

SB 5541 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Rep. Gomberg

Joint Committee On Ways and Means

Action Date: 06/24/25

Action: Do Pass the A-Eng bill.

House Vote

Yeas: 8 - Bowman, Evans, Gomberg, Levy E, Ruiz, Sanchez, Smith G, Valderrama

Nays: 2 - Breese-Iverson, Owens

Exc: 2 - Cate, Drazan

Senate Vote

Yeas: 6 - Broadman, Campos, Frederick, Lieber, Manning Jr, Sollman

Nays: 4 - Anderson, Girod, McLane, Smith DB

Exc: 1 - Bonham

Prepared By: Angela Parada, Department of Administrative Services

Reviewed By: Ben Ruef, Legislative Fiscal Office

Department of Transportation

2025-27

Budget Summary*

	2023-25 Legislatively Approved Budget ⁽¹⁾	2025-27 Current Service Level	2025-27 Committee Recommendation	Committee Change from 2023-25 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 64,000,000	\$ -	\$ 733,696	\$ (63,266,304)	(98.9%)
General Fund Debt Service	\$ 16,930,280	\$ 52,729,158	\$ 52,729,158	\$ 35,798,878	211.4%
Lottery Funds	\$ 650,000	\$ 650,000	\$ 1,109,618	\$ 459,618	70.7%
Lottery Funds Debt Service	\$ 134,554,750	\$ 143,579,808	\$ 143,579,808	\$ 9,025,058	6.7%
Other Funds Limited	\$ 5,383,082,914	\$ 4,931,557,014	\$ 5,123,409,228	\$ (259,673,686)	(4.8%)
Other Funds Capital Improvements	\$ 17,734,129	\$ 18,478,963	\$ 18,478,963	\$ 744,834	4.2%
Other Funds Debt Service	\$ 444,789,113	\$ 433,800,820	\$ 473,430,820	\$ 28,641,707	6.4%
Other Funds Nonlimited	\$ 18,334,469	\$ 18,000,000	\$ 18,000,000	\$ (334,469)	(1.8%)
Other Funds Debt Service Nonlimited	\$ 583,541,316	\$ -	\$ -	\$ (583,541,316)	(100.0%)
Federal Funds Limited	\$ 193,450,141	\$ 201,929,984	\$ 207,607,871	\$ 14,157,730	7.3%
Federal Funds Debt Service Nonlimited	\$ 18,764,647	\$ 17,933,514	\$ 17,933,514	\$ (831,133)	(4.4%)
Total	\$ 6,875,831,759	\$ 5,818,659,261	\$ 6,057,012,676	\$ (818,819,083)	(11.9%)

Position Summary

Authorized Positions	4,939	4,869	4,803	(136)
Full-time Equivalent (FTE) positions	4,806.87	4,789.42	4,729.77	(77.10)

⁽¹⁾ Includes adjustments through January 2025

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Department of Transportation (ODOT) is generally supported by Other Funds revenues supplemented primarily with Federal Funds revenues. Most of ODOT's Other Funds revenues are generated by transportation-related taxes and fees and Federal as Other Funds revenue, which are appropriated by Congress (the current appropriations bill is the Infrastructure Investment and Jobs Act of 2021) and allocated from the U.S. Department of Transportation.

The state Other Funds revenue can be further separated into State Highway Funds (SHF) and non-State Highway Funds (non-SHF). This distinction between SHF, non-SHF, and Federal as Other Funds is important since the three categories have very different revenue sources and allowable uses. Further, ODOT's share of the SHF is comprised of capital revenues and operations and maintenance revenues. While they share common revenue sources, prior legislation tied tax and fee increases to dictated uses, creating a further delineation of revenue in the budget.

State Other Funds revenues attributable to the SHF are from four program areas:

- Motor fuel taxes;
- Weight-mile tax, heavy duty vehicle registration, permits, and other fees collected by the Commerce and Compliance Division (CCD);
- Fees from driver licenses, vehicle titling, registration, and other Driver and Motor Vehicle (DMV) services; and
- The use tax on vehicles purchased from dealers outside of Oregon and brought into the state, imposed by House Bill 2017 (2017).

The most significant source of Federal Funds revenue is the Federal-aid Highway Program, formula funding supported by the federal gas tax and distributed through the Federal Highway Administration (FHWA). FHWA is also a major source of discretionary grant funding, including the Bridge Investment Program and the Multimodal Projects Discretionary Grants suite of funding programs. Federal Funds from other agencies include the Federal Transit Administration, National Highway Traffic Safety Administration, Federal Motor Carrier Safety Administration, and Federal Railroad Administration, all of which are dedicated for specific purposes.

The Department receives a small transfer of Lottery Funds from the Oregon Department of Veterans' Affairs to support the Rural Veterans Healthcare Transportation Grant Program. ODOT also receives General Fund and Lottery Funds to support debt service payments.

For the 2025-27 biennium, the Department's budget includes projected revenues from the pending passage of House Bill 2025 (2025), known as the Transportation Re-Investment Package. The package is intended to make investments in transportation at the state and local levels. At the time of this report, House Bill 2025 (A-Engrossed) increases estimated net total revenue by \$1,058.4 million for the 2025-27 biennium, consisting of \$819.8 million in total State Highway Fund split between the state (ODOT), counties, and cities. When all the taxes and fees are implemented, the bill is estimated to produce \$1,452.7 million in State Highway Fund revenue and \$534.3 million in total non-SHF, annually.

