



Oregon Department of  
Transportation

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2007-2009

**LEGISLATIVELY ADOPTED  
PROGRAM BUDGET**

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# Oregon Department of Transportation

## Overview

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## MISSION STATEMENT

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 Oregonians.

ODOT is actively involved in developing programs related to Oregon's system of highways, roads and bridges; railways; public transportation services; transportation safety programs; driver and vehicle licensing; and motor carrier regulation. ODOT was established in 1969 and reorganized in 1973 and 1993 by the Oregon Legislature.

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## OREGON TRANSPORTATION COMMISSION

The Oregon Transportation Commission (OTC) is the five-member, voluntary citizens' board. The Governor, with the consent of the Oregon State Senate, appoints members. In conducting its business, numerous state and local committees, agencies and public groups provide comment, advice and counsel directly to the OTC.

The OTC is empowered to:

- Develop and maintain a state transportation policy and comprehensive, long-range plan for a multimodal transportation system;
- Coordinate and administer programs relating to rail, highway, motor vehicles, public transit, transportation safety and other transportation-related programs.

### OTC Members

**Gail L. Achterman, Chair**

Portland, Oregon

Current Term: Nov. 17, 2004–June 30, 2008

**Michael R. Nelson**

Baker City, Oregon

Current Term: July 1, 2007–June 30, 2011

**Janice J. Wilson**

Portland, Oregon

Current Term: October 1, 2004–June 30, 2008

**Alan A. Brown**

Newport, Oregon

Current Term: February 18, 2008–June 30, 2009

**David H. Lohman**

Medford, Oregon

Current Term: February 18, 2008–June 30, 2009

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## **AREA COMMISSIONS ON TRANSPORTATION**

An Area Commission on Transportation is an advisory body chartered by the OTC. Membership consists primarily of community decision-makers such as local elected officials, business, industry, and public advocacy groups. ACTs address all aspects of transportation (surface, marine, and air and transportation safety), but focus primarily on the state transportation system. ACTs also consider regional and local transportation issues if they affect the state system.

ACTs play a key advisory role in the development of the Statewide Transportation Improvement Program (STIP), which schedules funded transportation projects. ACTs establish a public process for area project selection priorities for the STIP. Through that process they prioritize transportation problems and solutions, and recommend local projects for inclusion in STIP.

There are 10 ACTs in Oregon:

### **Cascades West Area Commission on Transportation**

Representing Benton, Lincoln and Linn counties.

ODOT contact: Vivian Payne, Cascade West area manager  
(541) 757-4211 or email [Vivian.b.payne@odot.state.or.us](mailto:Vivian.b.payne@odot.state.or.us)

### **Central Oregon Area Commission on Transportation**

Representing Jefferson, Crook and Deschutes counties.

ODOT contact: Gary Farnsworth, Central Oregon area manager  
(541) 388-6071 or email [Gary.c.farnsworth@odot.state.or.us](mailto:Gary.c.farnsworth@odot.state.or.us)

### **Lower John Day Area Commission on Transportation**

Representing Gilliam, Sherman, Wasco and Wheeler counties.

ODOT contact: Sam Wilkins, Lower John Day area manager  
(541) 296-2215 or email [Sam.l.wilkins@odot.state.or.us](mailto:Sam.l.wilkins@odot.state.or.us)

### **Mid-Willamette Valley Area Commission on Transportation**

Representing Marion, Polk and Yamhill counties.

ODOT contact: Tim Potter, Mid-Willamette Valley area manager  
(503) 986-2881 or email [James.T.POTTER@odot.state.or.us](mailto:James.T.POTTER@odot.state.or.us)

### **North East Area Commission on Transportation**

Representing Morrow, Umatilla, Union, Wallowa and Baker counties.

ODOT contact: Frank Reading, North East area manager  
(541) 963-1328 or email [Frank.h.reading@odot.state.or.us](mailto:Frank.h.reading@odot.state.or.us)

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**Northwest Oregon Area Commission on Transportation**

Representing Clatsop, Columbia and Tillamook counties and the western rural portion of Washington County

ODOT contact: Larry McKinley, Northwest Oregon area manager  
(503) 325-7222 or email [Larry.MCKINLEY@odot.state.or.us](mailto:Larry.MCKINLEY@odot.state.or.us)

**Rogue Valley Area Commission on Transportation**

Representing Jackson and Josephine counties

ODOT contact: Art Anderson, Rogue Valley area manager  
(541) 774-6353 or email [Art.h.anderson@odot.state.or.us](mailto:Art.h.anderson@odot.state.or.us)

**South Central Oregon Area Commission on Transportation**

Representing Klamath and Lake Counties.

ODOT contact: Mike Stinson, South Central Oregon area manager  
(541) 883-5662 or email [Michael.j.stinson@odot.state.or.us](mailto:Michael.j.stinson@odot.state.or.us)

**South East Area Commission on Transportation**

Representing Grant, Harney and Malheur counties.

ODOT contact: Rena Cusma, South East area manager  
(541) 889-8558 or email [Rena.m.cusma@odot.state.or.us](mailto:Rena.m.cusma@odot.state.or.us)

**South West Oregon Area Commission on Transportation**

Representing Coos, Curry and Douglas counties.

ODOT contact: Mark Usselman, South West Oregon area manager  
(541) 396-3707 or email [Mark.usselman@odot.state.or.us](mailto:Mark.usselman@odot.state.or.us)

## **PARTNERSHIPS**

**Transportation Policy Group**

Transportation Policy Group was established to act in an advisory capacity to the OTC and to ODOT to articulate concerns regarding policies, programs, and activities that affect counties, cities and Regions of the state.

**Governor's Economic Revitalization Team**

The Governor's Economic Revitalization Team (GERT) was established by the 2003 Oregon Legislature to encourage collaboration amongst state agencies at the local level to increase economic opportunity and help local governments and business and property owners bring industrial sites to "shovel-ready" status.

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Formerly the Community Solutions Team, the GERT emphasizes multi-agency coordination on projects of local and statewide significance. The GERT has regional coordinators deployed throughout the state to help Oregon communities and businesses succeed. They work with state agencies and local government to:

- Streamline permitting for business and industry.
- Increase opportunities to link and leverage public and private investments.
- Provide greater local access to state resources and assistance.

The Governor's Office has directed the GERT agency directors to create lasting and systematic changes to agency policies, programs, and processes for greater effectiveness and improved efficiency. The following state agencies are members of GERT:

- Oregon Economic and Community Development Department
- Oregon Department of Transportation
- Department of Consumer and Business Services
- Department of Land Conservation and Development
- Department of Environmental Quality
- Department of State Lands
- Oregon Department of Agriculture
- Oregon Housing and Community Services

**Governor's Advisory Committee on DUII**

The duties of the Governor's Advisory Committee on DUII (driving under the influence of intoxicants) are to broadly represent public and private organizations involved in DUII countermeasures, victims of drunk drivers, and the general public and to heighten public awareness of the seriousness of drunk driving. The committee works to persuade communities to attack the drunken driving problem in an organized and systematic manner. Included are plans to eliminate bottlenecks in the arrest, trial, and sentencing process that impair the effectiveness of many drunk-driving laws. The committee generates public support for increased enforcement of state and local drunk-driving laws. It also educates the public about the dangers of driving while under the influence and its effects on life and property. All members are governor-appointed and serve four-year terms. The committee was created by Executive Order and is considered to be part of the Governor's Office, staffed by ODOT.

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**Oregon Transportation Safety Committee**

The Oregon Transportation Safety Committee (OTSC) was formed in 1969 by the Legislature as the guiding board for highway safety programs, laws, research, and outreach in Oregon. In 1991, the OTSC merged into ODOT and became an advisory committee to the OTC and the department on highway safety matters. Committee members are Governor-appointed to four-year terms. The committee's primary areas of interest include speed, impaired driving, safety belts, community programs, and driver education. The OTSC is the lead committee for the annual Traffic Safety Performance Plan, the long-range Transportation Safety Action Plan, and many statewide communication initiatives on safety.

**Governor's Advisory Committee on Motorcycle Safety**

The Governor's Advisory Committee on Motorcycle Safety focuses on rider education, drinking and riding, road hazards unique to motorcyclists, motorist awareness of motorcycles, sharing the road, and other safety issues. The committee advises the Governor and the Governor's highway safety representative (Transportation Safety Division Administrator) on safety for motorcyclists in Oregon. The committee works closely with ODOT to find solutions to engineering-related safety issues that affect motorcyclists. All members are Governor-appointed and serve four-year terms. The committee was created by Executive Order and is considered to be part of the Governor's Office, staffed by ODOT.

**Oregon Bicycle and Pedestrian Advisory Committee**

The Oregon Bicycle and Pedestrian Advisory Committee (OBPAC) is a Governor-appointed committee that advises ODOT about bicycle and pedestrian traffic and the establishment of bikeways and walkways. The OBPAC reviews public and department policy, forwards proposals, and makes recommendations to the department for further consideration. The committee meets quarterly throughout the state to listen to the views and concerns of interested citizens, local officials, and ODOT staff. The committee was established by state statute in 1973. It consists of eight members: an employee of a unit of local government employed in land use planning, a representative of a recognized environmental group, a person engaged in the business of selling or repairing bicycles, a member designated by the Oregon Recreation Trails Advisory Council, a member under age 21 at the time of appointment, and three members at large.

**Department of Land Conservation and Development**

- Transportation Growth Management
- Transportation Planning Rule

**Economic and Community Development Department**

- Oregon Tourism Commission
- Geographic Names Board
- Immediate Opportunity Fund

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**Oregon State Police**

- Law Enforcement Data Systems
- Criminal Justice Information Systems Advisory Board
- Work Zone Safety
- Truck Safety Inspections

**Department of Human Services**

- Transportation Coordination Workgroup

**Department of Administrative Services**

- Highway Cost Allocation Study

**STRATEGIC DIRECTION**

ODOT believes in reliable, innovative solutions to Oregon’s transportation needs. The agency sees this as a work in progress. The direction ODOT takes now affects current transportation choices and helps establish priorities for the future.

GOALS	OUTCOMES	BENCHMARKS
1. Improve Safety	<ul style="list-style-type: none"> <li>➤ Reduce transportation-related accidents and fatalities.</li> <li>➤ Increase public satisfaction with safety.</li> <li>➤ Increase the percentage of safe drivers.</li> <li>➤ Reduce injuries to employees and transportation workers.</li> </ul>	Premature Death (No. 45)
2. Move People and Goods Efficiently	<ul style="list-style-type: none"> <li>➤ Improve transportation system operation from the customer perspective.</li> <li>➤ Reduce hours of delay experienced by travelers and movers of goods.</li> <li>➤ Improve efficiency of Driver and Motor Vehicle Services, Motor Carrier and other ODOT services from the customer’s perspective.</li> <li>➤ Ensure equality of opportunity to access transportation systems and services.</li> <li>➤ Improve choices of travel and shipping alternatives.</li> <li>➤ Increase access to the transportation system and services.</li> <li>➤ Increase reliability of intermodal transfers in seamless system.</li> <li>➤ Maintain and preserve facilities and equipment.</li> </ul>	Travel Delay (No. 68)  One Person Commute (No. 70)  Vehicles Miles Traveled in Metro Areas (No. 71)  Road Condition (No. 72)

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GOALS	OUTCOMES	BENCHMARKS
3. Improve Oregon's Livability and Economic Prosperity	<ul style="list-style-type: none"> <li>➤ Reduce the number of economically distressed communities.</li> <li>➤ Increase business opportunities in economically distressed communities as a result of transportation improvements.</li> <li>➤ Increase the number of cities and communities with a variety of coordinated transportation options available to residents.</li> <li>➤ Reduce travel times and delays between communities in key freight corridors.</li> <li>➤ Enhance scenic qualities of byway and tourist routes.</li> <li>➤ Reduce the adverse impacts of transportation on air and water quality.</li> </ul>	Employment Dispersion (No.1)  Net Job Growth (No. 4)  Independent Seniors (No. 58)  Disabled Employment (No. 59)  Air Quality (No. 75)  Salmon Recovery (No.85)
4. Provide Excellent Customer Services	<ul style="list-style-type: none"> <li>➤ Improve the delivery of services.</li> <li>➤ Increase public satisfaction with customer services.</li> </ul>	Note: There is not a Bench mark for this goal.

**2007 OREGON LEGISLATIVE SESSION: TRANSPORTATION HIGHLIGHTS**

The Oregon Department of Transportation had a successful 2007 legislative session. The legislature passed 982 bills, memorials, and resolutions. The legislature introduced 2,919 bills, memorials and resolutions. ODOT followed almost 700 bills that affect or may affect the agency's business. The following is a brief summary of bills passed during the 2007 legislative session that have a significant interest to ODOT. A complete summary of ODOT's 2007 legislative session is available online at:

<http://www.oregon.gov/ODOT/docs/2007LegislativeSummary.pdf>

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**HB 2278—Connect Oregon II**

Connect Oregon II will provide grants and loans to public and private facilities with an additional \$100 million in lottery-backed bonds to be dedicated for investment in non-highway, multi-modal transportation projects statewide.

