

Structural Challenges in Funding + Maintaining the Transportation System

Joint Committee on Transportation

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A Tale of Two Budgets



Transportation Projects & Programs

Dedicated federal & state funds for:

- Construction projects
- Grant programs



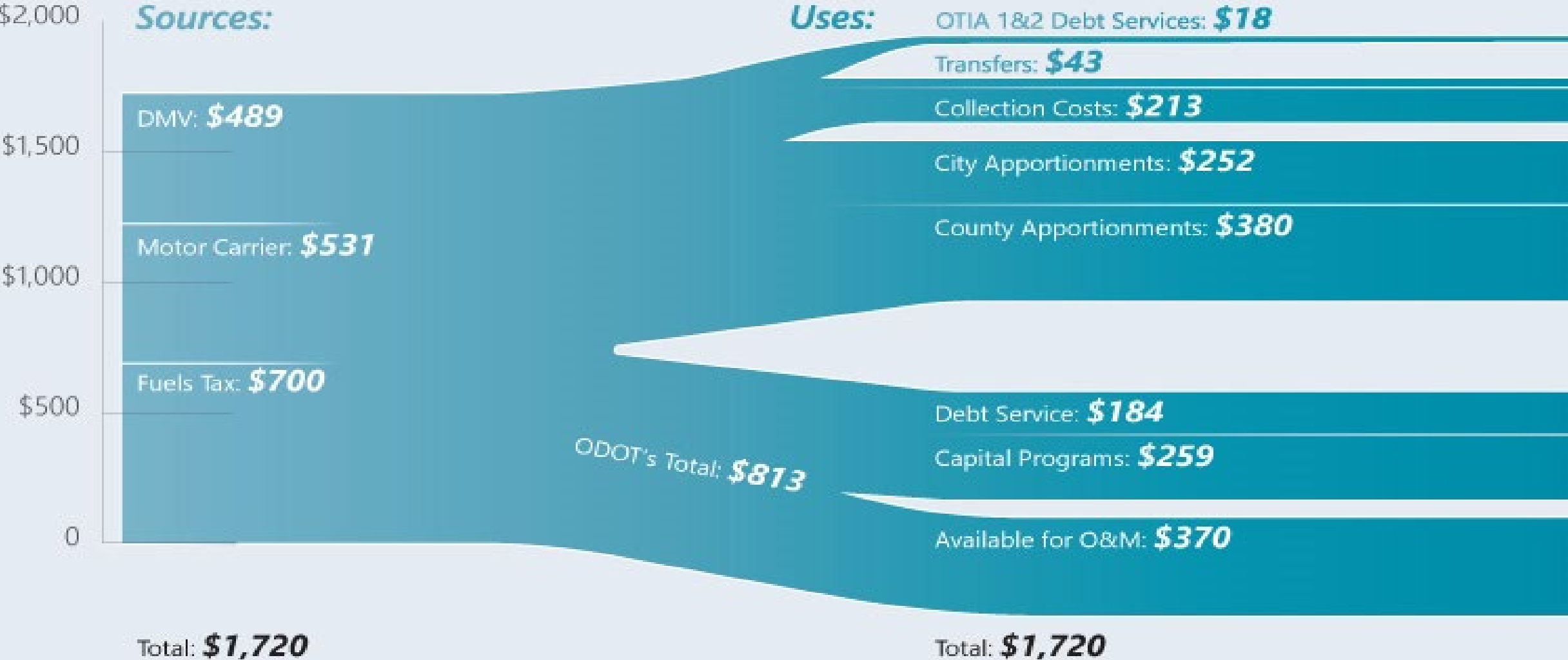
Maintenance & Agency Operations

State Highway Fund dollars available to run the agency:

- Road maintenance
- DMV & CCD
- Central services like IT, HR

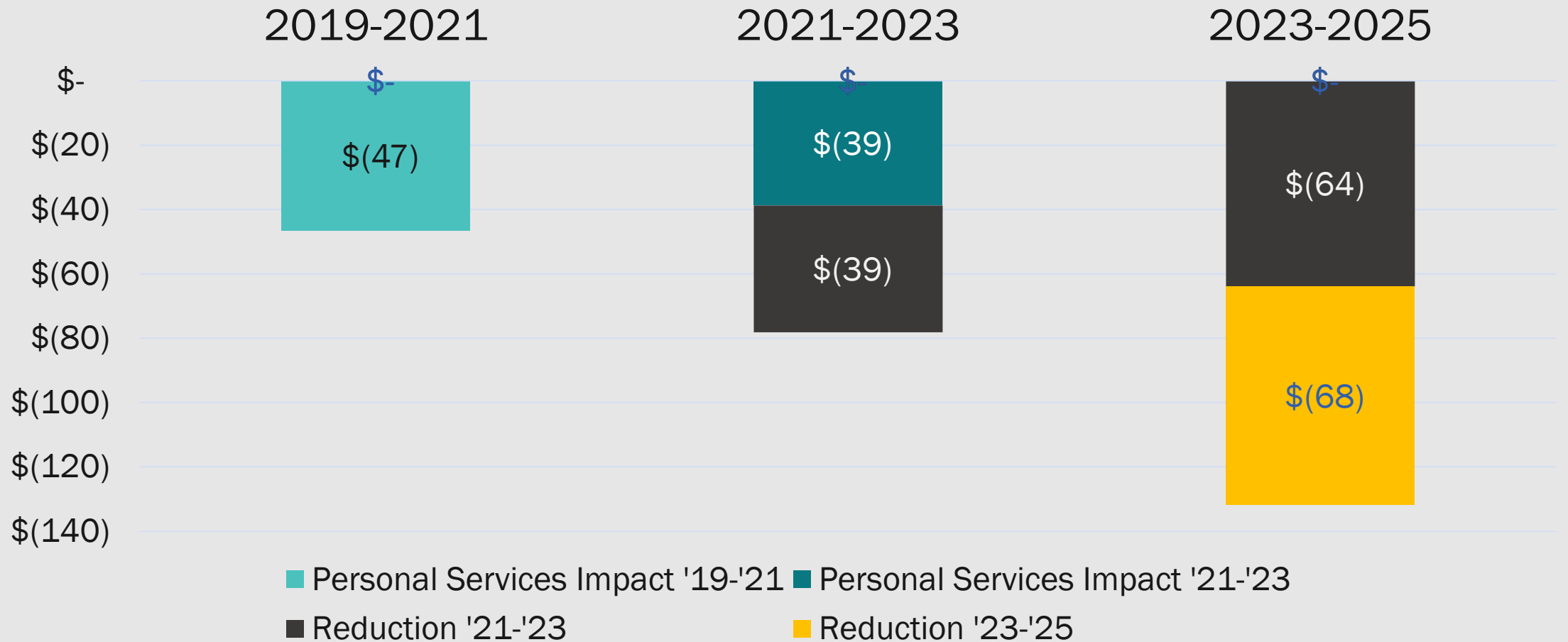
State Highway Fund Sources and Uses

2023-2025 Annual Average in Millions



ODOT O&M Budget Impacts by Biennium

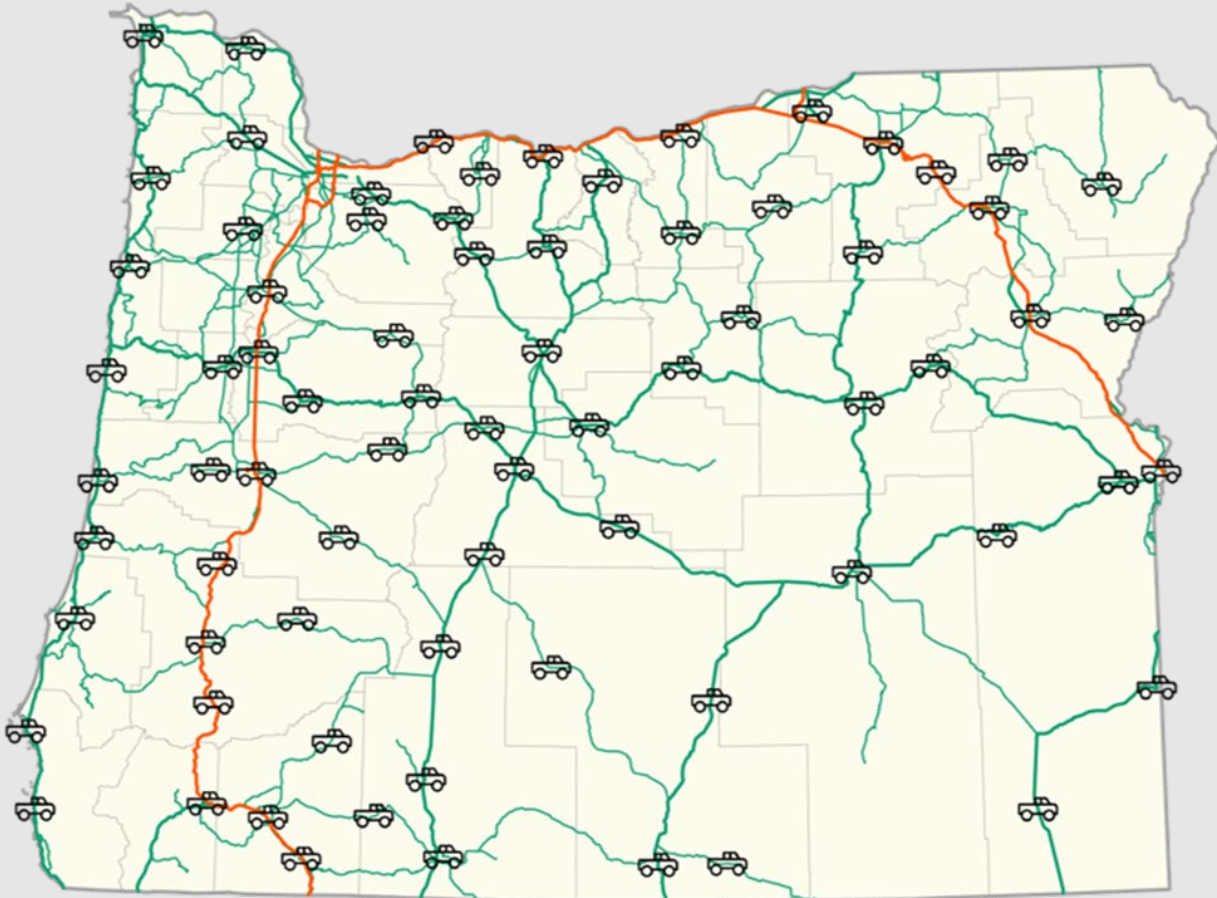
In Millions of Dollars




A yellow snowplow is clearing a snowy mountain road. The plow is moving from right to left, pushing a large pile of snow. The road is narrow and flanked by steep, rocky slopes covered in snow. In the background, there are evergreen trees and a clear blue sky with some light clouds. The overall scene is a winter mountain landscape.

Operations & Maintenance Funding

Providing Direct Service to Oregon



— Interstate — U.S. Route — Oregon Route  ODOT Maintenance Station

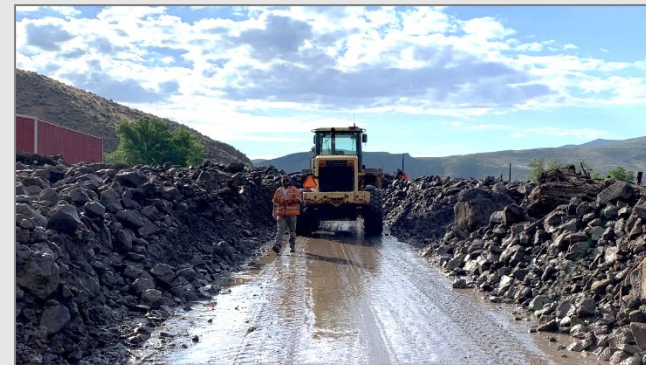
Approximately 1,000 maintenance employees provide direct service across 88 communities statewide.

