

ODOT's Budget Picture

Oregon Transportation Commission

May 14, 2020

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What's the Problem?

Starting in the next few years, we won't have enough revenue coming into the State Highway Fund to cover all the costs of operating the agency.

This is driven by resources that are growing slowly (about 2% a year) while our costs are growing about 6% a year.



TWO PARTS OF ODOT'S BUDGET

TRANSPORTATION PROGRAMS AND PROJECTS

Dedicated federal and state funds for specific programs and projects by law

- Federally-funded projects
- Debt service
- Programs & projects directed by Legislature
- Transit and rail programs
- Transportation safety programs

AGENCY OPERATIONS

State Highway Fund dollars available to run the agency

- Maintenance and operations
- DMV
- Commerce and Compliance Division
- Shared services (Support Services Division, Finance and Budget Division, Director's Office)
- Portions of Highway and Policy, Data and Analysis Division

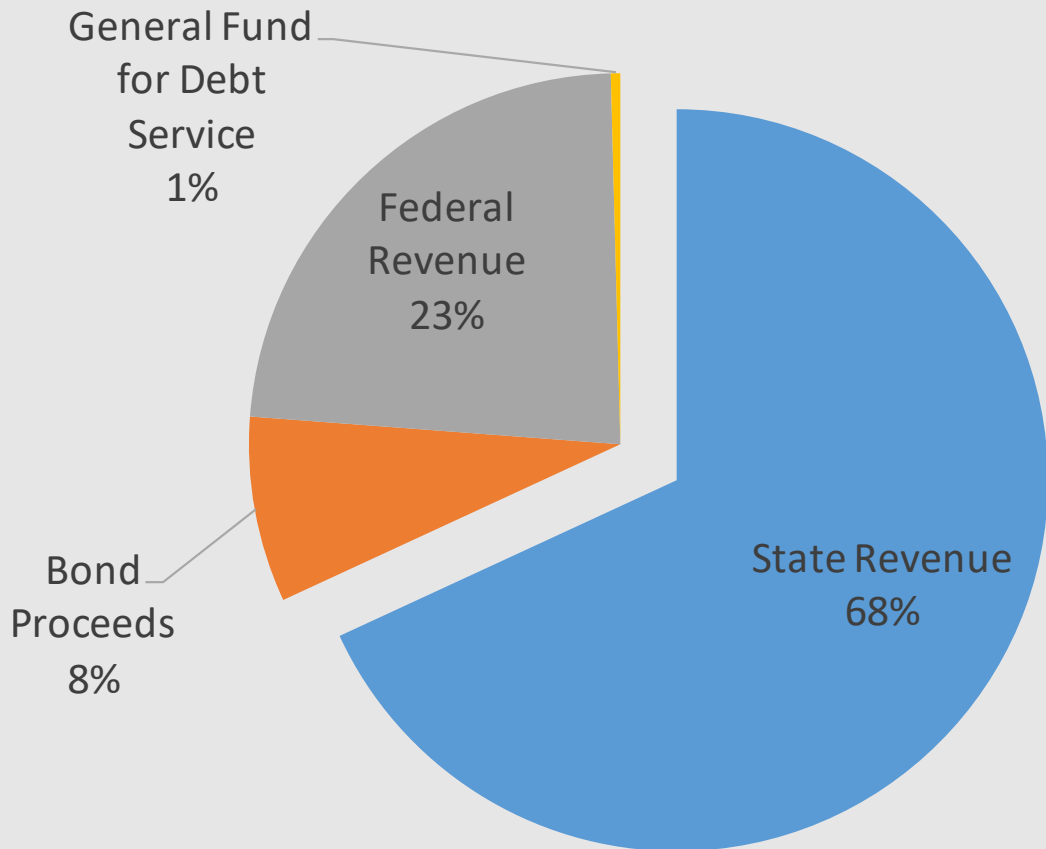