Under this legislation, the department is authorized to conduct a statewide multi-modal study of the transportation system. The study shall be funded through a two-percent fee paid by recipients of the program. The study shall assess the infrastructure, capacity demand and constraints, development of criteria for strategic investments and return on investment and identification of potential funding sources and strategies.

**HB 2273—Oregon Motorist Information Act (Billboard Regulation)**

This legislation reinstated Oregon's ability to regulate billboards and other signs on private property along Oregon's state highway system. In March of 2006, the Oregon Supreme Court ruled that certain components of the state's system of regulation violated the free speech provisions of the Oregon Constitution. Oregon will now be allowed to keep existing regulations in place, but will change the grounds upon which signs subject to those regulations are classified. Further, this legislation ensures the Oregon will continue to comply with the federal Highway Beautification Act and will continue to receive its full allotment of federal highway funds. Within the legislation, a Sign Task Force was authorized to discuss issues pertinent to the industry and the state's regulation.

**HB 2466—Photo Radar in Work Zones (Pilot Project)**

This legislation authorizes the creation of a pilot program to test the effectiveness and acceptance of photo radar when used to enforce traffic speeds in highway work zones. The department will be allowed to work with the Oregon state Police and other jurisdictions authorized to operate photo radar. The department will evaluate the program and report the study results to the Legislative Assembly in 2009 and 2011.

**HB 2272—Compliance with Auto Emission Standards**

HB 2272 authorizes DMV to deny an application for Oregon registration of a new vehicle that does not comply with the auto emission standards adopted by the Environmental Quality Commission for model year 2009 or later. This strengthens compliance with new emission standards and allows Oregon automobile dealers to remain competitive with states that have less stringent standards.

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**SB 223—Alternate Power Unit Weight Exception**

An alternate power unit is a smaller, more efficient diesel engine used to power on-board accessories, thus reducing fuel use and emissions from engine idling during hours of rest. These devices use only 10 percent to 15 percent of the fuel that the main diesel engine uses to heat the engine or run cab heating and air conditioning. This bill adds an exception to statutorily-defined truck weight limits. It allows trucks to operate at weights up to 400 pounds over axle and gross weight limits to accommodate alternate power units as a means for reducing engine idling. The bill brings Oregon into compliance with this aspect of the 2005 Federal Energy Policy Act.

**HB 2984—Passenger Rail Funding**

This legislation creates dedicated funding to operate the Amtrak Cascades passenger trains in the Willamette Valley. The bill reduces the General Fund cost of operating the trains by \$4.3 million per biennium by dedicating revenue from the sale and renewal of custom license plates to the Oregon rail passenger program.

**SB 596—Emerging Small Business Program**

The Emerging Small Business Program (ESB) has been a part of the department since its inception in 1989. The program contains a 1 percent charge against each public improvement highway construction contract ODOT awards. These funds are used exclusively to assist emerging small businesses in overcoming barriers to participation in the state's public contracting process. This bill raises the ceiling for the program from \$50,000 to \$100,000, allowing an increase in the size of contracts that ODOT can set aside for ESB bidding.

**SB 1022—Toll Ways**

This legislation enables the construction of modern toll facilities in Oregon. It authorizes the use of electronic toll collection and photo enforcement for roads and bridges within the toll way. It provides a legal foundation that allows the effective enforcement for electronic tolling that can replace the traditional toll collection of the past that relied heavily on tollbooths and tollgates.

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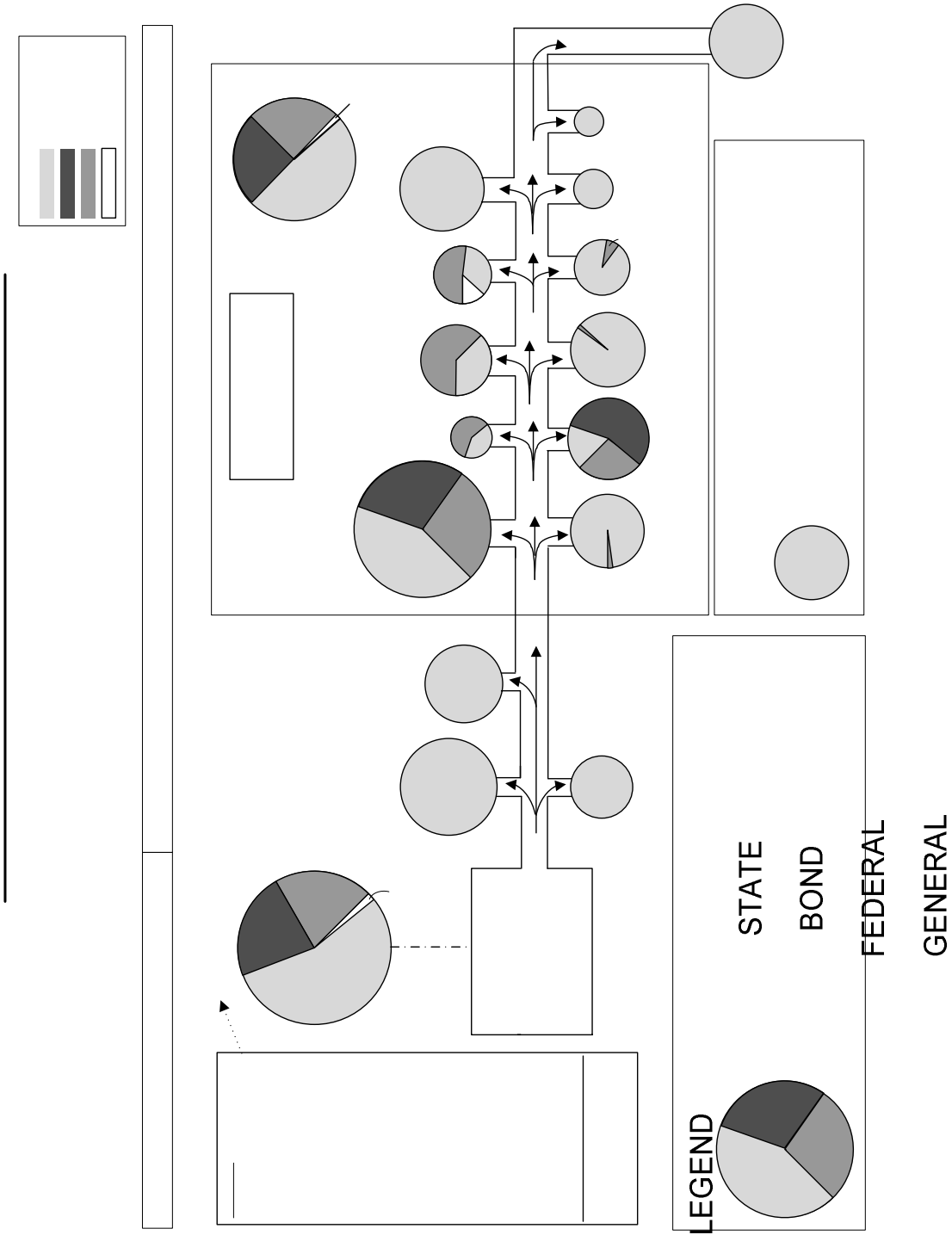
**SB 566—Congestion Relief Act of 2007**

This bill creates a number of new provisions that impact the department. It creates a 10 member joint legislative interim committee that will analyze and evaluate funding options to meet local and regional transportation needs. The Oregon Transportation Commission is authorized to evaluate property owned by ODOT for the purpose of maximizing return on investment for the State Highway Fund. The OTC will evaluate projects of statewide significance and identify those that can be moved to construction within the next biennium and identify specific highway projects required to reduce traffic congestion, improve freight mobility and enhance safety in consultation with highway users, local governments and the Federal Highway Administration. This bill creates the offense of “failure to remove a vehicle from the highway”. This violation would be a Class C traffic violation with a \$180 maximum fine. The winter recreation area parking season is extended and now exists from November 1 to April 30.

**SB 994—Transportation Funding**

This bill makes statutory changes to support the legislatively approved budgets for some state agencies and to implement other decisions made during the budget review process. The portions of the bill that affect ODOT include revisions to the Special County Allotment Program to allocate \$750,000 in supplemental assistance among counties whose county road resources are less than \$4,500 per county arterial and collector mile. In addition, it Allocates \$56.25 million from the state highway program to counties to replace funding lost when the federal Secure Rural Schools and Community Self-determination Act (P.L. 106-393) was not reauthorized. ODOT is allowed to temporarily reduce the amount of money dedicated to the State Modernization Program.

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**SOURCES AND USES OF FUNDS**

	<b>2003-2005</b> Actuals	<b>2005-2007</b> Biennial Est. as of April 2004	<b>2007-2009</b> Legislatively Adopted
<b>SOURCES</b>			
Beginning Balance	\$453,280,606	\$300,907,864	\$ 392,710,386
Beginning Balance Adjustment			(2,000,308)
Motor Fuels Taxes	839,820,508	857,515,744	889,771,428
Federal Funds	748,065,051	731,627,813	863,478,524
Weight-Mile Taxes	436,850,903	483,525,332	506,071,428
Driver and Vehicle Licenses	446,489,546	489,111,841	501,256,824
Transportation License & Fees	44,289,209	64,228,396	66,962,183
Internal Charges for Services	43,346,392	800,485	1,025,433
Transfers To ODOT	64,386,699	104,548,574	135,728,468
General Fund	3,914,616	8,626,167	4,504,713
Lottery Funds	20,707,164	24,046,024	46,510,709
Bond and COP Proceeds	443,044,716	620,778,383	908,614,960
Sales and Charges for Services	24,672,951	16,767,101	20,955,318
All Other Revenue	66,762,085	48,990,660	38,843,849
Mandated Distributions and Transfers Out	(654,079,848)	(677,588,157)	(680,499,429)
<b>AVAILABLE REVENUE</b>	<b>\$2,981,550,598</b>	<b>\$3,073,886,227</b>	<b>\$3,693,934,486</b>
<b>USES</b>			
Highway Division	\$1,985,555,942	\$2,012,521,884	\$2,541,858,822
Driver and Motor Vehicle Services Division	121,150,627	130,172,958	147,664,810
Motor Carrier Transportation Division	47,685,471	50,298,092	57,429,321
Transportation Safety Division	18,382,501	23,535,516	27,124,735
Public Transit Division	44,319,565	50,891,925	63,116,891
Rail Division	45,381,061	86,505,081	39,394,598
Transportation Program Development	60,564,493	61,160,062	167,361,418
Central Services	109,399,396	122,523,674	157,247,762
Board of Maritime Pilots	273,761	208,742	* 0
Debt Service	20,903,444	120,903,586	232,090,230
Capital Improvement & Construction	5,107,809	4,790,689	14,881,340
Non-Limited Programs	221,918,664	17,663,632	17,663,632
<b>TOTAL EXPENDITURES</b>	<b>\$2,680,642,734</b>	<b>\$2,681,175,841</b>	<b>\$3,465,833,559</b>
<b>ENDING BALANCE*</b>	<b>\$300,907,864</b>	<b>\$392,710,386</b>	<b>\$228,100,927</b>
Positions	4,667	4,669	4,624
Full-Time Equivalent (FTE)	4,559.61	4,552.58	4,526.24

\* Note: The Board of Maritime Pilots was transferred to the Public Utility Commission during the 2007 Legislative session.

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**ENDING BALANCE DETAIL**

	<b>2003-2005</b> Actual	<b>2005-2007</b> Biennial Est. as of April 2006	<b>2007-2009</b> Adopted
Highway Fund	\$233,512,702	\$312,437,346	\$127,894,718
Environmental Quality Fund	1,219,329	1,219,329	0
Emerging Small Business	5,730,900	5,730,900	5,730,900
Snowmobile/Winter Recreation Funds	4,741,418	4,741,418	4,741,418
Public Transit Division	4,014,473	3,242,519	1,869,368
Rail Division	10,804,468	5,045,625	2,420,065
Transportation Safety Division	8,899,193	10,216,061	9,153,276
Transportation Operating Fund	2,881,079	2,999,796	3,062,968
Debt Service	9,547,671	35,020,761	68,671,583
Special City Allotment	999,894	999,894	999,894
OTIB	18,556,737	11,056,737	3,556,737
TOTAL	\$300,907,864	\$392,710,386	\$228,100,927

**SOURCES OF FUNDS (REVENUE)**

**Beginning Balance**—Estimated cash position at beginning of biennium. Cash is committed to highway projects, debt service payments, and minimum cash balance to ensure payment of extraordinary and ongoing costs.

	Dollars in Millions
Highway Fund Programs	\$ 325
Environmental Quality Fund	1
OTIA Debt Service Reserve	33
Infrastructure Bank	11
Transportation Operating Fund	3
Transportation Safety Division	10
Rail Division	5
Public Transit Division	3
<b>Total</b>	<b>\$ 391</b>

**Motor Fuel Tax**—\$890 million. (Includes motor fuel and aviation fuel taxes.)

**Federal Funds**—\$863 million. Primarily for Highway Division, with lesser amounts for Transportation Safety, Transportation Program Development, Public Transit, and other programs.

