Transportation Improvement Program (STIP) projects that had been delayed pending a decision about the Columbia River Crossing project. As the Columbia River Crossing project has been cancelled, Preservation projects that would have been undertaken as a part of that project can be re-scheduled and completed in the 2015-17 biennium.

Highway/Bridge

The Bridge program is responsible for the inspection, preservation, design standards, load capacity evaluation, and asset management of more than 2,700 highway bridges, overcrossings, railroad under-crossings, tunnels, and other structural elements. This work directly benefits the state's economy by extending the life expectancy of bridges, reducing the number of bridges with weight restrictions, and limiting detours around structurally deficient bridges. Candidate projects to rebuild or extend the service life of an existing bridge (including replacement) are identified

through the use of the Bridge Management System (BMS) and stakeholder input. The BMS is also used to store inventory and condition data and to analyze and predict performance measurement goals, system conditions, and needs. Routine bridge inspections are performed every two years, as are periodic in-depth inspections for special structures such as “fracture critical” bridges, bridges prone to fatigue cracking, underwater features, coastal bridges, and tunnels. Inspections provide much of the information for the BMS. Selected bridges with unusual distress or load capacity reductions are monitored using advanced structural health monitoring instrumentation. Data from the BMS is used to develop programs for STIP and the Major Bridge Maintenance program using an iterative process of problem identification, alternative solution development, cost estimates, vetting with stakeholders, and use of a project ranking system.

The Bridge Maintenance program is funded from the State Highway Fund, (Article IX, section 3a of the Oregon Constitution and ORS 366.505) and from FHWA as approved within the federal Transportation Act (currently MAP-21), which requires matching funds from state or local jurisdictions.

The Subcommittee approved budget for Bridge is \$204,292,387 Other Funds and 119 positions (119.00 FTE). This is a 45.3 percent decrease from the 2013-15 Legislatively Approved Budget. The decrease in the budget is largely due to the completion of bridge projects that were funded as part of the Oregon Transportation Investment Act (OTIA) program.

The Subcommittee approved:

- Package 070, Revenue Shortfalls, which reduces Other Funds expenditure limitation by \$1,819,762 and four positions (4.00 FTE) as part of ODOT’s right-sizing process to align ongoing expenses with ongoing revenues.

Highway/Operations

The Highway Safety and Operations programs improve highway safety for travelers. The primary purpose of ODOT’s Highway Safety program is to reduce the number of fatal and serious injury crashes that occur on the state highway system. The program provides for infrastructure improvements at high crash locations, and cost effective countermeasures on highway segments and intersections with a history of crashes. The Highway Operations program improves the safety and efficiency of the transportation system through operational improvements and enhanced system management. Operations solutions provide a cost effective approach to meet the challenge presented by increased demands on the system coupled with increasing constraints on available funding. The key components of the Operations program include traffic signals, signs, and roadway lighting, Intelligent Transportation Systems, and landslide and rockfall mitigation.

Highway Operations is funded from the State Highway Fund, (Article IX, section 3a of the Oregon Constitution and ORS 366.505) and from FHWA as approved within the federal Transportation Act (currently MAP-21), which requires matching funds from state or local jurisdictions.

The Subcommittee approved budget for Highway Operations is \$134,697,514 Other Funds and 158 positions (156.58 FTE). This is an 8.6 percent increase from the 2013-15 Legislatively Approved Budget.

The Subcommittee approved:

- Package 070, Revenue Shortfalls, which reduces Other Fund expenditure limitation by \$302,291 and two positions (2.00 FTE) as part of ODOT's right-sizing process to align ongoing expenses with ongoing revenues.

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 building 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 \$100.0 million per biennium for highway modernization work. In recognition of the need to focus on preserving the state's existing infrastructure, the OTC has reduced the Modernization program to the minimum level allowed by law. As a result, few new modernization projects have been considered over the last several years. The exception is the \$200.0 million Modernization program funded through OTIA in 2001 and 2002 as well as \$500.0 million identified in 2003 (OTIA III). The Modernization program also administers the Immediate Opportunity Fund (IOF) program in partnership with the Business Development Department.

Modernization is funded from the State Highway Fund, (Article IX, section 3a of the Oregon Constitution and ORS 366.505) and from FHWA as approved within the federal Transportation Act (currently MAP-21), which requires matching funds from state or local jurisdictions.

The Subcommittee approved budget for Modernization is \$305,025,567 Other Funds and 168 positions (167.50 FTE). This is a 63.0 percent decrease from the 2013-15 Legislatively Approved Budget. The phase-out of the Columbia River Crossing Project is the primary reason for the significant decline in funding from the 2013-15 Legislatively Adopted Budget.

The Subcommittee approved:

- Package 070, Revenue Shortfalls, which reduces Other Funds expenditure limitation by \$4,509,966 and 19 positions (19.00 FTE) as part of ODOT's right-sizing process to align ongoing expenses with ongoing revenues.

Highway/Special Programs

Highway Special Programs provides indirect, technical, and program support for the Highway Division construction program. This division supports a number of construction projects that do not fit the other Highway general construction categories because they fall under special rules or program areas. Special Programs also delivers construction projects and services in the Pedestrian and Bicycle, Salmon and Watersheds, Forest Highway, Winter Recreation Parking, and Snowmobile Facilities programs.

Special Programs is funded from the State Highway Fund, (Article IX, section 3a of the Oregon Constitution and ORS 366.505) and from FHWA as approved within the federal Transportation Act (currently MAP-21), which requires matching funds from state or local jurisdictions. Revenue is also derived from registration fees and fuel taxes attributed to snowmobile use.

