

SB 5540 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Department of Transportation

2017-19

PRELIMINARY

Budget Summary*

	2015-17	2017-19	2017-19	Committee Change from	
	Legislatively Approved Budget ⁽¹⁾	Current Service Level	Committee Recommendation	2015-17 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 19,812,588	\$ 19,747,800	\$ 19,747,800	\$ (64,788)	(0.3%)
General Fund Debt Service	\$ 2,772,669	\$ 34,544,038	\$ 5,135,799	\$ 2,363,130	85.2%
Lottery Funds Debt Service Ltd	\$ 107,484,140	\$ 120,644,222	\$ 120,644,222	\$ 13,160,082	12.2%
Other Funds Cap Improvement	\$ 5,438,164	\$ 5,639,376	\$ 5,639,376	\$ 201,212	3.7%
Other Funds Ltd.	\$ 2,847,717,809	\$ 2,971,234,188	\$ 3,116,862,747	\$ 269,144,938	9.5%
Other Funds Debt Service Ltd	\$ 442,110,823	\$ 385,718,261	\$ 415,126,500	\$ (26,984,323)	(6.1%)
Other Funds Non-Ltd	\$ 29,199,053	\$ 18,158,214	\$ 18,158,214	\$ (11,040,839)	(37.8%)
Federal Funds Ltd	\$ 110,175,491	\$ 99,748,065	\$ 105,926,360	\$ (4,249,131)	(3.9%)
Federal Funds Debt Service Non-Ltd	\$ 21,621,529	\$ 21,575,775	\$ 21,575,775	\$ (45,754)	(0.2%)
Total	\$ 3,586,332,266	\$ 3,677,009,939	\$ 3,828,816,793	\$ 242,484,527	6.8%

Position Summary

Authorized Positions	4,510	4,504	4,482	28
Full-time Equivalent (FTE) positions	4,400.89	4,403.11	4,385.71	15.18

⁽¹⁾ Includes adjustments through December 2016

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Department of Transportation (ODOT) receives \$24.9 million General Fund for debt service, its Senior and Disabled Transit program, and for Amtrak Passenger Rail. General Fund represents 0.6 percent of the department's revenues. Lottery Funds (\$120.6 million) are dedicated to debt service for various projects funded through lottery bond sales and represent 3.2 percent of the department's budget.

More than 90.0 percent of ODOT's available revenues are Other Funds. The four largest revenue sources in this category are motor fuel taxes (\$1.2 billion), driver and vehicle licenses and fees (\$817.0 million), weight-mile taxes (\$633.0 million) and Federal Funds from the Federal Highway Administration (FHWA) that are matched with state funds for highway projects (\$1.1 billion). 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.

The Department also receives funds from the federal gas tax, which has not been raised since 1993. Consequently, the federal Highway Trust Fund has lost nearly 40 percent of its purchasing power since that time. In 2008, when the federal Highway Trust Fund first ran short of cash, Congress made up the gap by transferring more than \$65 billion in total resources into the Fund. These transfers have prevented deep cuts in the federal transportation program, but they have not solved the need for long-term, sustainable revenue. Congress recently passed an extension of the current federal surface transportation authorization legislation, the Fixing America's Surface Transportation Act (FAST Act), through 2020. By that date, Congress will either need to provide additional resources, cut transportation funding by 20-25 percent, or pass a new reauthorization bill with adequate resources. Either way, the ongoing instability with the program and the potential for a reduction in federal revenue will impact Oregon's ability to plan for transportation projects.

Summary of Transportation and Economic Development Subcommittee Action

ODOT'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 Oregon Transportation Commission (OTC) is made up of the department's director and a five-member policy board all of which 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 \$3,828,816,793 total funds, with \$24,883,599 General Fund, \$120,644,222 Lottery Funds, \$3,537,628,623 Other Funds expenditure limitation, \$105,926,360 Federal Funds expenditure limitation, \$18,158,214 Other Funds Nonlimited, \$21,575,775 Federal Funds Nonlimited and 4,482 positions (4,385.71 FTE). The total funds budget increased by 4.4 percent from the 2015-17 Legislatively Adopted 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 2015-17 Legislatively Approved Budget.

