



Oregon

Tina Kotek, Governor

Oregon Transportation Commission

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DATE: July 23, 2025

TO: Oregon Transportation Commission

FROM: Kristopher W. Strickler
Director

SUBJECT: Agenda Item D – 2025 Post-Legislative Session Update

Requested Action:

Receive an informational update on the 2025 Legislative Session, including the agency's reductions in force and corresponding service reductions in light of the unaddressed budget shortfall.

Background:

As of early July, ODOT has been actively managing its budget and resources to address the \$354 million shortfall presented to the Commission last August. This budget outcome of the 2025 legislative session leaves the agency without the resources necessary to maintain basic transportation system functionality, let alone meet the growing demands for safety, resiliency, and modernization.

The Oregon Department of Transportation and essentially all of Oregon's transportation system is at a critical juncture. Without new funding or greater statutory funding flexibility to maintain and operate the agency, ODOT must implement significant and immediate reductions to match costs with available funds. ODOT needs to cut \$354 million from State Highway funded operations and maintenance in the 2025–27 budget. That work has begun.

Reduction in Force

In implementing the reduction in force, ODOT worked closely with the Department of Administrative Services and leadership from ODOT's two labor unions (Service Employees International Union (SEIU) and Association of Engineering Employees of Oregon (AEE) to implement the reduction in force pursuant to statewide policies and the respective Collective Bargaining Agreements. The approach sought to minimize layoffs and maintain core services to the greatest extent possible.

On Monday July 7, 483 current ODOT employees received notices ending their employment effective July 31, and as of July 21, the Governor extended that effective separation date to September 15. These employees include maintenance crews, support staff, critical operational roles across the state as well as managers. In addition, the agency is forced to eliminate 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.

Since layoff notices were issued July 7, ODOT has worked to inform all affected employees of the layoff approach and process and their rights within it. ODOT has also worked to inform external stakeholders of the process, timeline, and impacts of these reductions.

Impacts of Reductions

Oregonians will begin to see noticeable impacts to road maintenance and safety, and other agency services as early as this summer.

- 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. De-icing treatments will be scaled back, increasing the risk of icy roads and dangerous driving conditions. Nighttime operations and plowing may also be limited due to inadequate staff capacity.
- Support services positions (IT, Facilities, Procurement) 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.

Next Steps

The layoff notices delivered July 7 began a process that can take months to finalize. Represented staff, per the collective bargaining agreements that apply to all state agencies, are laid off in a way designed to preserve the most senior employees. Under the collective bargaining agreements with SEIU and AEE, represented employees who have received a layoff notice have the right to move into other positions, both vacant and filled, following specific processes if they are available. This means the service impacts to specific regions and communities may not be fully known for many months.

ODOT seeks any guidance and direction from the Oregon Transportation Commission you deem appropriate and is committed to sharing information as it evolves through this dynamic process.