The Subcommittee approved budget for Special Programs is \$260,649,260 Other Funds and 579 positions (570.77 FTE). This is a 13.1 percent increase in funding from the 2013-15 Legislatively Approved Budget

The Subcommittee approved:

- Package 070, Revenue Shortfalls, which reduces Other Funds expenditure limitation by \$3,717,287 and 25 positions (25.00 FTE) as part of ODOT's right-sizing process to align ongoing expenses with ongoing revenues.
- Package 801, LFO Analyst Adjustments, which reduces Other Funds expenditure limitation by \$417,779 to move two positions into other divisions within the department. One position (1.00 FTE) will move from Special Programs into the Rail Division to support Rail Safety and Compliance. The second position (1.00 FTE) will move from Special Programs into the Central Services Division (procurement program) in order to align the purchasing function centrally within the agency.
- Package 803, Program Reorganization, which reduces Other Funds expenditure limitation by \$10,346,589 to move 14 positions (14.00 FTE) and associated Services and Supplies to the Central Services Division. During the 2013-15 biennium, an ODOT agency reorganization moved the Office of Innovative Partnerships into the Central Services Division. This program now reports directly to ODOT's Assistant Director. This technical adjustment moves the budget and positions associated with this program from the Highway Division into the Central Services Division. The same reorganization moved the Road User Charge (OREGO) program's operations from the Highway Division into Central Services. The Business Services organization within the Central Services Division will provide operational support for OREGO for billing, reporting, and technical and operational issues. This technical adjustment moves the budget and positions associated with this program from the Highway Division into the Central Services Division. This is a technical adjustment to properly align the agency's resources with its current organizational structure.

Highway/Local Government

This program provides project delivery oversight and program administration for the development and delivery of transportation improvement projects within local jurisdictions in Oregon. The Local Government program provides support for various local and discretionary transportation programs funded by the state or federal government, and accounts for approximately 25.0 percent of STIP funding and up to 30.0 percent of the projects delivered among ODOT regions and program years. ODOT administers these programs and helps local governments fund transportation projects. The Local Government program is a cost-based reimbursement program between FHWA and ODOT. ODOT's Federal-aid Program reimburses Federal Funds to local agencies such as cities and counties, ports, special districts, tribes and other federal agencies eligible for federal transportation funding. FHWA provides funds to ODOT through the Federal-aid Highway Program, and ODOT reimburses these funds to eligible local agencies.

Local Government funded is from the State Highway Fund, (Article IX, section 3a of the Oregon Constitution and ORS 366.505) and from FHWA as approved within the federal Transportation Act (currently MAP-21), which requires matching funds from state or local jurisdictions.

The Subcommittee approved budget is \$397,908,361 Other Funds and 34 positions (34.00 FTE). This is an 8.3 percent increase from the 2013-15 Legislatively Approved Budget.

Driver and Motor Vehicle Services

Driver and Motor Vehicles Services (DMV) promotes driver safety, protects financial and ownership interests in vehicles, and collects revenues for Oregon's highway system. DMV services touch almost every Oregonian by issuing over 800,000 driver licenses and identification (ID) cards, 1.0 million vehicle titles, and almost 2.0 million vehicle registrations each year. DMV services also regulate and inspect about 3,500 vehicle and driver related businesses in Oregon. DMV provides driver licensing, vehicle titling and registration, and driver/vehicle records on-line and at sixty service locations throughout the state.

DMV is funded almost entirely with Other Funds derived from fees collected from driver licensing, vehicle title/registration, and records. DMV collects revenues for the State Highway Fund and uses a portion of its revenues for administrative costs, authorized in Article IX (Section 3a) of the Oregon Constitution. Fees collected from business licenses and ID cards are deposited in the ODOT Transportation Operating Fund (TOF) to support business regulation activities and senior and disabled transportation. General TOF dollars are used to fund other activities that cannot be funded from the State Highway Fund, such as voter registration, the organ donor program, and expedited title issuance. DMV also receives Federal Funds from the Federal Motor Carrier Safety Administration (FMCSA) and the U.S. Department of Justice.

The Subcommittee approved budget is \$209,326,541 total funds (\$51,835 General Fund, \$205,676,074 Other Funds, and \$3,598,632 Federal Funds and 890 positions (857.16 FTE). This is an 18.6 percent total funds increase from the 2013-15 Legislatively Approved Budget

The Subcommittee approved:

- Package 070, Revenue Shortfalls, which reduces Other Funds expenditure limitation by \$2,355,420 as part of ODOT's right-sizing process to align ongoing expenses with ongoing revenues.
- Package 140, Systems Modernization, which provides \$30,446,463 Other Funds expenditure limitation and 42 permanent positions (29.91 FTE) to provide resources to modernize the information systems used by the DMV. The main DMV computer systems were designed and built starting in the 1960's continuing over the next thirty years. Old systems limit the agency's ability to meet customer expectations and operate efficiently. The software development language (COBOL) and system architecture have exceeded their expected lifecycle. The aging design of existing DMV systems is at risk of failing to meet current and future business needs resulting in longer wait times and increased manual processes and errors. DMV proposes a phased approach over several years to develop replacement systems that will enable modern business operations and that have the flexibility to accommodate changes in policy and procedure. Modern functionality and web-based services will make it easier to do business with DMV, reduce error rates and manual processes, and improve agency communication with DMV customers.

