



# Oregon

Tina Kotek, Governor

Department of Transportation

Office of the Director

355 Capitol St NE

Salem, OR 97301

Co-Chair Jeff Golden  
Co-Chair David Gomberg  
Joint Ways and Means Subcommittee on Transportation and Economic Development

February 12, 2026

Dear Co-Chairs Golden and Gomberg, and members of the committee,

During the Joint Ways and Means Subcommittee on Transportation and Economic Development on February 10, 2026, questions were raised regarding ODOT's budget toward diversity, equity, inclusion work. Below is a summary followed by more information on ODOT's Office of Engagement and Civil Rights (OECR).

**1. What are ODOT's total budgeted expenditures associated with diversity, equity, and civil rights functions?**

ODOT's diversity, engagement, and civil rights functions are housed within the Office of Engagement and Civil Rights (OECR).

For the 2025–2027 biennium, OECR's total budget represents less than one half of one percent of ODOT's total agency budget. OECR consists of 27 positions—23 in Civil Rights and 4 in Engagement—representing a little over one half of one percent of ODOT's total headcount. The 2025–2027 Legislatively Adopted Budget reduced OECR by three vacant positions.

The Office of Engagement (ODOT's DEI component) has a \$1.5 million budget, primarily for staff costs. Engagement staff focus on implementing executive order requirements, supporting equitable employment practices, improving access in procurement and contracting, advising on advisory committee diversification, and enhancing community engagement.

The remaining OECR budget supports state and federally mandated civil rights, workforce development, and business development programs, including:

- \$6.2 million for the Emerging Small Business (ESB) program, which under [ORS 200.190](#) sets aside 1% of ODOT contract values for small business contracts. This funding is used for facilities and maintenance purposes across the department and is an operations and maintenance program.
- \$3.6 million in FHWA formula funds for the Workforce Development Program that funds highway construction apprenticeship programs at BOLI.

Civil Rights programs are governed by federal and state law and include administration of DBE, SBDP, ESB, EEO, Title VI, ADA (non-infrastructure), Environmental Justice, TERO, and other required programs. Staff provide compliance, technical assistance, outreach, and program administration statewide.

As always, please let us know if there are additional questions or more information that is helpful.

Thank you,

***Meliah Masiba***

Assistant Director – Government and External Relations  
Oregon Department of Transportation



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Co-Chair Jeff Golden  
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Joint Ways and Means Subcommittee on Transportation and Economic Development

February 11, 2026

Dear Co-Chairs Golden and Gomberg, and members of the committee,

During the Joint Ways and Means Subcommittee on Transportation and Economic Development on February 10, 2026, questions were raised regarding STIF funding and reduction efforts on waste, fraud, and other overhead expenses. Please find follow-up information below.

**1. Please provide a breakdown of the \$137M STIF funding figure. Specifically, how much is allocated to system improvements, expansion, and maintenance?**

Statewide Transportation Improvement Fund (STIF) dollars are distributed to transit providers around the state after allocations to ODOT for program administration and Projects of Statewide Significance. STIF revenues are allocated across four programs:

- 90% to 42 Qualified Entities based on a statutory formula
- 5% to the STIF Discretionary Fund for competitive grants available to Public Transportation Service Providers
- 4% to the STIF Intercommunity Fund for competitive grants available to Public Transportation Service Providers
- 1% to the Technical Resource Center

The legislature provided eight priorities for Formula funds and requirements on how to spend discretionary funds.

For STIF Formula, the 42 Qualified Entities develop a STIF Formula Plan at the local level, identifying transit priorities and projects that address legislative priorities. Qualified Entities then report to ODOT each quarter on spending towards those priorities. Except where stated specifically, these reporting categories do not overtly reflect when they “improve or expand” a service and “maintain” a current service. During the 2023-2025 biennium, ODOT distributed \$283 million in STIF Formula funding to Qualified Entities, and these agencies reported the following expenditures across those eight priority areas.

**Table 1. Reported STIF Formula Expenditures in 2023-25 Biennium by Legislative Priority Area**

<b>Eight Legislative Priorities Used to Measure STIF Funding</b>	<b>Reported Expenditures*</b>
1. Improvement in the frequency and reliability of service connections between communities inside and outside of the Qualified Entity’s service area.	\$19 million
2. Increased frequency of bus service schedules in communities with a high percentage of low-income households.	\$48 million
3. Expansion of bus routes and bus services to reach communities with a high percentage of low-income households.	\$38 million
4. Coordination between public transportation service providers to reduce fragmentation in the provision of transportation services.	\$9 million
5. Services for older adults and people with disabilities.	\$39 million
6. Implementation of programs to provide student transit services for students in grades 9 through 12.	\$10 million
7. Implementation of programs to reduce fares for public transportation in communities with a high percentage of low-income households.	\$31 million
8. Procurement of buses that are powered by natural gas or electricity for use in areas with a population of 200,000 or more.	\$15 million

In January 2026, after a year-long STIF Program rules update process, the Oregon Transportation Commission amended the STIF Program rules so that agencies will report expenditures that provide “support for the operation of existing service,” which will assist ODOT in better measuring maintenance needs and impacts of these funds.

