2017-2019
LEGISLATIVELY ADOPTED
PROGRAM BUDGET
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MISSION STATEMENT

The mission of the Oregon Department of Transportation (ODOT) is to provide a safe, efficient transportation system that supports economic opportunity and livable communities for Oregonians.

ODOT 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

<table>
<thead>
<tr>
<th>OTC Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tammy Baney – Chair</td>
</tr>
</tbody>
</table>
| Bend, Oregon  
Current Term: July 1, 2015–June 30, 2019 |
| Paula C. Brown |
| Ashland, Oregon  
Current Term: December 9, 2014–June 30, 2020 |
| Alando Simpson |
| Portland, Oregon  
Current Term: July 1, 2014-June 30, 2018 |
| Sean O'Hollaren |
| Portland, Oregon  
Current Term: July 1, 2016-June 30, 2020 |
| Bob Van Brocklin |
| Portland, Oregon  
Current Term: November 15, 2017-June 30, 2021 |
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 ODOT’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 twelve ACTs in Oregon:

**Cascades West Area Commission on Transportation**  
Representing Benton, Lincoln and Linn counties  
ODOT contact: Frannie Brindle, Area 5 Manager  
(541) 757-4167 or email Frances.Brindle@odot.state.or.us

**Central Oregon Area Commission on Transportation**  
Representing Crook, Deschutes and Jefferson counties  
ODOT contact: Gary Farnsworth, Central Oregon Area Manager  
(541) 388-6071 or email Gary.C.Farnsworth@odot.state.or.us

**Lane County Area Commission on Transportation**  
Representing Lane County  
ODOT contact: Frannie Brindle, Area 5 Manager  
(541) 747-9611 or email Frances.Brindle@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: Lisa Nell, Area 1/3 Manager  
(503) 986-2900 or email Lisa.D.Nell@odot.state.or.us

**North East Area Commission on Transportation**  
Representing Baker, Morrow, Umatilla, Union, and Wallowa counties and the Confederate Tribes of the Umatilla Indian Reservation  
ODOT contact: Ken Patterson, Region 5 NE Area Manager  
(541) 963-1366 or email Kenneth.E.Patterson@odot.state.or.us
Northwest Oregon Area Commission on Transportation
Representing Clatsop, Columbia and Tillamook counties and western rural Washington County
ODOT Region 2 contact: Tim Potter, Area Manager
(503) 986-2764 or email James.T.Potter@odot.state.or.us

Region 1 Area Commission on Transportation
Most of Washington, Hood River, Multnomah and Clackamas counties
ODOT contract: Andrew Plambeck
(503) 731-8248 or email Andrew.R.Plambeck@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 Arthur.H.Anderson@odot.state.or.us

South Central Oregon Area Commission on Transportation
Representing Klamath and Lake Counties
ODOT contact: Jarod Johnson, South Central Oregon Area Manager
(541) 883-5778 or email Jarod.E.Johnson@odot.state.or.us

South East Area Commission on Transportation
Representing Grant, Harney and Malheur counties and the Burns Paiute Tribe
ODOT contact: Sean Maloney
(541) 823-4025 or email Sean.Maloney@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

STIP Stakeholder Committee
The Statewide Transportation Improvement Program (STIP) Stakeholder Committee was established by the Oregon Transportation Commission in 2001.

The committee provides advice on policies and procedures, feedback, recommendations and, where requested, decisions regarding the issues and actions relating to the development of the STIP. Committee members represent diverse transportation interests including freight, private business, public transit, local governments, and state agencies.
Additional Partnerships
ODOT works with a variety of other organizations on diverse issues from maintenance and road management agreements, to safety issues, to multi modal planning and execution involving transit, rail, bike and pedestrian advisory groups.
See the Appendix C for the Additional Partnerships list.

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.

ODOT GOALS
• Improve safety
• Move people and goods efficiently
• Improve Oregon’s livability and economic prosperity

ODOT VALUES
Safety: We protect the safety of the traveling public, our employees and the workers who build, operate and maintain our transportation system.

Customer Focus: We learn from and respond to our customers so we can better deliver quality, affordable services to Oregonians and visitors. Our customers include travelers, freight movers and others who use our services and facilities.

Efficiency: We strive to gain maximum value from the resources entrusted to us for the benefit of our customers.

Accountability: We build the trust of customers, stakeholders and the public by reporting regularly on what we are doing and how we are using the resources entrusted to us.

Problem Solving: We work with the appropriate customers, stakeholders and partners to find efficient, effective and innovative solutions to problems.

Diversity: We honor and respect our individual differences and we work to ensure that people from diverse backgrounds have equitable opportunities, both internally and externally, to work for and conduct business with ODOT.

Sustainability: We balance economic, environmental and community well-being in a manner that protects the needs of current and future generations.
2017 OREGON LEGISLATIVE SESSION

Oregon’s annual legislative session came to a close on July 7, 2017. There were 2829 bills, memorials and resolutions introduced during the 2017 session and of those, the legislature passed 8811.

Transportation issues were one of the main focus areas of the 2017 session with legislators passing a major funding package, HB 2017 a statewide multimodal transportation investment bill, other bills, memorials and resolutions that directly or indirectly affect the Oregon Department of Transportation.

Copies of ODOT’s budget bill (SB 5540), HB 2017, HB 5045 and other 2017 enrolled bills may be found on the legislative web site: https://olis.leg.state.or.us/liz/2017R1
## SOURCES AND USES OF FUNDS

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>SOURCES</strong></td>
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<tr>
<td>Beginning Balance</td>
<td>426,525,688</td>
<td>587,535,754</td>
<td>436,443,290</td>
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<tr>
<td>Beginning Balance adjustment</td>
<td>104,660,380</td>
<td>(3,027,758)</td>
<td>50,210,621</td>
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<td>Motor Fuels Taxes</td>
<td>1,003,000,121</td>
<td>1,078,829,542</td>
<td>1,274,111,439</td>
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<tr>
<td>Federal Funds</td>
<td>988,749,238</td>
<td>1,076,649,094</td>
<td>1,225,584,864</td>
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<td>Weight-Mile Taxes</td>
<td>554,620,727</td>
<td>591,070,376</td>
<td>742,502,352</td>
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<tr>
<td>Driver and Vehicle Licenses</td>
<td>675,959,867</td>
<td>722,985,511</td>
<td>836,328,822</td>
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<tr>
<td>Transportation License &amp; Fees</td>
<td>90,979,855</td>
<td>94,580,220</td>
<td>97,213,759</td>
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<tr>
<td>Transfers To ODOT</td>
<td>56,740,260</td>
<td>11,810,332</td>
<td>397,673,899</td>
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<td>General Fund</td>
<td>12,710,074</td>
<td>22,052,311</td>
<td>23,456,104</td>
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<td>Lottery Funds</td>
<td>92,643,018</td>
<td>107,644,374</td>
<td>114,394,343</td>
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<td>Bond, COP, and Refunds Proceeds</td>
<td>1,938,970,686</td>
<td>1,001,106,880</td>
<td>37,603,821</td>
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<td>Sales and Charges for Services</td>
<td>52,490,399</td>
<td>99,352,724</td>
<td>22,416,547</td>
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<td>All Other Revenue</td>
<td>88,259,762</td>
<td>91,981,244</td>
<td>51,768,537</td>
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<td><strong>Mandated Distributions and Transfers Out</strong></td>
<td>(864,909,755)</td>
<td>(923,873,700)</td>
<td>(1,119,162,183)</td>
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<td><strong>AVAILABLE REVENUE</strong></td>
<td>5,221,400,320</td>
<td>4,558,696,904</td>
<td>4,190,546,215</td>
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<td><strong>USES</strong></td>
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<td>Highway Division</td>
<td>1,996,085,466</td>
<td>1,986,695,734</td>
<td>2,384,283,814</td>
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<td>Driver and Motor Vehicle Services Division</td>
<td>160,965,212</td>
<td>183,860,592</td>
<td>230,505,664</td>
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<td>Motor Carrier Transportation Division</td>
<td>60,595,019</td>
<td>59,511,907</td>
<td>63,438,745</td>
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<td>Transportation Safety Division</td>
<td>25,580,509</td>
<td>28,055,098</td>
<td>38,125,429</td>
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<td>Public Transit Division</td>
<td>91,852,408</td>
<td>96,007,181</td>
<td>161,998,786</td>
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<td>Rail Division</td>
<td>51,415,608</td>
<td>51,022,272</td>
<td>70,565,818</td>
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<td>Transportation Program Development</td>
<td>148,454,610</td>
<td>128,713,091</td>
<td>172,693,073</td>
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<td>Central Services</td>
<td>184,585,958</td>
<td>200,946,300</td>
<td>230,671,894</td>
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<td>Debt Service</td>
<td>1,897,714,641</td>
<td>1,007,789,740</td>
<td>555,405,495</td>
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<td>Capital Improvement &amp; Construction</td>
<td>5,335,007</td>
<td>49,368,557</td>
<td>11,939,376</td>
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<td>Non-Limited Programs</td>
<td>11,280,128</td>
<td>20,631,172</td>
<td>18,158,214</td>
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<td><strong>TOTAL EXPENDITURES</strong></td>
<td>4,633,864,566</td>
<td>3,812,601,644</td>
<td>3,937,786,308</td>
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<tr>
<td><strong>ENDING BALANCE</strong></td>
<td>587,535,754</td>
<td>746,095,260</td>
<td>252,759,907</td>
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**Positions**

4569

4506

4537

**Full-Time Equivalent (FTE)**

4462.48

4393.92

4425.34
ENDING BALANCE DETAIL

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<thead>
<tr>
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<tr>
<td>Highway Fund</td>
<td>145,639,323</td>
<td>163,017,222</td>
<td>141,033,454</td>
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<tr>
<td>OTIA Bond Proceeds</td>
<td>(34,532,740)</td>
<td>(122,583,914)</td>
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<tr>
<td>JTA Bond Proceeds</td>
<td>252,509,969</td>
<td>481,817,364</td>
<td>2,050,587</td>
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<tr>
<td>OWIN</td>
<td>19,342,693</td>
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<tr>
<td>Environmental Quality Fund</td>
<td></td>
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<tr>
<td>Emerging Small Business</td>
<td>8,087,022</td>
<td>10,924,394</td>
<td>5,000,000</td>
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<tr>
<td>Snowmobile/Winter Recreation Funds</td>
<td>8,835,404</td>
<td>9,679,476</td>
<td>4,350,873</td>
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<td>Motor Vehicles</td>
<td>756,409</td>
<td>1,527,008</td>
<td>4,453,869</td>
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<td>Motor Carrier</td>
<td>89,256</td>
<td>100,093</td>
<td>1,688,624</td>
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<td>Public Transit Division</td>
<td>7,703,012</td>
<td>3,436,058</td>
<td>55,093,502</td>
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<td>Rail Division</td>
<td>20,531,038</td>
<td>29,322,724</td>
<td>3,631,139</td>
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<td>Transportation Program Development</td>
<td>54,191,122</td>
<td>69,670,232</td>
<td>28,929,275</td>
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<td>Transportation Safety Division</td>
<td>12,191,002</td>
<td>11,872,582</td>
<td>2,023,390</td>
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<td>Transportation Operating Fund</td>
<td>3,731,276</td>
<td>7,095,863</td>
<td>2,034,329</td>
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<td>Central Services</td>
<td>230,932</td>
<td>256,343</td>
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<td>Debt Service</td>
<td>58,580,543</td>
<td>58,436,971</td>
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<td>Special City Allotment</td>
<td>1,177,548</td>
<td>1,536,589</td>
<td>877,685</td>
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<td>OTIB</td>
<td>28,471,945</td>
<td>19,986,255</td>
<td>1,593,180</td>
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<td><strong>TOTAL</strong></td>
<td>587,535,754</td>
<td>746,095,260</td>
<td>252,759,907</td>
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</table>

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.

<table>
<thead>
<tr>
<th></th>
<th>Dollars in Millions</th>
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<tr>
<td>2017-19 Beginning Balances</td>
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<td>Highway Fund Programs</td>
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<td>Debt Service</td>
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<td>Infrastructure Bank</td>
<td>14</td>
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<tr>
<td>Transportation Operating Fund</td>
<td>3</td>
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<td>Transportation Safety Division</td>
<td>8</td>
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<tr>
<td>Rail Division</td>
<td>13</td>
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<tr>
<td>Public Transit Division</td>
<td>2</td>
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<tr>
<td>Transportation Program Development</td>
<td>50</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$ 486</strong></td>
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</tbody>
</table>
Motor Fuel Tax—$1,274 million. Includes motor fuel and aviation fuel taxes. This revenue increased with HB 2017 (2017).

Federal Funds—$1,225 million. Primarily for Highway Division, with lesser amounts for Transportation Safety, Transportation Program Development, Public Transit, and other programs.


Driver and Vehicle Licenses and Fees—$837 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 increased with OTIA 1 (2001), OTIA 3 (2003), JTA (2009), and HB 2017 (2017).

Transportation Licenses and Fees—$103 million. (Includes truck registrations, vehicle, and Sno-Park permits).

Transfers to ODOT—$398 million. These funds come from dedicated revenues from the cigarette tax, local government match on construction projects, DMV portal fees from NICUSA, and Transportation Growth Management match from Land Conservation and Development. Transfers established by HB 2017 include a privilege tax on new car sales and a bike tax to support ConnectOregon; and a payroll tax to support public transit.

General Fund—$23 million. General Fund allocation for Public Transit Elderly and Individuals with Disabilities, Passenger Rail and debt service.

Lottery Proceeds—$114 million. Legislatively directed pass-through bond payments for 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—$37 million. Bond proceeds for ConnectOregon VII Program, ($30M), City of Portland improvements on SW Capitol Highway ($2M) and Lane Transit District improvements ($5 M).

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

All Other Revenue—$47 million. Items in this category include railroad gross revenue receipts ($6 million), interest income ($17 million), Infrastructure Bank loan repayment
($8 million), rent and fines ($4 million), policy option package and miscellaneous other revenue.

**Mandated Distributions and Transfers Out**

- **Counties**—$602 million. From fuels tax, weight mile tax and licensing.
- **Cities**—$411 million. From fuels tax, weight mile tax, and licensing.
- **Other State Agencies**—$106 million. Parks, Marine Board, Aviation and other agencies.

**Committed Reserves and Ending Balance**—$252 million. Estimated committed reserves and ending cash balance to carry forward into 2019–2021:

<table>
<thead>
<tr>
<th>Highway Fund Programs:</th>
<th>Dollars in Millions</th>
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<td>STIP</td>
<td>148</td>
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<tr>
<td>Snowmobile Fund</td>
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<td>Winter Recreation Fund</td>
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<td>Special City Allotment</td>
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<td>Highway Programs Subtotal</td>
<td>152.9</td>
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<td>Emerging Small Business</td>
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<td>Connect Oregon Bond Proceeds</td>
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<td>ConnectOregon HB 2017</td>
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<td>Infrastructure Bank</td>
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<td>Transportation Operating Fund</td>
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<td>Transportation Safety Division</td>
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<td>Rail Division</td>
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<tr>
<td>Public Transit Division</td>
<td>55</td>
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<tr>
<td>Debt Service</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$252</strong></td>
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</table>
USES OF FUNDS (EXPENDITURES)

Highway Division
- Highway Division program budget increased by 15 percent from the 2015-2017 Legislatively Approved Budget. This is primarily related to the timing of construction project payout.

Driver and Motor Vehicle Services Division
- Driver and Motor Vehicle Services Division budget increased 8 percent from the 2015-2017 Legislatively Approved Budget, primarily due to the Service Transformation policy option package to improve DMV systems.

Motor Carrier Transportation Division
- The Motor Carrier Transportation Division budget decreased 3 percent from the 2015-2017 Legislatively Approved Budget primarily due to reduction in federal grants.

Transportation Safety Division
- The budget for Transportation Safety Division increased 5 percent from the 2015-2017 Legislatively Approved Budget, primarily due to standard inflation.

Public Transit Division
- The Transit Division budget increased 69 percent. This is primarily due to HB 5045, which provides $51.5 million to transit providers from the new payroll tax (HB 2017). This limitation has been unscheduled until the revenues become available.
  - The budget includes $9.7 million general funds to go to the senior and disabled program.

Rail Division
- The Rail division budget decreased by 10 percent due to eliminating the one time project costs for Coos Bay Rail and a reduction in General Funds.

Transportation Program Development
- The Legislatively Adopted Budget decreased 4 percent.
Central Services Division

- Central Services Division budget increased 10 percent from the 2015-2017 Legislatively Approved Budget, primarily due to increased costs in State Government Service Charges.

Debt Service

- Lottery debt service decreased 4 percent.

Non-Limited Programs (Infrastructure Bank)

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.
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 74,000 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. About 73 percent of commuters drive alone to and from work. Congestion is worsening, especially on urban freeways.

A strong economy needs good highways. State highways link producers, shippers, markets and transportation facilities and provide access to airport freight services, ports and many other kinds of transportation facilities.
Fixing America’s Surface Transportation Act (FAST Act)
FAST Act reauthorizes federal highway, transit, transportation safety, and rail programs for federal fiscal years 2016 through 2020 (federal fiscal years, or FY, run October 1 – September 30). After several years of flat funding, FAST Act provides modest increases to states over the five-year life of the bill.

Keep Oregon Moving (HB 2017)
The 2017 Oregon Legislature passed Keep Oregon Moving (HB 2017) which made a significant investment in transportation. The Highway Division will be tasked with delivery of projects that focus on pavements, bridges, seismic, safety and congestion relief projects.

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 166 million tons of goods to, from and within Oregon in 2015. This same report estimates that by 2045, trucks will move some 238 million tons of freight on Oregon roads (Source: http://faf.ornl.gov/fafweb/FUT.aspx).

Many state highways, especially heavily traveled routes and urban-area highways, are built to support a variety of travel modes. Special features include bicycle and walking paths, transit stops, bus pullouts and shelters, and park-and-ride lots. Intercity buses, transit buses and vans, car pools, motorcycles, bicycles, and pedestrians also use highways. Electric, gas, telephone and other utility lines use highway right-of-way.

Organizationally, the Highway Division is administered through the five regional offices and the headquarters office. In the past, the agency had completed most engineering and design work in-house while contracting with private companies for the actual construction of projects. With HB 2017, the outsourcing of project delivery will increase from the current 50 to roughly 70 percent.

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

Pavement, Shoulder and Drainage Maintenance
Pavement, Shoulder and Drainage Maintenance is done to improve the ability of the driver to maintain or regain control of the vehicle and to protect the investment in the infrastructure. Water trapped on the road can decrease traction, which can cause loss of control of the vehicle. Cleaning and shaping ditches, cleaning and repairing culverts and restoring vegetation on slopes to limit erosion is done to minimize slope failures that block roads.

Roadside and Vegetation Maintenance
Roadside and Vegetation Maintenance includes removing debris from the roadway, removing hazard trees that could fall on the roadway, and managing noxious weeds. It also includes removing vegetation to improve visibility for the driver and maintaining access to sidewalks and bike paths.

Winter Maintenance
Winter Maintenance is performed to keep roads safe for the prepared driver and open in winter conditions. These activities include plowing snow, sanding for increased traction and applying environmentally friendly anti-icing products.

Bridge Maintenance
Bridge Maintenance includes repairing structural components, removing debris from bridge piers to prevent failure, cleaning, spot painting and patching. These activities also include operating drawbridges.

Traffic Services
Traffic Services activities include maintaining safety features that guide drivers, prevent vehicles from straying into oncoming traffic or off the road and keep traffic moving. Activities include marking traffic lanes, fixing and replacing signs, repairing traffic signals and ramp meters, replacing roadside lighting and repairing or replacing guardrails and barriers.

Emergency Response and Emergency Management
Emergency Response and Emergency Management activities include responding to unplanned incidents and crashes to restore traffic mobility and access to the system, or protect roadways from extraordinary damage from natural disasters.
Facilities and Fleet
Facilities and Fleet provides statewide management and maintenance of department maintenance offices, region and central office buildings, equipment shops, maintenance yards, material storage sites and ODOT fleet.