State Highway Fund 101

Sources, Uses, and Revenue Trends

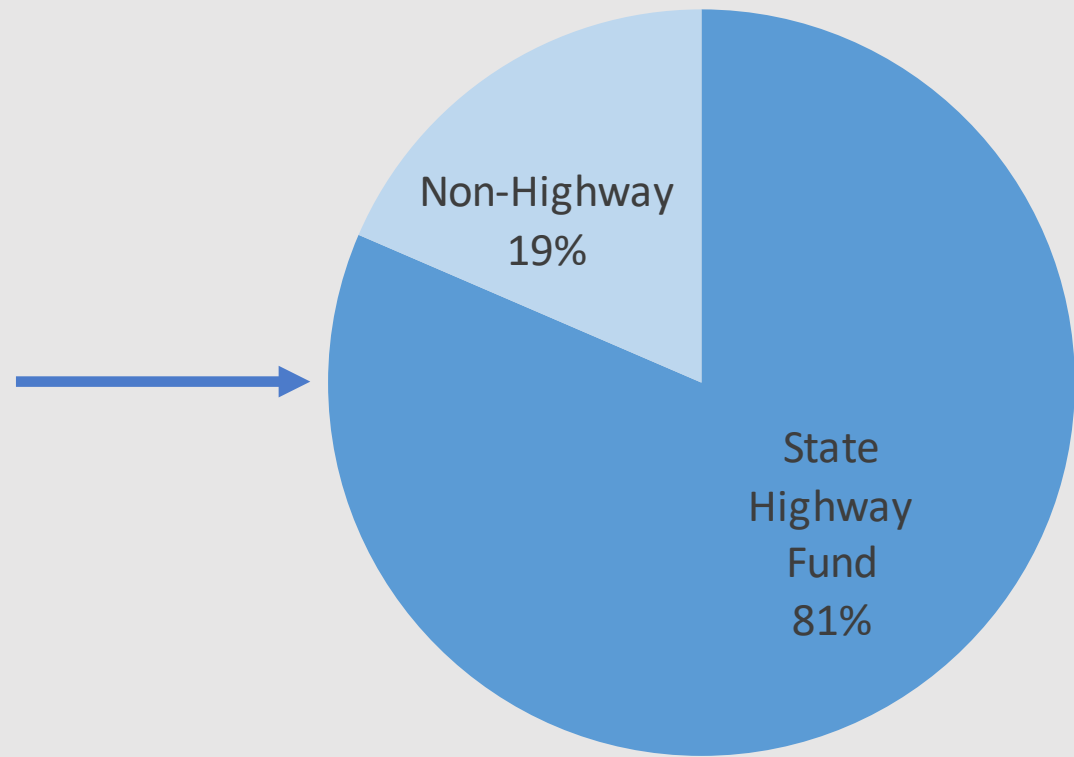
2019-2021 Total Revenue by Source

Total Revenue = \$6.1 billion



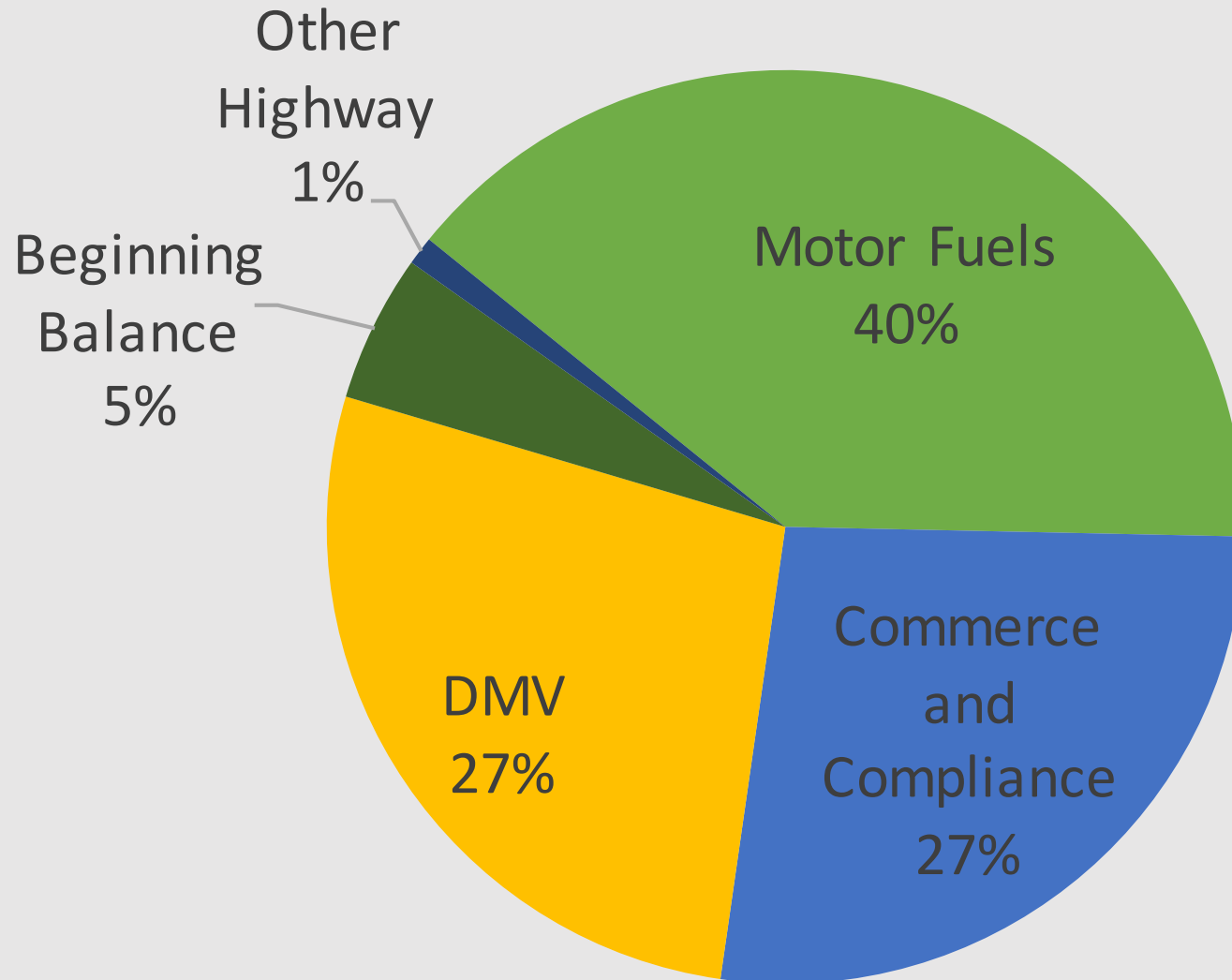
2019-2021 State Revenue

Total Revenue = \$4.1 billion



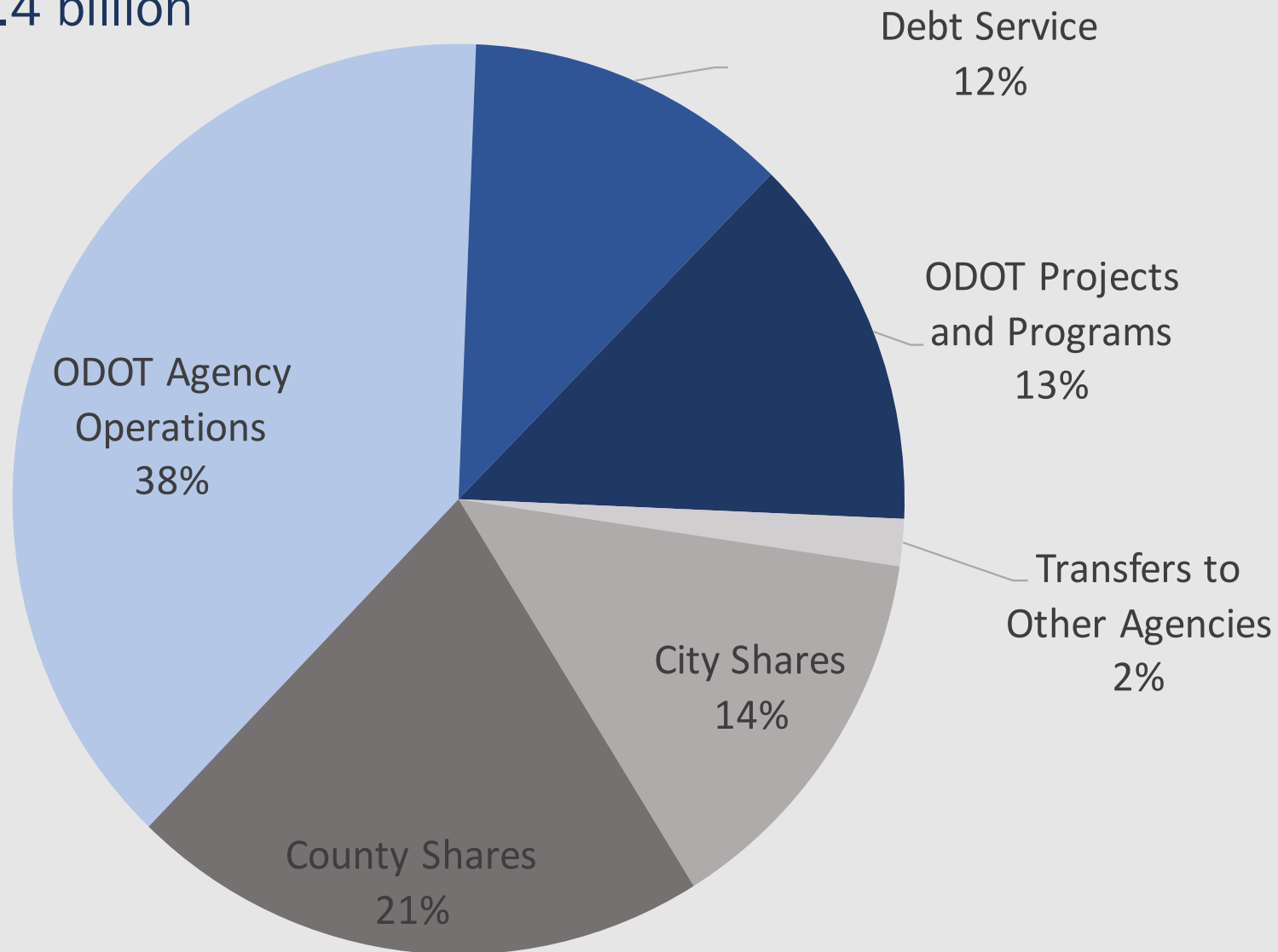
2019-2021 State Highway Revenue By Source

