

Oregon Department of
Transportation

2009-2011

**LEGISLATIVELY ADOPTED
PROGRAM BUDGET**

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
Table of Contents

Oregon Department of Transportation Overview

Mission Statement.....	2
Oregon Transportation Commission	2
Area Commissions on Transportation	3
Partnerships	4
Strategic Direction: Goals and Outcomes	7
2009 Oregon Legislative Session - Transportation Highlights.....	9
Sources and Uses of Funds: Bubble Chart	18
Sources and Uses of Funds: Biennial Comparison Table	19
Sources of Funds (Revenue) Description.....	20
Uses of Funds (Expenditures) Description	23
Organization Chart	26

Highway Division

Highway Division Description	28
Highway Maintenance Programs	31
Highway Construction Programs.....	35
Statewide Transportation Improvement Program	
Preservation Program	35
Bridge Program	36
Modernization Program.....	38
Highway Safety Program	39
Highway Operations Program	42
Local Government Programs	44
Special Programs.....	46
Performance Measures	51

Driver and Motor Vehicle Services Division 62

Motor Carrier Transportation Division 75

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
Table of Contents

<u>Transportation Safety Division</u>	93
<u>Public Transit Division</u>	102
<u>Rail Division</u>	116
<u>Transportation Program Development</u>	126
<u>Central Services Limitation</u>	136
Other	
<u>Capital Improvement and Construction</u>	153
<u>Debt Service</u>	156
Appendix	
A. <u>STIP Project Selection and Delivery</u>	161
B. <u>Estimated Administrative Costs</u>	166
C. <u>Legislatively Adopted Policy Package Summary</u>	168

Oregon Department of Transportation Overview

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

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

OREGON TRANSPORTATION COMMISSION

The Oregon Transportation Commission (OTC) is a five-member, voluntary citizen's board. The governor, with the consent of the Oregon State Senate, appoints members. Numerous state and local committees, agencies and public groups provide comment, advice, and counsel directly to the OTC.

The OTC:

- Develops and maintains a state transportation policy and comprehensive, long-range plan for a multi-modal transportation system;
- Provides policy and oversight for programs relating to rail, highway, motor vehicles, public transit, transportation safety and other transportation-related activities.

OTC Members

Gail L. Achterman, Chair

Portland, Oregon

Current Term: July 1, 2008–June 30, 2012

Michael R. Nelson, Vice Chair

Baker City, Oregon

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

Janice J. Wilson

Portland, Oregon

Current Term: July 1, 2008–June 30, 2012

Alan A. Brown

Newport, Oregon

Current Term: February 18, 2008–June 30, 2013

David H. Lohman

Medford, Oregon

Current Term: February 18, 2008–June 30, 2013

AREA COMMISSIONS ON TRANSPORTATION (ACT)

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), the state's schedule for funding 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 ten ACTs in Oregon:

Cascades West Area Commission on Transportation

Representing Benton, Lincoln and Linn counties.

ODOT contact: Vivian Payne, Cascade West Area Manager
(541) 757-4104 or email 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

Lower John Day Area Commission on Transportation

Representing Gilliam, Sherman, Wasco and Wheeler counties.

ODOT contact: Gary Farnsworth, Central Oregon Area Manager
(541) 388-6071 or email Gary.c.farnsworth@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) 986-2900 or email 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

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

Northwest Oregon Area Commission on Transportation

Representing Clatsop, Columbia and Tillamook counties and the western rural portion of Washington County ODOT contact: Larry McKinley, District 1 Area Manager

(503) 325-7222 or email Larry.MCKINLEY@odot.state.or.us

Or David Kim, Metro Central Area Manager

(503) -731-4998 or email David.Kim@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

South Central Oregon Area Commission on Transportation

Representing Klamath and Lake Counties.

ODOT contact: Norman C, “Butch” Hansen, South Central Oregon Area Manager

(541) 883-5662 or email Norman.c.hansen@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

South West Area Commission on Transportation

Representing Coos, Curry and Douglas counties.

ODOT contact: Mark Usselman, South West Area Manager

(541) 396-3707 or email Mark.usselman@odot.state.or.us

PARTNERSHIPS

Transportation Policy Group

The Transportation Policy Group was established by the Governor's Office, the Oregon Transportation Commission, ODOT, the League of Oregon Cities, the Association of Oregon Counties and the Oregon MPO Consortium to discuss issues and policies of mutual concern and to work jointly on policies, programs and activities that affect transportation in Oregon.

Governor’s Economic Revitalization Team

The Governor’s Economic Revitalization Team (GERT) was established by the 2003 Oregon Legislature (HB 2011) to encourage collaboration among 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.

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

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 intoxicated drivers and the general public and to heighten public awareness of the seriousness of driving under the influence of intoxicants. The committee works to persuade communities to attack the 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 laws enacted to reduce driving under the influence. The committee generates public support for increased enforcement of these state and local 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.

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

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

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, riding under the influence of intoxicants, 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), established by state statute in 1973, 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.

Oregon Freight Advisory Committee

The mission of the Oregon Freight Advisory Committee is to advise the Oregon Department of Transportation, Oregon Transportation Commission and Oregon Legislature on priorities, issues, freight mobility projects and funding needs that impact freight mobility and to advocate the importance of a sound freight transportation system to the economic vitality of the State of Oregon.

STIP Stakeholder Committee

The purpose of the Stakeholder Committee for the Statewide Transportation Improvement Program Collaborative Process (Stakeholder Committee) is for appointed representatives to provide the Oregon Department of Transportation (ODOT) with advice, feedback, recommendations and, where requested, decisions regarding the issues, and actions that need to be taken throughout the process which results in the development of the STIP. The Stakeholder Committee will generate ideas on process and possible directions for consideration by the Department.

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

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

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">▪ Reduce transportation-related accidents and fatalities.▪ Increase public satisfaction with safety.▪ Increase the percentage of safe drivers.▪ Reduce injuries to employees and transportation workers.	Premature Death (No. 45)

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

GOALS	OUTCOMES	BENCHMARKS
<p>2. Move People and Goods Efficiently</p>	<ul style="list-style-type: none"> ▪ Improve transportation system operation from the customer perspective. ▪ Reduce hours of delay experienced by travelers and movers of goods. ▪ Improve efficiency of Driver and Motor Vehicle Services, Motor Carrier and other ODOT services from the customer's perspective. ▪ Ensure equality of opportunity to access transportation systems and services. ▪ Improve choices of travel and shipping alternatives. ▪ Increase access to the transportation system and services. ▪ Increase reliability of intermodal transfers in a seamless system. ▪ Maintain and preserve facilities and equipment. 	<p>Travel Delay (No. 68)</p> <p>One Person Commute (No. 70)</p> <p>Vehicles Miles Traveled in Metro Areas (No. 71)</p> <p>Road Condition (No. 72)</p>
<p>3. Improve Oregon's Livability and Economic Prosperity</p>	<ul style="list-style-type: none"> ▪ Reduce the number of economically distressed communities. ▪ Increase business opportunities in economically distressed communities as a result of transportation improvements. ▪ Increase the number of cities and communities with a variety of coordinated transportation options available to residents. ▪ Reduce travel times and delays between communities in key freight corridors. ▪ Enhance scenic qualities of byway and tourist routes. ▪ Reduce the adverse impacts of transportation on air and water quality. 	<p>Employment Dispersion (No.1)</p> <p>Net Job Growth (No. 4)</p> <p>Independent Seniors (No. 58)</p> <p>Disabled Employment (No. 59)</p> <p>Air Quality (No. 75)</p> <p>Salmon Recovery (No.85)</p>
<p>4. Provide Excellent Customer Services</p>	<ul style="list-style-type: none"> ▪ Improve the delivery of services. ▪ Increase public satisfaction with customer services. 	<p>Note: There is not a Bench mark for this goal.</p>

2009 OREGON LEGISLATIVE SESSION: TRANSPORTATION HIGHLIGHTS

The Oregon Department of Transportation had a successful 2009 legislative session. There were 2,782 bills, memorials, and resolutions introduced during the 2009 session, and ODOT staff tracked 635 that affected or may affect the agency's business. The following is a brief summary of bills passed during the 2009 session that were introduced on behalf of ODOT or affect ODOT's budget. A complete summary of ODOT's 2009 legislative session is available online at:

<http://www.oregon.gov/ODOT/docs/2009LegSummary.pdf>

HB 2001 – Oregon Jobs and Transportation Act (JTA)

House Bill 2001, also known as the Oregon Jobs and Transportation Act, is the transportation funding plan adopted by the 2009 Legislature. A number of themes emerged from the legislation: accountability, innovation and environmental stewardship; highway, road and street funding; and multimodal funding. In addition, several other provisions address important elements of Oregon's transportation system and our economy.

Accountability, Innovation and Environmental Stewardship

HB 2001 directs the interim House and Senate Transportation Committees to work with the Oregon Transportation Commission, local governments and stakeholders to review jurisdictional responsibilities; study best practices for stakeholder involvement and improve the delivery of metropolitan transportation services; and identify opportunities to improve program efficiency through the use of intergovernmental agreements. The interim committees will make recommendations to the next legislative session.

HB 2001 directs the Oregon Transportation Commission and the department to undertake a number of studies and initiatives including the following:

- Develop one or more congestion pricing pilots in the Portland metro area in cooperation with Clackamas, Multnomah and Washington counties, City of Portland and Metro. A congestion pricing pilot must be implemented by October 2012.
- Develop a "least cost" transportation planning model for use by the state, Metropolitan Planning Organizations and local governments.
- Make information about transportation projects available on its Web site.
- Review and update the criteria used to select projects for funding in the Statewide Transportation Improvement Program.
- Adopt rules incorporating environmental performance standards into the design and construction of all state highway construction projects, including local government projects funded by the department. In addition, the rules should improve the environmental permitting process.

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

- Adopt practical design practices to reduce the cost of delivering transportation projects.
- Develop design alternatives to improve the safety of Cornelius Pass Road in Multnomah and Washington counties (Cornelius Pass Road carries hazardous materials traffic).
- Implement a pilot to contract out for highway maintenance services.
- Contract with the Travel Information Council for the management of rest areas on I-5 and I-84.
- Participate in and finance the development of transportation plans needed to reduce greenhouse gas emission by light vehicles. ODOT will work with the Department of Land Conservation and Development, the Department of Energy, the Department of Environmental Quality, Metro, local governments in the Portland area, the Central Lane Metropolitan Planning Organization, and local governments in the Eugene-Springfield area within Central Lane MPO.
- Make the Road User Fee Task Force (RUFTF) permanent. RUFTF will continue to develop and refine alternatives to the gasoline tax as a method of raising revenue for highways, roads and streets.

Highway, Road and Street Funding

HB 2001's revenue for highways, roads and streets increases in steps beginning September 28, 2009 when the bill goes into effect. This includes the revenue raised by:

- Light vehicle registration fees
- Light vehicle title fees
- License plate manufacturing fee
- Miscellaneous vehicle trip permit fees
- Heavy vehicle registration fees (beginning January 1, 2010)
- Weight-mile tax and related heavy vehicle fees (beginning October 1, 2010)
- Gasoline and diesel tax increase (January 1, 2011)

Prior to the full implementation of the fee increases, HB 2001 allocates 68 percent of the state highway program money to maintenance, preservation and safety, and 32 percent to highway modernization.

HB 2001's revenue increases will be fully implemented on January 1, 2011 when the fuel tax increase goes into effect. When fully implemented, HB 2001 will raise \$300 million per year. The money will be distributed as follows:

- \$3 million per year to the Travel Information Council until 2020.
- \$24 million per year (\$2 million per month) to ODOT.
- The balance of the money, about \$273 million per year, is distributed as follows:
 - 20 percent (about \$54.6 million per year) to city street programs based on population.
 - 30 percent (about \$81.9 million per year) to county road programs based on vehicle registration.

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

- 50 percent (about \$136.5 million per year) to the state highway program. The state highway program money is allocated as follows:
 - 33 percent or about \$45 million to maintenance, preservation and safety.
 - 15.75 percent or about \$21.5 million to highway modernization program.
 - 51.25 percent or about \$70 million to bond repayment and the 2009 Transportation Projects Account for the 2009 Transportation Projects program.

The 2009 Transportation Projects program consists of 37 specific highway projects plus 12 additional projects that will be selected by local governments in Region 5. These projects and allocations total \$960.3 million. The 2009 Transportation Projects program will be financed by \$840 million in Highway User Tax Bond proceeds plus the cash flow allocated to the Transportation Projects Account. In addition to paying debt service on the bonds, the Transportation Projects Account will provide a short-term supplement of \$15 million per year for maintenance. The supplemental funding for maintenance will continue for about seven years until the full amount cash flow into the Transportation Projects Account is needed for debt service.

Multimodal Funding

HB 2001 includes \$100 million in lottery-backed bonds for the multimodal *ConnectOregon III* program. *ConnectOregon III* will provide grants and loans for air, marine/port, public transportation, and rail projects. *ConnectOregon III* requires at least 10 percent of the program's funding to be allocated to each region of the state, provided there are eligible projects in the region. In addition, at least five percent of the *ConnectOregon III* money must be allocated to rural airport projects.

HB 2001 increases the custom plate fee by \$25 per year. The additional revenue will allow the department to fund the second Cascades passenger train in the Willamette Valley without relying on a General Fund appropriation. HB 2001 also increases the ID card fee by \$10. This will sustain revenues for transportation services for senior citizens and people with disabilities despite incurring higher transaction costs and lower ID card volumes.

HB 2001 creates an Urban Trail Fund. Money in the fund may be used to develop and maintain multi-use trails within urban growth boundaries for non-motorized vehicles and pedestrians. In a separate bill, the legislature appropriated \$1 million for the Urban Trail Fund.

In a related action, the Oregon Transportation Commission adopted a rule that sets aside \$24 million per year in flexible federal money that had been used in the state highway program. This money will fund eligible non-road projects such as public transportation capital purchases and construction, transportation demand management (for example, rideshare and carpool programs), and transportation growth management

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

and similar planning activities. These projects will be selected through the Statewide Transportation Improvement Program process.

Additional Provisions

HB 2001 contains a number of additional provisions, including:

- Creating a new vehicle class -- medium-speed electric vehicles -- to deal with vehicles described as “neighborhood electric vehicles.” The department will adopt rules that define minimum safety standards for these vehicles.
- Establishing a process to allow consideration of co-location of ODOT and local government facilities during the interim when the legislature is not in session.
- Adding a requirement that the Department of Administrative Services, Office of Economic Analysis will conduct an Efficient Fee Study in addition to the biennial Highway Cost Allocation Study. The Efficient Fee Study is an alternative approach that will include highway replacement cost, traffic congestion cost and cost associated with greenhouse gas emissions.
- Implementing a four-year moratorium on new local fuel taxes, prohibiting local governments from enacting new ordinances, resolutions or other provisions taxing fuel.
- Making changes to the process under which a county commission may adopt a local option vehicle registration fee. The bill allows the board of commissioners in counties with a population greater than 350,000 to adopt a county registration fee without first obtaining voter approval. Between October 2009 and June 2013, a local option fee may be adopted to finance the design and replacement of the Sellwood Bridge. After July 1, 2013, these counties may increase the county registration fee for any road purpose.
- Adding a provision that requires ODOT and the Travel Information Council to work with the private sector to develop a plan for installing electric motor vehicle charging stations at rest areas.
- Adding a provision prohibiting car rental companies from imposing a surcharge on rental agreements to cover the fees paid to register and title vehicles that is more than the amount reasonably calculated to recover the fees.
- Extending the income tax credit available for insurance companies that offer “pay as you drive” auto insurance.
- Extending the income tax credit available for individuals and firms that retrofit trucks with diesel engines.

HB 2186 – Greenhouse Gas Emissions

House Bill 2186 creates a 16 member task force on metropolitan planning organization greenhouse gas emission reduction. Task force members will be appointed by the Senate President, the Speaker of the House and the Governor. The task force will be co-chaired by the Senate President and the Speaker; chairs of the Oregon

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

Transportation Commission and Land Conservation and Development Commission will serve as vice-chairs of the task force. The task force is required to:

- Study and evaluate the development of alternative land use and transportation scenarios in the areas covered by the six Oregon metropolitan planning organizations (Portland, Salem-Keizer, Eugene-Springfield, Medford-Central Point, Corvallis-Philomath, and Bend). These scenarios would accommodate anticipated population and economic growth and would achieve a reduction in greenhouse gas emissions from light motor vehicles (vehicles with a gross vehicle weight rating of 10,000 pounds or less).
- Evaluate fiscal and other resources needed to implement the land use and transportation scenarios, including staffing needed by state agencies, local government and metropolitan planning organizations.
- Evaluate impediments to implementing land use and transportation scenarios by metropolitan planning organizations that reduce greenhouse gas emissions.

The bill requires the task force to recommend legislation to establish a process for the adoption and implementation of plans to reduce greenhouse gas emissions. This may affect HB 2001's planning requirements for greenhouse gas emission reduction in the Portland metro area and in the Eugene-Springfield area. The task force must submit its recommendations to the interim committees on transportation, environment and natural resources prior to January 1, 2010.

In addition, HB 2186 authorizes the Oregon Environmental Quality Commission (EQC) to adopt a low-carbon fuel standard to reduce the greenhouse gas emissions from transportation fuel by 10 percent below 2010 levels by 2020. The EQC may create rules to reduce idling by commercial ships and to require that auto mechanics ensure tires are properly inflated when servicing vehicles. EQC also has the authority to require the Department of Environmental Quality to study the rolling resistance of tires and the aero-dynamics of trucks.

HB 3379 – Transportation Planning Rule/Oregon Streetcar Project Fund/ HB 2001 Referral

House Bill 3379 allows a local government that cannot meet the funding requirements of the Transportation Planning Rule (TPR) to request an extension of time within which to meet the requirements, to submit a plan to the Oregon Transportation Commission (OTC) that proposes alternative funding strategies, or to apply to the Oregon Department of Transportation to adjust traffic performance measures. HB 3379 requires the OTC to adopt rules to administer the requirements above, but prohibits the OTC from defining the circumstances by which a local government might be considered to meet the funding requirements of the TPR.

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

Additionally, the bill requires the department to evaluate whether the \$20 million in lottery-backed bonds in the Oregon Streetcar Project Fund are sufficient to meet the program's objectives and to determine how funding could be supplemented, if supplemental funding is needed. The department will make a recommendation to the OTC if it determines additional funding is needed. ODOT must report to the interim transportation committees by January 2010 on its findings and recommendations.

Lastly, HB 3379 includes language that would have delayed the Oregon Jobs and Transportation Act (HB 2001) if any part of HB 2001 had been referred to voters. This portion of the bill will not have any effect because HB 2001 was not referred to the voters and the opportunity for a referral has passed.

SB 338 – “Go Oregon!” Economic Stimulus Package

Senate Bill 338 authorized the sale of bonds to fund capital improvement projects at public facilities throughout Oregon. The bill allows bonds to be issued for \$175 million to pay for construction, renovation and deferred maintenance of buildings and other facilities owned by state government, local communities, universities and community colleges. The projects are creating jobs for Oregonians at a time when the state is experiencing high unemployment rates.

The legislature indicated its support for an emergency declaration by the Department of Administrative Services (DAS) for entering into contracts for *Go Oregon!* projects. They also encouraged the use of minority, women, and emerging small businesses when possible. The legislature directed agencies to provide DAS with a budget and spending plan, including a timeline for completion for each project and indicated DAS would provide oversight of the economic stimulus program. DAS was required to provide a status report on projects to the legislature by May 1, 2009.

Projects for the Oregon Department of Transportation account for \$4.4 million in *Go Oregon!* funding. ODOT started with 101 projects; five were put on hold because they needed more work than planned. The other projects met the goal of being out for bid by April 1 and contracted by May 1. As of July 29, 2009, 85 projects were complete.

HB 2233 – Insurance for Commercially Operated Driver Training Schools

House Bill 2233 increases the motor vehicle liability insurance coverage for commercially-operated driver training schools. The legislature had set amounts of required vehicle liability coverage in the 1960s. The bill makes the following changes:

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

<u>Requirement</u>	<u>Change</u>
Vehicle Insurance:	
Bodily injury to or death of one person	From \$50,000 to \$100,000
Bodily injury to or death of two persons	From \$100,000 to \$300,000
Injury to or destruction of property	From \$25,000 to \$50,000

HB 2233 also eliminates the requirement for motor vehicle liability insurance coverage for commercially-operated driver training schools that conduct only classroom instruction and do not use vehicles to train their customers.

HB 2234 – Safety in Rest Areas

House Bill 2234 allows the Oregon Transportation Commission to adopt rules governing health and safety in roadside rest areas and scenic overlooks. The bill establishes a penalty (a Class B Violation) for violating the rule. ODOT will identify prohibited behaviors and activities by rule. Examples of prohibited behaviors include using restroom facilities to bathe and camping at a rest area.

HB 2234 allows law enforcement personnel to issue citations for such behavior. This will help make rest areas more inviting to motorists who are using them in appropriate ways to improve safety and motorist comfort.

SB 125 – Teen Driver Education

Senate Bill 125 allows the Oregon Department of Transportation, Transportation Safety Division (ODOT-TSD) to reimburse approved commercial driver training schools up to \$210 when first-time drivers under 18 complete a driver education course. The bill broadens eligibility for reimbursement to include all ODOT-TSD approved commercial driver training schools, in addition to the public providers already eligible for reimbursement. Finally, the bill allows ODOT to fully reimburse the Department of Human Services (DHS) for first-time drivers under 18 who are wards of DHS and in foster care.

The Teen Graduated Driver Licensing program, with driver education as one component, has helped reduce the number of fatal and serious injury crashes involving teen drivers. Currently, approximately 27,000 children under the age of 18 receive a driver's license each year; of those, more than 8,600 complete driver education training. Today, just one-third of Oregon's teen drivers are receiving driver education training. By allowing reimbursement of both public and private driver education providers, we increase the capacity and availability of training for teens.

SB 127 – Financial Responsibility

Oregon’s mandatory insurance law requires that drivers insure their vehicles. It is illegal for a person to operate a motor vehicle in Oregon on the highways or any premise open to the public unless the person meets the financial responsibility requirements outlined in statute. Insurance coverage must be certified each time a motor vehicle is registered. Individuals found to have driven while uninsured must file proof of financial responsibility for three years in order to retain driving privileges.

Senate Bill 127 clarifies the responsibilities for individuals to show proof of compliance with financial responsibility requirements after a vehicle is involved in an uninsured motor vehicle collision. It also clarifies the offense of failure to make future responsibility filings after an accident and requires the filings to be made within 30 days. Further, the bill adds a risk retention group to those insurers allowed to file a certificate of insurance. Finally, the bill eliminates a required statement for vehicles not operated on public highways to obtain an exemption from financial responsibility requirements.

This bill removes provisions of law that are obsolete, archaic and/or impractical for DMV to administer. It also clarifies provisions that cause confusion for DMV, the public, law enforcement and/or insurance industry personnel. The proposed changes are intended to improve efficiencies, increase program effectiveness and enhance customer service.

SB 128 – Secure Driver License Statute Cleanup

Senate Bill 1080 (2008) stipulated that a license, permit or identification card issued to persons with temporary status is only valid for the duration of their authorized stay or, if their length of stay is indeterminate, no longer than one year from the date of issuance. Current law makes no exception for driver permits with shorter expiration dates.

Senate Bill 128 further defines the validity period of limited-term driver permits, ensuring they are not issued for a longer period of time than the applicant’s authorized stay in the country.

Because limited-term driver licenses, limited-term driver permits, and identification cards can be issued for shorter periods of time, it is possible that a person’s limited term card could expire before a renewal reminder is mailed out. SB 128 clarifies the department is not required to mail a renewal notice if the limited term card is valid for a period of less than one year.

While there is a specific statute for the issuance of undercover vehicle registration and license plates to law enforcement (ORS 805.060), the department has relied upon general authority to issue undercover driver licenses and identification cards to law enforcement officials. This bill gives DMV specific authority to issue fictitious driver

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

licenses and identification cards to undercover law enforcement officials. The bill clarifies the fees for the cards and gives the department authority to adopt rules to define a law enforcement officer and the criteria for issuing fictitious cards. The bill allows the department to maintain a driving record for the fictitious licenses and confirms the true identity of the officer remains confidential.

SB 129 – Commercial Driver License

The federal Commercial Motor Vehicle Safety Act (1986) and subsequent Motor Carrier Safety Improvement Act (1999) established national standards for commercial motor vehicle operation to provide greater consistency among states and to help reduce accidents involving trucks and buses. States administer commercial driver license (CDL) programs based on federal laws and regulations, including enforcing standards for testing and licensing operators of commercial vehicles and disqualifying drivers who fail to meet those standards or commit specified offenses identified in state and federal law.

Senate Bill 129 increases the penalty for a violation of an Oregon Department of Transportation (ODOT) out-of-service order, increases the suspension time of CDL for the first violation of an out-of-service order, and increases the penalty on an employer of a commercial motor vehicle operator who violated an out-of-service order, if the employer knowingly allowed the violation. The bill also prohibits ODOT from issuing a commercial driver license with a hazardous materials endorsement to an individual who is not a United States citizen or permanent legal resident.

The bill also gives the department authority to cancel a farm endorsement if a person's CDL is suspended or revoked for two or more of the offenses described in ORS 809.404, or if the driver is convicted of a crime punishable as a felony involving use of any vehicle in the manufacturing, distributing or dispensing of a controlled substance.

Senate Bill 129 makes statutory changes needed to comply with federal laws and regulations relating to the driving privileges of commercial motor vehicle (CMV) operators. Additional changes include clarification of existing laws and removal of inconsistent language.

Failure to comply with Federal Motor Carrier Safety Administration (FMCSA) regulations can jeopardize full allocation of federal-aid highway funds and Motor Carrier Safety Assistance Program grant funds. For example, Oregon receives approximately \$2.4 million annually for the Motor Carrier Safety Assistance Program. In addition, FMCSA can withhold five percent (about \$13 million) of federal-aid highway funds the first year and 10 percent (about \$26 million) in each subsequent year for non-compliance. Non-compliance could also result in federal decertification of the Oregon CDL program, meaning that Oregonians could not obtain a commercial driver license in this state.

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

SOURCES AND USES OF FUNDS

	2005-2007 Actuals	2007-2009 Actuals	2009-2011 Legislatively Adopted
SOURCES			
Beginning Balance	198,597,285	775,720,516	766,036,174
Beginning Balance adjustment		(15,870,773)	
Motor Fuels Taxes	863,148,004	842,997,815	980,287,979
Federal Funds	749,716,986	910,160,484	1,015,269,079
Weight-Mile Taxes	476,209,486	449,214,083	630,233,795
Driver and Vehicle Licenses	490,257,629	453,600,325	639,942,076
Transportation License & Fees	48,660,707	46,388,291	72,796,536
Transfers To ODOT	76,765,343	88,641,277	141,735,667
General Fund	8,626,167	4,504,713	10,000,000
Lottery Funds	22,697,107	45,360,802	84,922,176
Bond and COP Proceeds	1,278,486,614	761,780,715	713,295,649
Sales and Charges for Services	30,558,934	42,992,244	33,937,702
All Other Revenue	92,827,517	125,011,591	74,595,740
Mandated Distributions and Transfers Out	(679,746,714)	(623,283,514)	(831,981,592)
AVAILABLE REVENUE	3,656,805,065	3,907,218,569	4,331,070,981
USES			
Highway Division	2,005,136,432	2,218,709,679	2,526,032,136
Driver and Motor Vehicle Services Division	133,174,296	145,681,232	160,229,985
Motor Carrier Transportation Division	51,988,542	57,067,502	61,634,819
Transportation Safety Division	23,654,591	25,986,865	28,756,786
Public Transit Division	51,006,525	57,987,191	109,700,286
Rail Division	60,802,037	27,488,676	295,722,252
Transportation Program Development	82,854,952	149,112,540	220,217,892
Central Services	125,211,460	155,268,866	257,143,106
Debt Service	333,485,512	242,231,922	389,431,653
Capital Improvement & Construction	4,744,263	22,597,367	3,259,789
Non-Limited Programs	9,025,939	11,409,001	18,158,214
TOTAL EXPENDITURES	2,881,084,549	3,113,540,841	4,070,286,918
ENDING BALANCE*	775,720,516	793,677,728	260,784,063
Positions	4776	4627	4635
Full-Time Equivalent (FTE)	4655.30	4514.48	4538.08

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

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

ENDING BALANCE DETAIL

	2005-2007 Actuals	2007-2009 Actuals	2009-2011 Legislatively Adopted
Highway Fund	383,244,104	18,359,515	(9,338,621)
OTIA Bond Proceeds	219,553,238	254,690,634	162,976,146
Environmental Quality Fund	2,224,494	0	0
Emerging Small Business	4,769,462	4,312,742	4,769,462
Snowmobile/Winter Recreation Funds	5,778,011	6,542,525	5,778,011
Motor Vehicles	0	775,024	0
Motor Carrier	65,658	21,751	0
Public Transit Division	3,440,217	23,011,856	124,318
Rail Division	10,397,497	260,452,392	602,036
Transportation Program Development	81,433,104	111,200,076	70,201,581
Transportation Safety Division	11,677,358	12,720,956	8,426,963
Transportation Operating Fund	4,150,899	5,199,085	4,052,887
Central Services	309,690	365,938	309,690
Debt Service	20,300,612	67,802,439	0
Special City Allotment	983,406	1,089,508	983,406
OTIB	27,392,766	27,133,288	11,898,184
TOTAL	775,720,516	793,677,728	260,784,063

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	\$ 328
Debt Service	35
Infrastructure Bank	20
Transportation Operating Fund	5
Transportation Safety Division	10
Rail Division	259
Public Transit Division	23
Transportation Program Development	86
Total	\$ 766

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

Motor Fuel Tax—\$980 million. (Includes motor fuel and aviation fuel taxes.)

Federal Funds—\$1,015 million. Primarily for Highway Division, with lesser amounts for Transportation Safety, Transportation Program Development, Public Transit, and other programs.

Weight Mile Taxes—\$630 million. Graduated tax based on vehicle's weight and miles traveled on public roads. Forecasted revenues for 2009–2011 reflect a 25 percent increase over 2007–2009 estimates.

Driver and Vehicle Licenses and Fees—\$640 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: HB 2132 (four-year vehicle registration) and HB 2142 (OTIA). Forecasted revenues for 2009–2011 reflect a 27 percent increase over 2007–2009 estimates.

Transportation Licenses and Fees—\$73 million. (Includes truck registrations, vehicle, and Sno-Park permits.)

Transfers to ODOT—\$142 million. These funds come from dedicated revenues from the cigarette tax, local government match on construction projects, and Transportation Growth Management match from Land Conservation and Development.

General Fund—\$10 million. General Fund allocation for Public Transit Division's Senior & Disabled Transportation Operating Grant program.

Lottery Proceeds—\$85 million. Legislatively directed pass-through bond payments for Westside Light Rail, Rail Short Line, Rail Industrial Spur Projects, South Metro Commuter Rail, *ConnectOregon*, Southeast Metro Milwaukie Extension, and Street Car Project Fund.

Bond/Certificates of Participation—\$713 million. Proceeds from OTIA bond issuance (\$535 million), and *ConnectOregon* (\$102 million), and Oregon Wireless Interoperability Network (\$76 million).

Sales and Charges for Service—\$34 million. Includes sale of DMV records, damage recovery, and sale of property, timber, and equipment.

Oregon Department of Transportation
 2009–2011 Adopted Program Budget
 — ODOT Overview —

All Other Revenue—\$75 million. Items in this category include railroad gross revenue receipts (\$5 million), interest income (\$46 million), Infrastructure Bank loan repayment (\$10 million), rent and fines (\$5 million), and miscellaneous other revenue (\$9 million).

Mandated Distributions and Transfers Out

Counties—\$452 million. From fuels tax, weight mile tax and licensing.

Cities—\$303 million. From fuels tax, weight mile tax, and licensing.

Other State Agencies—\$77 million. Parks, Marine Board, Aviation and other agencies.

Committed Reserves and Ending Balance—\$261 million. Estimated committed reserves and ending cash balance to carry forward into 2011–2013:

	Dollars in Millions
Highway Fund Programs:	
STIP	\$ 151
Emerging Small Business	5
Snowmobile Fund	5
Winter Recreation Fund	1
Special City Allotment	1
Highway Programs Subtotal	\$ 163
Connect Oregon Bond Proceeds	70
Infrastructure Bank	12
Transportation Operating Fund	4
Transportation Safety Division	8
Rail Division	0.6
Public Transit Division	0.1
Other Dedicated Programs	3
Total	\$ 261

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

USES OF FUNDS (EXPENDITURES)

Highway Division

- Highway Division program budget decreased by 1.3 percent from the 2007-2009 Budget. This is primarily related to a phase-out package of \$167,413,460 and reductions from step freezes, furloughs, and DAS assessment charges.
- HB 2001 authorized \$1 million to the Urban Trails Grant Program. The funding comes from existing revenues in the ODOT snowmobile account.
- The Maintenance program has a technical adjustment decrease of \$3 million to transfer the funding for Traffic and Intelligent Transportation System devices to Highway Operations.

Driver and Motor Vehicle Services Division

- The Legislatively Adopted Budget for DMV includes \$1.5 million in Policy Option Packages that continue implementation of SB 640 that requires DMV to collect Bio-metric data to help identify individuals, replacement of DMV's automated knowledge testing machines, and driver license security.
- Included in the budget is a technical adjustment increase of \$1.6 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 \$2 million for weigh station deferred maintenance which was funded through a transfer from the Highway Maintenance program.

Transportation Safety Division

- The Legislatively Adopted Budget for Transportation Safety Division increased by 3.2 percent from the 2007-2009 Budget. This is due to personal services adjustments, inflation, and \$0.1 in reductions from HB 5054.

Public Transit Division

- The Legislatively Adopted Budget for the Public Transit Division includes \$20 million to implement the Oregon Streetcar Project Fund created by the 2007 Legislature. ODOT is directed to offer grants, which are funded by the sale of

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

lottery-backed bonds to municipalities for the purchase of streetcars manufactured by a company that is owned and based in Oregon.

- HB 5054 authorized \$10 million in general funds for the Public Transit Division's Senior & Disabled Transportation Operating Grants.

Rail Division

- A budget reduction to phase out \$4.5 million of track improvement payments to Union Pacific and a \$1 million phase out for the partial completion of the Rail Multi-Modal Study is reflected in the 2009–2011 budget. The total cost of the Rail Study is \$2 million. At the end of the 2009-2011 biennium, the statewide comprehensive freight and passenger rail study will be completed. This study is funded through a two-percent assessment of *ConnectOregon* II projects.
- The Legislatively Adopted Budget for Rail Division includes a Policy Option Package to remove \$4.6 million in general funds. Increases in gross receipt revenues should offset this reduction.
- The Legislatively Adopted Budget for Rail Division includes an analyst technical adjustment of \$253 million for the carry-over of bond proceeds for the Southeast Metro Milwaukie Extension Project.

Transportation Program Development

- The Legislatively Adopted Budget for Transportation Program Development includes a Policy Option Package in the amount of \$31.7 million to implement provisions of HB 2001 that require task forces and studies.
- HB 2001 included \$26.5 million for *ConnectOregon* III.