- Respond
- Maintain
- Monitor
- Repair

Reductions: Approach

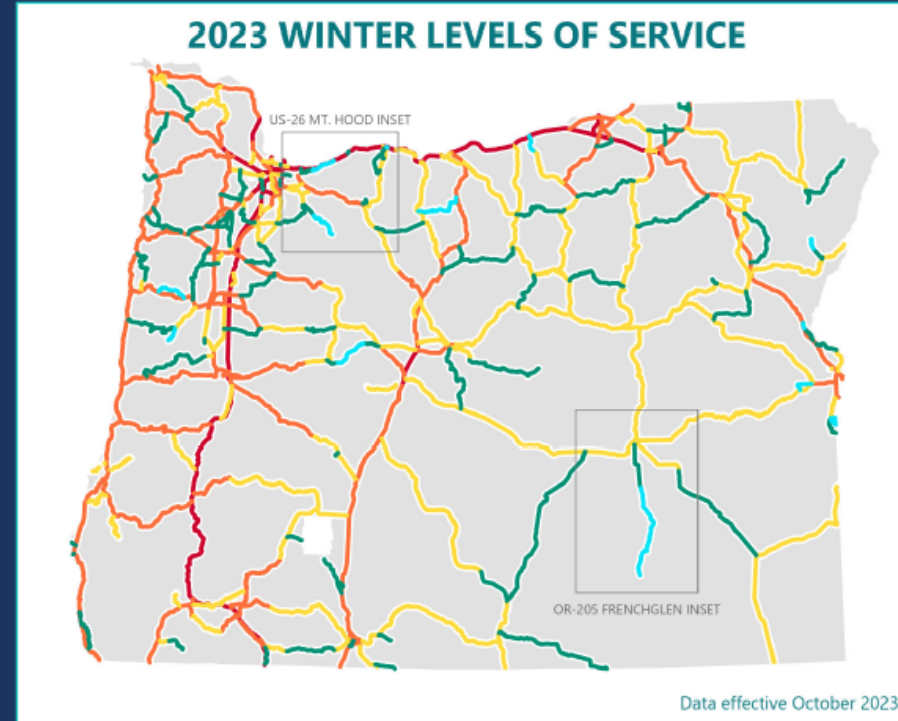
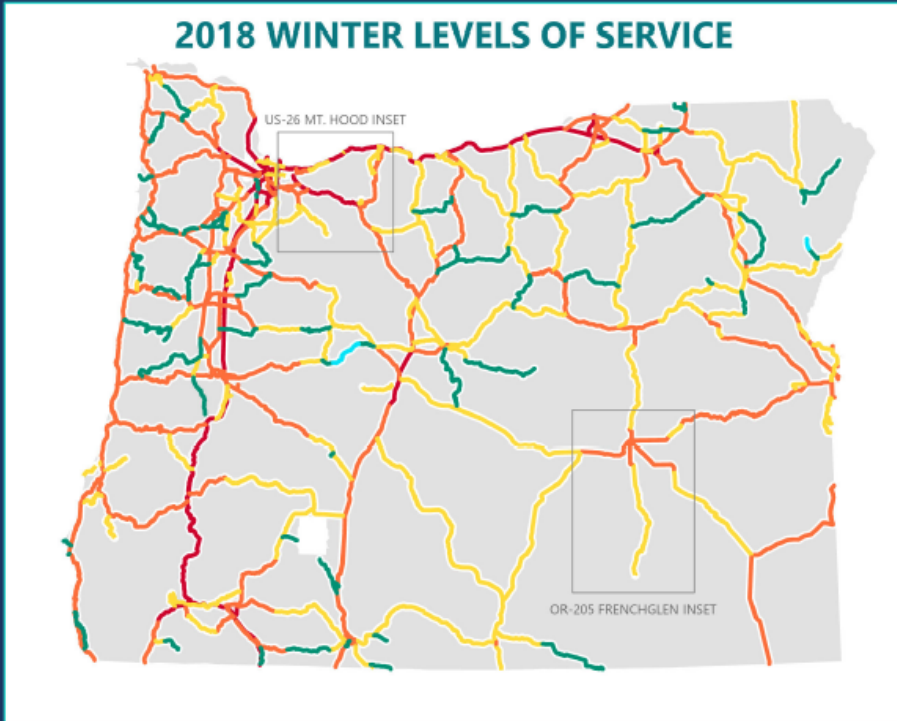
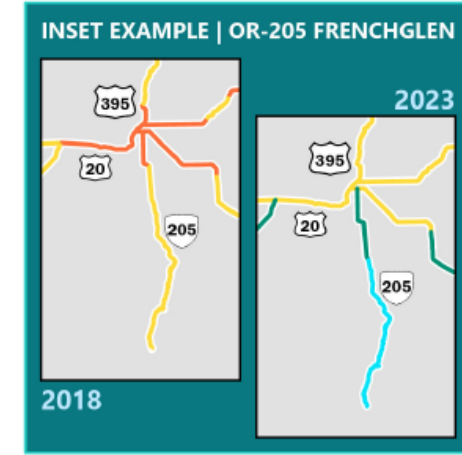
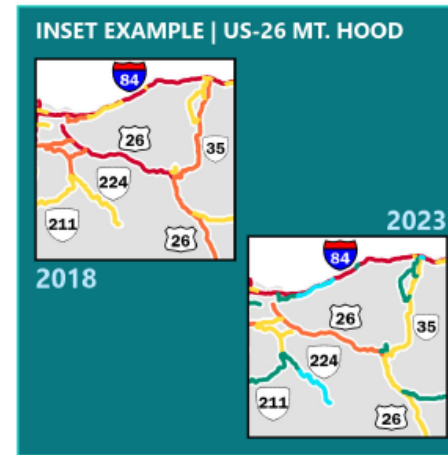
Four key principles in reductions approach:

- **Commitment to safety and service to communities** – Prioritize ODOT staff providing direct customer services to Oregonians across the state.
- **Safety, Equity & Climate** – Applying lens of safety, equity and climate impacts/benefits aligned with our statewide policy direction.
- **Maintaining Compliance** – Ensuring we continue to meet federal requirements to minimize litigation impacts and retain the flexibility on how Oregon can use the federal transportation funds.
- **Outcomes** – Prioritizing the biggest outcomes for the most people, focus on minimizing safety risks.



Comparison of ODOT Winter Levels of Service from 2018 to 2023

PERCENTAGE OF HIGHWAY MILES ACCORDING TO LEVEL OF SERVICE	2018	2023
Level of Service A GREATEST	10%	9%
Level of Service B	38%	32%
Level of Service C	37%	37%
Level of Service D	14%	20%
Level of Service E LEAST	<1%	2%



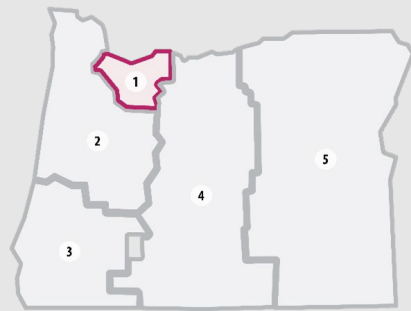
Data effective October 2023

Level of Service

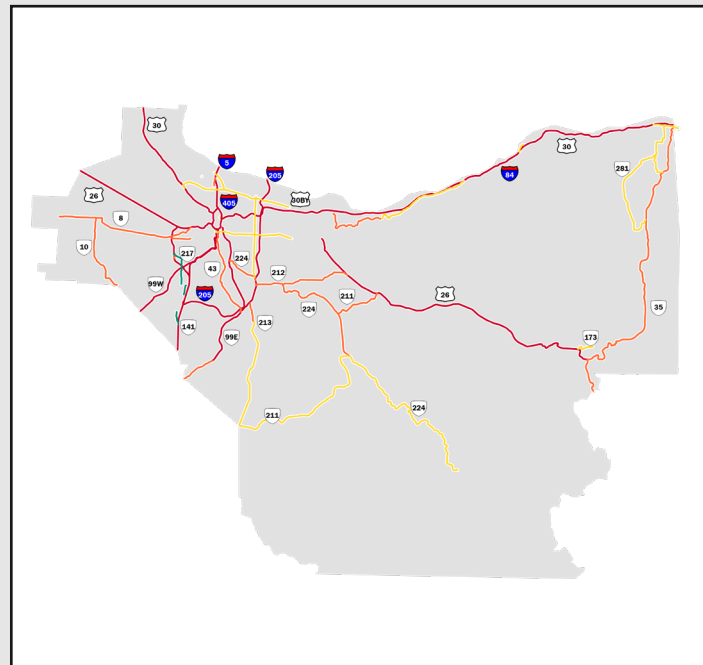
LEVEL OF SERVICE	RESOURCE ALLOCATIONS					ROAD CONDITION	
	Overtime	Service Hours	Pretreat/Anti-Ice	De-Ice	Abrasives	Accumulation	Closure
Level of Service A	expected during storm may be used after storm	continuous during storm	where appropriate	where appropriate	where appropriate	bare pavement as soon as practical	open as soon as practical
Level of Service B	may be used	continuous during storm; may be gaps between shifts	trouble spots	limited treatment of roadway	where appropriate	patches of ice, slush, packed snow; bare pavement as soon as practical	open as soon as practical
Level of Service C	minimized	regular shifts; only daylight shifts if resources are limited	trouble spots	limited treatment of trouble spots	trouble spots	snow and ice accumulate regularly during storm	limited duration
Level of Service D	generally not used	regular shifts; only daylight shifts if resources are limited	generally not	generally not	trouble spots when resources become available	snow and ice accumulate regularly	frequently and/or for extended periods
Level of Service E	not used	daylight shifts if resources are available	generally not	generally not	generally not	generally plowed once when resources available	routinely for extended periods or seasonally