Implementing this strategy and approach will require approximately ten years and \$90.0 million to complete. Recent planning calculates the 2015-17 biennial need at 42 positions split between the Information Systems and DMV business organizations, and approximately \$30 million including the acquisition of a Vehicles "core system" replacement. The approval of this package is conditioned upon the Subcommittee's following recommendations that ODOT:

1. Continue to work closely with and regularly report project status to the Office of the State Chief Information Officer (OSCIO) and the LFO throughout the project's lifecycle;
2. Continue to follow the Joint State CIO/LFO Stage Gate Review Process;
3. Update the STP business case and develop/update associated cost benefit and alternative analysis documents for program subprojects;
4. Hire/appoint or contract for qualified project management services with experience in planning and managing programs and projects of this type, scope and magnitude;
5. Develop foundational STP program and project management documents;
6. Work with the OSCIO to contract with an independent quality management services to:
 - a. Conduct a STP initial risk assessment,
 - b. Perform quality control reviews on the STP Business case, individual cost benefit/alternatives analysis documents, and foundational project management documents as appropriate, and
 - c. Perform ongoing, independent quality management services as directed by the OSCIO; and
7. Submit the updated STP business case, project management documents, initial risk assessment and quality control reviews to the OSCIO and LFO for Stage Gate Review.

Budget Note:

The DMV STP will replace aging hardware and software solutions with a modern business and information platform. The approved budget incorporates ODOT-DMV request for \$30.4 million for the DMV Service Transformation Program (STP). Resources to implement this program may be uncheduled. The Oregon Department of Transportation (ODOT) is directed to convene a legislative workgroup to oversee the near-term phase and the long-term strategy to modernize all aspects of the DMV Service Transformation Program. The Workgroup shall consist of the following:

- Three Oregon Senate Members,
- Three Oregon House Members,
- The State Chief Information Officer or designee,
- One State Legislative Fiscal Office representative, and
- Two private-sector members from the Technology Association of Oregon.

The Department (ODOT) is further directed to work with the OSCIO and LFO, to engage and follow the "Stage-Gate" project and approval process.

Additionally, the department is directed to report to the Joint Committee on Ways and Means during the 2016 Legislative Session on the status of the DMV Service Transformation Program.

- Package 150, DMV Credit/Debit Acceptance, which provides \$6,326,417 Other Funds expenditure limitation to provide the resources to DMV field offices to accept credit and debit cards throughout the state in the 2015-2017 biennium. By accepting payment with debit and credit cards, DMV pays “merchant” fees to the credit associations. These fees are projected to cost an average of 2.0 percent of the transaction amount, but vary depending on the type of card the customer uses.

Budget Note:

ODOT DMV and Motor Carrier Divisions are instructed to work collaboratively with the Oregon State Treasurer to develop necessary systems, agreements and requirements to implement a credit card merchant fee cost recovery method. This may include, but not be limited to: an assessment of transactions wherein the user of the card is charged the bank transaction fee, in addition to payment made to the agency for the tax, fee or other charge required by the department, and the 2014 recommendations of the Task Force on Transportation and Customer Service Efficiency.

- Package 801, LFO Analyst Adjustment, which is a technical adjustment within the DMV that reduces Other Funds expenditure limitation by \$589,593. \$386,236 of the Other Funds is Services and Supplies associated with Senate Bill 833 Driver ID Card (2013) limitation. The remaining reduction in limitation is for the transfer of one position (1.00 FTE) from DMV to the Central Services’ Facilities Operations program to serve as the agency’s Energy Analyst.

Motor Carrier Transportation

The Motor Carrier Transportation Division (MCTD) supports a safe, efficient, and responsible commercial transportation industry. MCTD regulates a diverse industry ranging from one-truck owner-operators to carriers with large fleets from throughout the United States and Canada that operate on Oregon public roads. The division maintains accounts for approximately 20,300 trucking companies with 294,500 trucks registered to operate in Oregon. These include 7,600 Oregon companies with 43,000 trucks. Additionally, MCTD helps truckers comply with Oregon laws and regulations relating to economic regulation, registration, safety, freight mobility, and truck size and weight. Activities and programs include: Commercial Vehicle and Driver Safety Enforcement; Green Light Weigh Station Preclearance; Commercial Vehicle Registration; Trucking Online; Over-Dimension Permits; Highway-Use Tax Collection; Motor Carrier Audit Unit; and Economic Regulation and Complaint Resolution.

MCTD is funded primarily through the State Highway Fund, but also receives Federal Funds that support truck safety-related efforts.

The Subcommittee approved budget is \$65,437,133 total funds (\$60,020,993 Other Funds and \$5,416,140 Federal Funds) and 283 positions (283.00 FTE). This is a 1.1 percent decrease from the 2013-15 Legislative Approved Budget.

The Subcommittee approved:

- Package 801, LFO Analyst Adjustments, a technical adjustment that shifts \$547,252 for four positions (3.71 FTE) from Federal Funds to Other Funds to reflect the loss of the MCTD’s federal Motor Carrier Safety Assistance Program (MCSAP) Basic and Incentive grants. These grants funded commercial vehicle safety. The department can continue to perform all of the safety-related work that MCTD

presently performs without having to generate grant-funded work products that do not directly support the mission of reducing truck at-fault accidents.

Transportation Program Development

Transportation Program Development (TPD) plans and coordinates the future use of transportation resources among state, federal, and local agencies to design and operate an efficient transportation system. TPD provides the foundation for decision making to address transportation needs through its research, data collection and planning responsibilities, and also provides grant opportunities for multimodal transportation system projects (ConnectOregon). TPD plans, scopes, and researches proposed transportation projects through five major program areas: Statewide Plans and Regional Planning; Analysis, Research and Funding; STIP; Active Transportation; and Transportation System Projects.

TPD is funded through Other Funds and Federal Funds. The Other Funds revenue is from the State Highway Fund and Lottery Bond proceeds (expended as Other Funds) for ConnectOregon. The Federal Funds sources come from FHWA and the NHTSA.

