

Funding Maintenance, Preservation, and Agency Operations

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Joint Committee on Transportation, Back to Basics Workgroup
October 15, 2024

Roadmap

- Defining Roadway Maintenance, Operations, & Preservation; and Agency Operations
- How Oregon Funds These Functions
- How Oregon Generates and Directs Transportation Funds
- Questions?



A Tale of Two Budgets



Transportation Projects & Programs

Dedicated federal & state funds for capital:

- Construction projects
- Grant programs



Roadway Maintenance & Agency Operations

State Highway Fund dollars available to run the agency:

- Roadway maintenance and operations
- DMV & CCD
- Central shared services like IT, HR, Procurement, Facilities, Finance and Budget

ODOT's Roadway Maintenance, Operations, and Preservation

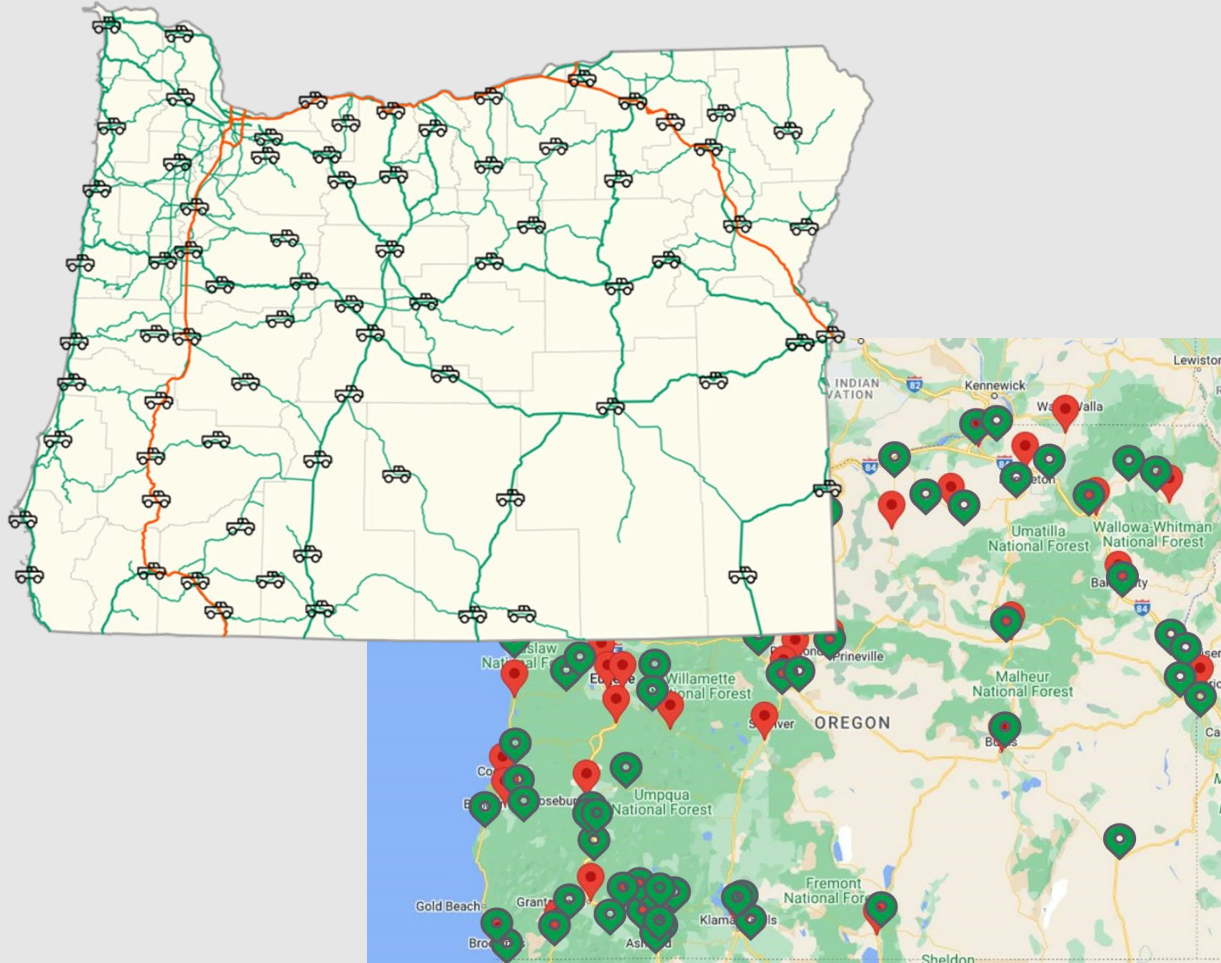
- **Maintenance & Operations Program** delivers day-to-day services like emergency and incident response, snowplowing, pavement patching, roadway striping, sign replacement and cleaning, and other essential services
 - Largely performed by ODOT crews
 - Think of these activities like "reactive" services
 - Fixing a leaky roof, fixing a broken gutter, clearing a clogged drain
- **Preservation Program** funds contracted projects that repair and replace bridges, pavement, culverts, and signal infrastructure to ensure long-term performance
 - Largely performed by contractors/contract crews
 - Think of these activities like "proactive" efforts
 - Replacing a roof, getting new gutters, installing new plumbing