Summary of Capital Construction Subcommittee Action

The mission of ODOT is to provide a safe and reliable multimodal transportation system connecting people and helping Oregon's communities and economy thrive. The Department is responsible for the administration of programs related to Oregon's highways, roads, bridges, railways, public transportation services, transportation safety, driver and vehicle licensing, climate, and motor carrier regulations.

The Oregon Transportation Commission develops and maintains state transportation policy. The Commission also guides the planning, development, and management of a statewide integrated transportation network providing efficient access, safety, and enhances Oregon's transportation safety, motor carrier transportation, and drivers and motor vehicles. Other major Commission activities include review and certification of ODOT's agency requested budget and development and approval of the Statewide Transportation Improvement Program (STIP). STIP is the capital improvement plan for state and federally funded projects. ODOT is currently executing the 2024-27 STIP.

The Subcommittee recommended a total funds budget of \$6,057,012,676, which includes \$53,462,854 General Fund, \$144,689,426 Lottery Funds, \$5,615,319,011 Other Funds expenditure limitation, \$18,000,000 Other Funds Nonlimited, \$207,607,871 Federal Funds expenditure limitation, \$17,933,514 Federal Funds Nonlimited, and 4,803 positions (4,729.77 FTE). The total funds budget is a 11.9% decrease from the 2023-25 legislatively approved budget (LAB) and a 12.2% increase from the 2025-27 modified current service level budget.

Loan and Grant Programs

This program area includes ODOT's nonlimited expenditures for the Oregon Transportation Infrastructure Fund (OTIF). OTIF consists of the Oregon Transportation Infrastructure Bank (OTIB) and a limited grant program for infrastructure projects that reduce the number of wildlife-vehicle collisions. OTIB makes loans to local governments, transit providers, ports, and other eligible borrowers. The Fund was capitalized with a combination of federal and state funds and interest earnings. Revenue bonds may also be issued to provide additional capitalization. As loans are repaid, principal and interest are returned to the bank and made available for new loans. Staffing for OTIB is included in the Finance and Budget Division.

The Subcommittee recommendation includes \$23,500,000 total funds, consisting of \$5,500,000 Other Funds Limited expenditure limitation and \$18,000,000 Other Funds nonlimited. There are no positions associated with this program. The Subcommittee recommended the following package:

Package 806: Technical Adjustment. This package is a technical adjustment adding \$2.1 million. Other Funds expenditure limitation to carryover a Wildlife Grant Program fund balance for the 2025-27 biennium. Funds were allocated to ODOT in House Bill 5202 (2022).

Capital Improvements

The Capital Improvements Program funds ODOT building repair and remodel projects falling below the capital construction threshold of \$1.0 million. Improvements include any amount expended to improve leased property, including those provided by the lessor if the lessee requires lump-sum payment. ODOT owns over 1,200 facilities throughout the state. Over time, it is necessary to upgrade or replace facilities as they deteriorate and exceed their useful life. Other factors contribute to how well a facility supports business operations, such as technology changes, acquisition of larger modern equipment, and environmental requirements.

The Subcommittee recommendation includes \$18,478,963 Other Funds expenditure limitation and there are no positions associated with this program. The Subcommittee recommended the following packages:

Package 070: Revenue Shortfalls. This package reduces \$4.6 million Other Funds expenditure limitation due to shortfall in projected SHF revenues.

Package 310: Capital Improvement Restoration. This package restores \$4.6 million Other Funds expenditure limitation to maintain current service level, offsetting reductions made in Package 070 related to the State Highway Fund shortfall. Resources will focus on maintaining existing facilities. Funding is assuming passage of House Bill 2025 (2025), the Transportation Re-Investment Package.

Maintenance

The Maintenance program focuses on the daily activities of maintaining and repairing existing highways. The program area is also responsible for maintaining ODOT buildings and equipment and serves as the main point for public contact regarding questions related to state highways in general, special highway-use permits, and general overall road maintenance information. Highway maintenance activities fall into two categories: reactive and proactive. Reactive activities include responding to weather events to keep roads passable, responding to crashes, cleaning ditches, repairing guardrails, filling potholes, and replacing signs and signals. Proactive activities include inspection, upkeep, preservation, or restoration activities to prevent problems or damage to highways and associated infrastructure to reduce life cycle costs. Maintenance is funded from the SHF, (Article IX, section 3a of the Oregon Constitution and ORS 366.505) and from the Federal Highway Administration funding as approved within the federal transportation Infrastructure

The Subcommittee recommendation includes \$602,795,383 Other Funds expenditure limitation and 1,390 positions (1,344.34 FTE). The Subcommittee recommended the following packages:

Package 070: Revenue Shortfalls. This package reduces \$185.6 million Other Funds expenditure limitation, abolishes 414 positions (402.65 FTE), associated services and supplies and capital outlay due to a shortfall in projected SHF revenues.

Package 320: Maintenance Restoration. This package restores 407 positions (407.00 FTE) and \$183.9 million Other Funds expenditure limitation to maintain a modified current service level, offsetting reductions made in Package 070 related to the State Highway Fund shortfall. The restoration results in a net decrease of \$1.6 million Other Funds expenditure limitation and seven positions. Reductions include office support, permit processing, policy analysis, and procurement positions. Funding is assuming the passage of House Bill 2025 (2025), the Transportation Re-Investment Package.