Capital Improvements

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

The Subcommittee approved budget for Capital Improvements is \$5,639,376 Other Funds limitation. This is a 3.7 percent increase from the 2015-17 Legislatively Approved Budget.

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 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 FAST Act), which requires matching funds from state or local jurisdictions.

The Subcommittee approved budget for Maintenance is \$516,843,383 Other Funds limitation and 1,353 positions (1,297.50 FTE). This is a 2.6 percent increase from the 2015-17 Legislatively Approved Budget.

The Subcommittee approved the following package:

Package 812, (LFO) Vacant Position Elimination. This package eliminates nine positions (5.37 FTE) in Highway Maintenance that have been vacant for more than six months, reducing Other Funds limitation by \$700,298.

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 FAST Act), which requires matching funds from state or local jurisdictions.

The Subcommittee approved budget for Preservation is \$255,506,413 Other Funds limitation and 115 positions (115.00 FTE). This is a 20.6 percent decrease in funding from the 2015-17 Legislatively Approved Budget.

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 using 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 the Statewide Transportation Improvement Program (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 FAST Act), which requires matching funds from state or local jurisdictions.

The Subcommittee approved budget for the Bridge program is \$270,723,941 Other Funds limitation and 116 positions (116.00 FTE). This is an 80.4 percent increase from the 2015-17 Legislatively Approved Budget. In December 2016, the Emergency Board did a rebalance of the Highway program limitation, which reduced the Bridge limitation by \$54.2 million. The Subcommittee action restores the \$54.2 million and increases the limitation to meet anticipated payments on STIP projects in 2017-19.

The Subcommittee approved the following package:

Package 090, Analyst Adjustment. Based on the highway projects expected to be delivered in 2015-17, the Department anticipates it will be able to deliver more STIP projects than initially scheduled for 2017-19. This package provides Other Funds limitation of \$58.7 million for the Highway Bridge program.

Highway/Safety and Operations

The Highway Operations program is comprised of two separate programs – Highway Safety and Highway Operations. The primary purpose of ODOT’s Highway Safety program is to reduce the number of fatal and serious injury crashes on the state highway system. The Highway Safety Improvement program provides for infrastructure improvements at high crash locations using low cost and cost effective countermeasures on target highway segments or intersections with a history of crashes. The primary purpose of ODOT’s Highway Operations program is to improve 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, roadway lighting, Intelligent Transportation Systems and landslide and rock fall mitigation.

Safety and 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 FAST Act), which requires matching funds from state or local jurisdictions.

The Subcommittee approved budget for Safety and Operations is \$224,187,683 Other Funds limitation and 180 positions (178.79 FTE). This is a 30.9 percent increase from the 2015-17 Legislatively Approved Budget. The increase in the budget is largely due to the higher than anticipated project payments in 2017-19.

Highway/Modernization

The 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. The Modernization program also administers the Immediate Opportunity Fund program in partnership with the Oregon Business Development Department.

The Modernization 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 FAST Act), which requires matching funds from state or local jurisdictions.

The Subcommittee approved budget for the Modernization program is \$326,749,992 Other Funds limitation and 169 positions (168.50 FTE). This is a 17.5 percent decrease from the 2015-17 Legislatively Approved Budget.

Highway/Special Programs

Highway Special Programs provides indirect, technical and program support for the Highway Division construction program. This division supports several 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 FAST Act), 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 \$355,759,048 Other Funds limitation and 537 positions (527.15 FTE). This is a 34.6 percent increase in funding from the 2015-17 Legislatively Approved Budget.

The Subcommittee approved the following packages:

Package 090, Analyst Adjustment. Based on the highway projects expected to be delivered in 2015-17, the department anticipates it will be able to deliver more projects than initially scheduled for 2017-19. Package 090 provides Other Funds limitation of \$63.5 million for the Highway Special Programs.

