

Transportation Safety and Sustainability Tour

Transportation System Challenges, Needs, and Solutions

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Joint Committee on Transportation
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Roadmap

- ODOT's Mission
- Structural Revenue Challenges
- Agency Operations & Customer Service
- Funding Needs Analysis
- Potential Solutions
- Discussion



ODOT's Mission

Mission: Delivery of core critical services to keep Oregon moving, enhance safety, keep communities connected, and build structural revenue stability and sufficient for the future.

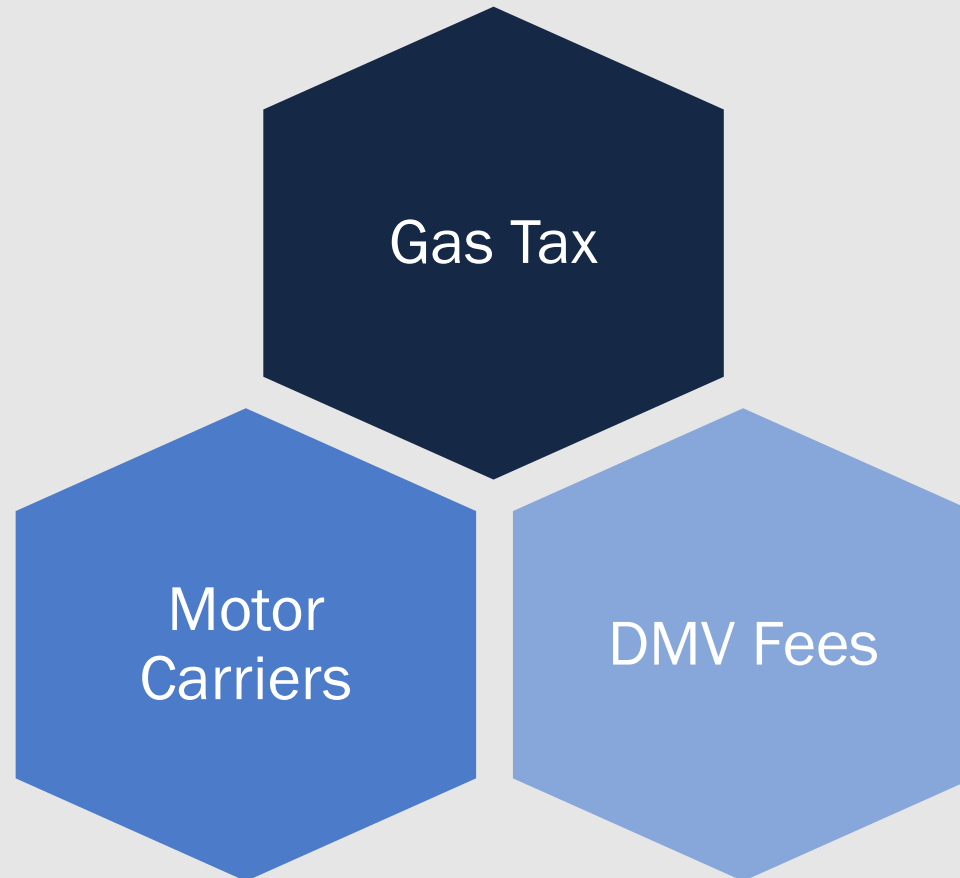
- To maintain our existing transportation system, **structural revenue reform is needed.**
- **We must invest in safety and service restoration** before investing in future capital improvements and modernization.



Statewide investments will lead to service improvements for all system users.

Structural Revenue Challenges

State Highway Fund Revenue Mechanisms



State Highway Fund Structural Funding Challenges



Future Fuels Tax Revenue Decline

- The average driver consumes almost **25% less fuel per year** than 10 years ago. At today's rate, that's over **\$40 less per year** in gas tax paid per vehicle.