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**Weight Mile Taxes**—\$506 million. Graduated tax based on vehicle's weight and miles traveled on public roads. The economic slowdown in Oregon and the nation influenced weight miles taxes with negative growth for three years starting in fiscal year 2001–2002. The forecast began to show a rebound starting in fiscal year 2004–2005. Forecasted revenues for 2007–2009 reflect a 4.8 percent increase over 2005–2007 estimates.

**Driver and Vehicle Licenses and Fees**—\$501 million. (Includes driver license fees, vehicle registrations and titling fees for passenger vehicles, buses, trailers, motorcycles, etc.) This category contains a large number of fees for various areas, from snowmobile titling to specialty license plates. This revenue category increase was authorized by the 2001 Legislature: House Bill 2132 (four-year vehicle registration) and House Bill 2142 (OTIA). Forecasted revenues for 2007–2009 reflect a 2.5 percent increase over 2005–2007 estimates.

**Transportation Licenses and Fees**—\$67 million. (Includes truck registrations, vehicle, and Sno-Park permits.) Increased revenue is a result of an increase in the forecast for truck registrations (3 million).

**Transfers to ODOT**—\$136 million. These funds come from dedicated revenues from the cigarette tax, local government match on construction project, and Transportation Growth Management match from Land Conservation and Development. The increase is from local government match on OTIA and Statewide Transportation Improvement Program projects being constructed in the 2007–2009 biennium.

**General Fund**—\$4 million. General Fund allocation for Rail Division's Passenger Rail program. Prior to 2003–2005, Passenger Rail was fully funded with General Fund. During the 2003–2005 biennium one-time funding, from the Environmental Quality Fund (Other Funds), partially replaced the General Fund. In the 2005–2007 biennium the General Fund once again was the main funding for the Passenger Rail Program. In the 2007–2009 biennium ODOT is requesting that revenue from Custom License Plates be used to help support the Passenger Rail Program, thus reducing the General Fund support.

**Lottery Proceeds**—\$46 million. Legislatively directed pass-through bond payments for Westside Light Rail, Rail Short Line, Rail Industrial Spur Projects, and *ConnectOregon*.

**Bond/Certificates of Participation**—\$909 million. Proceeds from OTIA bond issuance \$813 million, and *ConnectOregon* \$96 million.

**Sales and Charges for Service**—\$22 million. Includes sale of DMV records, damage recovery, and sale of property, timber, and equipment.

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**All Other Revenue**—\$39 million. Items in this category include railroad gross revenue receipts (\$3 million), interest income (\$16 million), Infrastructure Bank loan repayment (\$10 million), rent and fines (\$5 million), international fuel tax agreements (\$2 million) auto dealer regulation (\$2 million), and miscellaneous highway revenue (\$1 million).

**Mandated Distributions and Transfers Out**

**Counties**—\$361 million. From fuels tax, weight mile tax and licensing.

**Cities**—\$247 million. From fuels tax, weight mile tax, and licensing.

**Other State Agencies**—\$73 million. Parks, Marine Board, Aviation and other agencies.

**Committed Reserves and Ending Balance**— \$228 million. Estimated committed reserves and ending cash balance to carry forward into 2009–2011:

		Dollars in Millions
Highway Fund Programs:		
STIP	\$	127
Emerging Small Business		6
Snowmobile Fund		4
Winter Recreation Fund		1
Special City Allotment		1
Highway Programs Subtotal	\$	139
OTIA Debt Service Reserve		69
Infrastructure Bank		4
Transportation Operating Fund		3
Transportation Safety Division		9
Rail Division		2
Public Transit Division		2
<b>Total</b>	<b>\$</b>	<b>228</b>

**USES OF FUNDS (EXPENDITURES)**

**Highway Division**

- Highway Division program growth is primarily related to increases in the construction program, specifically increases for payments to contractors for the construction of projects. The Agency Request Budget also includes \$4.5 million in Policy Packages that increases Snow-Park Snow Plowing and a package for an Electronic Database to store Transportation Documents.
- There is an increase of \$361 million in contractor payments for the OTIA bond program and STIP program in the 2007–2009 Legislatively Adopted budget.

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- The Maintenance program has a technical adjustment increase of \$14 million to transfer Low Volume Road projects from Preservation to Highway Maintenance.

#### **Driver and Motor Vehicle Services Division**

- The Legislatively Adopted Budget for DMV includes \$4.6 million in Policy Packages that continue implementation of SB640 that requires DMV to collect Bio-metric data to help identify individuals, replacement of DMV's automated knowledge testing machines, and relocation of the Beaverton field office. Included in the budget is a technical adjustment increase of \$1.1 million of federal funds for digital capture of identity source documents for implementing Federal Commercial Driver Licensing Requirements, the Department of Administrative Services unscheduled the funds until the agency has official notice of federal grant award.

#### **Motor Carrier Transportation Division**

- The Legislatively Adopted Budget for Motor Carrier includes a \$1.5 million Policy Package for Credit Card transaction fees as Motor Carrier continues to expand its on-line services to the trucking industry. The division processed credit card payments totaling more than \$14 million in Fiscal Year 2004, more than \$22 million in Fiscal Year 2005, and it's projected to process more than \$33 million in Fiscal Year 2006. Consequently, transaction fees are projected to cost the Division \$1 million in the 2005–2007 biennium and \$1.5 million in 2007–2009.

#### **Transportation Safety Division**

- The Legislatively Adopted Budget for Transportation Safety includes a Phase In of \$2.4 million in Federal funds for the Oregon State Police FHWA Workzone Grant, and a Phase-out of \$200,000 payment to Oregon State Police for the purchase of a mobilized impaired driving processing center.
- A Policy Package in the amount of \$210,016 is included in the Legislatively Adopted Budget to provide support for the Driver Education Program. Two positions are needed to develop Oversight and management standards that hold the driver education system accountable through the implementation of consistent, statewide standards for the driver education curriculum and the driver education instructor.

#### **Public Transit Division**

- The Legislatively Adopted Budget for Public Transit Division includes a \$3.0 million Policy Package that increases the division's federal limitation and one new position to meet additional federal requirements associated with the increased funding. During the 2005–2007 Biennium, SAFETEA-LU created three new grant

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programs for ODOT to administer while imposing new requirements for existing federal programs.

- The Adopted budget includes a Phase In of \$7.2 million in Federal funds as a result of increases in the SAFTEA-LU grant programs available to Transit division.

### **Rail Division**

- A budget reduction to phase out \$50.5 million of Rail Bond projects (Short Line, Industrial Spur, and South Metro Commuter Rail) is reflected in the 2007–2009 budget.
- A Policy Package that provides a source of dedicated funding for the passenger train service by dedicating the fees collected for customized vehicle registration plates to ODOT's Oregon Passenger Rail Program, specifically the two state-supported daily round-trip Amtrak *Cascades* passenger trains between Eugene and Portland. The fees would provide about half of the current funding for the two trains, i.e. \$4.3 million of the \$9 million biennial costs reducing ODOT's use of general funds.
- A Policy Package in the amount of \$2 million that provides a statewide study of the freight and passenger rail system including challenges and opportunities covering all of Oregon. The study will incorporate the relationship of the state rail network to the regional and national transportation system. This is funded by a 2 percent assessment of *ConnectOregon II* projects.

### **Transportation Program Development**

- The budget includes a position realignment of \$253,508 for 1.00 FTE from Highway Special Programs.
- The Legislatively Adopted Budget for Transportation Program Development includes \$3.0 million in Policy Packages that address Asset Management, replacement of transportation features inventory systems, and expanding transportation research with new federal dollars that are available with the new federal transportation authorization bill (SAFETEA-LU).
- The budget includes \$70.7 million for completion of *ConnectOregon I* projects and \$25.2 million for *ConnectOregon II* projects that are expected to be completed during the biennium.

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### **Central Services Division**

- Includes a technical adjustment that moves \$8.9 million and 29 positions from Highway Division to enable a centralized service delivery in the areas of Civil Rights and Purchasing.
- There are several policy packages in this budget. The Integrated Finance/Human Resources System policy package will enable ODOT to investigate and begin implementation of an integrated Human Resources/Financial management System that is intended to replace its current accounting system (TEAMS) and other core financial and human resource (HR) systems with a single integrated system. This first phase of the project is \$6.6 million.
- The Emerging Small Business Outreach package of \$2.4 million is to increase ODOT's outreach efforts in providing additional opportunities for emerging small business in construction and maintenance of highway and bridge contracts.
- The remaining policy packages total \$1.1 million and they address implementation of SB 640 (Bio-metric data collection), shifting 4 positions to Transportation Program Development for long range transportation planning, the establishment of a sustainability coordinator, and consolidating Civil Rights expenses in Central Services by shifting \$1.4 million from Highway Special Programs.

### **Debt Service**

- Lottery Fund debt service is composed of Westside Light Rail (\$20 million), Short-Line Railroad Infrastructure Assistance Program (\$0.8 million), Industrial Rail Spur (\$1.4 million), South Metro Commuter Rail (\$4.3 million), and ConnectOregon (\$20.0 million) for a total of \$46.5 million of Lottery Fund debt service for 2007–2009 biennium.
- Other Funds debt service is composed of DMV Building renovation (\$1.6 million), Local Streets Network (\$5.6 million), and the OTIA program (\$178.3 million).

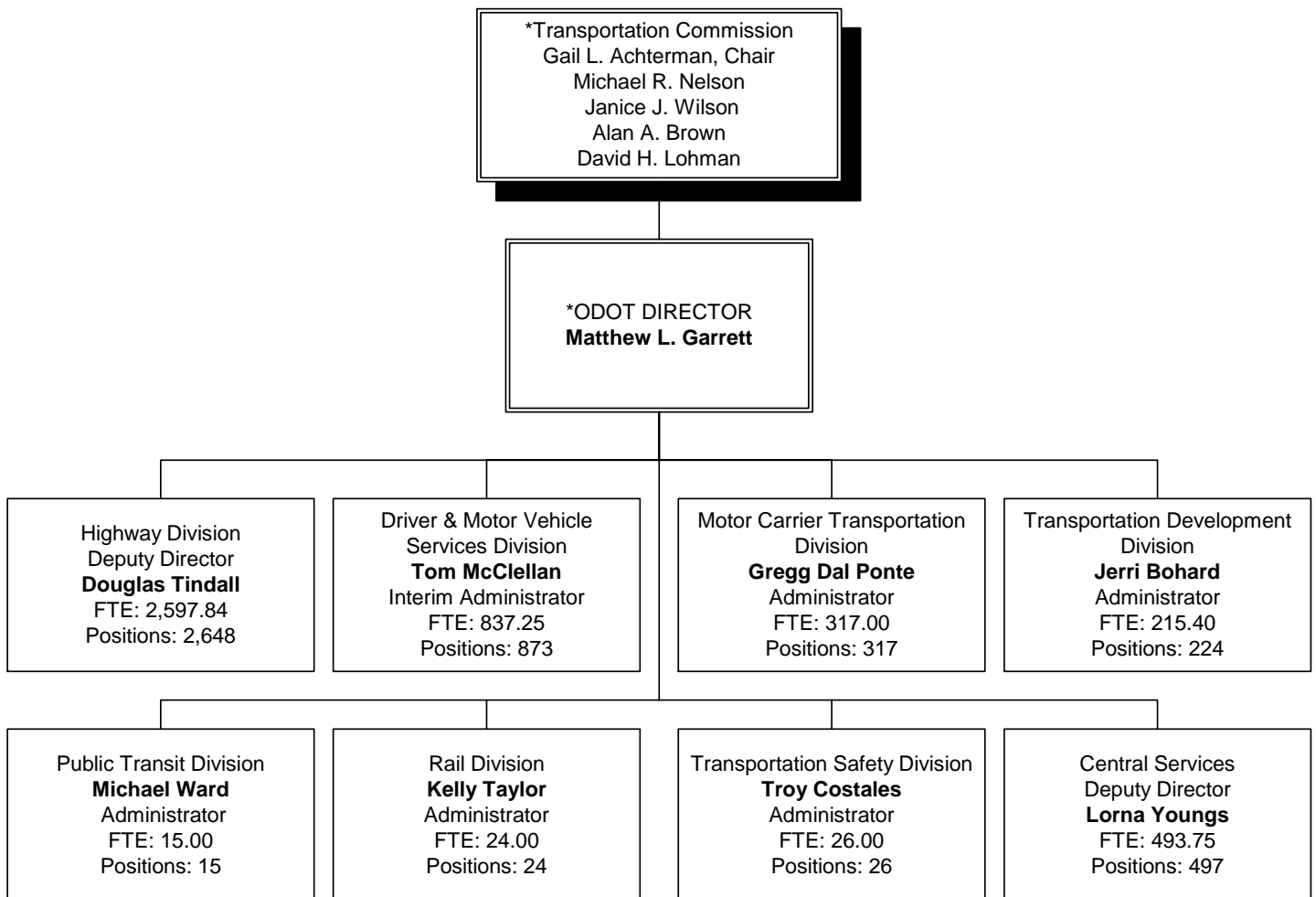
### **Non-Limited Programs (Infrastructure Bank)**

- During the 2005–2007 legislative session many of the department's Non-Limited programs were moved from Non-Limited to within the program that they support. The only remaining Non-Limited program is the Infrastructure bank. The bank was established by the 1997 Legislature as a revolving loan fund for transportation projects. The Oregon Transportation Infrastructure Bank makes loans to local governments, transit providers, ports, and other eligible borrowers.