Agency Operations

- Agency Operations include the staff and supplies for:
 - Driver & Motor Vehicles Division (DMV)
 - Commerce & Compliance Division
 - Central Shared Services (IT, HR, Procurement, Facilities, Finance/Budget)
- Some agency operations costs are recovered within the fee/program (i.e., some DMV, CCD)
- Other agency operations are funded through SHF balance after all other statutory dedications

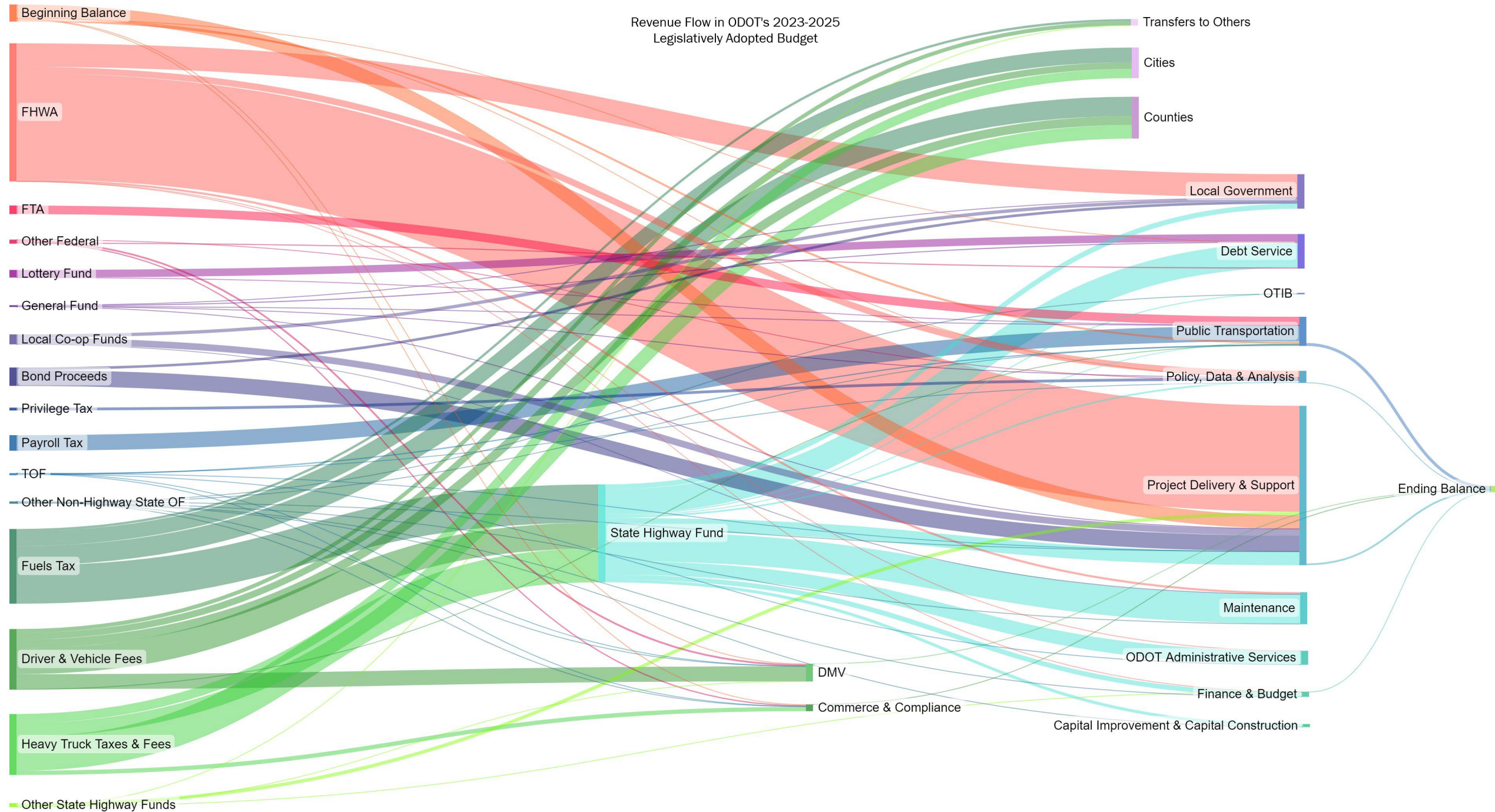
Serving Oregonians Statewide



- ODOT serves communities across the state through 88 maintenance stations, 59 DMV field offices, and 80 ports of entry and weigh stations.
- Each ODOT location is staffed by dedicated professionals, supported by shared central services, and a critical part of keeping Oregon's transportation safe, accessible, and reliable.