ODOT/OSP Radio System
ODOT/OSP Radio System provides radio communications equipment, products, maintenance, repair and consulting services for ODOT maintenance crews and construction project managers and for Oregon State Police troopers and dispatchers statewide. These radio systems support the daily operations of the state’s (ODOT and OSP) dispatch centers and emergency response operation.
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, and Highway Safety and 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 sets priorities by highway classification. The current average statewide condition rating for all state highway miles is 87 percent fair or better. ODOT has used innovative and cost-effective strategies to maintain a high percentage of miles in fair or better condition despite an aging system. Inflation of material and construction costs and more stringent design standards for safety, mobility and accessibility are increasing project costs. Pavement conditions are expected to drop in the future.
Bridge Program

The Bridge Program preserves more than 2,700 bridges, overcrossings, railroad undercrossings, tunnels and culverts on the state highway system. ODOT inspects most bridges every two years; those that are beginning to show signs of significant wear are inspected more frequently. Bridge maintenance and minor repairs fall to ODOT maintenance crews and are covered in the maintenance portion of the budget. Bridge structural repair, rehabilitation and replacement are part of the Statewide Transportation Improvement Program (STIP).

Most of Oregon’s bridges are nearing the end of their “design life”. Over time, in each successive construction era, bridge design life has increased. From a design life of 50 years in the past, today it is possible to design for 100 years or even 150 years with contemporary design and construction. The life of a bridge, though long, is not infinite. No series of continued repairs regardless of how well timed, can continue to extend the life of a bridge forever. Eventually, all bridges will need to be replaced.

In face of significant future funding challenges, the bridge inventory will deteriorate based on projected investment levels. In recognition of these facts, ODOT has adopted the following strategies to preserve the investment in bridges made over generations.

BRIDGE PRESERVATION STRATEGIES:

- **Protection of High Value Bridges**
  Protect high value coastal, historic, major river crossings and border structures by acting before cost becomes prohibitive.

- **Practical Design**
  Use practical design and fund only basic rehabilitations and rare replacements with bridge program funds. Attempt to stretch available program dollars as far as possible.

- **Maintaining Freight Mobility**
  Give priority to maintaining the highest priority freight corridors. Work closely with the freight industry as bridges on lower priority routes deteriorate and are subject to weight restriction.
• Preventive Maintenance
  Develop bridge preventive maintenance programs to extend the service life of decks and other bridge components.

• Seismic Vulnerability
  Continue to raise awareness of the lack of seismic preparation following a large seismic event. Currently, there is no dedicated funding for the seismic retrofit of bridges. As funds become available, the strategic seismic retrofitting of bridges in high priority corridors can be completed.

• Protect Public Safety
  Bring lower priority bridges in Poor condition to Fair condition focusing projects on specific deficiency that is a safety concern.

• Bridge Health Monitoring
  Use bridge inspection, health monitoring and improved deterioration prediction methods to anticipate future bridge conditions.

BRIDGE ISSUES

The service life of a bridge is an estimate of the number of years a bridge may remain in service. The expected service life can vary depending on the quality of the construction materials and methods; the quality and timing of maintenance activities; environmental factors; and usage.

At ODOT, bridge service life is analyzed using three categories of bridges, based on the period of construction and importance to the highway network. The categories are: high value coastal, historic and major river crossings, and border structures; bridges built during the 1950’s and 60s; and all others.

With increased maintenance, we expect that most of ODOT’s bridges can have a longer service life, except for those constructed in the 1950s and 60s. These bridges were designed with very low safety factors and for loads much less than allowed by state law since the 1980s. It is not cost effective to preserve those bridges because of their weak elements. This is the largest group of bridges in the ODOT inventory. While it is not cost effective to preserve them, there is currently no funding to start systematically replacing them. This represents a huge unmet need in the Bridge Program that will cause widespread freight restrictions in 20-30 years if not addressed.
Modernization Program
The intent of the Modernization Program (ORS 366.507) is to enhance or expand the transportation system in order to facilitate economic development, reduce congestion and improve safety. This program is also called the Enhance Program.

The Modernization Program improves the capacity and operations of the highway system to reduce congestion and serve transportation demand more efficiently by building new bike lanes, travel lanes and sidewalks to serve development and provide access to and from businesses and intermodal facilities.

The Oregon Department of Transportation administers funding dedicated to this program and contracts with private sector companies to deliver the improvements. Project cost factors for the program include the cost of raw materials such as fuel, asphalt, and steel. If the project requires additional property for the expansion or relocation of a facility, right-of-way can also be a substantial portion of project cost. ODOT estimates that, in addition to the economic benefits of a more efficient transportation system, for every million dollars invested the program creates or sustains 9.12 jobs.

The project selection process for the Enhance Program is developed with statewide stakeholders and approved by the Oregon Transportation Commission (OTC) per ORS 184.621. The process is updated as needed in consultation with the Statewide Transportation Improvement Program (STIP) Stakeholder Committee, and other stakeholders.

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.
Highway Safety and Operations Program
The Highway Safety and Operations Program is comprised of two separate programs – Highway Safety and Highway Operations.

The primary purpose of ODOT’s Highway Safety Program is to reduce the number of fatal and serious injury crashes that occur on the state system.

ODOT’s Highway Safety Program is focused on reducing the number of fatal and serious injury crashes that occur on the state system. The program includes several system management tools that help guide and prioritize how public investments are made to improve traffic safety and reduce the potential for crashes.

The Highway Safety Improvement Program provides for infrastructure improvements at high crash locations and systemic relatively low cost and cost effective countermeasures on target highway segments or intersections with a history of crashes.

The Safety Priority Index System (SPIS) is the primary tool used for the identification of possible safety problems. The SPIS is a method developed by ODOT for identifying and scoring safety problem locations 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 primary purpose of ODOT’s Highway Operations Program is to improve the safety and efficiency of the transportation system.

ODOT accomplishes this through implementing strategies, tools and projects that optimize the operation and management of the system. Operations solutions provide a cost effective approach to meet the challenge presented by increased demands on the system coupled with increasing constraints on available funding.
Response from the public shows strong support for continued and expanded use of Operations Program system efficiency tools. The key components of the Operations Program include traffic signals, signs, and roadway lighting, Intelligent Transportation Systems (ITS), and landslide and rock fall mitigation. In addition to these project areas, the Highway Operations Program funds Transportation Operations Centers; ODOT’s dedicated incident response staff, management and operations of intelligent transportation systems infrastructure, Transportation Demand Management, and services such as the TripCheck traveler information system.

Local Government Program
The purpose of the ODOT Local Program is to work toward a shared vision of the Oregon Transportation Plan and meet its goals, policies, strategies and implementation framework to respond to the challenges facing Oregon’s transportation system. Five fundamental themes include: 1) Accessibility and mobility, 2) Economic development, 3) Equity, 4) Safety, and 5) Sustainability. This multimodal program also implements many of the modal and topic plans such as the Oregon Highway Plan, the Bicycle and Pedestrian Plan, the Freight Plan, the Public Transportation Plan, and the Rail Plan.

The ODOT Local Program provides support for various local and discretionary transportation programs that are funded by the state or federal government and account for approximately 25 percent of Oregon Statewide Transportation Improvement Program (STIP) funding and up to 30 percent of the projects delivered among ODOT regions and program years. ODOT administers these programs and helps local governments fund transportation projects. The Local Program delivers the Federal-aid Highway Program that is a cost-based reimbursement program between ODOT and the Federal Highway Administration (FHWA).

Recent Local Government Project
Small community of Echo, located 20 miles west of Pendleton in northeast Oregon.
ODOT’s Federal-aid Program reimburses federal funds to local agencies such as cities and counties, ports, special districts, tribes and other federal agencies eligible for federal transportation funding. FHWA provides funds to ODOT through the Federal-aid Highway Program, and ODOT reimburses these funds to eligible local agencies.

Costs of this program are driven by the transportation needs of Oregon’s local agencies and the number and costs of local agency projects funded and delivered by various programs.

**Special Programs**

The Special Programs Limitation provides indirect, technical and program support for the Highway Division construction program through the development and delivery of the tools necessary to optimize management of infrastructure assets, deliver projects efficiently, and promote sustainability and best practices for Oregon’s transportation system. This limitation also has a number of construction projects that do not fit the general construction limitation categories and usually fall under special rules or program areas.

Special Programs delivers technical support for project delivery, construction, operations, maintenance, and planning programs in a variety of roles. This support uses a wide number of technical disciplines and expertise to produce statewide standards, policies and guidelines for the design, development and bid of contract plans, construction and operations of transportation projects. To ensure statewide strategic infrastructure management through the maintenance of transportation asset inventories, data analysis and reports to optimize system investment decision-making is an important piece of our mission. The development of long-term comprehensive strategic approaches to technical staff recruitment, development and retention is critical to ensure continuity, innovation and advancement of our state-wide mobility goals. Support for projects is delivered in a number of formats such as technical training, written specifications, manuals, advisories, conducting research, mentoring, hands-on inspections and testing, collaboration with federal, state and local agencies, professional organizations, and internal, statewide leadership teams.

The Special Programs Limitation also supports specialized projects such as Lifeline Routes and Speed Zones. Lifeline Routes facilitates implementation of Policy 1E in the Oregon Transportation Plan, which states, “It is the policy of the State of Oregon to provide a secure lifeline network of streets, highways, and bridges to facilitate emergency services response and to support rapid economic recovery after a disaster.” Speed Zones help ensure traffic moves safely and efficiently. Speed Zoning reflects a reasonable balance between the needs of drivers, pedestrians and bicyclists using public roads for travel and for those who live along these roads. These and many similar projects address special transportation issues that ultimately save time, resources, money and lives.
Special Programs is also charged to deliver construction projects and services in several distinct program areas, including the following:

- **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 (not less than 1 percent) on footpaths and bicycle trails.

- **Salmon and Watersheds.** This program repairs and replaces priority culverts that do not currently provide fish passage in support of the Oregon Plan for Salmon and Watersheds.

- **Federal Land Access Program (FLAP).** This program involves projects on roads that are located within or provide access to national forests. Federal funding is used on projects selected by the Federal Highway Administration, U.S. Forest Services, ODOT, and Oregon counties.

- **Winter Recreation Parking.** This program ensures snow is removed to provide access to designated winter recreation locations. Revenues come from selling Sno-Park parking permits.

- **Snowmobile Facilities.** This program develops and maintains snowmobile facilities. Revenues come from registration fees and fuel taxes attributed to snowmobile use.

### 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 to 4.6 million people by 2026. Nearly two thirds 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.
Key Performance Measures:

KPM #6 - Pavement condition: Percent of pavement centerline miles rated “fair” or better out of total centerline miles in the state highway system

The goal of the ODOT pavement preservation program is to keep highways in the best condition possible, at the lowest cost, by taking a preventive approach to maintenance. The most cost-effective strategy is to resurface highways while they are still in “fair” or better condition, which extends pavement life at a reduced resurfacing cost.

A higher percentage of miles in good condition translates to smoother roads and lower pavement and vehicle repair costs. Prior to 2014, the long term target was set at 78 percent “fair” or better. The legislature increased the target to 87 percent for 2014 and 2015 and subsequently reduced the target to 85 percent for 2016 and 2017. Pavement conditions are measured every two years and the 2018 numbers will be available in early 2019.

Thanks to ODOT’s asset management and investment strategies, pavement condition over the last few years has ranged between 85 and 88 percent “fair” or better. Pavement conditions are currently above target. ODOT’s pavement strategy is focused on protecting the interstate first, and a full 96 percent of Oregon’s interstate highway miles are in fair or better condition.

No standardized system exists for classifying the pavement condition of all highways nationwide. Each state uses a unique procedure for classifying pavement defects and assessing structural and functional pavement conditions. However, pavement smoothness, which is one indicator of pavement condition, is collected by all states using standardized procedures. A smoothness comparison between Oregon and our neighboring states of California, Idaho, Washington, and Nevada based on 2015 Highway Statistics data (https://www.fhwa.dot.gov/policyinformation/statistics/2015/) shows that Oregon’s pavement is on par with Idaho and Nevada and better than California and Washington and also better than the nationwide average.

Pavement resurfacing treatments typically last 10 to 20 years, but pavement funding will only be able to pave each section of road on average only once about every 35 years—far beyond the optimal time frame. Over time, pavement conditions will drop well below the target. This will result in diminished safety, as well as higher vehicle repair costs as Oregonians travel on rutted and deteriorated roads.

Pavement conditions are measured via a combination of automated equipment and visual assessment. Rigorous checks are made on the data to ensure integrity. Conditions are measured and reported every two years on even numbered years. Our Pavement Condition Report provides detailed pavement condition data and statistical summaries across various parts of the highway system and is available online at: http://www.oregon.gov/ODOT/HWY/CONSTRUCTION/pages/pms_reports.aspx
KPM #7 – Bridge Condition: Percent of state highway bridges that are not “distressed”

The current ODOT bridge preservation strategy was developed when the Bridge Program began repaying OTIA III bonds in response to reduced funding, but also in recognition of the significant number of bridges reaching the end of their service life over the next several decades. ODOT developed a unique measure only used in Oregon to reflect our aging bridge population and the specific types of bridges constructed here over time. Bridges “not distressed” means the bridges have not been identified by the Oregon Bridge Management System as having freight mobility, deterioration, safety or serviceability needs and have not been rated as Structurally Deficient based on the Federal Highway Administration criteria. The Bridge Program adopted seven strategies which include: protecting high-value coastal, historic, major river crossings and border structures; using practical design and funding only basic bridge rehabilitation projects and rare replacements; giving priority to maintaining the highest priority freight corridors; developing a bridge preventive maintenance program; continuing to raise awareness to the lack of seismic preparation; addressing significant structural problems on all bridges to protect public safety; and monitoring the health of selected bridges.

The target for “not distressed” bridges is established by assessing the impact of program funding targets approved by the Oregon Transportation Commission, deterioration rates of our aging structures and considering the historic performance of the Bridge Program in addressing needs in twelve categories.

The improvement in the percent “not distressed” measure since 2007 is largely due to the OTIA III State Bridge Delivery Program. While we have been able to meet and maintain the bridge performance measure for the last four years at the State Bridge Program funding level, we expect to see a decline in the near future.

Oregon has moved quickly in getting bridge repair and replacement projects under way on high priority freight corridors. As a result of planned work through 2018, fewer distressed bridges are expected through 2020. After a relatively flat period, bridge conditions are expected to decline gradually and then at an increasing rate.

Although Oregon bridges are considered safe (if load restrictions signs are obeyed), there are a large number of bridges whose service lives have been extended beyond a normal time period because of inadequate funding. Those bridges demand vigilance and dedication by inspectors and maintenance personnel to maintain safe conditions. However, there is a serious concern that those critical and near-critical conditions will grow at an increasing rate until a point in the near future that current staff will not be able to keep on top of these serious issues. At that point, unpredictable failures are possible that will result in delays, detours and unplanned high cost emergency repairs.
KPM #11 - Incident response: Percent of lane blocking crashes cleared within 90 minutes

A focused strategy to quickly clear traffic incidents reduces travel delay. It is an important component for improving operations and management of the state highway system. Traffic incidents account for approximately 25 percent of the congestion on the highway system, according to research from the Federal Highway Administration.

Our target for this measure is to clear 100 percent of lane blocking crashes in 90 minutes or less, as established in the Oregon Department of Transportation/Oregon State Police Mutual Assistance Agreement. Roadway clearance is defined as the time we are first aware of a lane blocking crash to the time all lanes are re-opened to traffic. Based on a legislative change in 2013, ODOT’s target for this measure was increased from 80 to 100 percent of lane-blocking crashes cleared within 90 minutes or less. The target has since been adjusted to 85 percent, recognizing that it may not even be possible to reach crash locations in some parts of the state within 90 minutes.

In 2016, we cleared 78 percent of lane blocking crashes in under 90 minutes. Our neighboring states of California and Washington have incident response clearance goals; however, the performance measure definitions vary significantly between the states making direct comparison difficult. California’s target is to clear 50 percent of major incidents in less than 90 minutes. Major incidents are defined as those to which both the California Highway Patrol and Caltrans respond. Their actual performance, for the quarter ending September 30, 2015, is 33 percent with an average clearance time of 3 hours 19 minutes.

Actions to clear travel lanes after a crash can range from simple to complex. More complex incident clearance activities often involve multiple public and private responders. The complexity of the response effort impacts the results of this measure. While the initial on-scene focus must be on responder and public safety, collaborating with other responders on a secondary focus to reestablish traffic flow can result in opening the lanes more quickly. Spurred by our commitment laid out in the ODOT/OSP Mutual Assistance Agreement, “…OSP and ODOT will also co-sponsor training outreach sessions…to build relationships…” ODOT and OSP collaboratively brought FHWA’s SHRP 2 product, Traffic Incident Management (TIM) Responder training to Oregon in November of 2013. Following the Train the Trainer (TTT) format, Oregon has held a successful TTT event every year bringing our total trainers up to 105. These trainers represent every discipline involved in TIM. Since the program’s arrival in Oregon, our trainers and TIM champions have facilitated the delivery of TIM responder training to more than 4,000 of Oregon’s responders. Each class provides an opportunity for a cross-disciplined, inter-agency group of responders to explore strategies that will enhance the safety and efficiency of their local TIM efforts. Collectively we are shaping the next generation of TIM in Oregon, “Many Disciplines, One Mission – Safe, Quick Clearance”.

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KPM #12 - Bike lanes and sidewalks: Percent of urban state highway miles with bike lanes and pedestrian facilities in “fair” or better condition

With our local partners, ODOT is working to create safe, walkable and bikeable communities in Oregon. To further that goal, Oregon law requires walkways and bikeways be provided when roads are constructed or rebuilt, and mandates that at least one percent of the state highway fund be used for walking and biking facilities.

This target addresses the percentage of total highway roadside miles in urban areas that have complete walkways and bikeways. Urban areas are defined as those areas with populations over 5,000 where the population density meets federal definitions in the area bordering the highway. Small incorporated cities with populations under 5,000 are also included. Walkways must be present, five feet or more in width, and in fair or better physical condition. Bikeways are defined as a marked and striped bike lane five or more feet in width, a paved shoulder five feet or more in width, a travel lane shared by people biking and people driving where the posted speed is 25 MPH or less, or a multi-use path within the highway right-of-way. As walkways are not needed in undeveloped urban fringe areas, ODOT has set the target of providing walkways on 65 percent of highway roadside mileage in urban areas. The Oregon Transportation Plan seeks to meet this target by 2030.

Between 2015 and 2016, ODOT built 40 new miles of walkways and bikeways on our urban highways. However, our progress in meeting this target isn’t just determined by how many miles we build each year. The percent of urban highways with complete walkways and bikeways has trended down in recent years. Why is this happening? Recent adjustments to the federally defined urban areas brought many new roadway miles into Oregon’s expanding urban areas. As former rural roads, these highways are unlikely to have walkways and bikeways. We also see occasional declines due to jurisdictional transfers, where a local government assumes ownership of a state highway. When such transfers take place, they are typically preceded by significant improvements to the highway, including adding walkways and bikeways, because it is less burdensome for a local government to take responsibility for a road if it is already complete and in good repair.

ODOT is making strategic investments in walking and biking improvements where Oregon communities have identified the greatest need. We collaborate with local governments to fund programs and improvements that support biking and walking, and provide them with technical assistance, so that they can ensure local systems are bikeable and walkable as well. As a result, the number of people who walk and bike in Oregon continues to increase. On an average weekday, Oregonians make 8 percent of their trips on foot and 2 percent by bicycle.
KPM #13 - Fish passage at state culverts: Number of high priority ODOT culverts remaining to be retrofitted or replaced to improve fish passage

We are committed to backing The Oregon Plan for Salmon and Watersheds, which includes supporting the recovery of threatened and endangered fish as well as native migratory fish by removing fish passage barriers on the state highway system. The program uses limited transportation funds to retrofit and replace culverts in the most cost effective way. ODOT partners with government agencies, watershed councils and other stakeholders to improve fish passage.

We have used different program targets to evaluate performance for this KPM. From 2005 to 2014, we reported the remaining balance of high priority culverts (e.g. actuals). The actuals represented the total number of statewide high priority culverts owned and managed by ODOT that still need to be replaced or retrofitted.

Starting in 2015, we report on improved or restored access to stream miles of fish habitat. Stream miles of habitat provide a more useful measurement of the benefit and contribution of the program to the recovery of listed salmon and native migratory fish. We are still developing information on the total amount of habitat blocked by barriers on the state highway system. Our current information on miles of habitat blocked above the state highway system is based on dated and incomplete barrier information. According to this data, in 2005, there were 1,403 identified barriers on the state highway system blocking access to 1,712 miles of native migratory fish habitat. We believe the actual number is significantly higher.

During fiscal year 2016, ODOT constructed one high priority fish passage project that restored access to 2 miles of habitat. In addition, ODOT replaced two other culverts that restored access to an additional 5.6 miles of habitat. From 1997-2015, this program repaired or replaced a total of 145 culverts and opened or improved access to 476.5 miles of stream habitat.