The Subcommittee approved budget is \$132,518,374 (\$132,339,394 Other Funds and \$178,980 Federal Funds) and 229 positions (219.85 FTE). This is a 41.2 percent total funds reduction from the 2013-15 Legislatively Approved Budget.

The Subcommittee approved:

- Package 070, Revenue Shortfalls, which reduces expenditure limitation by \$1,381,324 Other Funds, \$4,125 Federal Funds, and five positions (5.00 FTE) as part of ODOT's right-sizing process to align ongoing expenses with ongoing revenues.
- Package 801, LFO Analyst Adjustments, a technical adjustment that moves \$224,106 Other Funds expenditure limitation and one position (1.00 FTE) from the Transportation Development Program to the Rail Division to support Rail Safety and Compliance.

Public Transit

The Public Transit Division (PTD) 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. Transit program funds are primarily distributed to local service providers in three ways: (1) through a formula based primarily on service-area population, (2) through a formula based on the number of rides given and miles traveled, and (3) through a biennial discretionary grant solicitation that combines the multiple sources of federal and state funding. The programs and activities supported by this division are: General Public Transit; Intercity Passenger Program; Public Transit Planning and Research; and Enhanced Mobility/Special Transportation Fund; and Transportation Options.

Public Transit is funded with Other Funds and Federal Funds. The majority of Public Transit's funding is from Federal Funds grants from the Federal Transit Administration and the Federal Highway Administration. These sources are specifically for the intended transit programs. The Other Funds resources are derived from transfers from the ODOT Transportation Operating Fund, Cigarette Tax, Oregon ID card revenue, and interest income. Public Transit also receives General Fund to provide financial support for transportation services benefiting older adults and

people with disabilities. The funds sustain and enhance the established Special Transportation Funds program to address mobility needs for the growing population of older adults, are distributed on a population-based formula and often used to leverage additional federal program dollars.

The Subcommittee approved budget is \$95,442,166 total funds (\$9,270,000 General Funds, \$30,349,036 Other Funds and \$55,823,130 Federal Funds) and 19 positions (19.00 FTE). This is a 3.9 percent total funds decrease from the 2013-15 Legislatively Approved Budget.

The Subcommittee approved:

- Package 070, Revenue Shortfalls, which reduces Other Funds expenditure limitation by \$104,268 as part of ODOT's right-sizing process to align ongoing expenses with ongoing revenues.

Rail

The Rail program ensures compliance with state and federal regulations related to railroad track, locomotives, cars, hazardous material transport, employee safety, operating practices and rail transit safety. This program reduces the potential for derailments, accidents and the potential release of hazardous materials. The Rail program consists of the State Safety Oversight Program, the Crossing Safety Program, and the Operations Section.

Rail is funded with Other Funds and Federal Funds. Other Funds are primarily generated by an assessment on all railroads based on their annual gross operating revenues generated in Oregon. Additional sources of Other Funds include Custom License Plate revenue and the Transportation Operating Fund (TOF). Federal highway funds and a Federal Transit Administration grant provide the Federal Funds sources.

The Subcommittee approved budget is \$67,916,495 total funds (\$10,408,710 General Fund, \$31,255,874 Other Funds and \$26,251,911 Federal Funds) and 30 positions (30.00 FTE). This is a 10.7 percent total funds decrease from the 2013-15 Legislatively Approved Budget.

The Subcommittee approved:

- Package 70, Revenue Shortfalls, which reduces Other Funds expenditure limitation by \$172,707 as part of ODOT's right-sizing process to align ongoing expenses with ongoing revenues.
- Package 160, Passenger Rail, which provides \$10,408,710 General Fund, \$4,200,000 Other Funds and \$3,700,000 Federal Funds expenditure limitation to maintain the current service level of the Amtrak Cascades intercity passenger rail service between Portland and Eugene. The service includes two daily round trips between Eugene and Portland, four daily round trips between Portland and Seattle, and two daily round trips between Seattle and Vancouver, British Columbia. Oregon's portion of the cost is covered in part with dedicated funds from the sale of custom license plates and from other non-Highway Fund revenues, but these amounts fall short of the full cost of operating the service in 2015-17. The Other and Federal Funds are available one-time for the 2015-17 biennium only.

- Package 801 LFO Adjustments, which is a technical adjustment that moves \$430,242 Other Funds expenditure limitation into the Rail division for two positions (2.00 FTE). One position is from the Transportation Program Development Program and the second position is from the Highway Special Programs Division. Both positions are being moved into the Rail Division to support rail safety and compliance.
- Package 802, Coos Bay Rail Line, which increases Other Funds expenditure limitation by \$9,300,000. In the 2013 Legislative Session, Senate Bill 5533 authorized \$10.0 million in Lottery Bonds for improving the Coos Bay rail link. This bond sale occurred in the spring of 2015, and expenditure limitation is needed for 2015-17 in order to disburse the proceeds to the Port of Coos Bay for the project. Senate Bill 5533 (2013) directed that the money from the bond sale be transferred to and distributed by ODOT.

Transportation Safety

The Transportation Safety Division organizes, plans and conducts a statewide transportation safety program by coordinating activities and programs with other state agencies, local agencies, non-profit groups, and the private sector. It serves as a clearinghouse for transportation safety materials and information, and cooperates and encourages research and special studies to support legislative initiatives and new programs. The Transportation Safety program consists of Statewide Operations, Field Programs and Office of Employee Safety.

The primary sources of funding for the Transportation Safety Program are Other Funds and Federal Funds. The Other Funds resources are derived through fees charged by the ODOT Driver and Motor Vehicle Services Division (DMV). Additional sources of Other Funds are transfers from the Highway Division, the ODOT Transportation Operating Fund, and interest income. The larger source of funding for the program comes from a variety of Federal Funds grants from the FHWA and the NHTSA.

