



# Oregon Department of Transportation Funding Follow-Up

## Joint Committee on Transportation

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Kris Strickler, Director

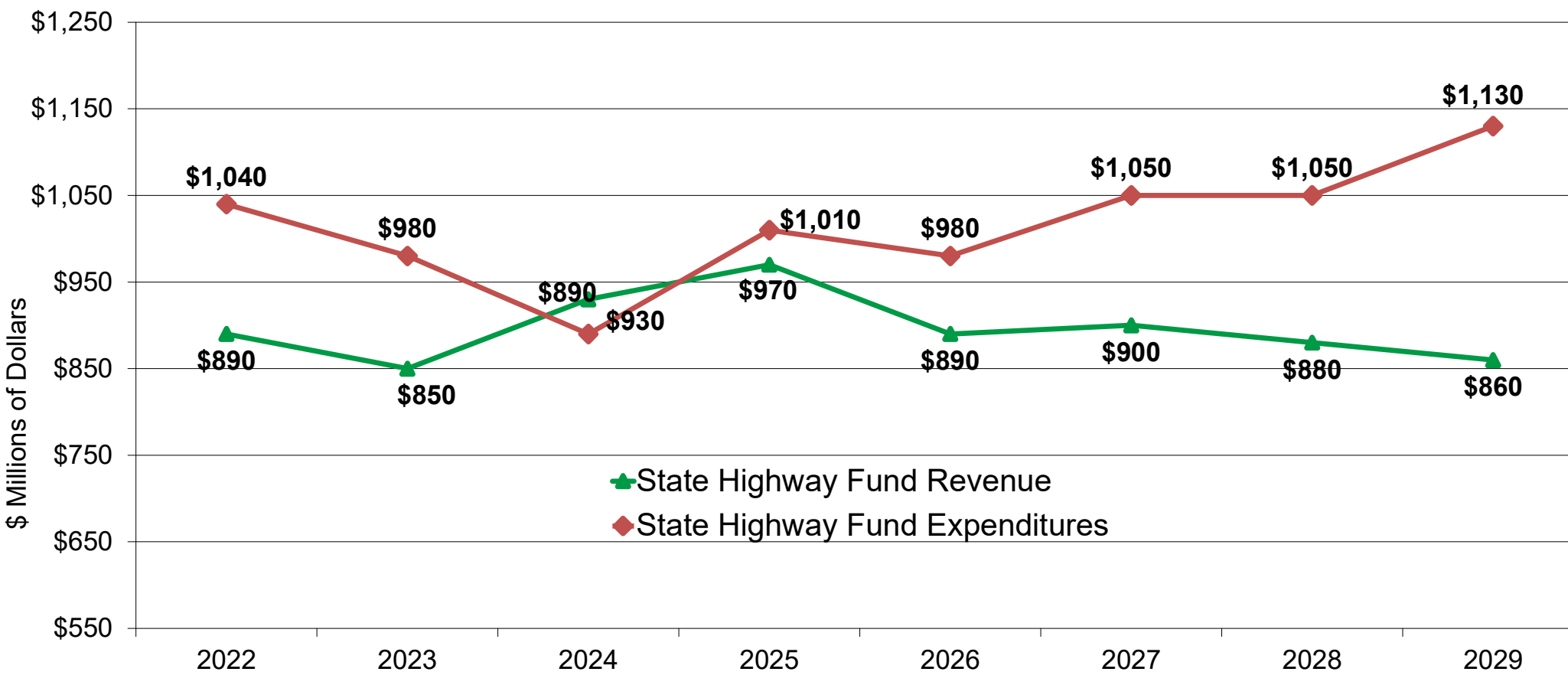
Travis Brouwer, Assistant Director for Revenue, Finance and Compliance

March 14, 2023

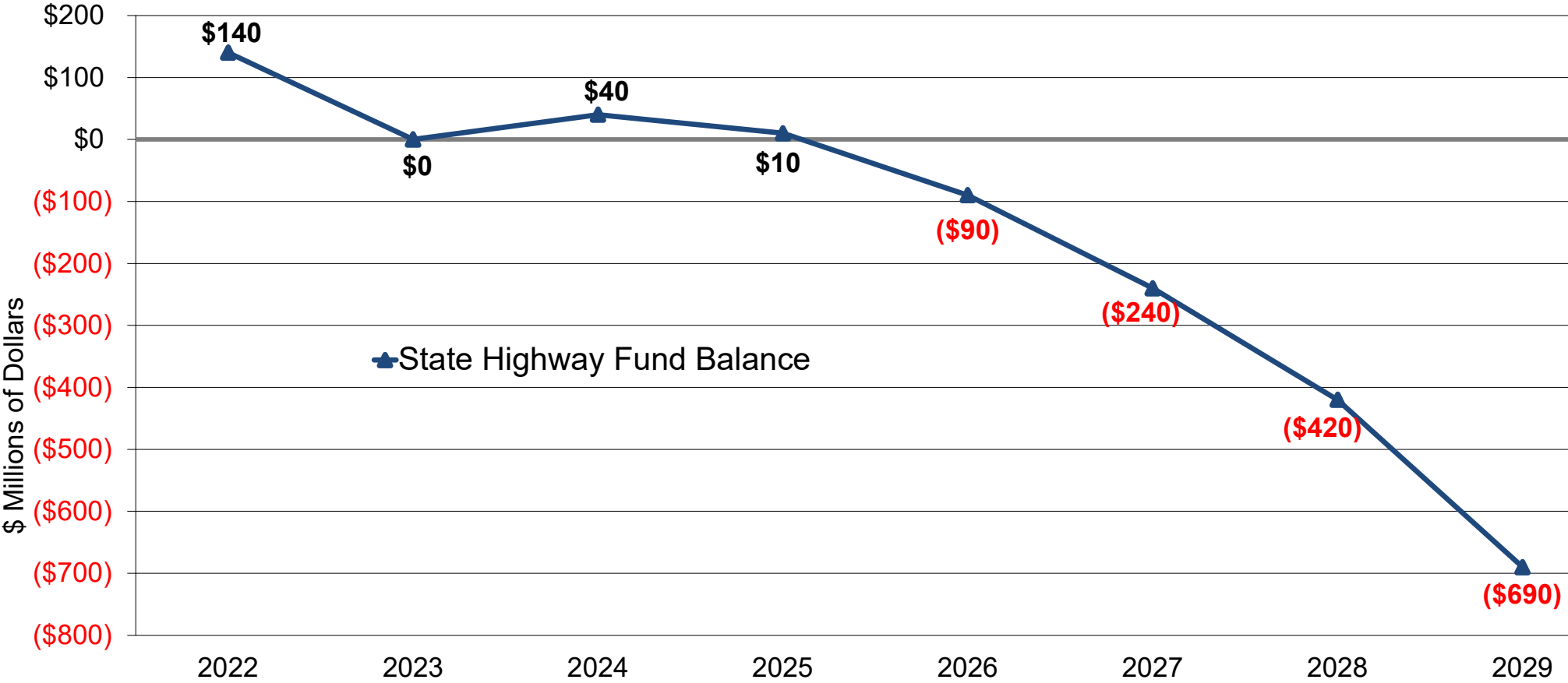
A worker in a red safety suit and white hard hat is positioned on a blue aerial lift bucket. The worker is facing away from the camera, looking towards a large steel bridge structure. The bridge consists of several parallel steel beams supported by a lattice of steel trusses. The background is a dense forest of green trees under a clear sky. The entire image has a dark blue overlay.

# Continuation from March 7 Presentation

# State Highway Fund Revenue and Expenditures



# State Highway Fund Cash Balance



## Proactive Efforts

- Continue shifting O&M costs to dedicated state and federal resources where we can
- Develop additional 10% reduction in O&M budget in FY '24-'27 (on top of 5% already cut from budget)
- Further modifications to local government fund exchange
- Explore new revenue sources and additional revenue





## Future Service Levels

- Fewer maintenance workers to plow snow, respond to incidents, maintain roads
  - Extended closures following major events
  - Increased safety challenges
  - Pavement on Oregon's highways will deteriorate
- Reductions to DMV customer service
- Reduced service levels in Commerce & Compliance will impact trucking industry
- Reduced agency capabilities

# Options for Legislative Consideration

- General revenue increases
  - Increase/inflation index fuel tax
  - Increase registration/title fees on all vehicles
- Revenue from efficient vehicles
  - Charge by the mile
  - Increase supplemental registration fee for hybrids & EVs
- Short term/transitional funding solutions
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# FUNDING OPTIONS

# Options Used In Other States

- Vehicle sales tax revenue
- Local/regional sales taxes
- Oil/gas revenues
- General fund revenue
- Tax electricity used for charging EVs at public stations
- Tolling

