

HB 5039 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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**Department of Transportation
2019-21**

PRELIMINARY

Budget Summary*

	2017-19 Legislatively Approved Budget⁽¹⁾	2019-21 Current Service Level	2019-21 Committee Recommendation	Committee Change from 2017-19 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 19,357,858	\$ 20,118,217	\$ -	\$ (19,357,858)	(100.0%)
General Fund Debt Service	\$ 4,098,246	\$ 25,314,930	\$ 25,314,930	\$ 21,216,684	517.7%
Lottery Funds Debt Service	\$ 113,596,792	\$ 118,775,740	\$ 118,775,740	\$ 5,178,948	4.6%
Other Funds Limited	\$ 3,391,247,475	\$ 3,757,967,051	\$ 3,803,694,841	\$ 412,447,366	12.2%
Other Funds Capital Improvements	\$ 8,971,348	\$ 7,853,672	\$ 17,353,672	\$ 8,382,324	93.4%
Other Funds Debt Service	\$ 416,134,683	\$ 384,438,233	\$ 384,438,233	\$ (31,696,450)	(7.6%)
Other Funds Nonlimited	\$ 18,158,214	\$ 18,000,000	\$ 18,000,000	\$ (158,214)	(0.9%)
Other Funds Debt Service Nonlimited	\$ 155,254,241	\$ -	\$ -	\$ (155,254,241)	(100.0%)
Federal Funds Limited	\$ 105,756,768	\$ 112,026,315	\$ 113,736,305	\$ 7,979,537	7.5%
Federal Funds Debt Service Nonlimited	\$ 21,575,775	\$ 21,243,619	\$ 21,243,619	\$ (332,156)	(1.5%)
Total	\$ 4,254,151,400	\$ 4,465,737,777	\$ 4,502,557,340	\$ 248,405,940	5.8%

Position Summary

Authorized Positions	4,716	4,688	4,796	80
Full-time Equivalent (FTE) positions	4,502.97	4,590.79	4,682.91	179.94

⁽¹⁾ Includes adjustments through December 2018

* Excludes Capital Construction expenditures

Summary of Revenue Changes

More than 96 percent of the Oregon Department of Transportation's (ODOT) available revenues are Other Funds. The four largest revenue sources in this category are motor fuel taxes, driver and vehicle licenses and fees, weight-mile taxes and Federal Funds from the Federal Highway Administration (FHWA), the National Highway Traffic Safety Administration (NHTSA), the Federal Railroad Administration and the Federal Transit Administration. The FHWA funds are matched with state funds and used for highway projects.

In the 2017 Legislative Session, House Bill 2017, also known as Keep Oregon Moving, made significant investments in transportation. Keep Oregon Moving will produce an estimated \$5.3 billion in total revenue over its first ten years. When all taxes and fees are in place in 2024, Keep Oregon Moving will produce \$500 million in State Highway Fund revenue annually. The increase in revenue is generated with increases in the motor fuels tax, as well as vehicle title and registration fees over a seven year period.

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 need to either pass a new reauthorization bill with adequate resources or cut transportation funding. The potential for a reduction in federal revenue will impact Oregon's ability to plan for transportation projects.

ODOT receives \$25.3 million General Fund for debt service. General Fund represents 0.3 percent of the Department's revenues. Lottery Funds (\$118.8 million) are dedicated to debt service for various projects funded through lottery bond sales and represent 1.3 percent of the department's budget.

Summary of Transportation and Economic Development Subcommittee Action

The mission of the Oregon Department of Transportation (ODOT) 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 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 recommended budget for ODOT is \$4,502,557,340 total funds, with \$25,314,930 General Fund, \$118,775,740 Lottery Funds, \$4,205,486,746 Other Funds expenditure limitation, \$113,736,305 Federal Funds expenditure limitation, \$18,000,000 Other Funds Nonlimited, \$21,243,619 Federal Funds Nonlimited and 4,796 positions (4,682.91 FTE). The total funds budget increased by 5.8 percent from the 2017-19 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 recommended budget for this structure is \$18,000,000 Other Funds Nonlimited.

