



# Oregon Department of Transportation Funding Follow-Up

Joint Committee on Transportation

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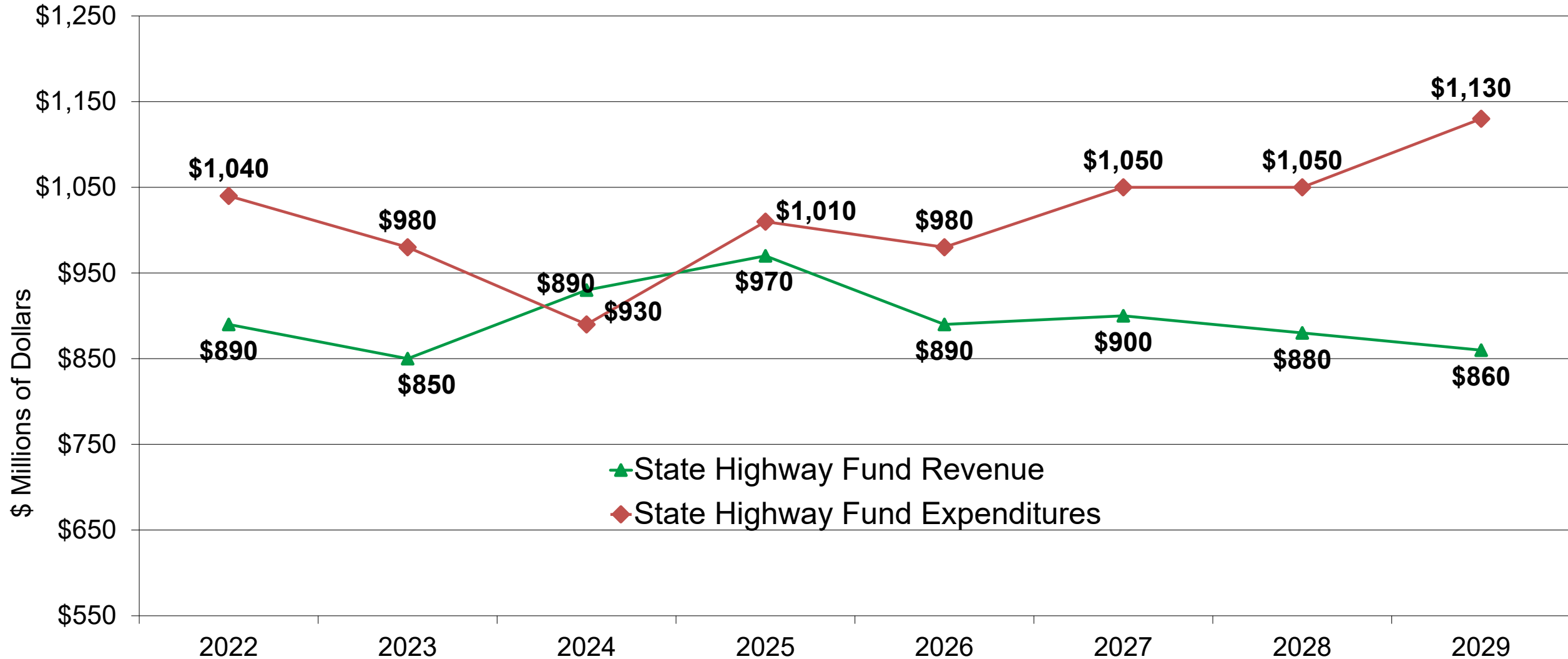
Travis Brouwer, Assistant Director for Revenue, Finance and Compliance