Central Services Division

- In June 2005 the Oregon Legislature passed House Bill 2101 calling for the creation of a state wide interoperable wireless communication system. The State Interoperability Executive Council (SIEC) was asked to guide the creation of this fully interoperable communication system at the state, county, tribal, and local level. This effort in turn created the Oregon Wireless Interoperability Network (OWIN) project tasked to actually design, implement, and maintain this new single system on behalf of all key stakeholders. Key stakeholders include all state agencies currently maintaining their own system (ODOT, Oregon Department of Forestry, Oregon State Police, and the Department of Corrections). The Legislatively Adopted Budget includes a Policy Option Package

Oregon Department of Transportation
2009–2011 Adopted Program Budget
— ODOT Overview —

totaling \$76 million and is estimated to cover ODOT's cost of building and obtaining equipment that ODOT would use as part of the OWIN infrastructure.

The remaining Policy Option Packages total \$1.7 million and consist of companion packages to Aging Infrastructure, legal presence legislation (Senate Bill 1080) included within the DMV program, the Mill Creek Parking Expenditure Authority, and HB 2001. An Analyst Technical Adjustment of \$0.7 was included for HB 5054 and other changes to State Government Service Charges.

Debt Service

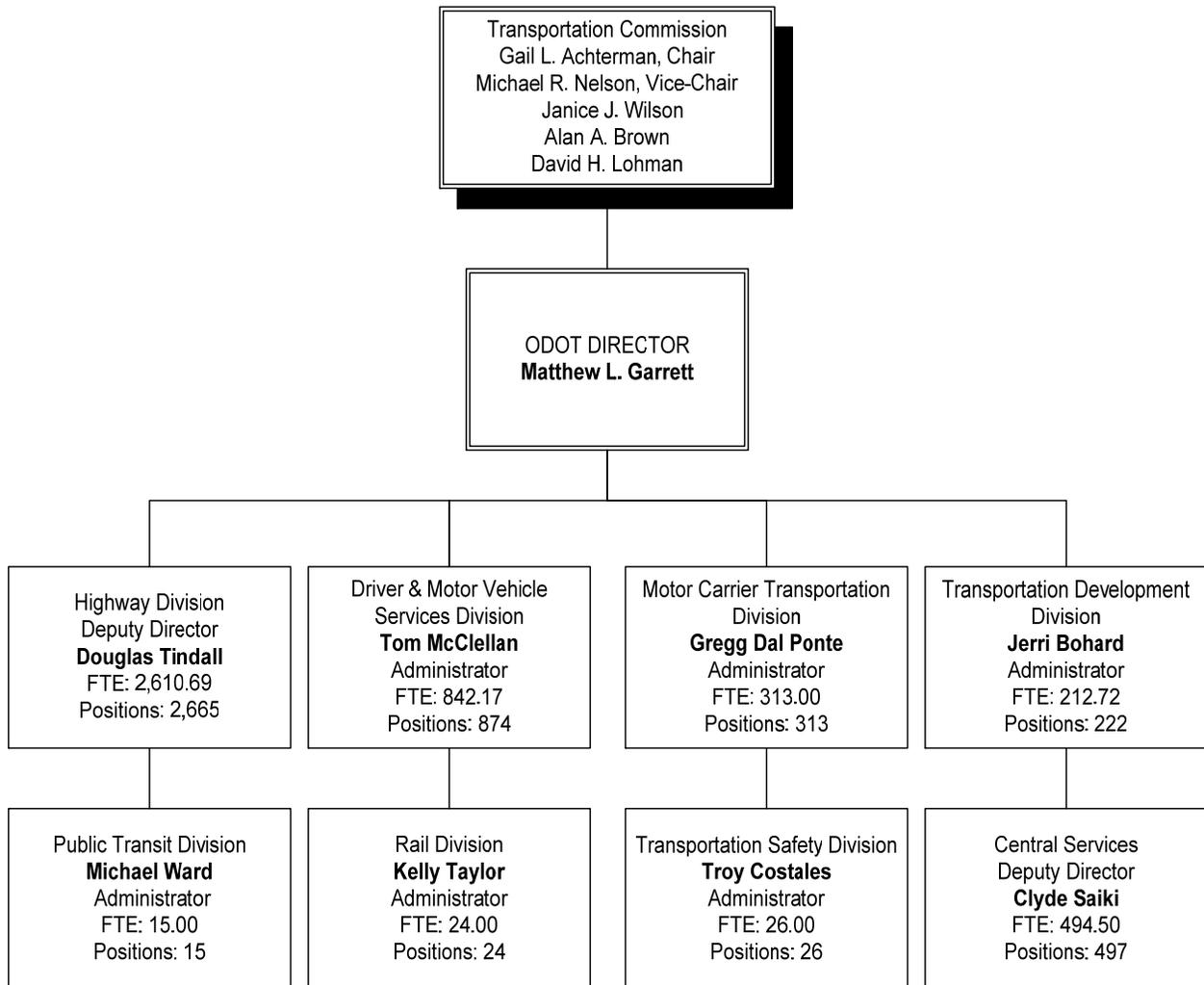
- Lottery Fund debt service is composed of Westside Light Rail (\$2.8 million), Short-Line Railroad Infrastructure Assistance Program (\$0.8 million), Industrial Rail Spur (\$1.4 million), South Metro Commuter Rail (\$3.2 million), *ConnectOregon* I, II, and III (\$38.6 million), Street Car Project Fund (\$4 million), Southeast Metro Milwaukie Extension (\$49.3 million), and Amtrak Cascade (\$4.9 million) for a total of \$105 million of Lottery Fund debt service for 2009–2011 biennium.
- Other Funds debt service is composed of DMV Building renovation (\$1.6 million), Local Streets Network (\$5.6 million), OTIA program (\$254.4 million), OTIA Local Bridge (\$32.3 million), and OWIN (\$7.7 million) for a total of \$301.7 million of Other Fund debt service for the 2009–2011 biennium.

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.

Oregon Department of Transportation
 2009–2011 Adopted Program Budget
 — ODOT Overview —

**Oregon Department of Transportation
 Organization Chart**



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

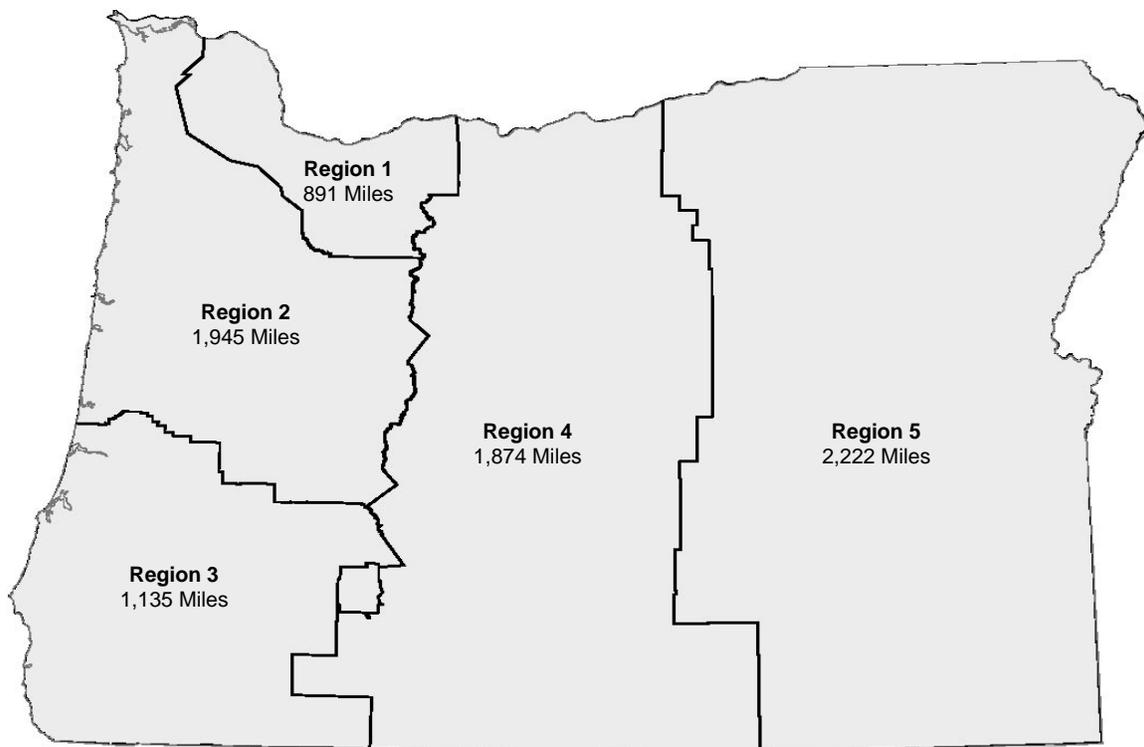
Highway Division

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

HIGHWAY DIVISION

ODOT operates and maintains approximately 8,000 miles of highways throughout Oregon. The highway system is as diverse as the state itself. It ranges from six-lane, limited-access freeways with metered entrances in the Portland area, to a graveled state highway in central Oregon. Oregon's economy and industries—including agriculture, timber, tourism, and technology—all depend on a sound highway system.

Oregon has more than 75,000 miles of roads owned by federal, state, county and city governments. State highways comprise less than 11 percent of total road miles, but carry 58 percent of the traffic and more than 20.7 billion vehicle miles a year. More people are driving more cars more miles than ever before, but are doing so on the same highways, streets and roads. Despite a 14 percent increase in driving during the past ten years, Oregon's arterial and collector mileage grew only 2 percent. About 73 percent of commuters drive alone to and from work. Congestion is worsening, especially on urban freeways.



8,040 HIGHWAY MILES

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

A strong economy needs good highways. State highways link producers, shippers, markets and transportation facilities. A total of 3,753 miles of highway are designated as rural and urban National Highway System routes and play an essential role in the state 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 on Oregon Highways. According to a Federal Highway Administration (FHWA) report, trucks moved an estimated 225 million tons of goods to, from and within Oregon in 2002. This same report estimates that by 2035, trucks will move some 560 million tons of freight on Oregon roads.¹

Many state highways, especially heavily traveled routes and urban-area highways, are built to support alternative modes to travel. 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.

¹ Source: http://www.ops.fhwa.dot.gov/freight/freight_analysis/faf/state_info/faf2/or.htm

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

HIGHWAY DIVISION PROGRAMS

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

Maintenance Programs

Highway Maintenance Program including the Emergency Relief Program

Construction Programs

- STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP):
 - Preservation Program
 - Bridge Program
 - Modernization Program
 - Highway Safety Program
 - Highway Operations Program

- LOCAL GOVERNMENT PROGRAM

- SPECIAL PROGRAMS

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

HIGHWAY MAINTENANCE

Highway maintenance includes the routine daily activities of maintaining, preserving, repairing or restoring existing highways to keep them safe and usable for travelers. Highway maintenance may include replacing what is necessary to keep highways safe (such as signs, pavement markings, and traffic signal components), but generally does not include road reconstruction. There are two types of general highway maintenance functions: 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.



Highway maintenance also includes maintaining 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 public contact regarding questions about state highways, requests for special highway-use permits and 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 that 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.

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.

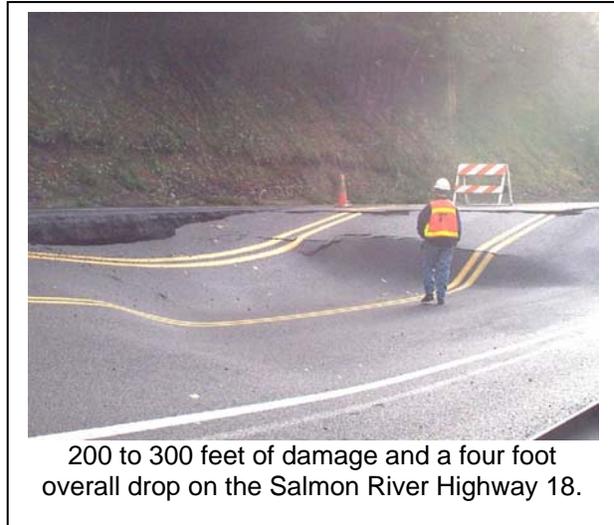
Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

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 maintenance.

Emergency Relief

Highways may suffer serious damage from natural disasters such as floods and earthquakes or from catastrophic failure, such as bridge collapse. The Emergency Relief program provides for repair and restoration of highway facilities to pre-disaster conditions. All repair work is classified as emergency and permanent. Emergency 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.



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 natural disasters or catastrophic failures. Most of Oregon's state highways are on the federal-aid system. Application for these funds requires a declaration of emergency by the governor. Damage must generally exceed \$700,000 for a single event.

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.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

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.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

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.



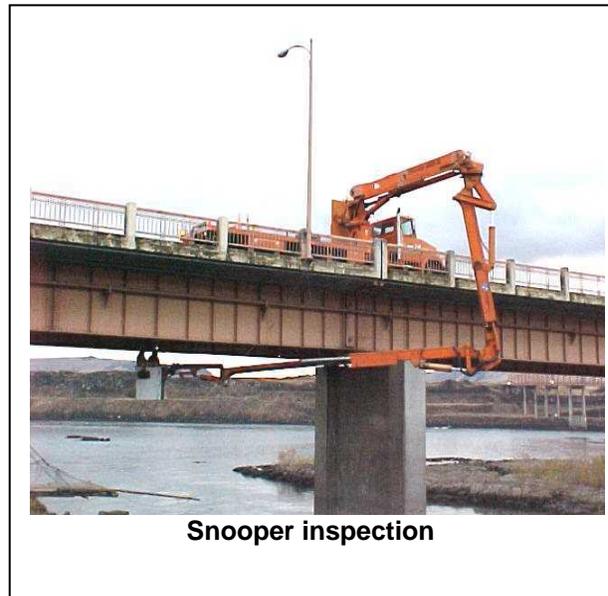
Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

Bridge Program

The Bridge program preserves 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 after 1970. Only these later bridges 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 uses the results of the inspections to develop programs for bridge maintenance, major rehabilitation and replacement. ODOT then identifies projects for inclusion in the STIP.



Snooper inspection

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.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

- **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 HB 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.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

Modernization Program

The Modernization Program funds capital construction projects that add capacity to the system, either by adding lanes or building new facilities such as bypasses. ORS 366.507 requires ODOT to dedicate roughly \$51 to \$54 million per year for highway modernization work.

In recognition of the need to focus funds on preserving the state's existing infrastructure, the Oregon Transportation Commission has reduced the Modernization Program to the minimum level allowed under the law. As a result, few new modernization projects have been considered over the last several years. The exception is the \$200 million Modernization Program funded through Oregon Transportation Investment Act (OTIA) in 2001 and 2002 as well as \$500 million identified in 2003.

Modernization projects are typically identified, selected and prioritized according to the project eligibility criteria and prioritization factors, which were developed by the Statewide Transportation Improvement Program (STIP) stakeholder committee and approved by the Oregon Transportation Commission.

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.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

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 1.29, down from 2003's rate of 1.36, which is well below 1998's rate of 1.70 — the year the program was implemented.

The program consists of several parts: the new federally-funded Highway Safety Program, the High Risk Rural Road Program (HR3P) and the Safe Routes to School Program (SR2S).



Highway Safety Program (HSP)

The mission of the Highway Safety Program (HSP) is to achieve a significant reduction in traffic fatalities and serious injuries. Funds are primarily intended for infrastructure safety improvements on the state highway system.

The Oregon Transportation Commission (OTC) has allocated approximately \$28 million per year to the ODOT Highway Safety Program for 2010 through 2013 for infrastructure improvements. Approximately \$15 million per year of the total is from the federal Highway Safety Improvement Program (HSIP). The remaining funds in the Highway Safety Program are made up of eligible federal or state funds.

A 2007 report to Federal Highway Administration indicates that on HSIP-funded projects, there was a 100 percent reduction in fatal crashes and a 22.8 percent decrease in injury crashes during the evaluation period. During that same period statewide, fatal crashes increased by 14.4 percent and injury crashes increased by 4.1 percent. Although the evaluation indicates a 100 percent reduction in fatal crashes, this may not be significant given the low number of fatal crashes (3).

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

Project Safety Management System (PSMS)

ODOT's Project Safety Management System is a comprehensive data analysis and reporting system designed to improve decision-making for improved safety of Oregon's transportation system. The PSMS and associated tools give highway project leaders and designers pertinent PC-based and internet based crash, safety, roadway and traffic mitigation information to perform safety analyses and make safety investments where they will count the most using the data driven decision-making process.

The PSMS has many components/tools, in addition to the crash reporting tools provided by Transportation Data. A few are mentioned below:

- Safety Priority Index System (SPIS)
- Safety Investment Program (SIP)
- Crash reduction factors
- Benefit cost spreadsheet
- Crash summary database
- Crash graphing tool

SPIS and SIP are two primary tools used for the identification of possible safety problems. The SPIS is a method developed by ODOT for identifying potential safety problems on state highways. SPIS identifies crash history in 0.10 mile segments on state highways. SPIS scores are developed based on crash frequency (25 percent), severity (50 percent) and rate (25 percent). A prioritized list is created for each Region (the top 5 percent of statewide SPIS sites) and is provided to the Regions annually for analysis and possible corrective action.

The Safety Investment Program (SIP) is a process to selectively make safety investments during preservation projects on roadways with a history of fatal and serious injury crashes and perform minimal safety upgrades on roadway preservation projects with low fatality and severe injury crash history. Five-mile sections of the state highway system are categorized by the number of fatal and severe crashes during a three-year period.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

High Risk Rural Road Program (HR3P)

The High Risk Rural Road Program (HR3P) is a sub-program of the Highway Safety Improvement Program (HSIP), a federally-funded program managed by the Oregon Department of Transportation (ODOT). Approximately \$1.2 million 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.

High Risk Rural Roads are identified as roadways functionally classified as a rural major or minor collector or as a rural local road and one of the following is true:

- a. Roadway has a crash rate for fatalities and incapacitating injuries exceeding the statewide average for those functional classes of roadways; OR
- b. The roadway is one where future traffic volumes are projected to increase causing a projected increase in the crash rate for fatalities and incapacitating injuries exceeding the statewide average.

It is the intent of the program to primarily focus on county roads, but the funds may also be used on eligible state highways. An HR3 Steering Committee comprised of FHWA, ODOT, Association of Oregon Counties (AOC) and county road officials coordinates the program and project selection criteria.

Safe Routes to School Program (SR2S)

The Oregon Safe Routes to School Program's goal is to assist communities in identifying and reducing barriers and hazards to children, kindergarten through 12th grade, walking or bicycling within two miles of the school. The SR2S Program receives federal funds determined by a formula based on student enrollment in primary and middle schools. Oregon is a minimum-apportionment state, receiving about one million per year (\$5.2 million total for 2005-2009).

The program was created by two pieces of legislation passed in 2005. The federal transportation bill, "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 for kindergarten through eighth grade, from 2005-2009. The state legislation, HB 2742, was designed specifically to create a statewide program for designated SR2S funds, with SAFETEA-LU being one source, and for the implementation of 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.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

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.

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

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

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.
- ITS for Public Transportation, also found at TripCheck.com, 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.

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.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

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.
- 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.

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.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

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

The state will make annual funds available to individual cities and counties for the exchange of flexible federal funds. Exchanging federal funds for state funds helps local agencies avoid complicated federal contracting regulations. 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.

Special City Allotment

The Legislature mandated annual distribution of \$1 million in state gas taxes to cities with populations of less than 5,000. ODOT sets the distribution and dollar amount by agreement with the League of Oregon Cities. Half of the funds come from the cities' share of gas tax revenues and half comes from ODOT's share of the State Highway Fund. Locals can receive \$25,000 — one-half the maximum grant amount — in advance. Final payment is due upon completion of the project. Payments are included in the expenditure budget for Local Government in the Highway Program. (Note: A similar program exists for small counties. However, funds are transferred directly and are not a budget expenditure.)

Federal Aid Programs

Surface Transportation Program: The Surface Transportation Program (STP) provides federal funding to states and local governments for highways, bridges or transit projects. Urbanized areas with a population of at least 200,000 people receive an annual allocation based on their populations. Through an agreement developed in cooperation with Oregon cities and counties, ODOT shares a portion of its yearly STP funding with areas that have populations of more than 5,000 and less than 200,000.

Local Bridge: Federal bridge fund distribution to states is based on the percent of deficient bridges nationwide. Through an agreement with Oregon counties, ODOT allocates federal bridge funds to local governments based on their percentage of deficient bridges in Oregon. Bridges are inspected every two years to determine which bridges are deficient.

Congestion Mitigation and Air Quality: The Congestion Mitigation and Air Quality program directs funds for transportation projects and programs in Clean Air Act non-attainment 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.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

High Risk Rural Roads: This federal program is designed to address safety issues on rural collectors and local roads where there has been a pattern of fatalities or serious injuries. A majority of these roads in the state are under the jurisdiction of the counties and the anticipation is that a large proportion of these funds will be distributed to the county road system.

Transportation Enhancement: Local governments and other public agencies can apply for enhancement funds on a competitive basis. Federal Transportation Enhancement funds may be used only for 12 specific activities that enhance the cultural, aesthetic or environmental value of the transportation system.

Discretionary: Through ODOT, local governments can apply for and receive federal discretionary funds such as Scenic Byways, Emergency Relief, Covered Bridge and special congressional earmarks.

Safe Routes to Schools: This federal program addresses safety issues for school children getting to and from school. There are two components to the program: construction projects to fix safety hazards and educational projects. The project applications and the educational programs are being administered through the ODOT's Transportation Safety Division.

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

Other Local Government Programs: Occasionally some local governments contract with ODOT to develop and construct their projects. 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 administers the program and generally is responsible for the development and construction of projects. Projects to be funded in Oregon are selected by a committee comprised of representatives from the Federal Highway Administration, U.S. Forest Service, ODOT and Oregon counties.

Salmon and Watersheds

ODOT sets aside approximately \$4 million per year to fund the Fish Passage (Salmon) Program, which repairs or replaces priority culverts that do not currently provide fish

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

passage. This program supports the department's commitment to The Oregon Plan for Salmon and Watersheds.

ODOT continues to pioneer efforts to incorporate fish passage into highway construction and maintenance activities, including improvements to habitat around in-water structures and more fish-friendly stream bank repairs. Through this program, the department is learning how to better apply the technology available for fish passage and habitat. The design of hydraulic drainage facilities (cross ditches, culverts and bridges) must balance hydraulic needs and the needs of fish, while serving the needs and safety of the motoring public.

Pedestrian and Bicycle

State law (ORS 366.514) requires ODOT, cities and counties to spend reasonable amounts of their share of the State Highway Fund (but not less than 1 percent) on footpaths and bicycle trails. To fulfill this requirement, ODOT generally provides appropriate sidewalks and bikeways when modernizing a roadway. The most common way to accommodate bicyclists is on paved highway shoulders, which are sometimes marked as bike lanes in urban areas. ODOT also constructs stand-alone pedestrian and/or bicycle improvement projects, such as:

- Filling in missing gaps in the sidewalk network
- Creating islands and curb extensions to make pedestrian crossing easier and safer
- Performing Americans with Disabilities Act upgrades
- Providing minor shoulder widening or re-striping bicycle lanes

ODOT also has a local assistance grant program for these types of improvements. In this program, local governments apply for funding for projects in their community. ODOT and local governments share the costs of these projects.

Jurisdictional Exchange

ODOT has identified over 1,000 miles of state highways that primarily serve local purposes. These include urban arterials serving mostly local travel, urban streets that are parallel to highway bypasses and roads that function similar to county roads. Through negotiated agreements, ODOT will seek to transfer jurisdiction of these highways to local governments. The agreements may include the cost to maintain or improve the highway based on road condition at the time of transfer.

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

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

- Management home purchase: ODOT occasionally buys and sells real estate when it transfers management service employees far from their present homes

Indirect Costs

All non-direct costs that are not administrative are indirect. 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
- Project Indirect

Highway crews perform “direct” work on specific projects, but it is not always cost effective to charge these costs to direct expenditure accounts. Therefore, these costs are “project indirect” by definition. They are indirect costs, but captured separately from normal support and administrative indirect costs for identification, analysis and future consideration of accounting classification. For example, if an employee works on four projects in a half-hour period, it may not be cost-effective to charge time to the various projects. Examples include:

- Quality assurance/quality control for construction projects
- Federal-aid specialist administration of the local federal aid program (budgeted within the Local Government limitation)
- Acquiring Federal authorization for project work

Administrative Costs

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

- Executive Deputy Director for Highway and related support staff
- Division and Region Managers and one level below (District Managers, Area Managers, Section Managers, etc.), and related support staff

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

- Certain non-job related time is charged to the branch administrative expenditure accounts including union contract negotiations and clerical support for administrative activities

Surplus Property

ODOT purchases land for highway rights-of-way. Some of this land lies outside the final right-of-way set by project designs, thus becoming non-operating right-of-way. In addition, federal law requires ODOT to offer to buy excess property if it is no longer of value to the owner, which also becomes non-operating right-of-way. ODOT classifies non-operating right-of-way as “surplus” when it has no present or future use to the department. The program includes leasing and selling 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 outdoor advertising control along state highways in Oregon. The program also collects permit and license fees that cover the cost of the program.

Winter Recreation Parking

The 1977 Legislature created the Sno-Park program to pay for snow removal from designated winter recreation parking locations. Revenue for this program comes from selling Sno-Park parking permits, and may be used for snow removal in designated parking areas and enforcing the parking permit requirement. Remaining funds may also be used to develop and maintain winter parking areas or may be carried over to the next year.

Snowmobile Facilities

The Snowmobile Program develops and maintains snowmobile facilities. Revenues come from registration fees and fuel taxes attributed to snowmobile use. This program also receives at least 10 percent of the money attributed to Class I ATVs (motorized off-highway recreational vehicles).

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 helps 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

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

- 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.

ISSUES AND TRENDS

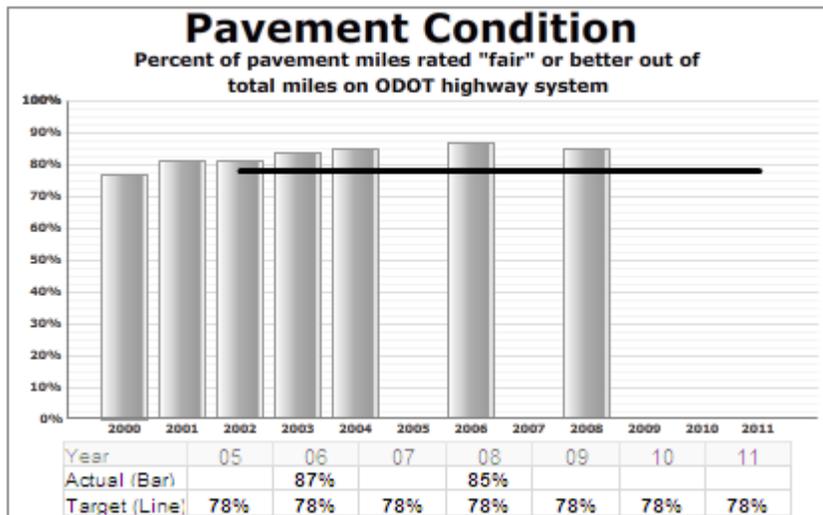
- The highway infrastructure, including pavements, bridges, and traffic control systems, continues to age, and as it does, it requires more maintenance and a larger share of ODOT's revenue each year. An aging infrastructure becomes more difficult to keep pace with growing costs through efficiency gains.
- 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.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — HIGHWAY DIVISION —

PERFORMANCE MEASURES

KPM #15	PAVEMENT CONDITION : Percent of pavement lane miles rated “fair” or better out of total lane miles in state highway system	Measure since 2001
Goal	Move people and goods efficiently	
Oregon Context	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 extends pavement life at a reduced resurfacing cost.



The steep cost increase for pavement materials in the last two years has had a major impact on the cost of highway resurfacing projects. Some projects have been cut and others may be cut or shortened. Standards, mobility and access management requirements have impacted the program. Often, paving work is conducted in conjunction with other enhancements which can impact project costs and timelines.

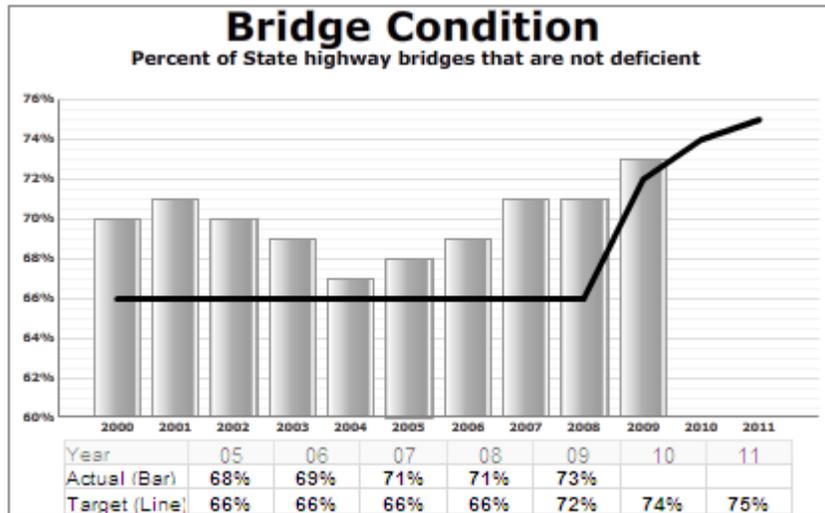
Although no uniform system exists for classifying pavement condition of all highways nationwide, the neighboring states of California, Idaho, Washington and Nevada have similar classification systems to Oregon. A November 2003 review of these states showed that Oregon’s Interstate and National Highway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

Funding allocations to the pavement program are set to maintain pavement conditions at a target of 78 percent “fair-or-better” over the long term. Currently, pavement conditions are above target but forecast to drop back toward the 78 percent target by 2015. The statewide overall “fair-or-better” mileage for 2008 dropped 2 percent from the 2006 measure. The percentage of highways in “good” to “very good” condition dropped 11 percent since 2006 while the percentage of “fair” pavement in the inventory nearly doubled from 15 percent to 24 percent. This means that a much larger number of highways are just above “poor” condition than in recent years and is comparable to the beginning of the decade before OTIA projects and program efficiencies raised conditions. Increasing prices for paving materials and highway construction have lead to sharp reductions in paving mileage. As a result, it is expected that about one-half of these “fair” pavements will fall to “poor” condition over the next few years as there are not enough paving projects programmed to arrest the decline.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

KPM #16	BRIDGE CONDITION Percent of state highway bridges that are not deficient	Measure Since 1998
Goal	Move people and good efficiently	
Oregon Context	Oregon Benchmark #72(b) (i) Percent of state bridges in “fair” or better condition	

In order to improve the condition of the state’s bridges, ODOT has adopted the strategy of effective management of bridge maintenance and highway improvement projects by monitoring factors that have a direct impact on the load capacity and serviceability of bridges. As a result of planned bridge construction through 2011, including OTIA III and special federal funding, we anticipate significantly fewer bridges will be deficient by 2011. In 2008, the percentage



of bridges rated “not deficient” was 71 percent. 2004 marks the beginning of an upward trend that is expected to continue through approximately 2013, at current levels of funding. After that, bridge conditions are expected to begin to decline gradually and then at an increasing rate.

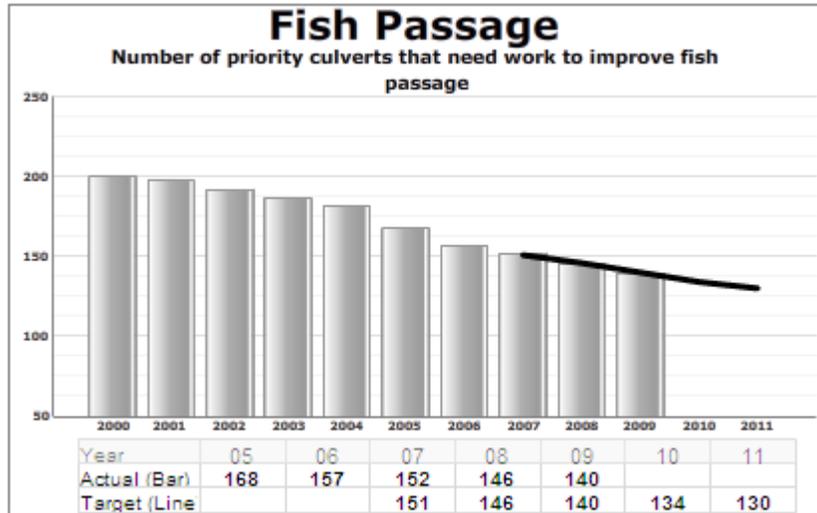
Factors affecting this year’s condition rating include the increasing demands on Oregon’s bridges, and the age of those bridges (many of which are nearing the end of their 50-year life cycle). OTIA III will replace bridges at a rate greater than any other time since construction of the interstate and 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.

There are currently 250 bridges on the cusp between deficient and not deficient condition that are not programmed for repair or replacement. At current levels of funding, it can be expected that many of these bridges will become deficient within the next ten years. The 25-year OTIA III 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. Lastly, in order to “stretch” bridge construction dollars, more bridges are being repaired and fewer bridges are being replaced. This has the effect of postponing, but not eliminating the costs associated with an older population of bridges.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

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

The primary goal of this program is 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. A secondary goal of the program is to partner with other state and federal agencies, local governments, as well as public and private stakeholders to develop an informed work force on the needs and requirements of native fisheries.



Culvert numbers in the above graph and table are based on the 2006 ODFW Culvert Inventory. From 1997 to 2009 the ODOT Fish Passage program has repaired 126 fish passage impaired culverts. Out of those 126 projects, 44 have replaced culverts or replaced culverts with a bridge, and 82 projects have retrofitted culverts with weirs or baffles and repaired stream channels below culverts. The ODOT Fish Passage program has also opened 426 miles of stream habitat to native migratory fish since 1997.

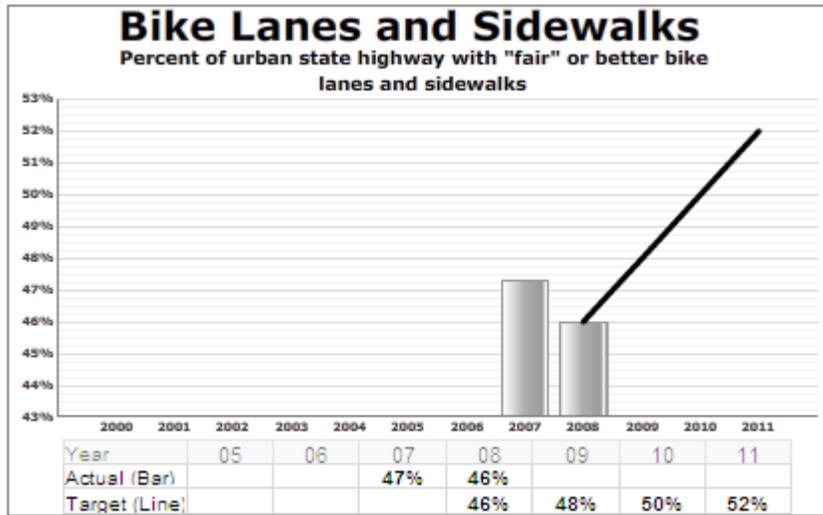
ODOT is working to repair as many high priority fish passage culverts as the program funds will allow. At the current funding and repair rate (5 projects per year), it will take decades to make the appropriate repairs to all ODOT owned and managed culverts that currently do not provide adequate fish passage.