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- National capital
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  - Interstate route
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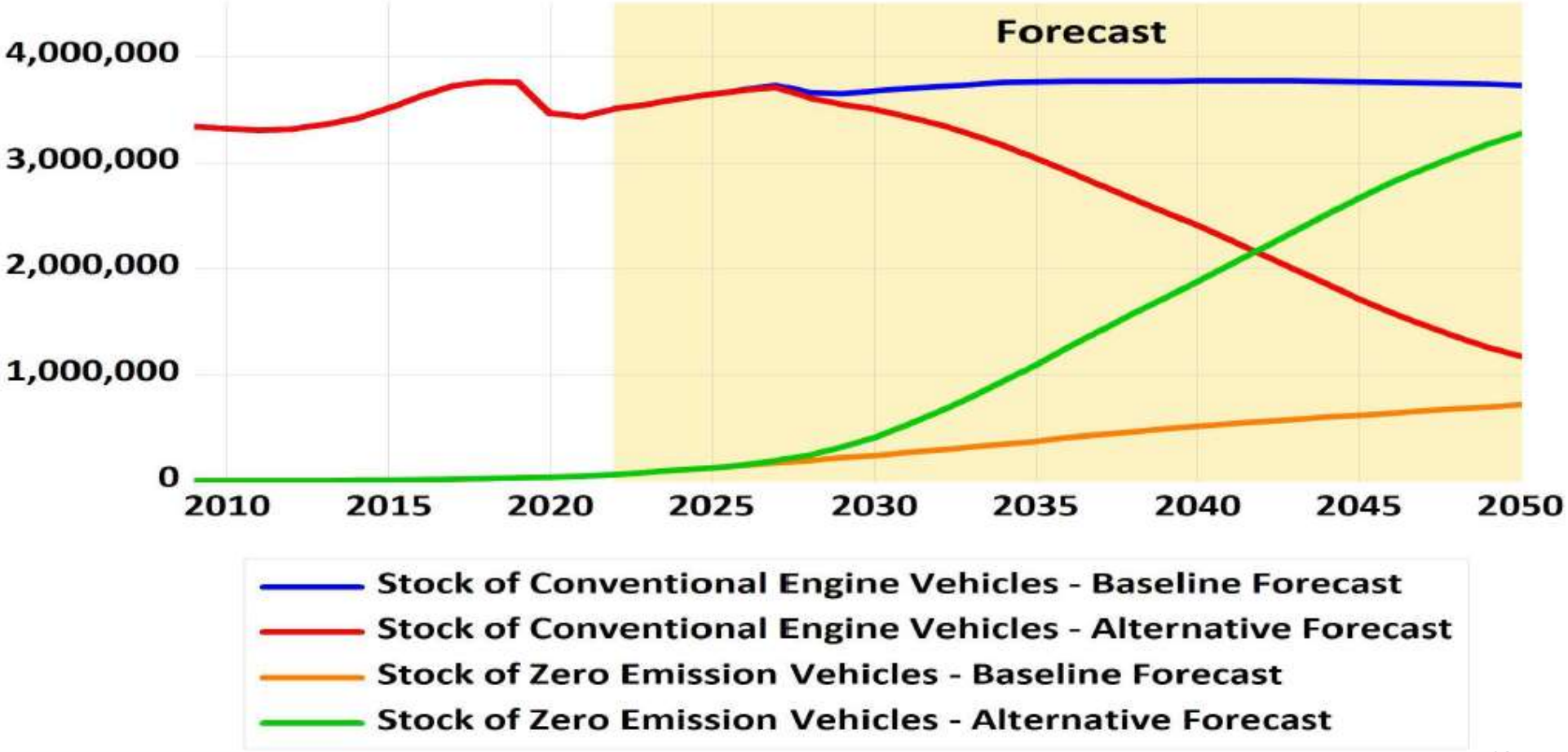
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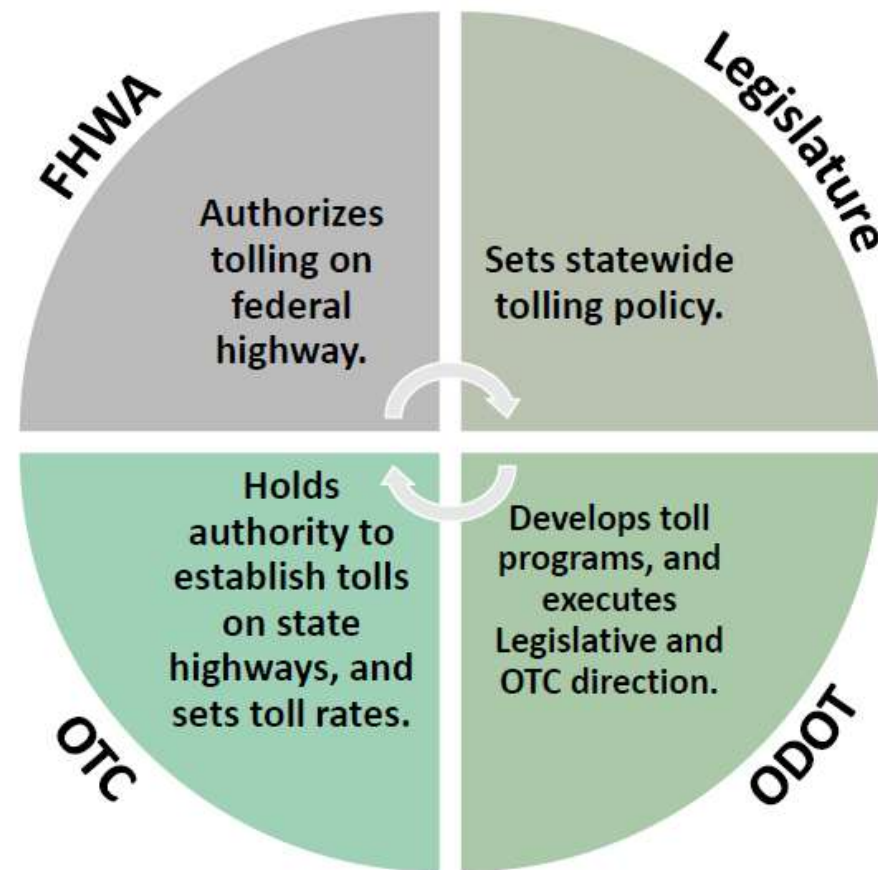
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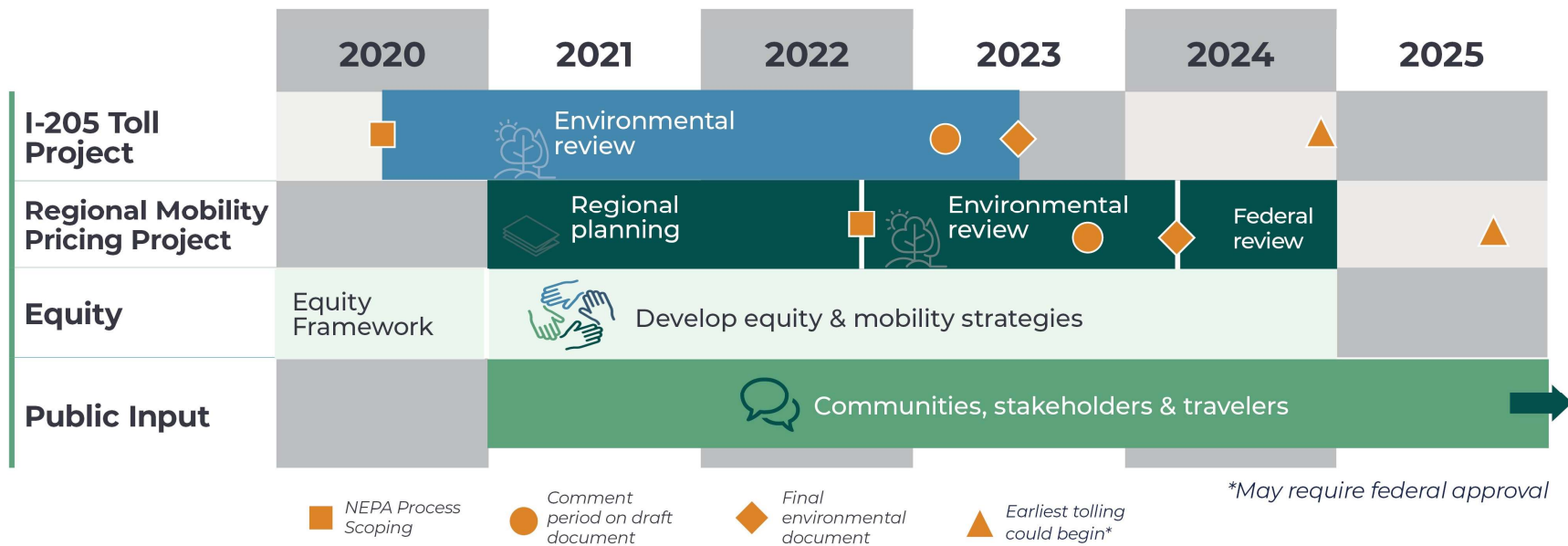