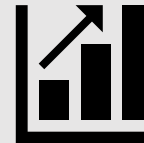
Reliance on Few Sources of Revenue

- Oregon **does not utilize inflation-resistant** funding mechanisms to support transportation system needs.



Rigid Statutory Structure

- **About 75% of fees collected by DMV** go to local governments, construction projects, and other programs and can't be spent on delivering DMV services.
- **Only about 2%** of additional taxes and fees raised by HB 2017 went to state highway maintenance and operations.



Rise of Record Inflation

- Since 2017, the National Highway Construction Cost Index has **increased by over 80%**.
- Equipment costs have **increased about 25%** in the past four years.
- Paint costs **have increased over 30%** in the last four years.

Impacts to Oregonians

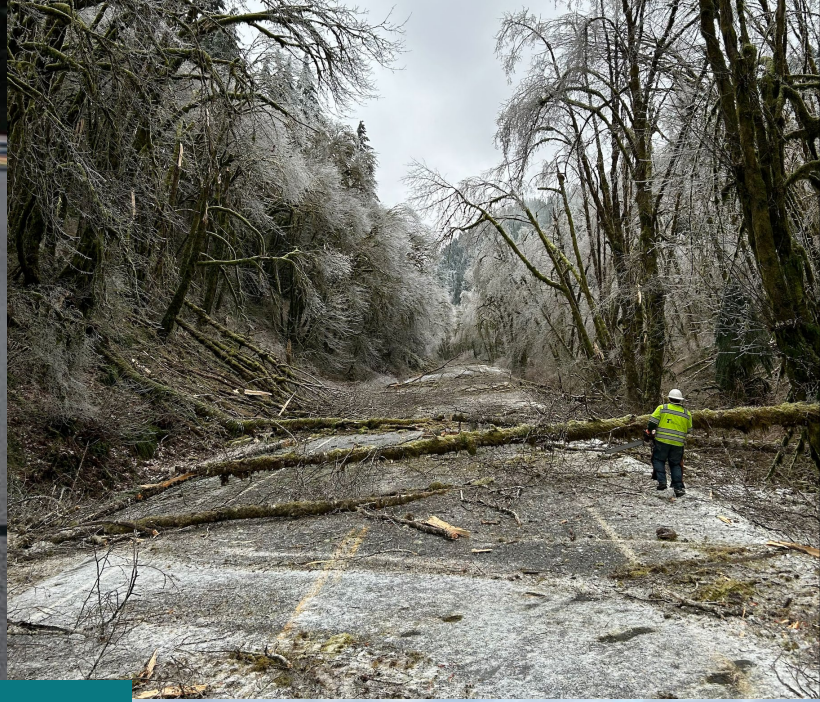
Without sufficient and reliable funding, Oregonians will feel the impact of service cuts:

- **Significant deterioration** of pavement on Oregon's highways.
- **Increased safety risks** due to deferred maintenance and lack of materials.
- **Reduced frequency** of litter, graffiti, and campsite cleanup.
- **Slower** incident response times and **extended** closures following major events.
- **More DMV closures** and **limited hours of service**.
- **Longer wait times** for customer services.
- **Limited opportunities** for capital improvements and modernization.

With sufficient and reliable funding, ODOT would first prioritize:

- Restoring essential **maintenance services**.
- Improving **customer service** gaps.
- Addressing **safety** issues.
- Fulfilling **HB 2017** commitments.





**In the absence of action,
service will be severely reduced.**



Agency Operations & Customer Service

Agency Operations

By the Numbers



Maintenance and Operations includes the **day-to-day essential services needed to maintain, monitor, and repair** Oregon's multimodal transportation system.

- 1,100 maintenance facilities
- 1,328 full time employees



The **Preservation Program** includes project investments to repair and replace **bridge, pavement, culvert, signal infrastructure**, and **seismic upgrades** to ensure long term performance.

- ODOT is responsible for about 8,000 miles of road and 2,770 bridges across the state.