Package 812, Vacant Position Elimination. This package eliminates two vacant positions (1.50 FTE) in Special Programs that have been vacant for more than six months, reducing Other Funds limitation by \$200,218.

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. The program 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 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 FAST Act), which requires matching funds from state or local jurisdictions.

The Subcommittee approved budget is \$393,303,442 Other Funds and 55 positions (55.00 FTE). This is a 37.6 percent increase from the 2015-17 Legislatively Approved Budget. In December 2016, the Emergency Board did a rebalance of Highway program limitation, which reduced the

Local Government limitation by \$112 million. The Subcommittee action restores \$107.4 million to meet anticipated payments on STIP projects in 2017-19.

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 600,000 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 limitation 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 \$233,507,347 total funds (\$231,483,759 Other Funds limitation and \$2,023,588 Federal Funds limitation) and 865 positions (848.12 FTE). This is an 8.9 percent total funds increase from the 2015-17 Legislatively Approved Budget.

The Subcommittee approved the following packages:

Package 110, DMV STP II. This package provides \$27,053,537 Other Funds limitation to continue with the next phase of the Service Transformation Project (STP).

Package 801, LFO Analyst Adjustment. This package provides \$182,098 Other Funds limitation to establish one Compliance Specialist 2 position (0.87 FTE) in DMV's Business Regulation Program to improve statewide regulation of vehicle dealers and dismantlers.

Package 812, Vacant Position Elimination. This package eliminates seven positions (7.00 FTE) that have been vacant for more than six months, reducing Other Funds limitation by \$1,090,554.

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

operating on Oregon public roads. The division maintains accounts for approximately 20,300 trucking companies with 340,538 trucks registered to operate in Oregon. These include 7,473 Oregon companies with 45,891 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 supporting truck safety-related efforts.

The Subcommittee approved budget is \$64,913,624 total funds and 282 positions (282.00 FTE). This is a 3.7 percent decrease from the 2015-17 Legislative Approved Budget.

The Subcommittee approved the following package:

Package 801, LFO Analyst Adjustment. This package shifts one Civil Engineer Specialist II position from the Motor Carrier Program to Central Services, decreasing Other Funds limitation by \$213,745. This shift reflects a workload rebalance.

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 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 by Other Funds limitation and Federal Funds limitation. The Other Funds revenue is from the State Highway Fund and Lottery Bond proceeds (expended as Other Funds) for ConnectOregon. The Federal Funds limitation sources are FHWA and NHTSA.

The Subcommittee approved budget is \$143,978,123 (\$143,780,776 Other Funds limitation and \$197,347 Federal Funds limitation) and 230 positions (221.93 FTE). This is a 20 percent total funds reduction from the 2015-17 Legislatively Approved Budget.

The Subcommittee approved the following package:

Package 812, Vacant Position Elimination. This package eliminates one Traffic Survey Interviewer position (0.08 FTE) in the Transportation Development Program that has been vacant for more than six months, reducing Other Funds limitation by \$6,720.

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 limitation and Federal Funds limitation. Most 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 limitation 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 \$105,536,774 total funds (\$9,747,800 General Funds, \$28,233,927 Other Funds limitation and \$67,555,047 Federal Funds limitation) and 18 positions (18.00 FTE). This is a 10.2 percent total funds increase from the 2015-17 Legislatively Approved Budget.

The Subcommittee approved the following package:

Package 801, LFO Analyst Adjustment. This package provides Federal Funds limitation of \$6,178,295 for the Public Transit Program. This amount includes \$1.2 million for newly awarded Federal Lands Access grants and \$4.9 million for increased payout on public transit projects.

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 by multiple sources, including an assessment on all railroads based on their annual gross operating revenues generated in Oregon, Custom License Plate revenue, the Transportation Operating Fund (TOF), Federal Funds and the General Fund. General Fund monies are used to fund the operation and maintenance of the passenger rail program.

The Subcommittee approved budget is \$71,079,152 total funds (\$10,000,000 General Fund, \$44,684,798 Other Funds limitation and \$16,394,354 Federal Funds limitation) and 33 positions (33.00 FTE). This is a 9.2 percent total funds decrease from the 2015-17 Legislatively Approved Budget.