Comparison of ODOT **Region 1** Winter Levels of Service from 2018 to 2023

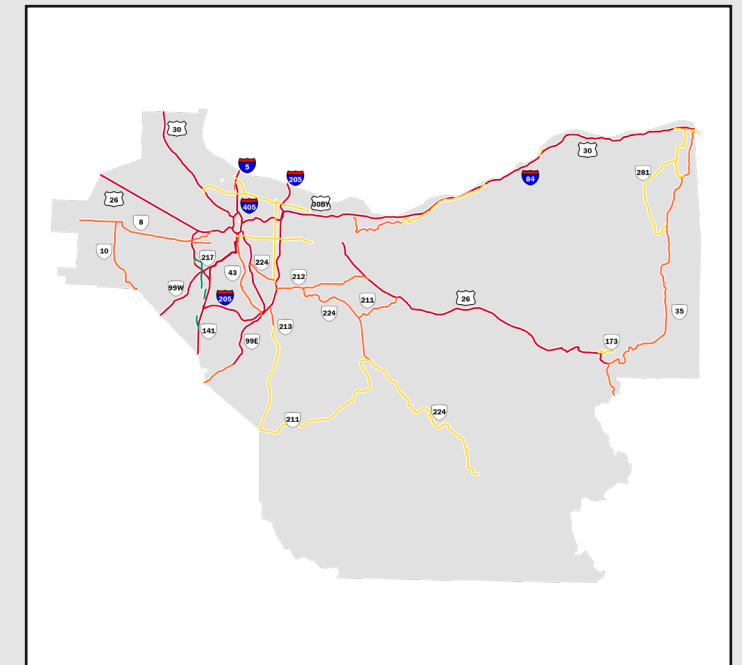
PERCENTAGE OF HIGHWAY MILES ACCORDING TO LEVEL OF SERVICE	REGION 1	
	2018	2023
Level of Service A GREATEST	45%	30%
Level of Service B	26%	18%
Level of Service C	27%	28%
Level of Service D	2%	18%
Level of Service E LEAST	0%	6%



Region 1: 2018



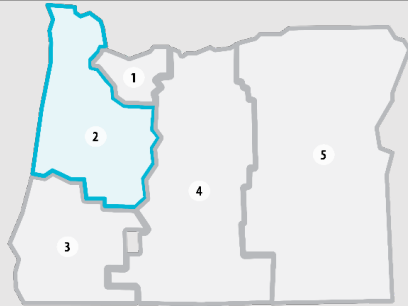
Region 1: 2023



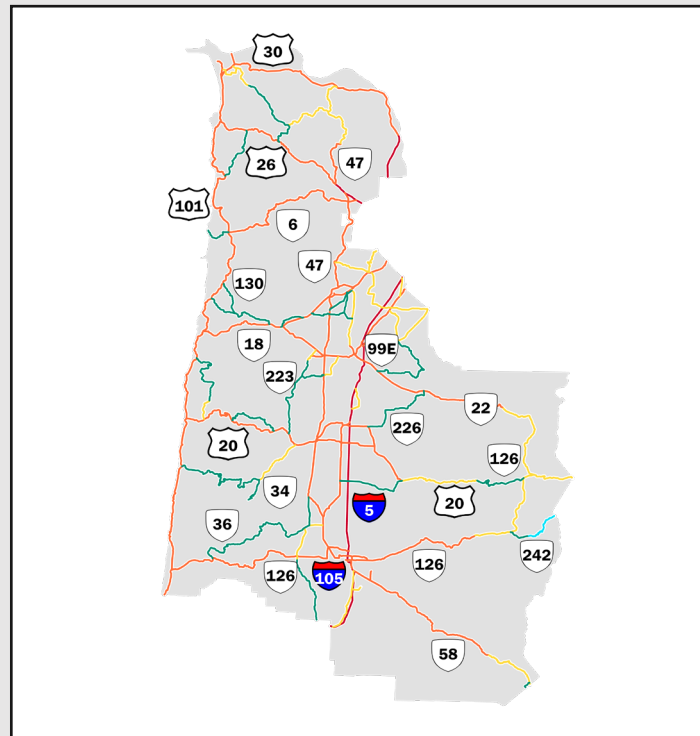
Total state highway miles – 657
 Total interstate miles – 237
 Total low-volume miles – 97

Comparison of ODOT **Region 2** Winter Levels of Service from 2018 to 2023

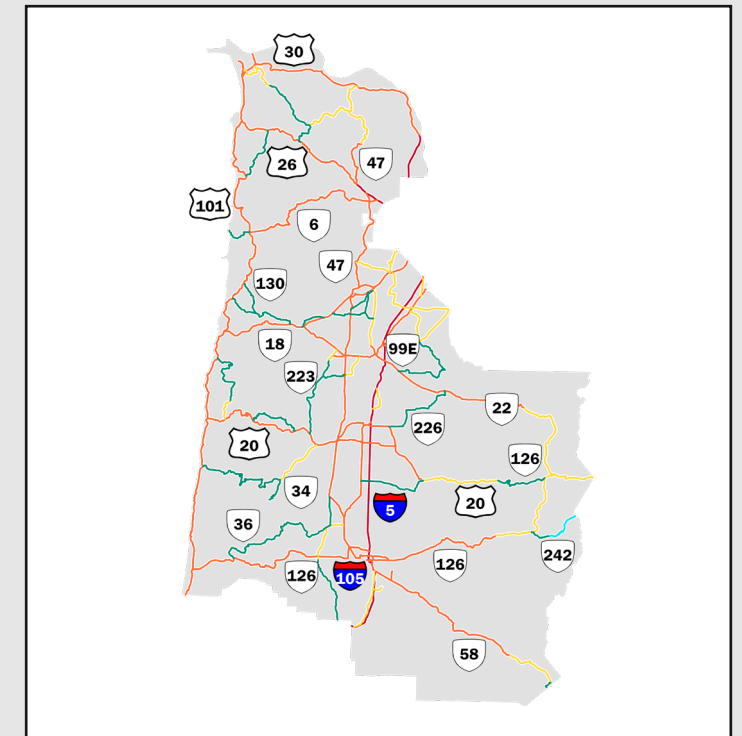
PERCENTAGE OF HIGHWAY MILES ACCORDING TO LEVEL OF SERVICE	2018	REGION 2 2023
Level of Service A GREATEST	7%	7%
Level of Service B	52%	52%
Level of Service C	19%	17%
Level of Service D	22%	22%
Level of Service E LEAST	<1%	2%