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**Oregon Department of Transportation  
 Organization Chart**



\*Note: The FTE and positions for ODOT Headquarters and the Transportation Commission are included in Central Services.

# Highway Division

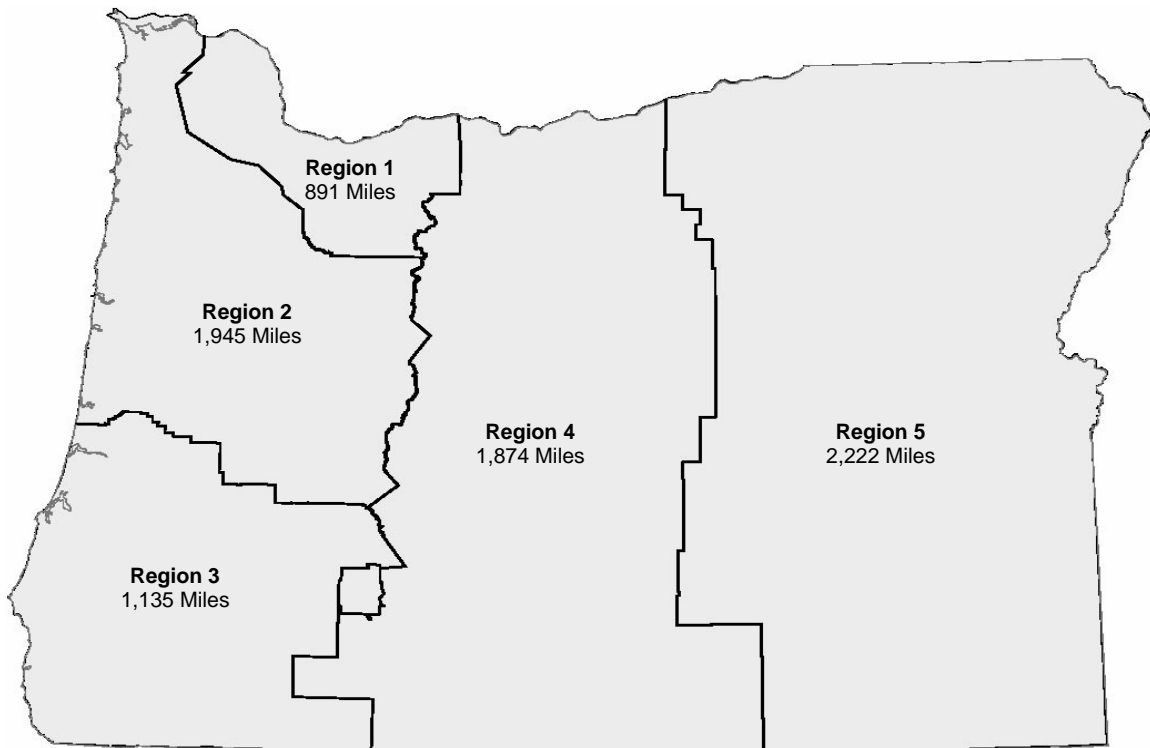
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## HIGHWAY DIVISION

ODOT operates and maintains nearly 8,040 miles of highways throughout Oregon. The highway system is as diverse as the state itself, and ranges from six-lane, limited-access freeways with metered entrances in the Portland area to a graveled state highway from Prineville to Brothers. Oregon's economy and industries—including agriculture, timber, tourism, and technology—depend on a sound highway system.

Oregon has more than 82,000 miles of roads owned by federal, state, county, and city governments. State highways comprise less than 10 percent of total road miles, but carry 61 percent of the traffic, or more than 56 million vehicle miles a day. More people are driving more cars more miles than ever before, and on the same highways, streets, and roads. Despite a 24 percent increase in driving during the past 10 years, Oregon's road mileage grew only 2 percent. About 73 percent of commuters drive alone to and from work. Congestion is getting worse, especially on urban freeways.



8,040 HIGHWAY MILES

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A strong economy needs good highways. State highways link producers, shippers, markets, and transportation facilities. A total of 3,700 miles of Oregon roads are designated as National Highway System routes, both rural and urban, because they play an essential role in the state's economy. They give access to airport freight services, ports, and many other kinds of transportation facilities.

Commercial trucks rely on state highways for both short and long-haul freight movements. Annually, trucks travel more than two billion miles and move an estimated 250 to 300 million tons of goods on Oregon highways. Many state highways, especially heavily traveled routes and urban-area highways, are built to support alternative modes. Special features include bicycle and walking paths, transit stops, bus pullouts and shelters, and park-and-ride lots. Intercity buses, transit buses and vans, car pools, motorcycles, bicycles, and pedestrians also use highways. Electric, gas, telephone, and other utility lines use highway right-of-way.

Organizationally, the Highway Division is administered through the five regional offices and the headquarters office. In the past, the agency had completed most engineering and design work in-house while contracting with private companies for the actual construction of projects. During the 2003–05 biennium the Highway Division reorganized to contract out most engineering and design work, as well as highway construction. To facilitate the implementation of this new business model and to ensure efficient project delivery, more than 300 Technical Services headquarters' staff were redeployed in the five Highway Division regions.

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## **HIGHWAY DIVISION PROGRAMS**

The Highway Division consists of two major program areas: Maintenance and Construction. A detailed description of each program follows.

### Maintenance Programs

### Construction Programs

- STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP):
  - Preservation
  - Bridge
  - Modernization
  - Highway Safety
  - Highway Operations
- LOCAL GOVERNMENT PROGRAM
- SPECIAL PROGRAMS

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## HIGHWAY MAINTENANCE

The purpose of the Highway Maintenance Program is to maintain, repair, and extend the service-life of the approximately 8,040-mile state highway system. Program activities include surface patching and bridge repair; upkeep of roadway shoulders, drainage, landscape, and rest areas; snow removal; sanding of roads; emergency repairs to roadways following natural disasters; and maintenance of ODOT buildings and equipment. Maintenance projects may include the replacement of necessary safety materials (such as road signs) but do not generally include reconstruction. Departmental personnel perform much of the highway maintenance work, in contrast with construction, and engineering and design work, which is primarily contracted out to private companies. Highway maintenance activities generally fall into two categories: reactive and proactive.

**REACTIVE:** If it breaks, fix it. Reactive maintenance resolves an existing problem or concern and is incident-driven.

**PROACTIVE:** Spend now to save later. Proactive maintenance includes inspection, preservation and restoration activities that will prevent damage to the transportation infrastructure, extend the infrastructure's life cycle, or reduce life cycle costs. Proactive maintenance is driven by resources and cost-benefit analyses.



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Highway maintenance is also responsible for upkeep of the buildings and equipment used by ODOT employees. ODOT's maintenance offices are a visible presence in communities throughout Oregon. They serve as local points of contact for members of the public with questions about state highways, requests for special highway-use permits and those seeking general maintenance information.

## HIGHWAY MAINTENANCE PROGRAMS

### **Surface Repair**

Surface repair activities include sealing cracks to keep water out, filling potholes, digging out and replacing small sections of pavement, and overlaying larger portions of failed pavement. Shoulder repair activities include rebuilding and smoothing shoulders to correct drop-offs from the pavement edge.

### **Drainage**

Drainage activities remove water—a significant danger—from roads; water which doesn't drain from the top of roads decreases traction and can cause drivers to lose control of vehicles. Water trapped under pavement can cause roads to deteriorate. Water trapped in hillsides can cause slides that block roads. Drainage includes cleaning and shaping ditches, cleaning and repairing culverts, and restoring vegetation on slopes to limit erosion.

### **Roadside and Vegetation**

Roadside and vegetation activities include sweeping debris, fixing access-control fences, removing hazardous trees, and clearing roadside weeds and other vegetation that could block visibility. Additional activities include maintaining access to sidewalks and bike paths, removing litter, repairing damage due to vandalism, maintaining landscaping and rest areas, and installing sidewalk wheelchair ramps.

### **Snow and Ice**

Keeping roads open in winter conditions involves plowing snow, sanding for increased traction, and applying environmentally friendly anti-icing chemicals.

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### **Bridge Maintenance**

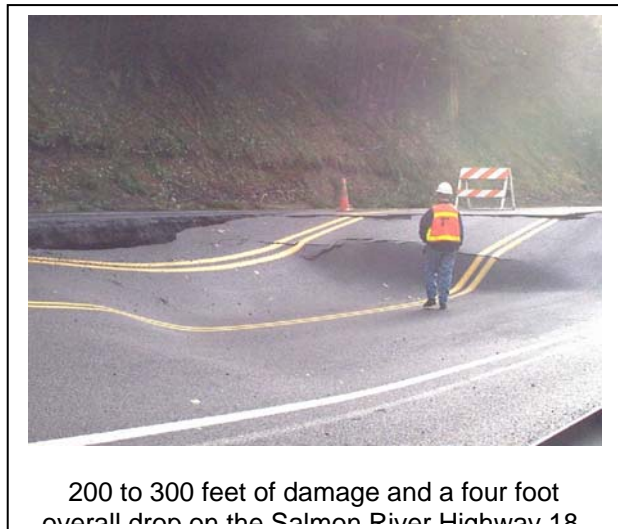
Bridge maintenance activities include cleaning, spot painting, patching, and removing debris from bridge piers, and fixing deck substructures or superstructures. This program also includes drawbridge operations.

### **Traffic Services**

Traffic Services activities guide drivers to keep traffic moving or prevent vehicles from straying into oncoming traffic or off the road. It involves marking traffic lanes, fixing and replacing signs, repairing traffic signals and ramp meters, replacing light bulbs, cleaning and replacing sight posts, and straightening or replacing guard rails, and barriers.

### **Extraordinary Maintenance/Damage**

Maintenance crews respond as quickly as possible to unplanned incidents that close roads or restrict traffic to reopen or protect roadways from extraordinary damage. Crews also open roads blocked by storms or other natural events not large enough to be included in emergency relief.



### **Emergency Relief**

Highways may suffer serious damage from natural disasters such as floods and earthquakes, or from catastrophic failure, such as a bridge collapse. The Emergency Relief program provides for repair and restoration of highway facilities to pre-disaster conditions. All emergency repair work is classified as temporary and permanent. Temporary repairs are those activities during and immediately after a disaster to restore essential traffic, minimize damage, or protect remaining facilities. State forces, with additional support from outside contractors, perform this work. Permanent repairs restore the highway to its pre-existing condition, and are primarily contracted out.

Congress created an emergency fund to repair or rebuild highways, roads, and trails that suffer serious damage from natural disasters such as earthquakes and floods. The Federal Highway Administration Emergency Relief program supplements state resources to help pay for significant unusual expenses on federal aid highways and roads on federal lands resulting from extraordinary conditions. Most of Oregon's state highways are on the federal-aid system. Application for their funds requires a declaration of emergency by the governor. Damage must generally exceed \$750,000 for a single event.

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**Facilities**

ODOT manages statewide department maintenance offices, region and central office buildings, shops, yards, and storage sites. Facilities services include statewide Americans with Disabilities Act program management; lease negotiations and coordination; office space planning and allocation; and building maintenance, repair and improvements.

**Fleet Services and Supply Operations**

Fleet Services purchases and repairs the fleet equipment used for all of ODOT. Fleet Equipment is budgeted within the limitation where it is used. Most of ODOT's fleet resides within the Maintenance limitation and is used for the Maintenance activities described previously. Supply Operations includes manufacturing highway signs, warehousing forms and supplies, and transporting new and used fleet equipment.

**Radio Communications**

The Communications Unit provides radio communications systems, products, maintenance, and repair services for maintenance crews and construction project managers. These radio systems support the daily operations of highway maintenance and construction office crews. These systems have experienced substantial growth that is expected to continue.

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## HIGHWAY CONSTRUCTION PROGRAMS

Highway Construction is made up of the many activities that support the design and construction of projects, as well as the operation of the highway system. These activities are included in the Statewide Transportation Improvement Program (STIP), which includes the Preservation, Bridge, Modernization, Highway Safety, and Highway Operations programs. Highway construction also includes the Local Government Program and Special Programs. A description of the STIP and how projects are selected for construction is included in Appendix A.

