

## **Oregon Department of Transportation Funding Crisis**

### **Frequently Asked Questions**

***This document will be updated as ODOT moves through the Reduction in Force process. The 483 layoff notices delivered on July 7 were the beginning of a dynamic process that can take months to finalize. This means operational impacts to specific regions, programs, facilities and services will continue to evolve for several months.***

***Last update: August 27, 2025***

#### **1. Why is ODOT cutting jobs and services?**

ODOT is facing a historic operations and maintenance funding crisis caused by flattening gas tax revenues as Oregonians drive more efficient vehicles, rising costs, and legal limits on how transportation funds can be used. Now, ODOT is forced to make deep cuts, including laying off hundreds of employees and scaling back essential services like road maintenance, snow removal, and safety operations.

Without new revenue or more revenue flexibility, ODOT does not have the ability to address the crisis without layoffs.

#### **2. What jobs are being cut at ODOT?**

On Monday July 7, 483 current ODOT employees received layoff notices. These employees include maintenance crews, support staff, critical operational roles across the state as well as managers. In addition, the agency is eliminating 449 vacant positions, further reducing its ability to provide services. In total, 932 jobs will be cut as a result of this budget crisis.

If the funding shortfall isn't resolved, ODOT will be forced to plan another round of layoffs early next year.

#### **3. How did ODOT choose which positions to eliminate?**

ODOT is forced to make service reduction decisions because funding won't be available. All of these impacts are severe and there are no good choices.

- All maintenance facilities and locations were evaluated and ODOT determined some could be served by an adjacent facility, although at a lower level of service. ODOT is closing maintenance facilities across the state starting in September and

continuing through this year (see next page for more details). Without additional funding, the agency will need to close more facilities.

- Support services positions (IT, Facilities, Procurement, etc.) were eliminated to meet the budget gap. This will negatively impact the agency's core administrative functions.
- Project delivery positions were eliminated to meet the budget gap. This will impact the agency's ability to deliver construction projects – like critical bridge, pavement, and safety projects – on time.

All positions were evaluated based upon ODOT's ability to provide only critical services. These operational decisions and collective bargaining agreements are the basis for how layoffs were determined.

Layoffs were based on job classification, location and seniority. When the layoff process concludes, the agency may need to reassign some employees in positions that rely on State Highway Fund dollars to non-State Highway Funded positions made vacant through the seniority-based layoff process. This approach, guided by the collective bargaining agreements, accommodates seniority, ensures State Highway Fund spending is reduced, and allows the agency to cover remaining operational gaps to the best of our ability and our current funding level.

#### **4. What kinds of services will be reduced or eliminated? Will this result in less safe roads?**

Oregonians will begin to see noticeable impacts to road maintenance and safety services as early as this fall.

- With fewer crews and limited resources, ODOT will reduce or delay essential tasks like pothole repairs, pavement maintenance, and road striping.
- Vegetation management, including brush clearing and fire prevention work, will also be scaled back, increasing wildfire risk and reducing visibility along roads.
- Roadside litter pickup, striping, and signage replacement will occur less frequently as will graffiti and camp cleanups, leading to a visible decline along state highways across the state.
- As winter approaches, Oregonians can expect slower and less frequent snow and ice removal, particularly in rural and mountainous areas where fewer staff will have to cover more miles of roadway. Deicing treatments will be scaled back, increasing the risk of icy roads and dangerous driving conditions.

Drivers can expect longer and more frequent road closures. Some roads may close during storms if crews aren't able to clear snow. Reopening those roads will take longer with fewer staff.

In this first wave of reductions, ODOT is closing maintenance facilities across the state starting in September and continuing through this year. As of July 11, the facilities closing are in Estacada, Sweet Home, Rose Lodge, Veneta, Detroit, Drawbridge Station, Canyonville, Port Orford, Silver Lake, Mitchell, Sisters, and Maupin. Maintenance crews will be stretched thin resulting in longer response times for Oregon travelers.