The **Commerce and Compliance Division** **regulates commercial vehicles, collects tax revenue**, and **provides direct customer service** to commercial drivers and carriers.

- 6 Ports of Entry and 88 Weigh Stations
- 2,656,808 scale crossings in 2023
- 643 safety compliance audits in 2023
- 312 full time employees



The **Driver & Motor Vehicle Services** division provides **essential customer service** for over **2 million Oregonians** each year.

- 59 field offices
- 853 DMV full time employees; 410 field services full time employees
- DMV has about the same number of employees as it did 20 years ago—while Oregon's population has grown by more than 20% over the same period.



Agency Operations includes the **people and support functions essential to operation** and administration of the agency.

- Maintains 1,179 buildings
- Supports over 350 information systems
- Supports over \$1billion annual contract value

Maintenance & Operations

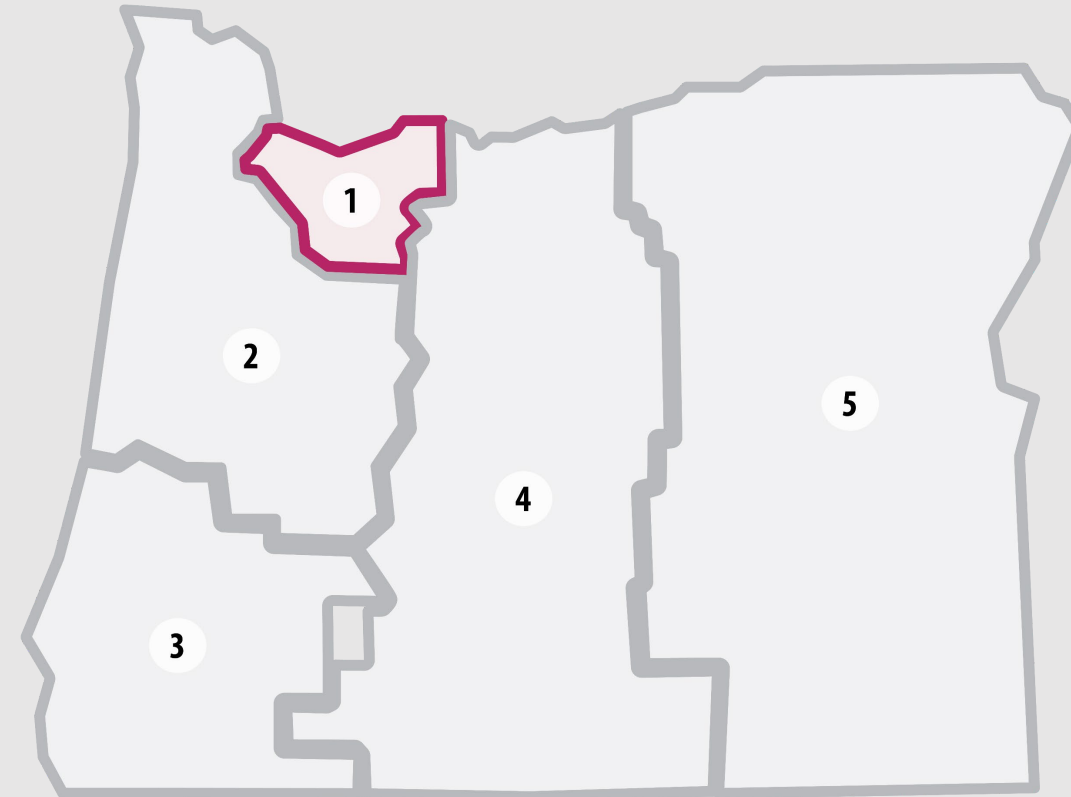
Region 1 – Portland Metro, Forest Grove to Hood River

Regional services

- 14 maintenance facilities (avg 41 years old)
- More than half of the 550 FTE are dedicated maintenance staff (296 full time + 11 seasonal)
- 894 road miles
- 528 bridges – 30% of statewide total
- 36 snowplows – about 10% of statewide total

Unique needs and challenges

- For the 2021-2023 biennium, Region 1 had the **highest expense** of any region to meet increasing need for **graffiti, litter, and camp cleanup services** in the Portland Metro area.
- **High volumes of congestion** means higher demand for incident response and system maintenance.