Region 2: 2018



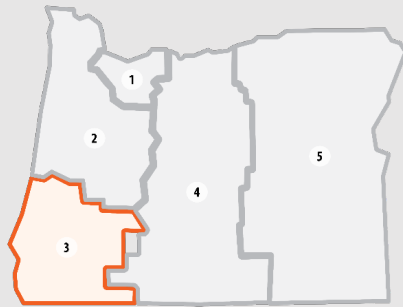
Region 2: 2023



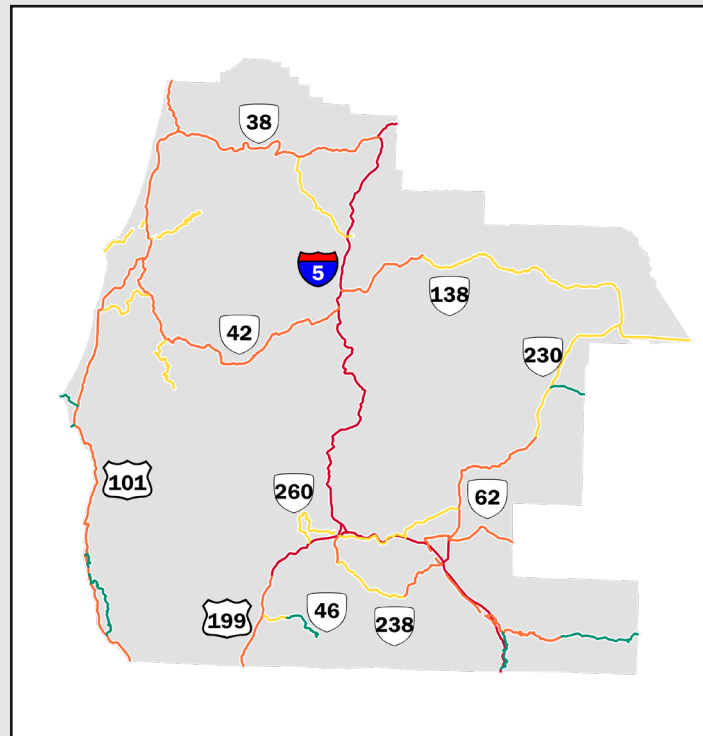
Total state highway miles – 2,034
 Total interstate miles – 236
 Total low-volume miles – 624

Comparison of ODOT **Region 3** Winter Levels of Service from 2018 to 2023

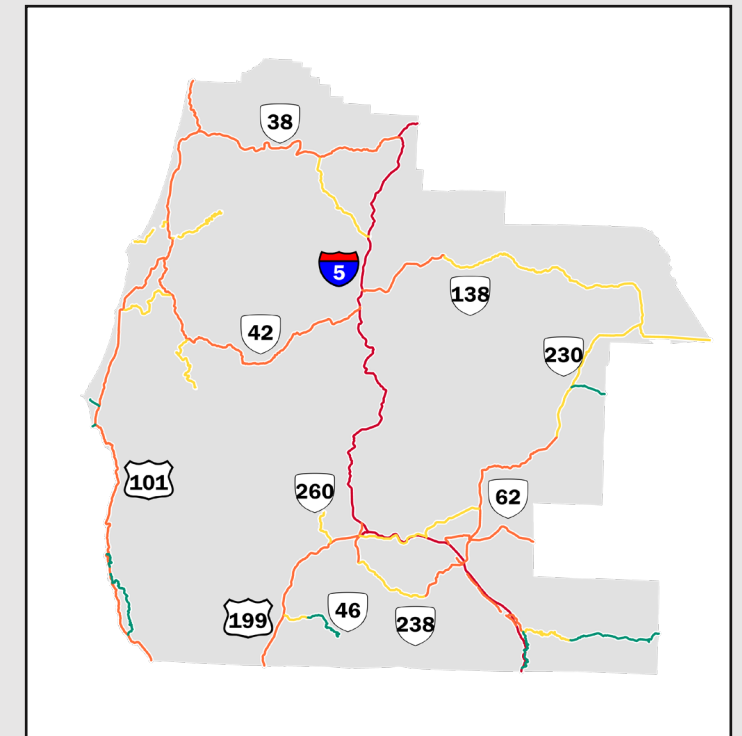
PERCENTAGE OF HIGHWAY MILES ACCORDING TO LEVEL OF SERVICE	REGION 3	
	2018	2023
Level of Service A GREATEST	20%	17%
Level of Service B	44%	46%
Level of Service C	28%	28%
Level of Service D	8%	9%
Level of Service E LEAST	0%	0%



Region 3: 2018



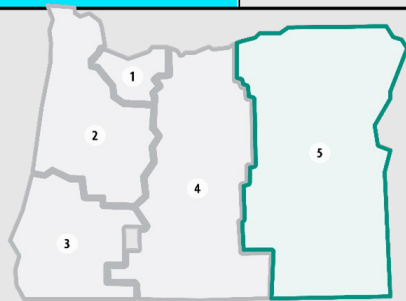
Region 3: 2023



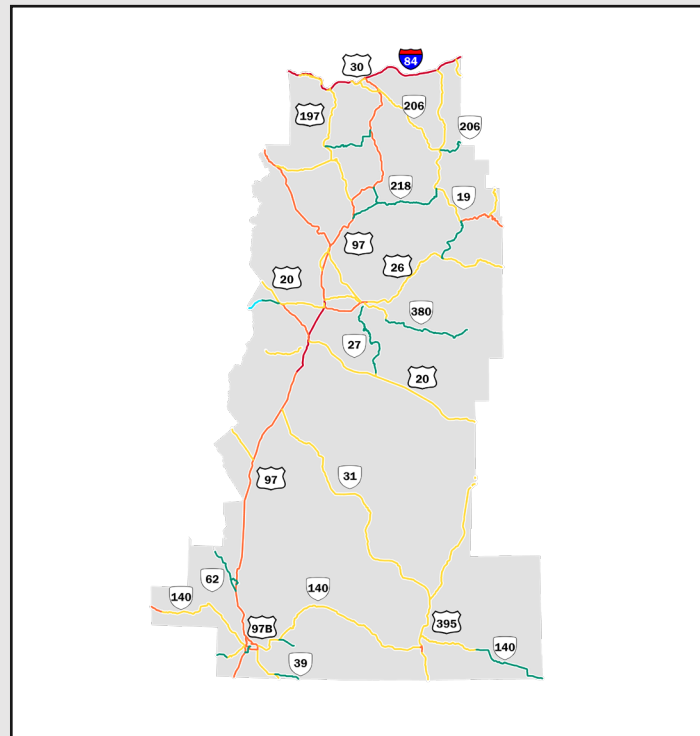
Total state highway miles – 1,168
 Total interstate miles – 336
 Total low-volume miles – 400