In addition to those closures, the following services and projects have been cut or reduced as a result of this budget issue:

- Maintenance of state park public roads and state parks used as rest areas.
- Miles of chip seal projects. These projects improve pavement quality and durability. Hundreds more miles of these projects are unlikely to occur until this budget issue is resolved.
- ODOT's agreement with the City of Portland for camp clean up expired and will not be renewed. Litter, graffiti, and camp clean-up will continue in Portland, but at a significantly lower level of service.
- ODOT will not replace equipment through this biennium resulting in more than half of equipment required to operate beyond service life.
- ODOT's pavement patch program will be reduced or eliminated, resulting in more rapid decline in pavement conditions, slower response to pothole repair, and less ability to address rutting issues.
- Edge lines on low volume roads will not be repainted.
- After the Rowena fire greatly damaged stretches of Highway 30 last month, those segments will be closed this summer and likely beyond due to the need for guardrail replacement.

Safety remains ODOT's top priority. But with fewer crews and supplies, responses will be slower, sometimes dramatically so.

## **5. Why take these cuts now?**

ODOT doesn't have sufficient funding to provide the level of service Oregonians are used to or to keep its current staffing level.

## **6. How big is the maintenance and operations deficit?**

ODOT needs to cut more than \$300 million from State Highway funded operations and maintenance in the 2025–27 budget. This gap can't be filled by minor cuts or belt-tightening; federal or other dedicated state funds cannot be used to fill this gap.

#### **7. Is this deficit due to the \$1 billion federal funding forecasting error?**

No. The federal funding forecasting error did not contribute to this deficit. The error was related to forecasting future federal funds for construction projects. ODOT did not overspend available funds. ODOT overestimated federal highway revenue by about \$1 billion in the 2023-25 biennial budget due to an error in the agency's cash flow model that had been in use since the late 1990s.

#### **8. Why is this happening now? Didn't ODOT see this coming?**

ODOT saw this coming years ago and made significant, voluntary cuts over the past five years: reducing staff, increasing efficiency, shrinking operations, and deferring maintenance. These efforts saved nearly \$300 million over that time.

But this year, beginning in the 2025-27 biennium, the funding gap is so great the only option to close the gap is through significant reductions in staff, services and supplies. These cuts will lead to a significant reduction in maintenance services (snow plowing, pothole patching, guardrail replacement, roadside mowing, traffic and incident response) across the state.

Knowing this fiscal cliff was looming, over the past five years ODOT has shared with the public and the legislature the consequences of inaction in generating new revenue or providing greater funding flexibility.

Over the last five years, ODOT presented more than a dozen times to the Oregon Legislature on the agency's growing structural revenue issue from as far back as [June 8, 2020](#) through the agency's budget presentation to the legislature on [March 3, 2025](#). The news media has [covered this budget issue](#) and its consequences extensively in the past year.

#### **9. Can ODOT just move money around to avoid making any cuts?**

Anticipating this shortfall, ODOT has taken reductions and moved money around as much as possible over the last five years, but this has not been sufficient to prevent cuts.

Only a small share of the funding that comes into ODOT can be used to maintain the state's transportation system and run the agency. State law directs almost half of total State

Highway Fund dollars to cities and counties and then dedicates over half of what's left to pay back bonds for past projects and invest in new projects, leaving only about 20 percent of every dollar available for state highway maintenance.

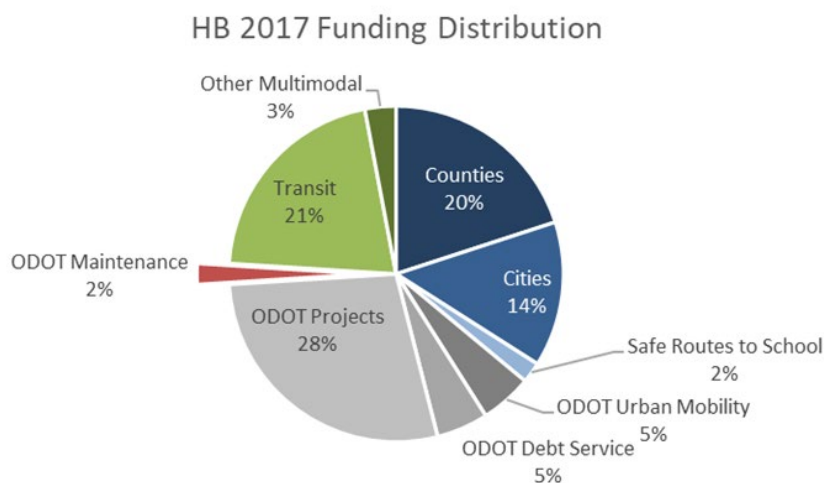
Other funding sources can't be used to fund maintenance and operations either. Federal funds, for example, are mostly dedicated to construction projects and can't legally be used for fixing potholes or paying maintenance staff. Transit funding cannot be used for statewide maintenance or general agency operations either.