*\*Note that \$74 million out of the \$283 million distributed to Qualified Entities either was not spent during the 2023-2025 biennium or was not included in those eight legislative priorities.*

For that time period, ODOT awarded \$13.5 million in STIF Discretionary funds and \$10.8 million in STIF Intercommunity funds to 31 agencies. The STIF Discretionary fund is a competitive grant program, which historically has been limited to capital projects and new pilot projects, so that ongoing operations would not be funded with a temporary resource. In January 2026, ODOT responded to transit agency fiscal concerns by allowing STIF Discretionary funds to be used for ongoing operations for the next cycle. The STIF Intercommunity competitive grant program funds improvements to public transportation between two or more communities. STIF Intercommunity funds are used both to support ongoing operations and to fund new services.

### **Additional Info**

Oregon transit ridership has had a steady post-pandemic recovery. Reported trips have increased annually since FY 2021, reaching 82.6 million rides statewide in FY 2025. This is an increase of more than 32 million rides from the pandemic low in 2021. This recovery is led by agencies in diverse areas of the state, including providers in Linn County, Hood River County, parts of northeast Oregon, and the Salem area, where ridership levels for 2025 exceeded their pre-pandemic baselines. Further, ridership recovery has been particularly strong among Oregon's older adults and passengers with disabilities, with demand response services generally recovering faster than fixed route services.

### **2. How has ODOT worked over the past five years to reduce waste and administrative overhead, and what specific actions have been implemented to improve efficiency?**

Since 2019, ODOT has reduced its spending by cutting the agency's budget request and holding spending below the Legislatively Approved Budget. In making reductions, ODOT sought opportunities to increase efficiency across the agency to limit the impact of budget cuts on customers and services to Oregonians. In many other cases, however, necessary reductions have led to service impacts.

<b>Biennium</b>	<b>Reductions and Savings</b>	<b>Examples</b>
2019-21	\$47 million	<ul style="list-style-type: none"><li>• Absorbed increased personal services costs by holding positions vacant and making minor reductions.</li></ul>
2021-23	\$78 million	<ul style="list-style-type: none"><li>• Absorbed increased personal services costs by holding positions vacant and making other reductions.</li><li>• DMV added license renewals to online service offerings.</li></ul>
2023-25	\$171 million	<ul style="list-style-type: none"><li>• Held 500+ vacancies to absorb personal services cost increases.</li><li>• Reduced services and supplies budgets by \$64 million.</li><li>• CCD rolled out a new online system for routing and permits for over-dimensional trucks, ORION.</li><li>• DMV rolls out additional digital services, including online knowledge tests, kiosks in retail stores, and lobby management system.</li><li>• Used federal funds to cover incident response and traffic management centers to free up state dollars for operations and maintenance.</li></ul>

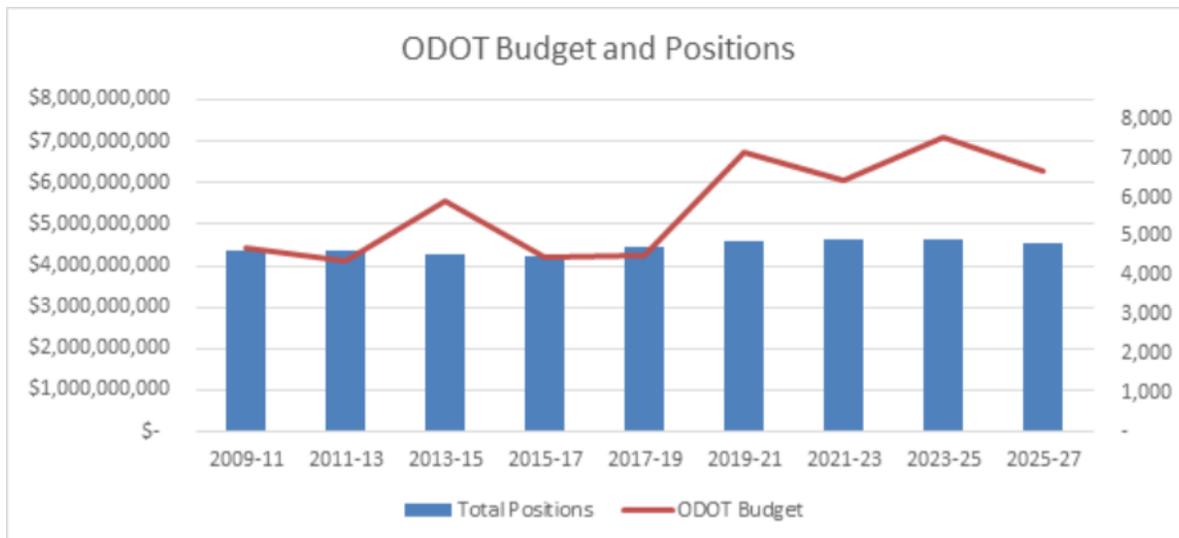
		<ul style="list-style-type: none"> <li>• Consolidated facilities by ending leases and moving employees into ODOT-owned buildings.</li> </ul>
2025-27	\$150 million	<ul style="list-style-type: none"> <li>• LAB cut 121 positions.</li> <li>• Currently holding 700 vacancies.</li> <li>• ODOT eliminated its request for Capital Construction funds to reconstruct aging maintenance stations in the 2025-2027 biennium, saving over \$30 million.</li> </ul>
<b>Total</b>	<b>\$446 million</b>	