Total Revenue = \$3.4 billion

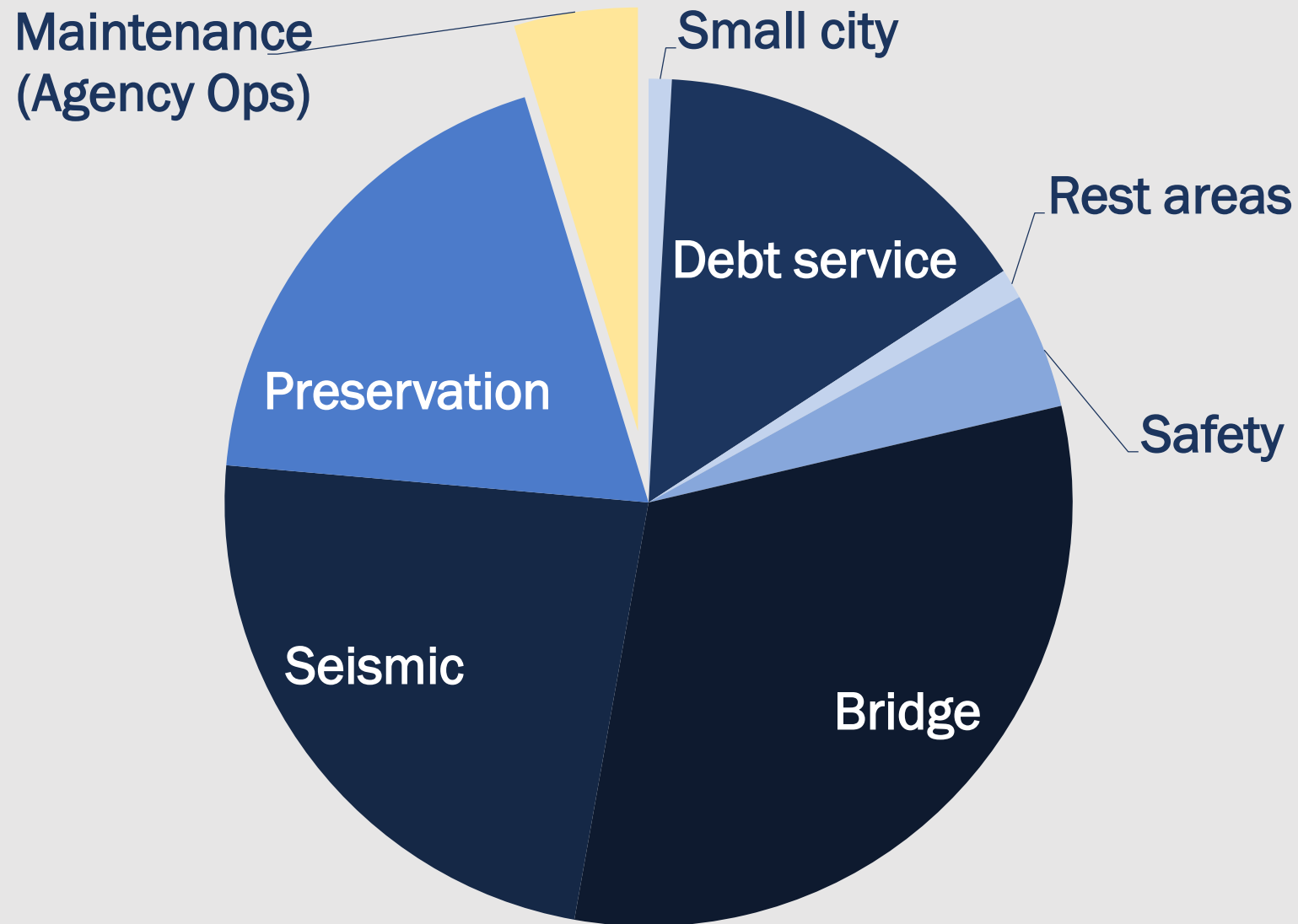


2019-2021 State Highway Revenue By Use

Total Revenue = \$3.4 billion



Allocation of ODOT State Highway Funds under HB 2017



TWO PARTS OF ODOT'S BUDGET

TRANSPORTATION PROGRAMS AND PROJECTS

Dedicated federal and state funds for specific programs and projects by law

- Federally-funded projects
- Debt service
- State Highway Fund projects dedicated by Legislature (HB 2017, JTA, OTIA)
- Transit and rail programs
- Transportation safety programs