#### **10. What happens to construction projects?**

Many construction projects will continue since they are funded through dedicated federal and state resources separate from operations and maintenance. Some projects that are funded by the State Highway Fund may be cancelled or delayed. The operational support that enables these projects like inspections, project coordination and oversight may also be constrained, which could impact schedules or equate to fewer projects every year.

#### **11. What happened to the money from the last transportation package, passed in 2017?**

Back in 2017, the legislature increased the amount of money going to all forms of state and local transportation by about \$650 million a year in HB 2017. However, only about 2% of that goes to ODOT for day-to-day maintenance of state highways. Nearly 60% of the total funding goes to transit and local governments, and most of the money going to ODOT is dedicated by law to construction projects.



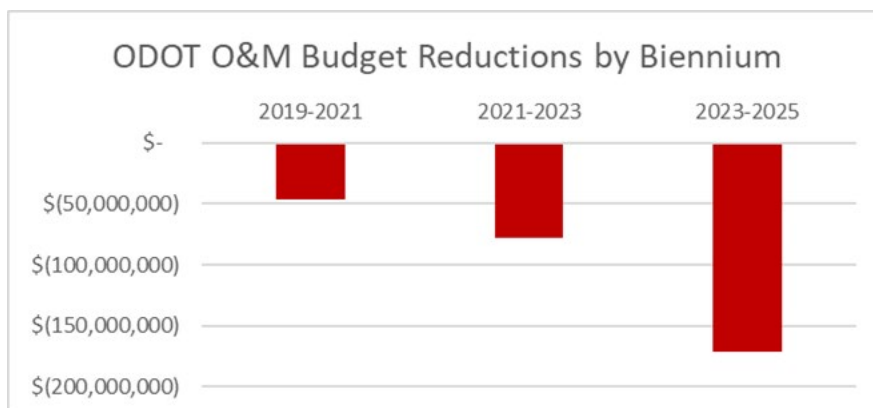
#### **12. What's the long-term fix?**

Oregon needs a sustainable source of revenue for maintenance and agency operations and/or more flexibility in how it can spend money. A long-term fix will require legislative action, like raising or restructuring transportation taxes and fees.

### 13. Did ODOT mismanage its money?

No. ODOT has voluntarily cut its own budget for the past five years, which involved reductions in service across the board. ODOT has stretched every available dollar and improved efficiency. But no amount of internal cost-cutting can offset the core problem: flattening revenues and rising costs. Many [states](#) across the country are facing similar challenges.

ODOT has taken a number of steps to cut spending: the agency has consolidated offices, shifted DMV services online, shrunk its equipment fleet, invested less in maintaining low-volume roads, hired only the most critical jobs, and cut seasonal and temporary staff. ODOT cut about \$170 million in the 2023-25 budget alone and nearly \$300 million in the past five years.



### 14. What can I do as a concerned Oregonian?

You can:

- Stay informed about how these changes affect your community
- Be patient and understanding with ODOT staff who are doing the best they can under extreme constraints
- Be prepared for winter weather. Check out ODOT's [winter travel tips](#) and check [TripCheck](#) before you go. Here are a few of ODOT's tips for winter travel:
  - Focus on driving. Put away distractions like cell phones and other electronic devices. Keep your hands on the wheel and your mind on the road.

- Watch out for each other, on and near the road. Watch for pedestrians and bicyclists who may be obscured by heavy rain or snow. Give extra room for trucks and other large vehicles.
- If you lose traction and your vehicle feels like it's floating, gradually slow down. Don't slam on the brakes.
- Know your route. Some roads are regularly maintained. Other roads, such as Forest Service roads, are maintained less frequently.
- Keep a safety kit in your vehicle.
- Start your trip with a full fuel tank or vehicle charge.