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 limitation and Federal Funds limitation. 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 FHWA and NHTSA.

The Subcommittee approved budget is \$37,969,476 total funds (\$18,503,103 Other Funds limitation and \$19,466,373 Federal Funds limitation) and 27 positions (27.00 FTE). This is a 4.1 percent increase from the 2015-17 Legislatively Approved Budget.

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 \$562,482,296 total funds (\$5,135,799 General Fund, \$120,644,222 Lottery Funds, \$415,126,500 Other Funds limitation, and \$21,575,775 Federal Funds Nonlimited). This is a 15.6 percent decrease from the 2015-17 Legislative Approved Budget.

The Subcommittee approved the following package:

Package 801, LFO Analyst Adjustment. This package reduces General Fund debt service for the State Radio Project by \$29.4 million and increases Other Funds debt service limitation by the same amount to reflect the Co-Chair's Existing Resources Framework.

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 \$242,478,509 total funds (\$242,188,858 Other Funds limitation and \$289,651 Federal Funds limitation) and 502 positions (497.72 FTE). This is a 14.3 percent increase from the 2015-17 Legislatively Approved Budget.

The Subcommittee approved the following packages:

Package 190, Security and ITS positions. This package provides Other Funds limitation to establish three positions (2.68 FTE) in the Intelligent Transportation Systems program within the Information Services Branch as part of an effort to reduce heavy reliance on contracted staff. There is no net cost increase as the positions are funded by a shift from Services and Supplies.

Package 801, LFO Analyst Adjustment. This package shifts a Civil Engineer Specialist II position from the Motor Carrier Program to Central Services, increasing Other Funds limitation by \$213,745. This shift reflects a workload rebalance.

Package 814, IT Security Positions Consolidation. As required by Executive Order 16-13 – IT Security, this package eliminates seven positions (7.00 FTE) from the Central Services division and reduces Other Funds limitation by \$1,862,133.

Summary of Performance Measure Action

The Subcommittee adopted the LFO recommendation to approve the proposed 2017-19 Key Performance Measures (KPM) with direction that ODOT work with the Legislative Fiscal Office, during the interim, to develop a KPM proposal to be evaluated in conjunction with the 2019-21 Governor's Budget.

The proposal should reflect the recommendation coming out of the management review conducted in 2016, by McKinsey and Company: that ODOT consolidate its KPMs with a focus on developing and tracking performance measures aligning with the strategic goals of the agency and on areas within the ability of the department to influence and achieve.