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 recommended budget for Capital Improvements is \$17,353,672 Other Funds expenditure limitation. The Subcommittee recommended the following package:

Package 120, State Radio Project Operations and Maintenance. This package provides Other Funds expenditure limitation of \$9,500,000 to establish an on-going capital replacement fund to maintain the State Radio System infrastructure.

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 recommended budget for Maintenance is \$569,573,711 Other Funds expenditure limitation and 1,372 positions (1,317.39 FTE). The Subcommittee recommended the following package:

Package 120, State Radio Project Operations and Maintenance. This package provides Other Funds expenditure limitation of \$2,365,875 for all service agreements as well as other costs of operating and maintaining the State Radio Project.

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, which requires matching funds from state or local jurisdictions. The Subcommittee recommended budget for Preservation is \$405,191,616 Other Funds expenditure limitation and 139 positions (139.00 FTE). The Subcommittee recommended the following package:

Package 110, House Bill 2017 Implementation Staffing Needs. This package provides Other Funds expenditure limitation of \$1,235,964 and seven permanent positions (7.00 FTE) for project delivery workload associated with House Bill 2017 (2017).

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 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, which requires matching funds from state or local jurisdictions. The Subcommittee recommended budget for the Bridge program is \$557,197,477 Other Funds expenditure limitation and 205 positions (205.00 FTE). The Subcommittee recommended the following package:

Package 110, House Bill 2017 Implementation Staffing Needs. This package provides Other Funds expenditure limitation of \$5,070,842 and 27 permanent positions (27.00 FTE) for project delivery workload associated with House Bill 2017.

Highway 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.

Highway 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, which requires matching funds from state or local jurisdictions. The Subcommittee recommended budget for Safety and Operations is \$387,456,104 Other Funds expenditure limitation and 184 positions (182.79 FTE).

Highway/Modernization

Modernization projects add capacity to the highway system by adding lanes, widening bridges, rebuilding roads with major alignment improvements or major widening, building new road alignments, or new facilities such as by-passes. These projects improve safety, relieve

congestion and allow more efficient movement of people and goods across the state. 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, which requires matching funds from state or local jurisdictions. The Subcommittee recommended budget for the Modernization program is \$167,639,107 Other Funds expenditure limitation and 219 positions (218.50 FTE). The Subcommittee recommended the following package:

Package 110, House Bill 2017 Implementation Staffing Needs. This package provides Other Funds expenditure limitation of \$1,533,627 and eight permanent positions (8.00 FTE) for project delivery workload associated with implementation of House Bill 2017.

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, 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 recommended budget for Special Programs is \$423,000,380 Other Funds expenditure limitation and 561 positions (550.02 FTE). The Subcommittee recommended the following packages:

Package 110, House Bill 2017 Implementation Staffing Needs. This package provides Other Funds expenditure limitation of \$1,760,463 and five permanent positions (5.00 FTE) for project delivery workload related to House Bill 2017.

Package 801, LFO Analyst Adjustment. This package provides Other Funds expenditure limitation of \$17,721,879 and five permanent positions (4.50 FTE) for workload related to tolling. The funding and positions in this package are being moved from Central Services to Special Programs at the request of the Department, including an existing position (#1719047 MMN X0873). Four of the five positions were requested in Package 110.

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 percent of the Statewide Transportation Improvement Program 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 uses Federal Funds to reimburse 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.

The Local Government Division 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, which requires matching funds from state or local jurisdictions. The Subcommittee recommended budget is \$207,531,613 Other Funds and 55 positions (55.00 FTE).

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, one million vehicle titles, and almost two 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 expenditure 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.