The recent settlement agreement with the Northwest Environmental Defense Council (NEDC) regarding the ODOT Municipal Separate Stormwater Permit required that a significant portion of the fish passage program funding be reallocated to provide funding to retrofit stormwater quality facilities. The result of the reallocation will be a reduction of the fish passage program funding for 5 years (i.e. 2011-2015). The stormwater retrofits will be targeted for watersheds that support threatened and endangered aquatic species. Also, because of projected revenue shortfalls, additional reductions in fish passage funding are anticipated for 2014 and 2015. The following is the revised annual funding for the Fish Passage Program: 2010 - \$4.1M; 2011 - \$2.1M; 2012 - \$2.2M; 2013 - \$2.25M; 2014 - \$0.8M; 2015 - \$0.8M. Using current funding level projections, ODOT estimates that the program cannot sustain current project delivery rates. This will reduce ODOT's ability to maintain the current program's targets.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — HIGHWAY DIVISION —

KPM #19	BIKE LANES AND SIDEWALKS	Measure since 2005
	Percent of urban state highway miles with bike lanes and sidewalks in “fair” or better condition	
Goal	Provide a transportation system that support livability and economic prosperity in Oregon	
Oregon Context	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 one percent of the state highway fund be used for bike and pedestrian facilities.



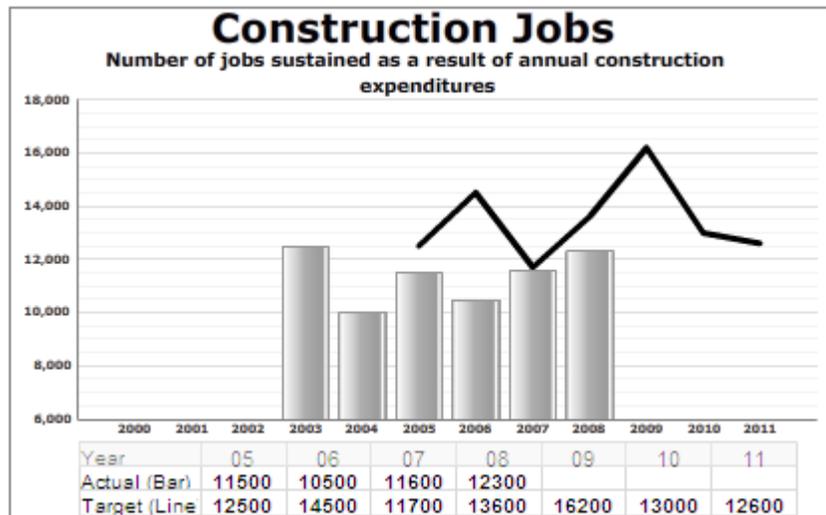
The sidewalk and bicycle system on state highways in urban areas needs to be completed. Anticipated program funding levels based on the statutorily required minimum of one percent and revenue forecasts must be compared to funding levels needed to complete the system by 2030. This information will be used to propose changes to the program funding levels, if needed. The information will also be used to evaluate the most effective use of current program funding and recommend possible program changes. Performance measure progress will be monitored and compared to annual measure targets and program goals. Staff will also work to identify the best methods and cycles to update program data on a regular basis. The effort to update data will ensure this information will continue to assist in decision making concerning program direction, emphasis and funding priorities.

The program is considered a success based on positive feedback from communities that have received technical assistance and other efforts to monitor program outcomes. Current efforts will continue in the provision of technical assistance and the dispersal of grant monies to increase appropriate availability of bicycle and pedestrian facilities.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

KPM #20	JOBS FROM CONSTRUCTION SPENDING Number of jobs sustained as a result of annual construction expenditures	Measure Since 2003
Goal	Provide a transportation system that supports livability and economic prosperity in Oregon	
Oregon Context	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. In addition, there is also the implicit connection from the vital 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.

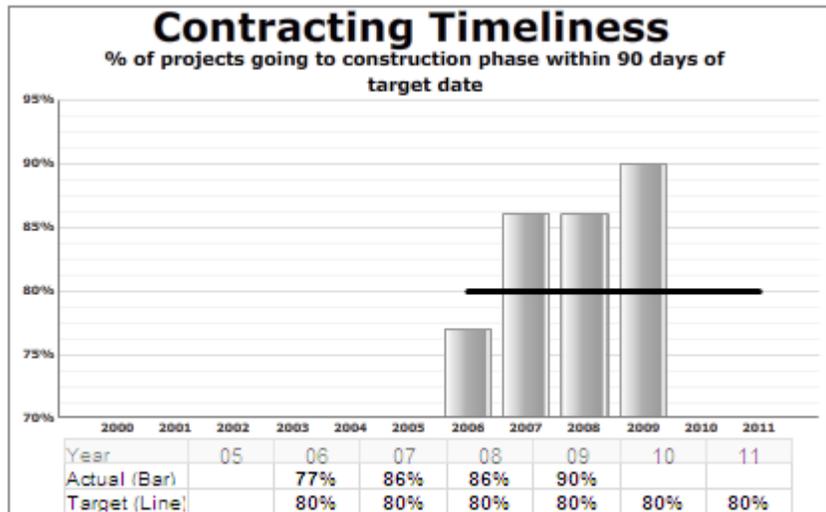
Targets are short-term job estimates based on forecast outlays for projects currently programmed in the State Transportation Improvement Program (STIP). “Actual” figures are also short-term job estimates and are the result of the programmatic spending that actually occurred during the state fiscal year, coupled with the application of the multipliers from the regional economic impact model. The actual results for FY08 reveal that the total number of jobs supported by Agency project spending was approximately 12,300.

ODOT construction programs succeeded in supporting about 11,600 jobs in 2007. This was very slightly below the targeted jobs estimate because projected construction-related spending for transportation projects in 2007 occurred at a rate slightly below that expected when the target was established the year before. For FY08, the results were approximately 12,300 jobs, nearly 9 percent below projections from the projections made in the prior year. Erosion in the purchasing power of a dollar spent in construction largely accounts for the shortfall. Data for 2009 is yet to be analyzed and will be available in the fall of 2010.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

KPM #21	TIMELINESS OF PROJECTS GOING TO CONSTRUCTION PHASE Percent of projects going to construction phase within 90 days of target date.	Measure Since 2006
Goal	Move People and Goods Efficiently, and Provide a Transportation System that Moves People and Goods Efficiently	
Oregon Context	Oregon Benchmark #1 Employment in Rural Oregon and Oregon Benchmark #4 Net Job Growth	

The goal is to develop efficient, complete and attainable project development schedules, and to 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

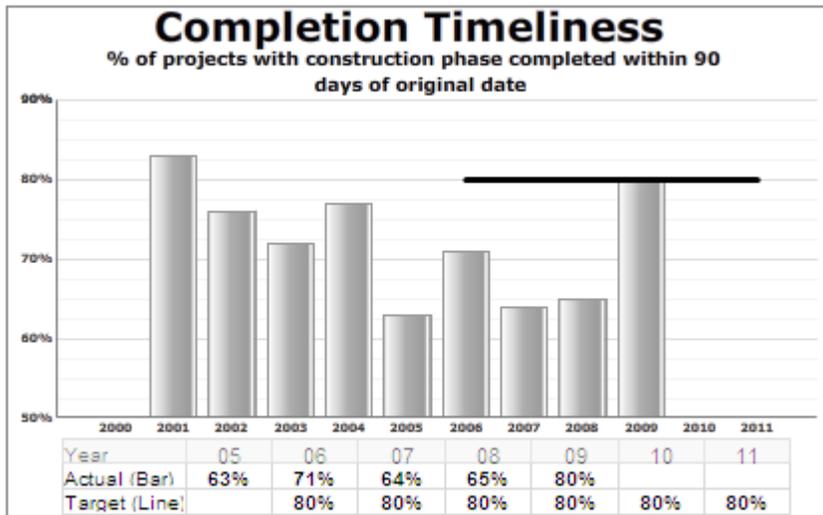
- **During the Procurement Process:**
 - Balancing bid let dates to improve bid pricing
 - Contractor timeliness in returning documents
 - Re-bid of rejected proposals

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — HIGHWAY DIVISION —

KPM #22	CONSTRUCTION PROJECT COMPLETION TIMELINESS Percent of projects with the construction phase completed within 90 days of original contract completion date	Measure Since 2006
Goal	Move People and Goods Efficiently, and Provide a Transportation System that Moves People and Goods Efficiently	
Oregon Context	Oregon Benchmark #1 Employment in Rural Oregon Oregon Benchmark #4 Net Job Growth	

The Oregon context is much different than last time.

The 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 also 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.



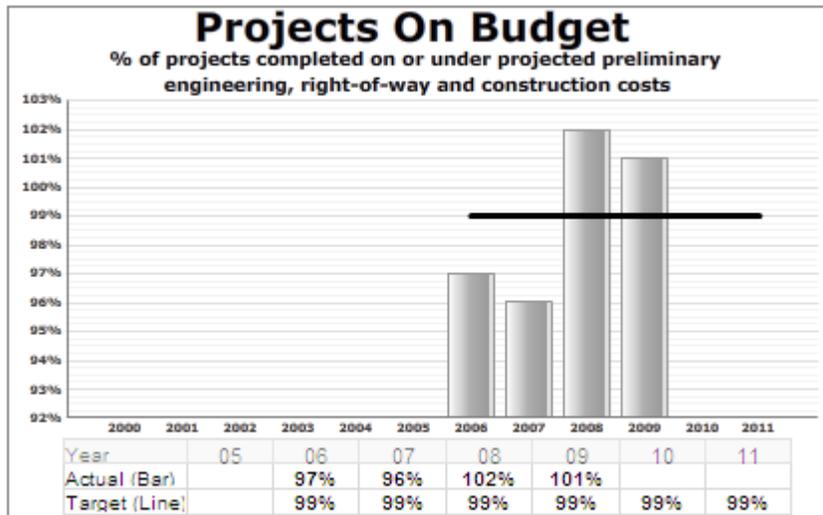
Accurate comparisons between Oregon's on time delivery to other state's on time delivery may not be possible due to differences in contracting methods, the types of projects compared, and differences in measurement methodologies and definitions. Metrics from some states with similar, though not identical, metrics include: Washington State shows 91 percent on time average for the 2003 – June 30, 2006 time period; Virginia shows 27 percent on time for 2003, 35 percent for 2004, and 75 percent for 2005.

Data entry and processing times can delay data by over a month in some cases, so projects which recently completed may not be captured in this report. In other instances the construction completion notice may be rescinded if a problem is found, which will also affect the data. For these reasons, the percent on-time as reported in 2007 was 69 percent, but is now seen to have been 65 percent.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

KPM #28	CONSTRUCTION PROJECTS ON BUDGET Percent of Original Construction Authorization Spent.	Measure Since 2009
Goal	Provide a transportation system that supports livability and economic prosperity in Oregon	
Oregon Context	Oregon Benchmark #1 Employment in Rural Oregon Oregon Benchmark #4 Net Job Growth	

ODOT's Goal is to more accurately estimate costs early in project development and then manage costs (paying special attention to the tendency of complex projects to increase in scope) throughout the life of the project. In support of this goal, changes to the programmed construction cost require Program Manager approval (e.g. Bridge or Area Manager). ODOT also makes use of continuous improvement in estimating



skills – both scoping estimating (parametric estimating for different project types and elements, accounting for inflation and commodity issues) and final engineering estimating. ODOT also utilizes a robust construction Quality Control/Quality Assurance program coupled with a very structured statewide contract administration program to ensure effective Project Management throughout the construction phase of the project. This project budget metric supports these goals and strategies by allowing ODOT to evaluate their overall effectiveness.

ODOT's goal is to spend under 99 percent of the amount authorized and on average, project construction expenses have come in at 99 percent of their original authorization over the last 5 years.

All factors are examined when project budgets are established, but world trends such as higher than expected inflation, steel, oil, and asphalt prices contribute to cost increases. Unanticipated geological features, archeological finds, or environmental impacts may also contribute to cost increases.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — HIGHWAY DIVISION —

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
<p>I. Safety. Enhance the Safety of the Highway System</p>	<ol style="list-style-type: none"> 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
<p>II. Preservation. Preserve and Maintain the Highway System</p>	<ol style="list-style-type: none"> 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
<p>III. Livability. Enhance Oregon's Livability Through Highway System Improvements</p>	<ol style="list-style-type: none"> 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

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

IV. Customer Satisfaction.

Meet or Exceed Customer
Expectations

1. Positive customer and stakeholder perceptions of Highway Division planning, delivery, maintenance and operations

V. Efficiency.

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
-

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— HIGHWAY DIVISION —

BUDGET HIGHLIGHTS

Highway Division Expenditures

	2005–2007 Actuals	2007–2009 Actuals	2009–2011 Legislatively Adopted
Programs			
Maintenance	342,316,126	390,569,709	399,755,412
Construction:			
STIP:			
Preservation	273,678,739	189,212,069	389,054,507
Bridge	505,321,643	686,229,445	670,425,103
Modernization	380,872,899	355,930,598	348,192,936
Highway Safety	58,386,574	58,222,147	71,652,622
Highway Operations	50,152,650	57,500,991	71,310,646
STIP subtotal	1,268,412,505	1,347,095,250	1,550,635,814
Local Government Program	213,191,783	247,663,306	390,683,462
Special Programs	179,529,747	233,381,414	184,957,448
Utility ROW Permits	1,686,271	0	0
Total	2,005,136,432	2,218,709,679	2,526,032,136

	2005–2007 Actuals	2007–2009 Actuals	2009–2011 Legislatively Adopted
Expenditures by Major Revenue Source:			
Federal (Other)	0		0
State	2,005,136,432	2,218,709,679	2,526,032,136
Revenue Bonds	0		0
Local Match	0		0
Total	2,005,136,432	2,218,709,679	2,526,032,136

Positions	2702	2638	2665
Full-Time Equivalent (FTE)	2649.32	2580.41	2,610.69

Driver and Motor Vehicle Services Division

DRIVER AND MOTOR VEHICLE SERVICES DIVISION

The Driver and Motor Vehicle Services Division's mission is to promote driver safety, protect financial and ownership interests in vehicles and collect revenue for Oregon's roads.

Driver Safety

DMV licenses drivers, verifies the identification of people applying for a driver license or identification card, and tests the skills, knowledge and vision of drivers. DMV promotes driver safety by providing educational tools such as driver manuals, by ensuring driver tests meet or exceed national standards and by suspending or revoking the driving privileges of problem drivers.



A new driver receives test results.

Protecting Ownership

DMV also issues vehicle titles. Titles prove ownership and help protect the financial interest of vehicle owners and security interest holders. DMV inspects the vehicle identification number of newly registered vehicles, examines the title and other ownership documents and checks for information on stolen vehicles through state and national law enforcement data systems before issuing titles.



DMV licenses and regulates vehicle-related businesses.

DMV business regulation services licenses vehicle- and driver-related businesses in the state to ensure titles are correctly transferred and security interest holders are promptly paid or recorded. DMV licenses vehicle dealers, wreckers, vehicle appraisers, transporters, driving instructors and driving schools. Business regulation staff conducts routine inspections and respond to customer complaints. If a problem is found, DMV issues warnings, imposes civil penalties or sanctions the business.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— DRIVER and MOTOR VEHICLE SERVICES DIVISION —

Revenue Collection

DMV registers close to four million vehicles in Oregon. The division registers and titles vehicles and issues trip permits to raise revenue for highway construction and maintenance.

DRIVER AND MOTOR VEHICLE SERVICES DIVISION PROGRAMS

DMV is organized to deliver driver and vehicle services through four Service Groups:

- **PROGRAM SERVICES**
- **FIELD SERVICES**
- **PROCESSING SERVICES**
- **CUSTOMER SERVICES**

PROGRAM SERVICES

This group coordinates major changes to DMV programs and operations resulting from federal/state laws, policy direction, business process improvements, and computer system initiatives. Program Services also develops and implements policies, procedures, and administrative rules for DMV's driver, vehicle, and business licensing services. Employees analyze the policy and fiscal impacts of proposed legislation and other changes, and evaluate the effectiveness of DMV programs. They design and publish forms and manuals, ensure adequate supplies of license plates and stickers, and manage service contracts. Employees interpret business needs and priorities; lead strategic and tactical IT planning; coordinate DMV involvement in IT projects and other major system changes; and ensure computer systems meet business needs through testing and monitoring. Staff licenses and inspects vehicle dealers and related businesses, investigates unlicensed vehicle businesses, and supports the Oregon Dealer Advisory Committee. Program Services provides support for DMV efforts to prevent, detect, and investigate fraudulent activity.

FIELD SERVICES

This group operates DMV's 64 field offices statewide in which about 13,000 customers are served each day. There are three types of offices: Full Service, Limited Service, and Express. Full Service offices administer driver knowledge, skill and vision tests; issue photo driver licenses and identification cards; reinstate driving privileges; register vehicles; issue plates and stickers; handle title applications; and inspect vehicle identification numbers. Limited Service offices provide all services except behind-the-wheel skills testing. DMV Express offices provide all services except knowledge and skills testing, reinstatement services, inspection of vehicle identification numbers, and titling and registration of out-of-state vehicles.

Field offices also do work for other ODOT divisions and other agencies:

- Issue motor carrier credentials
- Issue truck oversize/weight permits
- Sell Sno-Park permits
- Test applicants for licensing boards
- Register voters
- Verify that vehicles have passed emissions tests, as required

PROCESSING SERVICES

This group processes all mail-in business for driver licenses, titles, and registrations, and processes all of the business accepted at local offices around the state. Employees process financial transactions for customers; issue titles, plates, and stickers; renew driver licenses; enter data into DMV's computer systems, and prepare paperwork for microfilming. DMV produces over 1.2 million titles and issues almost 2 million registrations every year. Employees record traffic violations, convictions, and other driving record information; process accident reports, suspensions, and license reinstatements; manage driver improvement activities and medically at risk driver case reviews; use facial recognition software to review and clear drivers prior to issuance of all drivers' licenses and ID cards; issue driver licenses with previous photos to eligible military personnel and others who temporarily out of the state; and issue hardship permits to suspended drivers. Employees work by mail, telephone, and in-person to help customers who have lost or could lose their driving privileges.

CUSTOMER SERVICES

This group provides call center services and record services for DMV customers. Two call centers provide telephone assistance for about two million customers per year. The call centers answer all calls directed at DMV field offices as well as general information calls directed to DMV headquarters. Employees answer questions, schedule drive tests

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— DRIVER and MOTOR VEHICLE SERVICES DIVISION —

statewide, and help callers conduct business with DMV. One call center employs 46 inmates at the Oregon Coffee Creek Correctional Facility. The second call center is staffed by DMV employees at the Salem headquarters building. Customer Services also provides DMV driver and vehicle records requested by public and private entities and administers programs designed to ensure the security of personal information held by DMV. Law enforcement agencies access about 51,000 records each day on the DMV database, and businesses and individuals make over four million DMV record requests each year. This group manages the DMV contract with the Employment Department for administrative hearings for people who appeal DMV actions. The majority of the hearings involve driver license suspensions under Oregon's implied consent laws for driving while intoxicated. This group also manages the DMV headquarters facility, and provides incoming and outgoing mail services for the entire facility.

DIVISION ADMINISTRATOR'S OFFICE

This office provides the policy, oversight, and administrative functions of the division.

ISSUES AND TRENDS

Demographic Changes – Oregon is becoming more ethnically diverse and older. Both factors are important to DMV from a customer service and workforce perspective. Language and cultural differences must be bridged to enable people to complete their driver and vehicle transactions, and increasingly we are seeing older drivers referred to the Medically At-Risk Driver Program. From the workforce view, DMV must hire employees that reflect the communities that we serve and begin replacing employees who are retiring with significant experience and knowledge about our programs.

Eligibility for Driver Licenses and ID Cards – Eligibility for an Oregon driver license or identification card is becoming more difficult as standards for proving identity and legal status are tightened. Fewer documents are accepted from applicants, and more electronic systems for verifying the data contained on some documents are now being used. The Oregon Legislature adopted a legal presence standard in February 2008 (SB 1080) with provisions phased in by January 2010. Federal Real ID regulations call for compliance with new driver license issuance standards by May 2011, or else the state-issued credentials will not be accepted for federal identification purposes.

Fraud Prevention – State-issued driver licenses and ID cards are used widely as identity documents to conduct business with public agencies and private companies. Increasing concern about identity theft has created the need for a robust fraud prevention program at DMV. DMV continues to strengthen its policies and procedures to prevent, detect, and investigate instances of internal and external fraud. Criminal investigations are turned over to law enforcement agencies.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— DRIVER and MOTOR VEHICLE SERVICES DIVISION —

Service Delivery – DMV field offices will continue to evolve as we anticipate changes in the way services are delivered and what services are available. Driver licenses and ID cards are no longer issued over-the-counter at field offices, and facial recognition software is used to avoid issuing multiple cards under different names to the same person and to check previous photos on file. Fraudulent documents are reported to local law enforcement and more people are turned away because of insufficient documents to prove their eligibility. DMV field offices will continue to provide professional and courteous service as quickly as possible, but the ongoing changes to issuance requirements could impact the service levels Oregonians have come to expect from their DMV.

Congestion – Congestion on Oregon’s roads is forecasted to increase by 42 percent by 2025, creating gridlock for commuters and further challenging Oregon’s ability to compete in the traded sector economy. Since about 25 percent of highway congestion is attributed to traffic incidents, it is imperative that Oregon drivers operate their vehicles safely. DMV tests people prior to issuing driver licenses to determine their ability to operate a vehicle, and also administers suspensions, temporary restrictions, and withdrawals of driving privileges. DMV also requires people to complete additional tests when impairments and safety concerns are reported by physicians, law enforcement, and others. Understanding the causes of traffic incidents will yield insights into ways to reduce congestion.

Driving Without Privileges – The number of people driving vehicles in Oregon without valid driving privileges is increasing. This group includes people with expired, suspended, or withdrawn driving privileges. It also includes people who have never received a driver license in Oregon, but have lived in and operated a vehicle in this state for many years. The incidence of tragic pedestrian fatalities and hit-and-run crashes is cause for exploring ways to remove these individuals from our roads. The challenge is to target those individuals who pose the greatest risk to traffic safety with cost-effective sanctions that the criminal justice system can support. Driver and crash data is available for analysis of potential solutions.

Aging Infrastructure – The computer systems and facilities that DMV relies upon are aging and expensive to maintain and operate. The large mainframe systems were first developed in the mid-’60’s with some additions and enhancements throughout the years, but the major applications are old and difficult to support. The supply of COBOL programmers is declining, so finding qualified employees and contractors to support computer system projects is very difficult. The ability of DMV to respond to statutory changes and to link its databases with other government agencies is severely constrained by these factors. The field offices are mostly leased from private companies, so facility improvements must be planned and funded many years in advance. The buildings are not energy efficient and parking lots are frequently inadequate for the number of people served and the space needed for CDL and motorcycle testing.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— DRIVER and MOTOR VEHICLE SERVICES DIVISION —

Efficiency and Productivity – DMV will continue to streamline processes and increase productivity. This is especially important as a counter-balance to new state and federal program requirements that are intended to improve the effectiveness of programs, but will increase the time it takes to serve the public and to process transactions.

2009 LEGISLATIVE SESSION

HB 2001 – Jobs and Transportation Act of 2009

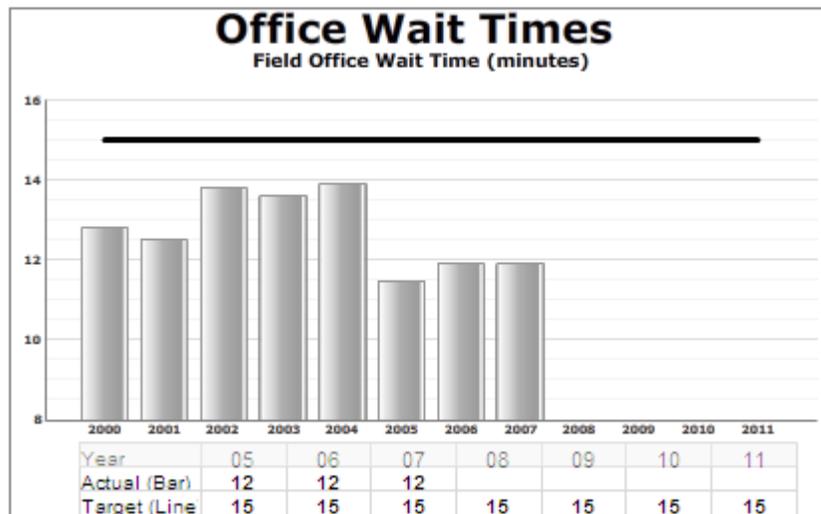
This is the Governor’s Transportation Plan for the 2009 Legislature. Investing in Oregon’s transportation system is one of the strongest most immediate stimulus tools available during the current economic downturn. This package will create and sustain jobs, support the efficient movement of goods, and help local businesses keep their doors open. The legislation increased DMV fees to support the creation of jobs through highway projects.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — DRIVER and MOTOR VEHICLE SERVICES DIVISION —

PERFORMANCE MEASURES

KPM #26a	DMV CUSTOMER SERVICES: a) Field Office Wait Time (in minutes)	Measure Since 1998
Goal	Customer Service – Provide excellent customer service	
Oregon Context	Government performance and accountability	

Efficiency and Customer Focus are the strategies used to promote excellent customer service. Maintaining customer focus provides the means to maximize timeliness, customer satisfaction and economic efficiency. Activities associated with this general strategy include making decisions about shifting resources from lower priority tasks to those tasks directly affecting customer wait times. Employees are cross-trained to respond more quickly as workload varies.



DMV strives to reduce customer wait times for various types of transactions. Feedback from customers and businesses indicates that DMV is expected to provide a consistent level of service. The targets represent service levels that DMV can consistently meet given the division's current staffing levels.

In 2008, DMV wait time performance was better than target and had decreased 10 percent from the prior year. Field office wait time has been consistently below the 15 minute target since 2000.

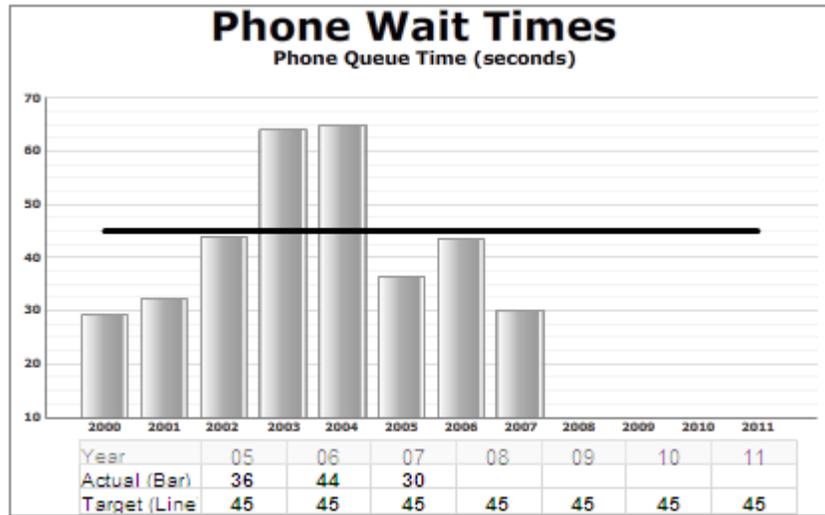
Oregon DMV has participated in a benchmarking effort with other state motor vehicle agencies for the past three years. The goal of participating in this effort is to establish performance benchmarks and provide a basis for comparing Oregon DMV to other motor vehicle administrations. When compared to eight other jurisdictions, Oregon's field office wait time was substantially below the mean and median wait times of the other agencies. Oregon's 2006 average field office wait time was 11.9 minutes, whereas the peer average was 19 minutes and the peer median was 17 minutes.

During the last two years, DMV has successfully attained wait time targets by taking steps to ensure that resources are in the right place at the right time. Headquarters staff has assisted field staffing during busy months in order to help offset peak field office wait times.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — DRIVER and MOTOR VEHICLE SERVICES DIVISION —

KPM #26b	DMV CUSTOMER SERVICES: b) Phone Wait Time (in seconds)	Measure Since 1998
Goal	Customer Service – Provide excellent customer service	
Oregon Context	Government performance and accountability	

Efficiency and Customer Focus are the strategies used to promote excellent customer service. Maintaining customer focus provides the means to maximize timeliness, customer satisfaction and economic efficiency. Activities associated with this general strategy include making decisions about shifting resources from lower priority tasks to those tasks directly affecting customer wait times. Employees are cross-trained to respond more quickly as workload varies.



DMV strives to reduce customer wait times for various types of transactions. Feedback from customers and businesses indicates that DMV is expected to provide a consistent level of service. The targets represent service levels that DMV can consistently meet given the division's current staffing levels.

DMV phone wait time performance has fluctuated from year to year, in 2004 of about 65 seconds, decreased the next three years but increased again in 2008 to 67 seconds.

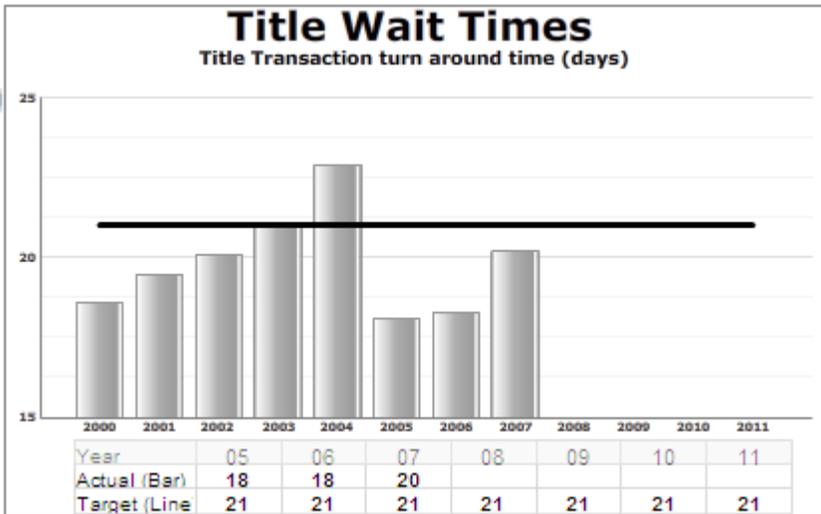
Oregon DMV has participated in a benchmarking effort with other state motor vehicle agencies for the past three years. The goal of participating in this effort is to establish performance benchmarks and provide a basis for comparing Oregon DMV to other motor vehicle administrations. When compared to eight other jurisdictions, Oregon's phone wait time was substantially below the mean and median wait times of the other agencies. Oregon's 2006 average phone wait time was about 44 seconds, whereas the peer average was 273 seconds.

During the last two years, DMV has successfully attained wait time targets by taking steps to ensure that resources are in the right place at the right time. DMV has improved phone wait time substantially in 2005 through 2007 due to efforts to alleviate call center staff shortages.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — DRIVER and MOTOR VEHICLE SERVICES DIVISION —

KPM #26c	DMV CUSTOMER SERVICES: c) Title wait time (in days)	Measure Since 1998
Goal	Customer Service – Provide excellent customer service	
Oregon Context	Government performance and accountability	

Efficiency and Customer Focus are the strategies used to promote excellent customer service. Maintaining customer focus provides the means to maximize timeliness, customer satisfaction and economic efficiency. Activities associated with this general strategy include making decisions about shifting resources from lower priority tasks to those tasks directly affecting customer wait times. Employees are cross-trained to respond more quickly as workload varies.



DMV strives to reduce customer wait times for various types of transactions. Feedback from customers and businesses indicates that DMV is expected to provide a consistent level of service. The targets represent service levels that DMV can consistently meet given the division’s current staffing levels.

Oregon DMV has participated in a benchmarking effort with other state motor vehicle agencies for the past three years. The goal of participating in this effort is to establish performance benchmarks and provide a basis for comparing Oregon DMV to other motor vehicle administrations. When compared to eight other jurisdictions, Oregon’s title transactions were not compared according to wait times but were weighted by delivery channel service score. Oregon’s 2008 average title wait time was about 20 days and this was an improvement as compared to the prior year.

During the last two years, DMV has successfully attained wait time targets by taking steps to ensure that resources are in the right place at the right time. DMV has improved title wait time due to efforts to alleviate staff shortages and cross-training of headquarters staff has improved DMV’s ability to shift resources to meet targets.

DMV will continue to closely monitor its customer service goals and results and take corrective action as needed. The division will monitor resources in an effort to ensure adequate staffing for summer workload increases to maintain year long averages within service delivery targets.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — DRIVER and MOTOR VEHICLE SERVICES DIVISION —

KPM #3	SAFE DRIVERS: Percent of drivers who drove safely by avoiding traffic violations and accidents during the prior three years.	Measure Since 2000
---------------	---	---------------------------

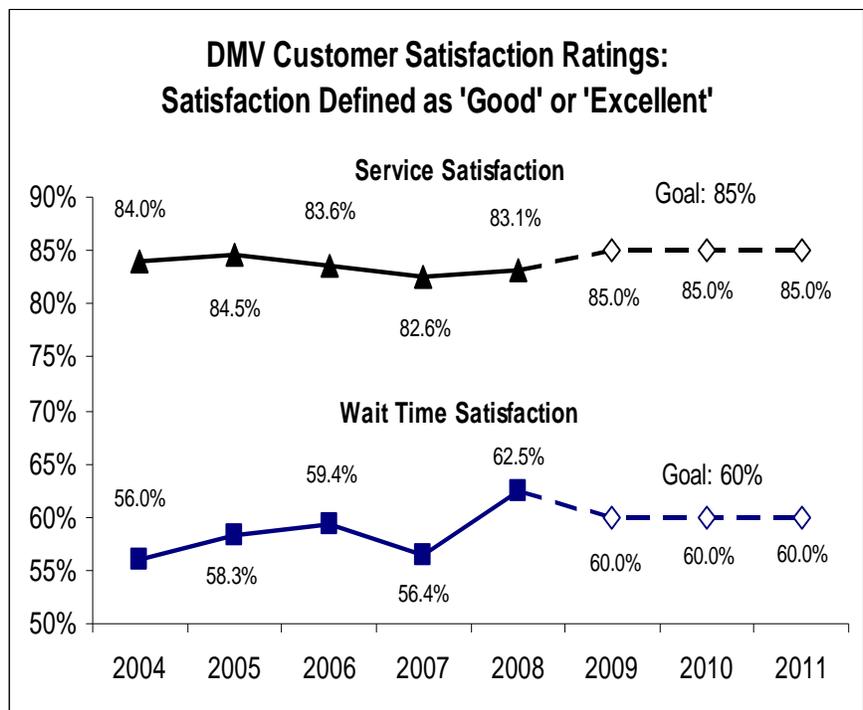
The final budget provided for the removal of KMP #3.

Division Performance Measures

CUSTOMER SATISFACTION

This measure rates employee helpfulness, courtesy, knowledge, efficiency, and wait times.