The Subcommittee approved budget is \$36,297,561 total funds (\$17,627,613 Other Funds and \$18,669,948 Federal Funds) and 28 positions (28.00 FTE). This is an 11.5 percent increase from the 2013-15 Legislatively Approved Budget.

The Subcommittee approved:

- Package 070, Revenue Shortfalls, which reduces expenditure limitation by \$91,197 Other Funds and \$67,693 Federal Funds as part of ODOT's right-sizing process to align ongoing expenses with ongoing revenues.

Debt Service

The Debt Service program consists of principal and interest payments related to debt and loan activities. General Fund Debt Service is associated with the State Radio Project. Other Funds Debt Service consists of payments on: Revenue Bonds sold for OTIA I, II, and III, and the Jobs and Transportation Act (JTA); Certificates of Participation issued for the DMV Building Refunding and the State Radio Project; and Article XI-Q General Obligation Bonds sold for the State Radio Project and the Transportation Building. Lottery Bond Debt Service consists of payments on Lottery Bonds sold for the following projects: Short Line Infrastructure Assistance; Industrial Rail Spur Infrastructure; South Metro Commuter Rail; Southeast Metro Milwaukie Extension; ConnectOregon I, II, III, IV and V; Oregon Street Car, the Coos Bay Rail Link; and Salem-Keizer Transit.

The Subcommittee approved budget is \$579,183,942 total funds (\$7,967,450 General Fund, \$107,484,140 Lottery Funds, \$442,110,823 Other Funds, and \$21,621,529 Federal Funds Nonlimited). This is a 55.3 percent decrease from the 2013-15 Legislative Approved Budget.

The Subcommittee approved:

- Package 811, Updated Base Debt Service Adjustment, which reduces Lottery Funds expenditure limitation by \$7,371,607 to reflect savings for the 2015-17 biennium for recent debt refinancing activity.

Central Services

The Central Services program has two administrative support divisions. The Agency Support division provides agency-wide audit services, business services, facilities, financial services, human resources, information systems, and the procurement office. The ODOT Headquarters division includes the ODOT Director, Deputy Director for Central Services, budget services, the Office of Civil Rights, and the Office of the Director (including the Assistant Director, Government Relations, Communications, and Business Management).

The primary source of revenue is Other Funds derived through internal agency assessments.

The Subcommittee approved budget is \$216,092,157 total funds (\$215,813,836 Other Funds and \$278,321 Federal Funds) and 499 positions (494.50 FTE). This is a 10.4 percent increase from the 2013-15 Legislatively Approved Budget.

The Subcommittee approved:

- Package 070, Revenue Shortfalls, which reduces Other Funds expenditure limitation by \$2,987,252 and 11 positions (11.00 FTE) as part of ODOT's right-sizing process to align ongoing expenses with ongoing revenues.
- Package 801, LFO Analyst Adjustments, a technical adjustment that increases Other Funds expenditure limitation by \$415,000 and moves two positions (2.00 FTE) into the Central Services Division. This technical adjustment changes the revenue account code used for the Department of Aviation's payment to ODOT for business services. These services include Human Resources, Procurement, Finance, Payroll, Internal Auditing, and Information Technology. The account code correction enables an audit function in the budget system to ensure that dollar amounts match in both the sending and the receiving agency. Administration and Service charge revenues are reduced both to reflect the account code change and to correct the estimate of revenues expected to be received. This action does not change expenditure limitation. This technical adjustment also moves one position (1.00 FTE) from DMV Program Services to Central Services' Facilities Operations to serve as the agency's Energy Analyst; and one position (1.00 FTE) from Highway Special Programs to Central Services' Procurement program in order to align purchasing positions centrally in the agency.
- Package 803, Program Reorganization, which increases Other Funds expenditure limitation by \$10,346,589 to move 14 positions (14.00 FTE) and associated expenditures from the Highway Division into the Central Services Division. During the 2013-15 biennium, an ODOT agency reorganization moved the Office of Innovative Partnerships into the Central Services Division. This program now reports directly to ODOT's Assistant Director. This technical adjustment moves the budget and positions associated with this program from the

Highway Division into the Central Services Division. The same reorganization moved the OREGO program's operations from the Highway Division into Central Services. The Business Services organization within the Central Services Division will provide operational support for OREGO with billing, reporting, and technical and operational issues.

2013-15 Supplemental Budget

The Subcommittee approved a \$15,000,000 Other Funds increase in Operations for highway projects being completed ahead of schedule in the biennium ending June 30, 2013.

The Subcommittee approved a \$5,000,000 Federal Funds increase in Public Transit to complete commitments carried forward from the biennium ending June 30, 2013.