DMV

Portland Metro

Regional Field Services

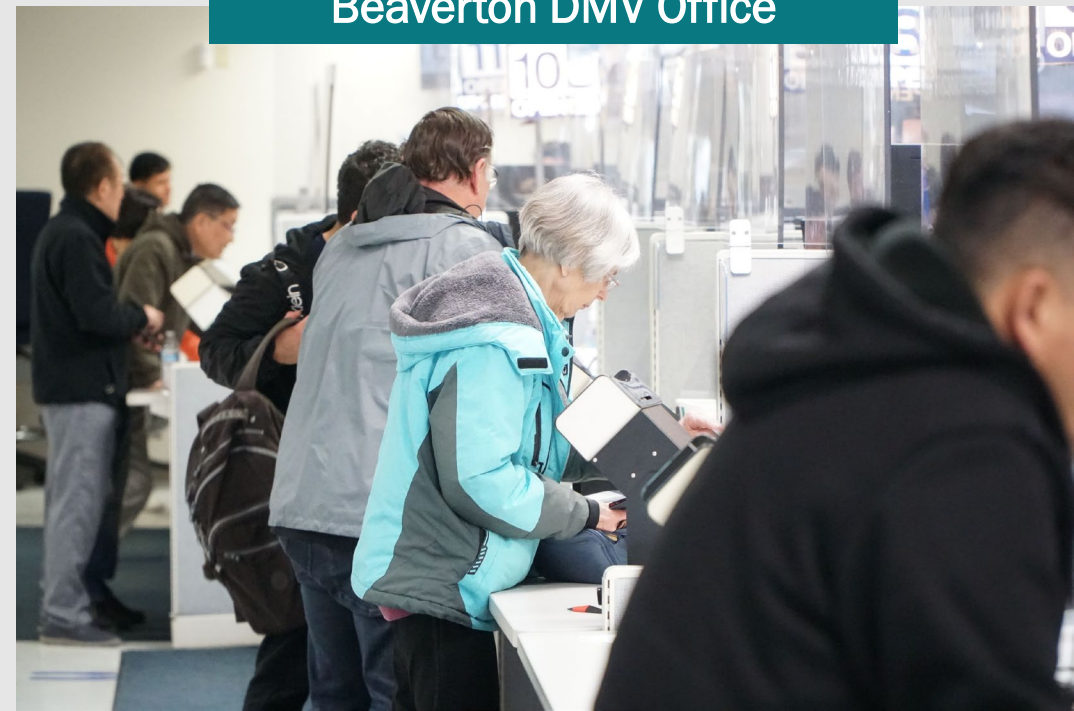
- 13 DMV offices in the Portland Metro area
- Served 903,648 customers in 2023
- Served an average of 3,629 customers daily in 2023
- 160 FTE in the Portland Metro area
- Area served 37% of Oregon's daily field customers

Regional DMV needs and challenges

- Challenges in hiring and **retaining qualified staff**
- **Staff shortages** can lead to reduced service hours or longer customer wait times
- Many area DMV Offices need **facility upgrades** or relocation (e.g., Hillsboro and Gladstone)
- Growing need for **bilingual services**
- Increase in **safety concerns** and threats towards DMV staff