# TOLLING

# TOLLING ROLES & RESPONSIBILITIES



# Oregon Toll Program Timeline

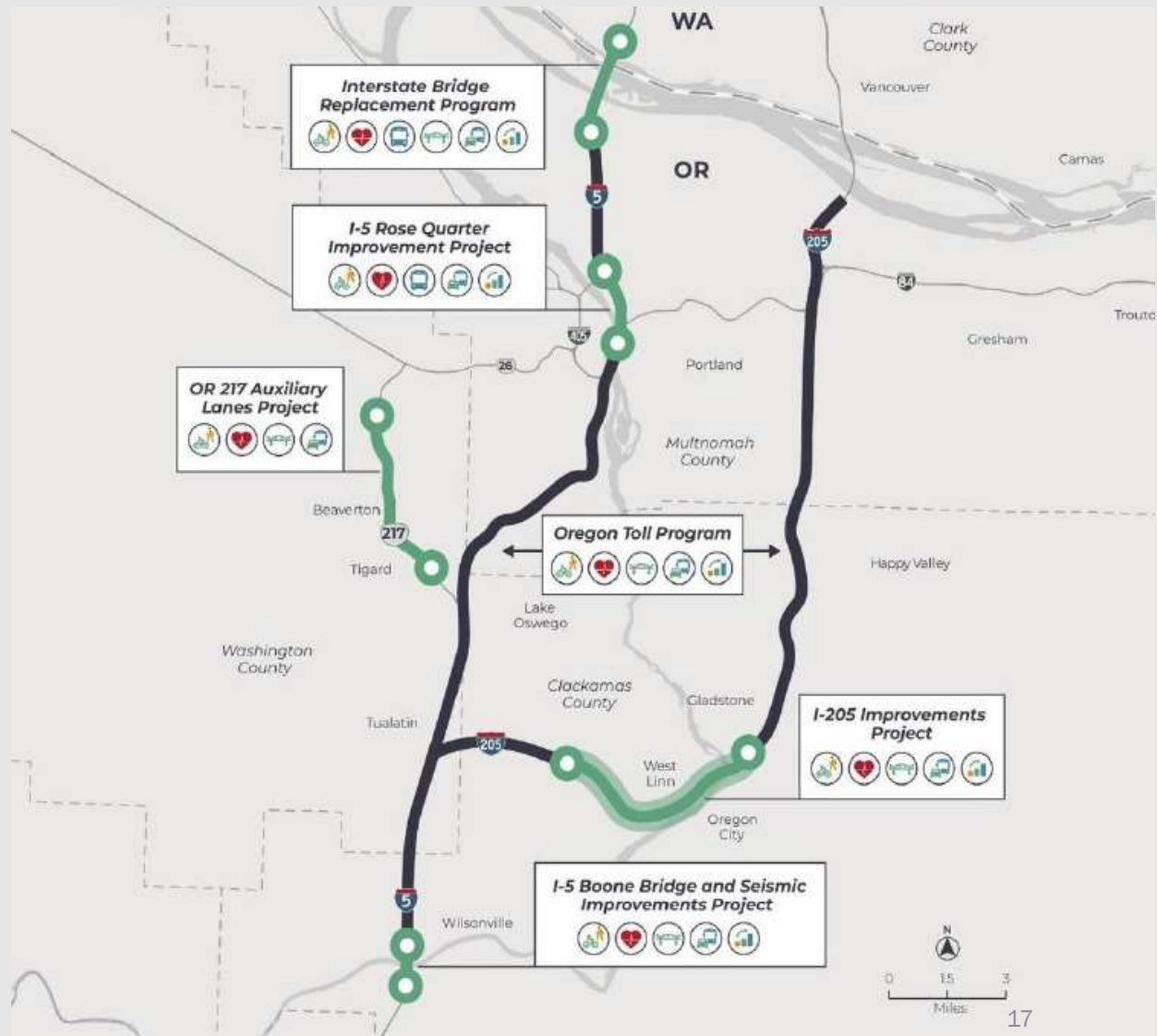


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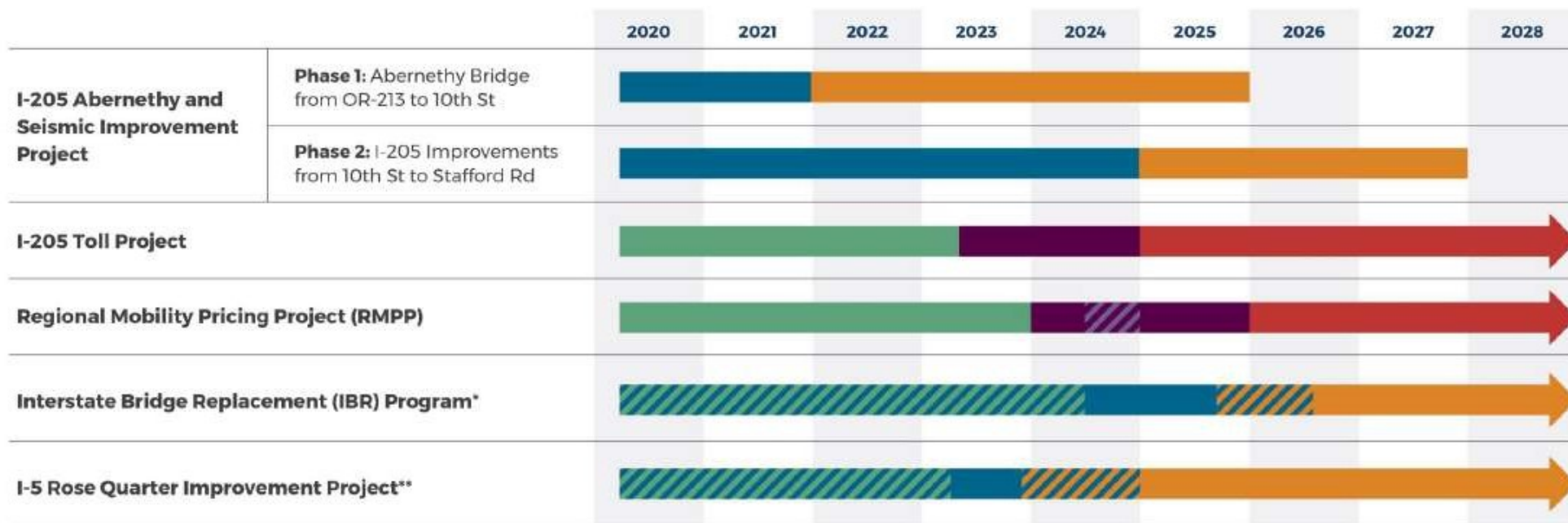
# URBAN MOBILITY STRATEGY



# ODOT Led UMS Projects



# URBAN MOBILITY STRATEGY – CORE PORTLAND METROPOLITAN AREA PROJECTS



## Legend

- Planning and NEPA Phase
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\* IBR Program construction ends in year 2030

\*\* I-5 Rose Quarter Improvement Project construction ends in year 2029

# UMS Funding Sources

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## **Guaranteed Revenue**

- HB 2017 (cash and bonding)
- Federal formula funds
- Other State funding sources
- Local contributions

## **Prospective Funding**

- Tolling revenue
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# ODOT BUDGET

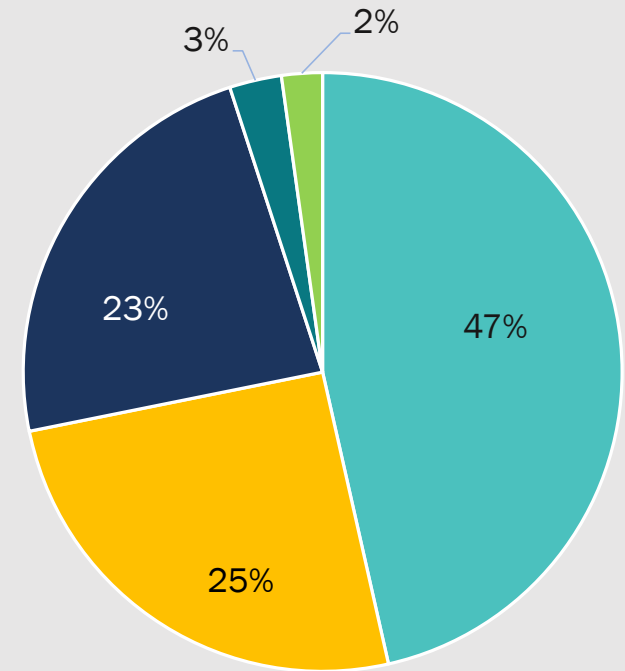


# Maintenance and Operations: Spending Overview



## Statewide Expenditures to date – 2021-23 Biennium *Excludes 2020 wildfire clean-up*

Spent to-date: \$620M (approx.)



- ~ \$288M - Responding to Incidents (Crashes, Emergency & Weather Events)
- ~ \$157M - Road, Bridge & Traffic Services
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Figures are approximate and shown in millions. Data through 02/15/23.



## Staffing Issues

- Overall vacancy rate (as of 3/14/2023): 12.8% (4,302 of 4,933 budgeted positions filled)
- In Maintenance:
  - Current: Of 1,307 FTE, 1,200 positions are filled and 138 are vacant (103 permanent and 35 seasonal), for an 11% vacancy rate
  - Past year average: 140 vacant permanent positions and 47 vacant seasonal, for an average 14% vacancy rate

## Summary of ODOT's long-term vacancy data

- Long-term vacancies total approximately 1% of positions and exist primarily in Delivery and Operations, DMV and CCD.
- Unemployment is low and the labor market is very challenging.
- The vacant positions generally do not offer competitive pay.

Division	Positions	FTE	Personal Services
Delivery & Operations	36	32.38	\$5,892,316
Public Transportation	1	1.00	\$233,914
Policy, Data & Analysis	1	1.00	\$165,317
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ODOT Administrative Services	9	8.50	\$2,099,897
<b>Total</b>	<b>73</b>	<b>67.88</b>	<b>\$12,499,566</b>

\*Positions vacant 12 months or more, as of 12/31/2022

# Debt Service

- Per our bond covenants, ODOT must maintain a minimum level of coverage for debt service obligations.
- Our debt service paid with SHF currently is about 25% of pledged revenues and projected to reach about 26% by 2030.

Debt Service as % of Pledge Revenues						
Fiscal Year End	2022	2023	2024	2025	2026	2027
Total Pledged Revenues	\$823,987,000	\$836,244,000	\$843,689,000	\$846,612,000	\$848,673,000	\$852,708,000
Net SHF Debt Service	\$200,267,250	\$204,616,250	\$216,121,250	\$215,919,500	\$216,446,500	\$219,317,000
Debt Service as % of Pledge Revenues	24.30%	24.47%	25.62%	25.50%	25.50%	25.72%



# Annual Highway User Tax Debt Service



\*As policy, ODOT does not incur additional debt without new funding to support debt service.