PRELIMINARY

The Subcommittee recommended budget is \$245,613,115 total funds, which includes \$243,509,657 Other Funds expenditure limitation, \$2,103,458 Federal Funds expenditure limitation, and 918 positions (884.12 FTE). The Subcommittee recommended the following packages:

Package 130, DMV Service Transformation Program (STP). This package provides \$22,087,152 Other Funds expenditure limitation to continue with the next phase of STP, a multi-year program to improve the Department of Motor Vehicles (DMV) business processes, enhance service capabilities, replace computer systems and enable DMV to become more flexible and timely in meeting customer expectations and legislative mandates.

Package 140, STP (Fast DS-VS) Maintenance and Support. This package provides \$3,650,000 Other Funds expenditure limitation for maintenance and support of the STP.

Package 150, DMV Real ID Credentials. This package provides \$3,671,283 Other Funds expenditure limitation and 24 permanent positions (15.12 FTE) to begin issuing driver licenses and identification cards that comply with the Federal Real ID Act of 2005 on July 1, 2020.

Package 160, DMV Third Party Driver Testing Programs. This package provides \$527,374 Other Funds expenditure limitation and three permanent positions (3.00 FTE) to provide additional oversight of the expanding pool of third-party skills test examiners.

Package 801, LFO Analyst Adjustment. This package provides Other Funds expenditure limitation of \$2,509,218 and 26 limited-duration positions (19.50 FTE). This includes \$2,349,035 Other Funds expenditure limitation and 25 limited duration positions (18.75 FTE) to supplement the request related to the issuance of REAL ID compliant cards. The package also provides \$160,183 Other Funds expenditure limitation and a limited duration Compliance Specialist 2 position (0.75 FTE) to implement Senate Bill 792 related to auto dismantlers. Senate Bill 792 implementation costs are to be paid from the Transportation Operating Fund.

Motor Carrier Transportation

The Motor Carrier Transportation Division (MCTD) supports a safe, efficient and responsible commercial transportation industry. The 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, the 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.

The MCTD is funded primarily through the State Highway Fund, but also receives Federal Funds supporting truck safety-related efforts. The Subcommittee recommended budget is \$70,619,707 Other Funds and 294 positions (294.00 FTE).

Transportation Program Development

The Transportation Program Development (TPD) Division 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; the Statewide Transportation Improvement Program; Active Transportation; and Transportation System Projects.

The TPD Division is funded by Other Funds expenditure limitation and Federal Funds expenditure limitation. The Other Funds revenue is from the State Highway Fund and Lottery Bond proceeds (expended as Other Funds) for *ConnectOregon*. The Federal Funds expenditure limitation sources are FHWA and NHTSA. The Subcommittee recommended budget is \$183,933,659 (\$183,731,320 Other Funds expenditure limitation and \$202,339 Federal Funds expenditure limitation) and 241 positions (232.27 FTE). The Subcommittee recommended the following packages:

Package 090, Analyst Adjustment. This package provides Other Funds expenditure limitation of \$500,000 to study land use near public transit to identify areas for affordable housing.

Package 110, House Bill 2017 Implementation Staffing Needs. This package provides Other Funds expenditure limitation of \$621,658 and three permanent positions (3.00 FTE) in the Transportation Program Development Division for workload associated with House Bill 2017.

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 Transportation Options.

Public Transit is funded with Other Funds expenditure limitation and Federal Funds expenditure limitation. Most of Public Transit's Other Funds support is from state payroll tax revenues enacted with HB 2017. Other Funds expenditure limitation resources are also derived from transfers from the Transportation Operating Fund, Cigarette Tax, Oregon I.D. card revenue and interest income. Federal grants from the Federal Transit Administration and the Federal Highway Administration.

House Bill 2017 established a one tenth of one percent payroll tax that became effective July 1, 2018. The payroll tax revenue is deposited into a newly created Statewide Transportation Improvement Fund to be used primarily for formula allocations and competitive grants to local public transit agencies. This marks a significant change for Oregon by providing a dedicated source of funding to expand general public transportation to access jobs, improve mobility, relieve congestion, and reduce greenhouse gas emissions.