Summary of Performance Measure Action

See attached Legislatively Adopted 2015-17 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5040-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 | | | |
| 2013-15 Legislatively Approved Budget at Dec 2014 * | \$ 12,740,000 | \$ 93,953,970 | \$ 3,837,855,560 | \$ 732,854,862 | \$ 119,553,108 | \$ 21,621,529 | \$ 4,818,579,029 | 4,556 | 4,467.47 |
| 2015-17 Current Service Level (CSL)* | \$ 17,289,285 | \$ 114,855,747 | \$ 3,099,642,389 | \$ 18,158,214 | \$ 107,136,132 | \$ 21,621,529 | \$ 3,378,703,296 | 4,550 | 4,452.98 |
| SUBCOMMITTEE ADJUSTMENTS (from CSL) | | | | | | | | | |
| SCR 088 - Capital Improvements | | | | | | | | | |
| Package 120: Cap Improvement | | | | | | | | | |
| Capital Outlay | \$ - | \$ - | \$ 2,000,000 | \$ - | \$ - | \$ - | \$ 2,000,000 | | |
| SCR 100-20 - Maintenance | | | | | | | | | |
| Package 070: Revenue Shortfalls | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (790,507) | \$ - | \$ - | \$ - | \$ (790,507) | -7 | -7.00 |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Services and Supplies | \$ - | \$ - | \$ 120,000 | \$ - | \$ - | \$ - | \$ 120,000 | | |
| SCR 100-25 - Preservation | | | | | | | | | |
| Package 070: Revenue Shortfalls | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (2,553,937) | \$ - | \$ - | \$ - | \$ (2,553,937) | -9 | -9.00 |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Services and Supplies | \$ - | \$ - | \$ 50,000,000 | \$ - | \$ - | \$ - | \$ 50,000,000 | | |
| SCR 100-30 - Bridge | | | | | | | | | |
| Package 070: Revenue Shortfalls | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (1,819,762) | \$ - | \$ - | \$ - | \$ (1,819,762) | -4 | -4.00 |
| SCR 100-40 - Highway Operations | | | | | | | | | |
| Package 070: Revenue Shortfalls | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (302,291) | \$ - | \$ - | \$ - | \$ (302,291) | -2 | -2.00 |
| SCR 100-45 - Modernization | | | | | | | | | |
| Package 070: Revenue Shortfalls | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (4,509,966) | \$ - | \$ - | \$ - | \$ (4,509,966) | -19 | -19.00 |
| SCR 100-55 - Special Programs | | | | | | | | | |
| Package 070: Revenue Shortfalls | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (3,717,287) | \$ - | \$ - | \$ - | \$ (3,717,287) | -25 | -25.00 |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (417,779) | \$ - | \$ - | \$ - | \$ (417,779) | -2 | -2.00 |
| Package 803: Program Reorganization | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (3,112,282) | \$ - | \$ - | \$ - | \$ (3,112,282) | -14 | -14.00 |
| Services and Supplies | \$ - | \$ - | \$ (7,234,307) | \$ - | \$ - | \$ - | \$ (7,234,307) | | |

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|-------------------------------------------------|---------------|---------------|----------------|------------|---------------|------------|-----------------|-----|-------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| SCR 200 - Driver and Moter Vehicles Svcs | | | | | | | | | |
| Package 070: Revenue Shortfalls | | | | | | | | | |
| Services and Supplies | \$ - | \$ - | \$ (2,355,420) | \$ - | \$ - | \$ - | (2,355,420) | | |
| Package 140: DMV Systems Modernization | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 5,118,831 | \$ - | \$ - | \$ - | 5,118,831 | 42 | 29.91 |
| Services and Supplies | \$ - | \$ - | \$ 5,148,008 | \$ - | \$ - | \$ - | 5,148,008 | | |
| Capital Outlay | \$ - | \$ - | \$ 20,179,624 | \$ - | \$ - | \$ - | 20,179,624 | | |
| Package 150: DMV Credit/Debt Acceptance | | | | | | | | | |
| Services and Supplies | \$ - | \$ - | \$ 6,326,417 | \$ - | \$ - | \$ - | 6,326,417 | | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (203,357) | \$ - | \$ - | \$ - | (203,357) | -1 | -1.00 |
| Service and Supplies | \$ - | \$ - | \$ (386,236) | \$ - | \$ - | \$ - | (386,236) | | |
| SCR 300 - Motor Carrier Transportation | | | | | | | | | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 547,252 | \$ - | \$ (547,252) | \$ - | - | 0 | 0.00 |
| SCR 400-10 - Transportation Prog Dev | | | | | | | | | |
| Package 070: Revenue Shortfalls | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (1,381,324) | \$ - | \$ (4,125) | \$ - | (1,385,449) | -5 | -5.00 |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (224,106) | \$ - | \$ - | \$ - | (224,106) | -1 | -1.00 |
| SCR 400-11 - Public Transit | | | | | | | | | |
| Package 070: Revenue Shortfalls | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (104,268) | \$ - | \$ - | \$ - | (104,268) | 0 | 0.00 |
| SCR 400-12 - Rail | | | | | | | | | |
| Package 070: Revenue Shortfalls | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (172,707) | \$ - | \$ - | \$ - | (172,707) | 0 | 0.00 |
| Package 160: Passenger Rail | | | | | | | | | |
| Services and Supplies | \$ 10,408,710 | \$ - | \$ - | \$ - | \$ - | \$ - | 10,408,710 | | |
| Special Payments -6995 LFO Analyst Adj | \$ - | \$ - | \$ 4,200,000 | \$ - | \$ 3,700,000 | \$ - | 7,900,000 | | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 430,242 | \$ - | \$ - | \$ - | 430,242 | 2 | 2.00 |
| Package 802: Coos Bay Rail Line | | | | | | | | | |
| Special Payments - 6030 Dist to Non-Gov Units | \$ - | \$ - | \$ 9,300,000 | \$ - | \$ - | \$ - | 9,300,000 | | |
| SCR 400-13 - Transportation Safety | | | | | | | | | |
| Package 070: Revenue Shortfalls | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (91,197) | \$ 0 | \$ (67,693) | \$ - | (158,890) | 0 | 0.00 |