- The DMV conducts customer satisfaction surveys and sets targets for the percent of customers rating DMV service delivery as excellent or good.
- These surveys are conducted monthly by randomly sampling 400 customers who conducted business with DMV that month.
- DMV has set a goal of 85 percent of customers rating DMV service as good or excellent in relation to helpfulness, courtesy, knowledge and efficiency.
- DMV also surveys how satisfied customers are with the amount of time spent waiting for DMV services.
- DMV's goal is 60 percent for customers rating DMV wait time as good or excellent. This goal reflects the reality that the 15 minute average wait time service delivery goal may not yield a greater satisfaction rate.

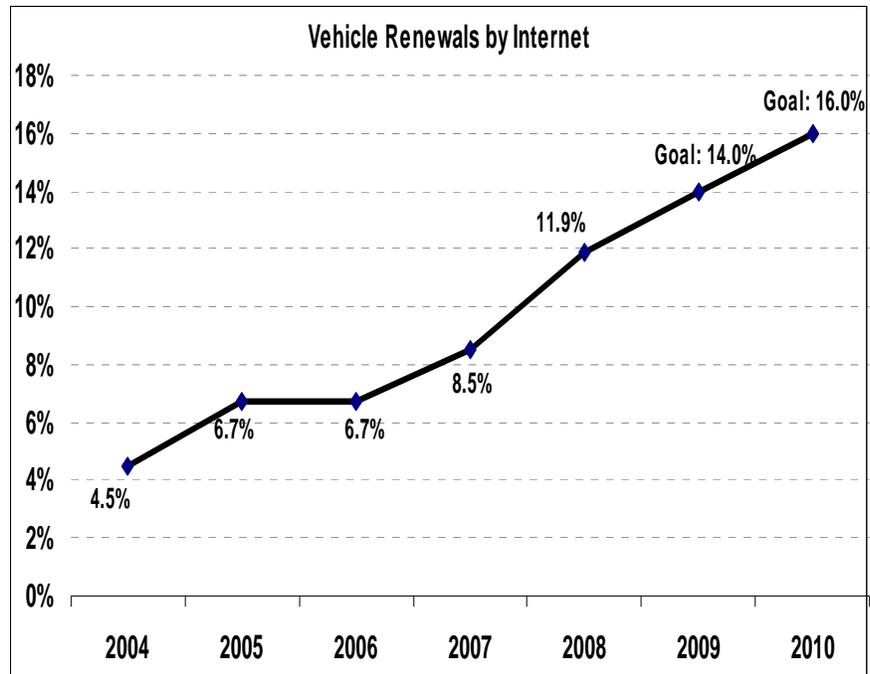


Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— DRIVER and MOTOR VEHICLE SERVICES DIVISION —

VEHICLE RENEWALS USING THE INTERNET

This measure shows the percentage of customers that are using the Internet to renew their vehicle registration.

- DMV tracks which service channels customers are using to conduct business with DMV.
- Transactions that are processed through the Internet are the most cost effective method for DMV to conduct business with the public.
- Renewal notices mailed to homes encourage people to use the Internet to register their vehicle and pay with a credit card.
- Customers are reminded in field offices that their transaction could have been done over the Internet.
- DMV worked with DEQ to allow customers residing in emission inspection areas to use the Internet to renew their vehicle registration. This should increase the number of customers using the Internet for vehicle registration renewals.



Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — DRIVER and MOTOR VEHICLE SERVICES DIVISION —

BUDGET HIGHLIGHTS

Driver and Motor Vehicle Services Expenditures

	2005–2007 Actuals	2007–2009 Actuals	2009–2011 Legislatively Adopted
Programs			
Program Services	23,688,524	27,331,141	29,342,156
Field Services	58,448,161	64,644,392	69,876,136
Processing Services	23,339,691	26,905,964	28,740,170
Customer Services and Hearings	26,858,989	29,997,009	31,407,396
Administrator's Office	838,931	682,573	864,127
Total	133,174,296	145,681,232	160,229,985
Expenditures by Category			
Personal Services	87,216,417	97,145,764	101,971,175
Services and Supplies	45,502,401	47,953,837	55,716,187
Capital Outlay	75,555	1,531,092	1,573,963
Special Payments	369,664	463,597	968,660
Debt Service	10,259	0	0
Total	133,174,296	145,681,232	160,229,985

Positions 867 878 874

Full-Time Equivalent (FTE) 833.50 841.92 842.17

Motor Carrier Transportation Division

MOTOR CARRIER TRANSPORTATION DIVISION

The Motor Carrier Transportation Division (MCTD) helps truckers comply with Oregon laws and regulations relating to registration, safety, highway-use tax, truck size, and weight. The division's mission is to promote a safe, efficient, and responsible commercial transportation industry by simplifying compliance, reducing unnecessary regulations, protecting highways and bridges from damage, enhancing private-public partnerships, fostering effective two-way communication, delivering superior customer service, and recognizing the vital economic interests of the commercial transportation industry.

The division maintains an extensive Web site (<http://www.oregon.gov/ODOT/MCT>) with news and information about trucking in Oregon.

MCTD PROGRAMS

- **SALEM MOTOR CARRIER SERVICES**
 - Commercial Vehicle Registration
 - Trucking Online
 - Over-Dimension Permits
 - Highway-Use Tax Collection
 - Economic Regulation
- **INVESTIGATIONS, SAFETY, FEDERAL PROGRAM**
 - Commercial Vehicle and Driver Safety Enforcement
 - Green Light Weigh Station Preclearance
- **FIELD CARRIER SERVICES**
 - Truck Size and Weight Enforcement
 - Field Registration Services
- **Motor Carrier Audit**
 - Oregon Weight-Mile Tax Audit
 - International Registration Plan (IRP)
 - International Fuel Tax Agreement (IFTA)

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— MOTOR CARRIER TRANSPORTATION DIVISION —

SALEM MOTOR CARRIER SERVICES

Commercial Vehicle Registration

MCTD regulates a diverse motor carrier industry ranging from one-truck owner-operators based in Oregon to carriers with large fleets that operate nationwide and in Canada. The division maintains accounts for approximately 21,000 trucking companies with 325,000 trucks registered to operate in Oregon. This includes 8,500 Oregon companies with 50,000 trucks. Oregon-based trucks display a red ODOT license plate for vehicle registration and weight-mile tax identification purposes. Trucks that operate within the state display an Oregon Commercial plate and trucks that travel outside the state display an Oregon Apportioned plate.



A customer receives over-the-counter help with a truck-related transaction at the Division's Salem Headquarters.

Most carriers from other states and Canada participate in the International Registration Plan program through which they pay apportioned registration fees so their trucks can operate in Oregon. Those trucks are identified by the license plates issued by each carrier's home state or province.

MCTD registration staff responsibilities include the following:

- Issue or renew more than 50,000 truck license plates to Oregon carriers each year.
- Issue more than 178,000 temporary passes and trip permits each year.
- Help more than 5,000 Oregon interstate truckers operate in other states and Canada under the International Registration Plan and International Fuel Tax Agreement. Collect and distribute over \$57 million in registration fees and fuel taxes for other jurisdictions.
- Annually collect about \$253 million in weight-mile taxes and \$20 million in Oregon truck registration fees.
- Ensure truckers pay registration fees, file road-use tax reports, and pay taxes on time.
- Ensure that intrastate truckers have liability insurance and, when necessary, cargo insurance.
- Ensure that certain truckers file a bond or cash deposit to secure tax and fee payments.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— MOTOR CARRIER TRANSPORTATION DIVISION —

Trucking Online

MCTD was one of the first Oregon state agencies to offer an Internet service that allows customers to go online to transact business, make payments, and check records. There are currently 65 business processes that can be completed online and developers continue to add services. Besides transactions, Trucking Online lets authorized users check their trucking company accounts and it features a Public Access Menu that allows anyone to view public records. More than 13,000 trucking companies now save time and money every day using a home or office computer to run their business without the need for a phone call, fax, mail delivery, or over-the-counter service. Since January 2003, Trucking Online has been used for well over 2 million transactions or record inquiries.

Online business was up in 2007 as Trucking Online handled 7 percent more transactions and 24 percent more records inquiries than the previous year. In the major categories of activity, there has been a steady increase in online weight-mile tax reports and payments. Now more than 11 percent of all such transactions are completed online. A record number of trucking companies went online to complete the annual renewal of truck registration or tax credentials for 2008. This online activity was up 15 percent compared with the previous year. As a result, Oregon saved 272 reams of paper (a stack that would reach 57 feet high), plus over \$14,000 in postage and staff time to process and mail renewal-related materials.

Over-Dimension Permits

Staff issue single-trip and continuous-operation (annual) permits for oversize, overweight, or unusual truckloads. The division maintains road and bridge restriction information for the state and provides truckers routing instructions for their trips. Permits are available at the Salem headquarters office, the Jantzen Beach Portland office, three ports of entry, and at many DMV and Highway Division district offices throughout the state. The permits authorize travel on state and federal highways. They can also cover county roads, with county approval, but many Oregon counties issue their own permits. In 2007, the division processed 127,689 single-trip permits and 30,640 continuous-operation permits.

MCTD manages the work of four third-party agents that processed 158,113 continuous oversize or overweight truck permits in 2007. This includes 151,716 permits issued through a statewide one-stop-shopping system that makes it possible for a trucker to obtain a permit good for travel in all Oregon jurisdictions involved in the trip. The permits are currently available from MCTD, two private businesses, and two counties.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— MOTOR CARRIER TRANSPORTATION DIVISION —

Highway-Use Tax Collection

MCTD staff process mileage reports and collect highway-use taxes and fees from truckers. Weight-mile tax collections in 2007 totaled approximately \$253 million. Trucks weighing more than 26,000 pounds pay this tax in Oregon. Trucks with non-divisible loads weighing more than 98,000 pounds pay a road use assessment fee for the loaded portion of their movements. These graduated taxes and fees depend on a truck's weight and the miles traveled on public roads. Tax rates are established by the Legislature based on results of the Highway Cost Allocation Study, which is updated every two years by a consultant under contract to the Department of Administrative Services. All taxes collected, minus administrative costs, are disbursed to the Oregon Highway Fund for building and maintaining state and local roads.

Economic Regulation (Rates and Entry)

About 90 moving companies and 18 bus companies have special authority to conduct business in Oregon. They are subject to state regulation, including regulation of the rates charged for service, when moving household goods within the state or operating a regular bus service. Regulation of this part of the industry seeks to ensure Oregon has good, stable service at fair prices. Businesses offering to pack or load household goods are also subject to registration and insurance requirements. In 2008, about 70 pack or load businesses were registered to provide service in Oregon.

With the passage of HB 2817 in 2009, household goods moving-related regulations are now changing. Effective October 1, 2009, an applicant for new household goods moving authority, or extension and transfer of authority, must simply show they're fit, willing, and able to perform the service, they're insured and operating safe vehicles, and they'll charge approved rates. Existing authorized movers cannot protest an application and contest the need for new service. Also effective in October, pack and loaders will no longer be regulated. Oregon law will specify that they're exempt from regulation if they don't provide or operate a vehicle for moving household goods or act as an agent for someone who does provide or operate the vehicle.

Staff in the Economic Regulation unit manages the work of inspectors conducting New Carrier Entrant safety audits of interstate motor carriers. A total of 591 of these audits were completed in 2007. Staff is also responsible for processing civil complaint actions against those who violate motor carrier regulations. Enforcement begins with a finding of violation and then, if subsequent violations occur, graduates to complaints seeking monetary penalties and suspension of operating authority. Violations are commonly related to problems found in a safety compliance review. Other common violations include failing to meet safety inspection follow-up requirements, operating in excess of size or weight limits, or operating without valid registration credentials. Staff completed 699 civil complaint enforcement actions in 2007.

INVESTIGATIONS, SAFETY, AND FEDERAL PROGRAMS

Commercial Vehicle Safety

Highway safety is the top priority for the Motor Carrier Transportation Division. The division administers and enforces state and federal safety rules regarding the mechanical condition of trucks, qualifications and fitness of truck drivers, securement of cargo, and proper shipping of hazardous cargo. The division inspects trucks at weigh stations and along roadsides, and conducts comprehensive audits of trucking companies at their offices to check safety programs and regulatory compliance. Division staff also occasionally helps law enforcement officers investigate truck crashes.

Oregon truck safety highlights for 2007 include the following:

- A total of 61,349 inspections were completed — a rate of one inspection every 9 minutes. MCTD staff completed 39,753 of the inspections, while other state law enforcement officers completed 21,596.
- Critical safety violations were found in 20 percent of trucks and 14 percent of drivers inspected, indicating that inspectors effectively selected which to check (current national rates are 22 percent trucks and 6 percent drivers).
- Computers were used to record 73 percent of all inspections, thus allowing information to be quickly sent to the national SafetyNet databank where it becomes accessible to inspectors in all states.
- An MCTD specialist won U.S. Champion honors in the 2007 North American Inspectors Championship, an annual six-day competition involving the best inspectors in the U.S., Canada, and Mexico.

One performance measure the division tracks is the number of truck drivers with critical safety violations. There is a statistical correlation between violations and truck-at-fault crashes. As more drivers are placed out-of-service because of critical violations, truck-at-fault crashes decline. Reducing at-fault crashes is the focus of the department's Key Performance Measure No. 6 – Large Truck At-Fault Crashes (number of crashes per million truck miles traveled). Reducing crashes, injuries, and fatalities also contributes to the department's Key Performance Measure No. 3 – Safe Drivers (percent who drove safely by avoiding traffic violations and crashes in the prior three years) and Oregon Benchmark No. 45 – Preventable Death (years of life lost before age 70).

MCTD manages the federal Motor Carrier Safety Assistance Program (MCSAP) in Oregon and receives more than \$2.4 million in federal funds each year to support truck safety-related efforts. In 2003, Oregon legislators directed that Oregon State Police annually receive \$1.6 million of the total federal funds. Many city police, county sheriffs, and county weighmasters participate in the program under non-compensated agreements. As a condition for receiving MCSAP funds, the division produces an annual Commercial Vehicle Safety Plan addressing ways to reduce crashes, injuries,

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— MOTOR CARRIER TRANSPORTATION DIVISION —

and fatalities. The annual plan is also required by Oregon law and all trained and certified inspectors must follow the provisions of the plan (ORS 825.248).

MCTD specialists are responsible for training and certifying enforcement officers who perform truck, driver, and hazardous cargo safety inspections. There are more than 500 certified truck safety inspectors at work in Oregon today.

Green Light Weigh Station Preclearance

MCTD uses an intelligent transportation system called Green Light to weigh trucks in-motion and identify them as they approach Oregon's busiest weigh stations. The preclearance system is operational at 21 weigh stations statewide. It allows the stations to signal transponder-equipped trucks to proceed without stopping if they cross weigh-in-motion scales and successfully pass a computer check of size, weight, height, registration, account status, and safety records.

In 2007, trucks were weighed, electronically screened, and signaled to pass the stations 1,498,042 times. If bypassing a weigh station at highway speed saves five minutes, Green Light saved truckers 125,000 hours of travel time and millions of dollars in truck operating costs in 2007.

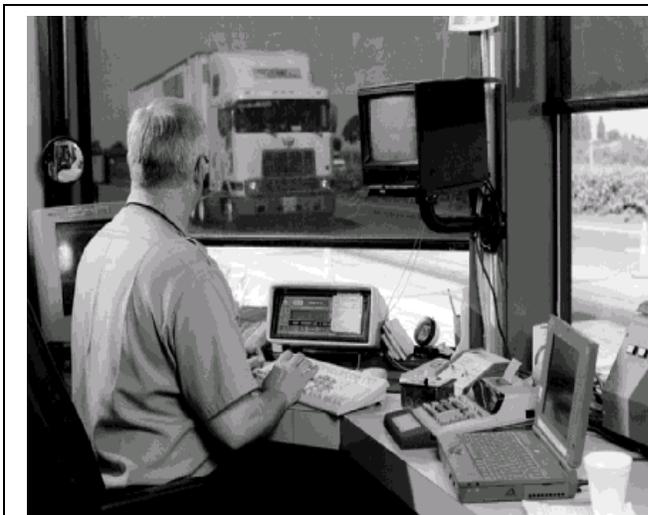
Allowing safe and legal trucks to bypass weigh stations helps enforcement officers manage a growing stream of truck traffic, preserves weigh station facilities, and eliminates hours of delay and significant expense for the trucking industry. This contributes to the department's key strategic goal of moving people and goods efficiently, using innovative technology to solve transportation problems. It also contributes to Oregon Benchmark No. 77 – Carbon Dioxide Emissions (emissions as a percentage of 1990 emissions) because trucks that avoid stopping at weigh stations emit far fewer health impact pollutants.

Emission testing by the Oregon Department of Environmental Quality in June 2008 confirmed additional benefits of the program. Trucks are far less polluting and far more fuel efficient when they use the weigh-in-motion system to avoid stopping at weigh stations. Tests found a 36 percent to 67 percent reduction in each of the pollutants monitored – particulate matter, carbon dioxide, nitrogen oxides, carbon monoxide, and hydrocarbons – when trucks stayed at highway speed past a weigh station. Trucks that avoided the deceleration and acceleration necessary to enter and exit a weigh station also experienced a 57 percent improvement in fuel economy.

FIELD CARRIER SERVICES

Size and Weight Enforcement

Motor carrier enforcement officers are based in eight districts statewide. They work at 87 fixed weigh stations, including six ports of entry, and dozens of portable scale sites to ensure trucks stay within size and weight limits. In 2007, motor carrier enforcement officers weighed 2,264,648 trucks on static scales. They sorted and sent on their way hundreds of thousands of empty trucks that did not need to be weighed. And they processed 1,498,042 trucks that were electronically weighed and checked at highway speed by the Green Light weigh station preclearance system. The officers' work protecting Oregon highways and bridges from damage by oversize and overweight trucks contributes to Oregon Benchmark No. 72 – Road Condition (percent of roads and bridges in fair or better condition).



A motor carrier enforcement officer checks truck size and weight at one of six Oregon Ports of Entry.

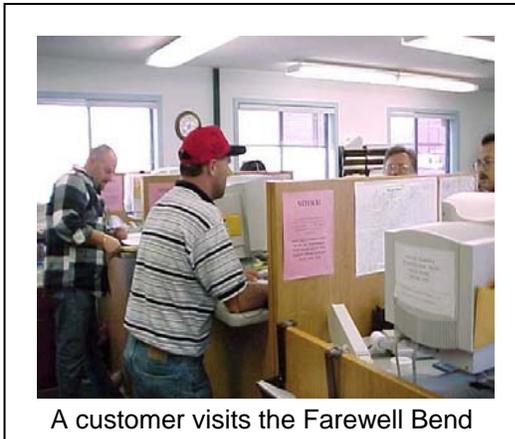
MCTD's outcome-based performance measures include tracking the number of trucks weighed and identified while crossing static scales or electronically screened by Green Light. There is a statistical correlation between weighing/identifying trucks and the weight-mile tax that auditors recover when they examine carrier records. As more trucks are weighed, more scale crossings are recorded for auditors to use to verify highway use reports and recover unpaid weight-mile taxes. In another correlation, more weight-related citations and warnings are issued as more trucks are precleared by Green Light. This system increases weigh station

capacity and acts as a filter, preclearing the trucks operating within size and weight limits. Thus, a greater percentage of the remaining traffic weighed on static scales is likely to be overweight.

In 2007, motor carrier enforcement officers issued 12,903 citations for truck weight violations, 8,180 weight-related warnings, 852 citations for size violations, and 10,834 citations for safety and other credentials-related violations. They also issued 13,941 other warnings for less-than-critical violations and required 3,934 vehicles to correct a problem (legalize) before proceeding.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— MOTOR CARRIER TRANSPORTATION DIVISION —

While the officers check truck size and weight, they also safeguard highway safety by performing safety inspections. Officers conducted a total of 25,137 inspections in 2007 and they placed 7,188 trucks and 4,137 drivers out-of-service until a critical safety violation could be repaired or resolved.



Field Registration Services

MCTD operates a 24/7 Credentials Service Center in Salem at which staff is always available by phone (except on major holidays). It also offers over-the-counter registration service from 8 a.m. to 5 p.m. on weekdays at the Salem Headquarters, at a Portland office in Jantzen Beach on the Washington border, and at three ports of entry located near Ashland, Farewell Bend, and Umatilla. Motor carriers need registration service at certain field offices because Oregon is a weight-mile tax state. Rather than collecting fuel taxes at the pump for

heavy vehicle road use, Oregon's tax is based on vehicle weight and miles traveled. If truckers are not permanently registered to operate in the state, they obtain a registration trip permit and a temporary pass through which they pay weight-mile taxes in advance for their trip. In 2007, Motor Carrier Division staff issued 195,787 temporary passes and collected \$10.8 million in fees and weight-mile taxes.

MOTOR CARRIER AUDIT

MCTD auditors verify the accuracy of weight-mile tax reports and payments by all motor carriers operating in Oregon. In 2007, auditors completed 652 weight-mile tax audits and assessed \$4,747,949 in unreported taxes and fees. The number of audits completed is indicative of only part of actual program activity because for every one account that is assigned to an audit, hundreds more are screened and cleared by staff. In 2007, auditors screened 33,021 accounts to determine which warrant close scrutiny. The work of this section recovering dollars owed to the State Highway Fund contributes to Oregon Benchmark No. 72 – Road Condition (percent of roads and bridges in fair or better condition).

Auditors also check the records of Oregon-based carriers that operate in other states and provinces to verify payments of registration fees and fuel taxes owed to the jurisdictions. As part of Oregon's obligations under the International Registration Plan (IRP), and the International Fuel Tax Agreement (IFTA), auditors must annually audit at least 3 percent of the Oregon carriers participating in those programs. In 2007, auditors completed 172 IRP audits and 153 IFTA audits.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— MOTOR CARRIER TRANSPORTATION DIVISION —

Administrator's Office

The Administrator defines overall state policies, ensures that motor carrier interests are adequately addressed, and coordinates the various functions of the division.

ISSUES AND TRENDS

Motor Carrier Transportation Division (MCTD) services are driven by the demands of a trucking industry that is itself under pressure to meet shipper demands. The division must meet the industry's need for fast, just-in-time registration and permit services, while keeping staff and administrative costs to a minimum.

- **Regulatory Streamlining** – Governor Ted Kulongoski's Executive Order 03-01 directs that all agencies will review business regulations, establish plans to streamline them, and identify ways to improve service. MCTD prides itself in being a leader in regulatory streamlining. It is constantly searching for, considering, and implementing opportunities that make regulations simpler, speedier, and less expensive for motor carriers without decreasing the protections that Oregonians expect for the public and the environment. In recent years, streamlining-related initiatives included elimination of a special Oregon license plate that out-of-state-based trucks had been required to display, the revamp of security bond and cash deposit requirements, redesign of the Motor Carrier Education Program, simplification of a process related to verifying Heavy Vehicle Use Tax payment, and consolidation of International Registration Plan and Fuel Tax Agreement applications and renewals.
- **Freight Mobility** – As every corner of the state is impacted by the unprecedented amount of work funded by the Oregon Transportation Investment Acts, MCTD is actively involved in mitigating those impacts. Staff participates in project design, identifies key routes and types of loads that may be operating in and around construction projects, provides feedback regarding clearances for freight loads, helps find detours and alternate routes, and advises the trucking industry of project impacts. As a result of this work, Oregon can minimize delays for the traveling public and freight industry, minimize detouring trucks on local roads through communities, minimize route restrictions, and maintain an unimpeded north/south and east/west route for freight movement through the state.
- **Innovation** – MCTD is actively addressing the key department strategy to use innovative program designs and technologies to solve transportation problems. It is committed to using the Green Light intelligent transportation system to make its weigh stations more efficient. It is also committed to advancing its Trucking Online e-government services that exemplify regulatory streamlining. More than 13,000 trucking companies now save time and money every day completing a wide range

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— MOTOR CARRIER TRANSPORTATION DIVISION —

of transactions, from obtaining a trip permit, to paying road-use taxes, to checking the status of an insurance filing or making some other records inquiry, all without the need for a phone call, fax, mail delivery, or over-the-counter service. This online service narrows a gap in customer service. In the past, Oregon offered extensive over-the-counter service throughout the state. But since 1996, the division has trimmed staff by more than 24 percent as part of agency-wide budget cuts.

- **Institutional Barriers** – The Green Light weigh station preclearance system will realize its full potential to increase weigh station capacity when institutional barriers to truckers' use of compatible transponders are removed. Thousands of trucks are unnecessarily forced to pull into Oregon weigh stations each month because their PrePass-brand transponders belong to a company called HELP, Inc. that prohibits their use in Oregon. Except for HELP's institutional barrier to interoperability, the transponders could work here and could allow the truckers to be weighed in motion, identified, and precleared to pass Oregon stations.
- **Credit Card Transaction Fees** – MCTD's customers rely on the convenience of credits cards for completing transactions by phone, over-the-counter, and online. They use credit cards so much, in fact, that in 2008 alone MCTD paid \$1.2 million in credit card transaction fees. To lower these costs, in 2009 MCTD added an Automated Clearing House (ACH) feature for online transactions, called Direct Payment, through which companies authorize the direct withdrawal of funds from a bank account. This is the ideal payment method because rather than paying banking fees equal to about 2.2 percent of each credit card payment, MCTD pays just 6 cents for each Direct Payment, regardless of the transaction amount.
- **Data Security** – as a result of the Payment Card Industry (PCI) Data Security Standards instituted in 2004 and strengthened in 2006 and the passage of Oregon SB 583 in 2007, MCTD will make changes to its e-commerce and point-of-sale transactions to better protect the sensitive information it collects from motor carriers. Beyond e-commerce functions, MCTD is also making physical modifications to its Salem Headquarters building to restrict the public's access to areas where sensitive information is stored.
- **Organizational Assessment** – In 2007, ODOT completed Organizational Assessment surveys that checked perceptions of the workplace and personal experiences. MCTD employee responses were generally favorable and especially notable in the categories of Fairness and Treatment of Others, Communication, Use of Resources, and Work and Family/Personal Life. Managers are addressing certain employee concerns about training, career development, and workplace safety. They remain open to employee input about ways the business can improve, advance, and stay in step with expectations.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — MOTOR CARRIER TRANSPORTATION DIVISION —

PERFORMANCE MEASURES

KPM #6	LARGE TRUCK AT-FAULT CRASHES Number of large truck at-fault crashes per million vehicle miles traveled (VMT).	Measure Since 1998
Goal	Improve Travel Safety in Oregon	
Oregon Context	Oregon Benchmark #45: Preventable Death	

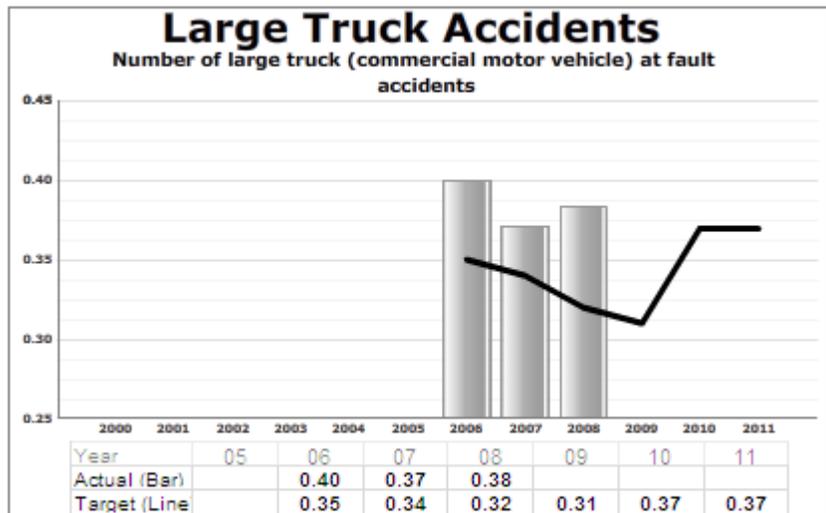
Strategies to address truck-at-fault crashes must focus on the driver. Almost all of these crashes are caused by the truck driver and usually linked to speeding, tailgating, changing lanes unsafely, failure to yield right of way, or fatigue. Of the 692 truck-at-fault crashes that occurred in 2007, only 43 were attributed to some mechanical problem.

In 2007, the Motor Carrier Transportation Division

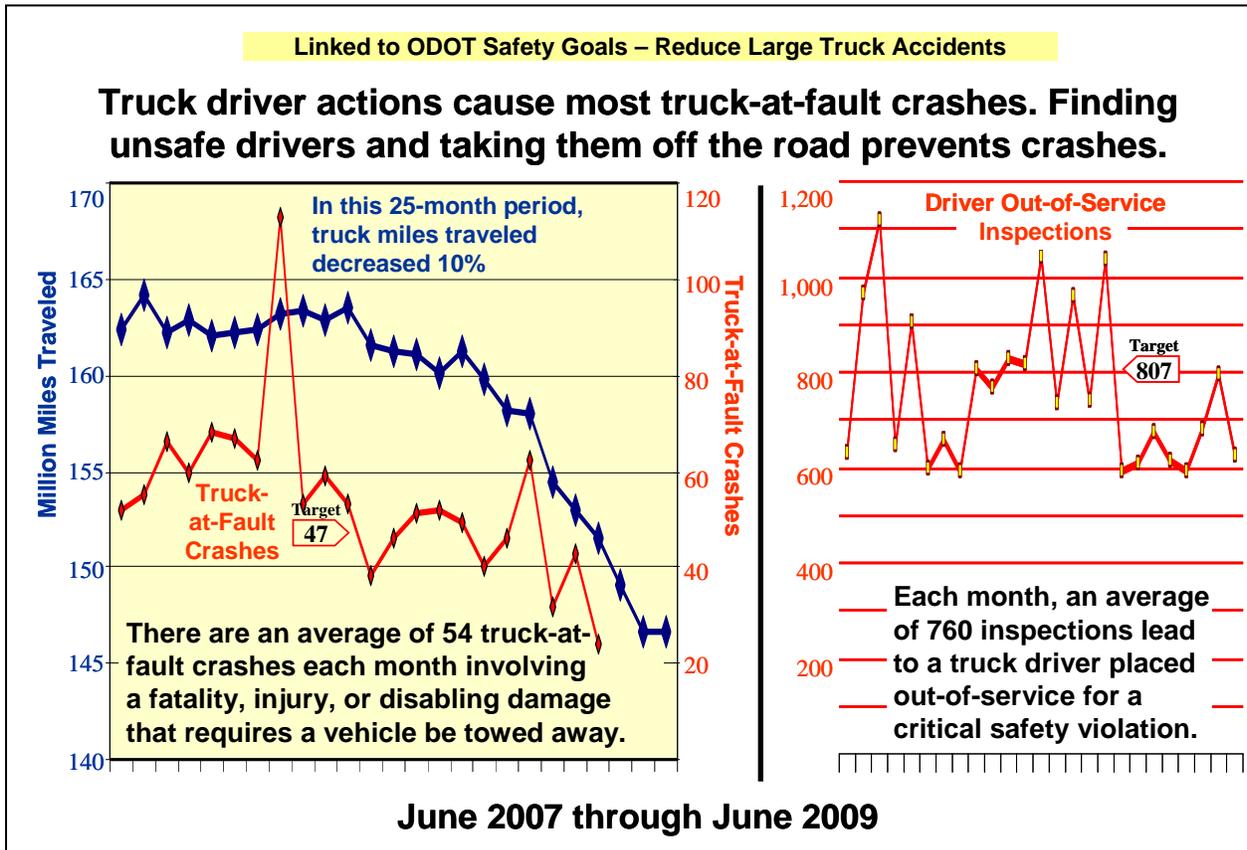
published a Safety Action Plan to educate everyone about the various strategies now employed to reduce truck-at-fault crashes. Division staff takes the lead in efforts as they conduct inspections at weigh stations and during safety compliance reviews at trucking company terminals. Oregon law enforcement officers play a key role, too. Many Oregon State Police troopers, as well as many county sheriffs and city police, are certified inspectors who work under Motor Carrier Safety Assistance Program (MCSAP) intergovernmental agreements.

Both truck crashes and truck-at-fault crashes declined in 2007, compared with the previous year. Injuries and fatalities were also down as safety inspections increased to an all time high in 2007. Inspectors checked a total of 61,349 trucks and drivers, 3 percent more than in 2006. A total of 12,072 of the inspections led to a vehicle placed out-of-service for critical safety violations. Compared with 2006, this represents 8 percent more problem vehicles and 50 percent more problem drivers found in inspections.

The rate of truck-at-fault crashes is affected by increases in all vehicle miles traveled, not just commercial vehicle miles. It's affected by increasing congestion, complicated by the unprecedented amount of road and bridge construction and maintenance work now underway in Oregon. Further contributing to crash rates is inclement weather, law enforcement officer presence on the road, and an observed effective increase in actual interstate speeds.



Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — MOTOR CARRIER TRANSPORTATION DIVISION —



TRUCK-AT-FAULT CRASHES

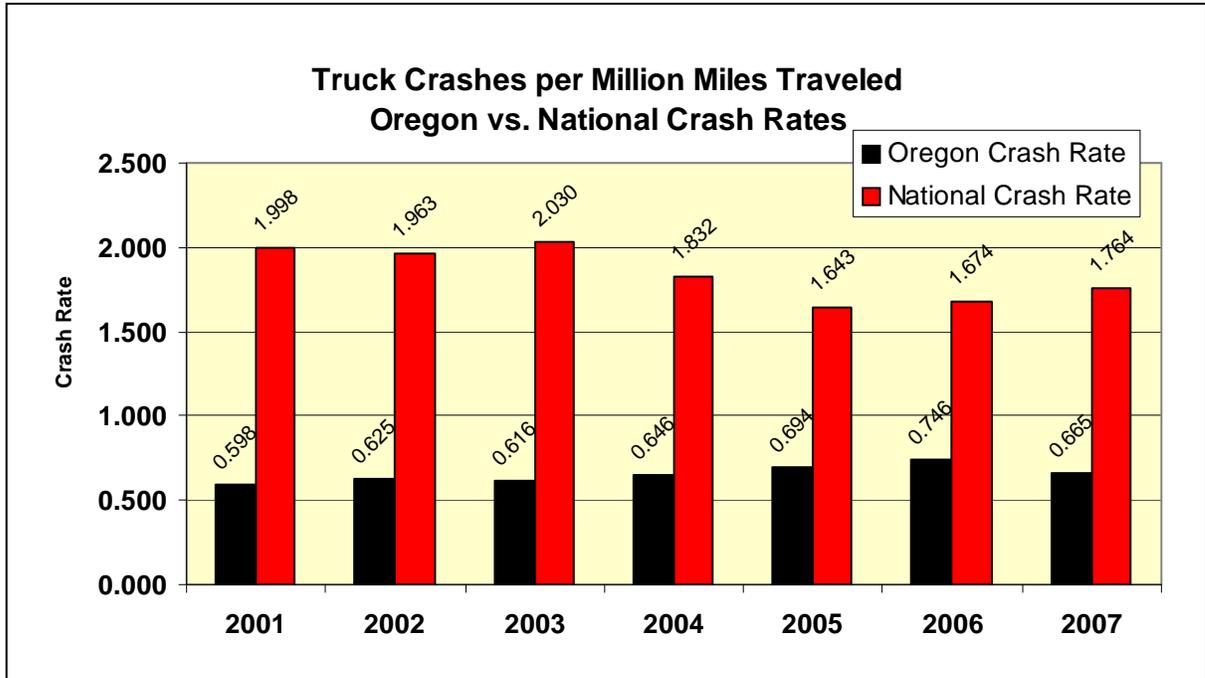
Truck drivers cause most truck-at-fault crashes. Finding unsafe drivers and taking them off the road prevents crashes.