### **Preservation Program**

Pavement preservation projects, such as asphalt overlays, add useful life to a road without increasing traffic capacity. Preservation projects rehabilitate existing surfaces and extend their service life. The program strives to conduct resurfacing treatments at the most cost-effective time in the life cycle of a pavement. This approach allows highways to be resurfaced while they are still in “fair or better” condition and require only relatively thin paving.



The primary reason for this focus is that the cost of treating a pavement in “poor” condition can be four to five times greater than the cost of treating a pavement before it reaches “poor” condition.

The Oregon Highway Plan established a long term goal of having 90 percent of state highway miles in fair or better condition. ODOT has used innovative and cost-effective strategies to maintain a high percentage of miles in fair or better condition despite an aging system. While the condition rating is expected to stay at about 85 percent fair or better statewide through 2010, urban pavement conditions are expected to decline due to higher cost of urban preservation.



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## Bridge Program

The bridge program is responsible for preserving more than 2,600 bridges, tunnels, and culverts on the state highway system. There are three generations of bridges in Oregon: those built prior to the 1950s, those built between 1950 and 1970, and those built since the 1970s. Only those bridges built since the 1970s were constructed using current capacity and seismic standards. A large number of bridges are nearing the end of their design life and need repair or replacement.

ODOT uses its Bridge Management System to conduct long-range planning and analysis for preserving the bridge system.

To predict bridge needs and to protect public safety, ODOT inspects all bridges at least every two years. Bridge staff use the results of the inspections to develop programs for bridge maintenance, major rehabilitation and replacement. ODOT then identifies projects for inclusion in the STIP.



### BRIDGE PRIORITY ACTIVITIES:

- **Repairing structural deterioration**  
Restores bridge service levels by upgrading the deficient features on a bridge, such as the superstructure, substructure, footing or deck.
- **Major bridge painting projects—Metal Structures**  
Preserves bridge investments by decreasing the risk of corrosion and associated loss of capacity.
- **Raising bridges to increase vertical clearance**  
Improves safety by raising bridges (especially those with collision damage) to current clearance standards.
- **Repairing and preventing streambed erosion near bridges**  
Improves safety by preventing the loss of foundation support often caused by streambed erosion, which can cause bridge collapse.

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- **Protecting bridges from earthquake damage (seismic retrofits)**  
Preserves bridge investments by enhancing bridges' ability to resist earthquakes.
- **Repairing and protecting bridges against corrosion damage – Concrete Structures**  
Preserves bridge investments by decreasing the risk of corrosion damage and associated loss of capacity.
- **Upgrading electrical and mechanical systems in movable bridges**  
Preserves bridge investments and enhances safety by replacing outdated equipment used to operate the movable portion of a bridge.
- **Implementing safety improvements**  
Improves safety through such activities as installing new railings, widening bridges, and upgrading protective fencing.

#### BRIDGE ISSUES

Most Oregon bridges were designed to be replaced after approximately 50 years. Twenty-three percent of state-owned bridges are more than 50 years old and require extensive rehabilitation and/or replacement. These bridges were not built to be maintained indefinitely, nor were they designed for today's weights, volumes and traffic speeds. Insufficient investment over many years has prevented the bridges from being replaced on schedule. As a result, a growing number of bridges are in need of load restrictions and emergency repairs.

Cracks can develop as bridges grow older and experience increasing stress. When inspections show increased cracks over a short period of time, ODOT must consider imposing weight restrictions on a bridge to ensure public safety. Because trucks deliver needed goods to every community in Oregon, these weight restrictions can affect Oregon's economy through higher shipping costs and delays, causing significant adverse economic impacts at the local and regional level. Oregon's bridge problem has the potential to cost the state economy as much as \$123 billion in lost production and 88,000 lost jobs over the next 25 years.

The Oregon Transportation Commission, the Governor and the Legislature have made bridges a priority. In 2003, the Legislature passed House Bill 2041, which provides \$1.3 billion for the replacement and repair of bridges on state highways. Work is underway to ensure traffic and the economy keep moving by ensuring the backbone is completed first and then other bridges critical to freight and the state's economy are addressed. In spite of this significant investment in state bridges, there remain a large number of bridges nearing the end of their expected life that cannot be restored with existing funds.

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### **Modernization Program**

The Modernization program funds capital construction projects that add capacity to the highway system, by adding lanes or building new facilities such as bypasses. ORS 366.507 requires ODOT to dedicate a minimum amount of \$51 to \$54 million per year to highway modernization work. This level of investment allows ODOT to meet only 12 percent of the need for increased vehicle capacity.

Modernization projects are identified, selected and prioritized according to numerous factors and considerations including safety, land use impacts, modal integration, congestion, public support, environmental resources and impacts, cost relative to benefit, and economic impact.

Recognizing the need to focus financial resources on preserving the state's existing infrastructure, the Modernization Program is funded at the minimum funding level allowed under the law. As a result, few new modernization projects have been considered over the last several years, with the exception of those projects funded by the Oregon Transportation Investment Acts (OTIA I-III). These programs made additional modernization projects possible by bonding new and existing revenue. As bond proceeds authorized under OTIA I-III are expended, additional funding will need to be identified to fund highway modernization needs.

#### Immediate Opportunity Fund (IOF)

The Immediate Opportunity Fund is a discretionary grant program that distributes funds for street and road improvements that will influence the location, relocation, or retention of firms in Oregon. Grants may not exceed \$1 million, and are distributed to private firms or their local government sponsors. The IOF also provides procedures and funds for the Oregon Transportation Commission to respond quickly to unique economic development opportunities. The IOF funds only those projects for which other moneys are unavailable or insufficient, that serves a strategic economic purpose, and require immediate action. All IOF projects are included in ODOT's Modernization Program.

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### Highway Safety Program

The primary purpose of ODOT's Highway Safety Program is to identify where the most serious crashes occur on the state system and apply cost-effective measures to reduce the number of crashes. The Oregon Highway Plan states the objective in terms of a reduced traffic fatality rate. The goal is to reduce fatalities to 0.99 per 100 million vehicle miles traveled (VMT) by the year 2010. The 2006 rate was 1.34, down from 2001's rate of 1.40, which is well below 1998's rate of 1.70—the year the program was implemented. The national average for 2006 was 1.42.

The program consists of several parts: the new federally funded Highway Safety Improvement Program (HSIP), the Safety Investment Program (SIP), the High Risk Rural Road Program (HR3) and the Safe Routes to School Program (SR2S).

#### Highway Safety Improvement Program (HSIP)

The Highway Safety Improvement Program (HSIP, formerly the Hazard Elimination Program) is a new federally-funded program, which mandates that each state conduct and systematically maintain an engineering survey of the top 5 percent safety needs on all public roads. The mission of the HSIP is "to achieve a significant reduction in traffic fatalities and serious injuries on public roads."

#### Safety Investment Program

The Safety Investment Program (SIP) was first implemented in the 2000–2003 STIP. The SIP enables the department to balance the needs of two critical transportation facilities elements—**safety** and **pavement preservation**—while providing the most cost-effective means of reducing fatalities and serious injuries on the state highway system. The objective of the SIP is to maximize the impact of money spent on highway safety (in terms of crash reduction) by targeting expenditures where they are most cost-effective.



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High Risk Rural Road Program (HR3)

The High Risk Rural Road Program (HR3) is a sub-program of the Highway Safety Improvement Program (HSIP), a federally-funded program managed by the Oregon Department of Transportation (ODOT). Approximately one million dollars of federal funding is available each federal fiscal year in Oregon for High Risk Rural Roads. The mission of the HR3 is to carry out safety improvement projects on rural roads, with identified safety issues, to achieve a significant reduction in traffic fatalities and serious injuries.

Safe Routes to School Program (SR2S)

The Safe Routes to School Program's goal is to assist communities in identifying and reducing barriers and hazards to children, K-12, in walking or bicycling within two miles of the school. SR2S is funded at just under \$1 million per year (\$3.7 million total for 2006-2010).

The SR2S was created by two pieces of legislation passed in 2005. The federal transportation bill called "Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users" (SAFETEA-LU), apportioned funds in Section 1404 for states to administer Safe Routes to School programs from 2005-2009. The state legislation, House Bill 2742, was designed specifically to create a statewide program for the SAFETEA-LU Safe Routes to School appropriation for a Safe Routes to School program. HB 2742 requires ODOT to work in consultation with the Oregon Transportation Safety Committee (OTSC) in developing the Safe Routes to School Program along the guidelines set forth by SAFETEA-LU.

**Highway Operations Program**

Highway Operations includes planning, development, and implementation of improvements to relieve or prevent traffic congestion and to improve safety. Operations activities are prioritized through the use of several tools, including the Rockfall Hazard Rating System, the Statewide Intelligent Transportation System (ITS) Strategic Plan, Regional ITS Deployment Plans, and the Information Technology Tactical Plan. Enhanced prioritization tools are currently under development. A growing population and limited funding have increased ODOT's reliance on system efficiency tools to manage congestion and improve safety. This program consists of four categories: Slides and Rockfalls; Intelligent Transportation Systems; Signs, Signals and Illumination; and Transportation Demand Management.

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Slides and Rockfalls

Many factors are used to prioritize preventive landslide and rockfall projects, including the hazard to the traveling public, annual maintenance costs, the number of trips on the highway, input from ODOT district personnel, and the ODOT Rockfall Hazard Rating System.

Intelligent Transportation Systems (ITS)

Investment in ITS tools represents strategic deployment of technology to solve transportation problems in the most cost-effective manner. ITS initiatives include:

- Urban Traffic Management projects are targeted primarily at relieving traffic congestion. For example, Portland's Advanced Traffic Management System provides an effective means to monitor the highway system, quickly detect problems, and manage existing highway capacity more effectively. Systems like this decrease travel times for commuters and improve safety. For instance, introduction of ramp metering in Portland increased peak-period travel speeds and reduced accidents by 43 percent on Interstate 5. Effective traffic management also helps to reduce auto emissions and fuel consumption.
- Rural ITS projects use advanced technology to benefit motorists outside of Oregon's urban areas. The main focus of Rural ITS projects are to increase the safety of travelers. Highway cameras, variable message signs, warning systems (for phenomena like high wind or high water) and road weather information systems provide motorists with the information needed to make better travel decisions, particularly in the winter. These projects also support greater operational and maintenance efficiency on rural highways.
- Travel Information Services uses a number of state-of-the-art tools to deliver critical information to motorists. Urban motorists can make better commuting choices based on information from ODOT's web site, TripCheck.com. Rural travelers can use the site to select safer routes and to avoid adverse weather and road conditions. In an average month, TripCheck.com receives more than 1,000,000 visits. TripCheck.com's record for monthly visits happened in January 2004 at 3,241,411 hits.
- The 511 system—the national three-digit traveler information phone number—was implemented in Oregon in December 2003. This system provides a single, simple, and consistent phone number for members of the public to use when seeking travel information. Oregon's system record for monthly call volume was 386,566 in January 2004. A national single day call volume record was also set by ODOT in January 2004, when it handled 43,078 calls on January 6.

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- ITS for Public Transportation, also found at TripCheck.com, is a new program which aims to provide comprehensive, high quality information to public transportation users. Lack of real-time information has been identified as a major obstacle to greater use of public transportation services. The program's goal is to improve the mobility of Oregonians by increasing the accessibility of public transportation options.

ITS investments can be best targeted when considered from a system-wide perspective, rather than the perspective of many individual roadside devices. For example, a single ramp meter typically offers little appreciable benefit to the entire freeway system. However, a series of ramp meters that adapt to current traffic conditions can provide a high benefit to the system as a whole at relatively low costs.

Signs, Signals and Illumination

The Operations Program pays for replacement of traffic signals, signal interconnect projects, vehicle detection loop replacements, beacons and signal timing adjustments; signs; and the replacement of illumination systems. It also funds a limited number of new signals and signal upgrades at problem intersections.

1.

Transportation Demand Management

Transportation Demand Management (TDM) programs develop strategies to encourage the use of alternative forms of transportation. The goals of TDM are to reduce vehicle miles traveled, reduce traffic congestion, improve air quality, enhance mobility, and improve transportation system efficiency. ODOT funds TDM programs in Albany, Bend, Corvallis, Eugene, Medford and Salem. In addition, Portland has a large TDM program. The programs have proven effective in reducing the number of vehicles on Oregon's roads.

Transportation Operations Centers and Incident Management

The following Operations programs improve the safety and efficiency of the transportation system:

- Transportation operations centers, which monitor system conditions and provide communications and coordination within ODOT crews and between ODOT and other agencies. Operations centers also provide information to the public through travel information systems and variable message signs; and
- Incident Management, rapid detection of and response to incidents. In conjunction with other technologies, Incident Response aids highway system efficiency and capacity by keeping traffic moving.

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Traffic Systems Services Unit (TSSU)

Provides expertise in traffic signal testing, turn-on, inspection, and maintenance. Also supports the ODOT Intelligent Transportation Systems program with expert technical support for Road Weather Information Systems, Closed-Circuit Television surveillance systems, Fixed and Portable Variable Message Signs, and Fiber-optics data communication networks. Additional responsibilities include:

- Set minimum standards for traffic signal equipment on State Highway System;
- Perform environmental testing of all traffic signal equipment used within State of Oregon;
- Repair and test all state maintained control equipment modules.