March 28, 2023

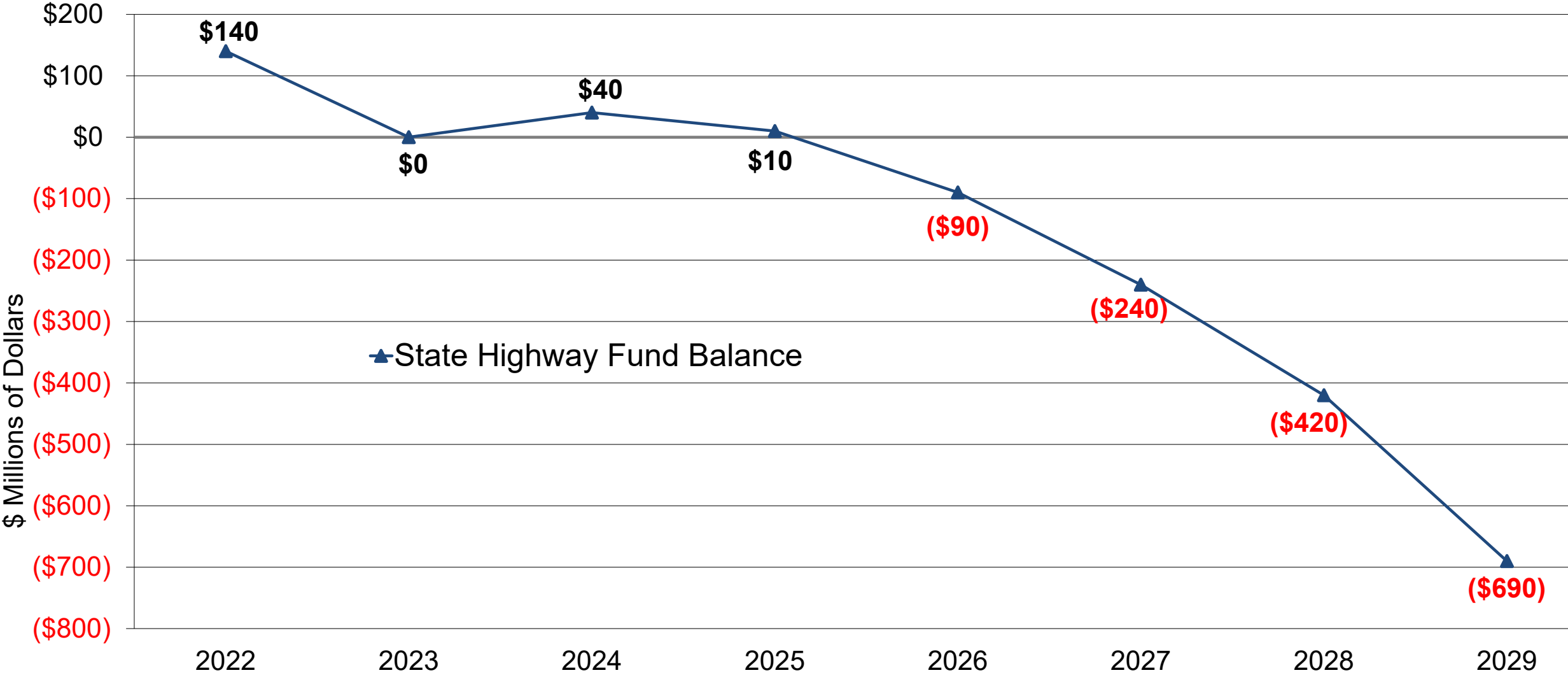
A worker in a blue safety suit and hard hat is positioned on a blue scissor lift, working on the steel structure of a bridge. The background is a dense forest of evergreen trees. The entire image has a blue color overlay.

# 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
  - Increase amount of HB 2017 funds going to maintenance
  - Increase DMV driver fees to cover cost of service