Customers at the
Beaverton DMV Office



System Funding Needs

Service	Estimated Annual Need	Annual Funding Gap
Service Functions		
Customer Service & Regulation (DMV)	\$170 million	\$50 million
Customer Service & Regulation (CCD)	\$60 million	\$25 million
Agency Operations	\$450 million	\$170 million
Maintenance and Operations	\$450 million	\$205 million
Safety System Investments		
Preservation	\$1,250 million	\$980 million
Programmatic and Systemic Safety Investments	\$200 million	\$145 million
Safe Routes to School Infrastructure	\$50 million	\$35 million
On-Road Bicycle and Pedestrian Network	\$135 million	\$115 million
Great Streets Program	\$65 million	\$45 million
On Road Freight Investments	\$12 million	\$8 million
TOTAL	\$2,842,000,000	\$1,778,000,000
Fulfilling HB 2017 Commitments	Estimated Total Cost*	Available Resources*
I-5 Rose Quarter Improvement Project	\$1,700 - \$1,900 million	\$160 million
I-205 Improvements Project	\$1,290 - \$1,360 million	\$745 million
TOTAL	\$2,990 - \$3,260 million	\$905 million
** updated UMS Finance Plan underway; amounts for "HB 2017 commitments" will change		\$2,085 - 2,355 million

Estimated Service and Safety Needs

SERVICE FUNCTIONS

\$1.13 billion
Estimated Annual Need

\$450 million
Funding gap

60%
Projected funding

SAFETY SYSTEM INVESTMENTS

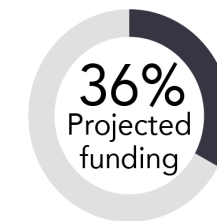
\$1.71 billion
Estimated Annual Need

\$1.33 billion
Funding gap

22%
Projected funding

TOTAL ESTIMATED ANNUAL NEED
\$2.8 billion

TOTAL FUNDING GAP
\$1.8 billion



Potential Solutions



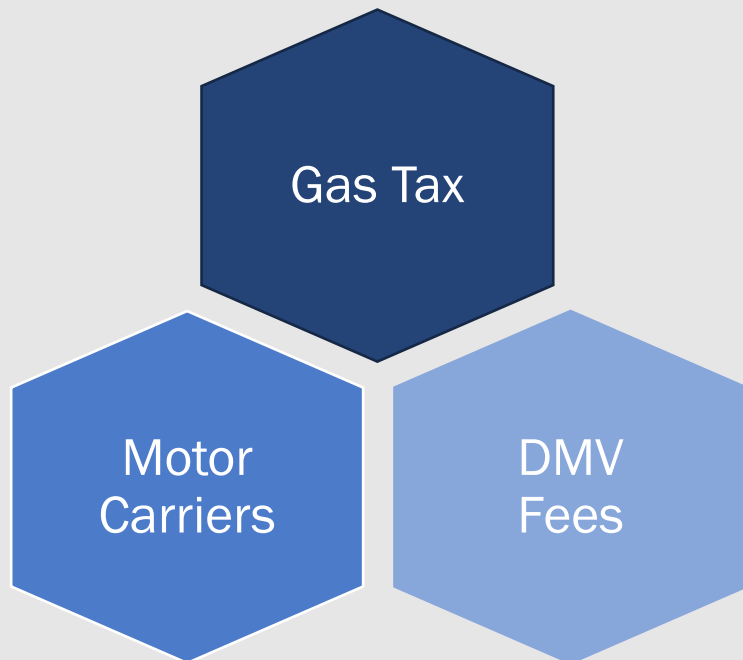
Accountability, Review, and Preparation

- Continuous improvement and evolution
- Expert Review Panel
 - Cost estimation
 - Capital project delivery
 - Accounting and financial controls
 - Public Transportation programs
- Accountability & outcome-focused management