The Subcommittee recommended budget is \$320,381,201 total funds, which includes \$246,663,904 Other Funds expenditure limitation and \$73,747,297 Federal Funds expenditure limitation, and 25 positions (25.00 FTE). The Subcommittee recommended the following packages:

Package 070 Revenue Shortfalls. Based on the most recent Payroll Tax revenue forecast provided by the Oregon Department of Revenue, this package reduces Other Fund expenditures by \$27,516,911. The current service level had already been developed at the time of the updated revenue forecast.

Package 090, Analyst Adjustment. This package eliminates the General Fund appropriation of \$10,118,217 in light of the significant increase in funding for public transit resulting from the enactment of House Bill 2017.

Package 801, LFO Analyst Adjustment. This package provides Federal Funds expenditure limitation of \$1,709,990 related to grants from the Federal Transit Authority to rehabilitate and purchase buses and related equipment, and to construct bus-related facilities.

The Subcommittee approved the following Budget Note:

Budget Note:

The Oregon Department of Transportation is directed to merge the Special Transportation Fund (STF) and the Statewide Transportation Improvement Fund (STIF) into one public transit program. The legislative intent is for the Department to accomplish this with the least possible disruption to the formula allocations and services provided by STF agencies. The Department shall not require STF agencies to submit new or revised plans for formula distributions in the 2019-21 biennium. The Department is directed to report during the 2020 legislative session on the status of the program consolidation, and the administrative costs, including the number of full-time equivalent positions required to administer the consolidated program.

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.

The Rail program 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, Federal Funds, and General Fund. General Fund monies are used to fund the operation and maintenance of the passenger rail program.

The Subcommittee recommended budget is \$73,926,594 total funds, which includes \$56,748,837 Other Funds expenditure limitation, \$17,177,757 Federal Funds expenditure limitation, and 33 positions (33.00 FTE). The Subcommittee recommended the following package:

Package 801, LFO Analyst Adjustment. This package eliminates the \$10,000,000 General Fund appropriation for the Rail program and replaces it with Other Funds expenditures limitation of \$10,000,000 funded from the Transportation Operating Fund.

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 Other Funds resources are derived through fees charged by the ODOT 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 recommended budget is \$39,394,328 total funds, which includes \$19,189,241 Other Funds expenditure limitation, \$20,205,087 Federal Funds expenditure limitation, and 27 positions (27.00 FTE).

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 recommended budget is \$549,772,522 total funds, which includes \$25,314,930 General Fund, \$118,775,740 Lottery Funds, \$384,438,233 Other Funds expenditure limitation, and \$21,243,619 Federal Funds Nonlimited.

It is the intent of the Legislature for the General Fund portion of total debt service for the State Radio Project to equal 35 percent of the total debt service for the project.

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 for the Program is Other Funds derived through internal agency assessments. The Subcommittee recommended budget is \$265,972,534 total funds, which includes \$265,672,167 Other Funds expenditure limitation, \$303,367 Federal Funds expenditure limitation, and 523 positions (519.32 FTE). The Subcommittee recommended the following package:

Package 180, Security and Compliance Positions. This package increases Other Funds expenditure limitation by \$261,443 and establishes one Principal Executive Manager E position (1.00 FTE). Many security functions such as those around identity/access management, risk remediation, system security, agency investigations, privacy and compliance cannot be performed by a centralized team and are not being provided by the Office of the State Chief Information Officer (OSCIO).

Package 801, LFO Analyst Adjustment. This package reduces Other Funds expenditure limitation by \$272,077 and eliminates one position (1.00 FTE) to reflect the shift of this position to Highway Division Special Programs for work related to tolling.

Summary of Maximum Supervisory Ratio

The Subcommittee reviewed the agency's proposed Maximum Supervisory Ratio of 1:11.