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|---------------------------------------------------|----------------------|-----------------------|-------------------------|----------------------|-----------------------|----------------------|-------------------------|--------------|-----------------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| SCR 500 - Debt Service | | | | | | | | | |
| Package 811: Updated Base Debt Service Adjustment | | | | | | | | | |
| Debt Service | \$ - | \$ (7,371,607) | \$ - | \$ - | \$ - | \$ - | \$ (7,371,607) | | |
| SCR 700 - Central Services | | | | | | | | | |
| Package 070: Revenue Shortfalls | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (2,987,252) | \$ - | \$ - | \$ - | \$ (2,987,252) | -11 | -11.00 |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 415,000 | \$ - | \$ - | \$ - | \$ 415,000 | 2 | 2.00 |
| Package 803: Program Reorganization | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 3,112,282 | \$ - | \$ - | \$ - | \$ 3,112,282 | 14 | 14.00 |
| Services and Supplies | \$ - | \$ - | \$ 7,234,307 | \$ - | \$ - | \$ - | \$ 7,234,307 | | |
| TOTAL ADJUSTMENTS | \$ 10,408,710 | \$ (7,371,607) | \$ 81,767,978 | \$ - | \$ 3,080,930 | \$ - | \$ 87,886,011 | -40 | -52.09 |
| SUBCOMMITTEE RECOMMENDATION * | \$ 27,697,995 | \$ 107,484,140 | \$ 3,181,410,367 | \$ 18,158,214 | \$ 110,217,062 | \$ 21,621,529 | \$ 3,466,589,307 | 4,510 | 4,400.89 |
| % Change from 2013-15 Leg Approved Budget | 117.4% | 14.4% | -17.1% | -97.5% | -7.8% | 0.0% | -28.1% | | |
| % Change from 2015-17 Current Service Level | 60.2% | -6.4% | 3.3% | 0.0% | 2.9% | 0.0% | 3.2% | | |

*Excludes Capital Construction Expenditures

2013-15 Supplemental Budget

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|--------------------------------------------------|--------------|---------------|----------------------|-------------|---------------------|-------------|----------------------|----------|-------------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| SCR 100-40 - Operations | | | | | | | | | |
| Service and Supplies | \$ - | \$ - | \$ 15,000,000 | \$ - | \$ - | \$ - | \$ 15,000,000 | | |
| SCR 400-11 - Public Transit | | | | | | | | | |
| Special Payment - 6015 Dist to Cities | \$ - | \$ - | \$ - | \$ - | \$ 859,508 | \$ - | \$ 859,508 | | |
| Special Payment - 6020 Dist to Counties | \$ - | \$ - | \$ - | \$ - | \$ 1,033,999 | \$ - | \$ 1,033,999 | | |
| Special Payment - 6025 Dist to Other Gov't Units | \$ - | \$ - | \$ - | \$ - | \$ 1,573,542 | \$ - | \$ 1,573,542 | | |
| Special Payment - 6030 Dist to Non-Gov't Units | \$ - | \$ - | \$ - | \$ - | \$ 1,532,951 | \$ - | \$ 1,532,951 | | |
| TOTAL RECOMMENDATION | \$ - | \$ - | \$ 15,000,000 | \$ - | \$ 5,000,000 | \$ - | \$ 20,000,000 | 0 | 0.00 |

Legislatively Approved 2015-2017 Key Performance Measures

Agency: TRANSPORTATION, DEPARTMENT of

Mission: Mission for ODOT: To provide a safe, efficient transportation system that supports economic opportunity and livable communities for Oregonians. Our Values: These are the values that guide our decision making and which we follow in implementing ODOT's mission and goals.

Safety: We protect the safety of the traveling public, our employees and the workers who build, operate and maintain our transportation system. **Customer Focus:** We learn from and respond to our customers so we can better deliver quality, affordable services to Oregonians and visitors. Our customers include travelers, freight movers, and others who use our services and facilities. **Efficiency:** We strive to gain maximum value from the resources entrusted to us for the benefit of our customers. **Accountability:** We build the trust of customers, stakeholders and the public by reporting regularly on what we are doing and how we are using the resources entrusted to us.

Problem Solving: We work with the appropriate customers, stakeholders and partners to find efficient, effective and innovative solutions to problems. **Diversity:** We honor and respect our individual differences and we work to ensure that people from diverse backgrounds have equitable opportunities, both internally and externally, to work for and conduct business with ODOT. **Sustainability:** We balance economic, environmental and community well-being in a manner that protects the needs of current and future generations.

Our Goals: Safety - Engineering, educating, and enforcing a safe transportation system. Mobility - Keeping people and the economy moving. Preservation - Preserving and maintaining infrastructure. Sustainability - Sustaining the environment and communities. Stewardship - Maximizing value from transportation investments.

| Legislatively Proposed KPMs | Customer Service Category | Agency Request | Most Current Result | Target 2016 | Target 2017 |
|----------------------------------------------------------------------------------------------------------------------|---------------------------|----------------|---------------------|-------------|-------------|
| 1 - Traffic Fatalities: Traffic fatalities per 100 million vehicles miles traveled (VMT). | | Approved KPM | 1.01 | 0.87 | 0.84 |
| 2 - Bridge Condition: Percent of state highway bridges that are not "distressed" | | Approved KPM | | 78.00 | 78.00 |
| 3 - Large Truck At-Fault Crashes: Number of large truck at-fault crashes per million vehicle miles traveled (VMT). | | Approved KPM | 0.40 | 0.37 | 0.37 |
| 4 - Rail Crossing Incidents: Number of highway-railroad at-grade incidents. | | Approved KPM | 10.00 | 10.00 | 10.00 |
| 5 - Derailment Incidents: Number of train derailments caused by human error, track, or equipment. | | Approved KPM | 10.00 | 25.00 | 25.00 |
| 6 - Travelers Feel Safe: Percent of public satisfied with transportation safety. | | Approved KPM | 83.00 | 75.00 | 75.00 |
| 7 - Travel Delay: Hours of travel delay per capita per year in urban areas. | | Approved KPM | 24.00 | 20.00 | 20.00 |
| 8 - Special Transit Rides: Average number of special transit rides per each elderly and disabled Oregonian annually. | | Approved KPM | 19.00 | 24.00 | 24.00 |