See attached Legislatively Adopted 2017-19 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Department of Transportation
Linnea Wittekind -- (503) 378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2015-17 Legislatively Approved Budget at Dec 2016 *	\$ 22,585,257	\$ 107,484,140	\$ 3,295,266,796	\$ 110,194,010	\$ 110,175,491	\$ 21,621,529	\$ 3,667,327,223	4,510	4,400.89
2017-19 Current Service Level (CSL)*	\$ 54,291,838	\$ 120,644,222	\$ 3,362,591,825	\$ 18,158,214	\$ 99,748,065	\$ 21,575,775	\$ 3,677,009,939	4,504	4,403.11
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 100-20 - Maintenance									
Package 812: Vacant Position Elimination									
Personal Services	\$ -	\$ -	\$ (429,596)	\$ -	\$ -	\$ -	\$ (429,596)	(9)	(5.37)
Services and Supplies	\$ -	\$ -	\$ (270,702)	\$ -	\$ -	\$ -	\$ (270,702)		
SCR 100-30 - Bridge									
Package 090: Analyst Adjustment									
Services and Supplies	\$ -	\$ -	\$ 58,741,239	\$ -	\$ -	\$ -	\$ 58,741,239		
SCR 100-55 - Special Programs									
Package 812: Vacant Position Elimination									
Personal Services	\$ -	\$ -	\$ (122,124)	\$ -	\$ -	\$ -	\$ (122,124)	(2)	(1.50)
Services and Supplies	\$ -	\$ -	\$ (78,094)	\$ -	\$ -	\$ -	\$ (78,094)		
Package 090: Analyst Adjustment									
Services and Supplies	\$ -	\$ -	\$ 63,511,608	\$ -	\$ -	\$ -	\$ 63,511,608		
SCR 200-00 - DMV									
Package 110: DMV STP II									
Capital Outlay	\$ -	\$ -	\$ 27,053,537	\$ -	\$ -	\$ -	\$ 27,053,537		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ 146,952	\$ -	\$ -	\$ -	\$ 146,952	1	0.87
Services and Supplies (Professional Services)	\$ -	\$ -	\$ 35,146	\$ -	\$ -	\$ -	\$ 35,146		
Package 812: Vacant Position Elimination									
Personal Services	\$ -	\$ -	\$ (705,720)	\$ -	\$ -	\$ -	\$ (705,720)	(7)	(7.00)
Services and Supplies	\$ -	\$ -	\$ (384,834)	\$ -	\$ -	\$ -	\$ (384,834)		
SCR 300-00 - Motor Carrier Transportation									
Package 801: LFO Analyst Adjustment									
Personal Services	\$ -	\$ -	\$ (213,745)	\$ -	\$ -	\$ -	\$ (213,745)	(1)	(1.00)
SCR 400-10 - Transportation Program Development									
Package 812: Vacant Position Elimination									
Personal Services	\$ -	\$ -	\$ (5,432)	\$ -	\$ -	\$ -	\$ (5,432)	(1)	(0.08)
Services and Supplies	\$ -	\$ -	\$ (1,288)	\$ -	\$ -	\$ -	\$ (1,288)		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 400-11 - Public Transit									
Package 801: LFO Analyst Adjustments									
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ -	6,178,295	\$ -	6,178,295	
SCR 500-00 - Debt Service									
Package 801: LFO Analyst Adjustments									
Debt Service	\$ (29,408,239)	\$ -	\$ 29,408,239	\$ -	\$ -	\$ -	\$ -	-	
SCR 700-00 - Central Services									
Package 190: Security & ITS Positions									
Personal Services	\$ -	\$ -	\$ 552,071	\$ -	\$ -	\$ -	\$ -	552,071	3
Services and Supplies	\$ -	\$ -	\$ (958,884)	\$ -	\$ -	\$ -	\$ -	(958,884)	
Special Payments	\$ -	\$ -	\$ 406,813	\$ -	\$ -	\$ -	\$ -	406,813	
Package 801: LFO Analyst Adjustment									
Personal Services	\$ -	\$ -	\$ 213,745	\$ -	\$ -	\$ -	\$ -	213,745	1
Package 814: IT Security Position Consolidation									
Personal Services	\$ -	\$ -	\$ (1,815,354)	\$ -	\$ -	\$ -	\$ -	(1,815,354)	(7)
Services and Supplies	\$ -	\$ -	\$ (46,779)	\$ -	\$ -	\$ -	\$ -	(46,779)	
TOTAL ADJUSTMENTS	\$ (29,408,239)	\$ -	\$ 175,036,798	\$ -	\$ 6,178,295	\$ -	\$ 151,806,854	(22)	(17.40)
SUBCOMMITTEE RECOMMENDATION *	\$ 24,883,599	\$ 120,644,222	\$ 3,537,628,623	\$ 18,158,214	\$ 105,926,360	\$ 21,575,775	\$ 3,828,816,793	4,482	4,385.71
% Change from 2015-17 Leg Approved Budget	10.2%	12.2%	7.4%	(83.5%)	(3.9%)	(0.2%)	4.4%	(0.6%)	(0.3%)
% Change from 2017-19 Current Service Level	(54.2%)	0.0%	5.2%	0.0%	6.2%	0.0%	4.1%	(0.5%)	(0.4%)

*Excludes Capital Construction Expenditures

Legislatively Approved 2017 - 2019 Key Performance Measures

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Agency: Transportation, Department of