Project Delivery & Support

The Project Delivery & Support program includes transportation projects related to mobility, safety, and accessibility. The Program assesses projects for economic impact, growth management, livability, and equity, and complies with environmental and land use regulations. Six major transportation responsibilities fall under this division: preservation of highway in the best condition possible; inspection, preservation and reconstruction of more than 2,700 bridges and associated structures; highway safety and operations; modernization, which is focused on facilitating economic development, reducing congestion, and improving safety; special programs providing indirect, technical, and program support for the Delivery & Operations Division; and the Urban Mobility Office. The Subcommittee recommended the following budget note:

Budget Note: State Highway 22 and Center Street Bridge Finance Plan

The Oregon Department of Transportation is directed to develop a finance plan to complete the State Highway 22 and Center Street Bridge seismic retrofit. The plan should include, at a minimum, a description of the project scope, plans for phasing of the project, a detailed proposed schedule for all phases, a cost estimate for completion of all phases of the project, and the sources of funding that can be used to complete the project, including any debt needed to complete the project and the sources of funds that could be used to pay debt service. The Department shall submit the finance plan and report to the Joint Committee on Transportation no later than September 15, 2025.

The Subcommittee recommendation includes \$2,342,854,238 total funds, consisting of \$171,678 General Fund and \$2,342,682,560 Other Funds expenditure limitation and 1,299 positions (1,290.75 FTE). The Subcommittee recommended the following packages:

Package 070: Revenue Shortfalls. This package reduces \$142.6 million Other Funds expenditure limitation, abolishes 371 positions (369.93 FTE) and associated services and supplies due to a shortfall in projected SHF revenues.

Package 090: Analyst Adjustments. The package moves services and supplies expenditure limitation to personal services for a net-zero adjustment and an increase of 0.79 FTE. The agency has two permanent part-time positions that are working full-time. Both environmental Program Coordinator 2 positions are filled.

Package 160: Newberg-Dundee Bypass ARPA Carryover. This package carries forward \$19.0 million Other Funds expenditure limitation needed for Phase 2A of the Newberg-Dundee Bypass project. It is funded with American Rescue Plan Act (ARPA) funds initially budgeted at \$32.0 million during the 2021-23 biennium. All ARPA funds must be expended by December 31, 2026.

Package 330: Project Delivery Restoration. This package restores 316 positions (316.00 FTE) and \$124.1 million Other Funds expenditure limitation to maintain a modified current service level, offsetting reductions made in Package 070 related to State Highway Fund shortfall. The restoration results in a current service level net decrease of \$18.5 million Other Funds expenditure limitation and 55 positions (53.93 FTE). Reductions include positions across tolling, project delivery, and the Urban Mobility Office, and reduces public engagement and planning funds for major transportation projects. Funding assumes the passage of House Bill 2025 (2025), the Transportation Re-Investment Package.

Package 501: HH-Project Priority Review Staff. This package appropriates \$171,678 General Fund to support Housing and Homelessness Initiative efforts by establishing a permanent, full-time Operations and Policy Analyst 3 position (0.50 FTE) to serve as ODOT's single point of contact for major housing project's permit review and approval process and give the housing project priority review status over other non-housing related projects.

Package 806: Technical Adjustments. This package makes a technical adjustment by shifting \$275,506 from services and supplies to personal services to support four position reclassifications in this division. This package also reduces Other Funds expenditure limitation in Project Delivery & Support program by \$39.6 million and increases Other Funds expenditure limitation in the Debt Service budget by \$39.6 million to account for debt service related to ODOT's July 2024 Grant Anticipation Revenue Vehicle (GARVEE) bond issuance. GARVEE bonds are a financial tool that allow states to obligate future Federal-aid Highway Program funds to debt service for approved projects. As such, GARVEE debt service is paid with a mix of federal and state revenues (90% federal and 10% state). Due to bond sale timing, this debt service limitation was not accounted for earlier in the budget development process.

Interstate Bridge Replacement

The Interstate Bridge Replacement (IBR) program leads through a partnership between ODOT and the Washington State Department of Transportation (WSDOT). The IBR program was initiated through a Memorandum of Intent signed by the Governors of Oregon and Washington in late 2019. ODOT and WSDOT have jointly agreed to develop and implement the IBR program in collaboration with eight partner agencies from Oregon and Washington that make up the Executive Steering Group. This budget division also helps track House Bill 5005's (2023) commitment of \$1,000.0 million to the overall estimated project costs. The IBR program will replace the aging Interstate Bridge across the Columbia River with seismically resilient multimodal structure, extend light-rail transit (LRT) into Vancouver, enhance zero-emission express bus service and associated transit improvements, and expand active transportation (walking, biking, and rolling) options along the five miles of improvements to I-5, including the reconfiguration of seven interchanges.

The Subcommittee recommendation includes Other Funds expenditure limitation of \$425,227,367 and 40 positions (33.09 FTE). The Subcommittee recommended the following package:

Package 110: Interstate Bridge Replacement Program. This package includes 22 additional permanent, full-time positions (15.09 FTE) and \$250.0 million Other Funds expenditure limitation for preconstruction and construction activities. Funding sources include General Obligation bonds being requested for the 2025-27 biennium representing the second of four \$250 million tranches that will provide Oregon's share of state funding for the estimated \$5-7.5 billion IBR program cost, matching the contribution the State of Washington committed to in 2022.

Local Government

This program provides project delivery oversight and funding administration for the development and execution of transportation improvement projects delivered in cooperation with local jurisdictions in Oregon. The Local Government program is a cost-based reimbursement program between FHWA and ODOT. FHWA provides funds to ODOT through the Federal-aid Highway Program and ODOT reimburses these funds to eligible local agencies, such as cities, counties, ports, special districts, and tribes. Projects funded with federal transportation funds require local participation.