# Addressing Questions from March 7



# FUNDING OPTIONS

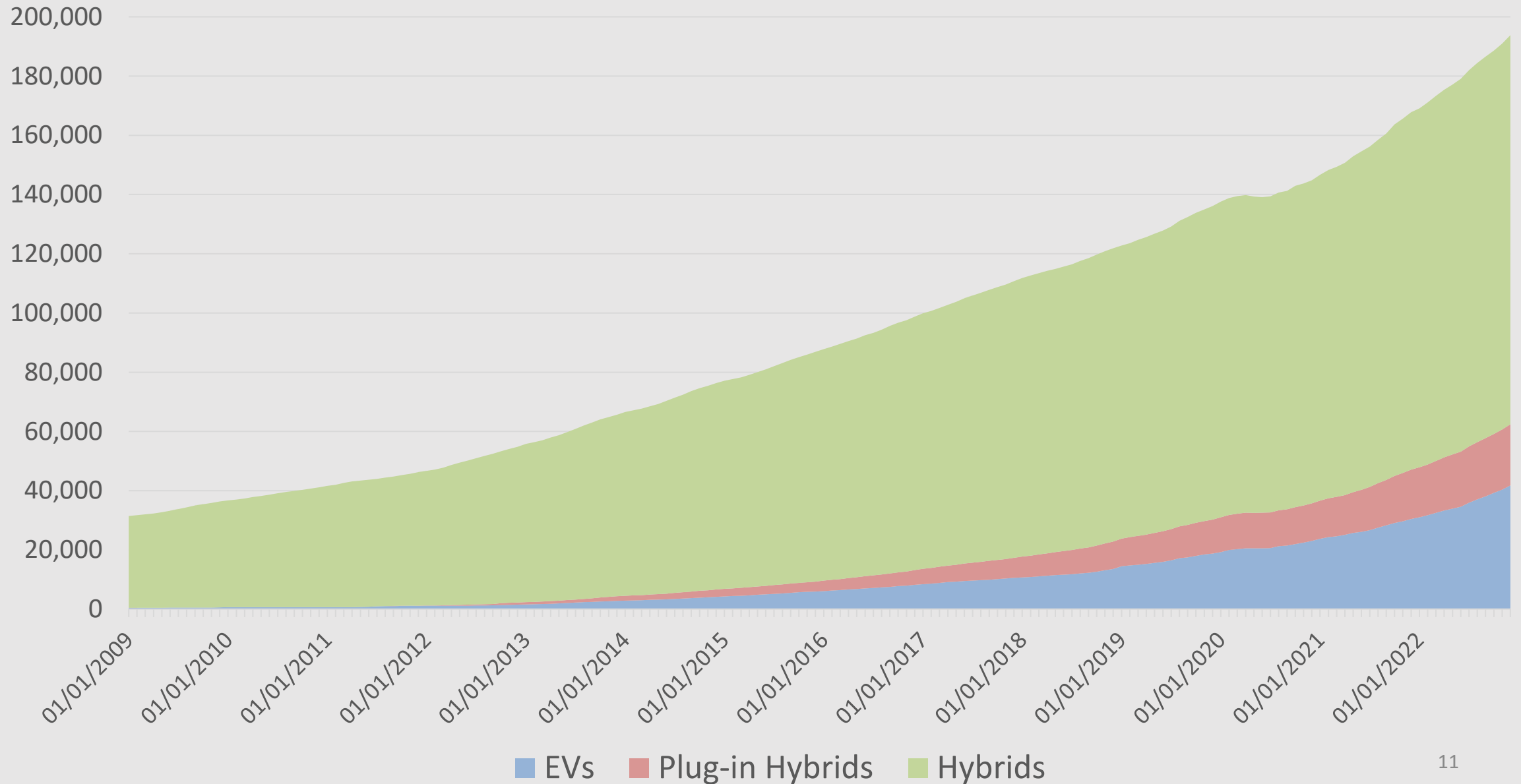
TRACT TIRES  
ALLOWED  
UNDER 10000



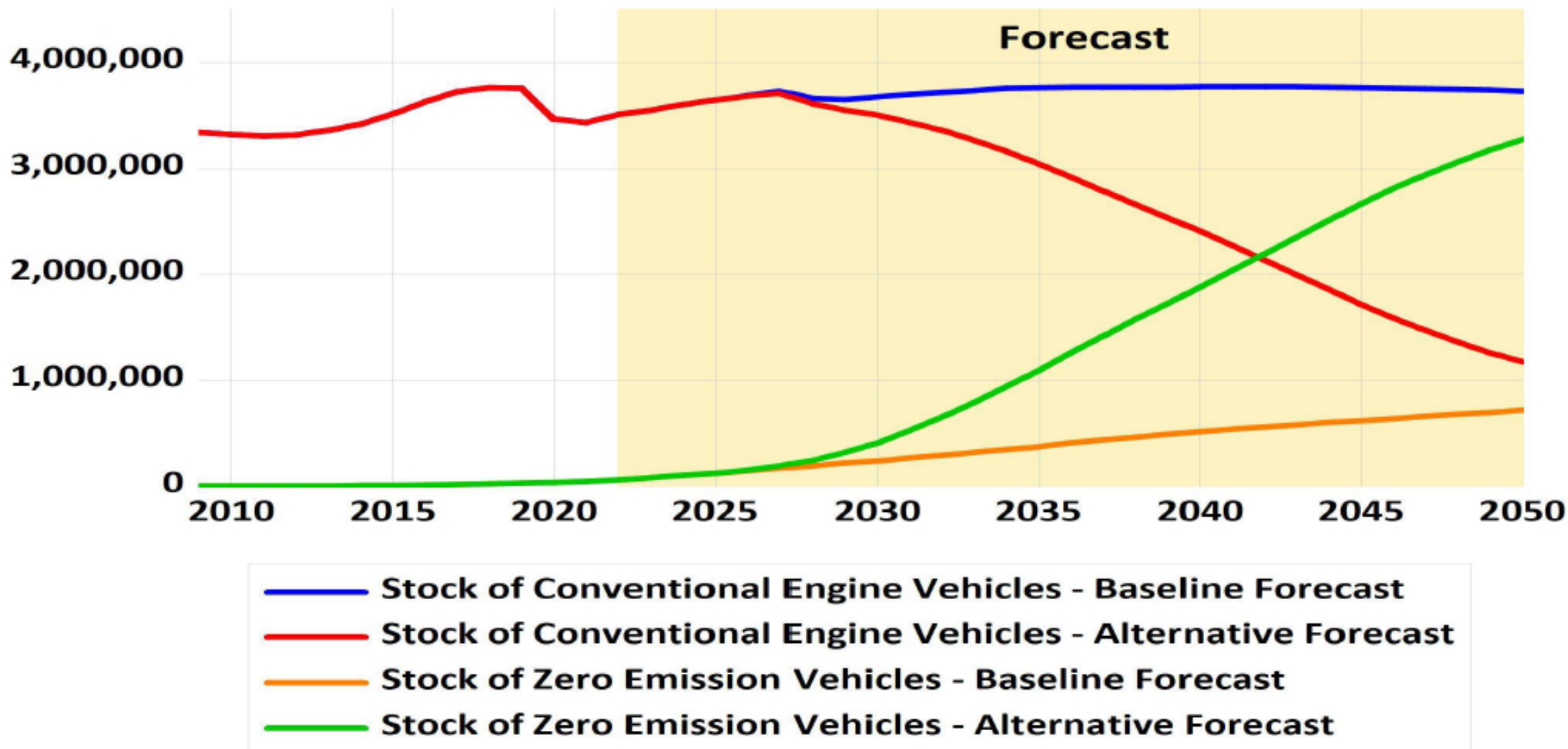
## Options Used In Other States

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

# Oregon Highly Efficient Vehicle Growth



# Zero Emission Vehicle Adoption Scenarios



## Charge by the Mile

- Would prevent road revenue from falling off substantially as vehicles become fuel efficient
- Rate tied to fuel tax rate, so combining RUC with fuel tax rate increase would provide more sufficient revenue
- Would ensure all vehicles pay their fair share for use of the roads
- HB 3297 would require all new vehicles over 30 mpg starting July 1, 2027 to pay a RUC rather than supplemental registration fee