## DMV Fees

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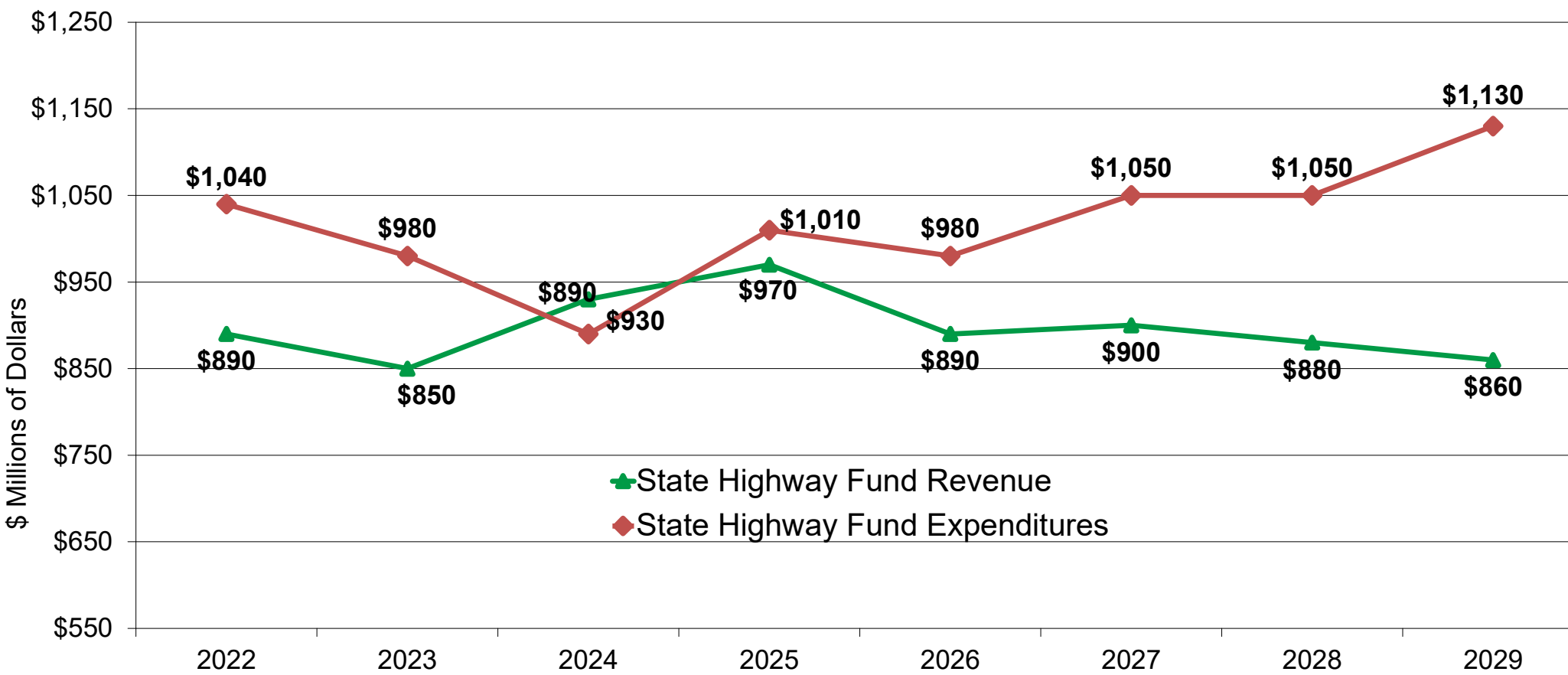
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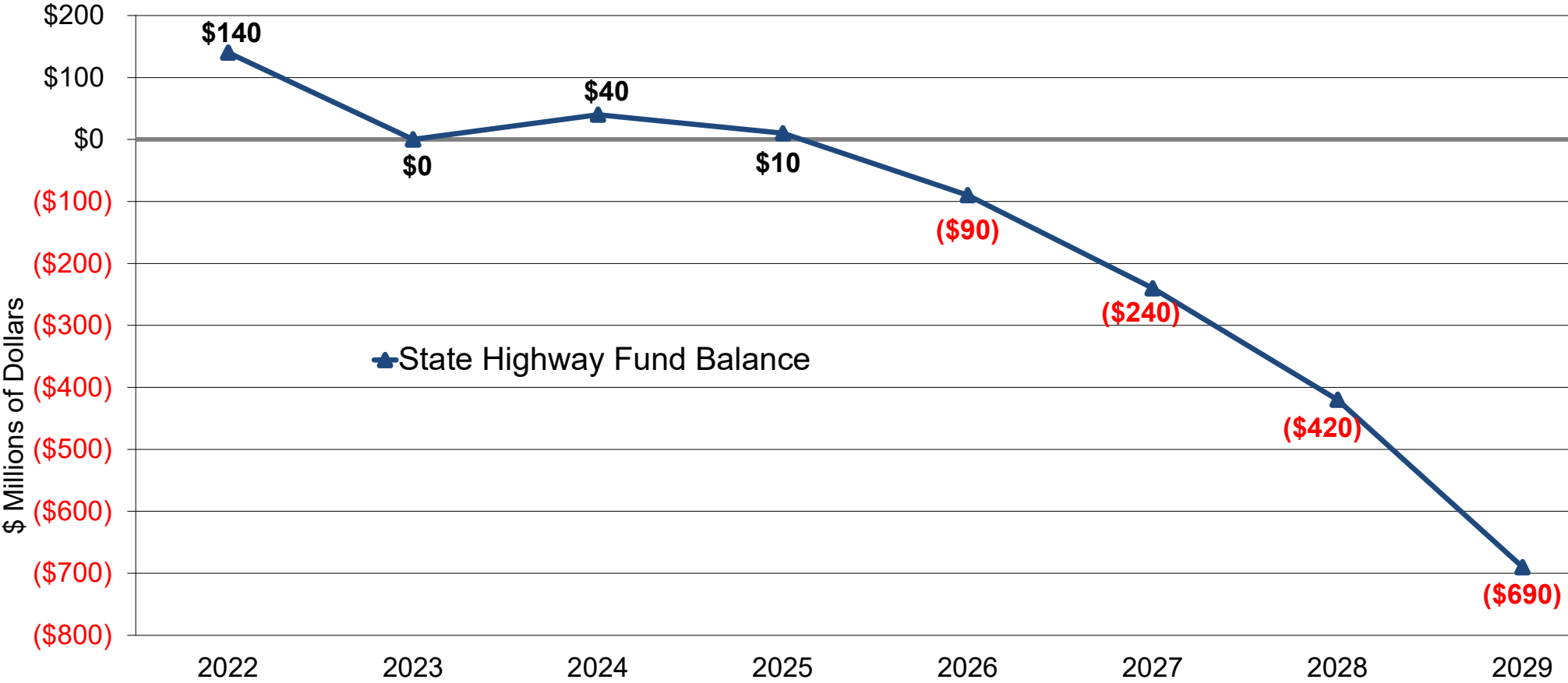
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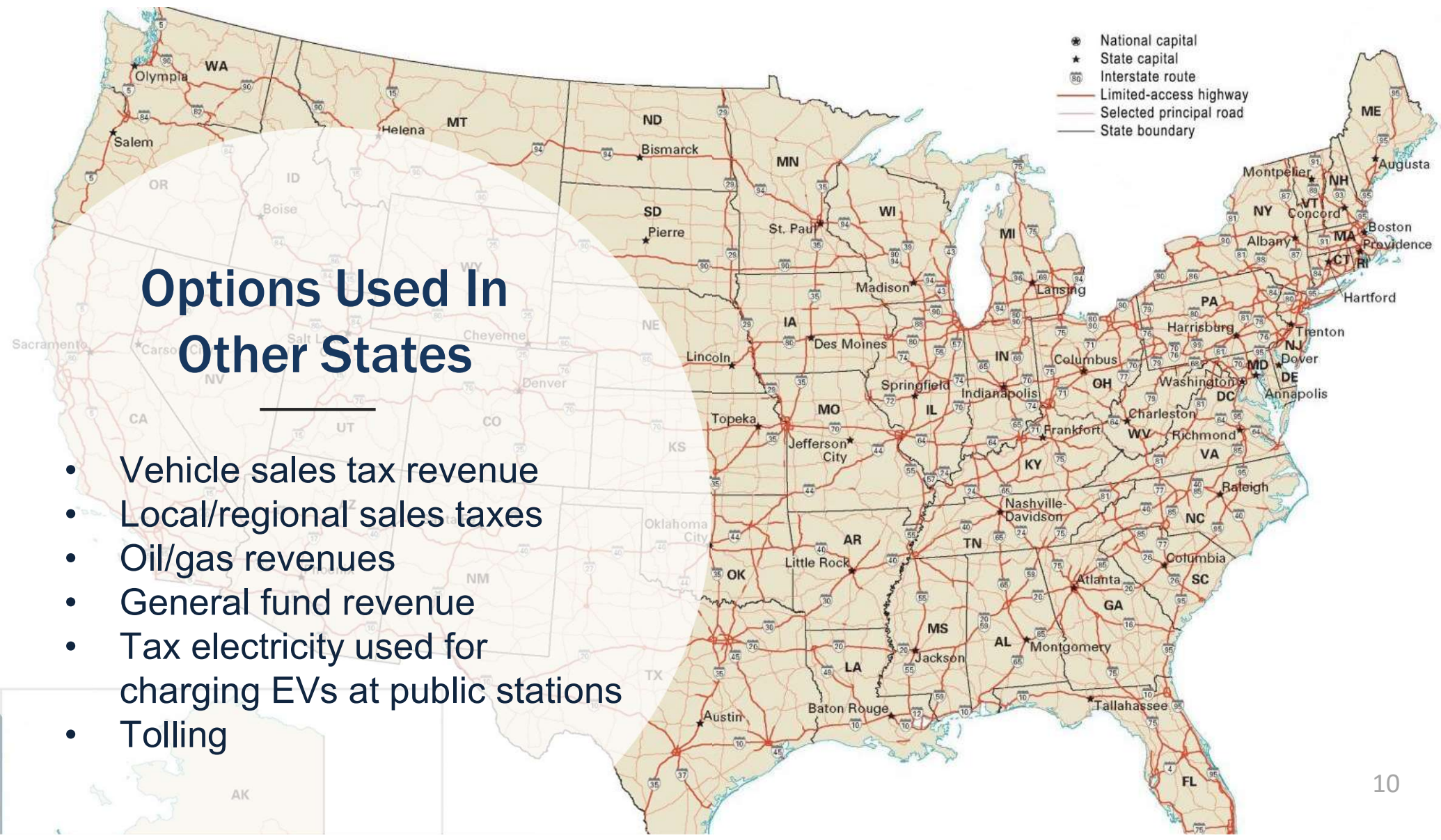
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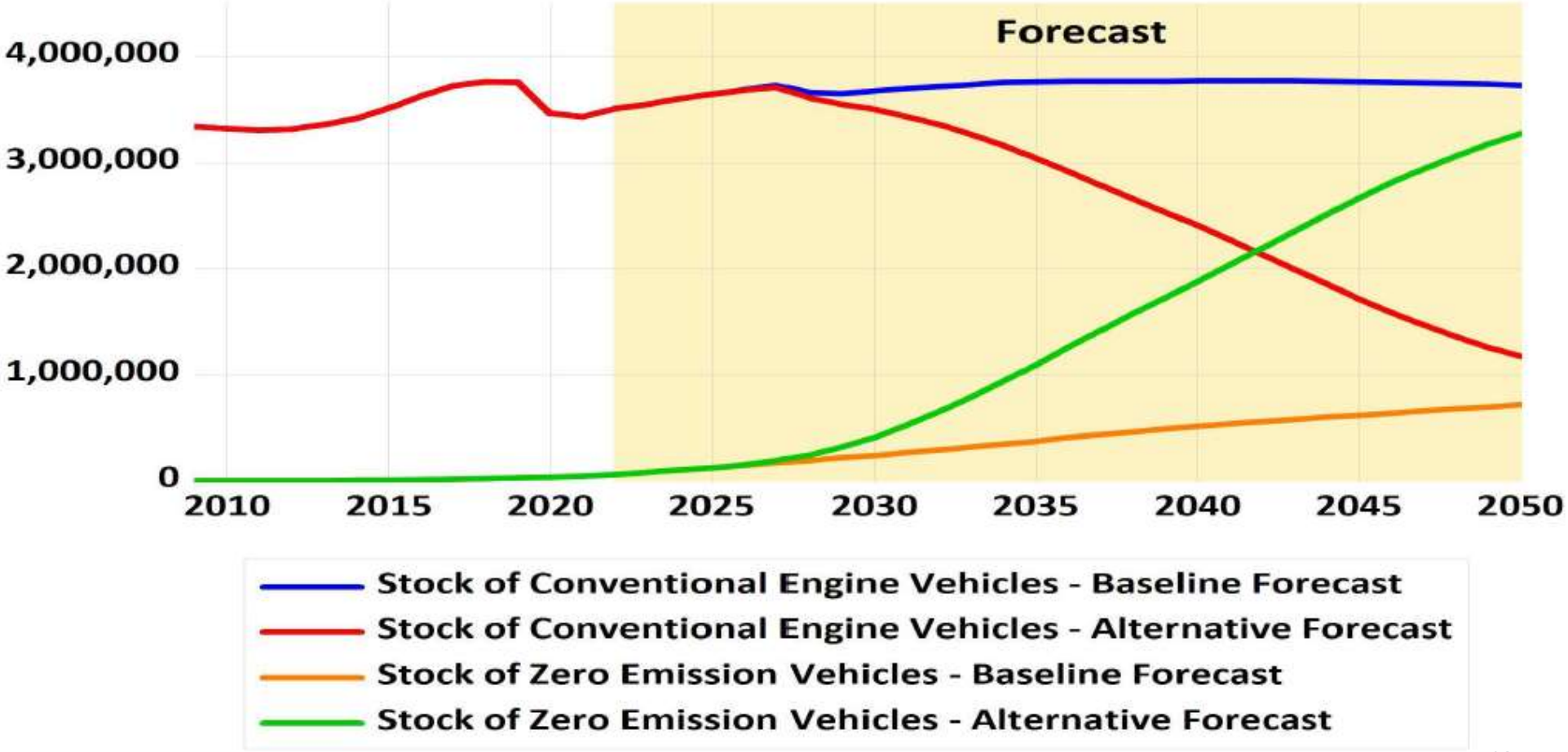
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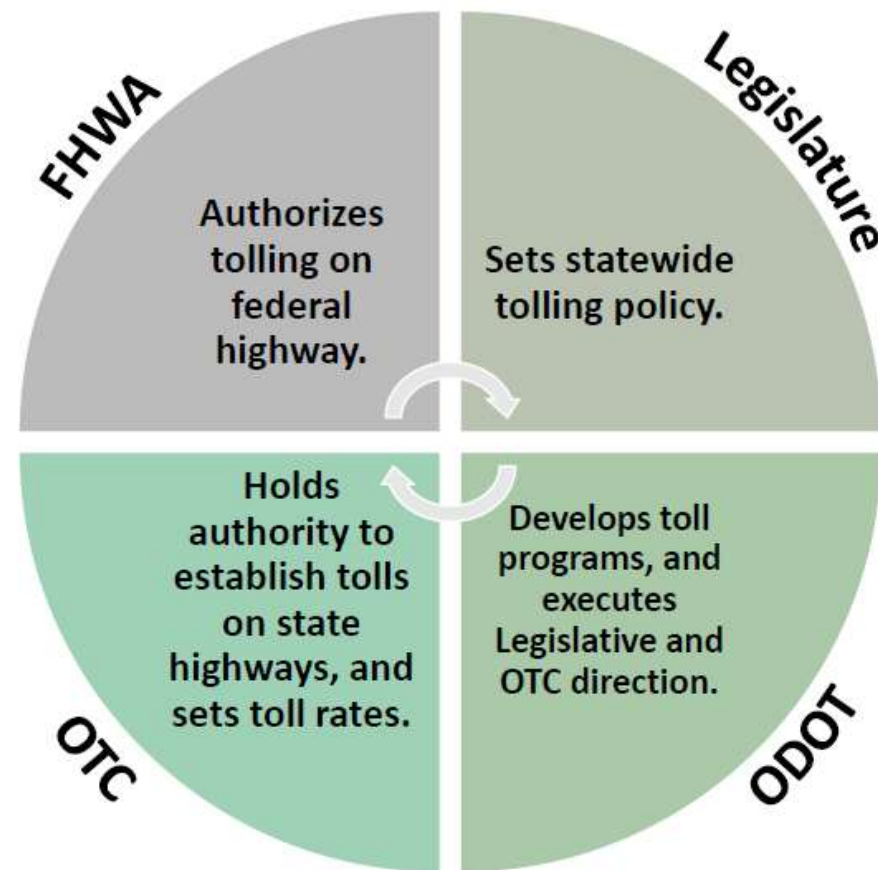




