

**HB 3992 BUDGET REPORT and MEASURE SUMMARY**

**Joint Special Session Committee On Transportation Funding**

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**Emergency Board**

**2025-27**

**Department of Administrative Services**

**2025-27**

**Secretary of State**

**2025-27**

**Legislative Policy and Research Office**

**2025-27**

**Department of Transportation**

**2025-27**

## Budget Summary

### Emergency Board

|                                | 2025-27 Legislatively<br>Adopted Budget | 2025 Committee<br>Recommendation | Committee Change from<br>2025-27 Adopted Budget |          |
|--------------------------------|-----------------------------------------|----------------------------------|-------------------------------------------------|----------|
|                                |                                         |                                  | \$ Change                                       | % Change |
| General Fund - General Purpose | 100,000,000                             | (800,000)                        | 99,200,000                                      | -0.8%    |

### Department of Administrative Services

|              |            |         |            |      |
|--------------|------------|---------|------------|------|
| General Fund | 88,270,344 | 500,000 | 88,770,344 | 0.6% |
|--------------|------------|---------|------------|------|

### Secretary of State

|             |             |         |             |      |
|-------------|-------------|---------|-------------|------|
| Other Funds | 102,241,132 | 479,446 | 102,720,578 | 0.5% |
|-------------|-------------|---------|-------------|------|

### Legislative Policy and Research Committee

|              |            |         |            |      |
|--------------|------------|---------|------------|------|
| General Fund | 24,058,157 | 300,000 | 24,358,157 | 1.2% |
|--------------|------------|---------|------------|------|

### Department of Transportation

|             |               |             |               |      |
|-------------|---------------|-------------|---------------|------|
| Other Funds | 5,167,246,881 | 204,370,725 | 5,371,617,606 | 4.0% |
|-------------|---------------|-------------|---------------|------|

## Position Summary

### Department of Transportation

|                                      |          |       |          |      |
|--------------------------------------|----------|-------|----------|------|
| Authorized Positions                 | 4,803    | 20    | 4,823    | 0.4% |
| Full-time Equivalent (FTE) positions | 4,729.77 | 12.50 | 4,742.27 | 0.3% |

### Secretary of State

|                                      |        |      |        |      |
|--------------------------------------|--------|------|--------|------|
| Authorized Positions                 | 255    | 2    | 257    | 0.8% |
| Full-time Equivalent (FTE) positions | 255.00 | 1.50 | 256.50 | 0.6% |

## Summary of Revenue Changes

HB 3992 appropriates \$800,000 General Fund, reduces the Emergency Fund by a corresponding amount, and increases Other Funds expenditure limitation by \$204.9 million. Other Funds for the Secretary of State's office (SOS) is sourced from assessments charged to state agencies for services and the Other Funds for the Oregon Department of Transportation (ODOT) are from revenues generated through HB 3991 (2025 1st Special Session).

## **Summary of Joint Committee on Transportation Funding**

HB 3992 is an omnibus budget bill that includes budgetary actions associated with the fiscal impact of HB 3991 for four state agencies to implement programs related to transportation and oversight of the Oregon Department of Transportation (ODOT). A disappropriation from the Emergency Fund for the 2025-27 biennium is also included to offset General Fund appropriations.

### **Emergency Board**

The Committee approved the disappropriation of \$800,000 from the Emergency Fund to be made available for general purposes. With the most recent September 2025 state economic and revenue forecast produced by the Department of Administrative Services, Office of Economic Analysis, the General Fund is currently projected to have an ending balance deficit. The amount being disappropriated from the Emergency Fund is proportional to the amount of General Fund being appropriated to the Department of Administrative Services and the Legislative Policy and Research Office for implementation of HB 3991 and ensures that total state General Fund appropriations remain unchanged.

### **Department of Administrative Services**

The Committee approved a one-time General Fund appropriation of \$500,000 for the Department of Administrative Services to enter into a professional services contract with a third party to review the methodology for the highway cost allocation study, as required under HB 3991. The Department is required to submit a report to the Joint Committee on Transportation by June 30, 2026.