Statistical correlation:

- As more truck drivers are placed out-of-service for critical safety violations, truck-at-fault crashes decline.

In response to an increase in truck crashes in recent years, the Motor Carrier Division produced a 2007-09 Safety Action Plan to Reduce Truck-at-Fault Crashes. The publication seeks to raise awareness about truck safety. MCTD's action plans include tactics such as more frequent multi-day inspection exercises that focus on truck driver inspections. One new tactic involves partnering with law enforcement in a safety campaign called TACT (Ticket Aggressive Cars and Trucks) to catch persons in the act of driving unsafely around trucks. More than just an enforcement effort, the TACT campaign also educates drivers about how to stay out of trouble. The bottom line objective is to reduce truck crashes, particularly those in which the car driver is at-fault, and reduce the number of people injured or killed on Oregon highways.

OREGON TRUCK CRASHES – IN PERSPECTIVE



A comparison of Oregon vs. national crash rates provides important context to any truck safety discussion. Oregon's truck crash rate has historically been much lower than the national rate. In 2007, the most recent year for which national totals are available, Oregon's crash rate was 62 percent lower.

Chart Sources:

Oregon DOT Transportation Development Division, Crash Analysis & Reporting Unit
(Truck crash totals only. Truck-at-fault crashes are not tracked at the national level.)

Large Truck Crash Facts 2007, Federal Motor Carrier Safety Administration, Analysis Division, Table 1 – Large Truck Fatal Crashes, Table 4 – Large Truck Injury Crashes, Table 5 – Large Truck Property Damage Only Crashes

<http://ai.fmcsa.dot.gov/CarrierResearchResults/HTML/2007Crashfacts/2007LargeTruckCrashFacts.htm>

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — MOTOR CARRIER TRANSPORTATION DIVISION —

TRUCKS WEIGHED, WEIGHT CITATIONS AND WARNINGS ISSUED

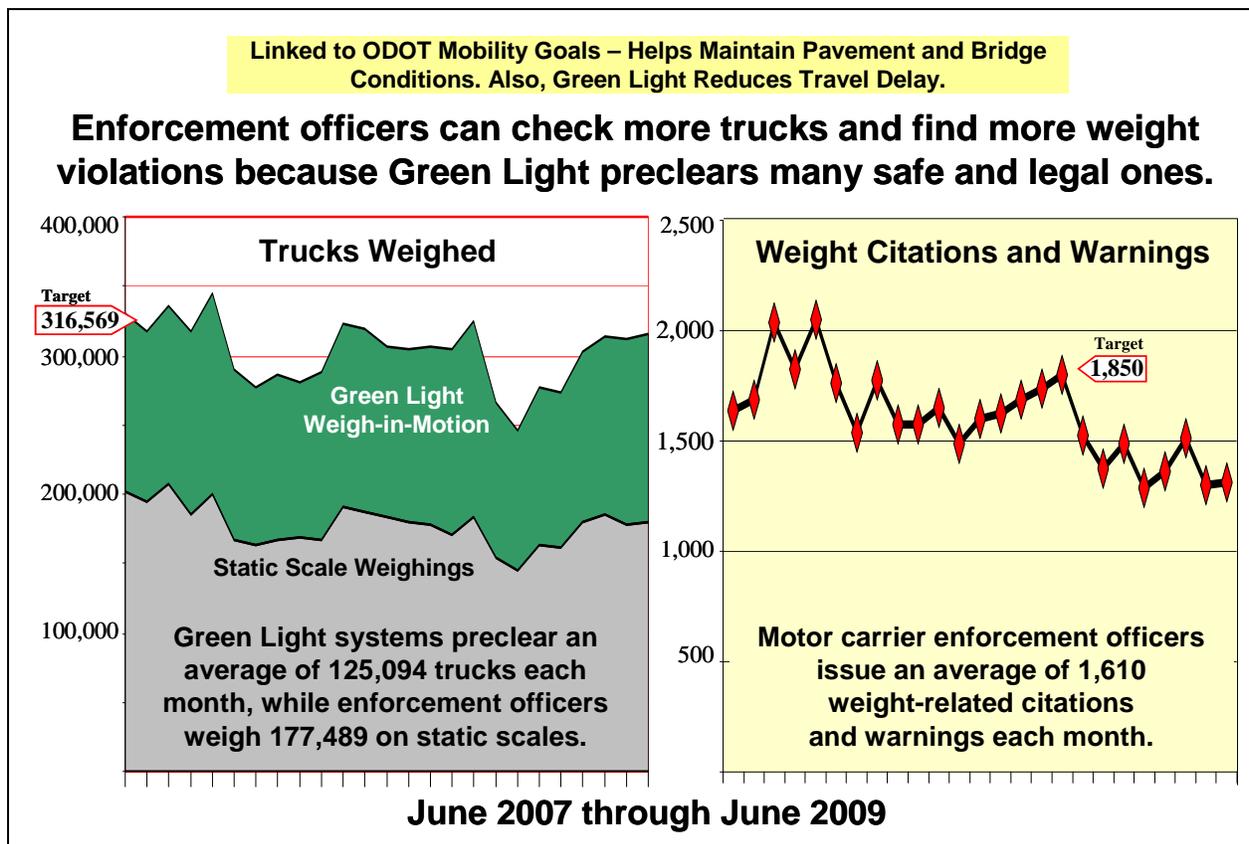
Enforcement officers can check more trucks and find more weight violations because the Green Light weigh station preclearance system screens out many safe and legal ones.

Statistical correlation:

- As Green Light filters truck traffic, more weight citations and warnings are issued because the trucks pulling into weigh stations are more likely to be overweight.

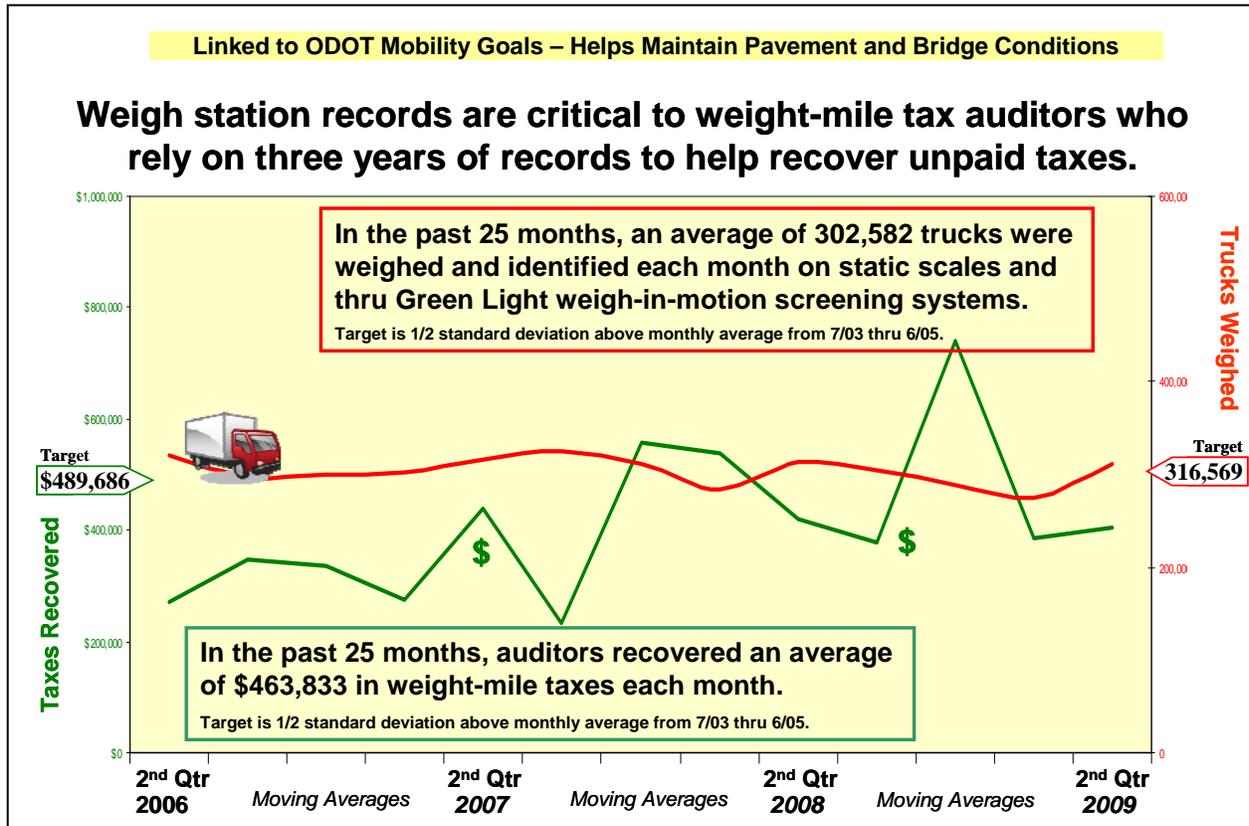
Enforcement officers have a performance target to issue 1,850 weight-related citations and warnings each month. They're currently achieving 87 percent of that target.

Monthly Average: 992 Citations
 618 Warnings
 1,610 total



Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — MOTOR CARRIER TRANSPORTATION DIVISION —

TRUCKS WEIGHED AND WEIGHT-MILE TAXES RECOVERED



Weigh station records are critical to weight-mile tax auditors who rely on three years of records to help recover unpaid taxes.

Statistical correlation:

- As more trucks are weighed, more scale crossing records are collected and more weight-mile taxes are recovered by auditors.

History of weight-mile taxes recovered:

1999	\$ 4.361 million
2000	\$ 4.514 million
2001	\$ 5.256 million
2002	\$ 4.964 million
2003	\$ 5.519 million

2004	\$ 5.140 million
2005	\$ 4.015 million
2006	\$ 3.552 million
2007	\$ 4.748 million
2008	\$ 6.407 million

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — MOTOR CARRIER TRANSPORTATION DIVISION —

CUSTOMER SATISFACTION

2008 Survey Results:

**Results – Responses to six benchmarks of customer service
 – standard questions on all state agency surveys**

Regarding Motor Carrier Division staff and service provided . . .

	Excellent	Good	Fair	Poor	Responses
1. TIMELINESS – How do you rate the timeliness of the services provided by the Motor Carrier Transportation Division?	41%	48%	9%	2%	1,264
2. ACCURACY – How do you rate the ability of the Motor Carrier Transportation Division to provide services correctly the first time?	42%	47%	8%	3%	1,266
3. HELPFULNESS – How do you rate the helpfulness of Motor Carrier Transportation Division employees?	50%	39%	8%	3%	1,264
4. EXPERTISE – How do you rate the knowledge and expertise of Motor Carrier Transportation Division employees?	42%	45%	10%	3%	1,248
5. AVAILABILITY OF INFORMATION – How do you rate the availability of information at the Motor Carrier Transportation Division?	39%	46%	12%	3%	1,247
6. OVERALL SERVICE – How do you rate the overall quality of service provided by the Motor Carrier Transportation Division?	39%	50%	9%	2%	1,260

MCTD is contributing to the department’s strategic goal of providing outstanding customer service, as measured by Key Performance Measure 25 – Customer Service Satisfaction.

MCTD regularly conducts customer satisfaction surveys that ask, “How are we doing and how can we do a better job?” In 2008, 89 percent of respondents from ten customer groups rated MCTD good or excellent in terms overall service, while another 9 percent rated service fair. A total of 5,514 surveys were sent by mail and 23 percent were completed and returned.

This was the fifth time in ten years that MCTD has reached out to its customers.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — MOTOR CARRIER TRANSPORTATION DIVISION —

BUDGET HIGHLIGHTS

Motor Carrier Transportation Division Expenditures

	2005–2007 Actuals	2007–2009 Actuals	2009–2011 Legislatively Adopted
Programs			
Field Carrier Services	17,178,059	17,930,568	20,312,154
Salem Motor Carrier Services	14,338,533	16,485,751	16,564,619
Investigations, Safety, & Federal	11,092,090	11,701,915	12,080,219
Motor Carrier Audit Program	6,972,135	7,924,218	8,230,292
Administrator’s Office	744,371	1,462,980	2,562,483
Complaint Resolution/Economic Regulation	1,663,354	1,562,071	1,885,052
Total	51,988,542	57,067,503	61,634,819
Expenditures by Major Revenue Source:			
State (Highway Fund)	47,508,087	52,753,032	56,095,128
Federal Funds (MCSAP)	4,480,455	4,314,471	5,539,691
General Fund	0		0
Total	51,988,542	57,067,503	61,634,819
Expenditures by Category:			
Personal Services	37,352,473	41,813,043	42,404,430
Services & Supplies	14,328,982	14,684,409	18,864,933
Capital Outlay	307,087	570,035	365,456
Special Payments	0	16	0
Total	51,988,542	57,067,503	61,634,819

Positions	315	312	313
Full-Time Equivalent (FTE)	315.00	312.00	313.00

Transportation Safety Division

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— TRANSPORTATION SAFETY DIVISION —

TRANSPORTATION SAFETY DIVISION

The Transportation Safety Division works with many partners to organize, plan, and conduct a statewide transportation safety program. These partners include other state agencies, governor-appointed advisory committees, local agencies, nonprofit groups, and citizens. The division promotes transportation safety through education, enforcement, emergency medical services and engineering.

TRANSPORTATION SAFETY DIVISION PROGRAMS

STATEWIDE OPERATIONS

Funds in the statewide operations program provide planning, program evaluation, monitoring and development, training, and administration of grants and contracts. Staff also provides public information and education, traffic safety library and audio-visual services, interagency coordination, legislative research, and support of local volunteer groups.

FIELD PROGRAMS

Field program staff provides grants, contracts, and services to the public and government agencies. Examples of these grants include the DUII Resource Prosecutor, the Malheur County Coordinator, the Portland Safe Community Project, Motorcycle Training, Driver Education and the Child Safety Seat Resource Center.

The past five years have been unprecedented in the

number of lives saved and injuries eliminated on Oregon's transportation system. The number of traffic fatalities has dropped to the lowest number since the five-year period 1958–1962, yet it is still possible to further reduce that number. The number of people injured in crashes has also dropped to record lows. If there were no improvements in vehicles, roadways, and driver behaviors, Oregon would have suffered more than 2,000



The Team Safety Crash car was used in school assemblies to show central Oregon teens the dangers of drinking and driving.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— TRANSPORTATION SAFETY DIVISION —

fatalities and 150,000 injuries in 2006. Through strong partnerships and focused work, Oregon's safety profile is one of the best in the nation. Continued strong support from the Legislature, Governor, state agencies, local agencies, nonprofit organizations, and citizens will allow for even more improvements and continued energy invested in highway safety.

ISSUES AND TRENDS

Impaired Driving

Almost 41 percent of Oregon's traffic fatalities can be attributed to impaired drivers. Transportation Safety supports increased penalties for drivers under the influence of intoxicants who are transporting minors in their vehicles; additional penalties for repeat offenders or high alcohol content; and an expansion of the definition of Driving Under the Influence of Intoxicants (DUII) to include all substances that impair driving.

Safety Belts

Safety belts reduce the risk of death or injury by 50–65 percent. More than 110 individuals who died last year were not wearing their safety belts. At least 60 of these people would have survived the crash if they had worn seat belts.

Driving Too Fast for Conditions

Almost 48 percent of Oregon's traffic fatalities can be attributed to speeding or driving too fast for road and weather conditions. Transportation Safety supports increased penalties for drivers caught excessively speeding, particularly in work zones, school zones, and safety corridors. Street racing has emerged as an issue in many suburban neighborhoods.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— TRANSPORTATION SAFETY DIVISION —

PERFORMANCE MEASURES

KPM #1	TRAFFIC FATALITIES Traffic fatalities per 100 million Vehicle Miles Traveled (VMT)	Measure Since 1998
Goal	Improve Travel Safety in Oregon	
Oregon Context	Oregon Benchmark #45: Preventable Death	

ODOT's strategy to reduce traffic fatalities is to continue to implement traffic safety programs based on the causes of fatal crashes in Oregon. For example, the Oregon Traffic Safety Performance Plan and the ODOT Transportation Safety Action Plan catalog safety activities directed at safe driving, DUI, safety belt use, speeding, motorcycle safety, child safety seats, equipment standards, and other areas.



ODOT also seeks to combat traffic fatalities through strategic highway safety improvements, such as median cable barriers, rumble strips, and pedestrian crossings as well as DMV medical at risk program.

ODOT seeks downward trends for fatality statistics. Targets are set based on ODOT's desire to reduce fatality rates gradually over time to achieve the longer term goal of dramatically reducing fatality rates to 0.99 per 100 million VMT by 2010. There was a 3 percent decrease from 2005 to 2006 in the number of fatalities per 100 million VMT. The 2006 statistic of 1.34 was above the target of 1.24.

ODOT compares Oregon traffic fatality data with national data provided by the National Highway Traffic Safety Administration (NHTSA). Despite a lower than expected fatality rate decline, Oregon's rate (1.34) compares favorably to the U.S. national fatality rate of 1.42. Oregon's 2004 and 2005 fatality rates were also below the national rate.

Several factors affected the traffic fatality rate in 2006. Among those factors were continuing increases in crashes involving motorcycles and crashes involving pedestrians. The number of available traffic law enforcement officers also continues to be an issue. Another factor is that it is harder to make changes when the fatality rate is so low. Oregon has experienced the lowest fatality count over the last seven years since 1956-1962. Overall progress toward reducing traffic fatalities has been very positive, despite year to year variation in rates.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— TRANSPORTATION SAFETY DIVISION —

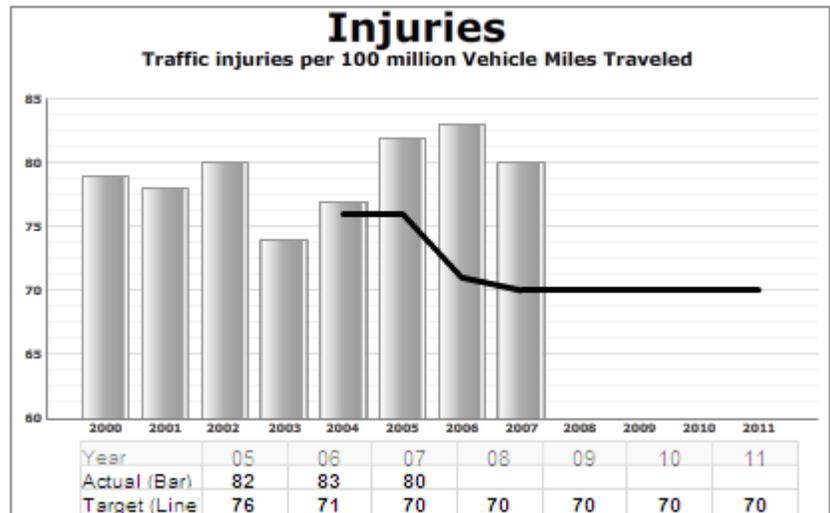
KPM #2	TRAFFIC INJURIES Traffic injuries per 100 million Vehicle Miles Traveled (VMT)	Measure Since 1999
Goal	Improve Travel Safety in Oregon	
Oregon Context	Oregon Benchmark #45: Preventable Death	

Reducing the number of traffic crashes is the primary strategy to reduce traffic injuries, but when a crash happens, reducing the severity becomes the secondary strategy. This is influenced in three primary ways:

a. Safe Infrastructure: Implement design practices that mitigate structural safety risks on Oregon's transportation system.

b. Driver Behavior: Deploy safety information/education programs in order to reduce accidents caused by driver behavior.

c. DMV driver improvement program.



Like fatalities, ODOT seeks downward trends for injuries due to traffic crashes. Although trends for these crashes fluctuate up and down year to year, the targets are set with reductions in mind. Traffic injuries went up slightly in 2006 compared to the previous years. This is not desirable; however it is not out of line with typical trends. The graph above shows how traffic injuries have fluctuated over the past several years.

The nationwide injury rate is estimated at 86 injuries per 100 million vehicle miles traveled (VMT). This rate is based on the 2006 Traffic Safety Annual Assessment - A Preview published by the National Center for Statistics; Analysis of the National Highway Traffic Safety Administration (NHTSA). The Oregon rate (83) is below this national average.

Several factors affected the injury rate in 2006. Significant positive factors affecting injury rates were high rates of the use of safety belt, child safety seats and booster seats. On the negative side was a continued increase in motorcyclist injuries. Changes to the reporting threshold for crashes also affect this number, by decreasing the number of reportable accidents.

ODOT should continue to review the causes of crashes and target safety activities accordingly. Also, ODOT will continue to monitor the success of various safety programs to efficiently and effectively target efforts to reduce major and moderate injuries.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — TRANSPORTATION SAFETY DIVISION —

KPM #4	IMPAIRED DRIVING Percent of fatal traffic accidents that involved alcohol	Measure Since 1998
Goal	Improve Travel Safety in Oregon	
Oregon Context	Oregon Benchmark #45: Preventable Death	

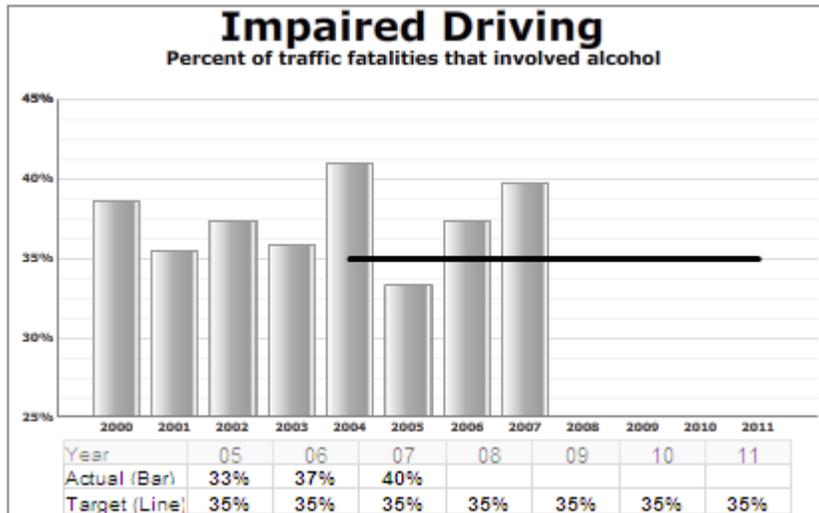
ODOT will continue to monitor all aspects of fatalities due to impairments and will channel efforts through two primary areas of influence:

Driver Behavior:

Deploy safety information / education programs in order to reduce accidents caused by driver behavior.

Enforcement:

Keep unsafe drivers and vehicles off the system to improve safety and feelings of safety among Oregon system users through enforcement efforts.



The lower the percentage, the better the result, so ODOT continues to strive for reductions. The target of 35 percent for 2007 is below the national average for the same year according to statistics published by the National Highway Traffic Safety Administration (NHTSA).

The 2006 rate of 41 percent alcohol-involved fatalities ties with the same rate in 2004 as the highs for the past six years. This rate is above the target of 35 percent. The 2006 outcome of 41 percent of crashes involving alcohol matches the national average of 41 percent reported. Both the state and national trends show an increase from the prior year (nationally up from 39 percent in 2005), but Oregon's increase was higher. Oregon experienced a few multi-fatal alcohol related crashes in 2006, something Oregon has not experienced during recent years.

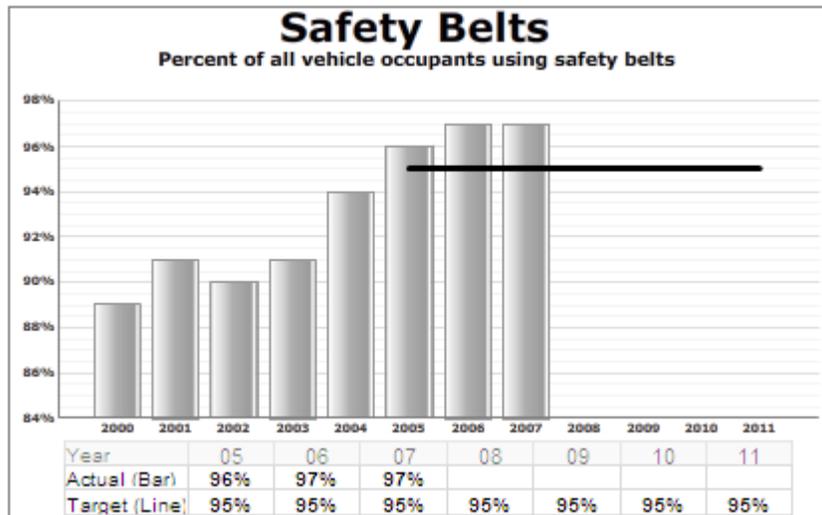
This is a measure of a variety of influences that contribute to the result. ODOT efforts are focused to make gains on driver behavior and choices through education and enforcement, but social and economic influences will also remain significant factors.

ODOT will continue to monitor all aspects of fatalities due to impairment. ODOT's Safety Division is charged with the coordination and staff for the Governor's DUII Advisory Committee, which is focused on reducing the impacts of DUII in Oregon. Input from this committee and ODOT staff contribute to strategies developed to continue the reduction of alcohol-involved traffic fatalities. These strategies are typically enforcement- or education-based, such as training for police, prosecutors and judges; grants to pay for DUII enforcement overtime; community-based campaigns, public information and other education campaigns.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — TRANSPORTATION SAFETY DIVISION —

KPM #5	USE OF SAFETY BELTS Percent of all vehicle occupants using safety belts	Measure Since 1998
Goal	Improve Travel Safety in Oregon	
Oregon Context	Oregon Benchmark #45: Preventable Death	

ODOT's current strategies for increasing safety belt usage among the traveling public include the provision of grants to pay for law enforcement overtime related to safety belts, speed and impaired driving laws and efforts to increase the availability of information in rural areas and for non-English speakers. In addition, ODOT's safety division conducts public awareness efforts to communicate to Oregonians the importance of wearing safety belts in reducing premature deaths and injuries, and in improving travel safety in Oregon.



ODOT seeks to influence a greater percentage of the public to use safety belts, so an upward trend is desirable. A very high percentage has been set as the target because Oregon has consistently been in the top five among states with a high percentage use of safety belts.

This measure shows progress toward improving travel safety in Oregon and exceeds the target ODOT set for 2006. ODOT Safety Division programs have been effective toward increasing the percentage of Oregonians using safety belts.

Oregon's rate of 97 percent cannot be compared to other states because the Oregon safety observation study uses a more comprehensive methodology than the national survey. Using the NHTSA's safety belt survey that does not review all seats in a vehicle like the Oregon survey does, Oregon has routinely been in the top five among states with the highest rates of safety belt.

Education and outreach efforts have recently been more focused on child occupants in order to increase the proper usage of child restraints and booster seats. Use of grant dollars for police overtime for targeted enforcement related to safety belts has also had positive results.

Safety belt usage is such an important contributor to reductions in traffic fatalities that ODOT will continue its efforts to further increase safety belt use among Oregonians. ODOT will continue to monitor safety belt usage and direct efforts to keep usage increasing, particularly among children.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— TRANSPORTATION SAFETY DIVISION —

KPM #9	TRAVELERS FEEL SAFE Percent of public satisfied with transportation safety	Measure Since 1998
Goal	Improve Travel Safety in Oregon	
Oregon Context	Oregon Benchmark #45: Preventable Death	

ODOT's current strategies for increasing perception of safety on Oregon's transportation system fall primarily in two areas:

Education:

Information campaigns educate about safety and department activities that support safety. A more knowledgeable public is likely to feel safer.

Visible Police Presence:

This visibility increases safety and perception of safety through enforcement.



ODOT seeks to influence a greater percentage of the public that perceives the transportation system to be safe so an upward trend is desirable. This measure hovers around a reasonable range despite being below the target. The average for the previous six years is 72 percent so the 2006 result is within a plus-or-minus range of three percentage points. Even though an upward trend is generally desirable, complacency on the part of the traveling public would not be a desirable outcome based on too high a perception of safety.

Oregonians' perception of safety of the transportation system cannot be compared to other states because this survey is not compiled on a nationwide basis.

ODOT's Traffic Safety Division coordinates safety activities within ODOT and numerous safety programs exist within other ODOT divisions such as Highway, Motor Vehicle Services and Motor Carrier Transportation. These programs sustain constant efforts, but public awareness campaigns inform Oregonians about department activities to improve safety within the state. Some correlation likely exists between increased awareness of safety activities and perception of safety. A less visible presence of police due to reductions may also be a factor in perceptions of safety as it is certainly a factor in enforcement.

ODOT will sustain its focus on all aspects of safety as it remains the agency's highest priority. Continued information campaigns will not only increase public awareness of safe choices and behaviors, it also informs them of department activities. Grant monies will also continue to be provided for focused police presence to improve safety. Additional efforts for coordination of safety programs for public transit and rail may also be of benefit.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — TRANSPORTATION SAFETY DIVISION —

BUDGET HIGHLIGHTS

Transportation Safety Division Expenditures

	2005–2007 Actuals	2007–2009 Actuals	2009–2011 Legislatively Adopted
Programs			
Statewide Operations	4,441,544	4,965,406	5,183,453
Field Programs	19,213,047	21,021,459	23,573,333
Total	23,654,591	25,986,865	28,756,786
Expenditures by Major Revenue Source:			
State (Dedicated Funds)	10,061,809	10,912,213	13,699,375
Federal Funds	13,592,782	15,074,652	15,057,411
General Fund	0	0	0
Total	23,654,591	25,986,865	28,756,786
Expenditures by Category:			
Personal Services	3,304,069	3,983,517	4,137,442
Services and Supplies	3,642,478	3,626,950	3,778,060
Capital Outlay	32,523	41,308	164,763
Special Payments	16,675,521	18,335,090	20,676,521
Total	23,654,591	25,986,865	28,756,786
Positions	24	26	26
Full-Time Equivalent (FTE)	24.00	25.50	26.00

Public Transit Division

PUBLIC TRANSIT DIVISION

The Public Transit Division provides grant assistance, advocacy, and technical assistance to communities and local transportation providers to provide transportation to people. Mobility is needed to live independently and participate in Oregon's economy. The division also develops and encourages the use of transit, ridesharing, telecommuting, schedule shifting, walking, bicycling, and other alternatives to driving alone during peak travel times as ways to reduce congestion, diminish environmental impacts, and improve the functioning of Oregon's highways.

To implement division goals, the division initiated a spectrum of travel options that offer transportation solutions and alternatives:

- **Social Services Transportation Coordination:** ODOT is working with the Department of Human Services in numerous communities around the state to make transportation service for seniors and individuals with disabilities more efficient through improvements such as transportation brokerages, vehicle sharing, joint maintenance, and other coordination improvements. There is new emphasis on this work at the Federal level. The division also participates in the new "United We Ride" initiative. A United We Ride grant has assisted to improve coordination between state agencies and other transportation providers to enhance services for individuals with disabilities, older adults and persons with lower incomes. In response to a DHS budget note, the division, working with DHS, completed an assessment of needs and potential resources that will help prepare the state to meet demands for special transportation anticipated due to increase in senior population.
- **Trip Planning Information:** Resources are being invested to improve the quantity and quality of transportation information available to the public statewide. ODOT's Trip Check website has been updated with a Transportation Options tab that provides travelers with a computer connection to help them identify and choose among transportation options within and among communities.
- **Transit Fleet Preservation:** One key component of an improved transit network is to improve the condition and capacity of vehicles providing trips in Oregon. In 1999, the legislature approved discretionary grant resources to improve vehicles used for seniors and individuals with disabilities. These improvements are funded from federal Surface Transportation Program Funds (STP). This program has been very successful.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— PUBLIC TRANSIT DIVISION —

The goal is to improve the condition of vehicles used in Oregon's public and special transportation service for which the division has title. The goal was to increase from only 66 percent of vehicles that are within the federal standards for average useful life to at least 80 percent of the fleet within the standard. The current program has improved the fleet to the 80 + percent goal.

In 2003, the legislature approved adding a small similar program to replace aging general public vehicles.

Coordinated Partnerships: This biennium the division has taken advantage of a Federal Transit Administration (FTA) pilot program to use In-Kind Match for Intercity Bus Service. This program has allowed the division to add an Intercity passenger route along the southwest corridor in Oregon.

PUBLIC TRANSIT DIVISION PROGRAMS

GENERAL PUBLIC TRANSIT

Mass Transit Vehicle Grants

The division offers a capital grant program that helps public entities replace urban transit vehicles that have exceeded federal condition standards. This helps communities provide general public transit service with vehicles that are safe and appropriately designed for the route. The program is funded with federal Surface Transportation Program funds.

Rural Operating Grants

The division provides training, technical expertise and grant assistance to local governments that offer transit choices within and between rural communities to support Oregon's goals for productive and healthy communities. The source of funding is the Federal Transit Administration (FTA). Funds may be used for planning, operations, and capital purchases or technology improvements in communities with populations under 50,000. Thirty-six communities around the state receive annual grants through this program.

Jobs Access Reverse Commute Grants

The division coordinates a competitive grant process for rural (under 50,000 population) and small urban areas (from 50,000 to 200,000 population) to provide grants for employment-related transportation for low-income and individuals with disabilities. The source of funds is Federal Transit Administration (FTA).

INTERCITY PASSENGER PROGRAM

Rural Intercity Bus Program

This Federal Transit Administration funded program promotes intercity passenger services connecting rural communities. The program funds intercity service, vehicles, information systems, intermodal facilities, technology and equipment to make vehicles accessible. Emphasis is placed on strengthening the Oregon intercity bus network by connecting communities with the next larger market economy, supporting intercity bus service on underserved corridors, closing service gaps, supporting improved coordination of intercity service, and connecting bus, rail and air. Staff provide technical assistance, identify service gaps, work with committees to prioritize needs, and manage grant contracts to meet priority needs. The division has implemented a new project to use a federal pilot program match option for a match partner to develop intercity connections for southern Oregon.

Amtrak Thruway Bus Connections

Public Transit and Rail divisions work together to support intercity connections with Amtrak passenger rail service by providing the federal intercity resources for three rural intercity bus connections to Amtrak rail.

SPECIAL NEEDS TRANSPORTATION PROGRAM

Special Transportation Grants

Funds for vehicles and services benefiting older adults and individuals with disabilities are available through the state supported Special Transportation Fund and from FTA funds. Special Transportation Funds (STF) are allocated to transportation districts, counties, and nine federally recognized Tribal governments. State sources of STF are cigarette tax revenues, state Identification Card fees, and non-highway use state gas tax revenues. The federal funds for Special Needs Transportation are composed of federal sources that support vehicles, service and improved access for seniors and people with disabilities that are identified through local coordinated transportation plans. The division offers training and technical assistance and coordinates the state and federal planning requirements associated with special needs transportation.



Special Needs programs assist providers serving senior citizens and people with disabilities.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— PUBLIC TRANSIT DIVISION —

New Freedom Grants

The division coordinates a small FTA competitive grant program to develop additional transportation services for individuals with disabilities that will increase access to the job market. This program encourages projects that provide public transportation options for individuals with disabilities that are new, and go beyond the requirements of the Americans with Disabilities Act.

