

# Transportation

## PROGRAM AREA AGENCIES

OREGON DEPARTMENT OF AVIATION..... G-3  
 DEPARTMENT OF TRANSPORTATION ..... G-5

	2003-05 Actuals	2005-07 Legislatively Approved	2007-09 Governor's Recommended
General Fund	\$3,914,616	\$8,626,167	\$6,575,313
Lottery Funds	20,903,444	22,162,072	54,777,424
Other Funds	2,397,261,811	2,623,438,809	3,383,936,551
Federal Funds	52,388,014	75,440,422	87,783,333
Other Funds (Nonlimited)	221,944,075	17,663,632	17,663,632
Federal Funds (Nonlimited)	0	0	0
<b>Total Funds</b>	<b>\$2,696,411,960</b>	<b>\$2,747,331,102</b>	<b>\$3,550,736,253</b>
Positions	4,683	4,703	4,702
Full-time Equivalent	4,575.61	4,584.37	4,578.53

### Overview

This program area strives to ensure efficient and safe transportation to maximize the state's economic competitiveness and livability. Program area agencies work with Oregon citizens, businesses, and local governments to select, develop, and implement projects that support these goals. The Transportation Program Area includes two agencies: the Department of Aviation and the Department of Transportation.

Less than 1.0 percent of program area activities are supported by General Fund, which is used for the rail program. Other Fund revenue sources include fuel taxes, motor vehicle and aircraft registrations, driver license fees, airport leases, and maritime pilot fees. Fee increases are kept to a minimum to support service levels that stakeholders have identified as necessary. Lottery Funds support debt service on rail construction projects, short line rail infrastructure loans, and investments in multi-modal infrastructure. Federal Funds support highway, transit, rail programs, and airport improvement programs. Federal Highway dollars are budgeted and spent as part of Other Funds. All other Federal Funds are budgeted and spent as Federal Funds.

The state's participation has been essential to the development of the High Capacity Transit (HCT) network that has been established in the Portland metropolitan region. Lottery dollars are currently funding bonds for the Westside Light Rail. The Governor anticipates continuing the momentum in HCT by dedicating this funding stream for future projects as the Westside Light Rail bonds are paid off in 2009-11.

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## Recommended Budget

The Governor's recommended budget of \$3.6 billion for this program area is 29 percent higher than the 2005-07 approved budget. Much of this increase is due to increased construction activity. The General Fund portion of the budget is 24 percent less than 2005-07.

Good roads, bridges and highways keep Oregon's economy strong. Workers use the transportation system to get to - and return from - their jobs. Businesses depend on the delivery of materials and supplies to prosper. Every region of Oregon relies on transportation to assure economic growth and improve Oregon's quality of life.

In 2001, Oregon began a major effort to improve its roads through the Oregon Transportation Investment Act (OTIA).

OTIA phases I and II included:

- more than 50 modernization projects to increase lane capacity and improve interchanges.
- more than 50 projects to repair or replace bridges owned by cities, counties, and the state of Oregon.
- more than 40 projects to fix and repave state highways and local roads.

OTIA phase III focused on Bridges. In the 2007-09 budget most of the 365 bridge projects under OTIA III will complete their design phase and go into the more expensive construction phase.

During 2005-07, under the Connect Oregon Program, the state sold \$100 million in lottery-backed bonds to invest in air, rail, marine and transit infrastructure to ensure Oregon's transportation system is strong, diverse and efficient. This 2007-09 budget proposes funding for another round of multimodal projects for improving public transportation, aviation, rail networks and marine ports.

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## OREGON DEPARTMENT OF AVIATION

	2003-05 Actuals	2005-07 Legislatively Approved	2007-09 Governor's Recommended
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	15,769,226	6,604,588	7,024,120
Federal Funds	0	10,510,000	9,635,252
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$15,769,226	\$17,114,588	\$16,659,372
Positions	16	16	20
Full-time Equivalent	16.00	16.00	19.34

### Overview

The Oregon Department of Aviation's mission is to advocate for the safe operation, growth, and improvement of aviation in Oregon. Founded in 1921, it was the first government aviation agency in the United States.

The Department plans development of airports, state airways, and aviation industries. The Department is also responsible for operations and maintenance of 30 state-owned airports. The Department assists communities in obtaining federal support for airport construction and maintenance; registers pilots, aircraft, and airports; and inspects and licenses about 100 public and 300 private airports and heliports.

State jet fuel and aviation gas taxes fund the Statewide Airport Pavement Maintenance program. The Department also awards grants to communities to use as a match for federal funds, or to fund projects that are not eligible for federal support.

### Recommended Budget

The Governor's recommended budget is \$16,659,372 total funds, a 2.7 percent decrease from the 2005-07 Legislatively Approved Budget. The net decrease is due to a reduction in Other Funds and Federal Funds for a wide variety of airport related capital projects.