Program funds were divided between fish passage and storm water projects, under an agreement with the Northwest Environmental Defense Council. Because of this, the rate of retrofitting or replacing culverts slowed. However, these funds did address water quality improvements that will benefit salmon. Unlike other states, our program is discretionary and independent of other Statewide Transportation Improvement Program (STIP) and maintenance projects. Our projected fish passage target is to complete the number of projects program funds will allow, currently two to three projects each year. Current fish passage design criteria generally require larger, more expensive structures to replace existing infrastructure. Our Fish Passage Program has the ability to target high value streams that bring the greatest benefit to native migratory fish. This is unique among western states.

Oregon Department of Fish and Wildlife manages the statewide fish passage culvert inventory list at highway-stream crossings. This list is updated based on projects completed, changes in habitat condition, and new culvert survey data.
KPM #14 - Jobs from construction spending: Number of jobs sustained as a result of annual construction expenditures

Improve Oregon’s livability and economic prosperity by stimulating the economy in the near-term and supporting long-term economic growth through investment in highway and bridge infrastructure. This measure estimates the number of jobs sustained in the short-term (during construction) by annual construction project expenditures. Job impacts in the short-term are: Direct - preliminary engineering, right-of-way and construction activity; Indirect - purchases of supplies, materials, and services; and Induced - the spending by workers and small business owners. Direct, indirect, and induced jobs are summed to calculate the total short-term job estimation.

Beginning with the 2006 report and for state fiscal year 2007 and beyond, the goals are short-term job estimates based on projects currently in the State Transportation Improvement Program. “Actual” figures are the result of the programmatic spending that occurred during the state fiscal year. Labor multipliers, representing the number of jobs created per million spent, change with inflation and each biannual model update to reflect the current economic patterns of trading goods and services. The 2016 fiscal year jobs impact factor was 9.15 jobs per $1M. The current model update calculated the fiscal year 2017 jobs impact factor at 9.12 jobs per $1M. The forecasted targets reflect legislatively approved planned construction spending and change as the job multiplier changes with each model update.

The total number of actual FTE jobs supported by agency project spending in fiscal year 2016 was approximately 8,921.

The two largest factors affecting the number of jobs from construction spending are the number and size of construction projects funded and the rate of inflation; jobs created, are largely out of the control of ODOT. Additionally, difficulty in accurately predicting future federal funding of projects makes goal setting for this measure difficult. Internal job projections are revised more frequently than the biannual key performance measure target setting legislative cycle.

The measure always presents estimated and projected jobs impacts. The measure identifies jobs sustained by state level contractor payments occurring within specific Oregon fiscal years. This differs from total budgets for current projects under contract. ODOT uses IMPLAN, a widely recognized regional economic impact modeling tool to estimate a jobs impact factor. The results are expressed in combined full-time and part-time jobs supported. We convert full-time and part-time jobs to estimated full-time equivalents through analysis of covered employment data on hours of work statewide by employment sector provided by the Oregon Employment Department. ODOT Highway Budget Office and Highway Division provide actual (and for targets - projected) construction-related spending data. The current jobs impact factor is about 9.15 jobs per $1 million of construction-related spending. Annual construction-related spending (actual or projected) is multiplied by the jobs impact factor to project the total number of short-term jobs sustained. Adjustments are made for inflation in projected jobs numbers.
KPM #15 - Construction Project Completion: Percent of projects with the construction phase completed within 90 days of original contract completion date

We strive to ensure development of viable and efficient construction schedules which minimize freight and traveler impacts and then aggressively manage adherence to the final construction schedule. Project construction schedules are created during development of the project prior to bidding. This information becomes the basis for the project special provisions which contractually define completion, either by specific ending dates, or allowable construction days. All contracts require the contractor to develop project construction schedules. Contracts have financial consequences, via liquidated damages, for failure to complete on time. Some contracts have financial incentives for the contractor to finish early. These are contracts where there is a significant quantifiable benefit to the public to minimize road closure time.

A goal of 80 percent on-time was set for this measure. The long term average for this measure is about 72 percent on time with a wide range of routine variation. An in-depth look at this measure and the causes of variation are being investigated to improve performance.

Based on a recent ODOT management assessment (McKinsey & Co. 2017), the variability in on-time performance was noted especially for smaller to medium sized projects. It was also noted that ODOT lags in on-time performance to other peer DOTs, which include Utah, Nevada, and Washington. Comparisons between Oregon’s on-time delivery to other state's performance are being investigated. Complicating comparisons, however, are differences in contracting methods, contracting statutes, the types of projects compared, and differences in measurement methodologies and definitions.

Data entry and processing times can delay reporting by a month in some cases. In other instances, the construction completion notice may be rescinded if a problem is found or if additional work is needed. Justified reasons for moving the contract completion date also affect the results. Justified reasons include: added work from local agencies, unanticipated site conditions, efficiencies in project delivery by combining work being done by the same contractor on adjacent projects, weather delays that can push a project into the next construction season, and delays in obtaining additional right-of-way.

When projects are awarded to a contractor, the construction contract specifies a date for construction to be completed (there may be multiple completion dates). This measure reports on time delivery by examining the projects which reached 2nd note (projects are substantially complete) in a given year, and calculating percent of projects reaching 2nd note no greater than 90 days after the last contract specified completion date. We are currently looking into either modifying the measure to consider the date when the project is open for public use or finding a proxy measure for this public-oriented milestone.
KPM #16 - Construction projects on budget: Percent of construction authorization spent

Our goal for any given fiscal year is to ensure total construction costs are just under the total original construction authorization. We can achieve this through more accurate cost estimation early in project development and cost management throughout the life of the project.

Our goal is to spend 99 percent or less of the amount authorized to stay within budget. For 2016, we are on target at 98 percent. Since 2006, total project construction expenses have averaged approximately 99.4 percent of the total original authorization amount. (That average excludes an outlier project, Highway 20 – Pioneer Mountain/Eddyville – in 2013.)

Routine variation can be expected to range from 106 to 93 percent. These results demonstrate that ODOT can balance the books on project construction costs on a fiscal year basis.

A recent ODOT management assessment (McKinsey & Company 2017), however, noted that on-budget variability is greater for projects under $10 million (authorization amount) than for larger projects. We are investigating this claim and the reports suggested causes of variability. The McKinsey report also noted three to four comparable peer DOTs that we should consider for on-budget performance comparisons.

For operational improvement considerations a fundamental aspect of on-budget performance that complicates interpretation are the components of the final construction costs relative to the original authorization amount.

These cost components include actual quantities measured, contract change orders, extra work orders, force accounts, pay factors, escalation/de-escalation, and anticipated items. Some of these components can result in positive or negative cost adjustments.

These components are examined and estimated when project budgets are established, but uncertainties are inherent in complex construction projects. For example, market trends such as higher than expected inflation and rises in steel, oil, and asphalt prices contribute to cost increases. Unanticipated geological features, archeological finds, or environmental impacts may also contribute to cost increases. Cost increases due to expanding a project due to cost savings can meet agency goals and regional needs despite being over budget.

For projects which final payment has been issued in the given year, the aggregate amount spent is divided by the aggregate original contract authorization. The reporting cycle is the Oregon state fiscal year. Projects included in this measure only include the major work types of BRIDGE, PRESERVATION, MODERNIZATION, SAFETY, and OPERATIONS. Locally administered projects and projects let through Central Services Division are not included.
BUDGET HIGHLIGHTS

Highway Division Expenditures

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<td>STIP:</td>
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<td>Preservation</td>
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| Positions                | 2631              | 2535              | 2564                            |
| Full-Time Equivalent (FTE)| 2561.29          | 2463.54           | 2487.44                         |
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.

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 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.
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 license and inspect vehicle dealers and related businesses, investigate unlicensed vehicle dealer activity, and support the Oregon Dealer Advisory Committee. Program Services also provides support for DMV efforts to prevent, detect, and investigate fraudulent activity.

Field Services
This group operates DMV’s 60 field offices statewide in which approximately 12,000 customers are served each day. Field 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.
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
- 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 completes 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 imaging. DMV produces 840,000 titles and issues almost 1.8 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 are temporarily out of the state; and issue hardship permits to eligible 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. Three call centers provide telephone assistance for about 1.5 million customers per year. The call centers answer all calls directed to DMV field offices as well as general information calls directed to DMV headquarters. Employees answer questions, schedule drive tests statewide, and help callers conduct business with DMV. Two call centers employ 50-60 inmates at the Oregon Coffee Creek Correctional Facility and the Oregon State Correctional Institution. The third 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 141,000 records each day on the DMV database, and businesses and individuals make over 2.9 million DMV record requests each year. This group manages the DMV contract with Oregon State Police for access to DMV records through LEDS and the 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.

**Office of Transformation**

The Office of Transformation is a new working group within DMV that will manage the projects associated with Service Transformation Program (STP). The STP will modernize DMV’s technology and business tools over 9-10 years at a projected total cost of $90 million. Specifically, the office will oversee project and change management, ensure alignment with the organization’s strategy, manage governance and procurement processes, and recommend opportunities to optimize cost/benefits and mitigate risks. DMV will work closely with the Department of Administrative Services Enterprise Technology and Chief Financial Office staff, legislative staff and other external stakeholders. This office will be responsible for managing and reporting on the progress of the program.

**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 Oregon driver licenses and identification card is rigorous, and standards for proving identity and legal presence status are stringent. Electronic systems are queried for authenticity of immigration documents and SSN, while facial recognition technology ensures new photos match prior customer issuances and checks the entire DMV photo database for fraudulent identities.

However, Oregon’s issuance procedures do not meet all requirements of the federal Real ID Act, and state law only recently changed to allow spending state funds to comply. Oregon’s enforcement deferral by Homeland Security expires in October 2018 and may be extended. Only cards specifically designated as Real ID compliant will be accepted for identity purposes by federal agencies as of October 2020. The biggest
obstacle to achieving compliance is for DMV to collect and retain digital images of identity source documents presented for driver license and ID card issuance in Oregon. Oregon will be issuing compliant cards by July 1, 2020.

Identity Theft/Fraud
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. A new DMV driver licensing system and card design slated for 2017 will include enhanced security provisions to resist tampering and deter counterfeiting.

Service Delivery
DMV serves its customers and business partners via several different delivery channels: field offices, mail, online, interactive voice response, email, direct terminal access, and third-party businesses. The challenge is to determine which channels are best for which DMV services and customer groups, and then attempt to optimize that mix of service delivery channels. The division believes Oregonians want more online and self-service options, and those are envisioned with the Service Transformation Program (STP).

Economy
The Oregon economy has recovered from the Great Recession of 2008, and increases in vehicle sales and in-migration have resulted in more vehicle titles and DL/ID card issuances for DMV. Workload volumes continue to rise in most areas of DMV business along with economic growth in the state.

Efficiency and Productivity
DMV will continue to seek opportunities to streamline processes and increase productivity. This is especially important as a counter-balance to new state and federal program requirements that may increase the time required to serve the public and process transactions. Additional efficiencies and productivity are anticipated through new technology and business processes, but new systems and employee re-training could result in lower productivity initially. Purchasing a commercial off-the-shelf (COTS) solution reduces risks associated with system development, but requires adaptation of existing business practices to systems built for other jurisdictions. Transitioning from the old way of doing things to a new approach can impact overall productivity until processes are improved and streamlined with experience.

Unconventional Vehicles
Oregon and national transportation initiatives encourage the use of alternative technologies like plug-in hybrid and all-electric vehicles. Vehicle manufacturers in
Oregon and elsewhere will continue introducing creative solutions for these new emerging vehicle types. Issues and concerns include:

- Should these vehicles be required to meet federal safety standards to operate on Oregon’s roads?
- Are manufacturers conducting sufficient safety tests?
- How should these vehicles be titled and registered?
- How will we test and license persons who operate these vehicles?

**HB 2017**

Parts of this bill impact DMV with increase registration fees, title fees, trip permit fees and assess a privilege or use tax on new vehicles. The bill also reorganizes the registration and title statues. There are fee increases in 2018, 2020, 2022 and 2024.

DMV will program the existing computer system by October 27, 2017 to accept the new registration, title and trip permit fees on January 1, 2018. There are 5 limited duration positions added to help with increase processing due to changes.

The bill includes a privilege tax of 0.5 percent on all vehicles sold by an Oregon vehicle dealer. It also imposes a use tax of 0.5 percent on new vehicles sold by an out-of-state dealer and titled in Oregon. These taxes do not apply to private vehicle sales that do not involve a dealer. These taxes become effective on January 1, 2018. Department of Revenue (DOR) is responsible for the collection of the privilege and use tax. DMV will assist DOR in the collection of the use tax on transactions sold by out-of-state dealers by requiring proof of use tax compliance at the time the title transaction is submitted to DMV. DMV will have no involvement in the collection of the privilege tax from Oregon dealers.

**LEGISLATIVE HIGHLIGHTS – Summary of DMV Legislation**

**Service Transformation Program (STP)**

The Service Transformation Program (STP) is a multi-year program to improve DMV business processes, enhance service capabilities, replace computer systems, and enable DMV to become more flexible and timely in meeting customer expectations and legislative mandates. Customers today are able to handle their shopping, banking and even file their taxes online. The outdated and paper-heavy processes at DMV do not match that reality. DMV’s antiquated systems make it difficult for business partners like law enforcement, courts, and financial institutions to make their own business improvements. STP is focused on enhancing service delivery and establishing a technology platform that is more adaptable to the changing needs of DMV customers, business partners and the legislature. Transforming the way DMV does business, and using the technology needed to make it possible, is how we will create the DMV of the future.
Over the 2015-17 biennium, STP focused on establishing governance and procurement activities that resulted in hiring an independent quality assurance vendor, business process improvement expertise, a primary information systems (IS) solution vendor, and organization change leadership/management consultant and trainers. In the 2017-19 biennium, the Vehicles component of the commercial off-the-shelf (COTS) system will launch. Work will continue to prepare employees to adopt business changes, and train them on how to use the new system. DMV will identify opportunities to improve business processes and increase efficiency. Work is scheduled to begin on the Drivers component of the COTS system by the end of the biennium. Preparation work done by DMV has created a smooth transition for the vendor work on the program. Program oversight, quality assurance and organizational change leadership activities will continue to work in conjunction with projects.
Key Performance Measures:

KPM #18 - DMV Customer Service: Field Office Wait Time: Percentage of DMV Field Office customers served within 20 minutes

We strive to continually increase efficiency and remain flexible to improve customer service. We make decisions to maximize timeliness, customer satisfaction and economic efficiency. On a daily basis, DMV reassigns staff statewide to maintain services; regularly adjusts services offered to meet customer demand and resource availability, and performs extensive cross-training to enhance our resourcing options.

We also continue to support online services and the use of third party testing. Providing customers with alternative service delivery channels reduces the number of visits to field offices and improves the experience for customers who must visit a field office to complete a transaction.

The Wait Time KPM measures the percentage of field office customers served within 20 minutes. As reported on monthly DMV satisfaction surveys, customer impressions of their wait time generally transition from positive to negative at around twenty minutes. The agency proposes a target of 70 percent of customers served within 20 minutes or less.

Data is extracted from Automated Wait Time Machines placed in the 37 largest DMV field offices and analyzed to calculate the percentage of customers served within 20 minutes.

Internal Measures

Telephone Wait Time

DMV strives to provide consistent phone wait times in order to better meet our customers' needs. The current target of an annual average of 45 seconds meets customer expectations and is maintained over the course of the year by balancing fluctuating seasonal and daily call volumes. Oregon's fiscal year 2017 average customer assistance phone wait time was 38 seconds across 1.6 million calls.

In the past, we successfully attained phone wait time targets by taking steps to ensure that staffing levels were in the right place at the right time. Increased call volumes combined with administrative restrictions and agency staff reductions contributed to the increase in phone wait
time in fiscal years 2012 and 2013. Fiscal year 2016 experiences increased volumes in a majority of DMV services due to immigration and improved economy. We will continue to closely monitor our customer wait times and take corrective action as needed to achieve the service delivery target.

**Title Wait Time**

Title application transactions are a major portion of DMV vehicle processing workload. This measure tracks time from when a title application is received at DMV headquarters to when the title is mailed to the customer. In fiscal year 2012, the target was decreased from 21 to 19 days. DMV met this target by initiating numerous changes to title processing that resulted in more efficient operations. Although efficiencies have been implemented, increased volumes due to an improved economy has resulted in an increase in title wait times in 2013 and 2014. In fiscal year 2015, the target returned to 21 days. With volumes continuing to grow, the next opportunity for improving wait times will be with the DMV Service Transformation Program through updated technology and business processes.

**Customer Satisfaction**

The Customer Satisfaction measure rates employee helpfulness, courtesy, knowledge, efficiency, and wait times. DMV conducts customer satisfaction surveys and sets targets for the percentage 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 65 percent for customers rating DMV field office wait time as good or excellent. Although these goals have previously exceeded the target, both have fallen short that last two years.
### BUDGET HIGHLIGHTS

**Driver and Motor Vehicle Services Expenditures**

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<td>Program Services</td>
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<td><strong>183,860,592</strong></td>
<td><strong>230,505,664</strong></td>
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<td><strong>Total</strong></td>
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**Positions**

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**Full-Time Equivalent (FTE)**

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<td></td>
<td>825.75</td>
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Motor Carrier Transportation Division
The Motor Carrier Transportation Division (MCTD) supports ODOT’s mission by promoting a safe, efficient, and responsible commercial transportation industry. MCTD regulates a diverse industry ranging from one-truck owner-operators to carriers with large fleets from throughout the United States and Canada that operate on Oregon public roads. The division maintains accounts for approximately 27,251 trucking companies, with 386,518 trucks registered to operate in Oregon. This includes 7,900 Oregon companies with 47,800 trucks. MCTD is comprised of four sections

Federal Safety Program and Greenlight Section
This section administers state and federal safety rules of vehicles, drivers, and cargo, including hazardous materials. It also trains and certifies law enforcement officers to perform safety inspections. MCTD safety inspectors completed 32,850 inspections in 2016. The program manages Oregon’s Motor Carrier Safety Action Plan (MCSAP) in Oregon and the state-wide Green Light preclearance system allowing legal trucks to bypass static scales.

Salem Motor Carrier Services Section
This section manages the carrier authority, tax and registration functions. The registration program issues registration credentials for commercially operated vehicles. MCTD registers vehicles over 26,000 pounds for both intrastate and interstate operations. It also monitors motor carrier accounts to ensure tax reports are filed and that intrastate motor carriers have appropriate insurance. This section is also responsible for the Size and Weight Program and issues permits for oversize and overweight truckloads operating on Oregon public roads. This section collaborates with all Oregon counties and provides oversize and overweight permits to carriers for the use of county roads. It also processes thousands of monthly and quarterly Oregon Highway Use Tax and International Fuel Tax Agreement tax returns, and International Registration Plan applications throughout the year. It issued more than 47,000 registration plates, more than 147,000 temporary passes, answered over 321,000 telephone calls, and collected approximately $308 million in taxes and $48 million in Oregon registration fees in 2016. This program also manages Trucking Online, the Division’s web-based service delivery mechanism.

Field Motor Carrier Enforcement Section
Field Services protects Oregon roads and bridges by enforcing Oregon size and weight regulations. Motor Carrier Enforcement Officers operate 86 fixed weigh stations and dozens of portable scale sites throughout the state. They also conduct truck and driver inspections as part of the Division’s effort to safeguard the safety of the travelling public in Oregon. In 2016, officers weighed 2,239,247 trucks on static scales, and issued 41,173 citations and warnings for violations of motor carrier driver and vehicle regulations. This section is also responsible for enforcing tax and registration requirements to discourage tax evasion.
Motor Carrier Audit and Compliance Section
The Audit program verifies the accuracy of Oregon Highway Use Tax reports filed by motor carriers operating in Oregon. Thousands of motor carrier accounts are screened and hundreds audited annually to verify the accuracy of this self-reported tax which, in 2016, resulted in identification of $5.5 million in unreported tax assessments. Motor Carrier auditors also conduct audits of Oregon-based motor carriers for apportioned registration fees and fuel taxes as part of the requirements of belonging to the International Registration Plan (IRP) and International Fuel Tax Agreement (IFTA). In order to participate in these international programs, we must consistently audit three percent of the program participants’ accounts.

Economic Regulation and Complaint Resolution Program
The Economic and Complaint Resolution program administers Household Goods entry and rate regulation as part of its mission to ensure Oregon has good, stable service at fair prices. It also initiates civil monetary complaint actions against those who violate motor carrier regulations. Staff completed 464 civil complaint enforcement actions in 2016.