Comparison of ODOT **Region 4** Winter Levels of Service from 2018 to 2023

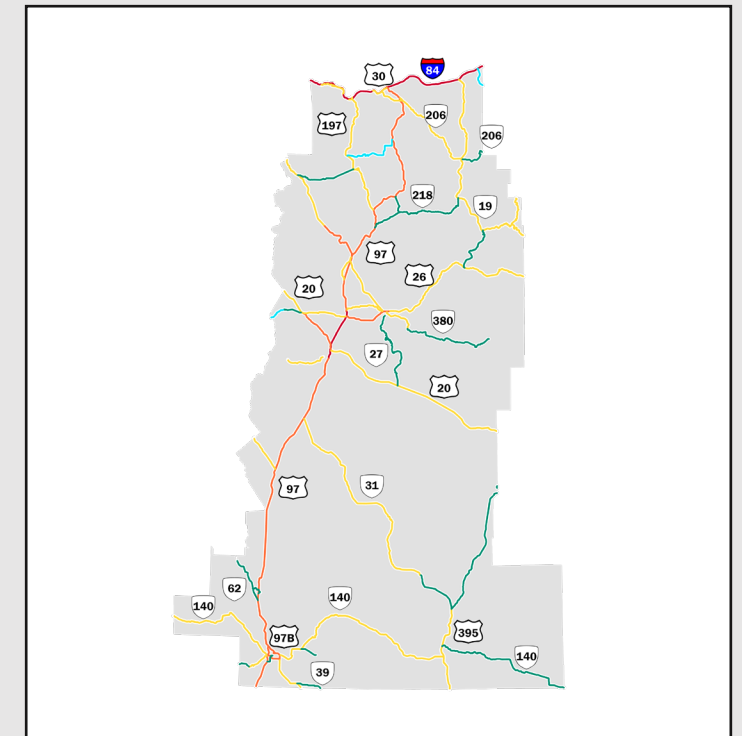
PERCENTAGE OF HIGHWAY MILES ACCORDING TO LEVEL OF SERVICE		REGION 4	
		2018	2023
Level of Service A	GREATEST	7%	8%
Level of Service B		22%	19%
Level of Service C		54%	49%
Level of Service D		17%	22%
Level of Service E	LEAST	<1%	2%



Region 4: 2018



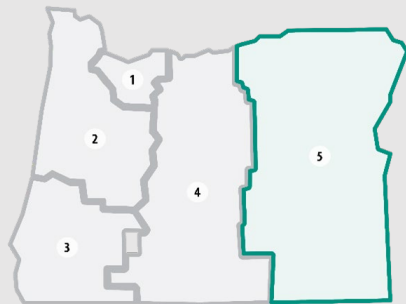
Region 4: 2023



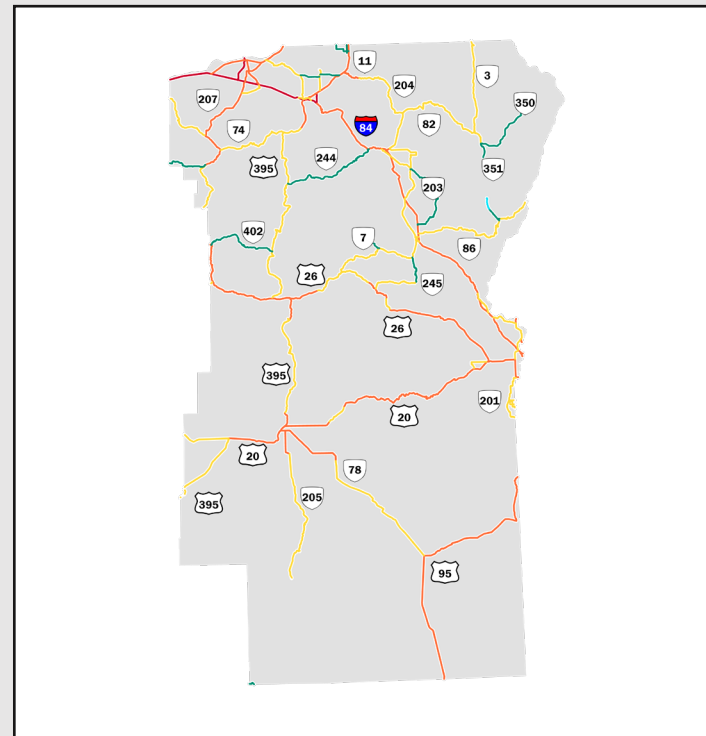
Total state highway miles – 1,860
 Total interstate miles – 170
 Total low-volume miles – 1,060

Comparison of ODOT **Region 5** Winter Levels of Service from 2018 to 2023

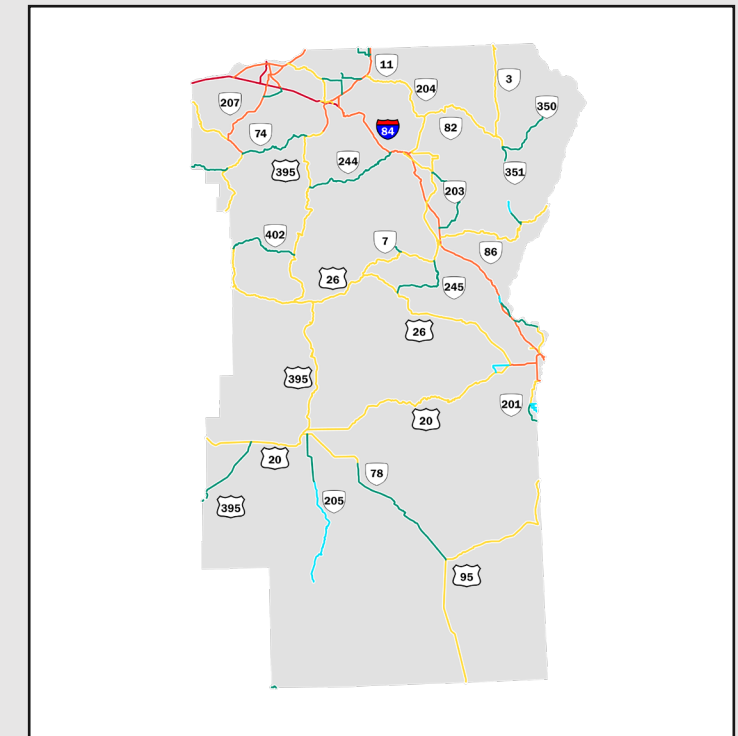
PERCENTAGE OF HIGHWAY MILES ACCORDING TO LEVEL OF SERVICE		REGION 5	
		2018	2023
Level of Service A	GREATEST	4%	3%
Level of Service B		38%	17%
Level of Service C		46%	54%
Level of Service D		11%	22%
Level of Service E	LEAST	<1%	4%



Region 5: 2018



Region 5: 2023



Total state highway miles – 2,333
 Total interstate miles – 478
 Total low-volume miles – 1,460