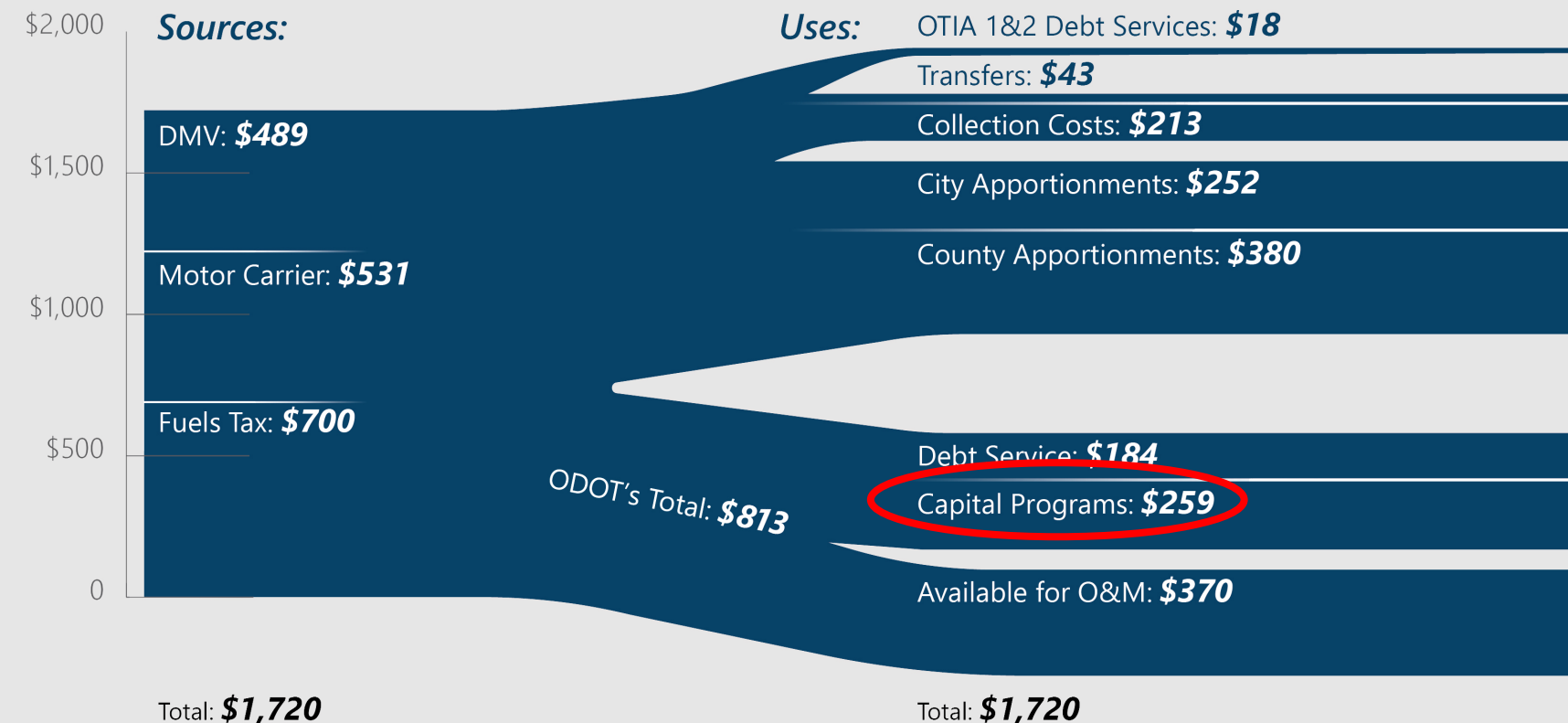
How Oregon Funds These ODOT Functions

Revenue Flow in ODOT's 2023-2025
Legislatively Adopted Budget



State Highway Fund Sources and Uses

2023-2025 Annual Average in Millions*



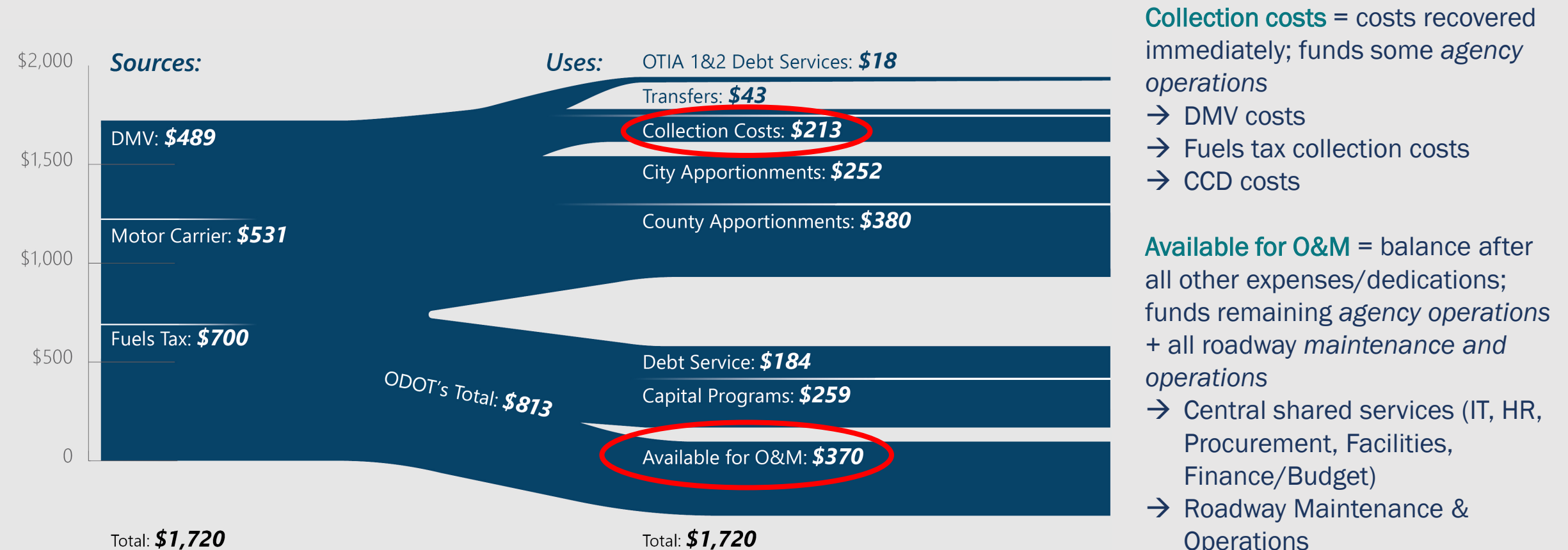
Capital Programs = funds projects and programmatic investments directed in statute

- Directed projects
- Directed percentages of new revenue to bridges, pavement, culverts, etc.
- Directed amounts to grant programs
- Combined with federal funds to create capital program

*Based on the October 2023 revenue forecast.