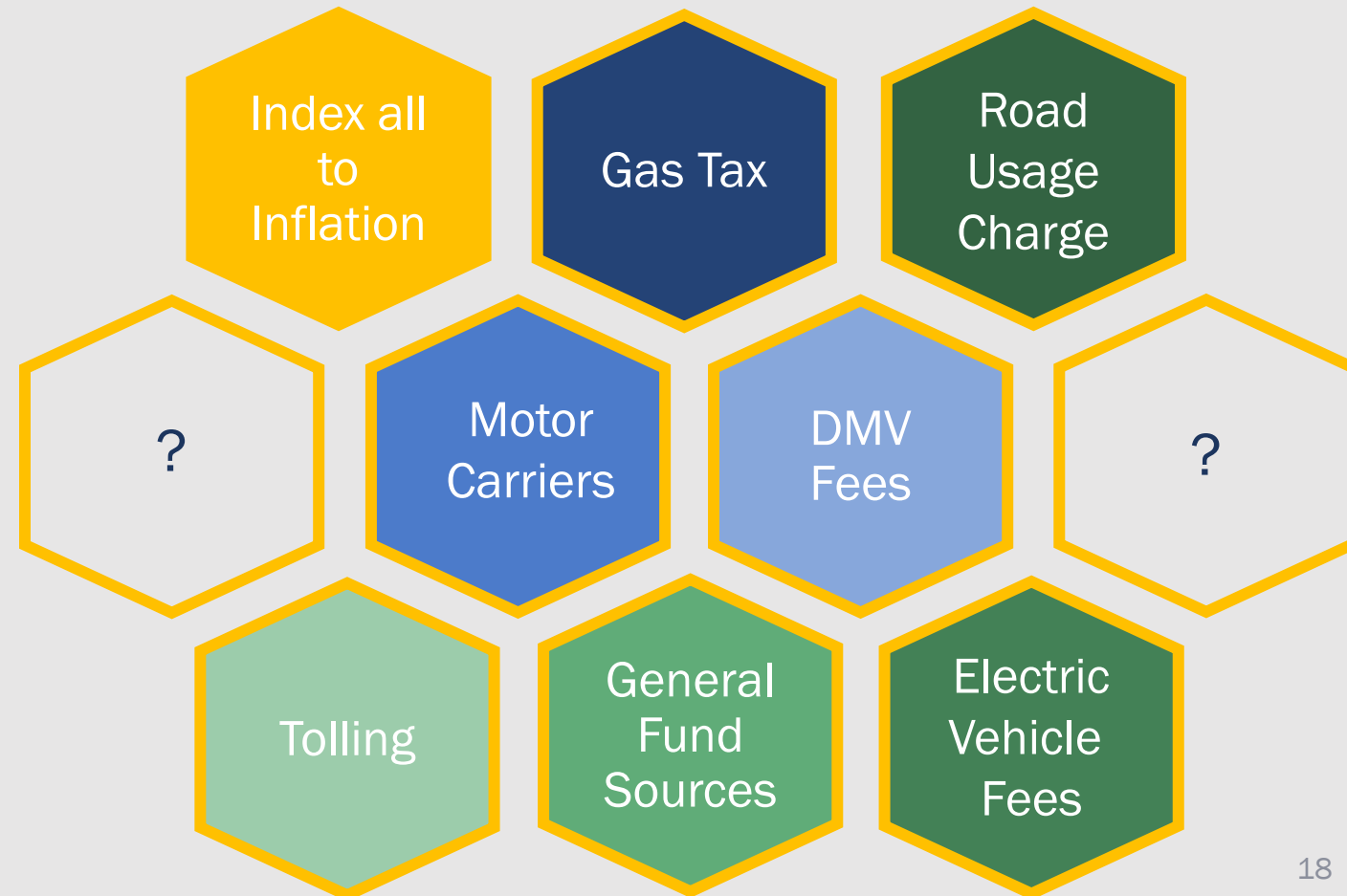
A More Diversified Revenue Portfolio

Sufficient and sustainable funding is key to maintaining and modernizing our transportation system

State Highway Fund Revenue Today



Some Options for the Future



**SLOW
DOWN**

YOUR SPEED

SPEED
LIMIT
40



Questions?