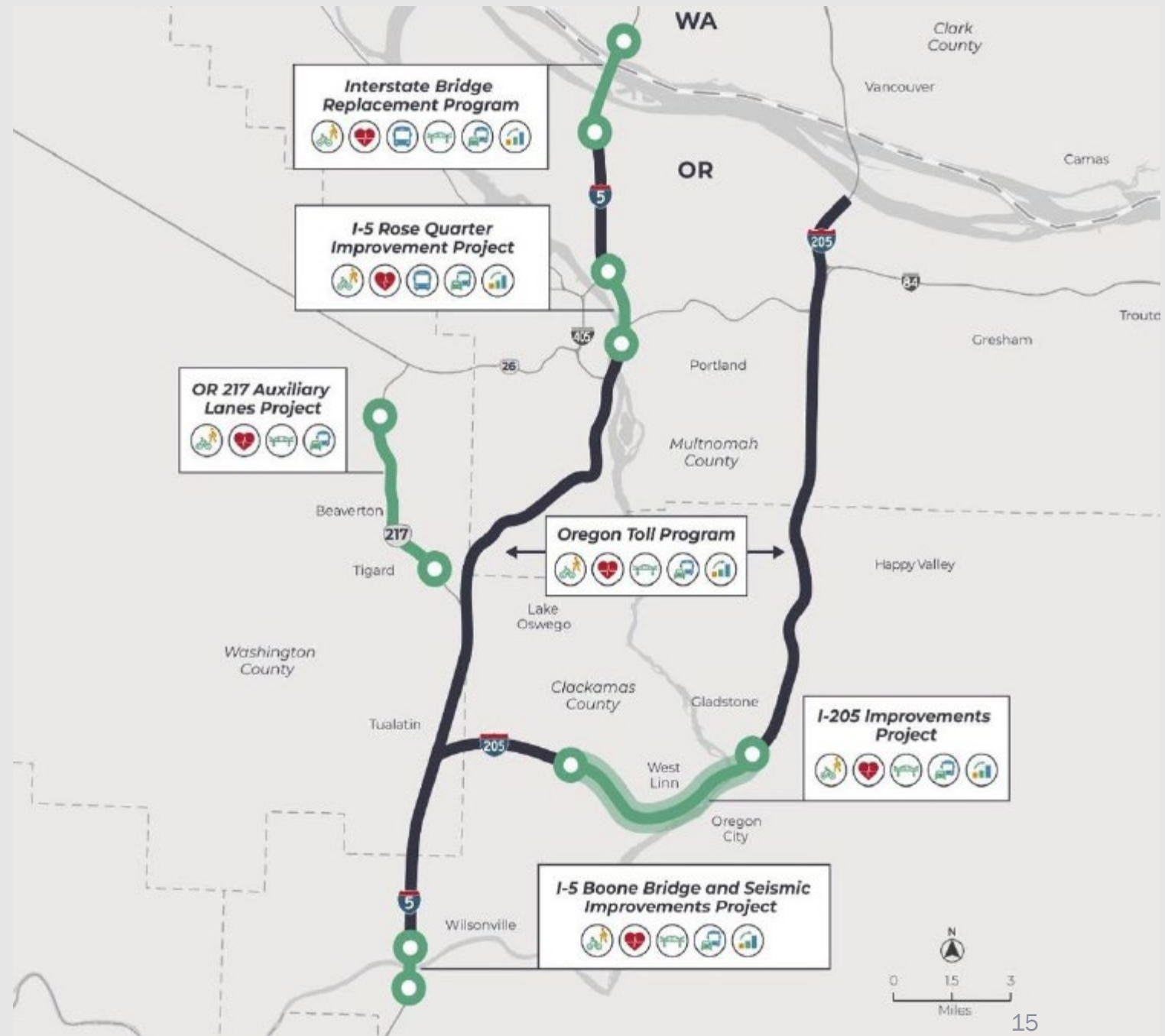


**OReGO**