ISSUES AND TRENDS
Motor Carrier Transportation Division (MCTD) services are driven by the demands of a trucking industry that is 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** – In keeping with its efforts to find opportunities in making motor regulations simpler, speedier, and less expensive without decreasing protections for the public and the environment, MCTD participated in a pilot project with EROAD, a private corporation contracted with certain motor carriers to electronically gather required data and report and pay Oregon Highway Use Tax and Road Use Assessment Fees. In 2016, MCTD introduced more online features via Trucking Online for motor carriers to interact with MCTD without appearing in person, over the phone or through the mail including over-dimensional permits for triples trailers. MCTD worked with the motor carrier industry to reduce the number of temporary credentials issued for Oregon operations, transitioning these operations to annual Oregon Weight Receipt and Tax Identifier credentials.

- **Freight Mobility** – MCTD reviews the Mobility Consideration Checklists that are part of all highway projects that impact freight mobility in the state. Pursuant to ORS 366.215, MCTD vets highway projects that have the potential to permanently reduce the vehicle-carrying capacity of highways and documents all discussions and decisions on Oregon GovSpace allowing the process to be transparent to the public.
- **Innovation and Technology Streamlining** – MCTD uses innovative program designs and technologies to improve delivery of services. License Plate Readers located at strategic areas around the state are being installed to gather data for MCTD auditors and to allow strategic sorting of vehicles for targeted safety inspections. MCTD enforcement staff now accepts registration and tax credentials in electronic form in addition to paper credentials carried in the truck. Enforcement managers also use ODOT's Automated Traffic Record System to target heavily trafficked locations to schedule staff. MCTD continues to improve and expand its online service, Trucking Online, to provide 24-hour service to the motor carrier industry and is researching new Optical Character Recognition technology to safely and securely process paper check payments received.

- **Data Security** – MCTD continues to comply with Payment Card Industry Data Security Standards and security of sensitive information collected. MCTD is researching the use of Interactive Voice Recognition (IVR) technology to increase the security of telephone credit card transactions.

- **Industry Engagement** – MCTD continues to meet monthly with the motor carrier industry and other stakeholders as part of the Motor Carrier Transportation Advisory Committee (MCTAC). This committee was formed in 1995 when legislators transferred motor carrier regulation from the Public Utility Commission to ODOT. MCTD has developed relationships with popular tourist destinations to allow staff to conduct safety inspections of charter buses while parked at those locations.
KEY PERFORMANCE MEASURES:

KPM #3 - Large truck at-fault crashes: Number of large truck-at-fault crashes per million vehicle miles traveled

Because few crashes are attributed to mechanical problems, checking the behavior and fitness of truck drivers is the most effective way to reduce crashes. The crashes are usually linked to speeding, tailgating, changing lanes unsafely, failure to yield right of way and driver fatigue.

Our Motor Carrier Transportation Division staff conducts inspections at weigh stations and performs safety compliance reviews at trucking company terminals. Other law enforcement personnel conduct roadside inspections. They join MCTD staff in speed enforcement operations and logbook checks along major freight routes where most truck-at-fault crashes occur.

The truck at fault crash rate in Oregon increased in 2016 moving up from 0.39 to 0.41 crashes per million miles travelled by trucks. Oregon’s truck-at-fault crashes are below the national average. The truck-at-fault crash rate target is set to a fixed baseline and adjusted when the program has met or exceeded it for a number of years.

The rate of crashes is affected by the volume of all vehicle miles traveled, not just commercial vehicle miles. It’s affected by traffic congestion, the level of road and bridge construction and maintenance work, inclement weather, and the presence of law enforcement officers.

In response to an increase in truck crashes in recent years, we produced a Safety Action Plan to raise awareness about truck safety. We continue to conduct frequent multi-day inspection exercises focusing on truck driver inspections and partner with police in exercises to stop unsafe car and truck drivers. Crash data for this measure is based on the federal definition of a recordable incident – those which involve a fatality, injury or disabling damage.

Trucks Weighed and Weight-Mile Tax Recovered – There is a statistical correlation between the numbers of trucks that are weighed and the amount of weight-mile taxes recovered by auditors. Weigh station records are critical to weight-mile tax auditors who rely on three years of records to help recover unpaid taxes. MCTD auditors have a performance target to recover an average of $614,508 per month and have exceeded that target seven times in the past 25 months. MCTD is piloting the use of License Plate Reader (LPR) technology to provide additional data to auditors in areas where weigh stations are not located.

Trucks Weighed, Weight Citations and Warnings Issued – There is a correlation between the number of weighings by the Green Light weigh station preclearance system and the number of weight citations and warnings issued. As Green Light enables legal truck traffic to stay on the road, the trucks that use weigh stations are more likely to be overweight. Enforcement officers have a performance target to issue 1,313 weight-related citations and warnings each month.
## BUDGET HIGHLIGHTS

### Motor Carrier Transportation Division Expenditures

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<tr>
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<td><strong>Total</strong></td>
<td>60,595,018</td>
<td>59,511,907</td>
<td>63,438,745</td>
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| Expenditures by Major Revenue Source:         |                   |                   |                                |
| State (Highway Fund)                          | 55,903,667        | 59,511,807        | 63,438,745                     |
| Federal Funds (MCSAP)                         | 4,691,351         | 0                 | 0                              |
| General Fund                                  |                   |                   |                                |
| **Total**                                     | 60,595,018        | 59,511,907        | 63,438,745                     |

| Expenditures by Category:                     |                   |                   |                                |
| Personal Services                             | 45,411,114        | 46,295,217        | 48,010,341                     |
| Services & Supplies                           | 14,516,777        | 12,259,546        | 15,028,688                     |
| Capital Outlay                                | 667,127           | 808,833           | 399,716                        |
| Other Expenditures                            | 0                 | 148,311           | 0                              |
| **Total**                                     | 60,595,018        | 59,511,907        | 63,438,745                     |

| Positions                                     | 283               | 283               | 282                            |
| Full-Time Equivalent (FTE)                    | 283.00            | 283.00            | 282.00                         |
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 statewide education, enforcement, emergency medical services, engineering, and employee safety.

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, 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 Harney County Coordinator, the Lane County Safe Community Project, Motorcycle Training, and Driver Education.

During the past two years, the number of lives lost on Oregon’s transportation system has increased, reversing over a decade of declines. The number of traffic fatalities had dropped to the lowest number since the five-year period 1949–1953. The current focus is to further reduce that number. 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.
Employee Safety
This program provides agency leadership to maintain employee safety, occupational health and wellness. These services promote a productive and healthy workforce and reduce long-term expenditures for illnesses and injuries, property loss and tort litigation.

- Designs and implements strategies, programs, standards and training to prevent injuries, mitigate property and liability loss risks
- Evaluates program effectiveness
- Develops and assists management to minimize adverse effects of losses
- Provides reports on the status of its safety, health and risk management efforts

ISSUES AND TRENDS

Impaired Driving
More than 35 percent of Oregon’s traffic fatalities can be attributed to impaired drivers over the last five years. 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 to front-seat passenger car occupants by 45 percent and the risk of moderate to critical injury by 50 percent. For light truck occupants, safety belts reduce the risk of death by 60 percent and moderate to critical injury by 65 percent. There were 63 individuals who died on average per year from 2011-2015 who were not wearing their safety belts. Approximately half of these people would have survived the crash each year if they had worn seat belts.

Driving Too Fast for Conditions
Almost 37 percent of Oregon’s traffic fatalities from 2011-2015 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.
KEY PERFORMANCE MEASURES:

KPM #1 - Traffic Fatalities: Traffic fatalities per 100 million vehicle miles traveled

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 Transportation Safety Performance Plan and the ODOT Transportation Safety Action Plan outline safety activities directed at safe driving, DUII, 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 the DMV medically at-risk program.

Oregon’s goal is zero fatalities, but realistic targets are set based on the desire to reduce fatality rates gradually over time to achieve the longer-term goal of zero.

Oregon’s 2015 rate was 1.24 fatalities per 100 million vehicle miles traveled.

The rate of 1.24 for 2015 is above the target at 0.90 per 100 million VMT. There was a dramatic increase in the number of fatalities, in line with the rest of the nation, in Oregon starting in October 2014 which increased the rate per 100 million VMT. When comparing Oregon traffic fatality data with national data provided by the National Highway Traffic Safety Administration, Oregon’s rate in 2015 was higher than the U.S. national fatality rate of 1.13. ODOT set an aggressive long-term goal of reducing the traffic fatality rate to 0.90 per 100 million VMT by 2015. The targets are increasingly more challenging to meet, however the goal is important and should not change, as ‘zero is the goal for you and your family, every trip, every time. Until recently, Oregon’s fatality rates have been consistently below the national average since 1999.

Several factors affected the traffic fatality rate in 2015. Among those factors were continuing increases in crashes involving alcohol, the number of available traffic law enforcement officers, and the response times of emergency medical services. Another factor is that it is harder to make changes when the fatality rate is so low. Fatal crashes involving alcohol, speed, or not wearing a safety belt are the most common causes of a fatality on Oregon Roadways. Over the last 15 years, Oregon has experienced the lowest fatality count since the late 1940s. Oregon and its safety partners must continue efforts to reduce fatalities by reviewing the causes of fatalities, targeting safety activities accordingly, and allocating safety resources to the programs most effective at reducing fatal crashes.

Traffic fatality rates are reported on a calendar year basis. The data that ODOT uses to measure traffic fatality rates has several strengths. It is coded to national standards, which allows for state to state comparisons, and it is a comprehensive data set that includes medical information. Some weaknesses of the data are that it is sometimes difficult to get blood alcohol content reports and death certificates for coding purposes, and priority is placed on coding the data and not on creating localized reports for state, city, and county agencies and organizations.
KPM #2 - Serious Traffic Injuries: Serious Traffic injuries per 100 million vehicle miles traveled

Reducing the number of traffic crashes is the primary strategy to reduce serious traffic injuries, but when a crash does happen, reducing the injury severity becomes the secondary strategy. This is influenced in three primary ways: first, with safe use of safety equipment for infrastructure work and implementing design practices that mitigate structural safety risks on Oregon’s transportation system. Second, deploying safety information and education programs, and implementing the DMV driver improvement program in order to reduce crashes caused by driver behavior (poor choices). The final way is through timely emergency medical services at the scene and transport to trauma centers.

ODOT wants to eliminate serious injuries due to roadway crashes. Although trends for serious injuries and fatal crashes fluctuate up and down year to year, realistic targets are set with future reductions in mind. ODOT reset the targets for traffic injury rates in 2016 due to an increase in reported injuries in 2014 and 2015. The increased use of electronic crash reporting by law enforcement has increased the data submitted to the state’s crash file and in a timelier manner. More than 8,000 e-crash reports are now filed by law enforcement each year.

The Oregon rate in 2015 was just under 5 serious injuries per 100 million vehicle miles traveled. Traffic injury rates are reported on a calendar year basis just like fatalities. However, unlike fatality data that allows state to state comparisons, injury data is not yet comparable. This is because the definitions of injury are not consistent across the country; any comparisons made to California, Washington or Idaho, for example, are not valid. However, some state-to-state data comparisons can be made against the national data which is useful for understanding state trends versus national trends.

Several factors affected the serious injury rate in 2015. Significant positive factors affecting serious injury rates were high rates for the use of safety belts, child safety seats and booster seats. Drivers age 15 to 20 continued to be overrepresented in serious injury crashes; however, representing approximately 14 percent of all serious injury crashes, but only 6.9% of licensed drivers in Oregon.

The Crash Analysis and Reporting Unit (CARS) collect data and publish statistics for reported motor vehicle traffic crashes. A system change in 2011 resulted in an increase of over 15 percent for injury and property damage data available in the crash data file. Legally reportable motor vehicle traffic crashes are those involving death, bodily injury, or damage to personal property in excess of $1,500, increasing to $2,500 January 1, 2018. Additional data comes from the Fatality Analysis Reporting System.
BUDGET HIGHLIGHTS

Transportation Safety Division Expenditures

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<tr>
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<tr>
<td>Statewide Operations</td>
<td>4,987,454</td>
<td>5,539,869</td>
<td>7,263,594</td>
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<td>Field Programs</td>
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<td>22,515,229</td>
<td>30,861,835</td>
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<td><strong>Total</strong></td>
<td><strong>25,580,509</strong></td>
<td><strong>28,055,098</strong></td>
<td><strong>38,125,429</strong></td>
</tr>
</tbody>
</table>

Expenditures by Major Revenue Source:

| State (Dedicated Funds)  | 11,406,030 | 13,698,657 | 18,771,428 |
| Federal Funds            | 14,174,479 | 14,356,441 | 19,354,001 |
| General Fund             | 0          | 0          |            |
| **Total**                | **25,580,509** | **28,055,098** | **38,125,429** |

Expenditures by Category:

| Personal Services        | 4,569,660 | 5,288,606 | 6,130,815 |
| Services and Supplies    | 3,649,267 | 3,681,312 | 4,500,583 |
| Capital Outlay           | 0         | 101,079   | 180,210   |
| Special Payments          | 17,361,582 | 18,984,101 | 27,313,821 |
| **Total**                | **25,580,509** | **28,055,098** | **38,125,429** |

Positions | 28 | 27 | 30
Full-Time Equivalent (FTE) | 28.00 | 27.00 | 30.00
PUBLIC TRANSIT SECTION

The Public Transit Section’s vision is to create a universally accessible public transportation system that will promote livable communities and increase the quality of life for all Oregonians by enhancing mobility, reducing congestion, stimulating the economy, and conserving critical resources. This supports ODOT’s mission to provide safe, efficient transportation systems that support economic opportunity and livable communities for Oregonians as well as the statewide focus on creating a thriving Oregon economy.

GOALS AND VISION

Four Year Goals
Public Transit will sustain and optimize Oregon’s network of public and special transportation services through strategic investment in connected services, bus replacements, state leverage of federal resources and improved information technology. Public Transit will strengthen the culture of safe public transportation and responsible asset management.

Twenty Year Vision
As an integral part of the greater state transportation system, public transportation resources provide users with seamless access, mobility, and connectivity. Citizens and visitors benefit economically through access to services, employment, and recreation which in turn promotes healthy thriving communities (Public Transportation Advisory Committee (PTAC) vision).

ORGANIZING PRINCIPLES

The purpose of the Public Transit Section is closely tied to that of the Rail Section. Each section’s purpose is to provide safe, efficient transportation systems that support economic opportunity and livable communities for Oregonians by working in conjunction with other transportation agencies/divisions and providers.

As an integral part of the greater state transportation system, public transportation resources provide users with seamless access, mobility, and connectivity. Citizens and visitors benefit economically through access to services, employment, and recreation which in turn promotes healthy thriving communities. Public Transit's goal is to provide the leadership to develop a public transportation system that is integrated as a strategic complement to transportation solutions for Oregon. The following four organizing principles ground us as we look to the future of integrated transportation solutions:
• **Access**
  Provide access to everyone who wants to use public transportation. This includes seniors, individuals with disabilities, commuters, students, and tourists. Access considers location, amenities, shelters, and lighting.

• **Availability**
  Make services available in the places where people live and where people want to go. Make services available at times that people need to use them, both leaving and returning.

• **Connectivity**
  Plan and create a system that connects. Consider how someone can use public transportation to easily get from their small town to a large city and how public transportation can be used to get from one part of a city to another. Make it convenient for people to use those connections.

• **Economic Development**
  Be aware of how public transportation can enhance economic development in a community. Make sure housing developments are connected to jobs and needed services. Consider land uses and route patterns including access to jobs, tourism, and retail centers. Strategically planned transit systems can address congestion, health, and air quality to maintain a livable attractive society.

**PUBLIC TRANSIT INVESTMENT PROGRAMS**

**Current Funding Priorities**
Public Transit has implemented a strategic approach to bring the best return on public transportation funding investment. ODOT recognizes that state and federal transportation resources are limited and we must use them very carefully.

1. Preserve the existing system where it is productive and providing appropriate service. (This includes the basics like travel education and marketing, preventive maintenance, operations, fleet replacement, and information technology).

2. Enhance the existing system where high priority service or connections can be achieved to improve transportation for underserved populations. (This includes adding marketing, information and travel choices beyond current program levels, filling gaps, and creating linkages to transportation hubs).

3. Innovate where the investment could bring current or future returns that significantly address sustainability, preservation, and enhancement goals. (This could include compressed natural gas and electric buses, IT applications, real time information, and intermodal partnerships).
Core Programs

Statewide Transportation Improvement Fund
With the passage of House Bill 2017, Keep Oregon Moving, the Oregon Legislature made a significant investment in transportation to help advance the things that Oregonians value—a vibrant economy, strong communities, high quality of life, a clean environment, and safe, healthy people. This historic investment in Oregon’s transportation system will produce benefits for decades to come.

A centerpiece of Keep Oregon Moving is the Statewide Transportation Improvement Fund (STIF). Effective July 1, 2018, HB 2017 establishes a 0.1 percent employee payroll tax and deposits the revenue into a newly-established STIF to be used primarily for formula-based and competitive grants to local public transit agencies. This new revenue source marks a significant change for Oregon and ODOT Public Transit by providing a dedicated source of funding to expand public transportation to access jobs, improve mobility, relieve congestion and reduce greenhouse gas emissions around Oregon. The new employee payroll tax means that a majority of Public Transit’s funding will be from Other Funds in the 2017-19 biennium and in the future. Net of collection costs, this tax is estimated to generate $105.7 million in the 2017-19 biennium. These revenues will be distributed 90 percent by formula allocation based on where revenues were collected (including a minimum allocation for smaller agencies), 5 percent by discretionary solicitation to be established by the Oregon Transportation Commission, 4 percent by a discretionary process specifically to benefit intercity transit connections with 1 percent reserved for planning and technical assistance, particularly for rural transit providers.

Special Transportation Grants
Funds for vehicles and services benefiting seniors and individuals with disabilities are available through the state-supported Special Transportation Fund (STF) and from Federal Transit Administration (FTA) funds. STF funds are allocated to transportation districts, counties, and nine federally recognized Tribal governments. STF funds consist of cigarette tax revenues, state identification card fees, and non-highway use state gas tax revenues.

The program has a legislatively adopted performance measure to increase senior and disabled rides to an average of 29 annual trips (recommended by a Portland State University study of needs in 2010). This is a challenge as Oregon’s
population is aging. Recent legislative support to stabilize state funding is helping to improve trips available with an average of 19 annual trips per senior or individual with disabilities in 2015.

**Formula Grants for Rural Areas**

This program provides financial assistance for general public transportation in rural areas and communities of fewer than 50,000 people. Funds may be used for operations, capital purchases, planning, technical assistance, and administration. Oregon receives an annual apportionment from FTA and allocates funds to general public transportation providers via a formula that considers a base grant with adjustments for performance criteria. These funds are considered to be a base source of continuing funds to assist rural areas. There are currently 35 program participants, including three Indian tribes. Funds are reserved for new “start-up” general public services for unserved or underserved areas.

**Transit Network Program**

The Transit Network program focuses on improving a network of local transit, regional transit, intercity transit, for-profit providers, and public transit services. Improving the performance and flow of this network increases the ability of all transportation systems to move goods and people more effectively.

While ODOT does not control the state transit network, it does have the ability to influence it through investments, policies, and communication. The program attempts to strengthen the transit network through investments in travel information, coordination, communication, passenger amenities, and connected transit services, including five Public Oregon Intercity Transit (POINT) routes throughout the state. The program is funded with FTA funds and other sources.

**Rural Intercity Bus Grants**

This FTA funded program promotes intercity passenger bus services. 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, improving coordination of intercity service, and connecting bus, rail and air. Staff provides technical assistance, identifies service gaps, works with committees to prioritize needs, and manages grant agreements to meet priority needs.

Public Transit continues to improve rural intercity passenger bus service through the POINT services. The NorthWest POINT provides two round trips a day between Portland and Astoria. Amenities include AC outlets, free Wi-Fi, and extended leg room for passengers. The SouthWest POINT provides daily round trip service between Klamath Falls and Brookings. Amenities include free Wi-Fi on buses and at the Klamath
Falls and Brookings passenger terminals. The HighDesert POINT provides two daily round trips between Redmond and Chemult. The HighDesert POINT connects with Amtrak passenger rail service in Chemult. Amenities include free Wi-Fi on buses. For additional Oregon POINT information see http://www.oregon-point.com/.