TSSU provides these services in support of both project delivery and maintenance to ODOT and Local Agencies.

**Local Government Program**

Transportation management in Oregon is a cooperative effort involving all levels of government. ODOT and local government partners prioritize the road and bridge needs of each responsible agency. The agencies work collaboratively to address the highest priority needs, subject to the allowed uses of available funds. ODOT continues to share state and federal funds with local governments where permissible. Approximately 25 percent of federal highway funds allocated to Oregon are used to support local programs. Because ODOT is responsible for administering Oregon's entire federal highway funds, local expenditures related to federal highway programs are included in ODOT's budget. Local Government Programs include Fund Exchange, Special City Allotment, and Federal Aid Programs.

OTIA I, II and III

Project and program support is provided, as needed, for the local portion of Oregon Transportation Investment Act (OTIA) funding. Support includes funding strategies, identification of projects, and resolution of general transportation issues.

Fund Exchange

ODOT's Local Government Fund Exchange program allows local governments to exchange \$1 of their federal fund allocation for 94 cents in state highway funds. This exchange helps local agencies avoid complicated state and federal contracting regulations and ensures that all federal funds are expended within required timelines. Local Governments may need to accumulate funds over several years to pay for large projects. The amount of funds available for exchange is determined annually by ODOT. Exchanged funds may be used for all phases of a specified capital improvement within the roadway right-of-way, but are not intended for maintenance.

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Special City Allotment

The Legislature has mandated that a portion of state gas tax revenues be distributed annually among cities with populations of less than 5,000. In addition, ODOT shares some of its own portion of the State Highway Fund with these cities. ODOT determines the dollar amount and distribution of these funds by agreement with the League of Oregon Cities. Cities can receive \$25,000, one-half of the maximum grant amount, up-front with final payment due from ODOT upon completion of the project. These payments are included in the budget for ODOT's Local Government program.

A similar program exists for small counties. However, funds for this program are transferred directly to the counties and are not reported as an ODOT budget expenditure.

Federal Aid Programs:

Surface Transportation Program

The Surface Transportation Program (STP) provides federal funds to states and local governments for highway, bridge, transit, or rail projects. Under STP provisions, urbanized areas with populations of 200,000 and greater receive an annual allocation based on population. Through an agreement with Oregon cities and counties, ODOT shares a portion of its yearly STP funding with local governments serving populations between 5,000 and 200,000.

Local Bridge

The distribution of federal bridge funds to states is based on the percent of deficient bridges nationwide. Through an agreement with Oregon counties, ODOT allocates a portion of federal bridge funds to local governments based on the percentage of deficient bridges in each county. Bridges are inspected every two years to determine deficiency ratings. During the 2003 session, the Legislature made an additional \$300 million available to the Local Bridge program through bonding. These funds are addressing critical bridge needs at the city and county level.

Congestion Mitigation and Air Quality

The Congestion Mitigation and Air Quality (CMAQ) program directs funds to air quality enhancement projects and programs in Clean Air Act non-attainment areas, or maintenance areas for ozone and carbon monoxide. These projects and programs must contribute to attaining a national ambient air quality standard. Federal funds are allocated only to areas not meeting Department of Environmental Quality air-quality standards.

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Transportation Enhancement

Federal Transportation Enhancement funds may be used for projects that enhance the cultural, aesthetic, or environmental value of the transportation system. The majority of Oregon's Transportation Enhancement funds have been used for pedestrian and bicycle facilities. Funds are also expended on projects related to historic preservation, acquisition of scenic easements, landscaping and scenic beautification, and environmental mitigation to reduce water pollution caused by highway runoff. Projects are selected based on applications from local governments and other public agencies.

Discretionary

Through ODOT, local governments can apply for federal discretionary funds such as Scenic Byways, Emergency Relief, or Covered Bridge grants, as well as special congressional earmarks.

Metropolitan Planning

A portion of federal transportation funds are set aside for planning activities in metropolitan areas. Federal planning funds are allocated based on urbanized population. Metropolitan Planning Organizations use the funds to develop long-range transportation plans and transportation improvement programs.

Other Local Government Programs

On occasion, local governments contract with ODOT to develop and construct projects on their behalf. These projects are funded entirely with local funds.

**Special Programs**

Forest Highway Program

The Forest Highways Program provides federal funding for transportation projects on roads that are located within or provide access to national forests. The Federal Highway Administration manages the program and is responsible for the development and construction of projects. Oregon projects are selected by a committee composed of representatives from FHWA, the U.S. Forest Service, ODOT and Oregon counties.

Salmon and Watersheds

The Oregon Plan for Salmon and Watersheds identifies how various agencies will restore threatened or endangered salmon species and meet the requirements of the federal Clean Water Act and state regulations. ODOT salmon and watershed projects include construction of highway culverts, opening tide gates, and other improvements to help fish populations impacted by ODOT activities. ODOT's Fish Passage Program repairs or replaces culverts that currently prevent fish stream passage. To date, over 100 culverts have been replaced or retrofitted to improve fish passage.

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ODOT has pioneered efforts to incorporate fish passage mechanisms into highway construction, including improvements to habitat around in-water structures and fish-friendly bank repairs. ODOT is working to deploy available technology to enhance fish passage and habitat.

#### Pedestrian and Bicycle

State law (ORS 366.514) requires ODOT, cities and counties to spend no less than one percent of the State Highway Fund on footpaths and bicycle trails. In fulfillment of this requirement, ODOT constructs or enhances sidewalks and bikeways when modernizing a roadway. Most commonly, bike paths are placed on paved highway shoulders, which are often marked as bike lanes in urban areas. ODOT also constructs stand-alone pedestrian and/or bicycle improvement projects, such as:

- Filling in missing gaps of sidewalks;
- Creating island and curb extensions to make pedestrian crossing easier and safer;
- Performing Americans with Disabilities Act upgrades;
- Providing minor shoulder widening or re-striping for bicycle lanes.

In addition, ODOT administers a local assistance grant program for bicycle and pedestrian projects. Local governments compete for funding for high priority projects within their communities. ODOT and local governments then share the costs of selected projects.

#### Jurisdictional Exchange

ODOT has identified a significant number of state highway miles that serve primarily local transportation needs. These include urban arterials traveled mostly by local residents, urban streets parallel to highway bypasses, and roads that serve similar purposes to county roads. Through negotiated agreements, ODOT transfers jurisdiction of these highways to local governments.

#### Reimbursables

This section contains ODOT services that are paid by other parties. These costs include:

- Damage to structures: Recovers costs for repairs to highway facilities, such as signs, guardrails and crash-absorption devices damaged in crashes;
- Outside billings: Allows ODOT to bill for services provided to public agencies, private citizens and businesses;
- Management home purchase: ODOT occasionally buys and sells real estate when it transfers management service employees far from their present homes.

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Indirect Costs

All non-direct costs that are not administrative in nature are considered indirect costs.

Examples include:

- Office expenses;
- Facilities costs (building rent, repairs, etc.);
- Training and education;
- Work planning and other supervisory activities;
- Clerical support;
- Service contracts;
- Computer entry of payroll, utility, vendor payments;
- Crew team meetings;
- Safety meetings;
- Small increments of time spent working on individual projects or services.

Certain crews throughout the department perform “direct” work (i.e. they work on specific highway projects), but for various reasons it may not be cost effective to charge costs associated with their work to direct expenditure accounts. These costs are considered indirect project costs, and are accounted for separately from “normal” indirect costs. For example, if an employee works on four projects in a half-hour period, it may not be cost effective to break down the employee’s time and charge it to the various individual projects.

Examples of such multi-project work include:

- Quality assurance/quality control for construction projects;
- Administration of local federal aid program;
- Securing federal authorization for project work.

Non-direct activities also support the development and delivery of highway projects, although they cannot be charged to an particular project. Examples include:

- Standards and Specifications, which includes labor and supplies for preparing general specifications and plans not related to a specific project;
- Standard drawings and manuals, general local agency support, and development guides for contract plans;
- Review of traffic investigations, requests for additional or modified traffic control devices, and development proposals;
- General consultation with field personnel on engineering matters.

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Administrative Costs

Administrative costs are costs necessary for the management, supervision and administrative control of the agency. ODOT administrative costs include all costs associated with the following:

- Executive Deputy Director of the Highway Division and related support staff;
- Division and Region Managers and one level below (District Managers, Area Managers, Section Managers, etc.) and related support staff;
- Certain non-job activities, such as the Association of Engineering Employees of Oregon/Oregon Public Employees Union contract negotiations and clerical support for administrative activities.

Surplus Property

The Surplus Property Unit leases and sells property acquired by ODOT for highway construction projects when the property no longer has a present or future use to the department. In addition, federal law requires ODOT to make a purchase offer for excess property that is longer of value to the owner, which also becomes ODOT surplus property. All revenue from sales, leases and land use permits returns to the State Highway Fund.

Outdoor Advertising

This program administers and enforces state and federal regulations related to signs and billboards along state highways in Oregon. Permit and licensing fees for outdoor advertising cover the cost of the program. The 2007-2009 Legislature enacted House Bill 2273-A which is now the basis for ODOT's enforcement of outdoor advertising signs visible to state highways throughout Oregon.

Sno-Park Program

The 1977 Legislature created the Sno-Park program to provide for snow removal and parking enforcement at designated winter recreation area parking locations. The program is supported by the sale of Sno-Park permits. The 2007-2009 Legislature increased the annual Sno-Park permit fee to allow for continued support of this program.

Snowmobile Facilities

The Snowmobile Facilities Program develops and maintains snowmobile facilities, including the purchase of land and the enforcement of snowmobile registration, operation, and equipment requirements. The program is supported by registration fees and fuel taxes attributed to snowmobile use. This program also receives a minimum of ten percent of the fees attributed to Class I ATVs (motorized off-highway recreational vehicles). ODOT administers the Snowmobile Facilities Program through an agreement with the Oregon State Snowmobile Association.

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Rights-of-Way for Other Agencies

ODOT recovers costs associated with providing department staff trained in right-of-way acquisition to local agencies who lack the necessary staff. Department staff help local agencies obtain the necessary right-of-way for construction projects, and reimbursement costs are recovered from project funds.

Systems Management

Defined as: Overall management of the highway system, such as:

- Provision of expert technical guidance and assistance, best practices and support of Region project delivery;
- Development of technical support and tracking systems (i.e.: Pavement, Bridge and Asset Management Systems);
- Technical and legal quality assurance and quality control using an auditing or after-the-fact approach;
- Assessment and support of Regions' technical capacity and the development of training and other developmental activities to augment where needed.

Regions are responsible for and accountable for all non-central project delivery.

Traffic Management

Traffic management activities include operation of speed zones, non-project traffic analysis, and traffic safety work.

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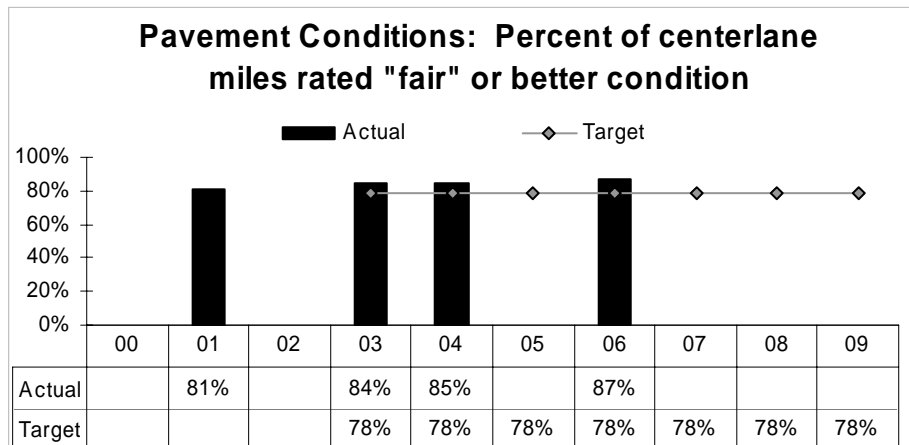
## ISSUES AND TRENDS

- The highway infrastructure, including pavements, bridges, and traffic control systems, continues to age, and as it does, it requires more maintenance and a larger share of ODOT's revenue each year. An aging infrastructure becomes more difficult to keep pace with growing costs through efficiency gains.
- Oregon is expected to grow by 1.2 million people by 2020. Seventy-two percent of this growth will occur in the Willamette Valley (Portland to Eugene). Growth places additional stress on highways and bridges.
- Increased vehicle travel causes safety concerns for drivers, highway employees, and contractors in work zones.
- Growing demand for driveway access to state highways creates congestion, slows traffic, and increases safety concerns for both vehicles and pedestrians.
- Oregon's population is aging. Ensuring mobility for older citizens requires creative solutions, such as innovative traffic control devices (e.g., more visible pavement markings, traffic signal displays signing, etc.).
- Strategies must be found to help Oregon meet long-term highway revenue needs.
- Environmental concerns require changes to practices, additional work and increase in costs to accomplish traditional activities. Without additional resources, less can be accomplished while addressing environmental concerns.