The Subcommittee recommendation includes \$414,818,962 Other Funds expenditure limitation and 50 positions (50.00 FTE). The Subcommittee recommended the following packages:

Package 070: Revenue Shortfalls. This package reduces \$5.5 million Other Funds expenditure limitation, 17 positions (17.00 FTE) and associated services and supplies due to a shortfall in projected SHF revenues.

Package 350: Local Government Restoration. This package restores 13 positions (13.00 FTE) and \$4.3 Other Funds expenditure limitation to support a modified current service level, offsetting reductions made in Package 070 related to the SHF shortfall. The restoration results in current service level net reduction of \$1.2 million Other Funds and four positions (4.00 FTE). These reductions reflect a shift in Local Government project delivery responsibilities to existing ODOT staff and resources. Funding assumes the passages of House Bill 2025 (2025), the Transportation Re-Investment Package.

Driver and Motor Vehicle Services

The Driver and Motor Vehicle Services (DMV) division promotes driver safety, protects financial and ownership interests in vehicles and collects revenues for Oregon's highway system. DMV services touch almost every Oregonian by issuing over 600,000 driver licenses and identification (ID) cards, one million vehicle titles, and almost two million vehicle registrations each year. DMV also regulates and inspects about 3,500 vehicle and driver related businesses in Oregon. DMV provides driver licensing, vehicle titling and registration, and driver/vehicle records online and at 60 service locations throughout the state.

DMV is funded almost entirely with Other Funds revenue derived from fees collected from DMV products and services. DMV collects revenues for SHF and uses a portion of its revenues for administrative costs, authorized in Article IX (Section 3a) of the Oregon Constitution. Fees collected from certain transactions, like business licenses and ID cards, are deposited in the ODOT Transportation Operating Fund (TOF). DMV-derived TOF funds are used to fund specific activities that cannot be funded from SHF, such as Real ID compliance and business regulation. DMV also receives Federal Funds from the Federal Motor Carrier Safety Administration and the National Highway Traffic Safety Administration.

The Subcommittee recommendation includes \$348,860,206 total funds, consisting of an appropriation of \$562,018 General Fund, \$315,587,217 Other Funds expenditure limitation, \$32,710,971 Federal Funds expenditure limitation, and 904 positions (899.50 FTE). The Subcommittee recommended the following packages:

Package 070: Revenue Shortfalls. This package reduces \$6.6 million Other Funds expenditure limitation, 14 positions (14.00 FTE) and associated services and supplies due to a shortfall in projected SHF revenues.

Package 130: DMV Real ID Staffing. This package includes \$5.6 million Other Funds expenditure limitation and 26 limited duration positions (26.00 FTE) dedicated to issuing REAL ID compliant credentials, which are required as of May 2025. This package is funded by the \$30 REAL ID fee collected for each credential issued and renewed.

Package 360: DMV Restoration. This package restores 14 positions (14.00 FTE) and increases Other Funds expenditure limitation by \$3.2 million to support a modified current service level, offsetting reductions made in Package 070 related to the SHF shortfall. When combined with Package 070, the net effect is a \$3.4 million reduction including \$2.8 million in services and supplies. Funding is assumed based on passage of House Bill 2025 (2025), the Transportation Re-Investment Package.

Package 500: HH-DMV Portable Office. This package appropriates \$562,018 General Fund to support Housing and Homelessness Initiative efforts. Funding supports reducing homelessness by providing assistance to Oregonians preparing to leave state institutions in obtaining DMV identification cards.

Commerce and Compliance

The Commerce and Compliance Division is responsible for overseeing the commercial transportation industry by ensuring commercial vehicles traveling across Oregon's transportation system are compliant with all safety regulations. This includes, but is not limited to protecting roads, bridges and rails from unnecessary damage, providing customer service in registering commercial vehicles in Oregon, and collecting the appropriate road usage charges.

Currently, there are approximately 9,000 Oregon-based motor carriers, accounting for roughly 53,000 registered vehicles. Nearly 70% of trucks operate outside the state and participate in the International Registration Plan. Commerce and Compliance helps truckers comply with Oregon laws and regulations relating to economic regulation, registration, safety, freight mobility, and truck size and weight. The Division is funded primarily through the SHF but also receives Federal Funds supporting truck safety-related efforts. Additionally, the Division is responsible for the rail safety program to ensure the railroad industry is compliant with Federal Railroad Administration guidelines.

The Subcommittee recommendation includes a total funds budget of \$128,545,397, consisting of \$111,202,621 Other Funds expenditure limitation, \$17,342,776 Federal Funds expenditure limitation, and 306 positions (305.48 FTE). The Subcommittee recommended the following packages:

Package 070: Revenue Shortfalls. This package reduces \$1.9 million Other Funds expenditure limitation, seven positions (7.00 FTE), and associated services and supplies due to a shortfall in projected SHF revenue.

Package 370: Commerce and Compliance Division Restoration. This package reduces Other Funds by \$61,900 to support a modified current service level. Total budget reductions, including Package 070 related to the SHF shortfall, equal to roughly \$2.0 million and seven positions

(7.00 FTE). Positions are eliminated due to efficiencies from the new online permitting system with impacted staff reassigned within CCD. The package also discontinues distribution of free transponders to truckers, as other sources are available; CCD may consider implementing a fee.

Policy, Data and Analysis

The Policy, Data and Analysis Division has a diverse portfolio of responsibilities and provides support and services ranging from shared technical assistance to cities, counties, and Metropolitan Planning Organizations to financial support, partner funding, or planning and infrastructure projects to support local governments. The Division provides grant opportunities for the building of infrastructure in support of state and community visions for a multimodal transportation system (ConnectOregon). The Other Funds revenue for the Division is from the SHF and Oregon privilege taxes for ConnectOregon. The Division also houses the Climate Office, charged with developing mitigation, sustainability, and adaptation approaches driven by data and analysis. The Federal Funds sources come from the FHWA and the National Highway Traffic Safety Administration.