### **Secretary of State**

The Committee approved a \$479,446 Other Funds expenditure limitation increase and authorized establishment of two permanent, full-time, positions, a State Senior Auditor (0.75 FTE) and a State Principal Auditor (0.75 FTE) for the Secretary of State (SOS) Audit Division to complete the biennial ODOT performance audits required by HB 3991. Costs include \$456,221 for personal services and \$23,225 for position-related services and supplies. Other Funds in the 2025-27 biennium will be sourced from a projected ending balance of statewide government service charges paid by all state agencies, as well as some direct charges to ODOT. SOS is limited in the amount that can be directly charged to ODOT each biennium and this amount has already been set for the 2025-27 biennium. In subsequent biennia, SOS will likely directly charge ODOT for the full costs of the required audits as these costs can be built into the direct charge limit for ODOT.

### **Legislative Policy and Research Office**

The Committee approved a one-time General Fund appropriation of \$300,000 for the Legislative Policy and Research Office to enter into a professional services contract with a third party for a performance audit of ODOT, as required under HB 3991. While the measure did not outline a timeline for a report on the audit's findings, LPRO assumes a report will be provided by December 2026, as the reporting provision is repealed on January 2, 2027.

## **Department of Transportation**

The Committee approved an increase of \$204.4 million Other Funds expenditure limitation and 20 positions (12.50 FTE) in the 2025-27 biennium across multiple programs. Of the total, \$195.4 million is attributable to the additional payroll tax revenues deposited into the Statewide Transportation Improvement Fund (STIF) for disbursement to qualified entities. The remaining \$8.9 million in Other Funds expenditures is to implement provisions of HB 3991, and includes \$3.3 million in personal services costs, \$264,518 for position-related services and supplies, and \$5.4 million for other services and supplies. These implementation costs, by program, include:

- *General Operations*: \$411,680 for personal services and \$32,934 for position-related services and supplies for one permanent full-time Operations and Policy Analyst 4 (0.75 FTE) to staff the Continuous Improvement Advisory Committee and support reporting to the Joint Committee on Transportation, and one limited duration Program Analyst 2 (0.75 FTE) to establish a process for local governments to request expansion of highway project scopes.
- *Statewide Transportation Improvement Fund*: \$1.1 million for personal services and \$85,594 for position-related services and supplies for six permanent full-time positions, including: two Program Analyst 3 positions (1.50 FTE) to manage the Discretionary and Intercommunity Grants Program and coordinate STIF activities statewide; two Program Analyst 2 positions (1.50 FTE) for compliance monitoring, reporting, fund management, and process improvement; one Program Analyst 1 (0.75 FTE) for program and administrative support; and one Fiscal Analyst 2 (0.75 FTE) to provide financial management and administer grant contracts.  
An additional \$195.4 million Other Funds expenditure limitation is also included for distribution of increased payroll tax revenues to qualified entities.
- *Road Usage Charge (RUC)*: \$1.4 million for personal services and \$109,610 for position-related services and supplies for ten positions, including: two Information Systems Specialist 7 positions (1.50 FTE) to support IT projects; one Business Operations Manager 2 (0.50 FTE) to oversee the program; one Project Manager 3 (0.50 FTE) to manage business programs; one Public Affairs Specialist 3 (0.50 FTE) for outreach and communications; one Operations and Policy Analyst 3 position (0.50 FTE) for program development; two Operations and Policy Analyst 2 positions (0.88 FTE) to certify account managers and conduct audits; one Compliance Specialist 3 (0.38 FTE) to support revenue collection and compliance; and one Program Analyst 1 position (0.25 FTE) for customer service.  
An additional \$1.1 million Other Funds expenditure limitation is included for IT system development and \$1 million for public outreach.

- *Diesel Tax:* \$454,751 for personal services and \$36,380 for position-related services and supplies for two positions, including: a Business Operations Manager 3 (0.75 FTE), and an Operations and Policy Analyst 3 (0.75 FTE) to manage IT system updates. An additional \$2.9 million to replace the Carrier Information Computer System and develop a new Commercial Vehicle Information Exchange Window.
- *Weight-Mile Tax:* \$400,000 for contract costs associated with reprogramming of the weight-mile tax system. Of this total, \$305,000 are one-time costs.

PRELIMINARY