

ANALYSIS

Item 66: Department of Transportation Federal Grant Award Limitation

Analyst: Ben Ruef

Request: Increase Federal Funds expenditure limitation by \$2,000,000 for the Motor Carrier Safety Assistance Program, High Priority Innovative Technology Deployment grant award.

Analysis: The Oregon Department of Transportation's Commerce and Compliance Division (CCD) is seeking an additional \$2,000,000 in Federal Funds expenditure limitation to implement the recently awarded Motor Carrier Safety Assistance Program High Priority Innovative Technology Deployment grant. This grant, made available through the federal Infrastructure Investment and Jobs Act, aims to enhance technological capabilities and deploy intelligent transportation system applications for commercial vehicle operations.

CCD identified its Over-Dimension (OD) Permitting System project as an ideal candidate for this grant and applied in March 2022. Although retroactive approval to apply for the grant was granted during the June 2022 Emergency Board meeting, the Federal Motor Carrier Safety Administration announced the grant awards in September 2022, after ODOT's Agency Request Budget submission.

The OD Permitting System project seeks to improve internal information sharing, enabling real-time updates and faster issuance of routine load permits. It enhances operational flexibility and sets the stage for potential increased access to size and weight permitting services across various jurisdictions.

Implementing this project will automate labor-intensive processes, provide 24/7 access to permits for motor carriers, enhance customer satisfaction, and contribute to safeguarding Oregon's infrastructure and public safety. The automation will also free up analysts to focus on intricate coordination for moving oversized loads across the state.

No match is required for this grant.

Recommendation: The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means recommend including an increase of \$2,000,000 in Federal Funds expenditure limitation for the Department of Transportation in a budget reconciliation bill during the 2024 legislative session for the Motor Carrier Safety Assistance Program, High Priority Innovative Technology Deployment grant award.

Request: Increase Federal Funds expenditure limitation by \$2,000,000 for the Motor Carrier Safety Assistance Program, High Priority Innovative Deployment grant award.

Recommendation: Approve the request during the 2024 Legislative Session.

Discussion: The Oregon Department of Transportation (ODOT), Commerce and Compliance Division (CCD) applied for the federal Motor Carrier Safety Assistance Program (MCSAP) grant to advance technology capabilities and promote the deployment of intelligent transportation system applications for commercial vehicle operations in March of 2022. The Department submitted a timely 10-day notice to apply and a retroactive authorization to apply during the June 2022 Emergency Board Legislative Session. ODOT received the grant award in September 2022 and inadvertently missed submitting a request for expenditure limitation in the 2023 Legislative Adopted Budget.

CCD acknowledged, in their grant request to MCSAP, they would develop a more automated Over-Dimension permitting system, which meets customer demands for real time data updates and quicker response times for issuing permits for routine over-dimension loads. Implementation of this project unlocks future opportunities to provide access to local, city, and county size and weight permitting services. In addition, the federal funding offsets the need to use some State Highway Funds for implementing this new system.

Legal Reference: Increase Federal Funds expenditure limitation established by chapter 363, section 3(2), Oregon Laws 2023, for the Oregon Department of Transportation, Commerce and Compliance Division, by \$2,000,000 for the 2023-25 biennium.



Oregon

Tina Kotek, Governor

Department of Transportation

Office of the Director

355 Capitol St. NE

Salem, OR 97301

December 4, 2023

Senator Elizabeth Steiner, Co-Chair
Representative Tawna Sanchez, Co-Chair
Interim Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairs:

NATURE OF THE REQUEST

The Oregon Department of Transportation Commerce and Compliance Division (CCD) requests \$2,000,000 additional Federal Funds expenditure limitation to implement a recently awarded Motor Carrier Safety Assistance Program (MCSAP) High Priority Innovative Technology Deployment (HP-ITD) grant.

AGENCY ACTION

The federal Infrastructure Investment and Jobs Act provides funding opportunities through FMCSA's MCSAP and High Priority grant programs. The HP-ITD grant program's purpose is to "advance the technological capability and promote the deployment of intelligent transportation system applications for commercial vehicle operations."

CCD identified its Over-Dimension (OD) Permitting System project as an excellent candidate for this grant and applied in March 2022. Requisite 10-day notification was sent to presiding officers on March 10, 2022, and the agency received retroactive approval to apply for the grant during the June 2022 meeting of the Emergency Board.

CCD is working to implement the OD Permitting System to assist the Agency in meeting customer demand and increase the system's flexibility for future industry growth. This intelligent technology system will streamline the information exchange network between various work units and divisions within the agency to allow for real time data updates and quicker permit issuance for routine loads. It also provides for future opportunities to increase access to local, city and county size and weight permitting services.

Successful project implementation will automate what is currently a labor-intensive process, provide motor carriers access to various permits at all hours, increase customer satisfaction, and protect Oregon's infrastructure and the traveling public. This automation will increase efficiency and reduce permit processing times, freeing up

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analysts to focus on the detailed coordination needed to move extremely large loads through the state.

FMCSA announced grant awards – including \$2,000,000 for CCD – in September 2022, after ODOT's Agency Request Budget had already been submitted. As was mentioned in the retroactive approval request letter, there is no required state match for this award, but if the Federal Funds expenditure limitation is not granted to the agency CCD will be unable to utilize the HP-ITD grant this biennium and would need to expend State Highway Fund resources to move the project forward. This may also result in slower project progress as resources are spread over a longer period.

ACTION REQUESTED

ODOT requests that the Interim Committee on Joint Ways and Means increase Federal Funds expenditure limitation for Commerce and Compliance by \$2,000,000.

LEGISLATION AFFECTED

Amend section 3(2), chapter 363, Oregon Laws 2023 to increase the Commerce and Compliance Federal Funds expenditure limitation by \$2,000,000 for the 2023-25 biennium.

Sincerely,



Kristopher W. Strickler
Director