The Subcommittee recommendation includes a total funds budget of \$197,666,797, consisting of \$191,753,836 Other Funds expenditure limitation, \$5,912,961 Federal Funds expenditure limitation, and 200 positions (195.55 FTE). The Subcommittee recommended the following packages:

Package 090: Analyst Adjustments. The package is moving services and supplies expenditure limitation to personal services for a net zero adjustment and an increase of 0.74 FTE to change one permanent part-time position to permanent full-time. The Information Systems Specialist 2 position is filled and working full-time.

Package 380: ODOT Administrative Services Restoration. This package reduces Other Funds expenditure limitation by \$3.3 million and one position (1.00 FTE) to support a modified current service level related to the SHF shortfall. Reductions include shifting ACT (Area Commission on Transportation) facilitation from Councils of Governments to ODOT staff and eliminating a vacancy in the Transportation Planning and Analysis Unit. The package also reduces planning work, shifts software costs to Federal Funds, and delays implementation of the Strategic Data Business Plan.

Package 806: Technical Adjustments. This package increases Federal Funds expenditure limitation by \$5.7 million in the Policy, Data, and Analysis Division for a State Electric Data Collection grant award. The total grant award is \$12 million. The remaining portion of the award is being executed through ODOT's DMV. No state match adjustment is required as match is being provided in-kind by existing staff.

Public Transportation

The Public Transportation Division provides or commissions transit, passenger rail, active transportation, transportation options, and micro mobility services across Oregon. One-third of Oregonians do not have access to a car, choose not to drive, or are unable to drive. These Oregonians need access to some form of transportation for basic, vital services. Transit, ridesharing, and other alternatives to driving alone

also reduce congestion, diminish environmental impacts, and make more efficient use of Oregon's transportation system. The Division is responsible for coordination and funding of this multimodal, statewide network of public and active transportation systems.

Transit program funds are primarily distributed to local service providers in three ways: (1) through a formula based primarily on service-area population, (2) through a formula based on the amount of payroll tax collected in a given service area, and (3) through a biennial discretionary grant solicitation that combines the multiple sources of federal and state funding to strategically invest in public transportation service, vehicles, and facilities.

Federal Funds for the Division come by way of grants from the Federal Transit Administration and the Federal Highway Administration. These sources are specifically for the intended programs. The Other Funds revenues are derived from the mass transit payroll tax, TOF, cigarette tax, ID card revenue, and interest income.

The Subcommittee recommendation includes a total funds budget of \$513,811,504, consisting of \$1,109,618 Lottery Funds from the Oregon Department of Veterans' Affairs, \$361,060,723 Other Funds expenditure limitation, \$151,641,163 Federal Funds expenditure limitation, and 55 positions (54.64 FTE). The Subcommittee recommended the following packages:

Package 120: Public Transportation Division Staffing. This package includes \$1.5 million Other Funds expenditure limitation, five full-time positions, and one limited duration position to support federal and state funding program grants, active and public transportation program management, oversight and compliance of fund recipients and support the high-speed rail initiative. Funding sources include: STIF, TOF, and Federal Transit Agency indirect revenue. Positions include two Fiscal Analysts (2.00 FTE) for Federal Funds management, one Operations & Policy Analyst 3 (0.88 FTE) for capital investment planning, two Program Analyst 2 positions (1.76 FTE) for management of multiple federal and state programs, and one limited duration Program Analyst 3 position (1.00 FTE) for high-speed rail planning and coordination with Washington state and British Columbia.

Package 806: Technical Adjustments. This package is a technical adjustment adding \$459,618 Lottery Funds expenditure limitation to the Public Transportation Division to carry forward a 2023-25 ending balance of Lottery Funds for the Rural Veterans Transportation Grant Program.

Debt Service

ODOT's Debt Service program consists of a variety of bond programs implemented in the late 1990s as ODOT transitioned from "pay-as-you-go" to an agency that utilizes bonded revenue streams to finance priority projects.

General Fund debt service is associated with the Interstate Bridge Replacement Program, State Radio Project, and Highway Safety Improvement projects.

Other Funds debt service consists of payments of the following: revenue bonds sold for Oregon Transportation Investment Acts I, II, and III; the Jobs and Transportation Act of 2009; House Bill 2017 (2017); Certificates of Participation issued for the DMV Building Refunding and the State Radio Project; and Article XI-Q General Obligation Bonds sold for the State Radio Project and the Transportation Building.

Lottery Bond Debt Service consists of payments on Lottery Bonds sold for the following major projects: Industrial Rail Spur Infrastructure; South Metro Commuter Rail; Southeast Metro Milwaukie Extension; ConnectOregon I, II, III, IV, V, VI, and VII; Portland Street Car; Coos Bay Rail Link; Harney County-Juntura Road; City of Portland-SW Capital Highway; Lane Transit District; and Salem-Keizer Transit.

The Subcommittee recommendation includes a total funds budget of \$687,673,300, consisting of \$52,729,158 General Fund, \$143,579,808 Lottery Funds, \$473,430,820 Other Funds expenditure limitation, and \$17,933,514 Federal Funds Nonlimited. There are no positions associated with this appropriation. The Subcommittee recommended the following package:

Package 806: Technical Adjustments. This package is a technical adjustment reducing Other Funds expenditure limitation in the Project Delivery & Support program by \$39.6 million and increasing Other Funds expenditure limitation in the debt service budget by \$39.6 million to account for new debt service related to ODOT's July 2024 Grant Anticipation Revenue Vehicle (GARVEE) bond issuance. GARVEE bonds are a financial tool that allow states to obligate future Federal-aid Highway Program funds to debt service for approved projects. As such, GARVEE debt service is paid with a mix of federal and state revenues (~90% federal and ~10% state). Due to bond sale timing, this debt service limitation was not accounted for earlier in the budget development process.

