



Oregon

Tina Kotek, Governor

Department of Transportation

Director's Office

355 Capitol St. NE, MS 11

Salem, OR 97301

March 17, 2023

Senator Aaron Woods, Co-Chair
Representative David Gomberg, Co-Chair
Joint Committee on Ways and Means
Subcommittee on Transportation and Economic Development

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

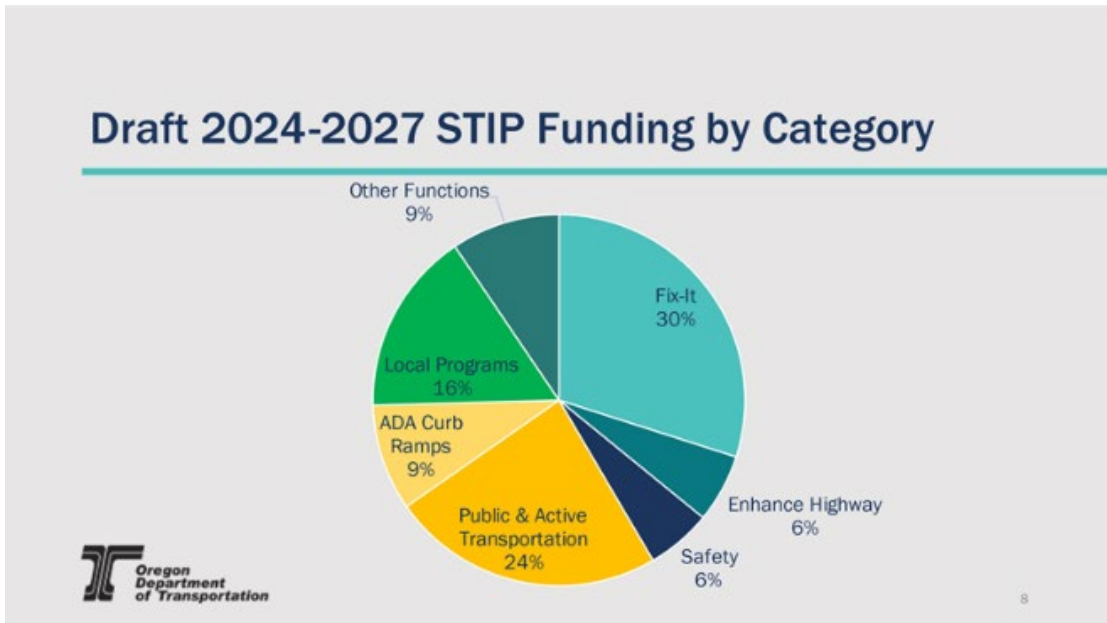
During the March 13th-16th briefing on ODOT's budget, the committee asked ODOT to provide additional information on several topics. Answers to most questions were provided during the presentations given to the committee throughout the week. Please find further information below.

1. *How is ODOT prioritizing investments relative to climate, equity, safety, and mobility?*

The Oregon Transportation Commission adopted the funding categories for the [2024-2027 Statewide Transportation Improvement Program \(STIP\)](#). The 2024-2027 STIP includes the historic investments from the federal Infrastructure Investment and Jobs Act, going to projects around the state that benefit drivers, transit riders, cyclists and pedestrians, help maintain roads and bridges, and address climate change. More than any other STIP before it, the 2024-2027 STIP works bring climate and equity to the forefront of transportation investments. The complete draft STIP, with associated projects, was put forward for public comment in March 2023. The 2024-2027 STIP is a \$3.3 billion investment in Oregon's transportation system. The funding categories in the 2024-2027 STIP are: Fix-It, Public and Active Transportation, Local Programs, ADA Curb Ramps, Other Functions, Safety, and Enhance Highway. The breakdown of funding categories does not capture the cross over that occurs between categories and is representative of the main classifications. For example:

- Safety is infused across all programs and projects; the safety funding shown here refers to the dedicated safety funds that only go towards safety projects, primarily under ODOT's All Roads Transportation Safety (ARTS) program.
- Local governments receive funding in multiple categories, totaling about 30% of total STIP resources (which does not include their nearly 50% share of State Highway Fund revenues).
- Public and active transportation programs receive funding from other sources; this doesn't include the Statewide Transportation Improvement Fund or a variety of other sources.

Draft 2024-2027 STIP Funding by Category



2. Does ODOT collect data on how much fuels tax is generated by in-state versus out-of-state drivers?

The fuels tax is collected at the point of first sale from the terminal, and while ODOT has good data on fuel delivered for sale at specific locations, we have no way to know whether the fuel is purchased by an in-state or out-of-state individual. For example, commuters from Washington may choose to purchase fuel in Oregon, or closer to home. Travelers moving up the I-5 corridor or along the I-84 corridor may not need to stop in Oregon to refuel, whereas drivers along state highways such as Hwy 20, 101, or 97 would likely need to stop to refuel. Any estimate on how much fuel is purchased by out-of-state vehicles would be speculative.