TRANSPORTATION DEMAND MANAGEMENT

The program helps ODOT achieve national and state goals for land use, air quality, congestion management, energy conservation, and promotion of mobility alternatives for commuters. The Transportation Demand Management Program, also called “Transportation Options”, helps fund the development of services and facilities that better manage ODOT transportation system capacity and improve citizens’ alternatives to drive alone travel. Examples include rideshare programs, park-and-ride lots, telecommuting, marketing, consumer education and information, and incentive programs to encourage the use of alternatives to driving alone. The program is currently responding to an increased demand for ride sharing program options due to increasing fuel costs and climate change issues. This program will focus activities to achieve new emissions reductions goals recently set in response to global warming.

Transportation Options Rideshare Grants: ODOT Regions contribute funds to projects within their areas. Division staff provides technical assistance and contract oversight for Transportation Options/Rideshare programs in Albany-Corvallis, Bend, Eugene, Medford, Portland and Salem. Technical assistance is also provided to ODOT regional staff and communities for issue identification and strategy development.

Transportation Options Marketing Grants: This program administers \$1.5 million in federal Surface Transportation Program (STP) dollars that are dedicated to traditional and individualized marketing initiatives.

- Individualized marketing of travel options. Follow-up research finds that this strategy has been successful to provide a 14 percent mode-shift. A recent example was the summer 2008 “Governor’s Commute Challenge” for Capital Mall employees.
- A mass marketing campaign. “Drive Less. Save More.” has focused thus far on the Portland Metro area to get a message out to the public about simple ways they can use their cars more efficiently.

Recent evaluation of the marketing projects documented success of the efforts and the Public Transit Division is seeking to expand the program statewide.

PUBLIC TRANSIT PLANNING

The Transit Planning Program supports statewide transit planning and policy development. Division staff develops and provides technical expertise in plan review for local, regional, and statewide plans to ensure the appropriate consideration of public transit needs. Federal Transit Administration funds are made available to support statewide and local transit plan development.

Metropolitan Planning Grants: The division administers Federal Transit Administration federal pass-through funds for Metropolitan Planning Organizations in the Eugene, Portland, Salem, Bend, Corvallis, and Medford areas for use in intermodal transportation planning.

ISSUES AND TRENDS

Global Warming, Emissions Reductions and Carbon Constraints

The Oregon Transportation Plan names global warming as one of the priorities that ODOT is to address. Governor Kulongoski and Oregon Legislature have declared that the policy of the state is to halt increases in Oregon's greenhouse gas emissions by 2010, and then reduce those emissions to 10 percent below 1990 levels by 2020 and to 75 percent below 1990 levels by 2050. The Governor's Climate Change Integration Group Report has identified transportation as a key area for accomplishing many of these emissions reductions. Within transportation, it named vehicle miles traveled (VMTs) as a key measurement for reduction. Also, Oregon is a part of the Western Climate Initiative, which plans to design a carbon cap and trade system that will, among other things, act as an economic constraint on VMTs and gasoline use.

Use of public transit and other transportation options (carpooling, vanpooling, bicycling, etc.) significantly reduces VMT and carbon emissions from the same distances traveled in the drive-alone mode. These travel-modes make more efficient use of existing road capacity -- at much smaller expense than building new roads. By reducing the number of cars on the road they reduce traffic congestion and help freight move more swiftly and predictably to protect Oregon's economic health.

Urban Congestion

Urban congestion is a serious economic issue for Oregon. The Oregon Progress Board's Population Survey for 2004 indicates that 47 percent of people living in the Portland Metro area see traffic congestion as a serious or critical issue. Urban transit and other travel options program alternatives are viewed as essential to preserving the efficiency and health of metropolitan areas transportation systems.

Oregon public transportation providers are responding to the climate change and urban congestion goals for a more sustainable Oregon. Urban transit has seen unprecedented service increases and requests for rideshare information continues to grow. The following financial challenges will need to be addressed as demand for sustainable alternative transportation service continues to increase. Public Transportation providers are facing the following issues in the 2009–2011 biennium:

- Pressure to transition to equipment and practice that is energy efficient and has less environmental impact
- Pressure to add operational improvements, i.e. more routes, amenities and additional service on popular routes
- Pressure to enhance services and modernize aging facilities
- Pressure to reduce bus headways
- Pressure to add commuter bus and rail capacity
- Pressure to modernize bus options and design
- Increasing costs to modernize travel information and upgrade communications and security equipment

Aging Population

One of the most significant challenges that transit faces is that the population is aging. In the 2000 Census, Oregon had the 10th highest percentage of population aged 65+, and Oregon is projected to have the third highest percentage by 2040.

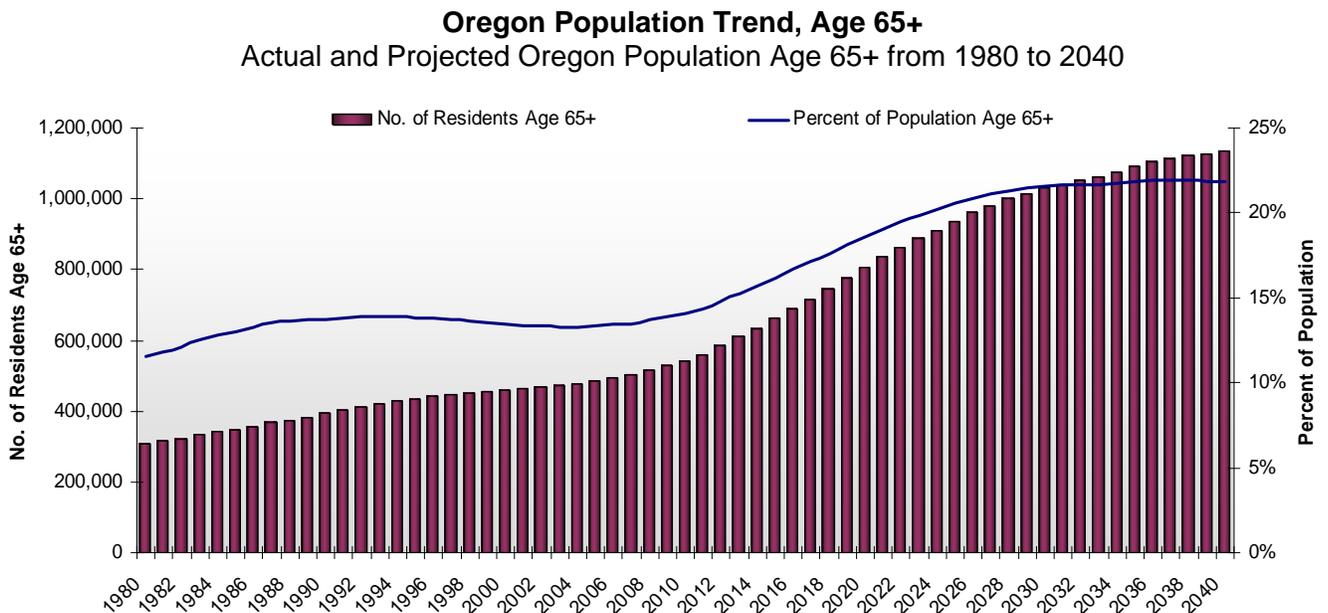
From national studies, we know that 25 percent of people over 75 years of age do not drive, and that, on average, people live from seven to 11 years after they stop driving. We also know that crash rates per mile driven are higher than for middle-aged drivers, but that because of voluntary reductions in driving, crash rates per person are about the same. However, seniors are much more likely to die from injuries suffered in a crash.

The Division is currently assessing needs, potential funding sources and strategies to address the challenge of keeping the older adult population mobile. The cost to provide individually arranged special transportation is high — about three to four times the cost of a trip on fixed route bus. One emphasis is to improve the ability for older adults to

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — PUBLIC TRANSIT DIVISION —

effectively use fixed route bus services. Studies show that bus use will increase if service is safe, close to home, sufficiently frequent, adequate information is provided, bus shelters have benches, and traveler help is available.

The following table shows the number of people age 65+ (vertical bars scaled on the left axis) and the age 65+ population as a percentage of state population (the line scaled on the right axis):



Source: DAS Economic Forecast; Portland State University; and 2000 US Bureau of Census.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— PUBLIC TRANSIT DIVISION —

Coordination Challenge: Public and Human Service Transportation

The division is engaged with other state and local agencies managing transportation resources for general public, special needs and social services clients' transportation. A desired coordination outcome is to invest state and federal resources in coordination with all other resources so that more people can be served at any given level of investment.

During 2007 and 2008, the division provided support to the 42 County, Tribe, and Transit Districts that coordinate the Special Transportation Program in their areas to prepare their first "coordinated human service–public transit plan." These plans identify transportation needs of older adults, individuals with disabilities and people with low income and establish goals for service development. The division will continue this effort to help agencies improve the plans in order to invest effectively and gain the benefits of a coordinated system.

Budget Note

The 2007 LAB had a budget note directing DHS and ODOT to "investigate sources of new revenue to enhance funding for elderly and disabled transportation services, with consideration of both urban and rural Oregon." ODOT, DHS, with Association of Counties (AOC) and key stakeholders, contracted with Portland State University to prepare a report that describes the needs for transportation services over a 20 year period and the cost of such service, along with potential revenue sources that could be used to support these critical services.

The report identified a need for increase to existing revenue sources. Report findings verify that older adults' and people with disabilities' needs for public transportation rides are now rising beyond transportation services available and will continue to increase in both urban and rural areas of Oregon.

Public Transit Division is using this information to propose a revised target for Key Performance Measure #10; "Special Transit Trips" which would be implemented in 2009–2011. The PSU report can be found at the Public Transit Division website:

<http://www.oregon.gov/ODOT/PT/PROGRAMS/STF/SpecialNeedsReport2008.pdf>

Increasing Costs of Fuel, Insurance, and Regulation

Transit faces increasing cost pressures in a number of areas — fuel, insurance, and costs associated with recent international events. Increased demand also means that transit agencies are being asked to provide increased levels of service. These escalating costs are impacting transit agencies, who respond by finding operational efficiencies, cutting service where they can and raising fares.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— PUBLIC TRANSIT DIVISION —

New federal laws and rules also increase cost. The FTA and Homeland Security are imposing new safety and security standards with compliance costs. Environmental concerns include new, more severe particulate emission standards and transit providers are now tasked with requirements to use ultra-low sulfur diesel fuel or consider hybrid technologies.

ACTIVITIES

Oregon Streetcar Project

The 2007 Oregon Legislature created the Oregon Streetcar Project Fund for the purpose of financing grants to municipalities for the purchase of contemporary rail-based streetcars used in public transit systems. The streetcars are to be purchased from an Oregon–owned and Oregon-based manufacturer. It is estimated that up to 300 permanent new manufacturing jobs may be created as a result of this project. Up to \$20 million dollars of lottery backed revenue is available for this project.

The division has written administrative rules, selected the streetcar projects and will administer the award during the 2009–2011 biennium.

HB 3379 requires the division to assess and report the sufficiency of funds to complete the Oregon Streetcar Project at the January 2010 meeting.

Transit Innovation

The division is exploring ways to innovate both internally and with community partners. This effort is intended to engage Oregon’s transit community to develop new ways to address current and future challenges facing the public transportation industry relating to climate and demographic changes, congestion, sustainability, new technologies and security.

TripCheck - Public Transit Information Online

TripCheck-Transportation Options (TripCheck-TO): TripCheck-TO is a public transportation extension to the TripCheck.com website. It includes a comprehensive directory of Oregon transit services. Users search by city or county of interest, and can filter by accommodation type or service type. Users may enter an origin city and a destination and see service options for traveling between cities. From launch in May 2007 it has received over 142,000 visits from people seeking information on transportation options. TripCheck-TO can be accessed by going to www.tripcheck.com and selecting the “Transportation Options” tab, or directly at www.tripcheck.com/rtp-to/cityCounty/cityCountySearch.aspx

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— PUBLIC TRANSIT DIVISION —

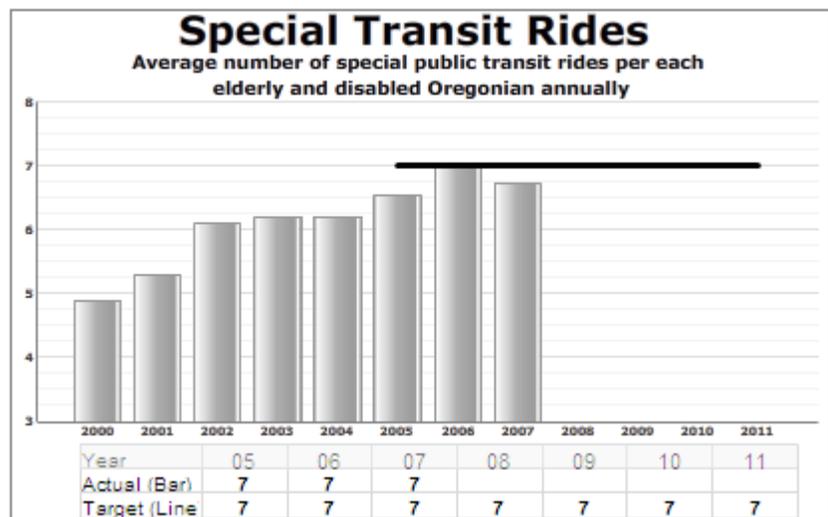
PERFORMANCE MEASURES

KPM #10	SPECIAL TRANSIT RIDES Average number of special transit rides per each older adult and person with disabilities Oregonian annually.	Measure Since 1999
Goal	Move People and Goods Efficiently; Provide a Transportation System that Supports Livability and Economic Prosperity in Oregon	
Oregon Context	Oregon Benchmark #59: Independent Seniors, Oregon Benchmark #60 Working Disabled	

Transportation Mobility:

ODOT invests in and promotes the use of accessible transportation services for older adults and persons with disabilities. State and Federal Programs have been developed to provide equality of access for those with mobility needs.

The target for this measure is outdated. For 2007 we show the outdated target; a new target is proposed for 2009.



For 2009 – 2011, the proposed target will include rides used by older adults and people with disabilities on fixed route public transit as well as rides on demand response transit, and will include an estimate of additional service toward unmet ride needs. These new metrics are a result of a study completed by Portland State University in 2008. For 2007 we show the outdated target; if adopted the new target information will be available for 2008 and 2009.

Since 1998, the average number of rides has steadily increased. However, in 2007 the average number of rides went down.

Average rides available diminished during the 1990s as senior populations increased and resources for transportation were static. Oregon population increases are outpacing fund availability. Rapidly increasing costs of providing service are also constraining service availability.

Implementing the new data collection will proceed if the measure is adopted. There will be continued emphasis on improved access to transportation services for older adults and people with disabilities to sustain service levels.

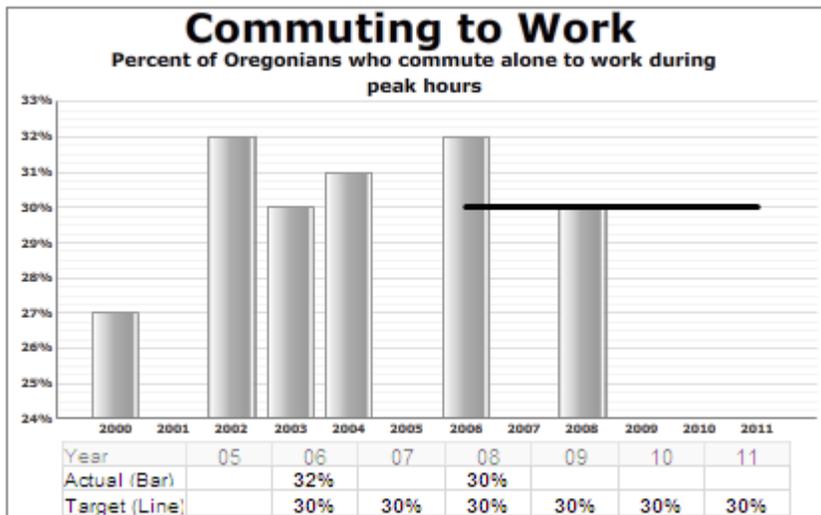
Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— PUBLIC TRANSIT DIVISION —

KPM #13	ALTERNATIVES TO ONE-PERSON COMMUTING Percent of Oregonians who commute to work during peak hours by means other than Single Occupancy Vehicles	Measure Since 2000
Goal	Move People and Goods Efficiently.	
Oregon Context	Oregon Benchmarks #68 Traffic Congestion, and #70 Alternative Commuting	

Transportation Options:

ODOT seeks to promote the use of transportation modes other than SOVs by enhancing existing facilities and increasing transportation options where possible. These improvements lead to a reduction in travel delay and stress on the highway system and can ensure multi-modal options for Oregonians.

For this measure, a higher percentage of people using alternatives to one-person commuting is desired.



The proportion of Oregonians commuting during peak hours by means other than a Single Occupancy Vehicle (SOV) is essentially at target level.

This measure reports the percentage of commuters that use alternatives to one-person commuting during peak hours. Oregon does well during peak hours and also compares well nationally when looking at commuting choices during all hours. Oregon is 5th in nation as compared to results for the U.S. based on census figures for 2000 (27 percent for Oregon compared to 24 percent for the U.S. in 2005).

Efforts to reduce SOV commuting are impacted by the fact that many people combine their commute with household trips to help balance the time demands of work, home, children and travel. Economic factors also have an affect, such as fuel prices and increases or decreases in growth. Education and awareness of alternatives to SOV commuting can also affect change.

The current program is working and should be maintained and improved where opportunities exist. ODOT's Transportation Demand Management program will continue and new techniques and strategies will be applied where appropriate.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — PUBLIC TRANSIT DIVISION —

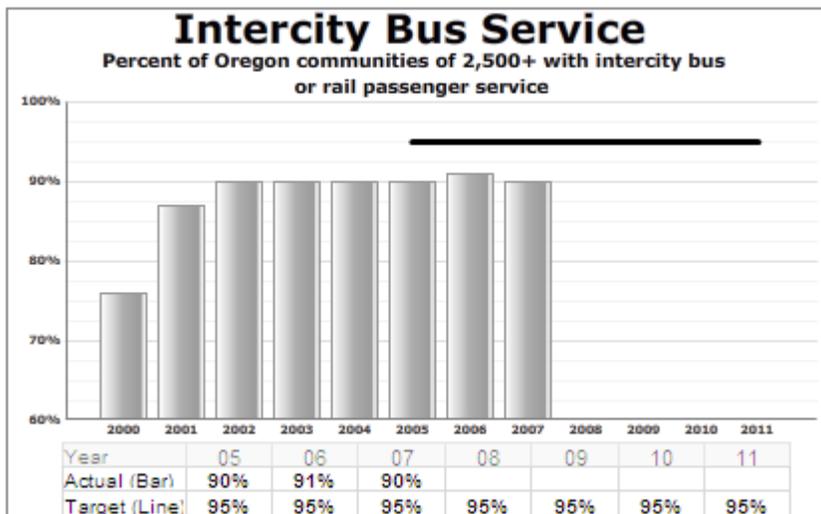
KPM #18	INTERCITY PASSENGER SERVICE Percent of Oregon communities of 2,500 people or more with intercity bus or rail passenger service	Measure Since 1998
Goal	Provide a Transportation System that Supports Livability and Economic Prosperity in Oregon	
Oregon Context	Increase access to the transportation system and services	

Connecting Communities:

Viable transportation options are important for rural communities. ODOT has placed an emphasis on strengthening connections for rural communities. Mechanisms to support this include incentive funding and vehicle purchase for providers of intercity passenger service.

The target of 95 percent for this measure comes from the Oregon Transportation Plan, demonstrating alignment

between ODOT's key performance measures and long-term planning. The goal for 2009–2011 biennium is to maintain existing progress and meet the goal of 95 percent.



Since 2002, 90 percent of all communities with a population of 2,500 or more have bus service to the next regional service market and accessible connections to statewide and regional intercity transportation service. This goal helps to meet the needs of rural Oregon communities for travel alternative and intercity service access. Greyhound service, which has historically been a backbone of mobility for America, has withdrawn from unprofitable rural long distance routes.

This program will be refined within the next biennium to reflect the opportunities for improvement that ODOT's new traveler information project will provide when valuable internet based information is available to help rural communities and providers make intercity connections.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — PUBLIC TRANSIT DIVISION —

BUDGET HIGHLIGHTS

Public Transit Division Expenditures

	2005–2007 Actuals	2007—2009 Actuals	2009-2011 Legislatively Adopted
Programs			
Rural & Small Non-Urban Program	11,810,214	35,140,107	26,591,136
Intercity Program	632,557	1,828,384	1,043,279
Elderly & Disabled Program	34,702,999	16,717,615	79,162,195
Transportation Options	2,252,808	2,463,170	1,752,717
Statewide Planning	1,607,947	1,837,915	1,150,959
Total	51,006,525	57,987,190	109,700,286
Expenditures by Major Revenue Source:			
State	20,275,615	17,659,816	51,918,094
Federal Funds	30,730,910	40,327,374	47,782,192
General Fund	0	0	10,000,000
Total	51,006,525	57,987,190	109,700,286
Expenditures by Category:			
Personal Services	2,044,333	2,425,148	2,407,062
Services & Supplies	1,459,359	1,265,981	6,319,698
Capital Outlay	0	0	0
Special Payments	47,502,833	54,296,061	100,973,526
Total	51,006,525	57,987,190	109,700,286

Positions	13	15	14
Full-Time Equivalent (FTE)	13.50	14.75	15.00

Rail Division

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— RAIL DIVISION —

RAIL DIVISION

The Rail Division represents and advocates for customers of railroads, both passenger and freight, to ensure a safe, efficient and reliable rail transportation system.

Funding Sources: Railroad Gross Revenue Fee, Grade Crossing Protection Account; Grade Crossing Improvement Account; State Rail Rehabilitation Fund (unfunded); Rail Transit fee; Custom Plate Fees; Lottery Bond Proceeds; FRA and FHWA federal funds for railroad projects; and FHWA funds for Highway Railroad Crossing Safety Improvements.

One-time Other Funds (87%), Other Funds (8%), Federal Funds (5%)

RAIL DIVISION PROGRAMS

- **RAIL ADMINISTRATION**

- **RAIL SAFETY**
 - Rail Transit Safety Oversight
 - Crossing Safety

- **RAIL PLANNING, PROJECTS AND OPERATIONS**
 - Planning
 - Projects
 - Operations
 - Passenger Rail
 - Crossing Blockage
 - Railroad Property Management



The Amtrak Cascades rolls through downtown Salem past the 12th Street walkway.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— RAIL DIVISION —

ADMINISTRATION

Division administration defines overall state rail policies, actively represents the interests of rail customers and ensures that rail transport opportunities are adequately addressed at the federal, state and local levels. Administration also coordinates the various functions of the Division.

RAIL SAFETY

The Division ensures compliance with state and federal regulations related to track, locomotives and rail cars, hazardous material transport and railroad operating practices. This program is critical in reducing the potential for railroad derailments and releases of hazardous materials. The Rail Safety Program, in cooperation with the federal government, uses a combination of inspections, enforcement actions and industry education to improve railroad safety. Under a separate statutory program, the Division inspects railroad sidings, yards and loading docks to ensure the safety of railroad workers. Under this program, the Division's jurisdiction covers not only the 22 operating railroads, but also 894 rail-served industries. These programs are funded by the Rail Fund.

Rail Transit Safety Oversight

The Division has responsibility for the safety oversight of rail fixed guideway systems, i.e. light rail, streetcars and trolleys. The Rail Transit Specialist works closely with rail transit agencies in developing safety and security policies and procedures in compliance with Federal Transit Administration Guidelines. The Rail Transit Specialist also participates in incident and accident investigations and makes recommendations for improvement, if necessary. A Crossing Signal Compliance Specialist inspects crossings of rail transit operations to ensure compliance with federal and state regulations. This program is funded from an assessment on the rail fixed guideway operations (Tri-Met, Portland Streetcar, Astoria Trolley and Willamette Shore Trolley).

Crossing Safety

The Rail Division enforces state laws and administrative rules as well as federal laws and regulations related to crossing safety. This encompasses, by statute, regulatory authority over all public highway-rail grade crossings in the state. The Rail Division, through its Crossing Safety Section, authorizes by Order the construction, alteration or elimination of highway-rail grade crossings within the State. Through regular inspection of the 2,520 public crossings statewide, the Crossing Safety Section enforces numerous state and federal safety requirements. The Crossing Safety Section manages safety improvement projects through administration of federal highway funds and state funds provided by the Grade Crossing Protection Account. Through projects such as construction of grade-separated crossings, signal upgrades and elimination of highway-rail grade crossings, injuries and fatalities at Oregon highway-rail grade crossings have

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— RAIL DIVISION —

been significantly reduced. In addition to its regulatory role, Crossing Safety Section staff works cooperatively with railroad companies, State, Federal, and local government agencies and the general public to address crossing safety concerns and participate in transportation planning activities to improve the mobility of highway and rail traffic. These programs are funded by an assessment on all railroads based on annual gross operating revenues generated in Oregon (Rail Fund). The Rail Division's crossing safety functions are funded 50 percent from the Rail Fund and 50 percent from the Grade Crossing Protection Account.

RAIL PLANNING, PROJECTS AND OPERATIONS

Planning

Since 1972, ODOT has developed rail planning documents and administered rail rehabilitation funds, both federal and state, to help retain quality rail service to Oregon communities and businesses. As directed by law, the Division continues to participate in federal proceedings related to railroad mergers, line abandonments and rail service generally.

Projects

The Division manages railroad improvement projects associated with both passenger and freight rail operations and develops and implements freight and passenger rail plans. In addition, as funds are made available, it provides project management and technical expertise to communities interested in developing rail transport opportunities, such as commuter rail, interurban rail and excursion rail. This program is funded with Federal and Other funds.

Operations

Passenger Rail

The Division manages and markets intercity passenger rail operations, and related *Thruway* motor coach service, and coordinates Oregon's partnership in the Pacific Northwest High Speed Rail Corridor. This program is funded with General and Other funds.

Crossing Blockage

The Division has statutory authority to regulate the length of time that a public highway-rail grade crossing may be blocked by railroad equipment. The Division works closely with local citizens and the railroads to reduce or eliminate the number and severity of blockages at public crossings throughout the State. Ensuring the mobility of the local street networks as well as a constant flow of interstate commerce is a crucial balance the Division attempts to achieve. Fines collected from crossing blockage violations are deposited into the Grade Crossing Safety Improvement Fund for grade crossing safety improvement projects.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— RAIL DIVISION —

Railroad Property Management

Involves 155 miles of railroad right of way and the Salem railroad station. Responsibilities include managing property, negotiating leases and issuing permits and private crossing agreements in cooperation with the operating railroad that has an exclusive easement over the property. The railroad right of way was donated to the state by the Burlington Northern Santa Fe Railway in 1997. The Salem railroad station was acquired in 1995 with Transportation Enhancements Funds and restored with the same federal funds and a contribution from Amtrak.

ISSUES AND TRENDS

The Rail Division's priorities and resource allocation strategies are driven by three primary goals: Public Safety, Mobility and Livability.

Public Safety

Under Oregon law, the Rail Division is responsible for ensuring the safety of railroads in the state. This mandate covers various components of the railroad system including: public highway-rail crossings, infrastructure (tracks, signals), locomotives and cars, along with rail transit systems. These efforts are focused on ensuring operating practices, maintenance activities, and road construction projects maximize safety for citizens, railroad employees, customers of the rail system, such as shippers and passengers.

Mobility

Railroads facilitate the efficient movement of people and goods, which directly impacts local and regional economies. Each of the modes, including rail, are being challenged by the growing need for transportation, both within and beyond the state's boundaries on infrastructure that is often constrained. Public investment in expansion of capacity on the freight rail system is warranted because railroads are a vital part of the transportation system. The Division manages the public funds invested in rail infrastructure projects, such as smaller railroads upgrading their infrastructure to accommodate heavier freight cars, and enhancing rail access to ports and other intermodal facilities. The Division also facilitates the expansion of passenger rail service, and encourages partnerships on developing public/private agreements to help address the mode's significant infrastructure challenges. The Rail Division realizes it is imperative for the modes to work cooperatively to address the state's mobility needs as no one mode can satisfy current and future demands in isolation.

Livability

The Division's mandates and programs contribute to the state's livability through development of efficient, safe and comprehensive rail service that minimizes environmental impact, contributes to effective land use, sustains jobs, and contributes to a favorable business climate. The ability of Oregon's railroads to help divert road traffic

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— RAIL DIVISION —

(for both freight and passenger trips) helps congestion management efforts and enhances the useable life of road investments. The Division's regulation of public highway-rail crossings, including blocked crossings, aids local access, emergency response times and overall livability (reduced noise and air pollution from idling, etc.). The state-sponsored intercity passenger rail service and related bus service offers citizens and visitors an alternative travel mode to communities.



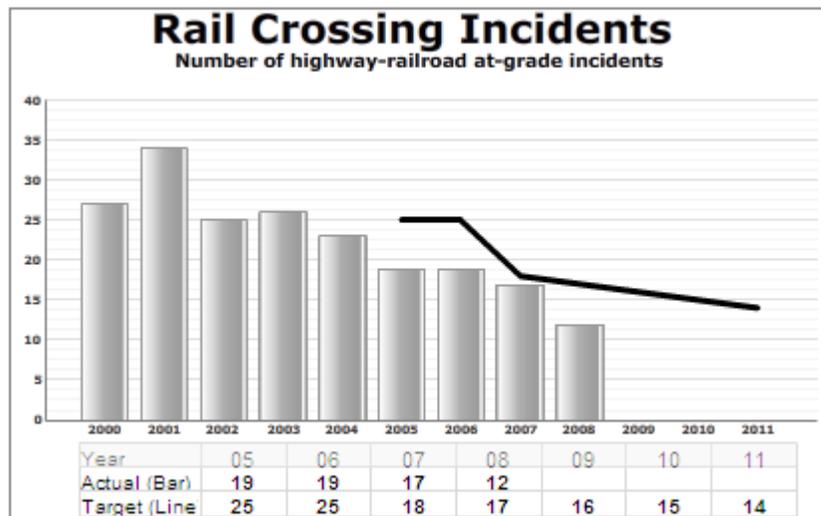
Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— RAIL DIVISION —

PERFORMANCE MEASURES

KPM #7	RAIL CROSSING INCIDENTS Number of highway-railroad at-grade incidents	Measure Since 1999
Goal	Improve Travel Safety in Oregon	
Oregon Context	Oregon Benchmark #45: Preventable Death	

Safe Infrastructure:

A priority for ODOT is to have the safest infrastructure possible. By implementing design practices that mitigate structural safety risks on Oregon's transportation system, safe infrastructure is promoted. There are several ODOT activities specific to the Rail Division associated with this general strategy. The Crossing Safety Section manages crossing improvement projects and inspects crossings to ensure



they are appropriately maintained. The Division works with public and private entities, including the railroads, public road authorities and law enforcement to address crossing safety concerns and participate in transportation planning activities to improve the mobility of highway and rail traffic.

The Rail Division strives for a zero incident performance. The target reflects the reality that some number of incidents is outside the control of the department and its transportation safety partners.

In 2008, the number of rail crossing incidents (12) was below target. Since 2001, there has been a decline in the number of incidents. The disaggregated data show that in 2008, 12 incidents involved motor vehicles.

The Federal Railroad Administration reports that Oregon has been in or near the top ten states for least number of motor vehicle incidents at public crossings, both in terms of number of vehicles and number of crossings during recent years. Some incidents are caused by deliberate actions rather than lack of safety education or crossing safety devices.

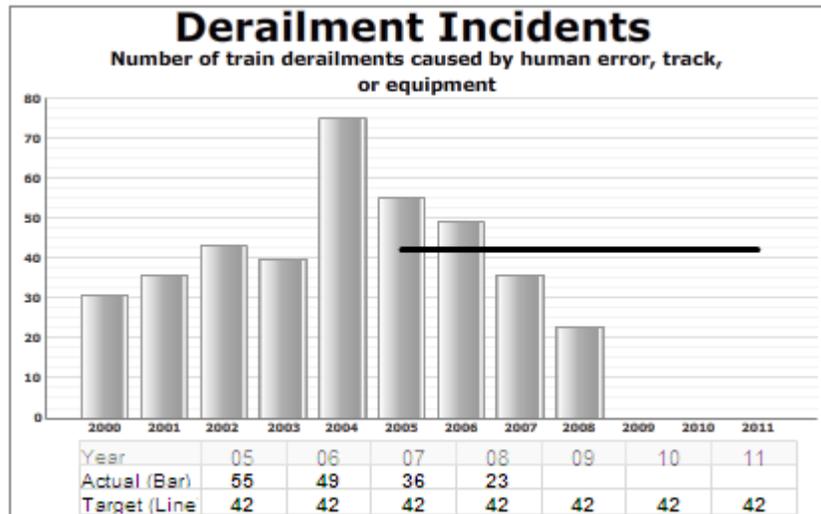
Options to continue the decline in incidents include maintaining inspection efforts, increasing funding for crossing investments and increasing education outreach on crossing safety to the driving public and pedestrians.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— RAIL DIVISION —

KPM #8	DERAILMENT INCIDENTS Number of train derailments caused by human error, track, or equipment.	Measure Since 1998
Goal	Improve Travel Safety in Oregon	
Oregon Context	Oregon Benchmark #45: Preventable Death	

Safe Infrastructure:

A priority for ODOT is to provide safe infrastructure and mitigate structural safety risks on Oregon's transportation system. The Rail Division, working with the Federal Rail Administration (FRA), uses a combination of inspections, enforcement actions and industry education to improve railroad safety and reduce the incidence of derailments and the potential for release of hazardous materials.



In 2008, there were 23 derailment incidents, a decrease from the 36 derailments that took place in 2007. Over the past four years, derailment incidents have decreased by 71 percent after reaching a peak in 2004. Derailments are now below the target. This trend indicates significant improvement.

According to FRA's data, derailments decreased in Oregon and its neighboring states of Washington, Idaho, Nevada and California. Oregon showed a 36 percent reduction. The rail systems differ in terms of track miles and the number of carloads, e.g. California has a much larger system than Oregon while Idaho has a much smaller system.

The decrease in derailments can be partially contributed to an increase in inspections and a full staff of certified inspectors. The decline has steadily continued since 2004 with the hiring, training and certification of new inspectors to replace the turnover in staff. This supports the need for certified inspectors performing regular inspections.

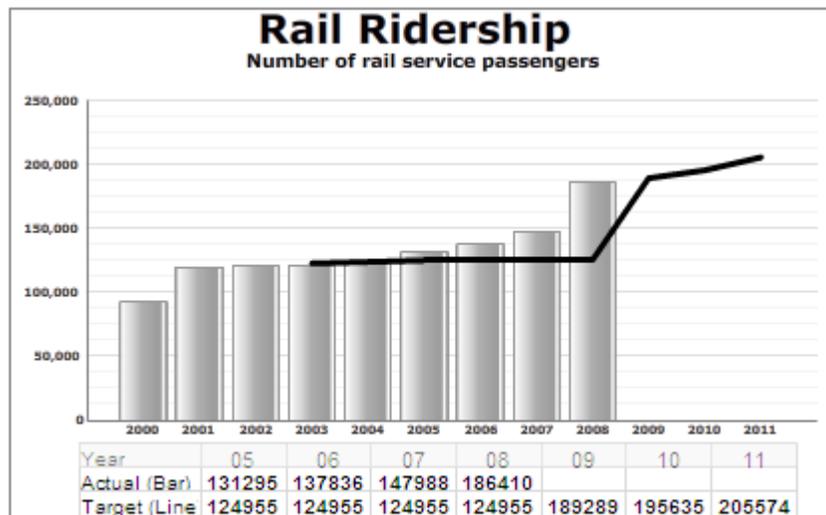
Recruitment and retention of qualified compliance (inspector) personnel is vital as new hires require at least one-year of training to become federally-certified to conduct inspections. Staff turnover combined with the required training period limits the Division's effectiveness in identifying non-compliant, potential derailment conditions. Also, analysis of data from previous inspections (track conditions, operating issues, etc.) aids the Division to identify areas of concern on which to focus resources and inspections to reduce incidents.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — RAIL DIVISION —

KPM #12	PASSENGER RAIL RIDERSHIP Number of state-supported rail service passengers	Measure Since 1999
Goal	Move people and goods efficiently.	
Oregon Context	Oregon Benchmarks #70: Promoting alternatives to one-person commuting and, #71: Reducing vehicle miles traveled.	