ODOT Administrative Services

The ODOT Administrative Services budget includes the Director's Office, Government Relations, Communications, Business Management, Audit Services, the Office of Equity and Civil Rights, and the Support Services Division. The Support Services Division includes the Information Services Branch, Human Resources, the ODOT Procurement Office, Facilities Services, Data Solutions, and the Office of Employee Safety.

The Subcommittee recommendation includes \$264,500,977 Other Funds expenditure limitation and 443 positions (440.42 FTE). The Subcommittee recommended the following packages:

Package 070: Revenue Shortfalls. This package reduces \$57.9 million Other Funds expenditure limitation, 154 positions (153.83 FTE) and associated services and supplies due to a shortfall in projected SHF revenue.

Package 380: ODOT Administrative Services Restoration. This package restores 112 positions (112.00 FTE) and \$42.7 million Other Funds expenditure limitation to support a modified current service level, offsetting reductions made in Package 070 due to the SHF shortfall. The restoration results in a net reduction of \$15.1 million Other Funds expenditure limitation and 42 positions (41.83 FTE). Reductions include four Office of Organizational Excellence positions, four communications positions, 16 IT positions, two human resources positions, three

administrative positions, eight procurement positions, three facilities positions, two labor equity positions, and additional cuts to services and supplies. Funding is assumed based on passage of House Bill 2025 (2025), the Transportation Re-Investment Package.

Finance and Budget

The Finance and Budget Division manages the Department's financial resources, budget, economic-financial analysis, debt services, statewide investment management services, and the Office of Innovative Funding. Some of the Division's main activities and services include but are not limited to developing the STIP; accounting; payroll support; contractor payments; travel claims processing; financial training coordination and reporting; debt management; collection services; cost allocation; and billing. Budget Services produces the agency request budget, monitors budget performance, helps produce fiscal impact statements for the Legislature, provides business and fiscal analysis for programs, analyzes fiscal data from the maintenance management system, and operates the Claims Against Others program. The Office of Innovative Funding comprises the OReGO road usage charge program and the Innovative Partnership Program, the agency's public-private partnership development program.

The Subcommittee recommendation includes \$88,279,582 Other Funds expenditure limitation and 116 positions and (116.00 FTE). The Subcommittee recommended the following packages:

Package 070: Revenue Shortfalls. This package reduces \$17.2 million Other Funds expenditure limitation, including 28 positions (28.00 FTE) and associated services and supplies due to a shortfall in forecasted SHF revenue.

Package 390: Finance and Budget Division Restoration. This package restores 23 positions (23.00 FTE) and \$15.6 million Other Funds expenditure limitation to support a modified current service level, offsetting reductions made in Package 070 due to the SHF shortfall. The restoration results in a net reduction of \$1.6 million Other Funds expenditure limitation and five positions (5.00 FTE). Reductions include decreased spending on municipal advisors, bond counsel, and consultants in the Office of Innovation, and the elimination of three fiscal and two administrative positions. Funding is assumed based on passage of House Bill 2025 Transportation Re-Investment Package.

Summary of Performance Measure Action

See attached Legislatively Adopted 2025-27 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Department of Transportation
Angela Parada – 971-720-0987

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2023-25 Legislatively Approved Budget at Jan 2025 *	\$ 80,930,280	\$ 135,204,750	\$ 5,845,606,156	\$ 601,875,785	\$ 193,450,141	\$ 18,764,647	\$ 6,875,831,759	4,939	4,806.87
2025-27 Current Service Level (CSL)*	\$ 52,729,158	\$ 144,229,808	\$ 5,383,836,797	\$ 18,000,000	\$ 201,929,984	\$ 17,933,514	\$ 5,818,659,261	4,869	4,789.42
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 087-01 - Loan and Grant Programs									
Package 806: Technical Adjustments									
Special Payments	\$ -	\$ -	\$ 2,100,000	\$ -	\$ -	\$ -	\$ 2,100,000		
SCR 088 - Capital Improvements									
Package 070: Revenue Shortfalls									
Capital Outlay	\$ -	\$ -	\$ (4,638,650)	\$ -	\$ -	\$ -	\$ (4,638,650)		
Package 310: Capital Improvement Restoration									
Capital Outlay	\$ -	\$ -	\$ 4,638,650	\$ -	\$ -	\$ -	\$ 4,638,650		
SCR 100-20 - Maintenance									
Package 070: Revenue Shortfalls									
Personal Services	\$ -	\$ -	\$ (99,604,897)	\$ -	\$ -	\$ -	\$ (99,604,897)	(414)	(402.65)
Services and Supplies	\$ -	\$ -	\$ (61,372,582)	\$ -	\$ -	\$ -	\$ (61,372,582)		
Capital Outlay	\$ -	\$ -	\$ (24,629,719)	\$ -	\$ -	\$ -	\$ (24,629,719)		
Package 320: Maintenance Restoration									
Personal Services	\$ -	\$ -	\$ 99,889,708	\$ -	\$ -	\$ -	\$ 99,889,708	407	407.00
Services and Supplies	\$ -	\$ -	\$ 59,970,328	\$ -	\$ -	\$ -	\$ 59,970,328		
Capital Outlay	\$ -	\$ -	\$ 24,066,974	\$ -	\$ -	\$ -	\$ 24,066,974		
SCR 100-50 - Project Delivery & Support									
Package 070: Revenue Shortfalls									
Personal Services	\$ -	\$ -	\$ (123,066,985)	\$ -	\$ -	\$ -	\$ (123,066,985)	(371)	(369.93)
Services and Supplies	\$ -	\$ -	\$ (19,568,890)	\$ -	\$ -	\$ -	\$ (19,568,890)		
Package 090: Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ 231,554	\$ -	\$ -	\$ -	\$ 231,554	0	0.79
Services and Supplies	\$ -	\$ -	\$ (231,554)	\$ -	\$ -	\$ -	\$ (231,554)		
Package 160: Newberg Dundee Bypass ARPA Carryover									
Services and Supplies	\$ -	\$ -	\$ 19,000,000	\$ -	\$ -	\$ -	\$ 19,000,000		
Package 330: Project Delivery Restoration									
Personal Services	\$ -	\$ -	\$ 115,321,882	\$ -	\$ -	\$ -	\$ 115,321,882	316	316.00
Services and Supplies	\$ -	\$ -	\$ 8,787,932	\$ -	\$ -	\$ -	\$ 8,787,932		
Package 501: HH-Project Priority Review Staff									
Personal Services	\$ 143,065	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,065	1	0.50
Services and Supplies	\$ 28,613	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,613		