3. What is the debt service finance plan for the Urban Mobility Strategy?

ODOT's Urban Mobility Strategy (UMS) is designed to implement legislative direction to address congestion in the Portland metro region and create a new funding source with tolling on I-5 and I-205 to modernize our aging infrastructure system. The core projects in the UMS – I-5 Rose Quarter Improvement, I-205 Improvements, Tolling, and the I-5 Boone Bridge and Seismic Improvements Project – along with ODOT's partnerships and investments in transit and in rolling and pedestrian paths, will work together to reduce congestion. These projects will also contribute to building a seismically resilient infrastructure and help generate sustainable revenue to modernize and maintain the region's transportation system.

As laid out in ODOT's [February 6th presentation to the subcommittee](#), the UMS is an approximately \$3.6 billion program. The program will rely primarily on funds dedicated by the Legislature in HB 2017, toll revenues, and federal discretionary grants awarded to projects. Financing mechanisms will include short-term borrowing, Highway User Tax Revenue bonds backed by the HB 2017 resources, and toll-backed debt (which could include federal TIFIA loans). The program's finance plan is generally designed to remain separate from ODOT's other funding sources and not rely upon ODOT's other state and federal resources available for operations and maintenance, bridges, or multimodal investments. To limit overall

financial risk, ODOT is undertaking the UMS in a phased approach, undertaking projects as funding and financing becomes available. ODOT has undertaken construction of the I-205 Abernethy Bridge seismic project using available resources but will not start construction on I-205 Phase 2 (additional lanes between Stafford Road and the Abernethy Bridge) until tolling has received all necessary approvals and the agency has completed a Level 3 (investment grade) Traffic and Revenue study that offers reasonable assurances about the resources available from tolling. Similarly, ODOT will await approval of the Regional Mobility Pricing Project before undertaking the I-5 Boone Bridge project.

Similarly, the Interstate Bridge is an approximately \$6 billion project, with costs split between Oregon and Washington. IBR will rely on five primary sources:

- Toll revenue
- Federal highway discretionary grants
- Federal Transit Administration Capital Investment Grant resources
- A contribution from the State of Washington
- A contribution approved by the Oregon Legislature

Oregon's share of this bi-state project is only a portion of the overall project cost. Oregon's share is expected to match Washington's commitment of \$1 billion. ODOT anticipates the state's \$1 billion contribution would be financed with debt service of approximately \$70 million a year (depending on interest rates and other financing terms). In addition to the state contribution, ODOT anticipates issuing toll-backed debt to be repaid by the toll revenue after completing a Level 3 (investment grade) Traffic and Revenue study in conjunction with the State of Washington.

4. *What happens to bonded projects and debt service if the Oregon/Idaho border is relocated?*

Oregon has spent hundreds of millions of dollars generated from bonds for projects in counties that have expressed interest in leaving Oregon and joining Idaho. Those bonds must be paid off through annual debt service payments over coming decades. ODOT has pledged fuel tax, weight-mile tax, and DMV fee revenue from across the state to pay off these bonds. If several Oregon counties join Idaho, ODOT would lose significant revenue that was slated to repay bonds issued to pay for projects in these counties. ODOT would likely seek to be made whole on remaining debt payments for projects in these counties as part of any legislative authorization to move the border. Further analysis on the legal framework for dealing with bonded debt used to pay for investments in these counties, and options for making ODOT and other state agencies whole, would need to be completed as part of any separation process.

5. *What types of projects are the positions for that are included in ODOT's IJJA POP 100?*

22 permanent positions (19.36 FTE) in IJJA POP 100 will reside in the Delivery & Operations Division and will support construction projects funded by IJJA that would be incorporated into the STIP. The positions are not for day-to-day maintenance by ODOT maintenance crews. Most of the costs of these positions will be charged to project budgets, limiting the impact to the State Highway Fund.

Additionally, 2 permanent and 5 limited duration positions (6.40 FTE) in the Policy, Data & Analysis Division will support work on the Transportation Planning Rules, National Electric Vehicle Infrastructure Program state plan implementation, and the Carbon Reduction Program. Finally, 12 permanent and 2

limited duration positions (10.46 FTE) will be added to the ODOT Administrative Services group to support increased activities within the Support Services Division and the Office of Equity and Civil Rights related to data management, information technology, reporting standards, community workforce agreements, procurement, and human resources needs associated with new IJJA projects, programs, and positions.

6. *What has Oregon’s Amtrak farebox recovery been for the past five years and how does instate train travel farebox recovery work?*

Passenger rail has fare buckets and offers a limited number of tickets at the lowest rate. Discounts are in place for purchasing tickets at least 14 days in advance. A ticket from Salem to Portland can cost anywhere from \$10 to \$33 for a coach ticket.