Across the agency, divisions have found ways to become more efficient and reduced spending — including reducing facilities, fleet, and other non-personnel spending as well as holding hundreds of positions vacant to save money. We’ve also shifted funding sources to other dedicated funds to free up as much money for operations and maintenance as possible.

**Workforce Reductions**

Since 2019, ODOT has shrunk its workforce, both in total authorized positions and in the number of these positions that are actually filled. ODOT’s total number of authorized positions has changed relatively little since the 2009-2011 biennium, even as the agency’s budget and body of work have grown substantially and the state’s population has increased. In 2025-2027 the agency shrunk slightly and is now about the same number of total authorized positions as in 2017-2019. At the same time, to save money ODOT is holding about 700 authorized positions vacant, about 15% of the agency’s total workforce, and has also reduced overtime payments. While these steps have saved tens of millions of dollars in personnel costs, it means fewer employees serving Oregonians.

By comparison, since 2019, state government employment has grown by about 12%. Over the same time, since the 2017-2019 biennium, ODOT’s authorized workforce has grown by 2%. (See [Public and Private Employment in Oregon - QualityInfo - QualityInfo](#) for state government employment numbers.)



### Technology Efficiencies

- ODOT has significantly reduced costs related to data storage, telephones, and similar business expenses – at least \$700,000 per biennium.
- A complete IT system transformation has allowed DMV to put many services, from license renewals to knowledge tests, online and has also rolled out customer service kiosks in retail locations. This has allowed the agency to serve more customers, and serve them better, with the same number of staff.
- The Commerce and Compliance Division rolled out a new online system for routing and permits for over-dimensional trucks, ORION, in 2025. This system allows faster service for trucking companies to obtain over-dimensional permits and allows staff to shift focus to complex permits, reducing processing time of all permit types. CCD was able to downsize the permitting unit as a result.

### Facilities and Fleet Savings and Deferred Maintenance

- ODOT reduced facility maintenance expenditures for repairs such as roof, HVAC, and siding/window replacements by 42%, which totals \$3.7 million.
- Remote work has allowed ODOT to downsize our facilities footprint by 214,000 square feet, consolidating people into buildings the agency owns and shedding leased spaces. Savings of more than \$6 million per budget cycle are expected in the future.
- DMV has reduced spending on field office improvements, including office relocations, remodels and maintenance. DMV has identified more than a dozen offices that need to be relocated or remodeled and expanded to more effectively serve customers, as many field offices are too small to serve their current customer volumes.
- Commerce and Compliance reduced spending on roadside infrastructure, including truck weigh stations and ports of entry.
- ODOT eliminated its request for Capital Construction funds to rebuild aging maintenance stations and other facilities in the 2025-2027 biennium, which has averaged over \$30 million each budget cycle. While this has saved money in the short term, in the long term it will lead to deterioration of maintenance stations.

- ODOT has reduced investment in the agency’s fleet of maintenance equipment. While this has saved money, more equipment now exceeds its expected life, which leads to greater repair costs and downtime. Roughly 38% of our fleet is beyond the recommended service life, and we project this to increase to 49% by 2027.

**3. How does ODOT plan to address concerns raised by some Oregonians regarding administrative salary costs within the agency?**

State employee salaries and benefits are set at an enterprise level for both represented employees and management. Subsequently, ODOT has limited control over compensation rates. For represented employees, collective bargaining determines compensation; for management service, DAS determines compensation. Recently management position classifications and compensation were reset by the DAS-led Oregon Management Project. Legislative changes also impact compensation; the requirement for pay equity passed in 2017 has led employees to join the agency at a higher salary level than in the past.

Within this framework of salaries and benefits set at an enterprise level, ODOT’s only opportunity to control compensation is through eliminating positions or holding them vacant. A number of senior positions have been eliminated through legislative or ODOT action in the past year, including a Deputy Director (the second highest position in the agency) and multiple positions in the Urban Mobility Office as it transitioned to focus on delivering the Rose Quarter Project.

As always, please let us know if there are additional questions or more information that is helpful.

Thank you,

***Meliah Masiba***

Assistant Director – Government and External Relations  
Oregon Department of Transportation