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DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
Package 806: Technical Adjustments										
Personal Services	\$	- \$	- \$	275,506	\$	- \$	- \$	275,506	0	0.00
Services and Supplies	\$	- \$	- \$	(39,905,506)	\$	- \$	- \$	(39,905,506)		
SCR 100-60 - Interstate Bridge Replacement										
Package 110: Interstate Bridge Replacement Program										
Personal Services	\$	- \$	- \$	5,361,616	\$	- \$	- \$	5,361,616	22	15.09
Services and Supplies	\$	- \$	- \$	244,638,384	\$	- \$	- \$	244,638,384		
SCR 100-65 - Local Government										
Package 070: Revenue Shortfalls										
Personal Services	\$	- \$	- \$	(5,338,458)	\$	- \$	- \$	(5,338,458)	(17)	(17.00)
Services and Supplies	\$	- \$	- \$	(178,688)	\$	- \$	- \$	(178,688)		
Package 350: Local Government Restoration										
Personal Services	\$	- \$	- \$	4,149,161	\$	- \$	- \$	4,149,161	13	13.00
Services and Supplies	\$	- \$	- \$	178,688	\$	- \$	- \$	178,688		
SCR 200 - Driver and Motor Vehicle Svcs										
Package 070: Revenue Shortfalls										
Personal Services	\$	- \$	- \$	(3,776,207)	\$	- \$	- \$	(3,776,207)	(14)	(14.00)
Services and Supplies	\$	- \$	- \$	(2,848,235)	\$	- \$	- \$	(2,848,235)		
Package 130: DMV Real ID Staffing										
Personal Services	\$	- \$	- \$	5,013,384	\$	- \$	- \$	5,013,384	26	26.00
Services and Supplies	\$	- \$	- \$	594,592	\$	- \$	- \$	594,592		
Package 360: DMV Restoration										
Personal Services	\$	- \$	- \$	3,182,495	\$	- \$	- \$	3,182,495	14	14.00
Package 500: HH-DMV Portable Office										
Personal Services	\$	315,196	\$	- \$	\$	- \$	- \$	315,196	0	0.00
Services and Supplies	\$	246,822	\$	- \$	\$	- \$	- \$	246,822		
SCR 300 - Commerce and Compliance										
Package 070: Revenue Shortfalls										
Personal Services	\$	- \$	- \$	(1,435,886)	\$	- \$	- \$	(1,435,886)	(7)	(7.00)
Services and Supplies	\$	- \$	- \$	(457,210)	\$	- \$	- \$	(457,210)		
Package 370: Commerce and Compliance Division Restoration										
Services and Supplies	\$	- \$	- \$	(61,900)	\$	- \$	- \$	(61,900)		
SCR 400-10 - Policy, Data & Analysis										
Package 090: Analyst Adjustments										
Personal Services	\$	- \$	- \$	161,911	\$	- \$	- \$	161,911	0	0.74
Services and Supplies	\$	- \$	- \$	(161,911)	\$	- \$	- \$	(161,911)		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE					
			LIMITED	NONLIMITED	LIMITED	NONLIMITED								
Package 380: ODOT Administrative Services Restoration														
Personal Services	\$	-	\$	-	\$	(335,758)	\$	-	\$	-	\$	(335,758)	(1)	(1.00)
Services and Supplies	\$	-	\$	-	\$	(2,920,000)	\$	-	\$	-	\$	(2,920,000)		
Package 806: Technical Adjustments														
Services and Supplies	\$	-	\$	-	\$	-	\$	5,677,887	\$	-	\$	5,677,887		
SCR 450 - Public Transportation Division														
Package 120: Public Transportation Division Staffing														
Personal Services	\$	-	\$	-	\$	1,424,794	\$	-	\$	-	\$	1,424,794	6	5.64
Services and Supplies	\$	-	\$	-	\$	113,984	\$	-	\$	-	\$	113,984		
Package 806: Technical Adjustments														
Special Payments	\$	-	\$	459,618	\$	-	\$	-	\$	-	\$	459,618		
SCR 500 - Debt Service														
Package 806: Technical Adjustments														
Debt Service	\$	-	\$	-	\$	39,630,000	\$	-	\$	-	\$	39,630,000		
SCR 700 - ODOT Administrative Services														
Package 070: Revenue Shortfalls														
Personal Services	\$	-	\$	-	\$	(49,546,675)	\$	-	\$	-	\$	(49,546,675)	(154)	(153.83)
Services and Supplies	\$	-	\$	-	\$	(8,258,539)	\$	-	\$	-	\$	(8,258,539)		
Capital Outlay	\$	-	\$	-	\$	(81,000)	\$	-	\$	-	\$	(81,000)		
Package 380: ODOT Administrative Services Restoration														
Personal Services	\$	-	\$	-	\$	36,580,637	\$	-	\$	-	\$	36,580,637	112	112.00
Services and Supplies	\$	-	\$	-	\$	6,097,334	\$	-	\$	-	\$	6,097,334		
Capital Outlay	\$	-	\$	-	\$	59,803	\$	-	\$	-	\$	59,803		
SCR 850 - Finance and Budget Division														
Package 070: Revenue Shortfall														
Personal Services	\$	-	\$	-	\$	(8,207,419)	\$	-	\$	-	\$	(8,207,419)	(28)	(28.00)
Services and Supplies	\$	-	\$	-	\$	(8,977,248)	\$	-	\$	-	\$	(8,977,248)		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 390: Finance and Budget Division Restoration									
Personal Services	\$ -	\$ -	\$ 7,458,610	\$ -	\$ -	\$ -	\$ 7,458,610	23	23.00
Services and Supplies	\$ -	\$ -	\$ 8,158,204	\$ -	\$ -	\$ -	\$ 8,158,204		
TOTAL ADJUSTMENTS	\$ 733,696	\$ 459,618	\$ 231,482,214	\$ -	\$ 5,677,887	\$ -	\$ 238,353,415	(66)	(59.65)
SUBCOMMITTEE RECOMMENDATION *	\$ 53,462,854	\$ 144,689,426	\$ 5,615,319,011	\$ 18,000,000	\$ 207,607,871	\$ 17,933,514	\$ 6,057,012,676	4,803	4,729.77
% Change from 2023-25 Leg Approved Budget	(33.9%)	7.0%	(3.9%)	(97.0%)	7.3%	(4.4%)	(11.9%)	(2.8%)	(1.6%)
% Change from 2025-27 Current Service Level	1.4%	0.3%	4.3%	0.0%	2.8%	0.0%	4.1%	(1.4%)	(1.2%)