Transportation Options:

ODOT seeks to promote the use of transportation modes other than Single Occupant Vehicles (SOVs) by improving existing facilities and creating new transportation options where possible. Alternative modes of transportation are provided to reduce travel delay and stress on the highway system and ensure multi-modal options for all Oregonians.



The target projections are based on historical increases in state-supported Cascades trains and Thruway buses. An increase in rail ridership is desirable and could be an indication that transportation options in Oregon have expanded.

Since 2000, passenger rail ridership has steadily increased, reaching its highest level in 2008. Passenger rail ridership surpassed the 2008 target by 61,458, a 24 percent increase from 2007 numbers.

Oregon's passenger rail program is very modest compared to Washington's and California's program. Both Washington and California have aggressive investment programs for passenger rail, resulting in corresponding benefits for passenger and freight rail.

In general, ridership increases result from reductions in travel time, increased train frequencies and improvements in on-time reliability. Each of these conditions is largely dependent upon sufficient capital investment. Washington and California are investing multiple hundreds of millions more in their respective rail systems, which provide expanded service and increased passenger rail ridership as well as freight rail system benefits.

There are several steps that ODOT can take in terms of improving rail ridership:

- a. Seek increased funding options to increase train speed and frequency, and range of service
- b. Continue passenger rail marketing

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — RAIL DIVISION —

BUDGET HIGHLIGHTS

Rail Division Expenditures

	2005–2007 Actuals	2007–2009 Actuals	2009–2011 Legislatively Adopted
Programs:			
Rail Administration	636,060	633,230	756,049
Rail Safety	2,023,901	2,311,455	3,160,957
Crossing Safety	5,216,102	7,579,334	6,970,067
Rail Planning, Projects & Ops	52,925,974	16,964,657	284,835,179
Total	60,802,037	27,488,676	295,722,252
Expenditures by Major Revenue Source:			
State	50,810,621	22,983,963	279,415,349
Federal	1,365,249	0	16,306,903
General Funds	8,626,167	4,504,713	0
Lottery Funds	0	0	0
Total	60,802,037	27,488,676	295,722,252
Expenditures by Category:			
Personal Services	3,613,417	4,401,702	4,321,646
Services & Supplies	5,278,058	8,065,477	260,570,485
Capital Outlay	91,378	79,501	0
Special Payments	51,819,184	14,541,997	30,830,121
Debt Service	0	400,000	0
Total	60,802,037	27,488,676	295,722,252
Positions	24	24	24
Full-Time Equivalent (FTE)	24.50	24.00	24.00

Transportation Program Development

TRANSPORTATION PROGRAM DEVELOPMENT

State and federal laws and rules require ODOT to conduct project development activities such as planning, scoping of projects and data collection to design and operate an efficient transportation system. To this end, Transportation Program Development (TPD) coordinates the future use of transportation resources among federal, state, regional, and local agencies. Transportation Program Development has five major program responsibilities:

TRANSPORTATION PROGRAM DEVELOPMENT PROGRAMS

- **STATEWIDE AND REGIONAL STUDIES**
 - Statewide Planning Projects
 - Regional Planning
- **TECHNICAL ASSISTANCE AND COORDINATION**
 - Local Government Assistance
 - Statewide Coordination
 - Technology Transfer
- **ANALYSIS AND RESEARCH**
 - Transportation Management Systems
 - Transportation Data and Mapping
 - Transportation Planning Analysis
 - Statewide Transportation Modeling
 - Multi-state Research Projects
 - Research Projects
- **STATE TRANSPORTATION IMPROVEMENT PROGRAM DEVELOPMENT**
- **CONNECTOREGON**

STATEWIDE AND REGIONAL STUDIES

Statewide Planning Projects

TPD oversees the following projects:

- Implementation of the 2006 Oregon Transportation Plan (OTP) which is a statewide multimodal transportation plan, as required by state and federal legislation, that establishes the policies that are implemented through modal, topic and facility plans.
- The 1999 Oregon Highway Plan (OHP), as amended through 2006, which emphasizes the long-range safe and efficient management of the highway system. Facility Plans for state facilities such as interchanges are amendments to the OHP.
- Responsible for coordinating statewide and regional planning efforts for long-range plans such as the Transportation Safety Action Plan, the Public Transportation Plan, the Rail Plan, and the statewide freight planning covering all modes.
- Economic and safety studies which include evaluations of program effectiveness and analysis of transportation policy implications.
- The development of the Oregon Freight Plan and supporting the Oregon Freight Advisory Committee (OFAC) which is a legislatively mandated committee created to provide freight mobility recommendations to the OTC and the ODOT Director.



**Complex transportation systems
require long-range planning.**

Regional Planning

Regional Planning consist of a variety of planning efforts:

- Transportation System Planning (TSPs) occurs at the state, regional and local levels.
 - At the state level, the state Transportation System Plan (TSP) includes the Oregon Transportation Plans and adopted modal, corridor and refinement plans.
 - At the regional level, Metropolitan Planning Organizations (MPOs) develop both a state and federal regional Transportation System Plans (TSP).

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— TRANSPORTATION PROGRAM DEVELOPMENT —

- At the local level, cities and counties prepare Local Transportation System Plans (TSP) consistent with each other and the state and regional TSPs. There is work identified in both HB 2001 and HB 2186 that could change the way the MPOs develop their regional transportation plans.
- Transportation Facility Plans – identify transportation system problems, analyze solutions and determine the most effective actions to manage and improve facilities for long-term operations.
 - Other types of facility plans include Refinement Plans, Highway Segment Designation Plans, Downtown Plans, Access Management Plans, Interchange Area Management Plans, and Safety Corridor Plans.

TECHNICAL ASSISTANCE AND COORDINATION

Local Government Assistance

- ODOT administers funds for the state's Metropolitan Planning Organizations (MPOs). ODOT region planners serve as liaisons to MPOs. Responsibilities include review of the yearly Unified Planning Work Program and work on specific projects. This support will expand with the various initiatives identified in HB 2001, including the development of a Least Cost Planning process and the other work anticipated around greenhouse gas emission reductions.
- ODOT assists the local governments when they conduct updates to the transportation element of their comprehensive land use plans.

Statewide Coordination

This program helps agencies and partners that interact with the state transportation system. Examples are the Area Commissions on Transportation (ACT) and the Economic Revitalization Teams.

Technology Transfer

This program collects and shares transportation research information with federal, state and local agencies. The center is funded with approximately 50 percent federal funds and 50 percent matching funds from local agencies.

ANALYSIS AND RESEARCH

Transportation Asset Management

ODOT's primary management systems (Bridge, Pavement, Safety, Freight/Intermodal, Environmental, Traffic Monitoring and Congestion) are vital components in the

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— TRANSPORTATION PROGRAM DEVELOPMENT —

development of ODOT's Asset Management program to meet state and federal initiatives.

Asset Management supports ODOT's Statewide Transportation Improvement Program (STIP) development and other internal policy and program initiatives through the coordinated data collection, and analysis of transportation information. Products from these efforts also assist other state and local decision-makers in the selection of cost-effective transportation infrastructure policies, programs and projects. In addition, this work supports mandated federal programs such as the Highway Performance Monitoring System (HPMS) and National Bridge Inventory (NBI) submittals.

Transportation Data and Mapping

This program delivers data to statewide decision-makers to help prioritize Oregon's transportation needs and satisfy federal reporting requirements. Data is collected and analyzed, and then used by various program areas to assess current conditions as well as to track and report statistics about the performance of transportation facilities, programs and systems. This work includes:

- Monitoring and reporting transportation system performance through the National Highway System, Functional Classification, Crash Analysis, Highway Performance Monitoring System, Video Log, Traffic Counting programs and Geographic Information Services (GIS) applications.
- Collecting traffic, crash and other required data on all public roads to ensure compliance with SAFETEA-LU requirements that ODOT provide state and local safety partners with information on the Highway Safety Improvement Program (HSIP).
- Providing geospatial data management leadership through the development of standards, the delivery of training and integration.

Transportation Analysis

There are two primary areas of work. First, this program provides technical expertise in analyzing transportation systems such as traffic forecast and analysis for project selection, environmental impact analysis and design recommendations which are necessary to implement the STIP and to satisfy legislative mandates for highway and transportation system development.

Second, transportation, economic and land use modeling are essential inputs to transportation system plans, policy development, project development, greenhouse gas analysis, and air quality conformity analysis in urban areas. It is also an important input to most major facility planning. The modeling work and needs are more acute given HB 2001 and the expectation of a congestion pricing pilot project, the development of a Least Cost Planning model and the support to the MPOs and their local governments to address greenhouse gas emission reductions. The modeling program includes:

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— TRANSPORTATION PROGRAM DEVELOPMENT —

- Facilitating the Oregon Modeling Steering Committee with members from 17 state and federal agencies, ports, universities, and MPOs to provide consistency and oversight to Oregon modeling efforts;
- Providing technical support and staff resources to MPOs for transportation modeling and analysis in support of the federal and state planning requirements;
- Working with local governments to develop cost-effective transportation models to support TSPs; (e.g. Pendleton, Grants Pass, Brookings, Astoria);
- Providing technical support to the Global Warming Commission to develop greenhouse gas models;
- Providing technical support necessary for STIP project development including the additional projects identified in HB 2001 and implementation; and
- Supporting modeling efforts for long range plans such as; the Oregon Transportation Plan, Freight Plan and the Economic and Bridge Options Report as well as regional problem solving.

Research

Research projects emphasize new technologies that will help ODOT and the transportation system operate better and use resources more effectively. Areas included are bridges, pavements, materials, construction, maintenance, climate change, performance measures, hydrology, geotechnical, roadway design, planning, public transportation, intermodal facilities, freight, socio-economic factors, safety, traffic, and Intelligent Transportation System (ITS). In a climate of scarce resources, research and development becomes extremely important in helping ODOT work smarter and make the most efficient and effective use of the resources available. Oregon Transportation Research and Education Consortium (ORTEC), a National University Transportation Center in Oregon, is a partnership with state universities that allows ODOT to substantially increase Oregon's total transportation research investment in ways that directly benefit ODOT and the transportation system.

ODOT participates in multi-state research projects through involvement in national and regional transportation research initiatives, such as the:

- Transportation Pooled Fund Program
- National Cooperative Highway Research Program (NCHRP); and
- Transportation Research Board (TRB).

STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM DEVELOPMENT (STIP)

Federal regulations require ODOT to develop a transportation improvement program and update it every two years. The STIP development process begins with the identification and preliminary prioritization of problem areas. This identification and prioritization is based on transportation system planning, crash data, management systems and stakeholder input. The next step is to review alternatives for the priority problem areas. The review typically includes individuals with expertise in pavement, bridge, environmental, geohydro, planning and traffic engineering. The final step is to decide which projects to include in the STIP based on available revenue, cost-benefit information, local cost-sharing agreements, stakeholder input and other programming considerations such as the Oregon Transportation Commission's approved eligibility criteria and prioritization factors. HB 2001 identified principles that should be considered in the criteria used in project selection. This will affect the selection of projects in the 2012-2015 STIP after the new criteria is approved by the Commission.

***Connect*OREGON**

ODOT implements the provisions of SB 71 and HB 2278 known as *ConnectOregon* I and II. HB 2001 provided for a *ConnectOregon* III which follows the same provisions as *ConnectOregon* II. *ConnectOregon* is a lottery-bond-based initiative first approved by the 2005 Oregon Legislature to invest in air, rail, marine, and transit infrastructure. This key strategy ensures Oregon's transportation system is strong, diverse and efficient. *ConnectOregon* is focused on improving the connections between the highway system and the other modes of transportation to better integrate the components of the system, improve flow of commerce and remove delays.

ISSUES AND TRENDS

Several federal and state level initiatives have affected TPD project development over the past decade. The recent passage of HB 2001 by the Oregon Legislature has a number of requirements that will affect TPD in the work that is accomplished, how it completed and the effect it will have on other stakeholders.

- The federal transportation bill, Safe, Accountable, Flexible, Efficient Transportation Equity Act: a Legacy for Users known as SAFETEA-LU heightens the importance of early, open and continuous public involvement in planning and decision-making processes.
- At the state level, implementation of the Oregon Transportation Plan is framed around the challenges facing Oregon.
- The first edition of the State of the System Report highlights major trends, state systems conditions, achievements and funding status.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— TRANSPORTATION PROGRAM DEVELOPMENT —

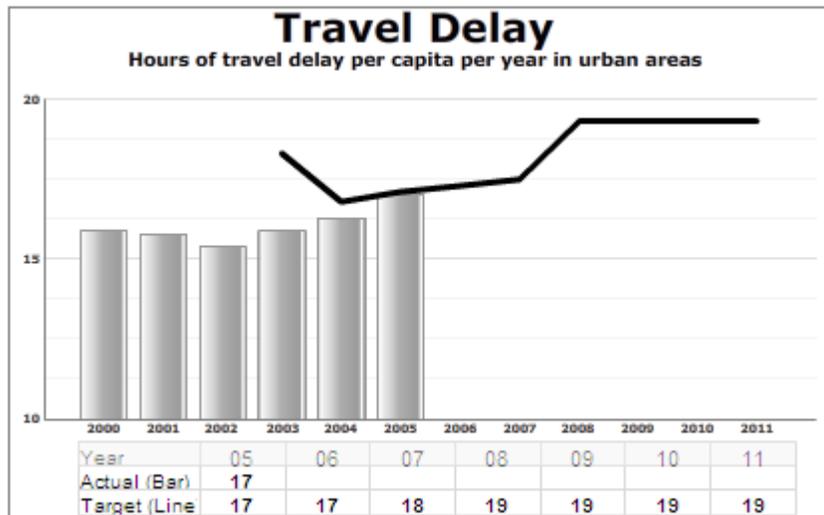
- Development of the Oregon Freight Plan during the coming biennium will set the foundation for continued incorporation of freight issues and perspectives into the transportation planning process, which will support a safe and effective transportation system for the movement of freight and goods.
- Additional work is necessary to complete transportation facility plans for highways to adequately protect the efficiency of the state highway system over the long term.
- Support the Governor’s climate change and sustainability agenda in addressing the state’s growing transportation needs and taking actions to reduce carbon emissions.
- Continued focus on Asset Management to provide tools and data to optimize management of Oregon’s multi-billion dollar transportation infrastructure. This work is changing ODOT’s system management strategy from the traditional mode to a more strategic approach, allowing decision-makers to look at the transportation system as a whole to make cost effective and performance based funding and project decisions.
- As of January 1, 2009, between *ConnectOregon* I and II there are a total of 69 projects including the recent selection of 30 projects provided by *ConnectOregon* II funds that have been approved by the OTC. Of all *ConnectOregon* projects, 17 are complete, 40 are active and 12 are in negotiations with project applicants.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — TRANSPORTATION PROGRAM DEVELOPMENT —

PERFORMANCE MEASURES

KPM #11	TRAVEL DELAY Hours of Travel Delay per capita per year in urban areas.	Measure Since 2000
Goal	Move People and Goods Efficiently.	
Oregon Context	Oregon Benchmark # 68: Traffic Congestion	

Traffic congestion has risen during the last 30 years because expansion of road capacity has not kept pace with the growth of travel. The target represents a ceiling of tolerance for delay. Construction delay is strongly associated with population size. As cities become more populous, they become more congested.



The mobility that Oregonians have enjoyed in recent decades has been a result of past high capital investment rates. Congestion has been rising because the excess capacity created by those investments is being used up and not replaced. Increase in delay has been eased by the additions to the highway system that have been made. Traffic management efforts in the Portland metropolitan area (e.g. freeway monitoring, incident management, ramp metering) have also helped to limit the effect of growing travel demand on traveler delay. The growth of public transportation service and usage has contributed significantly as well.

According to the Texas Transportation Institute’s 2007 Urban Mobility Report, delay per traveler in the Portland metropolitan area is about average for urban areas of its size. According to that same report, delay per traveler in the Salem and Eugene metropolitan areas is below average for urban areas of their sizes.

KPM #14	Traffic Volume: Vehicle Miles Traveled (VMT) per capita in Oregon metropolitan areas for local non-commercial trips.	Measure Since 2000
----------------	---	---------------------------

The final budget provided for the removal of KPM #14.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — TRANSPORTATION PROGRAM DEVELOPMENT —

BUDGET HIGHLIGHTS

Transportation Program Development Expenditures

	2005–2007 Actuals	2007–2009 Actuals	2009–2011 Legislatively Adopted
Programs			
Statewide and Regional Studies	24,283,806	28,756,480	35,961,571
Technical Assistance and Coordination	3,904,441	2,829,329	2,742,422
Analysis and Research	28,961,915	37,015,373	65,669,742
STIP Development	4,602,332	5,159,772	5,962,684
Connect Oregon	21,102,458	75,351,586	109,881,473
Total	82,854,952	149,112,540	220,217,892
Expenditures by Major Revenue Source:			
State	82,662,765	148,927,705	220,012,943
Federal	192,187	184,835	204,949
General Funds	0	0	0
Total	82,854,952	149,112,540	220,217,892
Expenditures by Category:			
Personal Services	33,283,825	39,522,841	38,486,282
Services & Supplies	28,538,590	33,558,409	66,993,729
Capital Outlay	207,986	655,186	385,648
Special Payments	20,824,551	75,376,105	114,352,233
Total	82,854,952	149,112,540	220,217,892

Positions	336	222	222
Full-Time Equivalent (FTE)	318.51	213.43	212.72

Central Services Limitation

CENTRAL SERVICES LIMITATION

The Central Services limitation includes two administrative support divisions—Central Services Division and the ODOT Headquarters—providing centralized administrative, support, and managerial services to ODOT’s seven operating divisions, the Oregon Transportation Commission, external partners, and stakeholders. Funding for this limitation is provided through internal assessment. Other Funds are the primary source for payment.

CENTRAL SERVICES DIVISION

DEPUTY DIRECTOR

Financial Services

- Provides budget services, which coordinate the Department's legislative budget development process including all Emergency Board requests and program budget development. It provides cost allocation and cost/benefit analysis, allotment plans, quarterly business reviews, and permanent financing plans.
- Provides debt management and oversees the Oregon Transportation Infrastructure Act (OTIA) bonding and other bonding programs for the Department. It also provides and monitors loans and financial assistance to local governments through the Oregon Transportation Infrastructure Bank. In addition, it provides financing proposals and manages investments and cash for the Department.
- Provides economic and financial analysis such as Highway Fund revenue forecasts, economic and feasibility studies, cash flow forecasting, revenue impacts, and DMV transaction analysis. In addition, provides economic, financial and policy studies to determine Highway cost allocation, Western States Automobile taxation comparison, Motor Carrier fee and tax comparisons, transportation finance, value of travel time and cost of delay estimates, and job and income generation impacts of construction projects.
- Provides financial support to the Department in the areas of accounts payable, accounts receivable, contractor payments, payroll support, retirement and benefits coordination, travel claims processing, financial policy development, financial training, labor and equipment rate development, financial coordination and reporting, asset accounting, federal and local billings, and coordination with the State of Oregon Financial System.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— CENTRAL SERVICES —

- Administers the fuels tax law and ordinances for Oregon as well as many city and county jurisdictions. The Fuels Tax Unit processes licenses and revenue tax reports for motor vehicle fuel dealers, use fuel users and sellers, and audits licensees for fuels tax compliance and reporting. The Collections Unit provides collection services for various sections of the Oregon Department of Transportation.

Human Resources

- Provides statewide business consulting services to ODOT Divisions in the areas of performance management (coaching, counseling, performance evaluation, documentation and correction or discipline), leaves of absence, policy and union contract interpretation, workers' compensation and unemployment insurance matters
- Advances the Department's equal employment opportunity and affirmative action goals, as well as ensures that the Department addresses employee and public accommodation/accessibility issues in accordance with the Americans with Disabilities Act (ADA)
- Provides recruitment, selection, retention and diversity services to enhance the recruitment and retention of a qualified and diverse workforce
- Provides statewide coordination of training and staff development, human resource policies, labor-management partnership efforts and union contract negotiations
- Provides assistance in the areas of job classification, compensation, position control and position management, employee records management, and coordination of the general business, communications and facility needs of Human Resources

Information Systems

- Provides business systems planning, architecture, development and maintenance
- Provides information technology systems analysis and technology consultation services
- Performs information technology project management, including the design, development and implementation of Information Technology projects
- Provides personal computer and software support, security and disaster recovery
- Coordination of infrastructure services and delivery with the State Data Center
- Supports Intelligent Transportation System (ITS) development and support
- Provides Information Technology purchasing and management of Information Technology assets

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— CENTRAL SERVICES —

Business Services

- Business Services provides management, guidance in the protection and preservation of the department's records as well as maintaining state and agency telephone directories, the ODOT library, and operating graphic design and photo and video services. This section also manages the department's mail service and the Jackson Scholarship Program.
- ODOT Procurement Office provides all contracting services for goods and trades price agreements, personal service contracts, intergovernmental/interagency agreements, and highway construction contracts used by all ODOT business lines in performance of the department's business functions.

Note: The majority of the Support Services programs—Fleet Services and Facilities Services—are budgeted in Maintenance Limitation not the Central Services Limitation. These programs are discussed in the Maintenance Limitation section of this document.

Audit Services

- Conducts independent audits of department programs and functions to make recommendations for improving operations, in accordance with generally accepted government auditing standards
- Conducts external audits and special analysis to ensure costs charged to ODOT by consultants, contractors and other external groups are accurate, reasonable and comply with applicable federal and state regulations
- Provides technical assistance to the department in developing and refining performance measures to assist in the management of the department's statewide responsibilities

ODOT HEADQUARTERS

ODOT Headquarters includes the Office of the Director (composed of the ODOT Director, the Chief of Staff, Office of Civil Rights, Sustainability, Government Relations, the Office of Employee Safety and the Communications Division).

Office of Civil Rights (OCR)

The Office of Civil Rights (OCR) is responsible for the assurance of equal access, participation, and compliance with affirmative action, equal opportunity, and accessibility. Its vision is to provide fair and equitable access to ODOT's projects and programs with a focus on economic stimulus through increased opportunities, apprenticeships, training, programs, and services. Compliance is accomplished through internal and external processes including training, technical assistance, investigations, and on-site reviews. Programs include:

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— CENTRAL SERVICES —

Small Business Programs - Disadvantaged Business Enterprise (DBE); Emerging Small Business (ESB); Minority or Women Business Enterprise (MWBE) Initiatives; Workforce Programs - Workforce Development Plan (WDP); Equal Employment Opportunity (EEO); On-the-Job/Apprenticeship Training Programs and Labor Compliance; and Title VI (Environmental Justice and Limited English Proficiency). OCR and ODOT's Human Resources Section are also responsible for coordinating and co-managing the Internal Civil Rights and Americans with Disability Act (ADA) programs.

Government Relations Section

- Manages a comprehensive government relations program that encompasses federal, state and local legislative and liaison activities responding to multi-modal, economic and land use issues
- Provides fiscal and policy analysis and direction for federal, state and local transportation-related programs and legislation
- Represents the department, the OTC, and the Governor and his senior transportation policy staff as the primary contact and liaison in matters before Oregon's state legislature and congressional delegation related to transportation policy, funding, administrative rules and legislation governing transportation

Office of Employee Safety

- Provides statewide leadership and development of employee safety, health, and risk management in the department
- Assesses the safety and health risks to the agency and its employees; designs and implements programs, standards and training to mitigate risks; evaluates program effectiveness
- Develops and assists management in the process of making and implementing decisions that will minimize the adverse effects of accidental and business related losses
- Provides reports to the agency on the status of its safety health and risk efforts

Sustainability Program

- Assists staff in carefully managing activities and assets to sustain access to essential goods and services, economic opportunities, transportation choices and healthy natural resources for all Oregonians
- Reinforces activities that enable economically strong and livable communities

Communications Division

- Oversees ODOT's employee communications and media relations, and informs Oregonians and Oregon transportation system users about transportation issues, policies, and projects

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— CENTRAL SERVICES —

- Provides construction project information
- Interprets technical information for the public, the media, stakeholders, and users of transportation systems
- Keeps the agency workforce informed about ODOT activities and directives
- Provides support to the Oregon Transportation Commission and the Director's office
- Helps all agency divisions and programs increase the success of their public outreach by developing and implementing communication plans, providing communication workshops, and producing publications and other forms of information
- Oversees the Ask ODOT Office which provides Oregon citizens an avenue to resolve issues and concerns at the earliest possible opportunity and ODOT's employees a resource to bring forward ethical issues and concerns or receive policy guidance and interpretation

ISSUES AND TRENDS

Financial Services

ODOT has used the Transportation Environment Accounting and Management System (TEAMS) as the primary accounting system to process financial transactions since the mid-1980s. The design and architecture of TEAMS is based on older business models and on technologies that are less flexible and becoming obsolete. Over time, this has led to the creation of numerous independent “stove-piped” systems to meet a variety of accounting and management reporting needs throughout ODOT. The result is an increased number of system interfaces to TEAMS, many of which require duplicate data entry. Currently, reporting on business unit performance and product or services costs frequently generates results that require considerable manual effort to reconcile. In addition, there is no common database for financial, human resource and procurement systems which must reconcile with each other. A project began in the 2007-09 biennium to start the processes necessary for implementing an integrated financial and human resource management information system. However, this project has been curtailed due to the national economic downturn.

Human Resources

There is a continuing demand for reliable data for use in decision-making. Details on pay differential, retirement eligibility, performance measurement, turnover and other workforce management subjects are a priority for our business partners. However, systems which allow for the easy gathering or reporting are non-existent or

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— CENTRAL SERVICES —

disconnected from other key systems making data gathering cumbersome and inefficient.

Numerous statewide job classification studies, compensation ‘compression,’ management compensation, and turnover are negatively affecting the department, especially in our urban job markets. Perhaps the most significant change will occur with the retirement of the current generation of leadership and technical staff and their replacement with the “future” ODOT employees. We will need to apply significant resources to recruitment, development and the transfer of knowledge to a new generation.

Information Systems

ODOT business units will continue to use information technology in their operations, creating new demands for application software, information delivery, and meeting external mandates. The context of these changes are the cumulative results of a workforce and public that is technologically more sophisticated, leading to broader expectations for IT services. Oregon’s citizens and businesses will place increasing demands on ODOT to provide information and services via the internet in a manner similar to their experience with the private sector. At the same time, the agency is addressing the problem of decades-old software systems that must be replaced to meet current and future business requirements and to reduce ongoing support costs. Examples are DMV systems and ODOT’s accounting system.

There is an increased need to cooperate and work with other agencies, entities, and business partners to resolve common information technology problems as well as manage enterprise solutions.

Information security concerns have resulted in a number of Department of Administrative Services policies as well as legislation requiring agencies to protect personal information and develop more comprehensive information security procedures. While these are necessary and prudent measures, the time and effort to accomplish this work must be absorbed by the department’s base budget.

Support Services: Business Services

The ODOT Procurement Office continues to experience heavy demand for its services across the agency, for projects in the State Transportation Improvement Program, and as a result of the Oregon Transportation Investment Act program combined volume of approximately \$875 million annually (\$1.75 billion biennially). These contracts have added to the ODOT Procurement Office workload volume and increased the complexity and scope of work. The Procurement Office is also responding to increasing demand for specialized training on contract management. Work has also shifted to modify procurement methodologies to reach out to emerging or small businesses to provide

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— CENTRAL SERVICES —

avenues for these firms to compete for various departmental contracts. Outreach includes meeting with small business associations, providing training, and providing avenues to participate in electronic bidding programs.

Records Management is currently partnering with Information Systems in the deployment of an Electronic Document Management System for the Department. Incorporation of electronic documents (via imaging, e-mail, etc.) has increased the complexity of managing records for the Department.

Audit Services

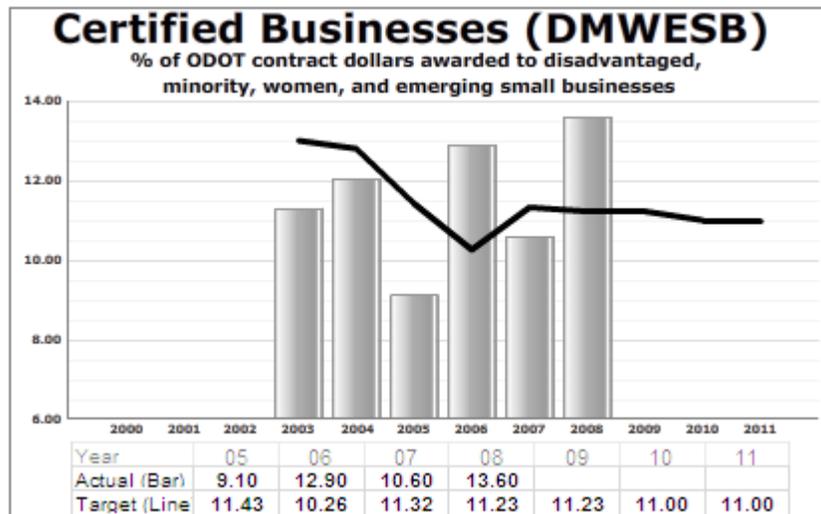
Audit Services develops an annual audit plan based on a department-wide risk assessment, but also keeps time available for specific requests from management. Demand for services has been increasing while staff resources remain static. Audits have also increased in complexity as ODOT's business lines have adapted their programs to meeting the changing needs of Oregon's transportation system. To maximize available resources, Audit Services works closely with audit organizations from other state departments of transportation to share best practices, improve consistency in audit approaches and confirm compliance with generally accepted government auditing standards.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — CENTRAL SERVICES —

PERFORMANCE MEASURES

KPM #24	CERTIFIED BUSINESSES - Percent of ODOT contract dollars awarded to disadvantaged, minority, women-owned, or emerging small businesses (DMWESB).	Measure Since 2006
Goal	Provide a Transportation System that supports Livability and Economic Prosperity in Oregon	
Oregon Context	Oregon Benchmark #4: Net Jobs Growth	

USDOT requires that ODOT set an annual Disadvantaged Business Enterprise (DBE) participation goal based on availability of certified firms. DBE utilization must be tracked and reported in order for the state to receive federal funds for highway construction. In addition, there is a pilot project to set targets for Minority Business Enterprise (MBE), Women Business Enterprise (WBE), and Emerging Small Business (ESB) firms.



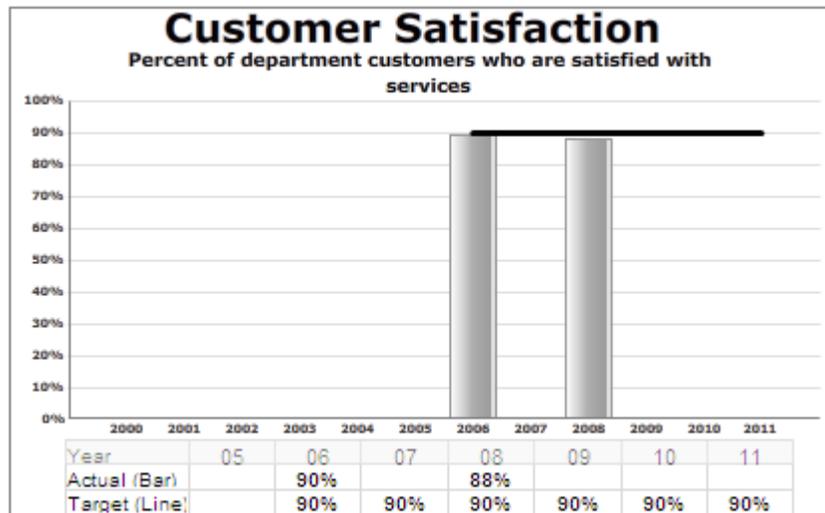
ODOT has satisfactorily complied with the federal DBE Program requirements for making a good faith effort to achieve the identified DBE Annual Goal, and for reporting those efforts. Based on the 9th Circuit Court decision, and guidance from the Federal Highway Administration, ODOT was prohibited from setting contract-specific goals, but with the completion of the Disparity Study and approval of a waiver of the Federal Regulations from FHWA allowing group-specific goals on projects where appropriate, ODOT has resumed setting DBE Goals. The Minority, Women, and Emerging Small Business (MWESB) Aspirational Target pilot project will provide data which may show a pattern of utilization which can be used to improve the economic climate of the state.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — CENTRAL SERVICES —

KPM #25	CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Measure Since 2006
Goal	Customer Service – Provide excellent customer service	
Oregon Context	Government performance and accountability	

The overall target for 2007-09 was 90 percent customer satisfaction with ODOT services. Actual performance in 2006 was 89.5 percent. Targets are set to be one percent higher than results for 2006.

ODOT continues to achieve high overall customer service ratings from customers. On the whole ODOT continues to provide customers with good to excellent service.



Sampling of customers for the 2006 survey included major customer groups of DMV and Motor Carrier. In future surveys, additional customer groups will be added.

Both DMV and Motor Carrier conduct annual surveys of customers that are based on the Recommended Statewide Customer Service Performance Measure guidelines. DMV surveyed customers who visited the DMV field office in January 2006. Customers were selected on a random, repetitive basis from the DMV computer system database of driver and motor vehicle transactions. The survey responses resulted in a higher customer satisfaction rating than expected, likely due to the low response rate. Previously DMV reported overall customer satisfaction using a cumulative average of the division's monthly customer satisfaction survey. Using the cumulative average provided a broader sampling and response from customers.