State Highway Fund Sources and Uses

2023-2025 Annual Average in Millions*



*Based on the October 2023 revenue forecast.

An Example: DMV Title Fees

Oregon Light Vehicle Title Fee History



- Base title fee is \$102
- DMV only retains \$10–less than the cost to issue a title
- Remainder of fee is dedicated by statute to local governments and state highway projects

How Oregon Generates and Directs State Transportation Funds

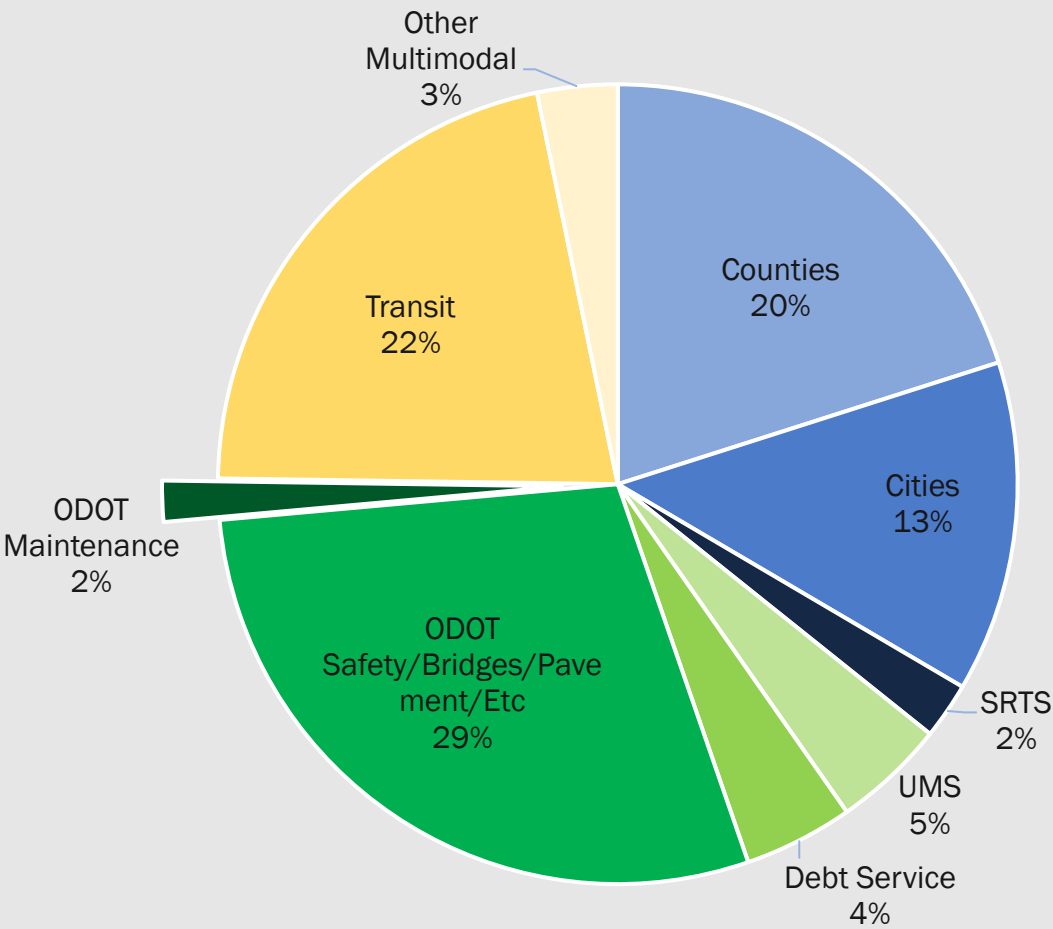
Funds Direction To Date

- “Base Revenue” = State Highway Fund revenue rates that existed prior to 2001
- Each funding package since 2001 (OTIA I/II/III, JTA (2009), and HB 2017 (2017)):
 - Increased revenue on top of base revenue
 - Apportions its SHF revenue differently
- These apportionments are directed to:
 - Local government general transportation funds
 - Individual projects on the state system delivered by ODOT
 - Individual projects on the local system delivered by local gov or ODOT
 - Debt service
 - Programmatic/categorical investment into capital or grant programs