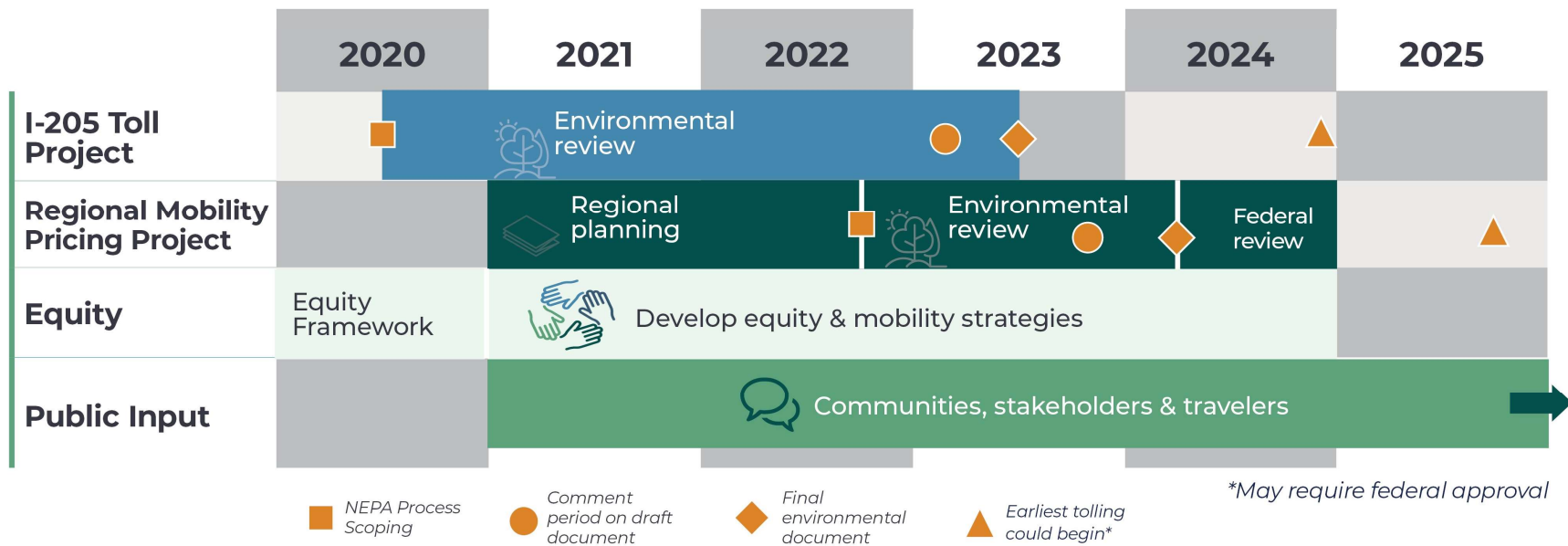
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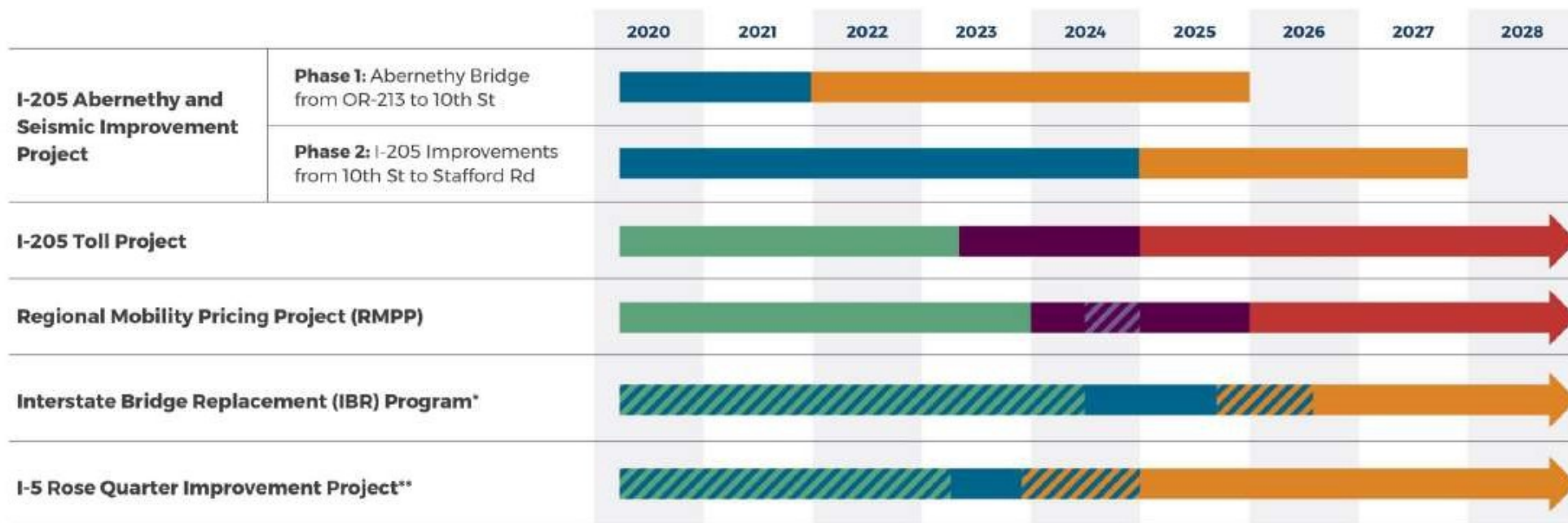
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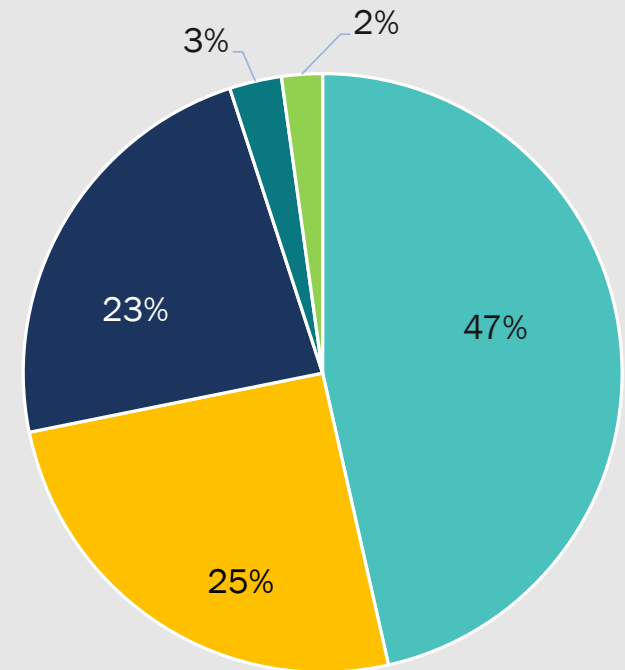