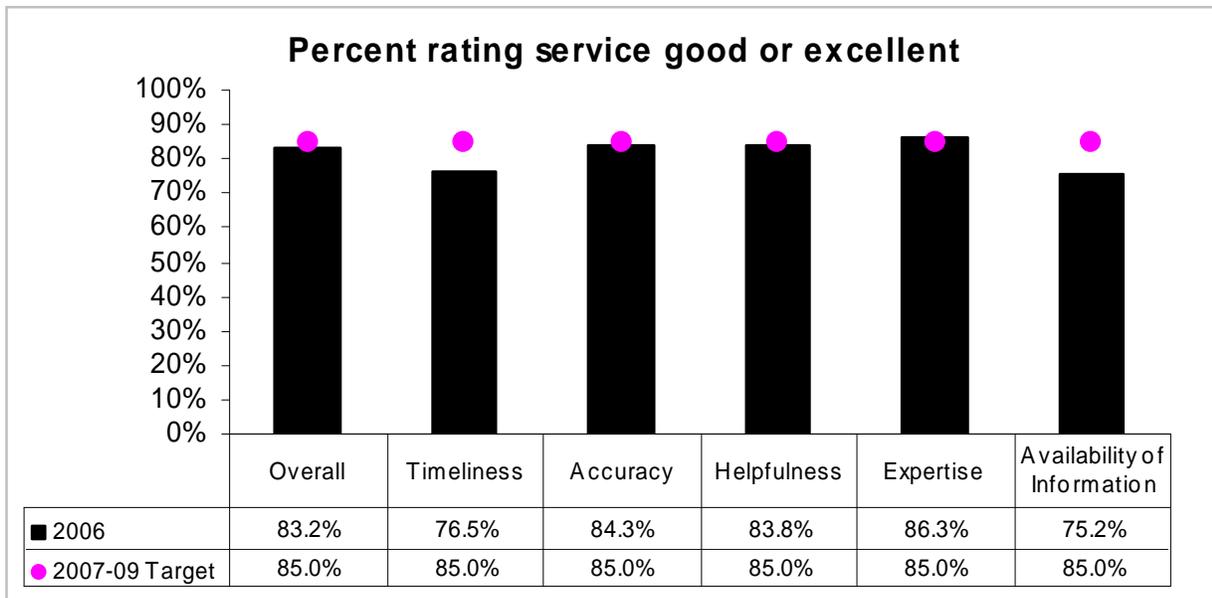
Motor Carrier surveys nine customer groups. Survey groups included companies subject to safety compliance reviews, truck safety inspections, or audits. Also, drivers subject to driver safety inspections and persons calling for registration or over-dimension permits.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — CENTRAL SERVICES —

Division Performance Measures

CENTRAL SERVICES CUSTOMER SATISFACTION

This measure reflects how the customers of Central Services perceive the services that the branch Division provides. Overall, over 83 percent of our customers rank our services as good or excellent.



Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— CENTRAL SERVICES —

COMMUNICATIONS DIVISION

The Ask ODOT Office

- The Ask ODOT Office provides a resource to citizens to resolve issues and concerns and ODOT employees to bring forth ethical issues and concerns or to receive policy guidance and interpretation.
- Each contact is received into the Ask ODOT Office, logged into a tracking system and answered directly, on behalf of the Governor, Director and management staff or assigned to the appropriate ODOT division or region for a response. When a contact is referred to a division or region, the person is required to advise the Ask ODOT Office when the case has been completed.
- A performance measure of responding to our customers has been set at five working days with a goal of 100 percent on-time. Below is a table that shows the response times achieved over the last two+ years.

Ask ODOT Office On-Time Performance Measure Yearly Comparisons				
Year	Number Assigned	Number on Time	Number Late	Percent on Time
2006	11,751	11,684	67	99.43%
2007	13,971	13,955	16	99.89%
2008	13,785	13,752	33	99.76%

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — CENTRAL SERVICES —

- In addition, performance measures track our client’s evaluation of how well the Ask ODOT Office fulfills its core values of competence, responsiveness, fairness, trustworthiness, timeliness and reliability. To fulfill this commitment an automatic survey is sent to a random selection of citizens and ODOT employees who contact the Ask ODOT Office. Below is a chart showing the results of those surveys.

Ask ODOT Office Customer Service Performance Measures Yearly Comparisons			
Percentage of Clients Satisfied with:	2006	2007	2008
Timeliness	96%	95%	95%
Response/outcome	87%	83%	88%
Overall experience w/ODOT	90%	91%	94%

FINANCIAL SERVICES

- Financial Services tracks performance indicators related to the timely and accurate delivery of products and services to both internal and external customers. Internal customers represent every employee (for payroll, benefits, and expense reimbursements) and every manager/supervisor (for accurate, timely reports on financial results of operations/budget). External customers include every Oregon city and county (for timely monthly processing and distribution of Highway Fund revenues), contractors (for timely payments of construction and maintenance project billings), and all ODOT vendors (utilities, suppliers of goods and services, etc).
- Performance measures in Financial Services support ODOT’s values of efficiency and accountability, and the ability to move people and goods efficiently. ODOT adopted administrative statewide performance measures and has set goals for these measures. Payment processing targets have generally been met for the biennium. Measures relating to user training for system applications (financial systems and payroll) are generally being met for financial systems, however, additional emphasis in payroll training will

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — CENTRAL SERVICES —

continue in the 2009-2011 biennium. Additional emphasis in payroll accuracy and final paycheck processing will continue in the 2009-2011 biennium.

ODOT STATEWIDE FINANCIAL PERFORMANCE MEASURES					
Fiscal Year Comparison					
	FY 2005	FY 2006	FY 2007	FY 2008	Target
Vendor Payment Accuracy	99.95%	99.95%	99.95%	99.97%	99.95%
Expenditure Coding Accuracy	94.00%	96.45%	95.33%	93.82%	97.50%
Accounts Payable Timely	87.50%	92.10%	92.37%	96.35%	95.00%
Final Paychecks within standards	92.00%	95.80%	96.60%	99.03%	100.00%

HUMAN RESOURCES

- ODOT places great emphasis on creating a dynamic organization by focusing efforts to attract and retain a diverse workforce. The performance measure for number of newly hired employees who are female, persons of color, or disabled is 55 percent. ODOT has made steady progress towards this goal.
- Human Resources (HR) tracks numerous ODOT-wide performance measures that support the values of efficiency and accountability. The “time-to-fill a job vacancy” measure captures both overall department performance and internal HR service standards regarding a timely recruitment process. Specifically, the measure speaks to the number of calendar days from the date HR receives an approved recruitment to the date the selected candidate begins work. The goal was recently achieved.
- Other HR measures of focus relate to training delivery and the Oregon Benchmark that tracks the hours of training received by each employee and by managers. The benchmark target is for 50 percent of all employees to receive 20+ hours of training each calendar year. The agency consistently meets or exceeds this measurement.

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — CENTRAL SERVICES —

Below is the table that supports HR information.

HUMAN RESOURCES PERFORMANCE MEASURES						
Fiscal Year Comparison						
	FY2003	FY2004	FY2005	FY2006	FY2007	Target
Quality: Percent of newly hired employees who are female, a person of color, or disabled	46.50%	48.90%	51.90%	54%	57%	55%
Timeliness: Number of calendar days from the date HR receives an approved recruitment to the date the selected candidate begins work	92 days	90 days	82 days	75 days	75 days	80 days
Quality: Percent of all employees who met benchmarks for training	n/a	n/a	50%	57%	51%	50%

INFORMATION SYSTEMS

- The information systems infrastructure is managed by the State Data Center (SDC). Previous operating measures, although collected by IS, reflect the performance of the SDC. The existing performance measures for the computer support desk, purchasing, and application problem resolution are still valid for ODOT-IS.
- Information Systems surveys its customers for satisfaction metrics. Data is collected tracking the timeliness of service, including call resolution rates, outing notification, adding new users in a timely fashion, IS purchase order execution rates and System Wide Availability Team (SWAT) resolutions of Requests For Work.

INFORMATION SYSTEMS PERFORMANCE MEASURES						
Fiscal Year Comparison						
	ODOT Service Levels					
Service Tracked	FY2004	FY2005	FY2006	FY2007	FY2008	Target
Call resolution rate	84.95%	83.89%	85.21%	84.95%	84.23%	80.00%
Outing Notification			100.00%	100.00%	100%	100.00%
New User Setup within 3 Days	99.68%	99.75%	99.71%	99.72%	99.70%	99.00%
Purchase Orders Completed Within 3 Days			99.12%	99.12%	98.83%	100.00%
Customer Working within 1 day on SWATS			84.67%	79.17%	75.5%	100.00%

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — CENTRAL SERVICES —

SUPPORT SERVICES

Audit Services tracks the proportion of “billable time” compared to total hours worked. This measure indicates the amount of time spent directly on audits compared to training, professional and consulting work. Audit Services also measures the percent of audit recommendations that are fully and partially implemented. This measure shows progress by the agency in making operations more efficient and effective as recommended by internal audits.

The Performance Measures in this chart track the timeliness’ of execution of all types of Personal Service Contract: Request for Proposals and the resulting Contracts, Contract Amendments, Work Order Contract Amendments and Informal (direct appointment and sole source) Contracts.

SUPPORT SERVICES-BUSINESS SERVICES PERFORMANCE MEASURES					
Calendar Year Comparison					
	CY2004	CY2005	CY2006	CY2007	Target
Work Order Contracts, Contract Amendments (30 Days)	72%	70%	73%	62%	100%
Direct Appointment Contracts, Sole Source Contracts (75 Days)	88%	97%	94%	75%	100%
Requests for Proposal-Formal (90 Days)	53%	78%	67%	65%	100%

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — CENTRAL SERVICES —

BUDGET HIGHLIGHTS

Central Services Expenditures

	2005–2007 Actuals	2007–2009 Actuals	2009–2011 Legislatively Adopted
Programs			
ODOT Headquarters	7,898,118	15,395,328	21,299,287
Deputy Director	2,213,064	2,896,915	2,686,660
Financial Services	20,692,320	22,770,319	27,671,121
Human Resources	10,815,106	11,378,690	11,535,665
Information Services	73,879,575	88,781,044	179,624,935
Business Services	9,713,277	14,046,570	14,325,438
Total	125,211,460	155,268,866	257,143,106
Expenditures by Major Revenue Source:			
State	125,206,667	155,238,914	257,112,309
Federal	4,793	29,952	30,797
Total	125,211,460	155,268,866	257,143,106
Expenditures by Category:			
Personal Services	77,885,193	85,856,304	89,021,224
Services & Supplies	47,028,990	68,714,296	92,194,893
Capital Outlay	297,277	698,266	976,989
Special Payments	0	0	74,950,000
Total	125,211,460	155,268,866	257,143,106
Positions	495	512	497
Full-Time Equivalent (FTE)	476.97	502.47	494.50

**Capital Improvement
and
Capital Construction**

CAPITAL IMPROVEMENT

Capital Improvement projects are less than \$500,000 and are improvements to land or facilities; the remodeling of existing buildings to increase the value; extend the useful life of the property; or to make it adaptable to a different use. Improvements include any amount expended to improve leased property, including those provided by the lessor if the lessee requires lump-sum payment.

The department owns hundreds of facilities throughout the state. Over time, it is necessary to upgrade or replace facilities as they deteriorate and technology changes how business operates. The department regularly repairs or upgrades its facilities; staff from the Facilities Section of the Central Services Division manages the construction projects. Private contractors complete the majority of construction projects.

ISSUES AND TRENDS

Increasing costs associated with land acquisition, construction, leasing, and increased regulations significantly reduce the buying power of capital funding. The result is a substantial backlog (over \$6 million) of Capital Improvement projects. Deferred maintenance on existing buildings competes with Capital Improvements for funding priority.

CAPITAL CONSTRUCTION

Capital construction projects are defined as expenditures over \$500,000 for the construction of new buildings or additions to existing buildings. Construction costs include architect fees, land acquisition, land clearing, interest during construction, materials, subcontractors, and agency labor.

A quality infrastructure is a core business requirement of the Department of Transportation. Functional facilities are a critical element in a successful operation. The department owns hundreds of facilities located throughout the state. Over time it is necessary to upgrade or replace facilities as they deteriorate and as technology changes the way we do business. The department regularly invests a portion of its resources in facility upgrades or replacement.

If funding is made available, the major capital construction activity focus during the 2009 – 2011 biennium would be the deconstruction and renovation of the ODOT Transportation Building, along with relocation of the existing building tenants. Due to the size and scope of this project, this would be the major construction/acquisition effort targeted for the department.

The estimate for the ODOT Transportation building deconstruction and renovation is \$66,200,000

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — Capital Improvement and Capital Construction —

ISSUES AND TRENDS

- Increasing costs associated with land acquisition, construction, leasing, and increased regulations significantly reduce the buying power of capital funding. There is now a substantial backlog of capital construction projects.
- ODOT Transportation Building capital project will tie up departmental efforts during the next biennium

BUDGET HIGHLIGHTS

	2005-2007 Actuals	2007-2009 Actuals	2009-2011 Legislatively Adopted
Capital Improvement	2,544,263	3,108,722	3,259,788
Capital Construction*	2,200,000	19,488,645	1
Capital Construction Projects	2005-2007 Actuals	2007-2009 Actuals	2009-2011 Legislatively Adopted
Future Project Planning			4,000,000
Sylvan Maintenance Station Ph 3	2,200,000		
Sisters Maintenance Station		3,400,000	
Sylvan Maintenance Station Ph 4		900,000	
Baker City & E. Portland Maintenance Station		6,100,000	
Transportation Building Renovation		4,710,339	
SB 338 Deferred Maintenance		4,353,406	
SB 338 Rail Station		24,900	
Co-Locate Maintenance Facilities			1
Total	2,200,000	19,488,645	4,000,001

* To remain consistent with Department of Administrative Services Budget and Management Division rules, the amounts shown for Capital Construction are the budgeted amounts not actual expenditures.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— DEBT SERVICE —

Debt Service

DEBT SERVICE PROGRAM OVERVIEW

NON-LIMITED PROGRAMS

Oregon Transportation Infrastructure Bank (OTIB)

The Oregon Transportation Infrastructure Bank was established by the 1997 Legislature as a revolving loan fund for transportation projects. The Oregon Transportation Infrastructure Bank (OTIB) makes loans to local governments, transit providers, ports and other eligible borrowers. The fund was capitalized with a combination of federal and state funds and interest earnings. Revenue bonds also may be issued to provide additional capitalization. As loans are repaid, principal and interest returned to the OTIB are available for new loans. Staffing for OTIB is included in the Central Services Division, Financial Services program.

LIMITED PROGRAMS

Debt Service – Other Fund

Oregon Transportation Investment Act (OTIA)

The 2001 Session (OTIA I - \$400 million) and the February 2002 Special Session (OTIA II - \$100 million) made available \$500 million bonding authority. The bond proceeds are used for modernization and preservation projects.

The 2003 Session made available an additional bonding authority of \$1.9 billion. These bond proceeds are to be used for the following purposes:

- \$1,300 million to repair and replace state bridges
- \$ 300 million for local bridges
- \$ 300 million for modernization projects

Current and estimated bonding for OTIA:

2001 Oregon Transportation Investment Act (OTIA I and II)

In June 2002, \$225 million in proceeds were issued to fund OTIA I construction projects and in January 2005, \$20 million in proceeds were issued to fund OTIA II construction projects. Subsequently, both issues have been partially refunded. Debt service payments on the 2004 B refunding bonds are scheduled to continue through June 2019 and through June 2030 on the 2005 B refunding bonds.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— DEBT SERVICE —

During the 2005-2007 biennium the department had two bond issuances for OTIA I and II: June 2006 for \$100 million and June 2007 for \$155 million. With these last two bond issuances funding for the OTIA I and II programs are completed. The program has achieved the legislatively authorized funding amount of \$500 million.

2003 Oregon Transportation Investment Act (OTIA III)

In July 2004, \$300 million in proceeds were issued for the Local Bridge OTIA III construction projects. Debt service payment will continue until November 2028.

In June 2006, the department issued approximately \$300 million in bonds with debt service payments for 25 years. An additional \$371 million was issued in June 2007, along with a partial refunding of the Series 2004 A bonds.

In March 2009 the department issued approximately \$380 million in bonds with debt service payments for 25 years. Debt service payments will continue until November 2032.

Certificate of Participation – DMV Headquarters Building

In 1997, \$10.7 million in certificates of participation were issued to fund the remodel of the DMV Headquarters building. In July 2008, the COP was refunded (to achieve significant savings). All Debt Service payments on the DMV Headquarters building will be satisfied in May 2020.

Debt Service – Lottery Fund

The Legislature allocates lottery dollars to ODOT for the purpose of making debt service payments associated with lottery-backed revenue bonds. Lottery bonds have been authorized to fund the following ODOT projects:

Westside Light Rail

This project extended from downtown Portland to Hillsboro and connected with a line from downtown Portland to Gresham. It opened in 1998. Debt service payments will continue until June 2010. ORS 391.130 allocates \$10 million per year for bond payments using lottery dollars from the Administrative Services Economic Development Fund. The state's share of the total project cost was \$113.6 million.

Short Line Loans and Assistance

The 2001 Legislative session authorized the Short-Line Railroad Infrastructure Assistance Program. In April 2002, \$2.1 million in bonds were issued and were partially refunded with the South Metro series. The un-refunded portion debt service payments are scheduled to continue until April 2014 and the refunded portion until April 2018.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— DEBT SERVICE —

The 2003 Legislative Assembly authorized an additional \$2 million in bonds for this program which were issued in 2004. Debt service payments are scheduled to continue until April 2019.

South Metro and Southeast Metro Milwaukie Extension Commuter Rail Project

The 2001 Legislature authorized lottery bonds for financing the South Metro Commuter Rail project connecting Wilsonville, Tualatin, Tigard, and Beaverton.

The 2003 Oregon Legislature passed House Bill 3446 that revised the limit set for the bond sale for the project to \$35,542,000. Funding for the project was provided in two bond issues. The first – to cover start-up and administrative costs – occurred in June 2002 and the second bond sale occurred in February 2007. In 2007, the Oregon Legislature passed House Bill 5036 authorizing \$250 million in lottery bonds to finance the Southeast Metropolitan Extension Project to extend the light rail between Portland and Clackamas County to Milwaukee. During April 2009, \$250 million in lottery bonds were issued. The un-refunded portion debt service payments are scheduled to continue until April 2014 and the refunded portion until April 2018.

Industrial Rail Spur Infrastructure

The 2003 Legislative Assembly authorized \$8 million in lottery bonds to fund industrial rail spur infrastructure improvements. The first \$4 million of bonds were issued in August 2004 and the final in 2005. Debt service payments are scheduled to continue until April 2019 and 2020.

Connect Oregon I, II and III

The 2005 Legislative Assembly authorized \$100 million in lottery bonds to fund multimodal transportation projects. Funding is restricted to non-Highway purposes including air, transit and rail. Funding was in two separate bond issues. The first issue was \$25 million in August 2006; the final \$75 million was issued in 2007. In 2007, the Oregon Legislature passed House Bill 2278 that approved a second authorization of \$100 million. In May of 2008, \$10 million in lottery bonds were issued. During April 2009 the remaining \$90 million in lottery bonds were issued. In 2009, the Oregon Legislature passed House Bill 2001 that approved a third authorization of \$100 million in lottery backed bonds for Connect Oregon III.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— DEBT SERVICE —

BUDGET HIGHLIGHTS

	2005–2007 Actuals	2007-2009 Actuals	2009–2011 Legislatively Approved
Non-Limited Programs			
Infrastructure Bank			
Total Non-Limited Programs	\$9,025,939	\$11,409,001	\$18,158,214
Limited Programs			
Debt Service – Other Fund:			
<u>Refunded Debt Payment</u>	212,241,534		
<u>Revenue Bonds</u>			
Highway User Tax (LSN Bond)	9,371,433	9,357,529	\$ 5,623,825
OTIA	88,354,795	177,645,988	286,757,733
<u>Certificates of Participation</u>			
DMV Headquarters Building	1,640,688	1,601,458	1,594,218
SB 338 COP N/L		7,067,508	
<u>OWIN</u>			7,715,125
Connect Oregon III Issuance			2,295,649
Total Debt Service – Other Fund	\$311,581,449	\$195,672,483	\$303,986,550
Debt Service – Lottery Fund			
Westside Light Rail	\$ 19,932,040	19,927,285	\$2,863,158
Short Line Railroads	812,045	811,247	815,624
Industrial Spur – Rail	1,417,987	1,417,844	1,418,156
South Metro Commuter Rail	43,933	4,353,318	3,244,376
Southeast Metro Milwaukie Ext.			39,608,740
Connect Oregon I	613,706	15,118,764	10,612,492
Connect Oregon II		4,930,981	18,369,854
Connect Oregon III			5,005,778
Street Car			3,506,934
Total Debt Service – Lottery Fund	\$ 22,819,711	\$ 46,559,439	\$85,445,103

APPENDIX A

Statewide Transportation Improvement Program (STIP) Project Selection and Delivery

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — STIP PROJECT SELECTION AND DELIVERY —

STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM

The Statewide Transportation Improvement Program (STIP) is the state’s transportation preservation and capital improvement program. It identifies transportation projects using federal, state, and local government transportation funds. It includes projects of regional significance (projects with high public interest or air-quality impacts), regardless of funding source, and projects in the National Parks, National Forests, and Indian Reservations.

The STIP encompasses a four-year construction period based on a federal fiscal year; it is updated every two years. Typically, the first two years of the STIP contain the updated projects from the previous two years. The last two years includes the new projects that are scheduled to begin in those years.

The currently approved program covers the period of 2008–2011. It includes project commitments from the 2006–2009 STIP for 2008 and 2009. A draft 2010–2013 STIP has been prepared and is currently in the approval process.

Calendar Year	2007	2008	2009	2010	2011	2012	2013
Federal Fiscal Year Oct. 1 – Sept. 30	2007	2008	2009	2010	2011	2012	2013
State Biennium July 1 – June 30	2007 – 2009		2009 – 2011		2011 – 2013		
	2008–2011 STIP					Draft 2010–2013 STIP	
						Update Period for Existing Projects	New Projects

STIP projects are developed in accordance with the goals, policies, and guidance set forth in the Oregon Transportation Plan, ODOT’s overall policy document directing transportation investments for the state.

PROJECT DELIVERY

Highway construction involves detailed planning and engineering, often spanning several years, before construction begins. Each project in the STIP passes through several phases, which are defined below. These phases are shown as elements under the five highway construction programs: Preservation, Bridge, Modernization, Safety, and Operations.

Preliminary Engineering Phase

Preliminary Engineering includes all work necessary to prepare a project for contract bidding. Initial work may include environmental research and analysis, surveying of physical features, geotechnical exploration, pavement analysis, and traffic analysis. Project leaders in charge of preliminary engineering are located in region field offices. Private-sector engineering and environmental consultants also participate. This work includes obtaining necessary permits followed by preparation of contract specifications. Community outreach is an important part of preliminary engineering . ODOT asks for input from citizens directly affected by projects.

Right-of-Way Phase

Right-of-way includes all work necessary to secure property for road construction. Steps in the right-of-way process include:

- Written creation of maps and legal descriptions
- Value determination of all of the identified rights-of-way
- Formal offers to purchase property from the landowners
- Good-faith negotiations to arrive at any needed settlements
- Payments to property owners or deposits into court, and all closing and escrow work
- Relocation of displaced people and personal property
- Condemnation proceedings (when negotiated settlements are unsuccessful)
- Title clearance certification that the state has lawfully purchased the property rights
- Take possession of the property
- Removal of necessary buildings and mitigation of hazardous-materials contamination

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— STIP PROJECT SELECTION AND DELIVERY —

Construction Phase

Construction Engineering

Construction Engineering includes all work necessary to construct or build the project to its designed specifications, using appropriate construction methods and practices, while providing a safe environment for both the traveling public and workers throughout the duration of the project. During construction, it is the responsibility of the project manager and other staff to ensure that the work that occurred in the development phase materializes into reality and meets the expectations of the stakeholders.

The construction engineering phase includes costs ODOT pays during project construction. This includes project management, inspection, materials testing, surveying, construction design calculations, technical support, and office support. Project managers and regional and Salem-based Technical Services staff also are involved with aspects of the project during the construction phase. Project leaders, inspectors, and other support staff continue the outreach efforts during this phase of the project with the community, homeowners, businesses, and the traveling public.

Contract Payments

Contract Payments are payments to contractors for work performed on ODOT construction projects. Generally, all state highway projects are built by private contractors and are awarded by ODOT through a competitive bidding process.

PROJECT SELECTION PROCESS

State projects in the STIP are identified and prioritized using planning processes described in the 2005 federal transportation funding act, SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Efficiency Act – Legacy for Users).

Project identification and prioritization are based primarily on system conditions, or needs. Conditions are monitored using management systems. ODOT's management systems objectively and technically identify and rank conditions and needs across the state. ODOT uses management systems for pavement, bridge, and safety programs. ODOT uses Transportation System Plans or, in the absence of Transportation System Plans, comprehensive plan and any adopted Transportation System Plans. Also, all modernization projects must be consistent with the Oregon Highway Plan policy on Major Improvements, where applicable.

ODOT regions use the project lists developed through these systems and apply localized knowledge supplemented with input from Area Commissions on Transportation, local government partners, regional partnerships, government councils, tribal governments, metropolitan planning organizations, advisory commissions, transportation stakeholders, and the public. This process results in the specific projects and their relative prioritization in the STIP.

Oregon Department of Transportation
2009–2011 Legislatively Adopted Program Budget
— STIP PROJECT SELECTION AND DELIVERY —

All projects are scheduled for construction or implementation according to their priority and funding availability. Recognizing that a project may be unavoidably delayed or that actual funds from state and federal sources may be less than originally forecast, projects in a STIP can be moved from one year to another within the first three years of the program without a formal amendment.

Regionally significant local government projects in the STIP are identified and prioritized using system management data and public involvement at the local government level. ODOT is included in the process (as directed by federal law). The federal planning requirements [23 CFR 1410.216(b)] state that:

- Metropolitan Planning Organizations shall be involved on a cooperation basis for portions of the STIP affecting metropolitan planning areas
- Indian tribal governments and the Secretary of the Interior shall be involved on a consultation basis for portions of the STIP affecting areas of the state under the jurisdiction of an Indian tribal government
- Federal land managing agencies shall be involved on a consultation basis for portions of the program affecting areas of the state under their jurisdiction
- Affected local officials with responsibility for transportation shall be involved on a consultation basis for the portion of the STIP in non-metropolitan areas of the state

The STIP is updated every two years. Before final approval, it undergoes a public review process whereby comments are transferred to the Oregon Transportation Commission (OTC) and ODOT management. Programs and projects funded in the STIP reflect these public involvement efforts.

APPENDIX B

Estimated Administrative Costs

Oregon Department of Transportation
 2009–2011 Legislatively Adopted Program Budget
 — ESTIMATED ADMINISTRATIVE COSTS —

ADMINISTRATIVE COSTS

Administrative costs include the general administration, supervision and other necessary expenses for the management, supervision and administrative control of the agency.

	2005–2007 Expenditures		2007–2009 Expenditures		2009–2011 Budgeted	
	Administrative Cost	Percentage of Total Cost	Administrative Cost	Percentage of Total Cost	Administrative Cost	Percentage of Total Cost
Highway	\$20,412,730	1.02%	\$20,699,899	0.93%	\$21,674,445	0.86%
DMV	4,995,789	3.75%	4,290,400	2.95%	4,462,233	2.78%
MCTD	1,676,885	3.23%	2,059,645	3.61%	2,313,447	3.75%
Safety	584,497	2.47%	593,352	2.28%	635,766	2.21%
Transit	147,672	0.29%	426,699	0.74%	442,915	0.40%
Rail	257,636	0.42%	465,506	1.69%	492,791	1.08%
TPD	2,907,749	3.51%	3,634,419	4.93%	3,409,120	3.09%
Central	90,960,359	72.65%	119,595,350	77.02%	123,070,483	47.86%
TOTAL	\$121,943,317	4.79%	\$151,765,270	5.46%	\$156,501,200	4.71%

Administrative costs include all costs associated with the following organizational units:

- ODOT director, deputy directors and staff positions
- First and second levels of division and region management and all related support staff
- Financial Services (except Fuels Tax Audit/Collection Units)
- Information Services (except Application Development and OWIN)
- Human Resources
- ODOT headquarters

Other costs defined here as administration:

- Salem headquarters building costs and maintenance
- Legal activities related to defense and prosecution of criminal and civil proceedings and claims
- Out-of-state travel or travel related to the above offices
- Labor Union contract negotiations
- Safety or award dinners
- Clerical or office support for all administrative activities
- Fines and penalties

APPENDIX C

Policy Option Packages Summary

Oregon Department of Transportation
2009-2011 Legislatively Adopted Budget
Appendix C: Policy Packages Summary

	POS	FTE	Total Funds	General Fund	Other Funds	Federal Funds	Lottery Funds
#110: Graduate Eng. & Technical Staffing							
Highway Division	25	21.86	0		0	0	0
			0		0	0	0
#110 Total	25	21.86	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
#130: Co-Locate Highway Maint w/Local Gov't							
Capital Construction	0	0.00	\$ 1	\$	1	\$	\$
#140: Truck Weigh Station Scale Deferred Maint.							
Highway Division	0	0.00	\$ (2,000,000)	\$	(2,000,000)	\$ 0	\$ 0
Motor Carrier Transportation	0	0.00	\$ 2,000,000	\$	2,000,000	\$ 0	\$ 0
#140 Total	0	0.00	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
#210: Aging Infrastructure							
Driver & Motor Vehicle Services	0	0.00	\$ 839,666	\$	839,666	\$ 0	\$ 0
Central Services Division	0	0.00	\$ 334,192	\$	334,192	\$ 0	\$ 0
#210 Total	0	0	\$ 1,173,858	\$ 0	\$ 1,173,858	\$ 0	\$ 0
#230: Federal and State Mandates							
Driver & Motor Vehicle Services	0	0.00	\$ 314,141	\$	314,141	\$	\$ 0
#240: Position Transfers from Other State Agencies							
Driver & Motor Vehicle Services	4	3.50	\$ 382,315	\$	382,315	\$ 0	\$ 0
#260: Drivers License Security							
Driver & Motor Vehicle Services	0	0.00	\$ 435,851	\$	435,851	\$ 0	\$ 0
Central Services Division	0	0.00	\$ 301,182	\$	301,182	\$ 0	\$ 0
#260 Total	0	0	\$ 737,033	\$ 0	\$ 737,033	\$ 0	\$ 0
#402: Connect Oregon III							
Transportation Program Development	0	0.00	\$ 26,515,449		26,515,449	\$ 0	\$ 0
Debt Service	0	0.00	\$ 7,301,427		2,295,649	\$ 0	\$ 5,005,778
#402 Total	0	0	\$ 33,816,876	\$ 0	\$ 28,811,098	\$ 0	\$ 5,005,778
#476: Mill Creek Parking Lot							
Central Services Division	0	0.00	\$ 87,000	\$	87,000	\$ 0	\$ 0
#480: OR Wireless Interoperability Network (OWIN)							
Debt Services	0	0.00	\$ 7,715,125	\$	7,715,125	\$ 0	\$ 0
Central Services Division	0	0.00	\$ 76,000,000	\$	76,000,000	\$ 0	\$ 0
#502: Jobs and Transportation Act of 2009							
Highway Division	0	0.00	\$ 119,717,356	\$	119,717,356	\$ 0	\$ 0
Driver & Motor Vehicle Services	0	0.00	\$ 1,020,600	\$	1,020,600	\$ 0	\$ 0
Transportation Program Division	0	0.00	\$ 31,763,800	\$	31,763,800	\$ 0	\$ 0
Public Transit	0	0.00	\$ 11,407,654	\$	11,407,654	\$ 0	\$ 0
Rail	0	0.00	\$ 0	\$ (4,630,845)	4,630,845	\$ 0	\$ 0
Central Services Division	0	0.00	\$ 950,575	\$	950,575	\$ 0	\$ 0
#502 Total	0	0.00	\$ 164,859,985	\$ 0	\$ 169,490,830	\$ 0	\$ 0
#801: LFO Adjustments							
Highway Division	(1)	(1.00)	\$ (99,122)	\$	(99,122)	\$	\$
Driver & Motor Vehicle Services	0	0.00	\$ 1,147,009	\$	1,147,009	\$	\$
Motor Carrier Transportation	0	0.00	\$ (52,390)	\$	(52,390)	\$	\$
Transportation Program Division	0	0.00	\$ (9,253,225)	\$	(9,253,225)	\$	\$
Public Transit	0	0.00	\$ 3,509,311	\$	3,509,311	\$	\$
Rail	0	0.00	\$ 253,439,284	\$	253,439,284	\$	\$
Transportation Safety	0	0.00	\$ (8,398)	\$	(8,398)	\$	\$
Central Services Division	1	1.00	\$ 6,654,455	\$	6,654,455	\$	\$
#801 Total	1	1.00	255,336,924		255,336,924	0	0

Oregon Department of Transportation
2009-2011 Legislatively Adopted Budget
Appendix C: Policy Packages Summary

	POS	FTE	Total Funds	General Fund	Other Funds	Federal Funds	Lottery Funds
#805 HB 5054 Adjustments							
Highway Division	0	0.00	\$ (16,017,859)	\$	\$ (16,017,859)	\$	\$
Driver & Motor Vehicle Services	0	0.00	\$ (3,914,074)	\$	\$ (3,914,074)	\$	\$
Motor Carrier Transportation	0	0.00	\$ (1,577,982)	\$	\$ (1,577,982)	\$	\$
Transportation Program Division	0	0.00	\$ (1,487,980)	\$	\$ (1,487,980)	\$	\$
Public Transit	0	0.00	\$ (96,744)	\$	\$ (96,744)	\$	\$
Rail	0	0.00	\$ (176,517)	\$	\$ (176,517)	\$	\$
Transportation Safety	0	0.00	\$ (161,379)	\$	\$ (161,379)	\$	\$
Central Services Division	0	0.00	\$ (5,715,820)	\$	\$ (5,715,820)	\$	\$
#805 Total	0	0.00	(29,148,355)		(29,148,355)		0
#806 HB 5054 and other EOS adjustments							
Highway Division	0	0.00	\$ (54,757,402)	\$	\$ (54,757,402)	\$	\$
Public Transit	0	0.00	\$ 30,000,000	\$ 10,000,000	\$ 20,000,000	\$	\$
Debt Service	0	0.00	\$ (12,343,460)	\$	\$	\$	\$ (12,343,460)
Central Services Division	0	0.00	\$ (244,645)	\$	\$ (244,645)	\$	\$
#806 Total	0	0.00	(37,345,507)	10,000,000	(35,002,047)		0
#810 Jobs and Transportation Act							
Highway Division	0	0.00	\$ 1,000,000	\$	\$ 1,000,000	\$	\$
ODOT TOTAL:							
Highway Division	24	21	\$ 47,842,973	\$ 0	\$ 47,842,973	\$ 0	\$ 0
Driver & Motor Vehicle Services Division	4	4	\$ 225,508	\$ 0	\$ 225,508	\$ 0	\$ 0
Motor Carrier Transportation Division	0	0	\$ 369,628	\$ 0	\$ 369,628	\$ 0	\$ 0
Transportation Program Development	0	0	\$ 47,538,044	\$ 0	\$ 47,538,044	\$ 0	\$ 0
Public Transit Division	0	0	\$ 44,820,221	\$ 10,000,000	\$ 34,820,221	\$ 0	\$ 0
Rail Division	0	0	\$ 253,262,767	\$ (4,630,845)	\$ 257,893,612	\$ 0	\$ 0
Transportation Safety Division	0	0	\$ (169,777)	\$ 0	\$ (169,777)	\$ 0	\$ 0
Central Services Division	1	1	\$ 78,366,939	\$ 0	\$ 78,366,939	\$ 0	\$ 0
Debt Service	0	0	\$ 2,673,092	\$ 0	\$ 10,010,774	\$ 0	\$ (7,337,682)
Capital Construction	0	0.00	\$ 1	\$ 0	\$ 1	\$ 0	\$ 0
Total	29	25.36	\$ 474,929,396	\$ 5,369,155	\$ 476,897,923	\$ 0	\$ (7,337,682)