*Excludes Capital Construction Expenditures

Legislatively Approved 2025 - 2027 Key Performance Measures

Published: 6/24/2025 11:18:42 AM

Agency: Department of Transportation

Mission Statement:

Our Mission: We provide a safe and reliable multimodal transportation system that connects people and helps Oregon's communities and economy thrive.

Our Values: These principles inform decision making and guide our behavior in working with each other, our partners and the communities we serve: Integrity: We are accountable and transparent with public funds and hold ourselves to the highest ethical standards. Safety: We share ownership and responsibility for ensuring safety in all that we do. Equity: We embrace diversity and foster a culture of inclusion. Excellence: We use our skills and expertise to continuously strive to be more efficient, effective and innovation. Unity: We work together as One ODOT to provide better solutions and ensure alignment in our work.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
1. Traffic Fatalities and Serious Injuries Rate - Traffic Fatalities and Serious Injuries per 100 million vehicles miles traveled (VMT).		Approved	10.64	6.28	6.28
2. Pavement Condition - Percent of pavement centerline miles rated "fair" or better out of total centerline miles in the state highway system		Approved	88%	85%	85%
3. Bridge Condition - Percent of state highway bridges that are not "distressed"		Approved	78%	78%	78%
4. Public Transit Vehicle Condition - Percent of Public Transit buses that meet replacement standards		Approved	30.50%	40%	40%
5. Traffic Congestion - Number of Congested Lane Miles - Ratio of annual average daily traffic to hourly highway capacity		Approved	444	560	560
6. Passenger Rail Ridership - Number of state-supported rail service passengers.		Approved	199,838	124,230	124,230
7. Transit Rides - Average number of transit rides each year per Oregonian		Approved	16.80	32	32
8. Pedestrian and Bicycle Facilities Index - Percent of miles of ODOT priority pedestrian and bicycle corridors in fair or better condition and percent of miles of ODOT priority pedestrian and bicycle corridors that meet target crossing spacing.		Approved	42%	49%	49%
9. Construction Projects On-time - The percentage of state administered projects that have satisfactorily completed all on-site work within 90 days of the baselined contract completion date		Approved	68%	80%	80%
10. Construction Projects On Budget - The percentage of projects for which total construction expenditures do not exceed the original construction authorization by more than 10%		Approved	97%	85%	85%
11. Disadvantaged Business Enterprise Utilization - Percent of ODOT Awarded Contracts to Oregon Disadvantaged Business Enterprises (DBEs)		Approved	15.34%	25%	25%
12. DMV Service Index - The number of DMV service performance measures trending positive by meeting their goal		Approved	3.25	4	4
13. Customer Satisfaction - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Accuracy	Approved	84.50%	90%	90%
	Timeliness		84.50%	90%	90%
	Availability of Information		84.50%	90%	90%
	Helpfulness		84.50%	90%	90%
	Expertise		84.50%	90%	90%

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Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
	Overall		84.50%	90%	90%

LFO Recommendation:

The Legislative Fiscal Office recommends Key Performance Measures and targets as presented above.

SubCommittee Action:

The Capital Construction Subcommittee approved the key performance measures and targets.