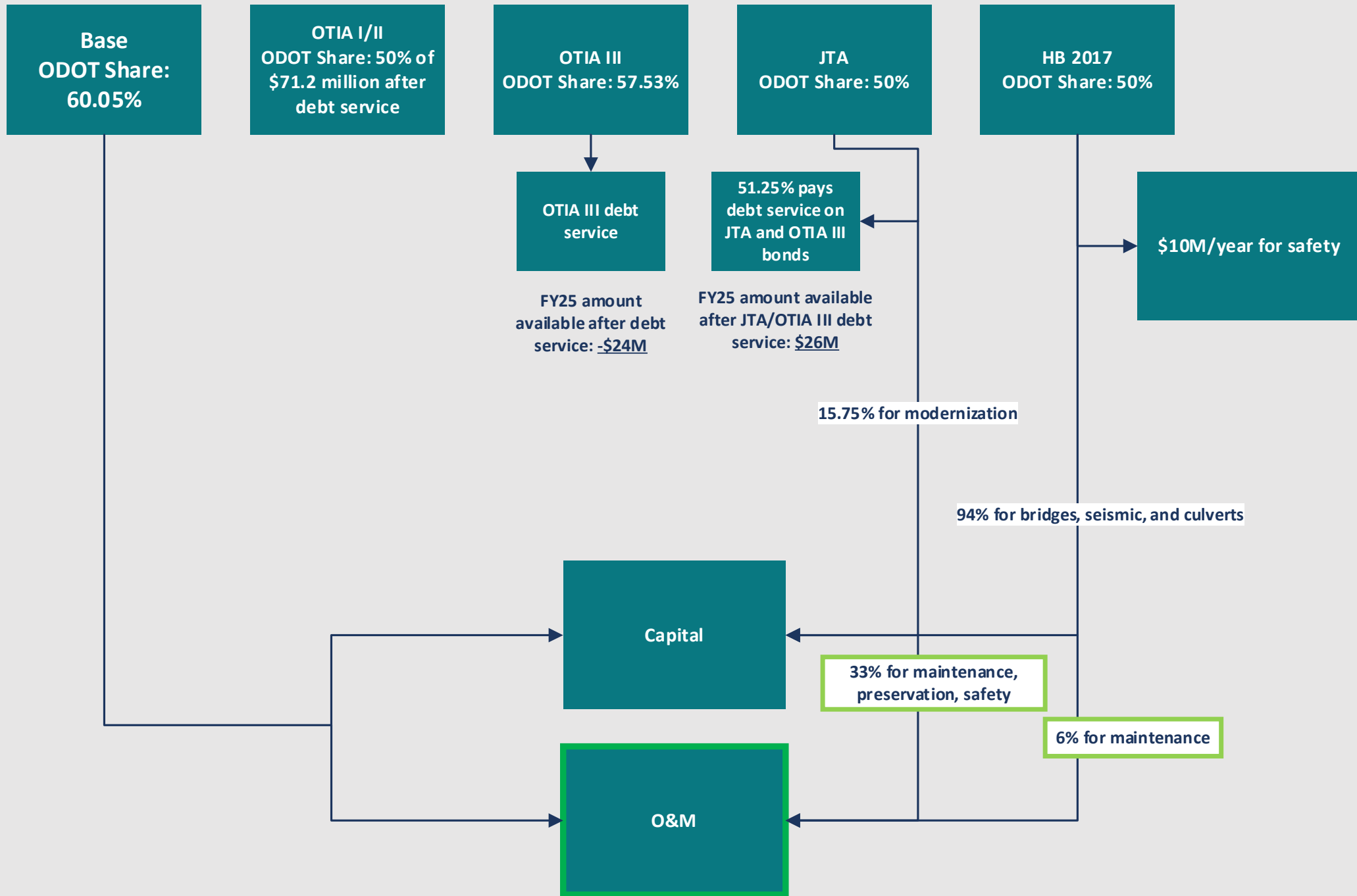
NEW (non-State Highway Fund)				
0.1% Payroll (Transit) Tax	→	Statewide Transportation Improvement Fund (STIF)	→	<ul style="list-style-type: none"> Expand and/or improve transit options Increased connectivity
\$15 Bike Excise Tax	→	Multimodal Active Transportation Fund (MAT)	→	Bike/Ped off-system projects
Light Vehicle Dealer Privilege Tax <i>- After 45% to DEQ for EV Rebate Program</i>	→	Connect Oregon, MAT	→	Dedicated projects, Connect Oregon Program
INCREASED (State Highway Fund)				
Light Vehicle Use Tax (new)	→	State Highway Fund	→	<u>Off-the-top</u> <ul style="list-style-type: none"> \$15M/year for Safe Routes to Schools \$30M/year for the Urban Mobility Strategy
Weight-mile Tax				<u>Apportionment</u> <ul style="list-style-type: none"> 50% to ODOT <ul style="list-style-type: none"> \$10M Safety 70% Bridge and Seismic 24% Pres & Culverts 6% Maintenance 30% to Counties 20% to Cities
Motor Fuels Tax				
DMV Vehicle Registration & Title Fees				