**Training and Technical Assistance Program**

The Training and Technical Assistance Program (TTAP) provides training and technical assistance to assist both rural and urban transit providers. It is provided through federal resources. Training activities include defensive driver, passenger assistance, grant management, preventive maintenance, civil rights education and an annual conference of over 250 transit providers. The program also funds limited scholarships to attend training provided by external sources.

**Transit Asset Management Program**

Funding recipients are responsible for purchasing equipment and services financed by grants. Public Transit is responsible for protecting the state and federal interest in all equipment and facilities purchased. Recent federal law requires new asset management and safety planning with goals and target performance measures to be set. Oregon will be continuing these activities in the 2017-2019 biennium.

**Bus and Bus Facilities Grants**

The Bus and Bus Facilities program assists eligible grantees with constructing bus-related facilities and replacing, rehabilitating, and purchasing buses and related equipment. Eligible grantees include public agencies and private nonprofit organizations engaged in public transportation, including those providing services open to a segment of the general public, as defined by age, disability, or income. Resources are primarily federal funds allocated from FTA and FHWA funds that may be used to support transit capital needs.

**Surface Transportation Program Grants**

ODOT allocates a portion of the U.S. Department of Transportation Surface Transportation Program (STP) funds to the Enhanced Mobility §5310 program in a discretionary grant process. These funds may be used as capital funding, for public transportation capital improvements, car and vanpool projects, parking facilities, bicycle and pedestrian facilities, and intercity or intracity bus terminals and bus facilities. A portion of these funds are used for the Mass Transit Vehicle Replacement Program which provides STP funds to urban transit agencies (populations greater than 200,000) for replacement of large buses.

**FTA Discretionary Grants to States**

FTA program funds are made available to states who apply for discretionary grants for small urban and rural transit capital improvements in various categories. Recent activities include State of Good Repair projects (a program for bus replacements and
related equipment repairs that keep fleets up to good standards), Bus Livability and TIGER projects (transit capital enhancements that improve community livability), Clean Fuels projects and Low or No-Emission Bus Program Projects (alternative fuels), and the Veteran's Livability Initiative (creating accessible veteran transportation). These initiatives are offered to states for competitive solicitation nationwide.

Public Transit Planning
The Transit Planning Program supports statewide transit planning and policy development. Staff develops and provides technical expertise in the development of 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.

FTA requires that Oregon have a State Management Plan, Coordinated Human Services Transportation plans, various Civil Rights plans, a forthcoming Rural Safety Plan, Performance Measures, and an Asset Management Plan. ODOT must also assure that local participants have these plans. All federally funded projects must be included in the Statewide Transportation Improvement Program (STIP).

Long term plan
In 2015 ODOT began work on the Oregon Public Transportation Plan to update the long term public transportation vision for Oregon. The new plan will update scientific advancements and engage a broad community of stakeholders to address a future of changing demographics, technologies, economies and cultural expectations. Strategic improvements in public transportation will help provide capacity for freight movement.

Coordinated Human Services Transportation Plans
Public Transportation-Human Services Coordination studies are currently being done in partnership with AOC in central Oregon. Several other areas are working with individual consultants to update their area plans. The studies will inform ODOT and local partners of strategies to fill gaps, opportunities to improve in addressing cultural, jurisdictional, geographic and regulatory barriers and opportunities. These plans are essential to improve the mobility options for seniors and people with disabilities.

Metropolitan Planning Grants
Public Transit administers FTA pass-through funds for Metropolitan Planning Organizations (MPO) in the Eugene, Portland, Salem, Bend, Corvallis, Albany, Grants Pass, Milton-Freewater and Medford areas. The funds are used for intermodal transportation planning. Staff participates in quarterly meetings with FHWA, FTA and other ODOT staff to review and provide guidance to MPOs as they develop their transportation development plans.
ISSUES

Public Transportation Investment Gap
New funding for general public transit established under HB 2017 will transform the way services are provided to Oregonians for years to come by providing a reliable source of state funding for transit specifically designated for service expansions and enhancements. This new dedicated funding source begins to address the long term issue of sustainable state funding for public transportation in Oregon. Although growth in long term demand for public transportation is still projected to outpace growth in the new Statewide Transportation Improvement Fund, current projections show that this funding (at the current rate of taxation) will allow expansion of public transportation services until at least 2028.

Transit Vehicle Condition
Public Transit’s goal is to support maintenance of vehicles, with a target that 80 percent of any given fleet meets age and mileage standards. In 2013 the fleet was at 60 percent of standards. The 2013 and 2015 legislative action brought resources for special transportation that will start to help fleet recovery in 2016. In 2015, 56.5 percent of the fleet was considered to be in a state of good repair by federal standards. Capital investments planned in the 2017-19 biennium aim to bring the fleet back to or exceed the 60 percent target a state of good repair. The Oregon Transportation Commission has scheduled an additional $5 million per year of federal funds in 2019 through 2021 to continue replacement of the 958 local vehicles purchased with state interest to help keep these vehicles in safe and reliable condition.

Sustaining Senior and Disabled Service
Oregon’s population is growing, and the fastest growing segment includes residents over the age of 65. Providing mobility that fosters independence for this group helps defer or avoid the higher costs associated with administering support services. Rural communities in particular are affected.

Transit agencies in Oregon provide about 20 million transit trips for seniors and people with disabilities. According to a 2008 study conducted by Portland State University, in order to keep pace with population growth alone, the cost for service in 2030 will be between $132 million and $246 million. These estimates do not include inflation or address unmet need. This study is currently being updated and will be reported in 2018.

In urban areas, the high cost of providing federally mandated dial-a-ride curb to curb service, commonly referred to as complimentary paratransit service, is challenging the ability of the largest urban transit systems to sustain services. Urban systems have reduced, or are contemplating reducing fixed route services to offset the high cost of complimentary paratransit service.
Sustaining General Public Transit Services
Since 2000, public transportation ridership in Oregon had grown steadily at about 6 percent per year, in both urban and rural areas. This is a success story in meeting public policy goals, but has created pressure on local provider budgets. Public transit providers are struggling to continue current route coverage as their own local operating budgets cannot keep up with growing demands. New funding established under HB 2017 will help to address the budget pressures agencies have been facing historically.

As demand for sustainable alternative transportation service increases, public transportation providers are facing the following issues in the 2017-19 biennium:

- Continued pressure to transition to equipment and practices that are more cost effective, energy efficient, and environmentally sound.
- Pressure to add more routes, amenities, and additional service on popular routes; to enhance services and modernize aging facilities; to add commuter bus and rail capacity; to modernize bus options, design, and travel information; to upgrade communications and security equipment; and to reduce bus headways.
- Pressure to upgrade stops with amenities for comfortable access, add signs and maps, and improve safety features.
- Pressure to provide more contemporary trip information for all trip making. Pressure for a universal “app” for rural and special needs access to trip information.
- Pressures for safer, more attractive transit, as a broader range of populations expect higher quality trip experiences with transit options.

CHALLENGES AND OPPORTUNITIES

- **Aging vehicle fleet** – The Oregon public transportation fleet was brought up to standards with 2009 ARRA funds, but is now needing replacements as vehicles exceed expected miles and age.
- **Aging population** – Oregon’s aging population has created a need for new mobility solutions in rural and urban communities.
- **Increasing public health concerns** – Health trends related to lack of physical activity continue to worsen. Increasing numbers of seniors need to maintain mobility to live independently. Increasing use of transportation options can help reverse this trend through active transportation. The health community is becoming a partner in these efforts.
- **Increasing pollution** – Increased active transportation and shared trips can help with pollution issues and support efforts to reach greenhouse gas reduction goals.
- **Safe transportation system** – Transportation Options / transit programs promote safety for all users of transportation (disabled, youth, seniors, kids walking to
The emphasis on last mile connections is a major driver for safety investment.

- **Personal technology** – Technology plays an expanding role in providing transportation options information, trip planning and coordination. Advancements in this area are creating new innovative ways to access travel.

- **Supporting a growing economy** – Economic growth relies on an efficient transportation system where freight haulers and commuters can depend on reliable travel times. Public transportation solutions help to attain the best use of our highway infrastructure.

- **Providing affordable transportation options** – Transportation is typically the second largest share of household costs and is particularly burdensome on low income households and young adults. Transportation Options can offer relatively low cost solutions to boost system efficiency.

**ACTIVITIES**

**Mode Use**
The 2015 ODOT Oregon Transportation Needs and Issues Survey showed that Oregonians of all ages use public transportation. The figure below shows the percent of respondents using services in the month prior to the survey.

![Graph showing transportation mode used by Oregonians in month prior to survey](image)

- **Local bus service**: 17%
- **Senior or Disabled service**: 5%
- **Vanpool or Rideshare**: 3%

*Those participating in the 2014 Oregon Transportation Needs & Issues Survey*

**Rides**
In 2016, Oregonians took 119 million rides in urban transit districts and 4.3 million rides in rural areas. Of these trips, people with special transportation needs (seniors and people with disabilities) took 20 million trips. Total trips averaged more than 20 rides per Oregonian. Ride data reflected a slight decrease from 2015 in urban and rural.
State Management Review
In 2015 Public Transit was reviewed by FTA for 23 federal oversight compliance areas. The in-depth, triennial review included desk reviews and onsite inspection as well as visiting a sample of local provider sub recipients. There were no findings for Oregon for the very first time. The Public Transit Section will be reviewed again by FTA in 2018.

Public and Human Service Transportation Coordination
Public Transit 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. Department of Human Services, Oregon Health Authority, and ODOT staff meets regularly to identify opportunities to coordinate programs.

Transportation Options Implementation Plan
Following the adoption of the Transportation Options plan for ODOT, the department is working with staff and stakeholders to develop a strategy for implementation of the plan as well as performance measures to evaluate that implementation.

Stakeholder Participation
Public Transit convenes an advisory committee of representative public and private transit stakeholders that advise on improving public transit in Oregon. The PTAC prioritizes transit project proposals to compete in the ConnectOregon program. In 2014 PTAC advised on a vision and needs assessment for public transportation.

Transit Information Technology - General Transit Feed Specifications
General Transit Feed Specifications (GTFS) data describes fixed route transit service in sufficient detail to be used as input to transit trip planners like Open Trip Planner, Bing Transit, and Google Transit, as well as being input to various stop-centric transit information applications like OneBusAway and RouteShout.

Shared Mobility
Shared mobility - the use of a vehicle, bicycle, or other mode – is an innovative transportation strategy that enables users to gain short-term access to transportation modes on an “as-needed” basis. The term shared mobility includes various forms of car sharing, bike sharing, ridesharing (carpooling and vanpooling), and on-demand ride services. It can also include alternative transit services, such as paratransit, shuttles, and private transit services, called microtransit, which can supplement fixed-route bus and rail services. New location-enabled electronic devices using “apps” are revolutionizing the opportunities for coordinating travel. Public Transit will explore ways that shared mobility can be cost effective “last mile” public solutions for travel in Oregon.
Portland Streetcar Project

In 2015, the Portland Streetcar completed the new eastside loop, and five new ODOT state funded streetcars were finished and delivered to active service for the new loop. Today, the Streetcar continues to be a positive factor in spurring development and investment in the Central City with construction cranes lining either side of the corridor. There are nearly 3,500 residential units and over 600,000 square feet of commercial space under construction along the Streetcar Corridor and another 44 residential projects and 18 commercial projects proposed for development. A map of new development projects that are proposed or already under construction is available at https://storage.googleapis.com/streetcar/files/System-Concept-Plan.pdf.

Daily streetcar ridership has increased from about 4,000 users per day in 2001 to the 15,000 that use the system today. As riders begin to use the A/B Loops to travel around the city, ridership is expected to grow to 20,000 riders per day by 2025.
KEY PERFORMANCE MEASURES:

KPM #8 - Transit Fleet Status: Percent of Public Transit buses that exceed useful life

ODOT’s Rail and Public Transit Division (RPTD) partners with local agencies to provide buses that help communities offer safe, cost-effective public transportation. There are approximately 1,000 active transit buses purchased with ODOT investment currently operating in Oregon communities. An additional 1,000 large buses in Portland, Eugene and Salem are excluded from this inventory, since larger transit districts receive federal funding for large bus purchases directly, and receive relatively little state investment.

ODOT’s performance goal is to keep transit buses in a “State of Good Repair” based on federal standards for expected age, mileage and condition. ODOT’s funding priority is for a vehicle replacement schedule that replaces vehicles before increased maintenance costs become a poor investment. Utilizing the most cost effective investment strategy requires planning replacement purchases while vehicles are still within a year of high maintenance or rebuild costs.

New federal requirements mandate setting a target for replacing vehicles to keep them in a continuous state of good repair through efficient investment prioritization. RPTD is working with stakeholders to determine the appropriate target for Oregon. Staff has proposed an initial target of no more than 40 percent of vehicles statewide exceeding their useful life standard for each category.

ODOT annually spends approximately $6 million in federal revenues to replace vehicles. This is about $5 million short of what is needed to improve the current fleet condition. The Oregon Transportation Commission has added $5 million, each year, for 2019, 2020 and 2021, which will bring the fleet closer to the desired goal of less than 40 percent of the fleet exceeding useful life through 2020. Additional funding is needed to maintain this level in 2021 and beyond due to an increasing number of vehicles projected to exceed useful life by 2021.

Local governments and providers own and operate the buses that ODOT holds security interest in. Providers decide when to request vehicle replacements based upon vehicle condition and their ability to meet requirements for local match. Oregon transit providers often have difficulty raising the required local funds to maintain an optimum replacement schedule, and rely on the state Special Transportation Fund (STF) for local match. The STF has been declining since 2015, making it increasingly difficult for local providers to meet local match requirements. Ongoing STF funding stability will be essential in meeting this goal.

ODOT RPTD maintains a registry of vehicles and providers are required to report condition and mileage. Transit providers in Oregon report on their federally funded ODOT RPTD assets through the Oregon Public Transit Information System database.
KPM #9 - Special transit rides: Average number of annual transit rides per elderly and disabled Oregonian

Public transportation is a good thing for all Oregonians. ODOT funds and encourages easy-to-use transportation services for seniors and people who cannot or choose not to drive. State and federal programs have been developed for this reason.

A ride target was set in 1999 based on a 1998 study of senior needs. In 2008, Portland State University did a study using new research methods. The study found that people over 65 needed an average of 26 percent more transit trips than they could find at that time. This service gap is getting bigger since the number of seniors in Oregon is going up. In 2009, ODOT set a new target and changed the method to add fixed route transit and demand response trips for seniors and people with disabilities. The original method did not consider the importance of fixed route transit as a way to help users get around on their own. Our goal is an average of 24 annual trips given per senior or person with a disability by 2022.

The total number of reported rides per senior and disabled Oregonian went up in 2009 since fixed route transit trips were added to the way rides were counted. But, the annual average number of riders went down by 8.8 percent from 22.50 rides per person in 2009 to 20.52 in 2016 because the general population and senior population is growing faster than available funding.

Our goal is for the number of trips to go up by 2.5 percent each year. This goal will be hard to reach since funding is not certain and the number of senior riders is going up.

Oregon population growth and the cost of giving service are higher than what the available funding can cover. This means that there are fewer trips per senior and disabled Oregonian. Already, many transit providers cannot meet the current need for dial-a-ride service in cities and towns.

With more money, transit providers could:
- lower the number of turned down ride requests
- lower wait times for dial-a-ride service
- offer fixed route service more often
- add routes to new rural and urban areas

The data is gathered by the Rail and Public Transit Division using reports from the U.S. Census, Portland State University, and transit providers. Both public transportation rides taken on fixed route transit and demand response transit rides were used.
## Budget Highlights

### Public Transit Expenditures

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### Expenditures by Major Revenue Source:

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### Expenditures by Category:

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### Positions

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RAIL SECTION

The Rail Section 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; General Fund; FRA and FTA federal funds for railroad projects and FHWA funds for Highway Railroad Crossing Safety Improvements.

RAIL DIVISION PROGRAMS

- Rail Administration
- Rail Safety
  State Safety Oversight
- Crossing Safety
- Operations
  Planning
  Projects
  Passenger Rail
  Railroad Property Management

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

Rail Section 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 section.

Rail Safety

The Rail Safety Program, in cooperation with the Federal Railroad Administration (FRA), regulates Oregon’s operating railroads and the rail-served industries using a combination of inspections, enforcement actions, and industry education to improve railroad safety for all of Oregon’s citizens. Inspectors examine many aspects of the railroad industry including railroad sidings, yards, and loading docks to ensure the safety of the public and railroad employees. This section 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 release of hazardous materials. This program is funded by an assessment on all railroads based on operational revenue.

State Safety Oversight

This section 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 by a Federal Transit Administration (FTA) grant, an assessment on smaller providers who do not fall under FTA guidelines and the Transportation Operating Fund.

Crossing Safety

The Rail Section 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 Section, through its Crossing Safety Unit, authorizes the construction, alteration or elimination of highway-rail grade crossings within the state.

Through regular inspection of the approximately 2,400 public crossings statewide, the Crossing Safety Unit enforces numerous state and federal safety requirements. The Crossing Safety Unit manages safety improvement projects through administration of federal highway funds and state funds provided by the Grade Crossing Protection Account. Injuries and fatalities at Oregon highway-rail grade crossings have been
significantly reduced through projects such as construction of grade-separated crossings, signal upgrades and elimination of highway-rail grade crossings.

In addition to its regulatory role, Crossing Safety Unit 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. The Rail Section’s crossing safety functions are funded 50 percent from the Rail Fund (Gross Revenue Fee) and 50 percent from the Grade Crossing Protection Account.

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 section’s jurisdiction covers not only the 23 operating railroads, but also 542 rail-served industries. This program is funded by an assessment on all railroads based on annual gross operating revenues generated in Oregon (Rail Fund).

**Operations**

The Operations programs help develop freight and passenger rail plans and manage railroad improvement projects, including ConnectOregon, for both freight and passenger rail operations. Staff provides technical expertise to communities interested in developing rail opportunities, such as intercity passenger rail. This section participates in federal proceedings related to railroad mergers and line abandonments. Staff also manages the state-supported Amtrak Cascades passenger rail service. Passenger rail ridership has steadily increased since the service began in 1999, setting record numbers of riders in 2013, up 1.9 percent from 2012. During the two years from 2013 to 2015, a 10 percent decrease in ridership occurred. The decrease in 2014 and 2015 is attributed to a schedule change, low gasoline prices, and delays associated with rail line construction projects. A 0.37 percent increase in ridership occurred between 2015 and 2016. 2017 ridership will not be available until early in 2018. This section continues to make concerted efforts to increase ridership via schedule changes, reduced travel time, more train/bus options, advertising and improved on-time performance. The ridership numbers include the POINT motor coach service even though that service is administered by the Transit section.

**Issues and Trends**

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

**Public Safety**

Under Oregon law, the Rail Section is responsible to ensure 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 highway-rail crossing construction projects maximize safety for citizens, railroad employees and customers of the rail system, such as shippers and passengers.

Mobility
Freight and passenger movement rely on rail shipments. By operating independently from highways, trains avoid highway congestion and conditions as demonstrated by the fact that the trucking industry is rail’s largest shipper. With their self-contained track system, rail shipments remove trucks from the highways while providing for efficient movement of people and goods, which directly impacts local and regional economies. Rail positively affects Oregon’s national and international trade via ports (such as the Port of Portland) by providing large numbers of freight trains into and out of the port facilities. Without rail access, Oregon’s ports cannot compete in national and international markets.

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. This section 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.

This section also facilitates the expansion of passenger rail service and encourages partnerships on developing public/private agreements to help address significant infrastructure challenges. The Rail Section realizes it is imperative for the modes to work cooperatively to address the state’s mobility needs because no one mode can satisfy current and future demands in isolation.

Livability
This section’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 (for both freight and passenger trips) helps congestion management efforts and enhances the useable life of road investments. This section’s regulation of public highway-rail 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 alternative travel modes.
KEY PERFORMANCE MEASURES:

KPM #4 - Rail Crossing Incidents: Number of highway/railroad at-grade incidents

A priority for ODOT is to have the safest infrastructure possible. Safe infrastructure is promoted by implementing design practices that mitigate structural safety risks on Oregon’s transportation system. There are several ODOT activities specific to the Rail Section associated with this general strategy. The Crossing Safety Unit manages crossing improvement projects and inspects crossings to ensure they are appropriately maintained. The Rail Section works with public and private entities, including the railroad companies, 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 Section strives for a zero incident performance. The goal reflects the reality that some number of incidents is outside the control of the section and its transportation safety partners. Some incidents are caused by deliberate actions rather than lack of safety education or crossing safety devices.