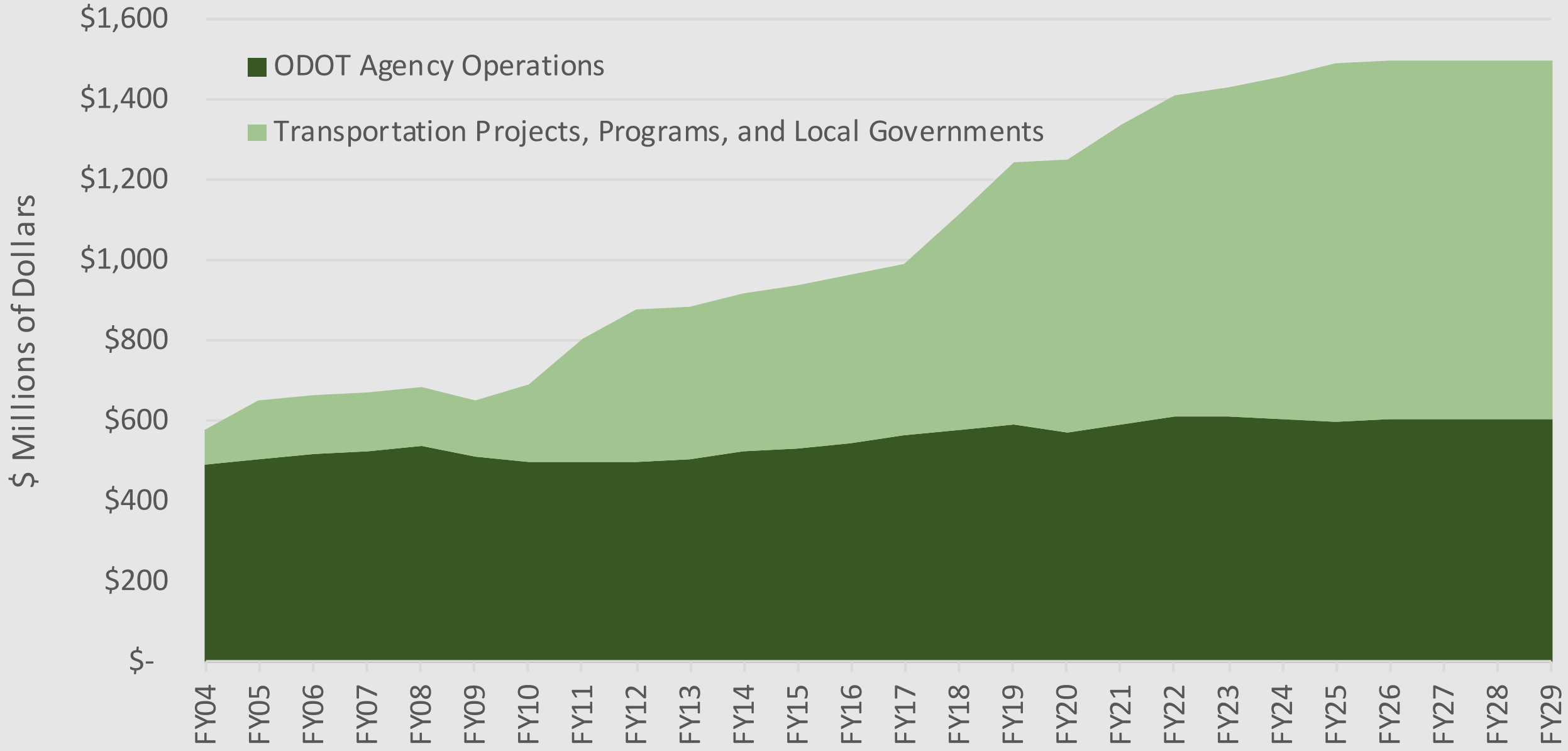
AGENCY OPERATIONS

State Highway Fund dollars available to run the agency

- Maintenance and operations
- DMV
- Commerce and Compliance Division
- Highway indirect costs
- Policy, Data and Analysis Division (partial)
- Shared services (Support Services Division, Finance and Budget Division, Headquarters)

How State Highway Revenue has changed by use over time

NOT Adjusted for Inflation



A worker in a blue safety suit and hard hat is positioned on a blue lift bucket, working on a steel bridge structure. The background is a dense forest of green trees. The scene is dimly lit, suggesting dusk or dawn. The text "The Problem" is overlaid in white on the center of the image.

