

# ANALYSIS

## Department of Transportation

### Highway 97 Improvements

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**Analyst:** Ben Ruef

**Request:** Approve the submission of a federal grant application to the U.S. Department of Transportation in the amount of \$20,150,000 for safety improvements on U.S. Route 97.

**Analysis:** The U.S. Department of Transportation's Better Utilizing Investments to Leverage Development (BUILD) discretionary grant program, funded by the Infrastructure Investment and Jobs Act, is designed to support transportation projects that improve safety, state of good repair, economic competitiveness, and mobility, with an emphasis on projects in rural areas and areas of persistent poverty.

The Department of Transportation (ODOT) seeks to apply for \$20.2 million in BUILD funding to construct safety improvements on a high-crash segment of U.S. Route (US) 97 near Juniper Butte, located between the cities of Madras and Terrebonne. The requested grant would fully fund the project and represents the total estimated project cost.

This corridor experiences a disproportionate number of fatal and serious-injury crashes, with contributing factors that include winter weather, elevation changes that create unexpected icy conditions, limited advance warning to drivers, and the lack of viable freight detour routes when incidents close the highway.

The proposed project would install a median barrier, advisory speed signage, variable-message signs, and improvements to truck-scale merge lanes. The project scope was developed through a public planning process focused on improving safety and operations along this segment of US 97.

The project area qualifies as both a rural area and an area of persistent poverty under the BUILD program, allowing eligibility for up to 100% federal funding with no state matching funds required. The notice of funding opportunity was released in January 2026, with applications due February 24, 2026, and award announcements anticipated by June 28, 2026.

**Recommendation:** The Legislative Fiscal Office recommends that the Joint Committee on Ways and Means approve the request.

## Department of Transportation Parada

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**Request:** Authorization to apply for a grant of \$20,150,000 for improvements on U.S. 97 from the Better Utilizing Investments to Leverage Development grant program from the U.S. Department of Transportation.

**Recommendation:** Approve the request.

**Discussion:** The U.S. Department of Transportation opened applications for Better Utilizing Investments to Leverage Development (BUILD) grant funding on November 26, 2025. The BUILD program will provide \$1.5 billion in FY 2026 Infrastructure Investment and Jobs Act funds. Applications are due February 24, 2026, and award announcements are expected no later than June 28, 2026.

Oregon Department of Transportation (ODOT) Region 4 has identified the need for safety improvements on U.S. 97 from milepost 105.8 to 108.6 in Jefferson County, over Juniper Butte. The agency reports that fatal and serious injury crashes routinely occur on the identified stretch of highway and result in highway closures. Winter weather conditions and elevation changes contribute to the crash problem. The identified improvements include the construction of a median barrier, advisory speed signs, variable message boards, and truck scale merge lane improvements.

ODOT intends to apply for \$20,150,000 for the construction of these improvements. The project does not require matching funds as it is categorized as "Rural." The improvements would likely not be possible at this time without the federal grant funding.



# Oregon

Tina Kotek, Governor

Department of Transportation

Director's Office

355 Capitol St. NE, MS 11

Salem, OR 97301

January 16, 2026

Senator Kate Lieber, Co-Chair  
Representative Tawna Sanchez, Co-Chair  
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 (ODOT) Delivery & Operations Division in Region 4 requests permission to apply for \$20,150,000 in federal funds from the Better Utilizing Investments to Leverage Development (BUILD) grant funding under the Infrastructure Investment and Jobs Act (IIJA) from the US Department of Transportation (USDOT).

## **AGENCY ACTION**

On November 26, 2025, the US DOT opened applications for the BUILD discretionary grant program. BUILD will provide \$1.5 billion in FY 2026 IIJA funds to eligible applications – including local governments, state governments, transit agencies, and Tribes – for rural or urban capital projects and planning projects. Eligible project types include highway or bridge, safety, public transportation, passenger and freight rail, intermodal, culvert rehabilitation, and any surface transportation infrastructure project that the Secretary considers to be necessary to advance goals of the program. Applications are due on February 24, 2026, and selections are expected to be announced no later than June 28, 2026.

ODOT Region 4 has identified the need for safety improvements on US 97 from milepost 105.8 to 108.6 in Jefferson County, over Juniper Butte. Fatal and serious injury crashes routinely occur on this stretch of highway and result in highway closures. Winter weather conditions contribute to the crash problem; elevation changes over Juniper Butte create unexpected icy roadway conditions with no ability to alert drivers. When a crash does close the highway, viable alternate routes that support freight traffic do not exist. The crash problem in this section of US 97 poses significant operational and safety challenges for users in Central Oregon.

Funding from BUILD would allow for construction of a median barrier, advisory speed signs, variable message boards, and truck scale merge lane improvements. These improvements were identified through an extensive and collaborative public-facing planning process in the US 97

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High Bridge to Madras Safety Study. The project scope was derived from proven safety countermeasures that address reoccurring crash types and reduce the likelihood of collisions that lead to loss of life and impact travel. Improving safety and mobility on US 97, a critical north-south arterial in Central Oregon, is directly aligned with ODOT's mission and goals. Safety improvements to US 97 are supported by local elected officials, the Central Oregon Area Commission on Transportation, and Oregon Transportation Commission member Phil Chang.

The BUILD discretionary grant opportunity allows for projects that are categorized "Rural" or are within an "Area of Persistent Poverty" to receive up to 100 percent federal funding. US 97 from milepost 105.8 to 108.6 is within both a rural area and area of persistent poverty, therefore no matching funds are required.

Grant Request:	\$ 20,150,000
<u>Matching Funds:</u>	<u>\$ 0</u>
Total Project Cost:	\$ 20,150,000

These safety improvements to US 97 exceed available safety funds in ODOT Region 4 and are unlikely to move forward without the award of this federal grant.

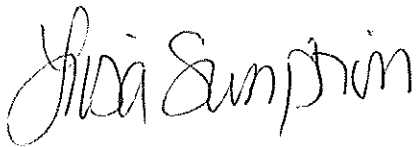
**ACTION REQUESTED**

ODOT requests approval to apply for \$20,150,000 in funding under the BUILD discretionary grant program. If awarded, ODOT may need to return for additional expenditure limitation if funds are awarded.

**LEGISLATION AFFECTED**

None.

Sincerely,



Lisa Sumption  
Interim Director