Summary of Performance Measure Action

See attached "Legislatively Approved 2019-2021 Key Performance Measures."

2017-19 Expenditure Action

The Subcommittee approved a 2017-19 increase of \$29,146,011 for the Oregon Department of Transportation, Highway Maintenance division for maintenance and emergency relief programs. The Subcommittee also approved a decrease of \$29,146,011 within the Highway Local Government program. The next effect of these changes is zero.

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			
2017-19 Legislatively Approved Budget at Dec 2018 *	\$ 23,456,104	\$ 113,596,792	\$ 3,816,353,506	\$ 173,412,455	\$ 105,756,768	\$ 21,575,775	\$ 4,254,151,400	4,716	4,502.97
2019-21 Current Service Level (CSL)*	\$ 45,433,147	\$ 118,775,740	\$ 4,150,258,956	\$ 18,000,000	\$ 112,026,315	\$ 21,243,619	\$ 4,465,737,777	4,688	4,590.79
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 088 - Capital Improvements									
Package 120: State Radio Program Operations & Maintenance									
Capital Outlay	\$ -	\$ -	\$ 9,500,000	\$ -	\$ -	\$ -	\$ 9,500,000		
SCR 100-20 - Maintenance									
Package 120: State Radio Program Operations & Maintenance									
Services and Supplies	\$ -	\$ -	\$ 1,965,875	\$ -	\$ -	\$ -	\$ 1,965,875		
Capital Outlay	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000		
SCR 100-25 - Preservation									
Package 110: House Bill 2017 Implementation Staffing Needs									
Personal Services	\$ -	\$ -	\$ 1,235,964	\$ -	\$ -	\$ -	\$ 1,235,964	7	7.00
SCR 100-30 - Bridge									
Package 110: House Bill 2017 Implementation Staffing Needs									
Personal Services	\$ -	\$ -	\$ 5,070,842	\$ -	\$ -	\$ -	\$ 5,070,842	27	27.00
SCR 100-45 - Modernization									
Package 110: House Bill 2017 Implementation Staffing Needs									
Personal Services	\$ -	\$ -	\$ 1,533,627	\$ -	\$ -	\$ -	\$ 1,533,627	8	8.00
SCR 100-55 - Special Programs									
Package 110: House Bill 2017 Implementation Staffing Needs									
Personal Services	\$ -	\$ -	\$ 1,049,286	\$ -	\$ -	\$ -	\$ 1,049,286	5	5.00
Services and Supplies	\$ -	\$ -	\$ 711,177	\$ -	\$ -	\$ -	\$ 711,177		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ 1,082,079	\$ -	\$ -	\$ -	\$ 1,082,079	5	4.50
Services and Supplies	\$ -	\$ -	\$ 16,639,800	\$ -	\$ -	\$ -	\$ 16,639,800		
SCR 200-00 - Driver and Motor Vehicles Svcs									
Package 130: DMV Service Transformation Program									
Services and Supplies	\$ -	\$ -	\$ 6,337,152	\$ -	\$ -	\$ -	\$ 6,337,152		
Capital Outlay	\$ -	\$ -	\$ 15,750,000	\$ -	\$ -	\$ -	\$ 15,750,000		
Package 140: STP (Fast DS-VS) Maintenance & Support									