Sources & Distribution of HB 2017 Revenue



	OTIA I	OTIA II	OTIA III	JTA	HB 2017
Year	2001	2002	2003	2009	2017
Legislation	HB 2142	HB 4010	HB 2041	HB 2001	HB 2017
Bond Authority	\$400M	\$100M	\$1.6B	\$840M	\$480M*
Existing Revenue Sources	Title fees: +\$20		Title fees: +\$25 Registration fees: +\$12 VIN Inspection: +\$3 Knowledge Test: +\$5 Weight-mile: +~10%	Fuel taxes: +\$0.06 Title fees: +\$22 Registration fees: +\$16 Trip permits: \$+10 ID cards: +\$10 Plate fees: +\$10/plate Weight-mile: +~25%	Fuel taxes: +\$0.10 Weight-mile: +~53% Trip permits: +\$2
New Revenue Sources	N/A		N/A	N/A	Enhanced reg fees Privilege tax Use tax Payroll tax
Pre-Apportionment Set-asides	\$71.2M		N/A	\$24M/year for long-range planning	\$30M/year for UMS \$15M/year for SRTS
SHF Apportionment %	50% / 30% / 20%		57.53% / 25.48% / 16.99%	50% / 30% / 20%	50% / 30% / 20%
*HB 2017 authorizes the use of the UMS \$30M for debt service, effectively increasing bond authority by ~\$500M, for a total of ~\$900M, ~\$15M					

After set-asides and apportionment, statute further directs state spending.					
	Base 60.05%	OTIA I/II 50%	OTIA III 57.53	JTA 50%	HB 2017 50%
Debt Service		All debt service is paid before apportionments.	All debt service is paid first out of ODOT’s share.	51.25% for debt service on JTA/OTIA III bonds.	All debt service is paid first out of ODOT’s share.
Capital	Base revenues are the most flexible and can be use for capital or O&M.	Portions of the \$71.2 million/year not used for debt service are available for capital and/or O&M.	After debt service, ODOT’s share is available for capital and/or O&M. However, OTIA III revenues are insufficient to cover OTIA III debt service (different is paid w/JTA funds).	15.75% for modernization	40% for bridges
					30% for seismic
					24% for preservation and culverts
O&M				33% for maintenance, preservation, and safety	6% for maintenance



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*		Total Funding Gap*
I-5 Rose Quarter Improvement Project		\$1,700 - \$1,900 million	\$160 million		\$1,540 - \$1,740 million
I-205 Improvements Project		\$1,290 - \$1,360 million	\$745 million		\$545 - \$615 million
TOTAL	** updated UMS Finance Plan underway; amounts for "HB 2017 commitments" will change	\$2,990 - \$3,260 million	\$905 million		\$2,085 – 2,355 million

An aerial photograph showing a winding asphalt road with yellow double lines, curving through a dense forest of tall evergreen trees. To the left of the road is a body of water with a vibrant turquoise color. Several cars are visible traveling along the road. The forest appears to be a mix of healthy green trees and some dead, grey trunks. The overall scene is a scenic landscape view.

Questions?