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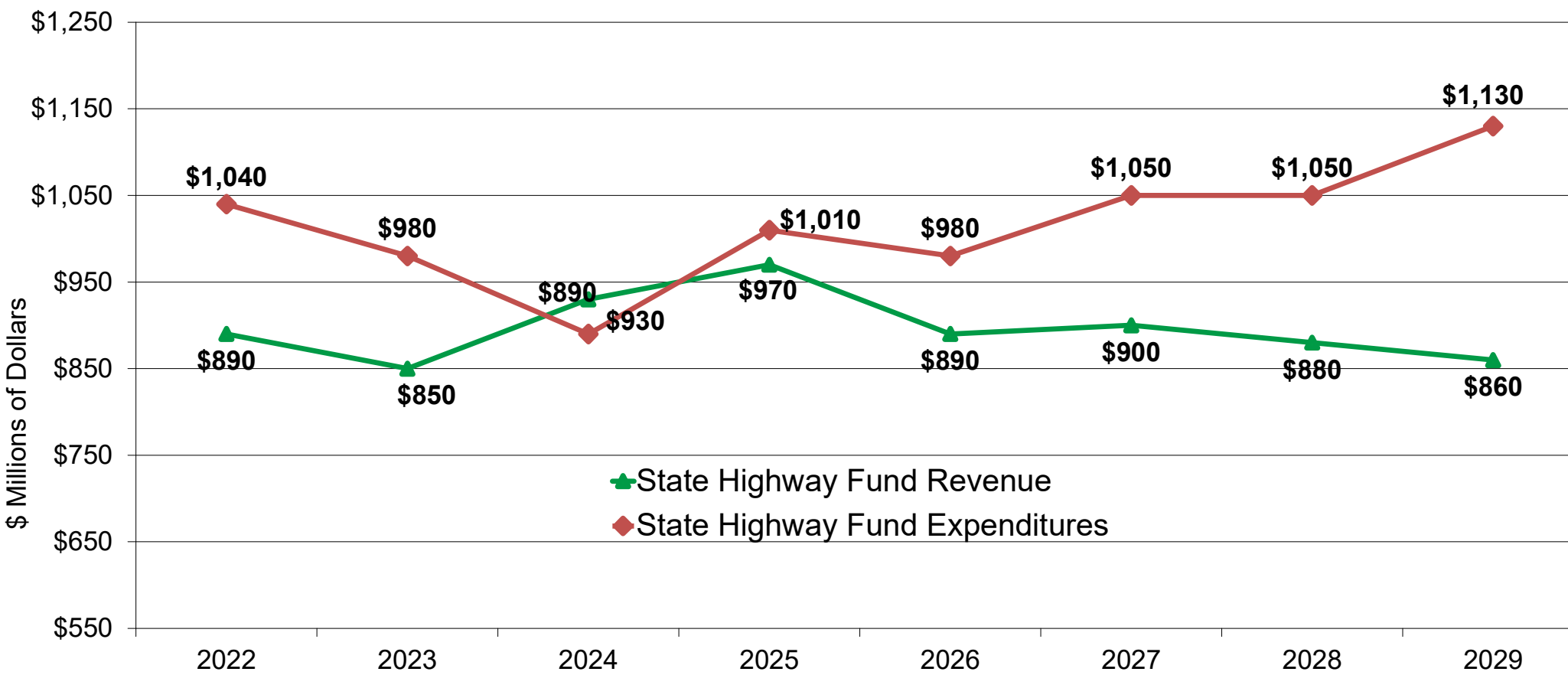
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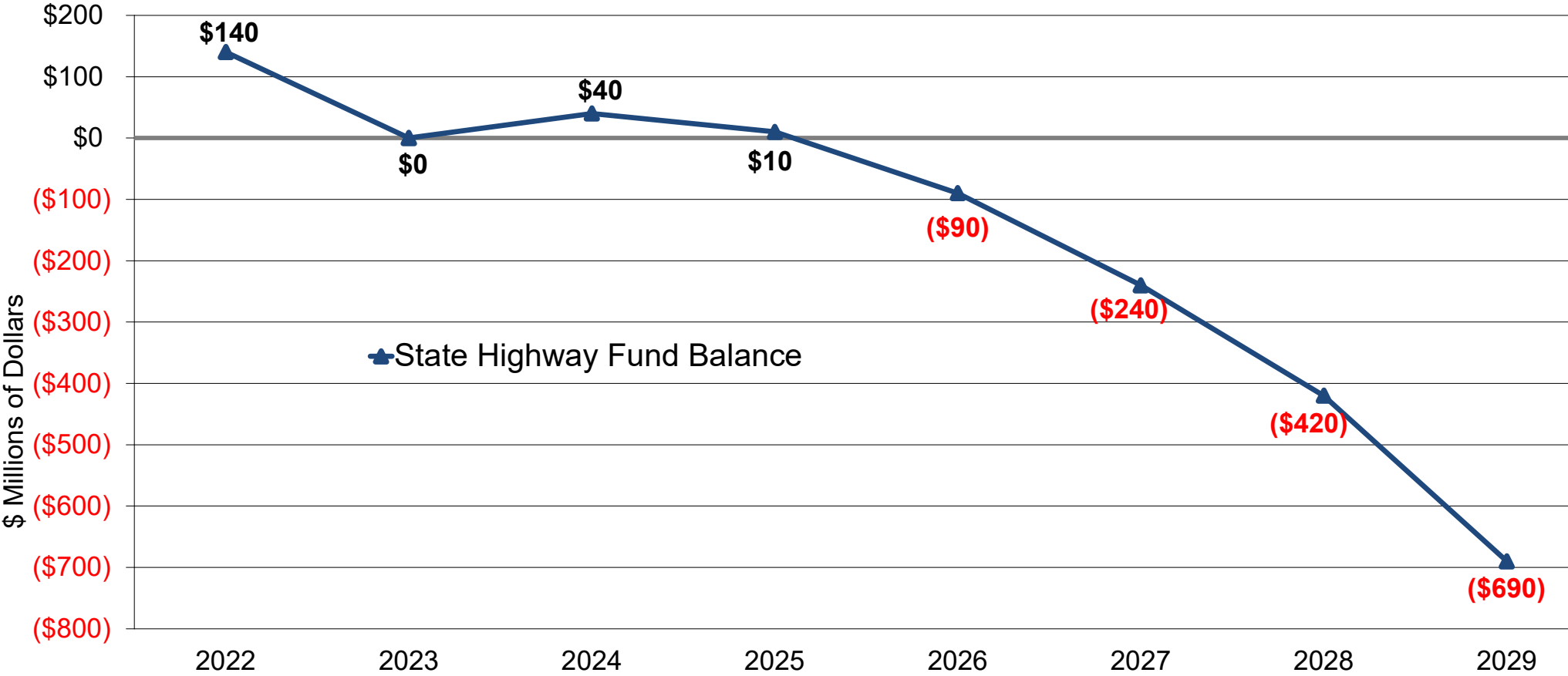
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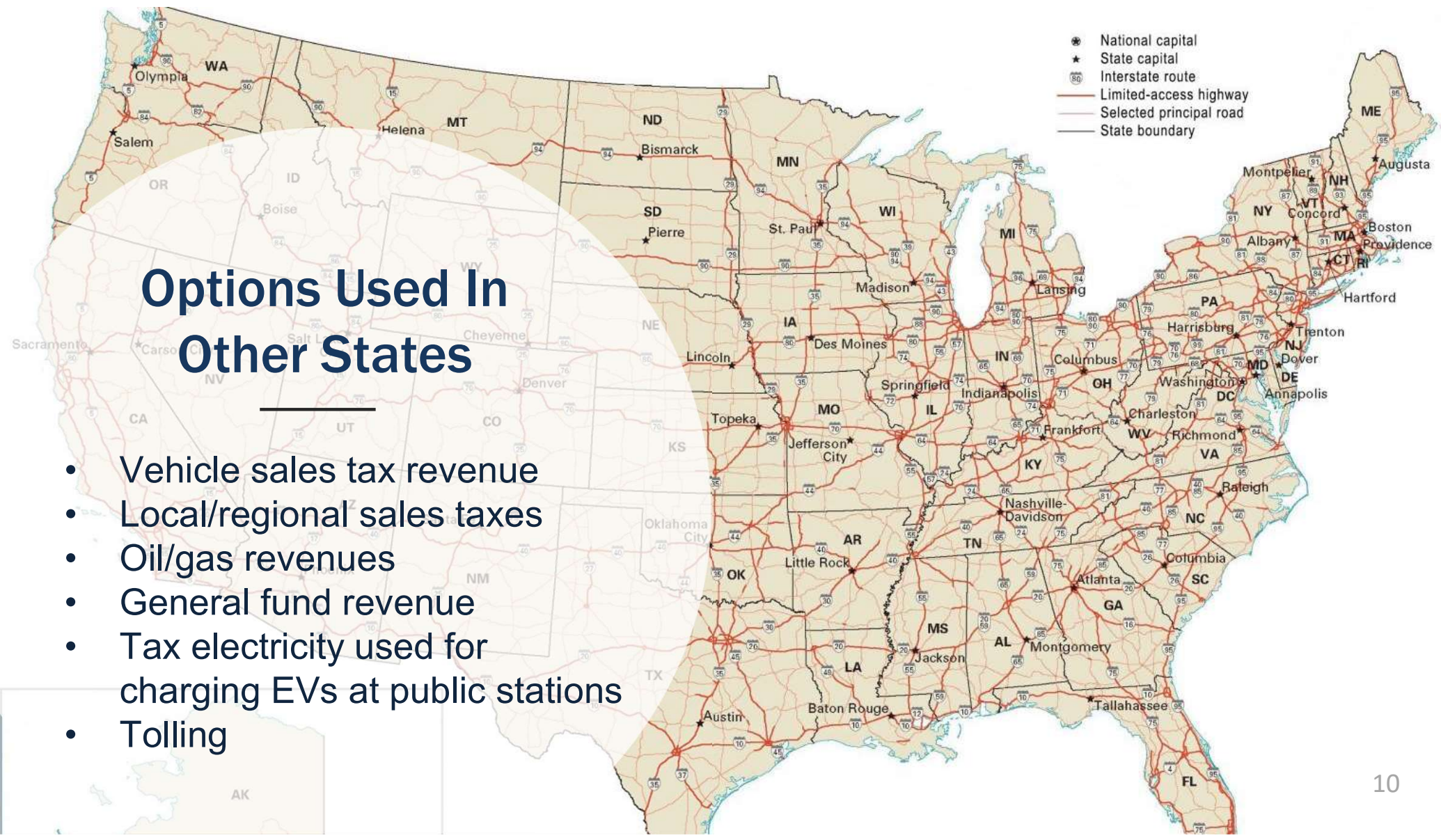
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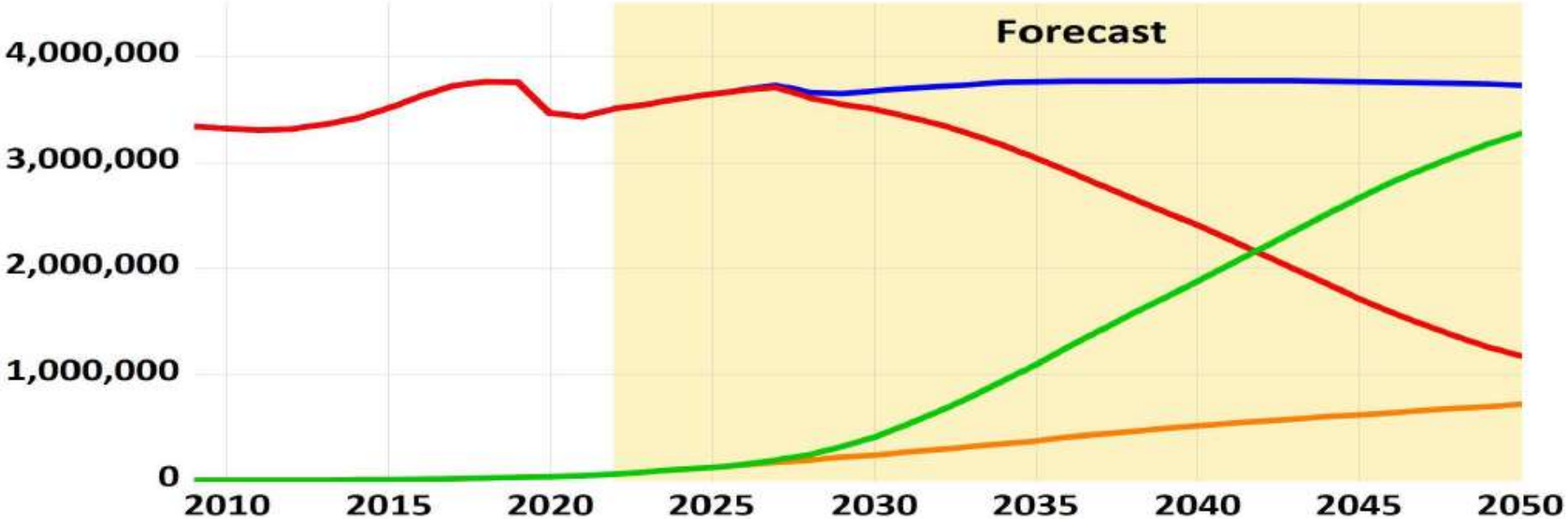
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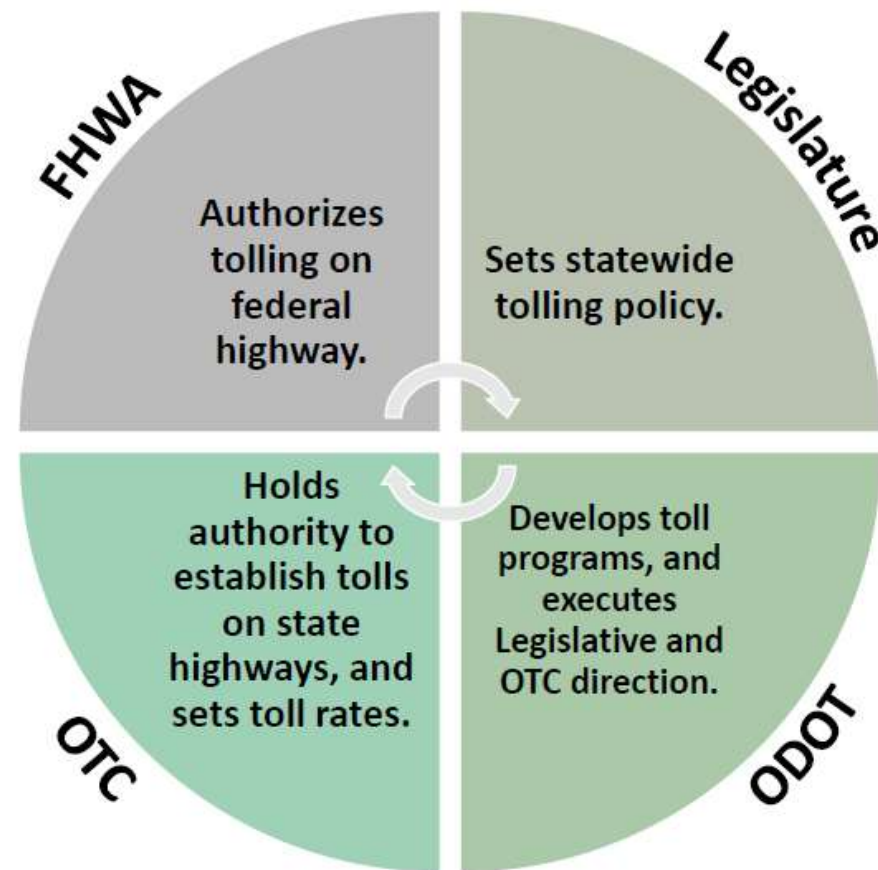