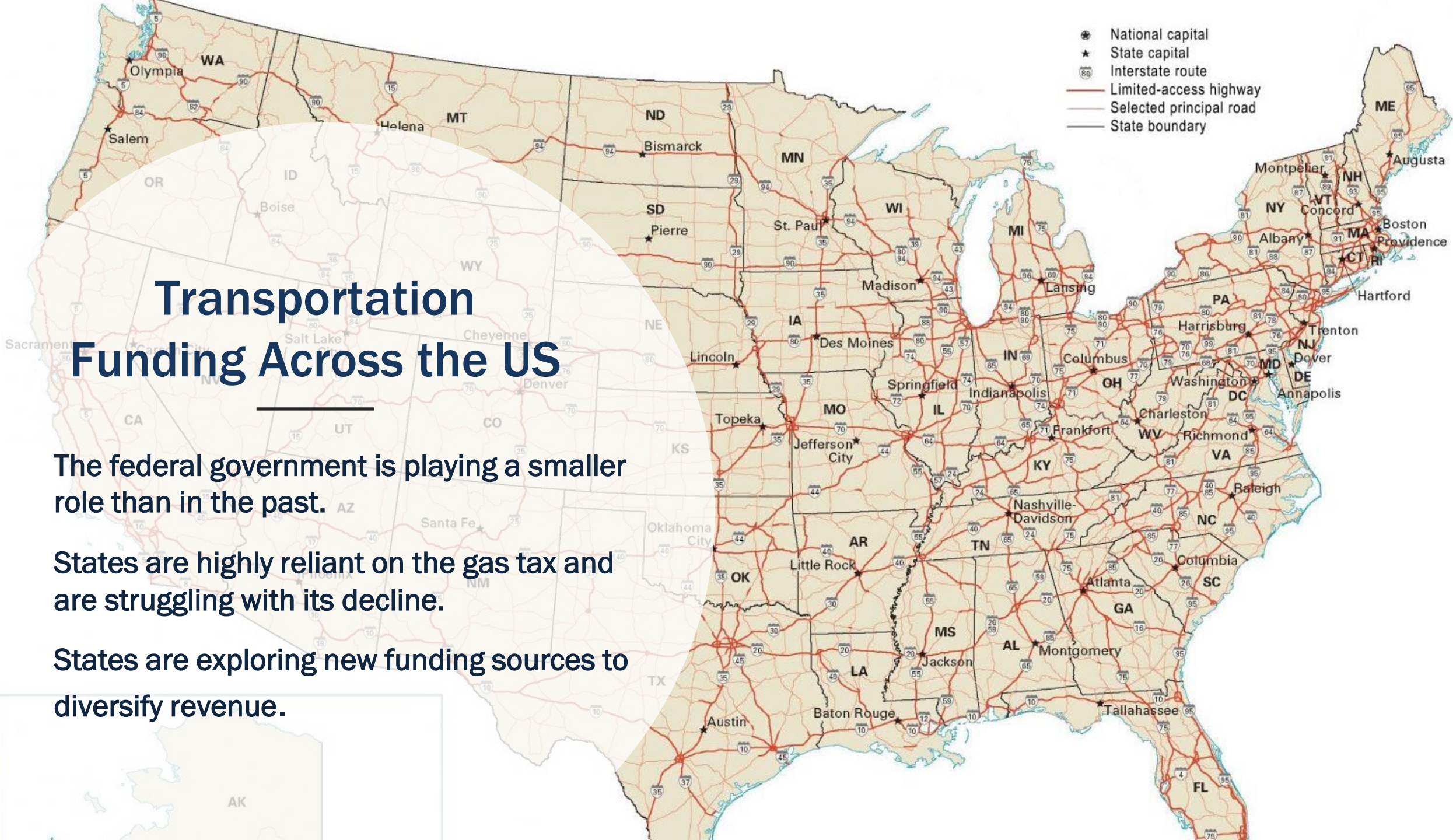
Adaptive Budget Management: Reality

- Transparency
- Limited capacity
- Reactive vs Proactive
- Capacity
- Timing





Potential Options



- ⊛ National capital
- ★ State capital
- Ⓜ Interstate route
- Limited-access highway
- Selected principal road
- State boundary

Transportation Funding Across the US

The federal government is playing a smaller role than in the past.

States are highly reliant on the gas tax and are struggling with its decline.

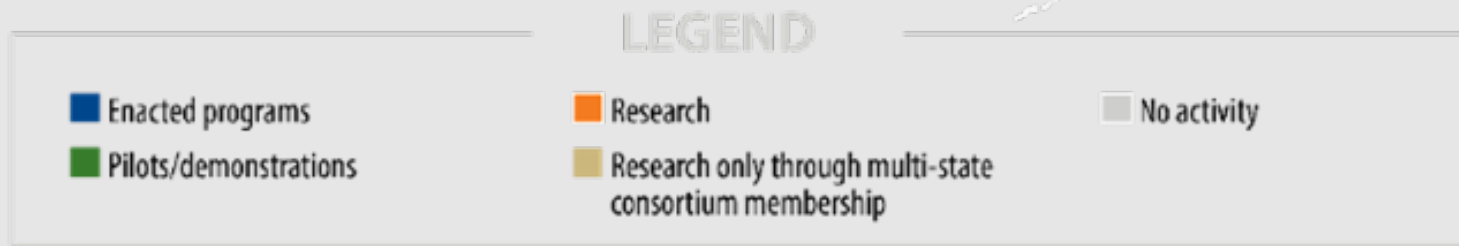
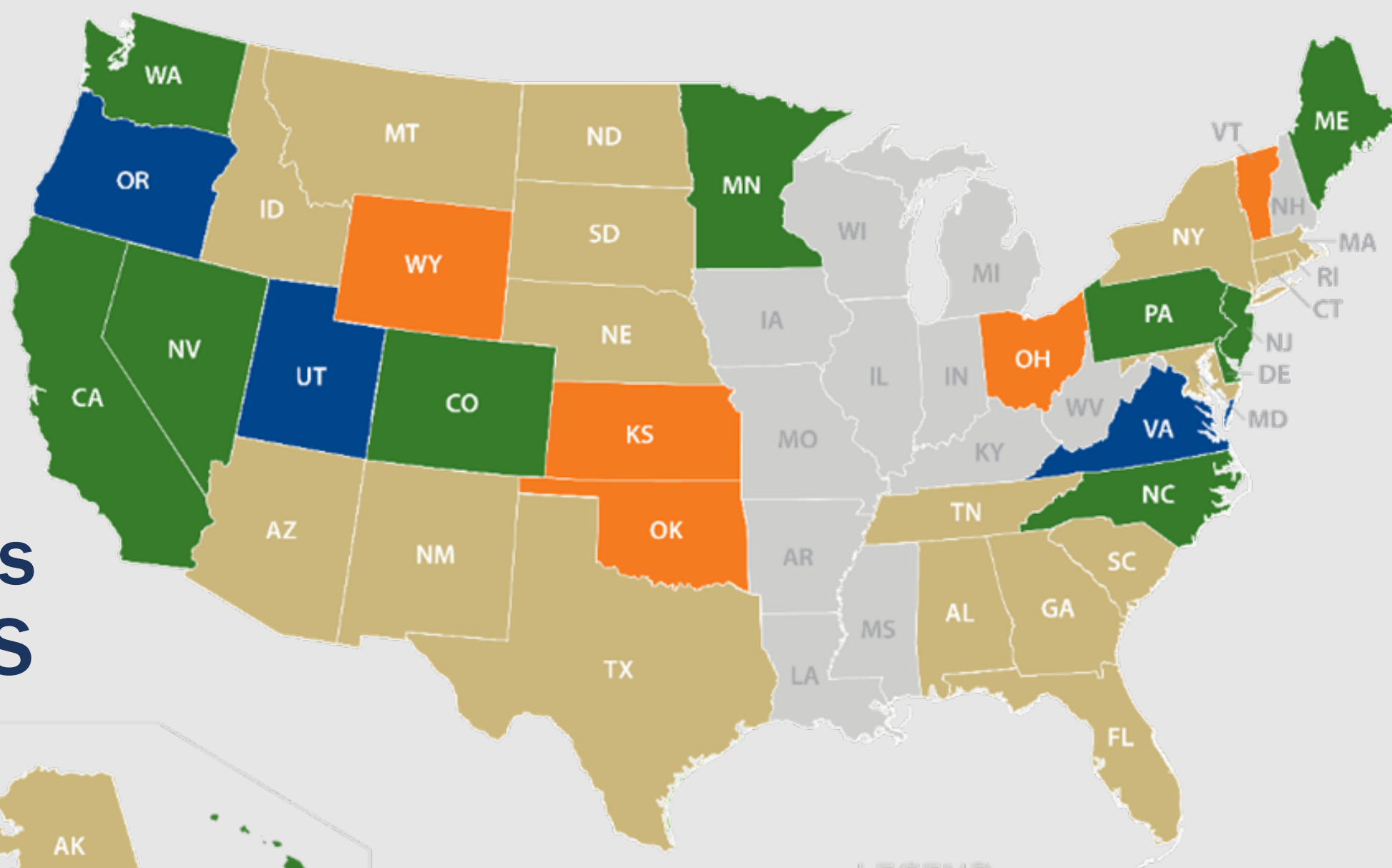
States are exploring new funding sources to diversify revenue.