In 2016, 18 rail crossing incidents occurred. 14 incidents involved motor vehicles and four incidents involved pedestrians. There were five fatalities and seven injuries. The 18 incidents resulted in five fatalities and 17 injuries. Five of the incidents involved semi-trucks and four incidents involved pedestrians. Seven of the incidents involved vehicles stopped on the tracks and 9 incidents involved road users (pedestrian and vehicle) failing to stop for STOP signs or activated signals. Two fatalities involved pedestrians purposely stepping into the path of the moving train. One incident involved Amtrak (passenger train) striking a semi-truck stopped on the tracks, and resulted in injuries to 10 of the passengers on the train. Two incidents involved vehicles running into the side of a train. Both of these incidents occurred at signalized crossings, while the signals were actively functioning.

The Federal Railroad Administration reports that, during recent years, Oregon has been in or near the top twenty states for least number of motor vehicle incidents at public rail crossings. The 18 rail crossing incidents in 2016, was an increase from fifteen incidents in 2015, 10 in 2012 and 10 in 2011. Since 2007, rail crossing incidents have fluctuated between a high of 19 in 2007 and a low of 6 in 2009. 18 incidents occurred in 2016 demonstrating a 5.3 percent decrease from 2007. This trend indicates improvement even though traffic counts are growing.

The reporting cycle is calendar year. The data is based upon incident reports submitted by the railroads to the Federal Railroad Administration (FRA).
KPM #5 - Derailment incidents: Number of train derailments caused by human error, track, or equipment

We want to have the safest infrastructure possible. Safe infrastructure mitigates structural safety risks on Oregon’s transportation system. Working with the Federal Railroad Administration, we use 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.

The number of derailments has decreased to a level below the target. In 2014, we lowered the target to 25. Even as rail traffic increases, this trend indicates significant improvement.

In 2016, there were 14 derailment incidents, a decrease from the 16 derailments in 2015. From 2007 to 2016, derailments have decreased 61 percent from 36 to 14.

A comparison of derailments per track mile (miles of track in each state) for 12 months ending December 31, 2016, shows Oregon with .0058 incidents per track mile, Washington with .0088, Nevada with .0008, Idaho with .0055 and California with .0110.

From 2015 to 2016, Oregon showed a 12.5 percent decrease in derailments even though rail traffic increased slightly. A decrease in derailments caused by human error and a decrease in track caused yard derailments are more significant reasons. The latter two of three decreases are a direct result of an increase in the number of inspections. Operating Practices inspections, which directly affect human error caused derailments, went from 218 in 2015 to 338 in 2016. Track inspections, which directly affect yard derailments, stayed approximately the same with 218 in 2015 and 219 in 2016. In 2015, we hired four additional inspectors and replaced staff that had retired. It took almost a year to have new staff federally certified. We expect the previously demonstrated decline in derailments to continue into future years due to an increase in inspections and a full staff of certified inspectors.

The reporting cycle is calendar year. The data is based upon reports submitted by the railroads to the FRA. Under federal regulations, railroads are required to report all derailments meeting federally mandated thresholds to the FRA.
KPM #10 - Passenger rail ridership: Number of state-supported rail service passengers

ODOT seeks to promote the use of transportation modes other than Single Occupant Vehicles by improving existing facilities and creating new transportation options. Alternative modes of transportation help reduce travel delay and stress on the highway system and ensure multimodal options for Oregonians.

The target projections are based on historical increases in state-supported Cascades trains and affiliated POINT Buses. (NOTE: POINT Bus ridership numbers are actually part of Passenger Rail program ridership and are represented in this graph.) POINT Busses connect the passenger rail system to communities that lack passenger rail service.

Passenger rail ridership reached 215,096 in 2013, its highest level and an increase of 1.9 percent or 4,060 riders, over the 2012 figures. 2014 ridership decreased by 4,195, but exceeded the 2014 target by 2,311. In 2015, ridership decreased further to 193,743 which missed the 2015 target by 16,933. In 2016, ridership increased to 194,453 which missed the 2016 target, but is an increase over 2015 Actuals.

In general, increases in ridership result from reduced travel time, more train/bus options and on-time reliability. Improving these factors is largely dependent upon sufficient capital investment.

Washington is increasing daily round trips between Portland and Seattle, which would have resulted in an equipment shortage in Oregon. Oregon purchased two new train sets using $38.4 million in American Recovery and Reinvestment Act funds and $7.6 million in state funds. The trains began service in January 2014 bringing the total train sets serving the Amtrak Cascades corridor to seven. With the new equipment, Oregon updated its schedules to offer better connections for Willamette Valley passenger rail users. ODOT Rail is in need of additional, dedicated funding to continue with current service levels and, more importantly, increase ridership by improving train speed, frequency, and reliability. Dedicated funds will also provide for passenger rail marketing which will increase future ridership.

The reporting cycle is calendar year. The data is provided by Amtrak, the passenger rail service provider. It represents the total number of rail passengers each year and does not indicate how this number relates to changes in the population of Oregon. As the population of Oregon grows and gas prices increase, the number of rail users is likely to rise, but a large number of users do not necessarily correlate to an increased proportion of the population using rail service.
## BUDGET HIGHLIGHTS

### Rail Expenditures

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### Expenditures by Major Revenue Source:

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<tbody>
<tr>
<td>State</td>
<td>35,130,058</td>
<td>28,830,297</td>
<td>44,662,432</td>
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<tr>
<td>Federal</td>
<td>16,285,550</td>
<td>11,783,260</td>
<td>16,293,328</td>
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<tr>
<td>General Funds</td>
<td></td>
<td>10,408,710</td>
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<td>Lottery Funds</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>51,415,608</strong></td>
<td><strong>51,022,267</strong></td>
<td><strong>70,565,818</strong></td>
</tr>
</tbody>
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### Expenditures by Category:

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<tr>
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<tbody>
<tr>
<td>Personal Services</td>
<td>7,162,041</td>
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<td>Debt Service</td>
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<tr>
<td><strong>Total</strong></td>
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<td><strong>51,022,267</strong></td>
<td><strong>70,565,818</strong></td>
</tr>
</tbody>
</table>

### Positions

- Positions: 30, 33, 33
- Full-Time Equivalent (FTE): 30.00, 33.00, 33.00
Transportation Program Development
TRANSPORTATION PROGRAM DEVELOPMENT (TPD)

Transportation Program Development’s (TPD) diverse portfolio provides the foundation for decision making to address transportation needs. It also provides grant opportunities in support of state and community visions for a multimodal transportation system. Key functions and primary work efforts of the TPD budget include the research, data collection and planning necessary to identify and prioritize new projects, scoping and selecting funding strategies of transportation projects and performance monitoring to track the effectiveness of the system. This leads to designing and operating an efficient multimodal transportation system framed by numerous federal and state laws and rules. TPD supports the legislatively mandated ConnectOregon program, supporting the movement of goods, people, and the economy by making investments in rail, marine, ports, transit, bicycle, pedestrian and aviation.

The five program areas within TPD are Statewide & Regional Planning, Data, Analysis, and Research, Statewide Transportation Improvement Program (STIP) Development and Program Oversight, and Transportation System Projects.

TRANSPORTATION PROGRAM DEVELOPMENT PROGRAMS

- Statewide and Regional Planning
- Data, Analysis, & Research
- Statewide Transportation Improvement Program (STIP)
- Development and Program Oversight
- Transportation System Projects
Statewide and Regional Planning
Federal and state law requires ODOT to prepare and maintain a long-range transportation vision and policy direction. These policy plans then help assure that the broad needs and issues for each mode are considered in order to provide a safe and efficient transportation system across Oregon.

These statewide policy plans in turn guide ODOT and local jurisdictions in completing local and regional transportation system plans that inform investment priorities and decisions for Oregon. Without funding and other support from ODOT, most local jurisdictions would not have the resources to complete this important planning and identify priority projects.

Data, Analysis, & Research
The work in this area helps provide data to decision-makers to help prioritize Oregon’s transportation needs, oversees Oregon’s transportation asset management system development, data collection and reporting, mapping, forecasting and modeling systems, transportation system analysis, and conducts research to develop and test innovations to enhance the transportation system. By fulfilling these responsibilities, ODOT is able to keep a record of the state of the system, meet federal reporting requirements, plan for anticipated revenue, turn data into information, and adapt to changing technological, economic, and social demands of the transportation system.

Statewide Transportation Improvement Program (STIP) Development and Program Oversight
The Statewide Transportation Improvement Program, Oregon’s four-year transportation capital improvement program, identifies the scheduling of, and funding for transportation projects and programs within the state. Administration of these federal and state funds is required and ensuring program requirements are met is critical to successful outcomes. This is achieved through financial controls, program performance monitoring, and compliance reviews.

Transportation System Projects
System projects include $45 million the 2015 Oregon Legislature approved for the ConnectOregon VI program, bringing the total investment to date $427 million for the ConnectOregon program. Together, the six current phases of the ConnectOregon
program are improving connections between the highway system and other modes of transportation, better integrating the components of the transportation system, improving the flow of commerce and reducing delays. To make sure projects are completed, TPD monitors the schedules and expenditures on approved ConnectOregon grants and loans.

**Revenue Sources and Relationships**
Planning activities are funded from federal planning grants that specifically apply to Statewide Planning and Research, Surface Transportation, and Highway Bridge Replacement and Rehabilitation programs. Revenue transfers from the highway program support highway planning, system studies, monitoring, and data gathering. The ongoing ConnectOregon program has provided $427 million in Lottery bond proceeds in the past six biennia and is continued in 2017-19 with an additional $30 million.

HB 2017 established new dedicated funding sources for the ConnectOregon program. Specifically, it imposes a vehicle dealer privilege tax of 0.5 percent of the retail sales price of the taxable vehicle. All revenues from this tax, except an annual $12 million transfer to the Zero-Emission Incentive Fund, will be deposited into the ConnectOregon Fund. The measure also established a bicycle excise tax of $15 on adult size bikes costing $200 or more. All revenue from the bicycle tax will be deposited into the ConnectOregon Fund for bicycle and pedestrian projects. HB 2017 bifurcates the ConnectOregon program into Part One and Part Two as described below:

- **ConnectOregon Part One** will continue to support projects that involve air, marine, rail, and bicycle and pedestrian projects. It will not provide grants in support of public transit projects, as public transit now has its own dedicated funding source.
- **ConnectOregon Part Two** will provide grant funds to support projects of statewide significance involving air, marine, and rail modes of transportation. Statewide significance is defined as a project that benefits the regional and statewide economy, and sustains employment within the community and region the project is located beyond the jobs created by the project.

If the balance in the ConnectOregon Fund exceeds $75 million on July 1 of an odd-numbered year, 55 percent of total available funding is to be allocated to Part One (including 7 percent dedicated to bicycle and pedestrian projects), and 45 percent is allocated to Part Two. If the balance is less than $75 million, 100 percent is to be allocated to ConnectOregon Part One.

HB 2017 directed the Oregon Transportation Commission to first distribute ConnectOregon funds to four specific projects: Mid-Willamette Valley Intermodal Facility ($25 million), Treasure Valley Intermodal Facility ($26 million), East Beach Industrial
Park Rail Expansion ($6.55 million), and Brooks rail siding extension ($2.6 million). As such, funding likely will not be available in the 2017-19 biennium for a competitive program as in the previous six versions of the program.

**Budget Environment**

Ongoing planning and data collection efforts supports the responsibilities of the Oregon Transportation Commission and the agency, including the identification of a system of transportation facilities and services adequate to meet identified state transportation needs. Additionally, current federal legislation (Fixing America’s Surface Transportation Act, or FAST Act) places an emphasis on performance measures, and in some cases, ties federal funding to the outcome of performance measures, especially in the areas of freight, safety, congestion, bridges, and pavement.

**Legislatively Adopted Budget**

The 2017-19 legislatively adopted budget of $172.7 million is $7.2 million, or 4%, less than the 2015-17 legislatively approved budget and includes 233 positions (223.43 FTE). This net reduction in funding reflects both the phase out of completed ConnectOregon VI projects, and an increase of $30 million Lottery bond proceeds to fund ConnectOregon VII.

**Issues and Trends**

The most recent federal surface transportation authorization, Fixing America’s Surface Transportation Act (FAST Act) will lead to some changes related to freight planning. The changes related to performance management in the prior federal authorization (MAP-21) continue largely untouched under the FAST Act with network responsibilities both for the agency and the partnership that we have with the Metropolitan Planning Organizations.

**New Freight Programs:**

The FAST Act establishes two new programs for funding highway and multimodal freight projects. The National Highway Freight Program (NHFP) is a new formula program for funding freight projects on a set of high volume highways. The Nationally Significant Freight and Highway Projects program is a competitive grant program for funding large projects ($100 million plus). An approved freight plan is required in order to begin investing NHFP resources. Approved freight plans are to include a list of freight bottlenecks, a fiscally constrained freight investment plan, and freight performance measures. The FAST Act also directs state departments of transportation (DOTs) to designate critical urban and rural freight corridors for guiding NHFP investments.
Multimodal Freight Planning:
Within two years of passage of the FAST Act, the United States Department of Transportation (US DOT) will be required to develop a national freight strategic plan. This plan will be written in consultation with state DOTs. Similarly, within one year of passage, US DOT will be required to designate a National Multimodal Freight Network (NMFN) in consultation with state DOTs. States will have an opportunity to propose additional designations for the NMFN and to identify critical rural freight facilities and corridors.

Additional information about the Transportation Development Division programs is available at:

http://www.oregon.gov/odot/planning/Pages/default.aspx
**BUDGET HIGHLIGHTS**

**Transportation Program Development Expenditures**

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<tr>
<td>Statewide and Regional Studies</td>
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<td>36,317,423</td>
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<td>Analysis and Research</td>
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<td>45,369,324</td>
<td>46,282,123</td>
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<td>STIP Development &amp; Program Oversight</td>
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<td>13,319,113</td>
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<td>ConnectOregon</td>
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<td>30,006,560</td>
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<td>Active Transportation</td>
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<td>3,700,671</td>
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<tr>
<td><strong>Total</strong></td>
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<td>128,713,091</td>
<td>172,693,073</td>
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**Expenditures by Major Revenue Source:**

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<tbody>
<tr>
<td>State</td>
<td>148,310,158</td>
<td>128,557,717</td>
<td>172,503,348</td>
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<tr>
<td>Federal</td>
<td>144,453</td>
<td>155,374</td>
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<td>General Funds</td>
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<tr>
<td><strong>Total</strong></td>
<td>148,454,611</td>
<td>128,713,091</td>
<td>172,693,073</td>
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**Expenditures by Category:**

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<tr>
<td>Personal Services</td>
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<td>51,290,009</td>
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<td>Services &amp; Supplies</td>
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<td>Capital Outlay</td>
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<td>Special Payments</td>
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<td>Other Expenditures</td>
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<tr>
<td><strong>Total</strong></td>
<td>148,454,611</td>
<td>128,713,091</td>
<td>172,693,073</td>
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**Positions**

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<tr>
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<td>235</td>
<td>230</td>
<td>233</td>
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**Full-Time Equivalent (FTE)**

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<tr>
<td></td>
<td>225.43</td>
<td>221.01</td>
<td>223.43</td>
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Central Services
Limitation
CENTRAL SERVICES LIMITATION

The Central Services Limitation supports the mission of ODOT through two administrative support divisions – Agency Support and ODOT Headquarters – provides centralized administrative, support, and managerial services to the department, the Oregon Transportation Commission, and external partners and stakeholders. These services are critical to the efficient management of agency resources and also provide vital services and accountability to our partners and the general public. The mission of the divisions within the central services limitation is to support ODOT’s success.

CENTRAL SERVICES DIVISION

Deputy Director

Financial Services

- Provides debt management and oversees the bonding programs such as the Jobs and Transportation Act (JTA) and the bonding program passed by the 2015 legislature 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 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 Statewide Financial Management System.

- 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 education and leadership for the department regarding best practices in attracting and retaining a diverse and competent workforce.

- Provides statewide advice and counsel to the department 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.
Oregon Department of Transportation  
2017–2019 Legislatively Adopted Program Budget  
— CENTRAL SERVICES —

- Advances the department’s equal employment opportunity and affirmative action goals. Ensures that the department addresses employee and public accommodation/accessibility issues in accordance with the Americans with Disabilities Act (ADA) and responds to all internal complaints based on “protected class” status.
- Provides statewide coordination of training and staff development, human resource policies, labor-management partnership and union contract negotiations.
- Provides job classification, compensation, position control, position management and employee records management services to the department.
- Coordinates the general business, communications and facility needs of the Human Resources Branch.

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 Enterprise Technology Services (ETS).
- Supports Intelligent Transportation System (ITS) development and support.
- Provides Information Technology purchasing and management of Information Technology assets.

Business Services
Business Services provides oversight for key functions and serves as the agency’s liaison for the following duties:
- Provides reprographic and photo/video services and forms and graphic design.
- Provides Director-appointed Records Officer and Administrative Rules Coordinator for Secretary of State (ORS 182.105(2), ORS 183.330(2).
- Coordinates management of ODOT Headquarters mail services and DAS Agency phone directory.
- Coordinates agency’s processes for policies and procedures, delegated authority, and public records requests.
Procurement Services Office

- ODOT Procurement Office provides a full range of strategic and operational procurement and contracting services that covers architectural, engineering, information technology, environmental, heavy equipment construction, project management, intergovernmental/interagency agreements, and highway construction contracts used by all ODOT business lines in performance of the agency’s business needs.

- The ODOT Procurement Office (OPO) provides a full range of strategic and operational procurement and contracting functions for personal services and construction as it relates to the projects listed in HB 2017, the transportation funding bill. With the passage of HB 2017 OPO expects its procurement volumes to double in size for Architecture & Engineer (A&E) and Construction Services. The agency expects to increase the use of alternative contracting delivery methods such as Design-Build and Construction Manager/General Contractor (CM/GC) for select Construction projects. The agency will experience an increase in local agency agreements. Regions may process their own agreements, but OPO will continue to provide oversight functions and guidance support for more complex local agency agreements.

Facilities

- Maintenance Services operate and maintain ODOT owned buildings primarily in the Salem and Portland area. Crews include skilled and semi-skilled craftsmen and women who conduct scheduled inspections and services, repair and replace building system components, and respond to emergent and routine maintenance needs.

ODOT HEADQUARTERS

ODOT Headquarters includes the ODOT Director, Audit Services, Chief Administrative Officer, Budget Services, the Office of Civil Rights and the Office of the Director (composed of the Assistant Director, the Government Relations section, the Communications section, the Business Management section, and the Office of Innovation).

Budget Services

- Coordinate the department's legislative budget development process including all Emergency Board requests and program budget development. Provides allotment plans and permanent financing plans.
Office of Civil Rights (OCR)

- The Office of Civil Rights (OCR) is responsible for managing federal and state programs that provide the assurance of equal access, participation, and compliance with affirmative action, equal opportunity, and accessibility requirements. Its vision is to provide fair and equitable access to ODOT’s projects and programs with a focus on economic stimulus through increased small business and apprenticeship opportunities, training, programs, and supportive services.
- Compliance is accomplished through internal and external processes that include training, technical assistance, investigations, and on-site reviews.
- Programs include: Workforce Development, Small Business Programs - Disadvantaged Business Enterprise (DBE), Emerging Small Business (ESB), Minority or Women Business Enterprise (MWBE) Initiatives, and Title VI (Environmental Justice and Limited English Proficiency). Workforce Development Programs include pre-apprenticeship training, supportive services and Equal Employment Opportunity (EEO), On-the-Job/Apprenticeship Training Programs. OCR, the Highway Division and ODOT Human Resources are also responsible for coordinating and co-managing the internal and external 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 transportation, 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 in matters before Oregon’s state legislature and congressional delegation related to transportation policy, funding, administrative rules and legislation governing transportation.

Communications Section

- Oversees ODOT’s employee communications, stakeholder relations, and media relations. Informs Oregonians, visitors and system users about transportation issues, policies, and projects that affect them.
- Provides emergency and crisis communications for the agency.
- Provides construction project and program information in conjunction with other agency divisions.
- Interprets technical information, explains statutes and administrative processes for the public, the media, stakeholders, and users of transportation system.
- Keeps the agency workforce informed about ODOT activities and directives.
Provides spokesperson support to the OTC 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 training and workshops, and producing publications and other forms of information.

Improves transparency and helps customers find needed information and complete tasks by developing and maintaining governance over a mobile-first website.

Business Management

Provides executive, administrative and logistical support to ODOT Headquarters managers and sections and the Oregon Transportation Commission.