Mission Statement:

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 Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
1. Traffic Fatalities - Traffic fatalities per 100 million vehicles miles traveled (VMT).		Approved	1.24	0.84	0.83
2. Serious Traffic Injuries (Rate) - Serious traffic injuries per 100 million vehicle miles traveled (VMT)		Approved	No Data	3.82	3.70
3. Large Truck At-Fault Crashes - Number of large truck at-fault crashes per million vehicle miles traveled (VMT).		Approved	0.39	0.40	0.40
4. Rail Crossing Incidents - Number of highway-railroad at-grade incidents.		Approved	15	10	10
5. Derailment Incidents - Number of train derailments caused by human error, track, or equipment.		Approved	15	25	25
5. Travelers Feel Safe - Percent of public satisfied with transportation safety.		Approved	79%	75%	75%
6. Pavement Condition - Percent of pavement lane miles rated "fair" or better out of total lane miles in state highway system.		Approved	87%	85%	85%
7. Bridge Condition - Percent of state highway bridges that are not "distressed"		Approved	79%	78%	78%
8. Public Transit Vehicle Condition - Percent of Public Transit buses that meet replacement standards		Approved	No Data	60%	60%
9. Special Transit Rides - Average number of special transit rides per each elderly and disabled Oregonian annually.		Approved	19.15	24	24
10. Passenger Rail Ridership - Number of state-supported rail service passengers.		Approved	193,743	211,708	218,059
11. Incident Response - Percent of lane blocking crashes cleared within 90 minutes.		Approved	80%	85%	85%
12. Bike Lanes and Sidewalks - Percent of urban state highway miles with bike lanes and pedestrian facilities in "fair" or better condition.		Approved	39%	54%	56%
13. Fish Passage - Stream miles of access restored or improved to blocked fish habitat.		Approved	No Data	7	7
14. Jobs from Construction Spending - Number of jobs sustained as a result of annual construction expenditures.		Approved	10,116	10,139	9,213

Legislatively Approved KPMS	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
15. Construction Project Completion Timeliness - Percent of projects with the construction phase completed within 90 days of original contract completion date.		Approved	74%	80%	80%
16. Construction Projects On Budget - Percent of original construction authorization spent.		Approved	101%	99%	99%
17. Certified Firms (DMWESB*) - Percent of ODOT Awarded Contracts to Oregon Certified Small Businesses.		Approved	No Data	15%	15%
18. DMV Field Office Wait Time - Percentage of DMV Field Office Customers Served within 20 Minutes		Approved	65.60%	70%	70%
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	89.50%	90%	90%
	Timeliness		89.50%	90%	90%
	Availability of Information		89.50%	90%	90%
	Helpfulness		89.50%	90%	90%
	Expertise		89.50%	90%	90%
	Overall		89.50%	90%	90%
14. Timeliness of Projects Going to Construction Phase - Percent of projects going to construction phase within 90 days of target date.		Legislatively Deleted	100%	90%	90%
15. Certified Businesses (DMWESB*) - Percent of ODOT contract dollars awarded to disadvantaged, minority, women, and emerging small businesses.		Legislatively Deleted	8.70%	15%	15%
17. Fish Passage at State Culverts - Number of high priority ODOT culverts remaining to be retrofitted or replaced to improve fish passage.		Legislatively Deleted	190	179	177
18. Travel Delay - Hours of travel delay per capita per year in urban areas.		Legislatively Deleted	24	20	20

LFO Recommendation:

LFO recommends approval of proposed 2017-19 Key Performance Measures with direction that the Oregon Department of Transportation work with the Legislative Fiscal Office during the interim to develop a KPM proposal to be evaluated in conjunction with the 2019-21 Governor's Budget. The proposal should reflect the recommendation coming out of the management review conducted in 2016 by McKinsey and Company: that ODOT consolidate its KPMS with a focus on developing and tracking performance measures that align with the strategic goals of the agency, and on areas within the ability of the Department to influence and achieve.

SubCommittee Action:

Approved LFO Recommendation.