Shared Approaches Across States

- Reliance on gas tax
- Use of vehicle registration & title fees
- Electric vehicle fee/ registration surcharge
- Exploring road usage charging



RUC Across the US



Ways Oregon Is Different

Things We Have that Others Don't

- Cost responsibility & weight-mile tax

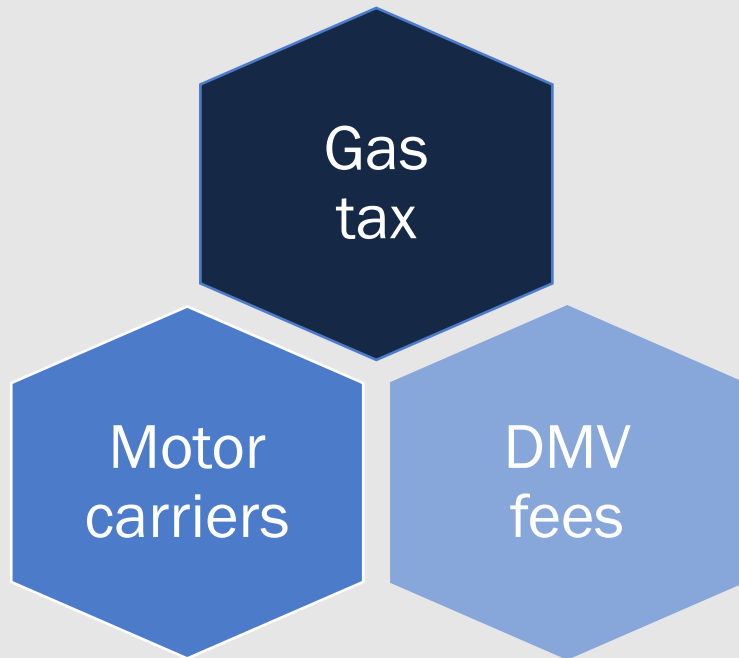
Things We Don't Have

- Gas tax indexing
- Tolling on state highways
- Sales tax for local governments
- General fund/other non-user fee funds

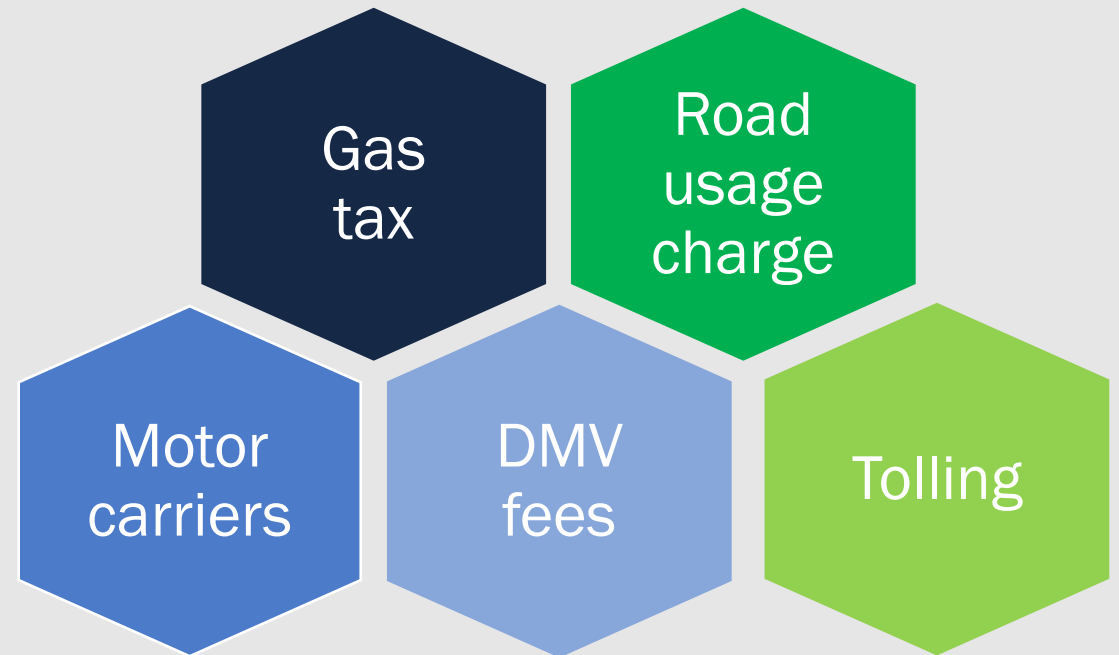


Diversifying Oregon's Road Funding Streams

Where we are today



Where we want to be



Potential Solutions

- Increase and inflation index major taxes and fees
- Ensure DMV fees cover cost of service
- Increase tiered registration fees on high-efficiency vehicles
- Shift toward a road usage charge for high-efficiency vehicles
- Focus new resources on maintenance





Thank you.