Manages administrative and personnel operations, establishes policies and procedures, and develops and monitors the biennial operating budget for ODOT Headquarters.

Oversees the AskODOT Office which provides help desk and ombudsman services for Oregon citizens as an avenue to resolve issues and concerns at the earliest possible opportunity. AskODOT also provides ODOT’s employees a resource to bring forward ethical issues and concerns or to receive policy guidance and interpretation.

Audit Services

Conducts internal audits of department programs and makes 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 entities are accurate, reasonable and comply with applicable federal and state regulations.

The accountability provisions of House Bill 2017 had a direct impact to Audit Services. In addition to a change in organizational reporting to the Director’s Office, the legislation requires an expanded scope of audit coverage including financial integrity assessments, contracts audits, and audits of third-party arrangements entered into by the department. Audit Services is working to implement these new requirements.
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.

Human Resources
The ODOT Human Resources Branch continues to experience a high demand of services related to hiring, performance management, retention and turnover. Additionally, these services to the agency rely upon accurate and consistent data in which to make decisions. Currently, the systems utilized within ODOT and throughout the State of Oregon do not elicit accurate and timely information. In order to gather and create reports to utilize, data is pieced together from multiple sources, thereby impacting data integrity and accuracy.

To further impact the work load within the HR Branch, there have been recent bills, audits, and executive orders which has increased the complexity with respect to in how the work is accomplished. This work links distinctively to changes within the Human Resources Information Systems both externally and internally. These changes include adding and/or replacing systems, examples are not limited to: the ODOT Workload Database, the DAS Workday Project, ODOT Time and Attendance (TAMS), and Oregon Pay Equity law implementation.

The anticipated new HRIS systems that ODOT will be adopting are expected to produce results that are more sophisticated and accurate. These new systems will collaborate with one another and enable the ODOT HR Branch to develop and increase service level experiences for the agency. Yet, these systems will require intensive training, educating, and review of current processes and procedures that are inherent within ODOT. In other words, ODOT has uniquely developed IT systems which are linked to external HRIS/IT systems. Therefore, in order to accomplish the change from one system to another, the agency will be going through multiple levels of change management. The HR team will need to support the divisions/regions impacted by these changes.
As the workload shifts due IT system implementations, new laws and regulations will affect other areas within HR such as: classification, compensation, and workforce capacity issues that the agency will continue to experience through the prudent outcomes of the Strategic Business Plan (tangent to McKinsey study). HR will continue to be more intentional in areas such as employee wellness (EO), succession planning along with Diversity, Inclusion and Equity.

**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 (DAS) 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 displacing other activities.

**Procurement**

The ODOT Procurement Office (OPO) continues to experience heavy demand for its services across the agency, for projects in the State Transportation Improvement Program, and several large agency project initiatives. These procurements and 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 shifted to modify procurement methodologies to reach out to emerging or small businesses to provide avenues for these firms to compete for various departmental contracts and to assess and conduct alternative delivery procurement methods to support highway construction. Outreach includes meeting with small business associations, providing training, and providing avenues to participate in electronic bidding programs. As a result of the McKinsey & Company report, the Department of Administrative Services (DAS) is leading a Highway Contract Management Review with a focus on vendor management,
strategic role of OPO, and delegated authority. In addition to the request for resources to support outsourcing needs for the delivery of HB 2017 projects, OPO will also be supporting this review and will address any DAS’ recommendations as we continue to improve procurement processes internally.

**Headquarters and Communication**

ODOT Headquarters continues its efforts through the Office of Civil Rights to refine data collection across the organization in an effort to track progress toward meeting our goals for a diverse workforce and to increase opportunities for Oregon’s small businesses. In addition to increasing opportunities for apprentices and small firms, OCR offers a suite of supportive services aimed at pre-apprenticeship training and growing small firms so that they can become more competitive to bid on larger ODOT contracts.

Communications Section reaches beyond traditional media to establish two-way communications channels through the use of social medial tools such as Twitter, Facebook, YouTube and Flickr as well as web-based information distribution applications such as GovDelivery and RSS feeds. These channels provide direct information to citizens and users of the transportation system. The adoption social media for emergency communications has proven very adaptable and useful during storms and other events.

Ask ODOT and Ask ODOT for Employees is the initial contact point for citizens and employees to place inquiries or report information. This program is one of the first opportunities for agency staff to explain programs, policies and statutory implementation to employees and members of the public. People often misunderstand what they see or hear, and Ask ODOT staff can provide information that can help them better understand the situation. Also, this program provides the opportunity to resolve issues at the earliest possible point and prevent escalation.

**Audit Services**

Audit Services develops annual risk-based audit plans, but also keeps time available for specific requests from management and the Transportation Commission. Audits have 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.
Key Performance Measures:

KPM #17 - Certified Businesses: Percent of ODOT contract dollars awarded to Disadvantaged Business Enterprises (DBE)

ODOT tracks and reports on awards made to firms that are certified by the Certification Office for Business Inclusion and Diversity (COBID); this includes disadvantaged business enterprise, minority- and woman-owned and emerging small business certifications, or collectively reported as “certified firms.” Beginning in 2016, we also track and report on a business that a service-disabled veteran owns.

Reporting on all certified firms and both prime contracts and subcontractors is a more accurate and complete representation of how ODOT uses these firms. The agency also sets internal targets for payments to these certified firms and implements programs and supportive services to encourage participation.

The certified firms’ aspirational targets are set on state-funded-only projects over $100,000. The aspirational targets are not a condition of contract award; rather the target represents the level of certified small business participation the agency has determined is reasonably achievable in the type of work and locality of the project.

ODOT is committed to programs that encourage the participation of small businesses, including minority- and women-owned firms, in contracting opportunities with the department across divisions and business lines. To that end, we implement the state Emerging Small Business (ESB) Program, ODOT Small Contracting Program (SCP), and numerous small business supportive services, including providing or sponsoring mentoring, training, and outreach events.

These programs and initiatives are intended to ensure ODOT and our contractors comply with state and federal non-discrimination laws; to create a level playing field for small businesses to compete fairly for contracts; to ensure only eligible firms benefit from the programs; to help develop firms to compete successfully in the marketplace outside the programs; and to eliminate or assist small businesses in overcoming barriers to participating in the agency’s procurement and contracting processes.

We provide statewide training for project management and field staff and we reach out to certified firms to let them know about opportunities and resources for working on ODOT projects. Due to the wide variation in metrics, it is not statistically feasible to compare our overall goals and use on a state-to-state basis.

ODOT Information Systems completed a project recently to integrate all data systems to provide comprehensive information. This system will provide an enterprise approach to data collection and reporting.
KPM #19 - Customer Satisfaction: Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent” (Overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information)

The overall target for 2015-17 is 90 percent customer satisfaction with ODOT services. The actual performance in 2016 was 91 percent.

We continue to achieve high overall customer service ratings. On the whole, we continue to provide customers with good to excellent service. Variations in results between 2006 and 2016 are not statistically significant and have been near the target of 90 percent. Data to compare with other state departments of transportation is not available. Specific to motor carrier regulation, Oregon is one of just a handful of states asking the trucking industry about satisfaction with motor carrier enforcement.

The sampling of customers for the 2016 survey included major customer groups of DMV and Motor Carrier Transportation Division. In future surveys, additional customer groups will be added. We will continue to monitor customer satisfaction levels and take corrective action as needed.

Both DMV and Motor Carrier conduct surveys of customers that are based on the recommended Statewide Customer Service Performance Measure guidelines.

DMV received over 336 survey responses in 2016 from customers who visited DMV field offices. Customers were selected on a random, repetitive basis from the DMV computer system database of driver and motor vehicle transactions during the month of January. This survey is conducted every two years. DMV also collects customer satisfaction data using a cumulative average of the division’s monthly customer satisfaction survey.

Motor Carrier surveys 11 customer groups. Survey groups included companies subject to safety compliance reviews, truck safety inspections, or audits. The surveys also cover drivers subject to driver safety inspections and persons calling for registration or over-dimension permits. Taken together, the 11 Motor Carrier surveys have a total of over 583 responses.

The combined surveys are large enough to provide a 95 percent confidence level and a 4.03 percent margin of error.
BUDGET HIGHLIGHTS

Central Services Expenditures

<table>
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<tr>
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</tr>
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<tbody>
<tr>
<td>ODOT Headquarters</td>
<td>20,162,289</td>
<td>28,904,291</td>
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<td>Financial Services</td>
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<td>40,704,951</td>
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<td>Purchasing</td>
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<td>Facilities Ops</td>
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<td>5,619,795</td>
<td>6,393,068</td>
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<tr>
<td><strong>Total</strong></td>
<td>184,585,958</td>
<td>200,946,292</td>
<td>230,671,894</td>
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</table>

Expenditures by Major Revenue Source:

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<tbody>
<tr>
<td>State</td>
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<td>200,921,292</td>
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<td>Federal</td>
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Expenditures by Category:

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<tbody>
<tr>
<td>Personal Services</td>
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<td>Services &amp; Supplies</td>
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<td>Capital Outlay</td>
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<td>Special Payments</td>
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<td>71,566</td>
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<td>Other Expenditures</td>
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<td>0</td>
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<tr>
<td><strong>Total</strong></td>
<td>184,585,958</td>
<td>200,946,292</td>
<td>230,671,894</td>
</tr>
</tbody>
</table>

Positions: 495, 504, 507
Full-Time Equivalent FTE: 490.04, 500.96, 501.47
Capital Improvement and Capital Construction
CAPITAL IMPROVEMENT

Capital Improvement projects are less than $1,000,000 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 over 1,100 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 Services Branch of the Central Services Division manages the construction projects. Private contractors complete the majority of construction work.

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 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 $1,000,000 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 over 1,100 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.

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.
- Over 30 percent of ODOT Maintenance Stations are over 60 years old and struggle to meet the operational needs of the department in today’s transportation environment.
### BUDGET HIGHLIGHTS

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<tr>
<td><strong>Capital Improvement</strong></td>
<td>3,228,858</td>
<td>5,404,011</td>
<td>5,639,376</td>
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**Capital Construction Projects***

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<tr>
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</thead>
<tbody>
<tr>
<td>Public Safety Broadband</td>
<td>237,000</td>
<td></td>
<td>6,300,000</td>
</tr>
<tr>
<td>Salem Baggage Depot</td>
<td>2,799,148</td>
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<td></td>
</tr>
<tr>
<td>Toledo Maintenance Station</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC MS Meacham</td>
<td>7,500,000</td>
<td>4,500,000</td>
<td></td>
</tr>
<tr>
<td>CC MS South Coast</td>
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<td></td>
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<tr>
<td>Highway Safety Improvement</td>
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<tr>
<td><strong>Total</strong></td>
<td>3,036,148</td>
<td>47,000,000</td>
<td>6,300,000</td>
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</table>

*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.
Debt Service and Infrastructure Bank
DEBT SERVICE PROGRAM OVERVIEW

Non-Limited Programs

Oregon Transportation Infrastructure Bank (OTIB)
The OTIB was established by the 1997 Oregon Legislative Assembly as a revolving loan fund for transportation projects. 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. As loans are repaid, principal and interest returned to the OTIB are available for new loans. Staffing for the OTIB is included in the Central Services Division, Financial Services program.

Limited Programs

Debt Service – General Fund

Certificates of Participation (COP)
The State Radio Project (SRP), formerly referred to as the Oregon Wireless Interoperability Network (OWIN), was transferred by the Legislative Assembly in 2010 from the Oregon State Police to ODOT. The SRP, which replaced and modernized aging public safety communications systems statewide, marked its official completion June 30, 2017. After seven years of planning, developing and building the complex, technology-rich system, ongoing operations and maintenance responsibilities will reside with ODOT’s Wireless Communications Section.

The Oregon Legislative Assembly allocated General Fund dollars to the SRP to make Certificates of Participation debt service payments for fiscal years 2008 to 2011. No General Fund dollars were allocated for the payment of COP debt service for fiscal years 2012 through 2019.

COPs issued to fund the SRP include the Series 2007B, 2009A and 2009B. Debt service payments for State Radio Project COPs for the 2017-19 biennium total approximately $5.4 million and will be paid entirely with State Highway Funds as no General Funds were allocated by the Legislative Assembly.

Article XI-Q General Obligation (GO) Bonds

Article XI-Q GO bonds issued to fund the SRP include the Series 2011J, 2012I, 2012J and 2016DE. All SRP Article XI-Q GO bond debt service has been paid with State Highway Funds with one exception; the Series 2016DE Article XI-Q GO bonds were allocated General Funds for debt service paid in fiscal year 2017 in the approximate amount of $2.24 million. No General Funds were allocated by the Legislative Assembly for SRP debt service for the 2017-19 biennium.
Article XI, Section 7 State Transportation General Obligation (GO) Bonds
In 2015, the Legislative Assembly authorized the issuance of $35 million net proceeds of Article XI, Section 7 State Transportation General Obligation Bonds to fund the following highway improvement projects:

- US 26, 116th – 136th Safety Improvements $17.0 million
- State Highway 34 Safety Improvements $3.0 million
- OR 126 Eugene to Florence Safety Improvements $7.0 million
- Interstate-5/Interstate-205 Cable Barrier $2.5 million
- US 26 Warm Springs Downtown to Museum / Casino Plaza Connectivity $1.5 million
- Interstate-84 (Pendleton – La Grande) Blue Mountains Snow Zone Safety Improvements $4.0 million

The State Transportation GO Bonds, as provided in House Bill 5005, are General Fund obligations with debt service paid from the General Fund. The Series 2017M bonds were issued in May 2017 with the first debt service payment due in the 2017-19 biennium. Total debt service payments for the Series 2017M Transportation GO Bonds total approximately $4.1 million in the 2017-19 biennium.

Debt Service – Other Fund
Oregon Transportation Investment Act (OTIA)
Beginning in 2001, the Legislative Assembly passed a series of bills known collectively as the Oregon Transportation Investment Act. The first bill authorized the State to issue Highway User Tax Revenue Bonds in an aggregate principal amount sufficient to produce net proceeds of not more than $400 million for modernization and preservation projects (OTIA I). In a 2002 Special Session, the Legislative Assembly authorized an additional aggregate principal amount of Highway User Tax Revenue Bonds sufficient to produce net proceeds of not more than $100 million (OTIA II) for the same general purposes as OTIA I. In June 2007, the department completed issuance of the $500 million of Highway User Tax Revenue Bonds authorized under the OTIA I and OTIA II programs.

In 2003, the Legislative Assembly authorized additional Highway User Tax Revenue Bonds in an aggregate principal amount sufficient to produce net proceeds of not more than $1.9 billion for replacement and repair of bridges on State, county and city highways and modernization projects (OTIA III). In April 2010, the department completed issuance of the $1.9 billion of Highway User Tax Revenue Bonds authorized under OTIA III.

The OTIA III bond program included the Series 2010A Highway User Tax Revenue Bonds which were issued in April 2010 as taxable Build America Bonds (BABs). Under ARRA, the BABs qualify ODOT to receive direct federal subsidy payments equal to 35 percent of the interest costs of the taxable bonds. During the 2017-19 biennium the
federal debt service budget limitation approved for BABS is $21.6 million, which will be used to offset debt service payments.

Debt service payments for the combined OTIA I, II and III programs scheduled for the 2017-19 biennium total approximately $276.0 million.

Jobs and Transportation Act (JTA)
In 2009 the Legislative Assembly enacted JTA, which authorizes ODOT to issue Highway User Tax Revenue Bonds in an amount sufficient to produce net proceeds of not more than $840 million to finance a specific list of projects set out in JTA.

In June 2017, the department completed issuance of the $840 million of Highway User Tax Revenue Bonds authorized under JTA. Debt service payments for the JTA program for the 2017-19 biennium total approximately $97.0 million.

Certificate of Participation – DMV Headquarters Building
In December 1997, the $10.7 million Series 1997B COPs were issued to fund the remodel of the DMV Headquarters building. The 1997B COPs were partially refunded by the Series 2008A COPs. Subsequently, the Series 2008A COPs were partially refunded by the Series 2016F Article XI-Q GO Bonds. Combined COP and GO debt service payments for the DMV Headquarters Building scheduled for the 2017-19 biennium totals approximately $1.8 million.

Article XI-Q General Obligation (GO) Bonds
Article XI-Q GO bonds were issued to fund the State Radio Project, which include the Series 2011J, 2012I, 2012J, and 2016DE. It is expected that over the life of the SRP project the total project costs, including debt service payments; will be reconciled such that the Oregon State Police/General Fund and ODOT State Highway Fund each provide an equitable fair share of the costs.

Debt service payments for State Radio Project Article XI-Q GO Bonds for the 2017-19 biennium total approximately $24.0 million and will be paid entirely with State Highway Funds as no General Funds were allocated by the Legislative Assembly.

In May 2011, $59.8 million in Series 2011K Article XI-Q GO bonds were issued to fund the renovation of the Department of Transportation Headquarters Building. The debt service payments scheduled for the 2017-19 biennium total approximately $7.4 million.

Debt Service – Lottery Fund
The Oregon Legislative Assembly allocates lottery dollars to ODOT for the purpose of making debt service payments associated with lottery-backed revenue bonds. Lottery Revenue Bonds (LRBs) have been authorized to fund the following ODOT and local government projects:
Short Line Infrastructure Assistance Program
The 2001 Oregon Legislative Assembly authorized a Short-Line Railroad Infrastructure Assistance Program capitalized with the sale of lottery bonds. The Series 2002A LRBs were issued in April 2002. The 2003 Oregon Legislative Assembly authorized an additional $2 million of lottery bonds. In August 2004, the Series 2004B LRBs were issued. Debt service payments for the 2017-19 biennium total approximately $0.6 million.

Industrial Rail Spur Infrastructure
The 2003 Oregon Legislative Assembly authorized $8 million in lottery bonds to fund industrial rail spur infrastructure improvements. In August 2004, the Series 2004B LRBs were issued. The second series of bonds to fund industrial rail spur improvements were issued in March 2005, the Series 2005A LRBs. Debt service payments scheduled for the 2017-19 biennium total approximately $1.4 million.

South Metro and Southeast Metro Milwaukie Extension Commuter Rail Projects
The 2001 Oregon Legislative Assembly authorized lottery bonds for financing the South Metro Commuter Rail project connecting Wilsonville, Tualatin, Tigard, and Beaverton.

The 2003 Oregon Legislative Assembly 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 issuances. The first, to cover start-up and administrative costs, occurred in April 2002 with the issuance of the Series 2002A LRBs. The second bond sale, for project costs, occurred in February 2007 with the issuance of the Series 2007A LRBs.

In 2007, the Oregon Legislative Assembly 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. In April 2009, the Series 2009A LRBs were issued. Debt service payments for the South Metro and the Southeast Metro projects total approximately $54.2 million for the 2017-19 biennium.

Portland Street Car
The 2007 Oregon Legislative Assembly authorized $20 million in lottery bonds to fund Oregon Streetcar projects. Funding is restricted to grants to municipalities to provide streetcars for public transit systems and for administrative costs incurred by the department. Applicants must operate a public transit system that includes streetcars that are available to the public. Grant funds must only be used for the costs of purchasing newly constructed streetcars from an Oregon-based and Oregon-owned manufacturer. In April 2009, the Series 2009A LRBs were issued. The debt service on these bonds totals approximately $3.4 million for the 2017-2019 biennium.
Salem-Keizer Transit
The 2013 Oregon Legislative Assembly authorized $3.5 million in lottery bonds to fund construction and improvements to the Salem-Keizer Transit Center. In January 2015, the Series 2015A LRBs were issued. The debt service on these bonds totals approximately $0.31 million for the 2017-2019 biennium.

Port of Coos Bay
The Oregon Legislative Assembly in its 2013 and 2015 Regular Sessions authorized a total of $20 million in lottery bonds to fund construction and improvements to the Coos Bay rail link. In January 2015 the Series 2015A LRBs were issued followed by the Series 2017A LRBs in April 2017 to complete the $20 million authorization. The debt service on these bonds totals approximately $1.8 million for the 2017-2019 biennium.

Harney County – Juntura Road
The 2016 Oregon Legislative Assembly authorized $2.0 million in lottery bonds to fund improvements to Juntura Road in Harney and Malheur Counties. In April 2017, the Series 2017A LRBs were issued. The debt service on these bonds totals approximately $0.18 million for the 2017-2019 biennium.

ConnectOregon
ConnectOregon is an initiative to invest in air, rail, marine, and bicycle/pedestrian infrastructure to ensure Oregon’s transportation system is strong, diverse, and efficient. The ConnectOregon multimodal transportation program is restricted to non-Highway purposes and has been funded primarily with Lottery Revenue bonds as described in the table below.