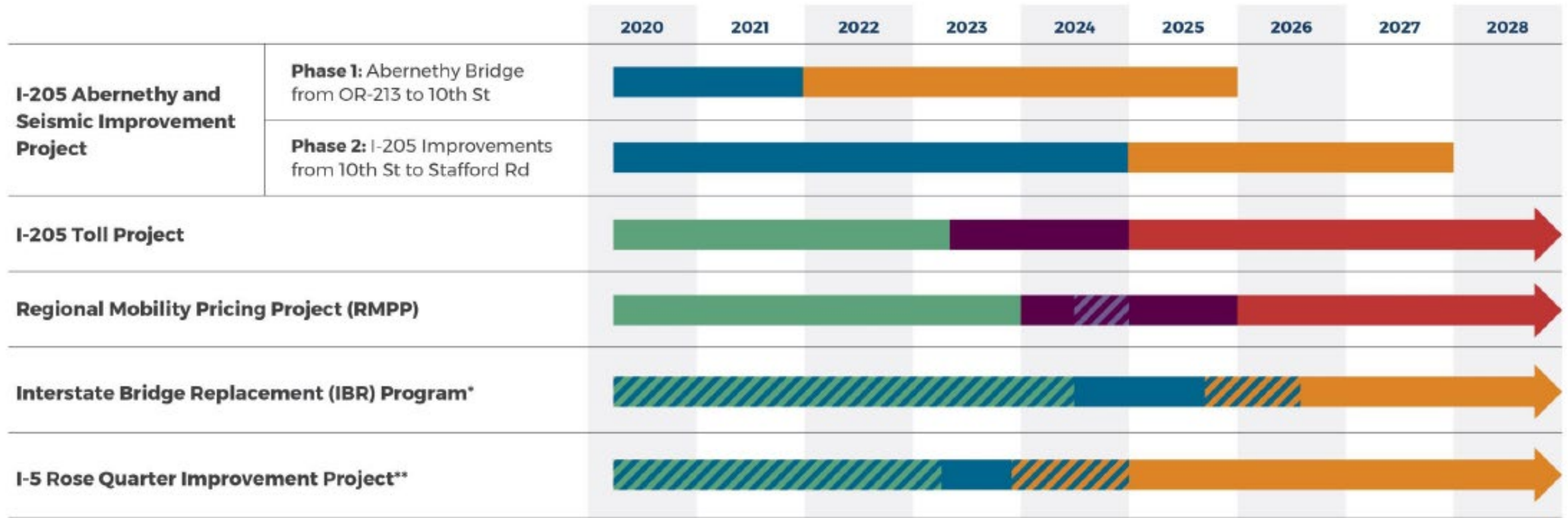
TRAVEL TIME TO:  
26 5 MIN  
181ST VIA 84 5 MIN