Services and Supplies	\$ -	\$ -	\$ 3,650,000	\$ -	\$ -	\$ -	\$ 3,650,000		
Package 150: DMV Real ID Credentials									
Personal Services	\$ -	\$ -	\$ 1,868,482	\$ -	\$ -	\$ -	\$ 1,868,482	24	15.12
Services and Supplies	\$ -	\$ -	\$ 1,636,961	\$ -	\$ -	\$ -	\$ 1,636,961		
Capital Outlay	\$ -	\$ -	\$ 165,840	\$ -	\$ -	\$ -	\$ 165,840		
Package 160: DMV Third Party Driver Testing Programs									
Personal Services	\$ -	\$ -	\$ 452,374	\$ -	\$ -	\$ -	\$ 452,374	3	3.00
Services and Supplies	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
Package 801: LFO Analyst Adjustments Personal Services	\$ -	\$ -	\$ 2,509,218	\$ -	\$ -	\$ -	\$ 2,509,218	26	19.50	
SCR 400-10 - Transportation Prog Dev										
Package 090: Analyst Adjustment Services and Supplies	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000			
Package 110: House Bill 2017 Implementation Staffing Needs Personal Services	\$ -	\$ -	\$ 575,609	\$ -	\$ -	\$ -	\$ 575,609	3	3.00	
Services and Supplies	\$ -	\$ -	\$ 46,049	\$ -	\$ -	\$ -	\$ 46,049			
SCR 400-11 - Public Transit										
Package 070: Revenue Shortfalls Services and Supplies	\$ -	\$ -	\$ (149,911)	\$ -	\$ -	\$ -	\$ (149,911)			
Special Payments (Dist. to Counties)	\$ -	\$ -	\$ (4,949,563)	\$ -	\$ -	\$ -	\$ (4,949,563)			
Special Payments (Dist. To Other Gov't Units)	\$ -	\$ -	\$ (22,417,437)	\$ -	\$ -	\$ -	\$ (22,417,437)			
Package 090: Analyst Adjustment Special Payments (Dist. to Counties)	\$ (1,367,036)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,367,036)			
Special Payments (Dist. To NonGov't Units)	\$ (8,751,181)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,751,181)			
Package 801: LFO Analyst Adjustments Special Payments	\$ -	\$ -	\$ -	\$ -	\$ 1,709,990	\$ -	\$ 1,709,990			
SCR 400-12 - Rail										
Package 801: LFO Analyst Adjustments Services and Supplies	\$ (10,000,000)	\$ -	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -			
SCR 700 - Central Services										
Package 180: Information Security & Compliance Positions Personal Services	\$ -	\$ -	\$ 261,443	\$ -	\$ -	\$ -	\$ 261,443	1	1.00	
Package 801: LFO Analyst Adjustments Personal Services	\$ -	\$ -	\$ (272,077)	\$ -	\$ -	\$ -	\$ (272,077)	(1)	(1.00)	
TOTAL ADJUSTMENTS	\$ (20,118,217)	\$ -	\$ 55,227,790	\$ -	\$ 1,709,990	\$ -	\$ 36,819,563	108	92.12	
SUBCOMMITTEE RECOMMENDATION *	\$ 25,314,930	\$ 118,775,740	\$ 4,205,486,746	\$ 18,000,000	\$ 113,736,305	\$ 21,243,619	\$ 4,502,557,340	4,796	4,682.91	
% Change from 2017-19 Leg Approved Budget	7.9%	4.6%	10.2%	(89.6%)	7.5%	(1.5%)	5.8%	1.7%	4.0%	
% Change from 2019-21 Current Service Level	(44.3%)	0.0%	1.3%	0.0%	1.5%	0.0%	0.8%	2.3%	2.0%	