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## PERFORMANCE MEASURES

<b>KPM #15</b>	<b>PAVEMENT CONDITION</b> Percent of pavement centerline miles rated “fair” or better out of total centerline miles on the state highway system.	<b>Measure since: 2001</b>
<b>Goal</b>	Move people and goods efficiently.	
<b>Oregon Context</b>	Oregon Benchmark #72A: Percent of state road miles in “fair” or better condition.	



The strategy of the ODOT pavement preservation program is to keep highways in the best condition possible, at the lowest cost, by taking a preventative approach to maintenance. The most cost-effective approach is to resurface highways while they are still in “fair” or “good” condition, which requires only relatively thin paving.

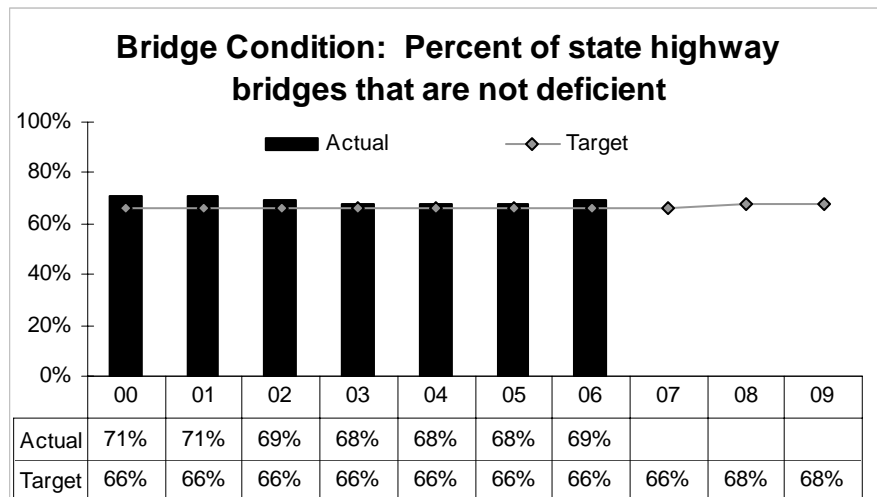
The recent surge on the price of oil has had a dramatic impact on the cost of highway resurfacing work. At present, the cost impacts are being covered by contingencies but in the future, cuts to projects are a possibility. The 2008 and 2009 targets are based on a projection of pavement conditions through the end of the approved 2006-2009 STIP. The condition targets assume that all major preservation projects in the STIP will be delivered and constructed on schedule.

In 2006, 87 percent of State Highway miles were rated in “fair” condition or better. This is a 2 percent improvement over the 2004 pavement condition figure (85 percent) and exceeds the target set for 2006. This continues the six-year trend of improved pavement conditions that has been reported since 1999. However, in order to continue the positive trend, more funding is required.

Although no uniform system exists for classifying pavement condition of all highways nationwide, the neighboring states of California, Idaho, Washington, and Nevada have similar classification systems to Oregon. A November 2003 review of these states showed that Oregon’s Interstate and National Highway System (NHS) pavements are in better condition than the average of the surrounding states, while Oregon’s non-NHS highways are in worse condition.

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<b>KPM #16</b>	<b>BRIDGE CONDITION</b> Percent of State National Highway System (NHS) bridges that are not deficient.	<b>Measure since: 1998</b>
<b>Goal</b>	Move people and good efficiently.	
<b>Oregon Context</b>	Oregon Benchmark #72(b) (i) Percent of state bridges in “fair” or better condition.	



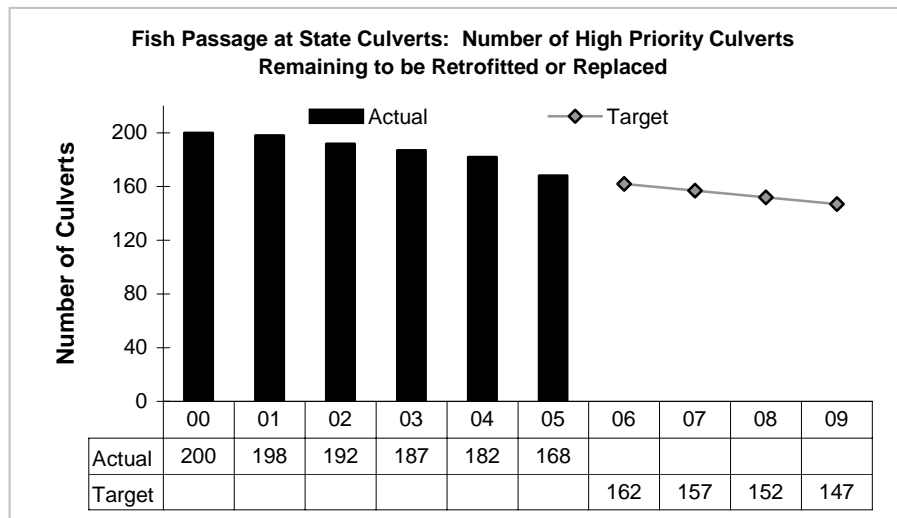
Due to additional funding provided by the Oregon Transportation Commission for bridge projects in 2008 and 2009, the percentage of “not deficient” NHS bridges is expected to remain near 68 percent through 2010. However, the target is expected to return to 66 percent after 2010 due to reduced funding levels beginning in 2010. Beyond 2010, bridge investment is anticipated to be too low to keep pace with repairs and replacements due to continued deterioration.

ODOT’s performance on this measure has remained essentially steady for the past four years, after leveling out a slight declining trend that occurred in 2001 and 2002. Bridge condition is calculated nationally using the National Bridge Inventory. The inventory applies the same standards across all states, and reports a national average of 78 percent state-owned bridges rated in sufficient condition. The Oregon rate of 69 percent falls below this national average.

Factors affecting this year’s condition rating include the increasing demands on Oregon’s bridges, and the age of those bridges (many of which are nearing the end of their 50-year life cycle). OTIA III will replace bridges at a rate greater than any other time since construction of the interstate and will improve the condition of the transportation infrastructure on the main freight routes; however, it still does not keep pace with the anticipated rate of deterioration. As OTIA III projects are completed, more aging bridges will fall into the categories of needing repair or replacement. The 25-year bond payback period, now scheduled to begin in 2010, further constrains future funding capacity to repair and replace bridges at the rate they are likely to decline.

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<b>KPM #17</b>	<b>FISH PASSAGE AT STATE CULVERTS</b> Number of high priority ODOT culverts remaining to be retrofitted or replaced to improve fish passage.	<b>Measure since: 2005</b>
<b>Goal</b>	Provide a transportation system that supports livability and economic prosperity in Oregon.	
<b>Oregon Context</b>	Oregon Benchmark #85: Promote native fish recovery.	



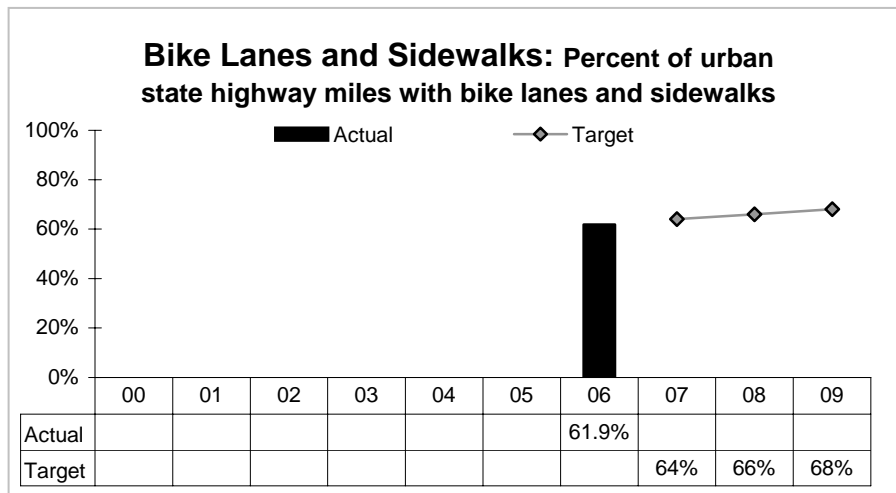
The primary goal of this program is to continue to support *The Oregon Plan For Salmon And Watersheds* by replacing or retrofitting culverts for fish passage in the most aggressive, cost effective, and efficient means as practicable with limited program funds.

Different program targets have been used in the past. These targets have included: minimum number projects per year and number of miles of stream habitat opened up per year. The new *targets* reflect the remaining balance of high priority culverts that need repair. Program *targets* are determined based on available annual funding levels. The new *actuals* represent the total number of statewide high priority culverts owned and managed by ODOT that remain to be replaced or retrofitted.

168 high priority ODOT culverts that need to be repaired or replaced on the statewide culvert inventory. As per the 2006 ODFW culvert inventory, there are an additional 491 culverts that will need to be repaired for fish passage (154 medium and 337 low priorities). Increased funding is necessary to maintain the trend of improving fish passage at ODOT owned and managed culverts.

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<b>KPM #19</b>	<b>BIKE LANES AND SIDEWALKS</b> Percent of urban state highway miles with bike lanes and sidewalks in “fair” or better condition	<b>Measure since: 2005</b>
<b>Goal</b>	Provide a transportation system that support livability and economic prosperity in Oregon.	
<b>Oregon Context</b>	Oregon Benchmark #72: Road Condition, ODOT Goal 3: Move people (and goods) efficiently.	



This measure reports the performance of ODOT in meeting community needs for bike lanes and sidewalks. Oregon Revised Statutes have established a Governor appointed Oregon Bicycle and Pedestrian Advisory Committee, that requires bike lanes and sidewalks be provided as a part of road construction projects, and have mandated that a minimum 1 percent of the state highway fund be used for bike and pedestrian facilities.

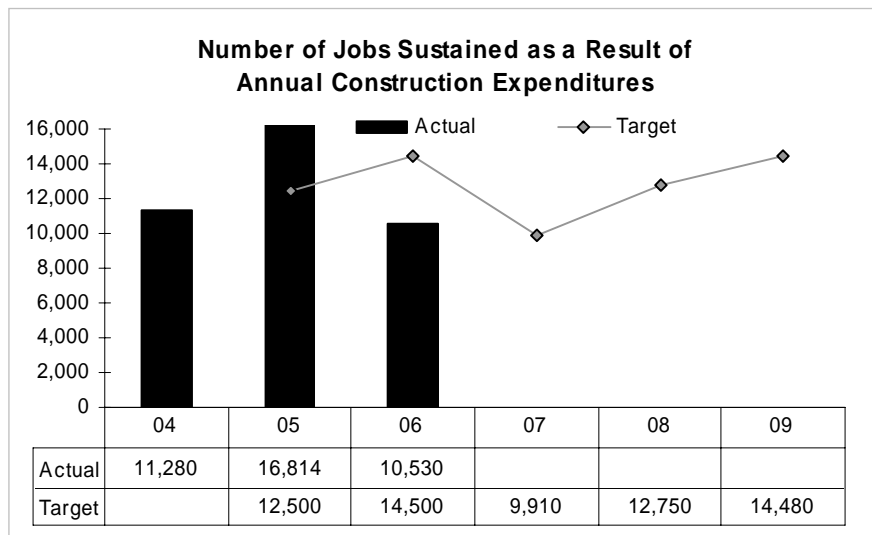
The measure has been recently revised to more adequately reflect the goals of the program and establish realistic targets for bike lanes and sidewalks. Actual community needs for bike lanes and sidewalks will be determined and existing facilities will be inventoried.

The program is considered a success based on positive feedback from communities that have received technical assistance and other efforts to monitor program outcomes. The current effort will concentrate on populating this performance measure with complete data for all state highways in cities and urbanized areas across the state. This information will be used to establish program direction and monitor progress.

This report is based on data from a very limited inventory of Oregon Routes 99W, 22 and 223 where they pass through the cities of Corvallis, Dallas, Eugene, Monmouth/Independence, Salem and Amity. It does not include inventory and assessments of any other cities on these routes nor other routes as they pass through these cities. Data for additional cities and highways will be added over the next two years.

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<b>KPM #20</b>	<b>JOBS FROM CONSTRUCTION SPENDING</b> Number of jobs sustained by annual construction project expenditures.	<b>Measure since: 2003</b>
<b>Goal</b>	Provide a transportation system that supports livability and economic prosperity in Oregon.	
<b>Oregon Context</b>	Oregon Benchmark #1 Promoting Rural Jobs. Oregon Benchmark #4 Net Job Growth.	



Major increases in funding for transportation projects approved in the Oregon Transportation Investment Acts (OTIA I, II, and III) target, among other things, the intended results of stimulating the economy in the near-term by increasing the number of jobs sustained as well as providing investment in long-lived public infrastructure as a key component of long-term economic growth.