# URBAN MOBILITY STRATEGY

# ODOT Led UMS Projects



# URBAN MOBILITY STRATEGY – CORE PORTLAND METROPOLITAN AREA PROJECTS



## Legend



\* 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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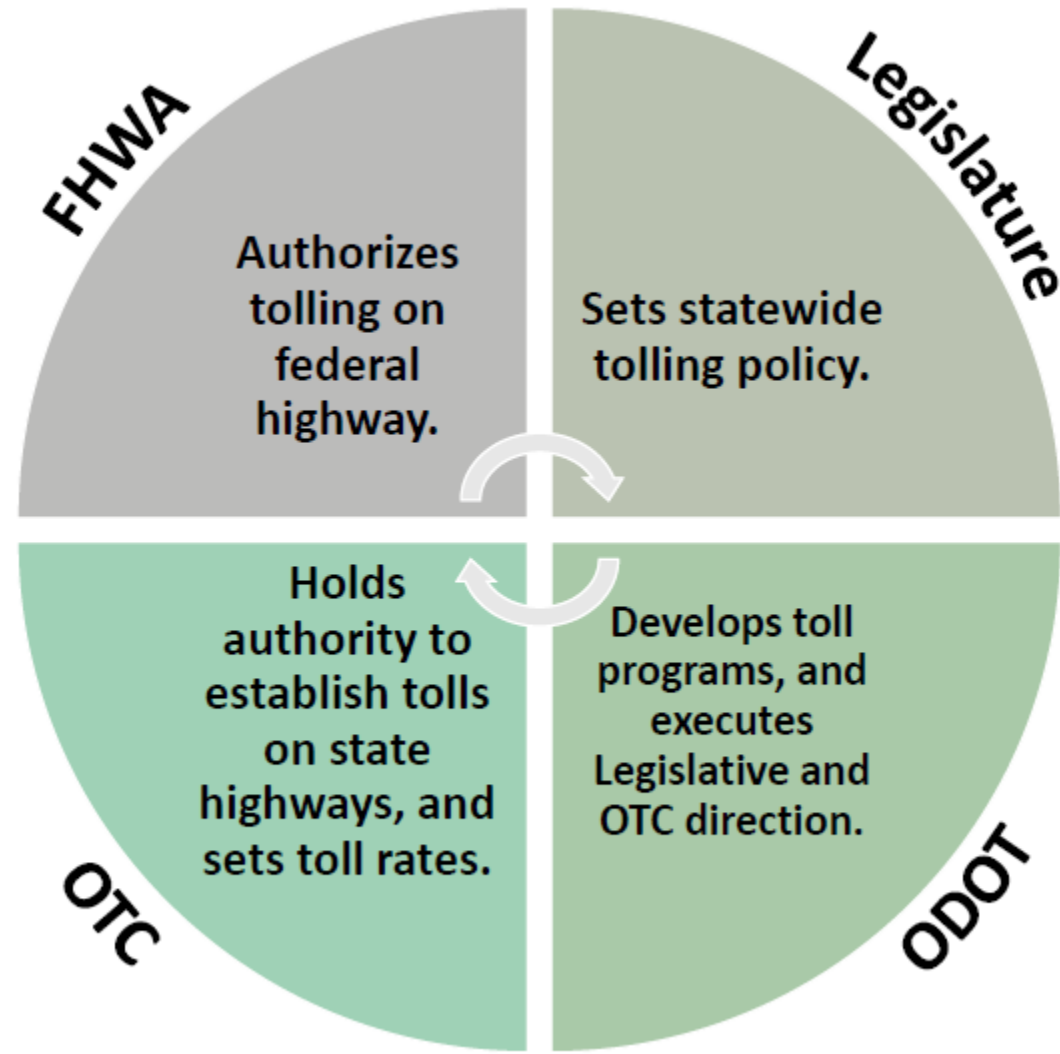
## **Guaranteed Revenue**