- Stock of Conventional Engine Vehicles - Baseline Forecast
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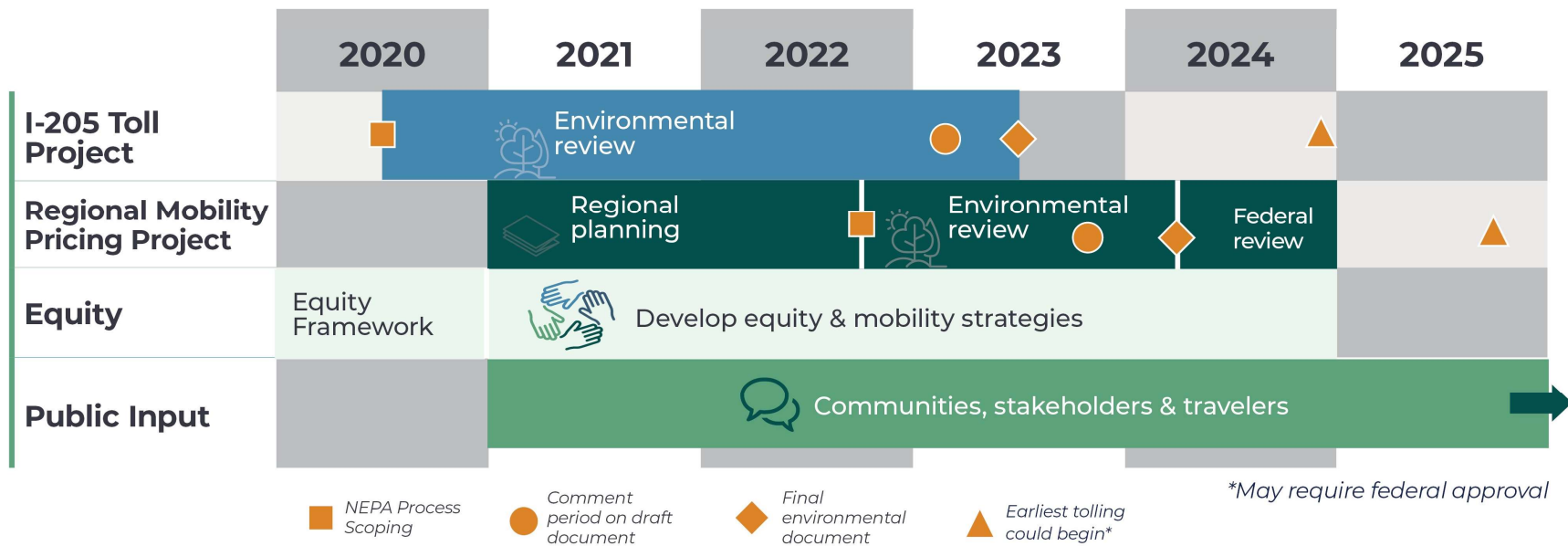