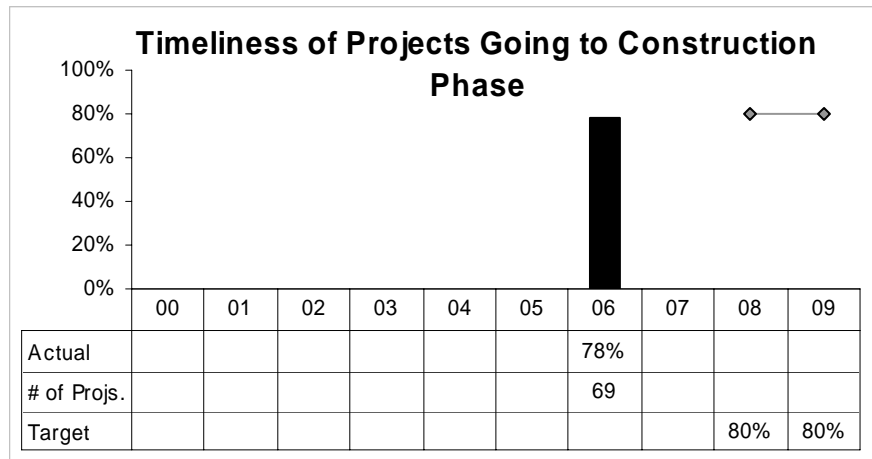
This measure provides information on the impact of ODOT's construction program by estimating the number of jobs sustained in the short-term by annual construction project expenditures.

Beginning with this report and for state fiscal year 2007 and beyond, targets are short-term job estimates based on forecast spending for projects currently programmed in the State Transportation Improvement Program (STIP). "Actual" figures are also short-term job estimates but reflect the programmatic spending that actually occurred during the state fiscal year. During 2005 ODOT paid \$300 million dollars to local governments as part of OTIA III and this represents a 5,500 Job Impact, however the timing of the construction projects and timing of the job impacts is not know.

ODOT construction programs succeeded in supporting nearly 11,000 jobs in 2006. The department must ensure that highways are designed and constructed on time. Delays in contracting projects would postpone impacts on jobs and the economy. In addition, increased funding is needed to offset the impacts of decreased purchasing power in order to keep the employment numbers level.

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<b>KPM #21</b>	<b>TIMELINESS OF PROJECTS GOING TO CONSTRUCTION PHASE</b> <b>Percent of projects going to construction phase within 90 days of target date.</b>	<b>Measure since: 2006</b>
<b>Goal</b>	Customer Service – Provide excellent customer service; Moves People and Goods Efficiently. Provide a transportation system that moves people and goods efficiently.	
<b>Oregon Context</b>	Travel and Shipping Delays – Reduce hours of travel and shipping delays due to congestion, construction, incidents and weather. Efficiency – Improve efficiency to better serve customers of Driver and Motor Vehicle Services, Motor Carrier Transportation and other ODOT services.	



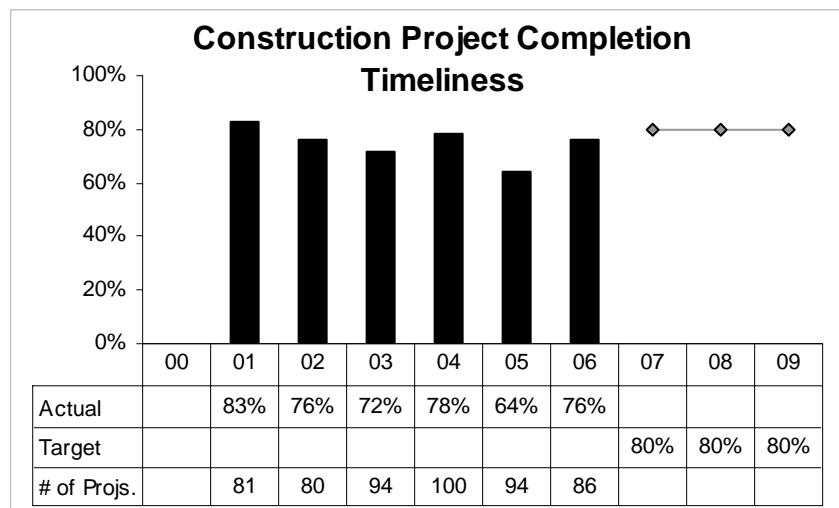
The goal is to develop efficient, complete and attainable project development schedules, and then aggressively manage all milestones, ensuring all milestone deliverables are complete and on time. The Agency is currently standardizing the process of project development. The Agency already has in place a 12 month lock-in schedule for projects to get to the bid/let date. Projects which bid let within 90 days of this targeted bid/let date or earlier are considered on time.

Items which can cause late projects include:

- **During the Project Development Process:**
  - Additions made to the scope of work to be performed;
  - Unanticipated archeological or environmental impacts;
  - Permit issues.
- **During the Procurement Process:**
  - Balancing bid let dates to improve bid pricing;
  - Contractor timeliness in returning documents;
  - Re-bid of rejected proposals.

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<b>KPM #22</b>	<b>CONSTRUCTION PROJECT COMPLETION TIMELINESS</b> <b>Percent of projects with the construction phase completed within 90 days of original contract completion date.</b>	<b>Measure since: 2006</b>
<b>Goal</b>	Moves People and Goods Efficiently – Provide a transportation system that moves people and goods efficiently (ODOT G4) Customer Service – Provide excellent customer service.	
<b>Oregon Context</b>	Travel and Shipping Delays – Reduce hours of travel and shipping delays due to congestion, construction, incidents and weather; Transportation Services – Improve how ODOT delivers transportation services; Efficiency – Improve efficiency to better serve customers of Driver and Motor Vehicle Services, Motor Carrier Transportation and other ODOT services; (OBM 68) Traffic Congestion – Hours of travel delay per capita per year in urbanized areas; (OBM 72) Road Condition – Percent of roads and bridges in fair or better condition.	



Goal is to ensure development of viable and efficient construction schedules which minimize freight and traveler impact and then aggressively manage adherence to the final construction schedule. All contracts require the contractor to develop project construction schedules. Contracts have financial consequences for failure to be completed on time, via liquidated damages. Some contracts have financial incentives for the contractor to finish early. These are contracts where there is a significant quantifiable cost benefit to the traveling public to minimize road closure time.

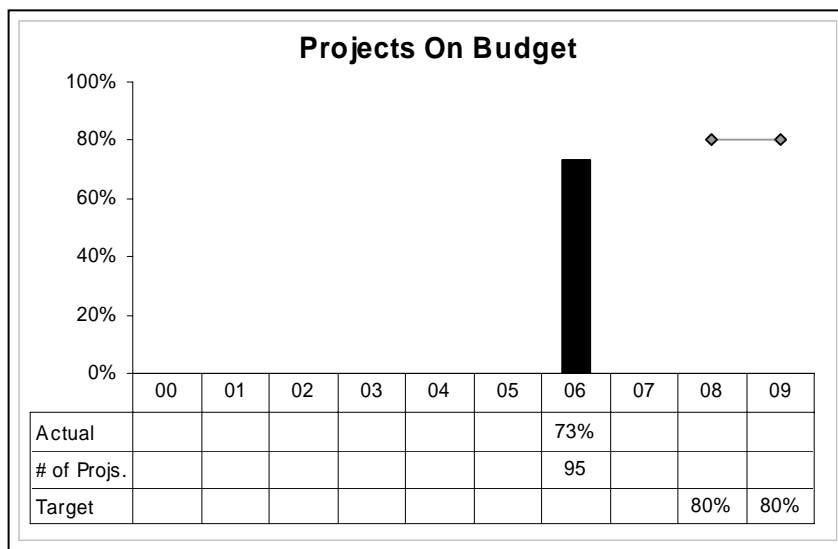
The current on time delivery of 76 percent for State Fiscal Year 2006 is slightly better than the 6 year average of 75 percent.

Accurate comparisons between Oregon's 2006 76 percent average on-time delivery to other state's on-time delivery may not be possible due to differences in contracting methods, the types of projects compared, and differences in measurement methodologies and definitions. Metrics from some states with similar, though not identical, metrics include: Washington State shows 91 percent on time average for the 2003–June 30, 2006 time period (*reference: <http://www.wsdot.wa.gov/accountability/Archives/WEBLiteJun06.pdf>*).

Virginia shows 27 percent on-time for 2003, 35 percent for 2004, and 75 percent for 2005.

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<b>KPM #23</b>	<b>CONSTRUCTION PROJECTS ON BUDGET – Percent of projects completed no greater than 10 percent over Current STIP estimate for preliminary engineering, right-of-way and construction costs.</b>	<b>Measure since: 2006</b>
<b>Goal</b>	Customer Service – Provide excellent customer service.	
<b>Oregon Context</b>	Transportation Services – Improve how ODOT delivers transportation services; Efficiency – Improve efficiency to better serve customers of Driver and Motor Vehicle Services, Motor Carrier Transportation and other ODOT services; (OBM 72) Road Condition – Percent of roads and bridges in fair or better condition.	



ODOT's goal is to more accurately estimate costs early in the process and then manage costs (paying special attention to the tendency of complex projects to increase in scope) during the project development and construction phase. ODOT's Strategies to support this goal include:

- Use multi-disciplinary teams to scope projects and starting the scoping process much earlier, in an attempt to better estimate project components and costs.
- Use multi-disciplinary teams to develop projects led by a Project team Leader who is responsible for monitoring and managing project costs throughout the life of the project.

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**Highway Division Mission**

The Highway Division supports the ODOT mission by planning, developing, implementing, maintaining and operating a safe and efficient highway system in context with the built and natural environment that provides economic opportunities for Oregonians.

**Highway Division Goals and Outcomes**

Goal	Desired Outcomes
<b>I. Safety.</b> Enhance the Safety of the Highway System	1. Reduced incidence of crashes, fatalities and injuries related to roadway design, condition or operations. 2. Reduced work-zone related injuries to motorists and highway workers
<b>II. Preservation.</b> Preserve and Maintain the Highway System	1. Highway system condition that allows for safe and efficient movement of people and goods 2. Asset condition maintained at sustainable levels 3. Maintenance and operations activities on-budget and at targeted levels of service 4. Reduction of delay related to construction, incidents, events and weather to the maximum extent possible 5. Protection of the functional integrity of the highway system while providing for access consistent with established system designations
<b>III. Livability.</b> Enhance Oregon's Livability Through Highway System Improvements	1. Maintained or reduced travel times and delays between communities in key freight corridors 2. Efficient highway system operation from the user perspective, considering linkages with other transportation system components and services 3. Enhanced scenic qualities of byways and tourist routes. 4. Environmental requirements and commitments met 5. Near-term construction-related benefits to the Oregon economy 6. Long-term benefits to the Oregon economy from highway system investments

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<b>IV. Customer Satisfaction.</b> Meet or Exceed Customer Expectations	1. Positive customer and stakeholder perceptions of Highway Division planning, delivery, maintenance and operations
<b>V. Efficiency.</b> Employ Innovative, Efficient and Cost-Effective Practices	1. Projects on-time, on-budget, on-scope 2. High quality work delivered efficiently 3. Diverse, talented, well trained, guided and motivated workforce 4. Timely and accurate information provided to support management decisions

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## BUDGET HIGHLIGHTS

### Highway Division Expenditures

	<b>2003–2005</b> Actuals	<b>2005–2007</b> Biennial Estimate	<b>2007–2009</b> Adopted
<b>Programs</b>			
Maintenance	\$305,431,756	\$299,114,039	\$352,292,298
Construction:			
STIP:			
Preservation	\$302,853,659	\$231,195,773	\$242,085,137
Bridge	402,542,330	533,585,745	932,378,170
Modernization	238,707,763	453,831,831	396,555,261
Highway Safety	44,113,500	54,473,792	52,028,686
Highway Operations	29,869,516	45,637,976	48,418,206
STIP subtotal	\$1,018,086,768	\$1,318,725,117	\$1,671,465,460
Local Government Program	\$497,893,686	\$214,899,208	\$260,700,511
Special Programs	162,190,336	175,265,289	257,400,553
Utility ROW Permits	1,953,396	4,518,231	0
<b>Total</b>	<b>\$1,985,555,942</b>	<b>\$2,012,521,884</b>	<b>\$2,541,858,822</b>

	<b>2003–2005</b> Actuals	<b>2005–2007</b> Biennial Estimate	<b>2007–2009</b> Adopted
<b>Expenditures by Major Revenue Source:</b>			
Federal (Other)	\$ 643,917,034	\$ 610,972,030	\$ 730,558,790
State	621,331,718	768,030,072	922,054,965
Revenue Bonds	666,416,821	540,234,310	765,859,592
Local Match	53,890,369	93,285,472	123,385,475
<b>Total</b>	<b>\$1,985,555,942</b>	<b>\$2,012,521,884</b>	<b>\$2,541,858,822</b>

Positions	2,537	2,706	2,648
Full-Time Equivalent (FTE)	2,476.13	2,652.82	2,597.84