**ConnectOregon Lottery Revenue Bond Authorizations**

<table>
<thead>
<tr>
<th>Program</th>
<th>Legislation</th>
<th>Legislative Session</th>
<th>LRB Authorization</th>
</tr>
</thead>
<tbody>
<tr>
<td>ConnectOregon I</td>
<td>SB 71</td>
<td>2005 Regular Session</td>
<td>$100 million</td>
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<tr>
<td>ConnectOregon II</td>
<td>HB 2278</td>
<td>2007 Regular Session</td>
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<tr>
<td>ConnectOregon III</td>
<td>HB 2001</td>
<td>2009 Regular Session</td>
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<td>ConnectOregon IV</td>
<td>HB 5036</td>
<td>2011 Regular Session</td>
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<td>ConnectOregon V</td>
<td>SB 5533</td>
<td>2013 Regular Session</td>
<td>$42 million</td>
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<tr>
<td>ConnectOregon VI</td>
<td>HB 5030</td>
<td>2015 Regular Session</td>
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<tr>
<td>ConnectOregon VII</td>
<td>SB 5530</td>
<td>2017 Regular Session</td>
<td>$30 million</td>
</tr>
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</table>

**Total Authorization** $457 million

The $427 million LRB authorization for ConnectOregon I through VI were issued commencing in September 2006 and completed in April 2017. The debt service on ConnectOregon I through VI LRBs totals approximately $52.7 million for the 2017-2019 biennium.
The $30 million in LRBs authorized for the ConnectOregon VII program by SB 5530 (2017) are projected to be issued in March 2019 with the first debt service payment due in the 2019-21 Biennium.
### BUDGET HIGHLIGHTS

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<tr>
<td><strong>INFR ASTRUCTURE BANK</strong></td>
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<td><strong>DEBT SERVICE - Limited</strong></td>
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<tr>
<td>Revenue Bonds</td>
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<td>Local Street Networks Fund</td>
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<td>Certificates of Participation</td>
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<tr>
<td>DMV Headquarters Building</td>
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<td>1,309,398</td>
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<tr>
<td>State Radio Project</td>
<td>10,268,686</td>
<td>7,192,615</td>
<td>5,433,343</td>
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<tr>
<td>Article XI-Q GO Bonds</td>
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<tr>
<td>DMV Headquarters Building</td>
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<td>Transportation Building</td>
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<td>State Radio Project</td>
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<td><strong>Total Debt Service – Other Fund</strong></td>
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<td>General Fund:</td>
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<tr>
<td>State Radio Project</td>
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<td>0</td>
</tr>
<tr>
<td>Article XI-Q GO Bonds</td>
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<td>State Radio Project</td>
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<td>Article XI, Section 7 GO Bonds</td>
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<td>Highway Improvement Projects</td>
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<td><strong>Total Debt Service – General Fund</strong></td>
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<td>Lottery Fund:</td>
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<td>Short Line Railroads</td>
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<td>Industrial Spur – Rail</td>
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<td>South Metro Commuter Rail</td>
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<td>6,550,677</td>
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<td>Southeast Metro Milwaukie Ext.</td>
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<td>44,365,274</td>
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<td>Portland Street Car</td>
<td>2,903,388</td>
<td>3,425,299</td>
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<tr>
<td>Port of Coos Bay Rail Link</td>
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<td>1,775,689</td>
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<td>Salem-Keizer Transit District</td>
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<td>333,472</td>
<td>306,641</td>
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<tr>
<td>Harney County – Juntura Road</td>
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<td>0</td>
<td>179,915</td>
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<td>Connect Oregon I, II, III, IV, V &amp; VI</td>
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<td>52,715,748</td>
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<tr>
<td>Lottery Bond Administration</td>
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<tr>
<td><strong>Total Debt Service – Lottery Fund</strong></td>
<td>89,296,884</td>
<td>107,484,132</td>
<td>114,604,958</td>
</tr>
</tbody>
</table>

1 Totals may not add due to rounding.
2 Series 2013B LRBs issued to pay administrative costs associated with the Department’s Lottery Bond programs.
APPENDIX A

Statewide Transportation Improvement Program (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.

The currently approved program covers the period of Federal Fiscal Years 2018-2021.

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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</thead>
</table>

2018-2021 STIP

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 four highway construction programs: Preservation, Bridge, Modernization, and Highway 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
- Possession of the property
- Removal of necessary buildings and mitigation of hazardous-materials contamination
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. Private-sector engineering consultants also participate. 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 federal transportation authorization act.

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 plans 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.
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 specified STIP timeframe, although projects may get delayed or cancelled from the STIP altogether.

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 450.216] 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

Policy Option Packages Summary
#090: Analyst Adjustments

<table>
<thead>
<tr>
<th>Division</th>
<th>POS</th>
<th>FTE</th>
<th>General Fund</th>
<th>Other Funds</th>
<th>Federal Funds</th>
<th>Lottery Funds</th>
</tr>
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<tbody>
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#090 Total                     | 0   | 0.00 | $122,252,847 | $0           | $122,252,847 | $0           | $0           |

#110 DMV Statewide Transformation Project

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<thead>
<tr>
<th>Division</th>
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<th>Federal Funds</th>
<th>Lottery Funds</th>
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<tbody>
<tr>
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#110 Total                     | 0   | 0.00 | $27,053,537  | $0           | $27,053,537  | $0           | $0           |

#182: Capital Construction: Toledo Maint. Station

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<th>General Fund</th>
<th>Other Funds</th>
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#182 Total                     | 0   | 0.00 | $6,300,000   | $0           | $6,300,000   | $0           | $0           |

#190: Security and ITS positions

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#190 Total                     | 3   | 2.68 | $0           | $0           | $0            | $0           | $0           |

#801: LFO Analyst Adjustment

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<th>Federal Funds</th>
<th>Lottery Funds</th>
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<td>$503,396</td>
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#801 Total                     | 1   | 0.87 | $6,650,044   | ($29,408,239) | $29,879,988  | $0           | $0           |

#810: State Government Service Charge

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#810 Total                     | 0   | 0.00 | ($46,306,619)| ($38,612,836)| ($227,030)    | ($6,039,258) |

#811: Budget Reconciliation

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<th>Division</th>
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<th>General Fund</th>
<th>Other Funds</th>
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#811 Total                     | 0   | 0.00 | $37,197,008  | $0           | $37,197,008   | $0           | $0           |

#812: Position Sweep

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<td>(0.08)</td>
<td>($672)</td>
<td>($672)</td>
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#812 Total                     | (16)| (13.95)| ($1,997,799)| $0           | ($1,997,799)  | $0           | $0           |

#813: Policy Bills -- HB 5045

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<th>Federal Funds</th>
<th>Lottery Funds</th>
</tr>
</thead>
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#813 Partial Total             | 51  | 35.63| $110,889,935 | $0           | $110,889,935  | $0           | $0           |

#813: Policy Bills -- HB 2638 and HB3202

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#813 Partial Total             | 4   | 4.00| $599,540     | $0           | $599,540      | $0           | $0           |

#813: Policy Bills Total       | 55  | 39.63| $111,489,475 | $0           | $111,489,475  | $0           | $0           |
### Appendix B: Policy Packages Summary

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<th>General Fund</th>
<th>Other Funds</th>
<th>Federal Funds</th>
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<tbody>
<tr>
<td>IT Security Positions Consolidation</td>
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<td>(1862133)</td>
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**ODOT Total:**

<table>
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<tr>
<th>Division</th>
<th>FTE</th>
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<th>General Fund</th>
<th>Other Funds</th>
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<td>(389,942) $</td>
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<td>(101,026) $</td>
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<td>5,893,187</td>
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<td>291,700,098</td>
<td>5,951,265 $</td>
<td>(6,039,258) $</td>
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APPENDIX C

Additional Partnerships
Oregon Department of Transportation
Additional Partnerships

The list below is meant to provide an overview of the many groups we work with to provide a generalized breadth of our external engagement. Listed are some examples of governor appointed committees, statewide advisory and topic committees, state agencies, academic institutions, and many others.

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.

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

Governor's Advisory Committee on DUII (Driving Under the Influence of Intoxicants) broadly represents 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.

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 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.

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.

Driver Education Advisory Committee (DEAC) advises and confers on matters pertaining to the establishment of rules necessary to carry out the duties of the driver education program, reviews and updates guidelines for the operations of the Driver and Traffic Safety Educations Program and promotes the graduated driver licensing program.

Public Transportation Advisory Committee
In 2000, the OTC established the Public Transportation Advisory Committee (PTAC). The purpose of PTAC is to provide advice to OTC and PTD to assist in developing transit policies and programs, and to serve as a forum for discussing and identifying public transportation
issues and solutions. Members provide input on public transportation issues of regional and statewide significance. The committee’s membership is a diverse representation of public transportation stakeholders.

**Oregon Freight Advisory Committee** is to advise the ODOT, 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.

**Oregon State Fire Marshal’s Office Urban Search and Rescue Team**
The Task Force supports the interval between immediate services provided by local fire service agencies and the service of a federal USAR team. Task force objectives are to focus on training, funding, governance and partnerships supported by public-private resources.

**Oregon Seismic Safety Policy and Advisory Commission (OSSPAC)**
The Oregon Seismic Safety Policy Advisory Commission (OSSPAC), otherwise known as the Earthquake Commission, has the unique task of promoting earthquake awareness and preparedness through education, research, and legislation.

**Oregon Emergency Response System Council (OERS)**
The purpose of the Oregon Emergency Response System (OERS) is to coordinate and manage state resources in response to natural and technological emergencies and civil unrest involving multi-jurisdictional cooperation between all levels of government and the private sector.

**Winter Recreation Advisory Committee (WRAC),** established by the legislature in 1977 advises ODOT on matters related to the winter recreation parking location (Sno-Park) program.

**Railroads** ODOT works with the 26 railroads throughout the state. Oregon has two Class 1 railroads (Union Pacific Railroad and BNSF Railway) and 24 shortline railroads.

**Rail Advisory Committee** advises ODOT on issues that affect rail freight and passenger facilities and services in Oregon including rail project selection for ConnectOregon.

**Oregon Passenger Rail Leadership Council** Governor Kitzhaber created a Leadership Council of primarily elected officials from the Willamette Valley to advise the Governor and the Oregon Transportation Commission on a preferred alignment for inter-city passenger rail improvements that will become a foundation for the future to make Oregon more competitive in finding funding for future projects to our freight and passenger rail service in Oregon.

**Historic Columbia River Highway Advisory Committee** advises ODOT and the State Parks and Recreation Department on the management of that historic roadway.
Oregon Dealer Advisory Committee (ODAC) advises DMV on the administration of laws within the Oregon Vehicle Code that regulate new/used vehicle dealers, dismantlers, towing companies, etc.

Governor’s Re-Entry Council
The Governor created the Re-entry Council through Executive Order 07-05 as a statewide leadership group to work collaboratively on improving the success and safety of offenders transitioning back to local communities.

STATE AGENCIES

Department of Administrative Services
- Highway Cost Allocation Study
- OR-Trans
- Electronic access to DMV driver records
- E-Plate Agreement
- Global Insights Data Sharing

Oregon Department of Aviation
- ConnectOregon grants for aviation facilities
- Central Services Administrative support for ODA

Oregon Business Development Department
- Oregon Tourism Commission
- Geographic Names Board
- Immediate Opportunity Fund

Oregon Commission for the Blind
- Vending and Cafeteria Services

Department of Corrections
- Driver licenses and photo identification prior to release
- DMV Call Centers

Department of Education
- Training/certification of school bus drivers
- Suspension/Eligibility for provisional driver licenses.

Oregon Department of Energy
- Global Warming Commission
- Reducing Green House Gas (GHG) Emissions
Department of Environmental Quality
- Vehicle registration
- Reducing Green House Gas (GHG) Emissions

Department of Fish and Wildlife
- Fish Passage & Culvert Repair

Department of Forestry
- Forest Fire Response and Prevention Efforts

Department of Geology and Mineral Industries
- LiDAR – Radar Mapping

Oregon Health Authority
- Linking Transportation to Health Impacts

Department of Human Services
- Transportation Coordination Workgroup
- Oregon Deaf and Hard of Hearing Services
- Driver and Vehicle Record information provided
- DMV receives death notices (Oregon Health Authority- Vital Statistics)

Department of Justice
- Child support enforcement
- Representation in contested cases

Oregon Judicial Department
- Odyssey System (sends DMV suspension information for state courts)

Department of Land Conservation and Development
- Transportation Growth Management
- Transportation Planning Rule
- Oregon Sustainability Transportation Initiative

Department of Veterans Affairs
- Veteran Designation on Driver License
- Disabled Veteran Plates
- At request at customer, submission of name and address to ODVA to receive benefit information.

Oregon National Guard
- Vehicle Plates and extension of expired driver license
Oregon Parks and Recreation Department
- Revenue transfers for both the Recreational Trails Program and Parks properties being used as Rest Areas, and Parks maintaining some of ODOT’s non-interstate Rest Areas
- Archeological and Historical Data (State Historic Preservation Office)
- Maintenance Assistance on Historic Columbia River Highway
- All-Terrain Vehicle Advisory Committee

Oregon Secretary of State
- Voter registration

Oregon State Police
- Law Enforcement Data Systems (LEDS)
- Criminal Justice Information Systems Advisory Board
- Work Zone Safety
- Truck Safety Inspections
- State Radio System
- VIN Inspections

Oregon Travel Experience / Travel Information Council (TIC)
- Traveler information signs
- Historic markers
- Interstate Rest Area maintenance

Federal Highway Administration (FHWA)
The Federal Highway Administration (FHWA) supports State and local governments in the design, construction, and maintenance of the Nation’s highway system (Federal Aid Highway Program) and various federally and tribal owned lands (Federal Lands Highway Program). Through financial and technical assistance, the Federal Highway Administration is responsible for ensuring that America’s roads and highways continue to be among the safest and most technologically sound in the world.

Federal Department of Homeland Security
- Driver license issuance requirements

Oregon Transit Association
The Oregon Transit Association (OTA) is a nonprofit corporation whose membership is made up of public, private for-profit, nonprofit transit agencies, and transit industry providers such as transit vehicle vendors. The purpose of the association is to assist members in the development and improvement of efficient, safe, and convenient transportation services, techniques, methods, facilities, and equipment. The Public Transit Division (PTD) Administrator is a voting member of the OTA Board.
Federal Transit Administration
The Federal Transit Administration (FTA) is responsible for providing overall policy and program guidance, apportioning funds annually to states, developing and implementing financial management procedures, initiating and managing program support activities, and conducting national program review and evaluation. They too approve the STIP.

Motor Carrier Transportation Advisory Committee
A group composed of representatives of organizations having an interest in motor carrier programs to maintain a high level of service to the regulated industries. These organizations include the Oregon Trucking Associations, Oregon Tow Truck Association, Oregon Refuse and Recycling Association, and various other associations who are impacted by ODOT actions and regulations. Its purpose is to confer, collaborate, advise, and advocate on motor carrier industry issues.

Federal Motor Carrier Safety Administration
ODOT enforces compliance with federal safety requirements and federal commercial driver licensing requirements.

Federal Railroad Administration
The Federal Railroad Administration (FRA) was created by the Department of Transportation Act of 1966. The purpose of FRA is to: promulgate and enforce rail safety regulations, administer railroad assistance programs, conduct research and development in support of improved railroad safety and national rail transportation policy, provide for the rehabilitation of Northeast Corridor rail passenger service, and consolidate government support of rail transportation activities. The FRA is one of ten agencies within the U.S. Department of Transportation concerned with intermodal transportation.

Federal, State and Local Road Authorities
- GIS Layers
- Traffic Counting and Crash Data

Metropolitan Planning Organizations
There are nine federally-designated Metropolitan Planning Organizations (MPOs) in Oregon. They include the three large urban MPOs (areas greater than 200,000 in population): the Portland regional area, the Salem/Keizer area, and the Eugene/Springfield area; and the six small urban MPOs (areas between 50,000 - 200,000 in population): the Medford/Rogue Valley area, the Cities of Corvallis/Philomath, and the City of Bend. The Cities of Grants Pass and surrounding areas and the City of Albany and its surrounding areas were added as a result of the 2010 census information. The bi-state MPO of Milton-Freewater and Walla-Walla was an addition for the 2010 census as well.

Social Security Administration
Verification of SSN to determine eligibility for driving privileges
Special Transportation Fund Agencies
Special Transportation Fund (STF) Agencies are the 42 counties, transit districts, and Indian Tribes designated by Oregon law to receive the state’s Special Transportation Funds. The STF Agencies, in coordination with local transit providers and other stakeholders, identify projects for funding with a variety of local, state, and federal funds. The STF Agencies act to oversee implementation of the local projects. STF Agencies may be transit providers, fiscal partners, and/or grant managers.

Public Transportation Providers
Public transportation providers are the delivery system of transit service in Oregon. Urban transit districts, Indian tribal governments, cities, counties, non-profit agencies, and for-profit operators such as taxi and intercity bus companies offer a wide range of transit services for general public and special needs populations. ODOT recognizes the value of for-profit transportation providers and reserves a seat on PTAC for a representative of for-profit providers.

Transportation Safety Administration
Background Checks and Fingerprinting for Hazmat Endorsement applicants/holders

Transportation and Growth Management Advisory Committee
TGM, a joint program between ODOT and DLCD, was created in 1993 to support local efforts to improve transportation options, boost economic vitality, and enhance the livability of communities throughout Oregon. The advisory committee, which meets quarterly, provides the oversight and direction for this program. As a non-regulatory program, participation is voluntary. Members include representation from the Governor's Office, DLCD, ODOT, local government (city and county representation), FHWA and other stakeholders.

Fleet Management Advisory Council (FMAC)
The Fleet Management Advisory Council (FMAC) assists state and local government agencies in providing safe, dependable fleet services in a cost effective, sustainable and environmentally friendly manner.

The Oregon Local Program Committee, OLPC, is a partnership between counties, cities, Oregon Department of Transportation (ODOT) and Federal Highway Administration (FHWA). The purpose of this group to improve policy, process and oversight in the delivery of the Local Federal Aid Program and other local street and road programs and projects administered through ODOT.

League of Oregon Cities/Association of Oregon Counties (LOC/AOC) for Local Programs and Projects

Law Enforcement / DMV Coordinating Committee
The law enforcement community
Public Agency Network
A multi-agency group coordinated by LCOG responsible for coordinating public agency network communication needs in the Eugene area.

Public Works Departments
Training and Technical Advice for cities and counties

Portland Dispatch Center Consortium is a group that works on coordination and interoperability between emergency dispatch centers. Participants include 911 centers from Washington County, Clackamas County, City of Portland, Lake Oswego, Columbia County, Clark County (Washington), Portland Airport, ODOT and Oregon State Police.

Transport is a Portland area group for coordination and implementation of Transportation Operations related strategies and projects.

Traffic Signal Working Group (TSWG) works on common Traffic Signal issues and fosters sharing of knowledge and experience within the state.

US Department of Transportation
- Preparing for manufacturer testing and deployment of autonomous vehicles
- National Registry of Certified Medical Examiners (certificate required to obtain/maintain CDL)

National Committee of Uniform Traffic Control Devices (NCUTCD) is responsible for drafting the Manual of Uniform Traffic Control Devices (MUTCD). This committee sets national standards for traffic control devices.

Local Governments
ODOT works with all levels of local government from individual cities and counties to regional and state wide associations.

American Association of Motor Vehicle Administrators (AAMVA) is a nonprofit organization developing model programs in motor vehicle administration, law enforcement and highway safety. The association also serves as an information clearinghouse in these areas, and acts as the international spokesman for these interests. AAMVA’s programs encourage uniformity and reciprocity among the states and provinces. The association also serves as a liaison with other levels of government and the private sector.

Service Transformation Program (STP) Oversight Task Force is a work group comprised of six legislators, State Chief Information Officer or designee, State Legislative Fiscal Office representative, and two private-sector members from the Technology Association of Oregon.

TEAM Oregon is providing oversight of the motorcycle safety course and administers motorcycle skills test instead of having them done at a field office.
Energy Trust of Oregon is a nonprofit organization helping to develop Strategic Energy Management program for buildings.

Federal Republic of Germany – Reciprocity Agreement to Waive Drive Test

Republic of Korea (South Korea) – Reciprocity Agreement to Waive Drive Test

Republic of China (Taiwan) – Reciprocity Agreement to Waive Drive Test