Operational costs are not broken down by city pairs. Amtrak bills ODOT and the Washington State Department of Transportation (WSDOT) based on the costs to operate all trains monthly. These costs are then broken out between ODOT and WSDOT based on the total train miles operated in each segment of the corridor each month. Based on the current schedule ODOT is billed for 19% and WSDOT is billed for 81% of costs.

The subsidized cost per ticket is affected by many variables, such as the number of passengers on the train and the size and type of equipment being used.

	ODOT SFY Farebox Recovery
2018	20.5%
2019	18.9%
2020	16.5%
2021	3.8%*
2022	12.8%

*2021 – low farebox recovery due to reduced service and ridership from the COVID-19 pandemic

Similar to costs, revenue is pooled and split between the states. However, revenue is split based on the total passenger miles traveled in each segment of the route monthly.

For example, Salem to Portland is 52 miles and Portland to Seattle is 180 miles. The revenue for a ticket from Salem to Seattle would be split 14.4% to ODOT and 85.6% WSDOT. As ridership increases in Oregon the amount of revenue Oregon receives can increase, thereby leading to a higher fare box recovery and lower state subsidy per passenger.

7. *What is the national farebox recovery for passenger rail and how does it compare to other states?*

ODOT does not track national farebox recovery rates and we are unsure how Oregon compares to other states. We have reached out to Amtrak and the State-Amtrak Intercity Passenger Rail Committee and will provide an update if we are able to acquire this information.

8. *How does ODOT work to clear crashes in congested areas?*

Traffic crashes on any section of Oregon's highways can cause fatalities, injuries, and destruction, as well as significant impacts on mobility, especially in heavily congested urban areas. The amount of time it takes to clear a crash depends on the factors surrounding the incident. Throughout the state, ODOT has dedicated Incident Response staff able to quickly respond to the crash, support those involved and assist other emergency responders in clearing roadways as quickly as possible. Funding for Incident Responders comes from the overall ODOT Maintenance and Operations budget, funded by the State Highway Fund. While additional staff would help clear crashes more quickly, given the challenges with the Maintenance and Operations budget, these positions will likely be decreased over time, leading to longer delays in clearing crashes.

9. *Where can ODOT's Climate Adaptation and Resilience Roadmap be found?*

The Climate Adaptation and Resilience Roadmap is a broad document that provides policy guidance and actionable strategies to help ODOT institutionalize climate adaptation and resilience. It outlines a path forward for integrating climate change considerations into ways the agency plans for, invests in, builds, manages, maintains, and supports the multi-modal transportation system. The roadmap incorporates results from ODOT's statewide climate hazards risk analysis, drawing from corridor-scale risk maps of the state highway system. This information can now be used to inform project planning and prioritization by locating transportation corridors at high risk to climate hazards.

10. *How was the Land Conversation and Development Commission's Climate Friendly and Equitable Communities rule implemented and how much did it cost ODOT to comply? How much has ODOT spent to implement rulemakings from other agencies or Executive Orders?*

The Climate Friendly and Equitable Communities (CFEC) rule was led by the Department of Land Conservation and Development (DLCD) and adopted by the Land Conservation and Development Commission. The effort was initiated following Governor Brown's Executive Order 20-04 which directed DLCD to amend the Transportation Planning Rules and for ODOT and DLCD to provide financial and technical support for implementation of the rules. Following the adoption of the new rules, the Oregon Transportation Commission allocated \$15M to support implementation of the rules, including developing guidance documents, new tools, consultant support, and staff technical expertise to Metropolitan Planning Organizations, counties, and cities. This funding is focused on transportation planning elements, not on land use designations and zoning changes. The \$15M will not likely be sufficient for all jurisdictions to update their plans.

The CFEC rulemaking is the only recent example of ODOT dedicating additional funding to comply with another agency's rulemaking or an Executive Order. For example, investments in transportation electrification were largely already planned to be taken on and have been further supported by federal funds. And although the \$15M is dedicated to CFEC implementation, the work includes updating local transportation plans, which ODOT has supported for years and is critical in identifying transportation infrastructure needs and projects. From these plans came the Newberg-Dundee Bypass, Bend Parkway, Bear Creek Multi-Use Path, Portland Light Rail and more. Continued investment into transportation system planning is a good investment as it helps direct limited resources into projects that best meet Oregon's Statewide Planning goals and the Oregon Transportation Plan.

11. *What happened to the human trafficking hotline signs in the rest areas?*

Most of Oregon’s rest areas are managed by the Oregon Travel Information Council (OTIC). The human trafficking hotline signs fall under the responsibility of the OTIC. ODOT is exploring ways to partner with OTIC on these signs and is determining if federal human trafficking awareness funding can be used for this purpose.