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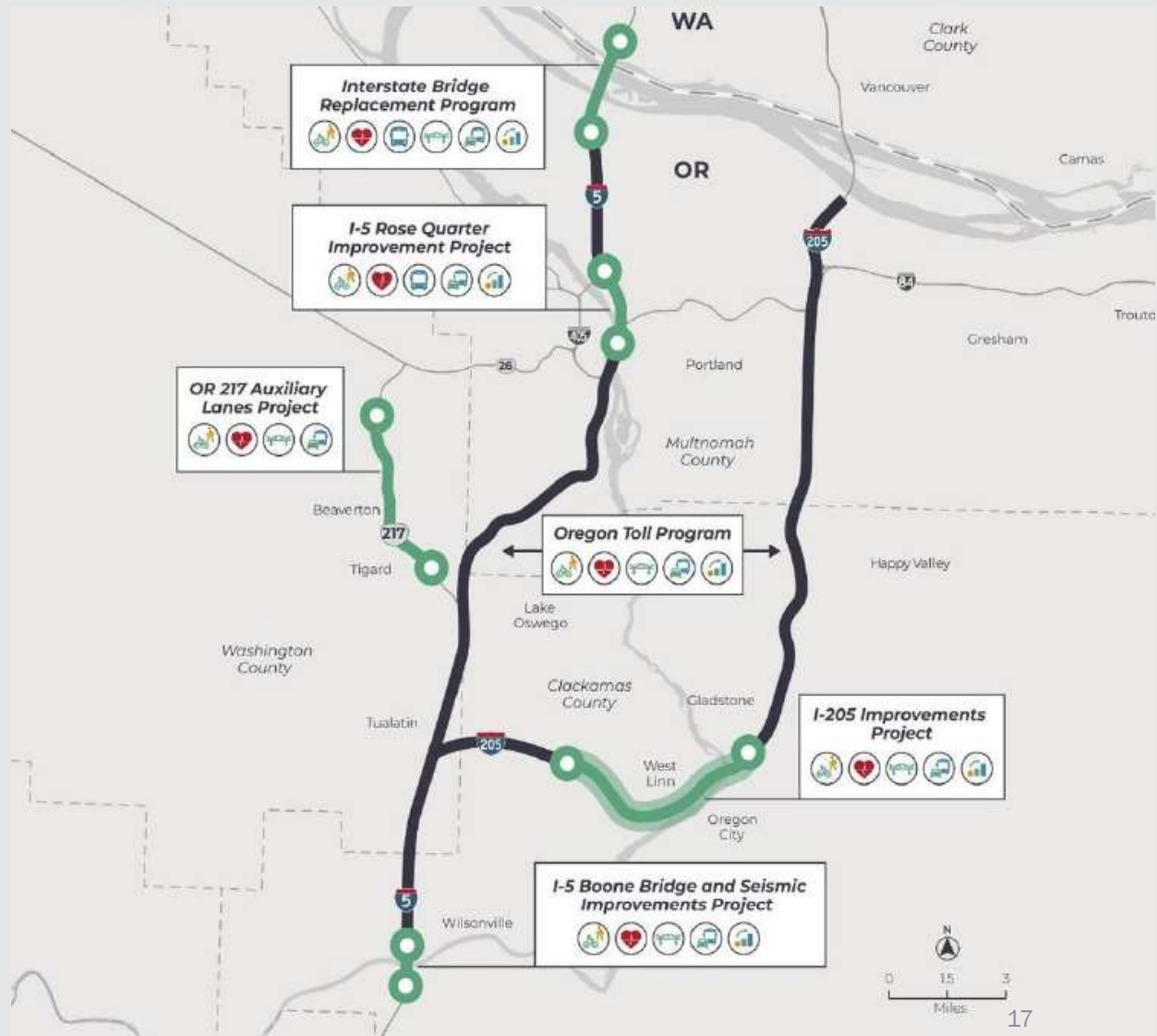
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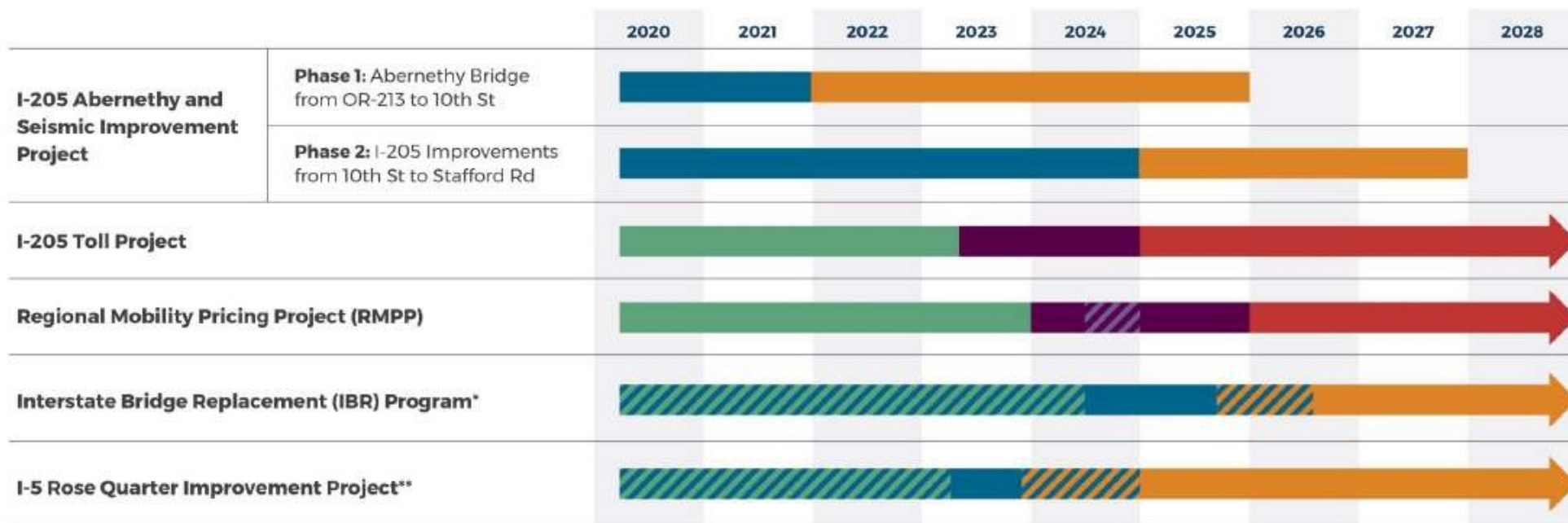
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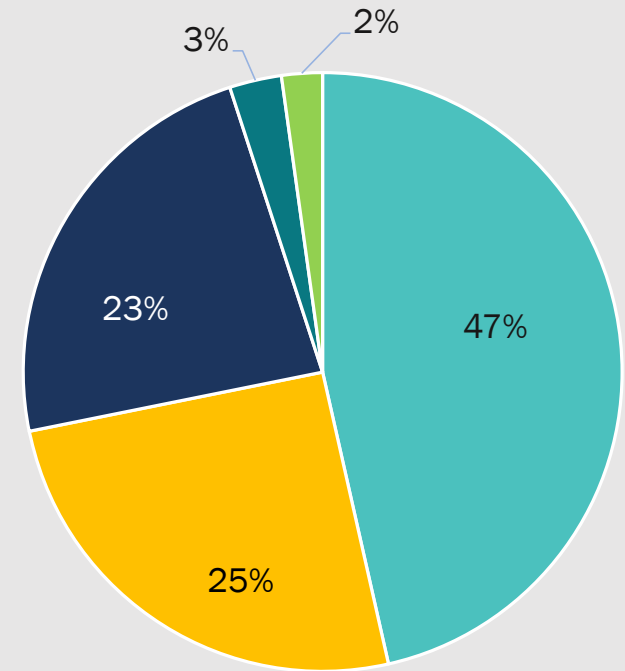


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