The recommended budget continues all programs. It also adds one Facilities Engineer, one Airport Operations Specialist, and two Laborer positions to meet the existing workload. Although, Other Funds/Federal Funds for capitol projects were reduced in the recommended budget, the budget still provides funds to support Taxiway construction projects.

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## Revenue

Other Funds and Federal Funds support the Department. Other Fund revenues come from licenses, registrations, leases, fuel taxes, and other sources. The Federal Aviation Administration provides 100 percent of federal support in the form of grants requiring a five percent state match.

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## DEPARTMENT OF TRANSPORTATION

	2003-05 Actuals	2005-07 Legislatively Approved	2007-09 Governor's Recommended
General Fund	\$3,914,616	\$8,626,167	\$6,575,313
Lottery Funds	20,903,444	22,162,072	54,777,424
Other Funds	2,381,492,585	2,616,834,221	3,376,912,431
Federal Funds	52,388,014	64,930,422	78,148,081
Other Funds (Nonlimited)	221,944,075	17,663,632	17,663,632
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$2,680,642,734	\$2,730,216,514	\$3,534,076,881
Positions	4,667	4,687	4,682
Full-time Equivalent	4,559.61	4,568.37	4,559.19

### Overview

The mission of the Oregon Department of Transportation (ODOT) is to provide a safe, efficient transportation system that supports economic opportunity and livable communities for Oregon. The Department is under the direction of the five-member Oregon Transportation Commission, which is appointed by the Governor, as is the agency Director.

ODOT is responsible for a wide range of programs and activities related to Oregon's transportation systems. The agency is involved in developing highways, roads and bridges; railways and public transportation services; bicycle and pedestrian paths, transportation safety programs, driver and vehicle licensing; and motor carrier regulation. The agency, which is organized into eight divisions, has more than 4,600 employees located in offices and facilities around the state.

### Recommended Budget

The Governor's Recommended Budget for ODOT is 29 percent more than the 2005-07 approved budget. Much of this increase is due to increased construction activity. The General Fund portion of the budget is 24 percent less than 2005-07.

The Governor's budget builds upon current department operations. It emphasizes a priority for highway maintenance, preservation, safety, modernization and bridge repair projects. The budget reflects a significant increase in the Bridge Program, as most of the 365 bridge projects under the Oregon Transportation Investment Act (OTIA III) complete their design phase and go into the more expensive construction phase. In addition, under the Connect Oregon program, ODOT will fund another round of multimodal projects for improving public transportation, the aviation system, the rail network and marine ports.

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The Driver and Motor Vehicle Division (DMV) will continue responding to the mandates outlined in Senate Bill 640 (2005). The division will convert to a central issuance process for driver licenses, driver permits and identification cards during 2007. By July 2008, DMV will compare the facial images (photos) of applicants for driver licenses, instructional permits and identification cards against images already on file. The budget includes additional field and headquarters staff to explain the new requirements, process the photo comparisons and investigate any cases of multiple identities. This function will be funded by a transaction fee of up to \$3 that was approved in Senate Bill 640.

The DMV has received the budget resources to respond to the requirements of the Federal Real ID Act. This Act sets minimum standards for state-issued driver licenses, instructional permits and ID cards. Compliance with the Act will require the division to make major changes to its work processes and computer systems.

The budget funds a statewide study of Oregon's freight and passenger rail system, incorporating the relationship of the state rail network to the regional and national transportation system. The study will review the current powers, authorities, and interests the state has in freight and passenger rail, and will recommend policies for state participation and ownership of rail infrastructure and service delivery. The study will also prepare a plan for managing rail assets that may become state-owned.

This budget makes significant investments in maintaining and improving the agency's aging infrastructure. It will allow the agency to begin laying the groundwork for replacing its out-dated financial and human resource systems with an integrated system. It will also allow improvement of ODOT's wireless communication system through investment in the Oregon Wireless Interoperability Network (OWIN) project. The maintenance facilities in Baker City and East Portland will be upgraded or replaced and ODOT's Headquarters building in Salem will be renovated.

Finally, this budget responds to the rapidly rising costs for fuel and materials which are affecting all highway maintenance operations and projects.

## Revenue

The recommended budget includes General Fund support for passenger rail services and for planning for future rail needs.

Debt service on Lottery bonds supporting Connect Oregon, the Westside Light Rail and South Metro Commuter Rail projects is paid for with Lottery Funds. The Department also receives Lottery dollars to pay debt service on Lottery bonds sold to fund loans for Short Line Rail and industrial spur projects.

The majority of the agency's revenue comes from motor fuel receipts, weight-mile tax collections and motor vehicle licensing and registration fees. Net proceeds from these revenue sources, after collection costs incurred by Driver and Motor Vehicle Services, Motor Carrier Divisions and Central Services are deducted, are shared with cities and counties on a formula basis. ODOT also collects various special fees and surcharges which are transferred to other state and local agencies. A portion of fuel taxes collected for various special classes of vehicles, such as boats, aircraft and snowmobiles is also transferred to other state agencies for use in programs benefiting the users of these vehicles.