*Excludes Capital Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>2017-19 Budget Actions</u>									
SCR 100-20 Maintenance									
Services and Supplies	\$ -	\$ -	\$ 29,146,011	\$ -	\$ -	\$ -	\$ 29,146,011		
SCR 100-65 Local Government									
Services and Supplies	\$ -	\$ -	\$ (29,146,011)	\$ -	\$ -	\$ -	\$ (29,146,011)		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

PRELIMINARY

Legislatively Approved 2019 - 2021 Key Performance Measures

Published: 6/13/2019 11:05:29 AM

Agency: Transportation, Department of

Mission Statement:

Our Mission: We provide a safe and reliable multimodal transportation system that connects people and helps Oregon's communities and economy thrive.

Our Values: These principles inform decision making and guide our behavior in working with each other, our partners and the communities we serve: Integrity: We are accountable and transparent with public funds and hold ourselves to the highest ethical standards. Safety: We share ownership and responsibility for ensuring safety in all that we do. Equity: We embrace diversity and foster a culture of inclusion. Excellence: We use our skills and expertise to continuously strive to be more efficient, effective and innovation. Unity: We work together as One ODOT to provide better solutions and ensure alignment in our work.

Our Strategies: Provide outstanding customer service. Use innovative program design and technologies to solve transportation problems. Improve the return on investment of our transportation funds. Attract, retain and develop an outstanding ODOT workforce. Engage the public, other state agencies, local governments, business and community leaders in solving transportation problems and planning for the future. Increase intermodal linkages to improve access for people and goods. Communicate, educate and inform the public about transportation issues.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
1. Traffic Fatalities - Traffic fatalities per 100 million vehicles miles traveled (VMT).		Approved	1.35	0.83	0.78
2. Serious Traffic Injuries (Rate) - Serious traffic injuries per 100 million vehicle miles traveled (VMT)		Approved	5.37	4.06	3.78
3. Large Truck At-Fault Crashes - Number of large truck at-fault crashes per million vehicle miles traveled (VMT).		Approved	0.49	0.41	0.41
4. Rail Crossing Incidents - Number of highway-railroad at-grade incidents.		Approved	22	10	10
5. Derailment Incidents - Number of train derailments caused by human error, track, or equipment.		Approved	15	25	25
6. Pavement Condition - Percent of pavement lane miles rated "fair" or better out of total lane miles in state highway system.		Approved	88%	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	54.30%	40%	40%
9. Traffic Congestion - Number of Congested Lane Miles - Ratio of annual average daily traffic to hourly highway capacity		Approved	No Data	550	562
10. Passenger Rail Ridership - Number of state-supported rail service passengers.		Approved	193,910	197,894	201,852
11. Transit Rides - Average number of transit rides each year per Oregonian		Approved	No Data	32.50	33
12. Bike Lanes and Sidewalks - Percent of urban state highway miles with bike lanes and pedestrian facilities in "fair" or better condition.		Approved	39%	52%	52%
13. Construction Projects On-time - The percentage of state administered projects that have satisfactorily completed all on-site work within 90 days of the baselined contract completion date		Approved	No Data	80%	80%
14. Construction Projects On Budget - The percentage of projects for which total construction expenditures do not exceed the original construction authorization by more than 10%		Approved	No Data	80%	80%
15. Certified Firms (DMWESB*) - Percent of ODOT Awarded Contracts to Oregon Certified Small Businesses.		Approved	21.62%	15%	15%

Legislatively Approved KPMS	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
16. DMV Field Office Wait Time - Percentage of DMV Field Office Customers Served within 20 Minutes		Approved	62.10%	60%	60%
17. 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	91%	90%	90%
	Timeliness		91%	90%	90%
	Availability of Information		91%	90%	90%
	Helpfulness		91%	90%	90%
	Expertise		91%	90%	90%
	Overall		91%	90%	90%
9. Special Transit Rides - Average number of special transit rides per each elderly and disabled Oregonian annually.		Legislatively Deleted	20.29	24	24
11. Incident Response - Percent of lane blocking crashes cleared within 90 minutes.		Legislatively Deleted	78%	85%	85%
13. Fish Passage - Stream miles of access restored or improved to blocked fish habitat.		Legislatively Deleted	7.30	7	7
14. Jobs from Construction Spending - Number of jobs sustained as a result of annual construction expenditures.		Legislatively Deleted	11,701	13,219	11,874
15. Construction Project Completion Timeliness - Percent of projects with the construction phase completed within 90 days of original contract completion date.		Legislatively Deleted	75%	80%	80%
16. Construction Projects On Budget - Percent of original construction authorization spent.		Legislatively Deleted	99%	99%	99%

LFO Recommendation:

Approve Key Performance Measures.

SubCommittee Action:

Adopted LFO recommendation.