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

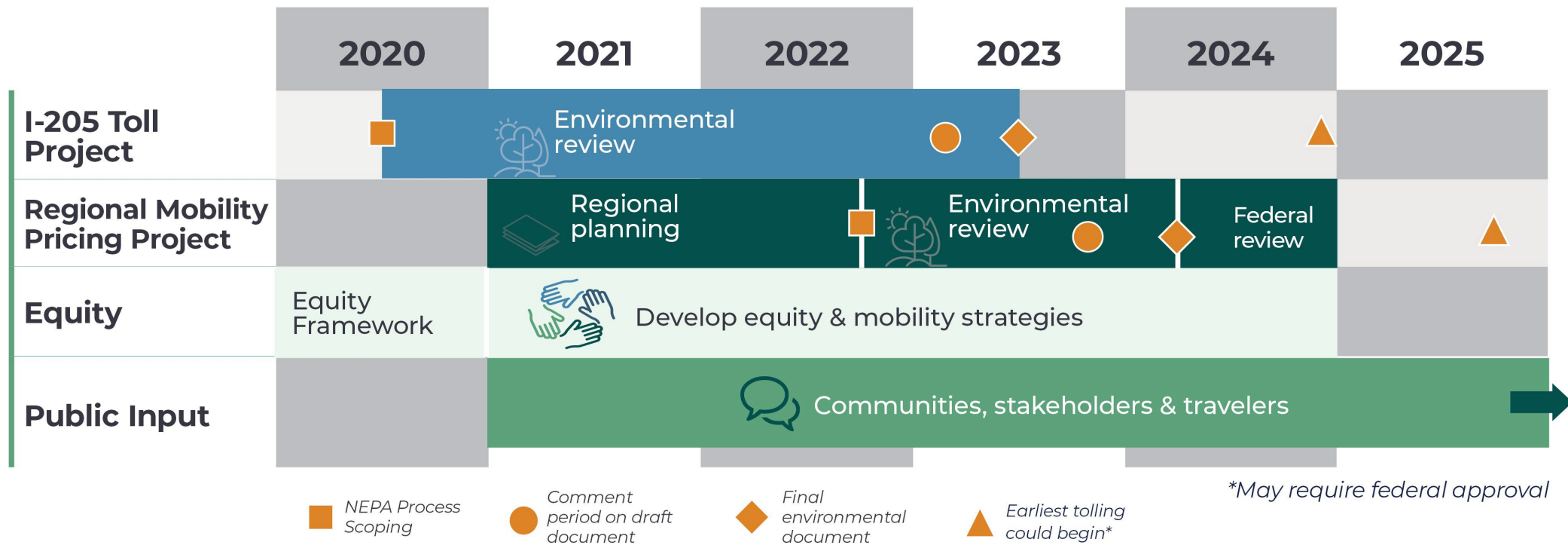
## **Prospective Funding**

- Tolling revenue
- Federal discretionary grants

# TOLLING ROLES & RESPONSIBILITIES



# Oregon Toll Program Timeline



# ODOT BUDGET

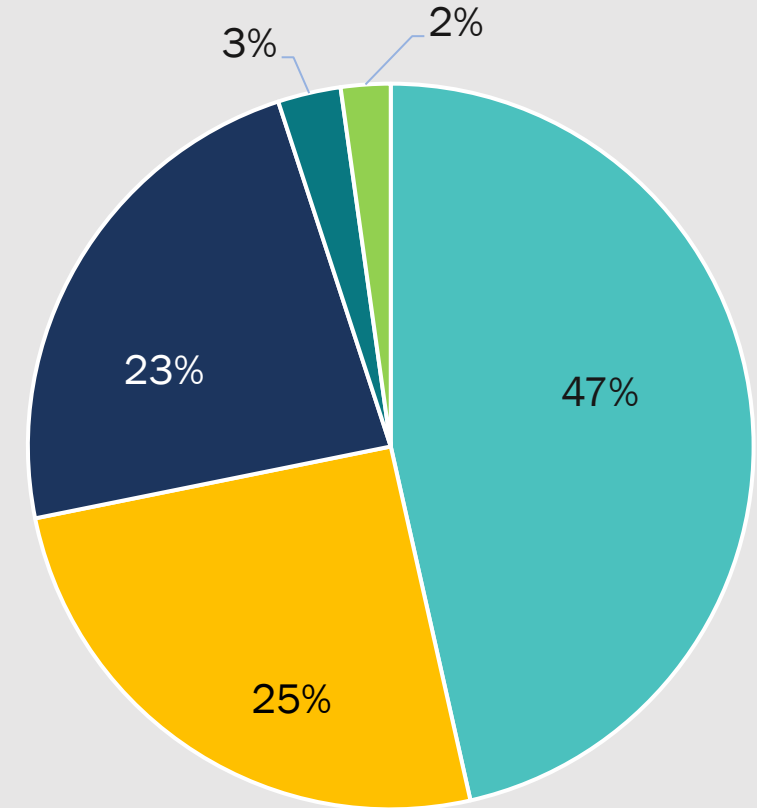


# Maintenance and Operations: Spending Overview



## 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
- ~ \$144M - Fleet, Fuel, Materials & Supplies
- ~ \$17M - Camp & Graffiti Cleanup
- ~ \$14M - Other: Utilities, Permits, Roadside Cameras

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
Finance & Budget	3	3.00	\$649,683
Commerce & Compliance	11	11.00	\$1,819,715
Driver & Motor Vehicle Services	12	11.00	\$1,638,724
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



## DMV Fees

Service	Customer Fee	DMV Retains	Last Raised	Inflation Adjusted Fee
Driver License Renewal	\$40	\$34	2010	\$55.53
Driver Skills Test	\$9	\$0	2004	\$14.62
Driver Knowledge Test	\$5	\$0	2004	\$8.12
License Plate Transfer	\$6	\$6	1985	\$17.11



# 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.

Questions?