12. *What funds are available for the remediation of a hazardous material spill that occurs from a rail incident?*

In 2019, The Oregon Legislature created the High Hazard Train Route Oil Spill Preparedness Fund, ORS 468B.435. The fund exists in part to develop, review, and revise portions of the oil spill response plan required by ORS 468B.495. Additionally, ODOT works with the Office of the State Fire Marshal on their Hazmat by Rail program, participating in trainings and planning for a rail incident involving hazardous materials. ODOT is aware of past and current efforts in Washington and Minnesota that assess fees on railroads carrying certain materials to provide funding for training and response preparedness. ODOT staff have recently polled other states on their efforts in this area and we await the results of that research.

13. *Would a statutory change be necessary to allow specialty motorcycle plates?*

Under ORS 805.222, ODOT can issue special registration plates and adopt rules regarding the issuance of these plates. While ORS 805.222 allows ODOT to adopt rules to provide these plates to other vehicle types, ODOT has chosen to limit the issuance of special registration plates to passenger vehicles. The decision was made to limit special registration plates to passenger vehicles due to the volume of passenger vehicle plates issued versus other vehicle types (motorcycles, trailers, campers, etc.), the design and visibility constraints of the physically smaller motorcycle plate compared to passenger plates, and concerns that the administrative and cost burden would be too great for other vehicle types. For example, in 2022 ODOT registered 3,495,093 passenger vehicles and only 129,487 motorcycles and mopeds.

14. *How much do DMV fees need to be adjusted for cost recovery?*

ODOT Driver and Motor Vehicle Services Division’s (DMV) current fees are not sufficient for cost recovery. In spring 2022, ODOT conducted a Cost of Services study which provided information on what fees need to be raised to adequately cover the cost of delivering these services. ODOT would also like to change fees that are less than whole dollar amounts to whole dollars and simplify the mile per gallon registration fee structure to improve customer service and implementation. The fees listed below would assist in cost recovery for DMV but should not be viewed as static amounts. DMV’s base fees need to be regularly adjusted to recover costs, unless they could be indexed to inflation.

DMV Fee Title/Description	ORS/OAR	Current fee	Proposed fee	Proposed fee change
Class C Driver License	807.370(1)(a)	\$54.00	\$58.00	\$4.00
Class C DL Renewal	807.370(5)(a)	\$34.00	\$48.00	\$14.00
License/Permit Replacement	807.370(6)	\$26.00	\$30.00	\$4.00
Driver Instruction Permit	807.370(1)(e)	\$23.00	\$30.00	\$7.00

Driver IP Renewal	807.370(5)(e)	\$23.00	\$26.00	\$3.00
Class C Knowledge Test	807.370(7)(a)	\$5.00	\$7.00	\$2.00
Motorcycle Knowledge Test	807.370(7)(b)	\$5.00	\$7.00	\$2.00
Class C Skills Test	807.370(7)(d)	\$9.00	\$45.00	\$36.00
Motorcycle Endorsement O/R	807.370(3)(a)	\$46.00	\$90.00	\$44.00
Motorcycle Endorsement	807.370(3)(b)	\$49.00	\$90.00	\$41.00
Commercial Driver License	807.370(1)(c)	\$75.00	\$160.00	\$85.00
Commercial DL Renewal	807.370(5)(c)	\$55.00	\$98.00	\$43.00
Commercial Learner Permit	807.370(1)(f)	\$23.00	\$40.00	\$17.00
CDL Skills Test	807.370(7)(e)	\$70.00	\$145.00	\$75.00
Hardship Permit Application	807.370(1)(L)	\$50.00	\$75.00	\$25.00
All Reinstatements	807.370(10)	\$75.00	\$85.00	\$10.00
Original ID Card	807.410(1)(a)	\$44.50	\$47.00	\$2.50
ID Card Renewal	807.410(1)(b)	\$40.50	\$43.00	\$2.50
ID Card Replacement	807.410(1)(c)&(g)	\$39.50	\$40.00	\$0.50
License Plate Transfer	803.575(3)	\$6.00	\$30.00	\$24.00
Renewal w/ Replacement Plate/Sticker	803.575(2), (5)	\$5.00	\$12.00	\$7.00
w/o Renewal Replacement Plate/Sticker	803.575(2), (5)	\$10.00	\$12.00	\$2.00
VIN Inspection	803.215	\$7.00	\$9.00	\$2.00
Travel Trailer Increase	803.420(7)(c)(B)	\$6.75	\$7.00	\$0.25
Camper Increase	803.420(7)(c)(B)	\$6.75	\$7.00	\$0.25
Motorhome Increase	803.420(7)(c)(D)	\$7.50	\$8.00	\$0.50