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| Legislatively Proposed KPMs | Customer Service Category | Agency Request | Most Current Result | Target 2016 | Target 2017 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------|---------------------|-------------|-------------|
| 9 - Passenger Rail Ridership: Number of state-supported rail service passengers. | | Approved KPM | 215,096.00 | 212,783.00 | 214,911.00 |
| 10 - Jobs from Construction Spending: Number of jobs sustained as a result of annual construction expenditures. | | Approved KPM | 11,700.00 | 11,800.00 | 10,000.00 |
| 11 - Pavement Condition: Percent of pavement lane miles rated "fair" or better out of total lane miles in state highway system. | | Approved KPM | 87.00 | 85.00 | 85.00 |
| 12 - Incident Response: Percent of lane blocking crashes cleared within 90 minutes. | | Approved KPM | 80.00 | 85.00 | 85.00 |
| 13 - 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 | 183.00 | 181.00 |
| 14 - Bike Lanes and Sidewalks: Percent of urban state highway miles with bike lanes and pedestrian facilities in "fair" or better condition. | | Approved KPM | 42.00 | 50.00 | 52.00 |
| 15 - Timeliness of Projects Going to Construction Phase: Percent of projects going to construction phase within 90 days of target date. | | Approved KPM | 96.00 | 90.00 | 90.00 |
| 16 - Construction Project Completion Timeliness: Percent of projects with the construction phase completed within 90 days of original contract completion date. | | Approved KPM | 76.00 | 80.00 | 80.00 |
| 17 - Construction Projects On Budget: Percent of original construction authorization spent. | | Approved KPM | 101.00 | 99.00 | 99.00 |

Agency: TRANSPORTATION, DEPARTMENT of

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| Legislatively Proposed KPMs | Customer Service Category | Agency Request | Most Current Result | Target 2016 | Target 2017 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------|----------------------------|--------------------|--------------------|
| 18 - Certified Businesses (DMWESB*): Percent of ODOT contract dollars awarded to disadvantaged, minority, women, and emerging small businesses. | | Approved KPM | 8.70 | 13.10 | 13.10 |
| 19 - 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 |
| 19 - 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 |
| 19 - 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 |
| 19 - 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 |
| 19 - 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 |

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Our Goals: Safety - Engineering, educating, and enforcing a safe transportation system. Mobility - Keeping people and the economy moving. Preservation - Preserving and maintaining infrastructure. Sustainability - Sustaining the environment and communities. Stewardship - Maximizing value from transportation investments.

| Legislatively Proposed KPMs | Customer Service Category | Agency Request | Most Current Result | Target 2016 | Target 2017 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------|----------------------------|--------------------|--------------------|
| 19 - 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 |
| 2 - Traffic Injuries: Traffic injuries per 100 million vehicles miles traveled (VMT). | | Legislative Delete | 109.00 | 89.72 | 87.02 |
| 3 - Impaired Driving: Percent of fatal traffic accidents that involved alcohol. | | Legislative Delete | 37.00 | 35.00 | 35.00 |
| 4 - Use of Safety Belts: Percent of all vehicle occupants using safety belts. | | Legislative Delete | 97.00 | 99.00 | 99.00 |
| 12 - Intercity Passenger Service: Percent of Oregon communities of 2,500 or more with intercity bus or rail passenger service. | | Legislative Delete | 94.00 | 100.00 | 100.00 |
| 13 - Alternatives to One-Person Commuting: Percent of Oregonians who commute to work during peak hours by means other than Single Occupancy Vehicles. | | Legislative Delete | 33.10 | 35.00 | 35.00 |
| 24 - DMV Customer Services: Field office wait time (in minutes). | | Legislative Delete | 15.40 | 15.00 | 15.00 |

LFO Recommendation:

LFO recommends the addition of a new KPM, the deletion of six KPMs, replacement of one current KPM, and approval of the remainder of ODOT's KPMs as presented. The KPM proposed for addition is:

- **Bridge Condition: Percent of state highway bridges that are not "distressed."** This is an agency internal measure that ODOT would like to report as a key performance measure. Bridges "not distressed" means that the bridges have not been identified by the Oregon Bridge Management System as having freight mobility, deterioration, safety or serviceability needs and have not been rated as structurally deficient based on the Federal Highway Administration criteria. Since 2009, ODOT has revised its bridge preservation strategy, moving quickly to repair and/or replace Oregon bridges on high-priority freight corridors. Bridges "not distressed" means that the bridges have not been identified by the Oregon Bridge Management System as having freight mobility, deterioration, safety or serviceability needs and have not been rated as structurally deficient based on the Federal Highway Administration criteria.

The six KPMs proposed for deletion are KPMs 2, 3, 4, 12, and 13. The agency plans to re-work three of these measures to better measure current conditions, to better address federal reporting requirements, and/or to more accurately measure progress toward the desired outcome. Two are proposed to be discontinued, as they either measure activities over which ODOT has no control, or they are not used by the agency as a performance management tool.

The KPM proposed for replacement is KPM #24. Its replacement is:

- **DMV Field Office Wait Time: Percentage of DMV Field Office Customers Served within 20 Minutes.** The proposed replacement KPM provides a constant measure that reflects the actual customer experience and makes several improvements over the current methodology. The current methodology is an average of offices' average wait times, and is not an average of the customer population. As a result, smaller offices with significantly lower wait times and smaller customer counts disproportionately pull down the reported service level. The currently reported statewide average field office wait time is not representative of the customer experience.

LFO recommends approval of the remaining KPMs as presented.

Sub-Committee Action:

The subcommittee approved the key performance measures as recommended.