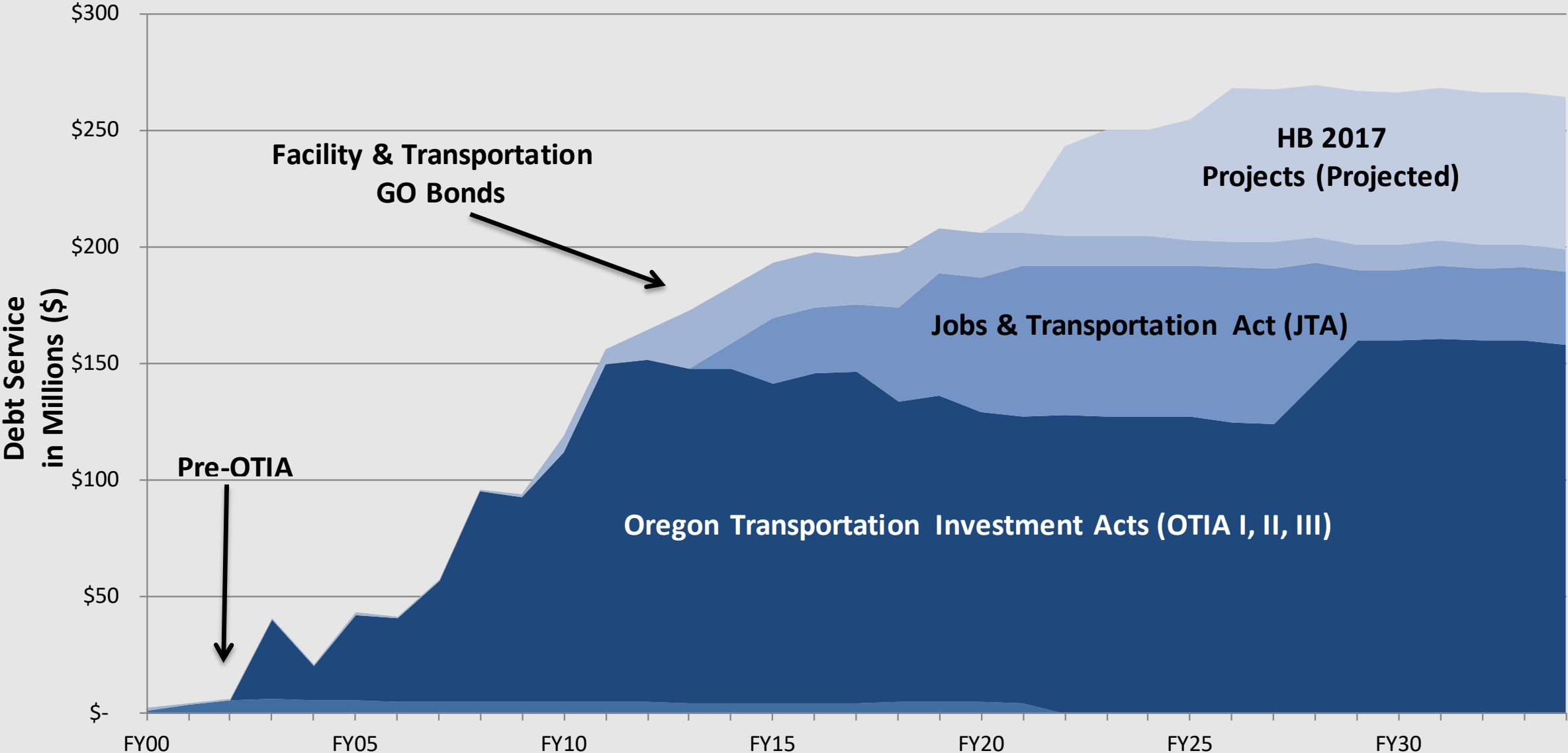
The Problem

Costs are Rising Faster Than Revenue



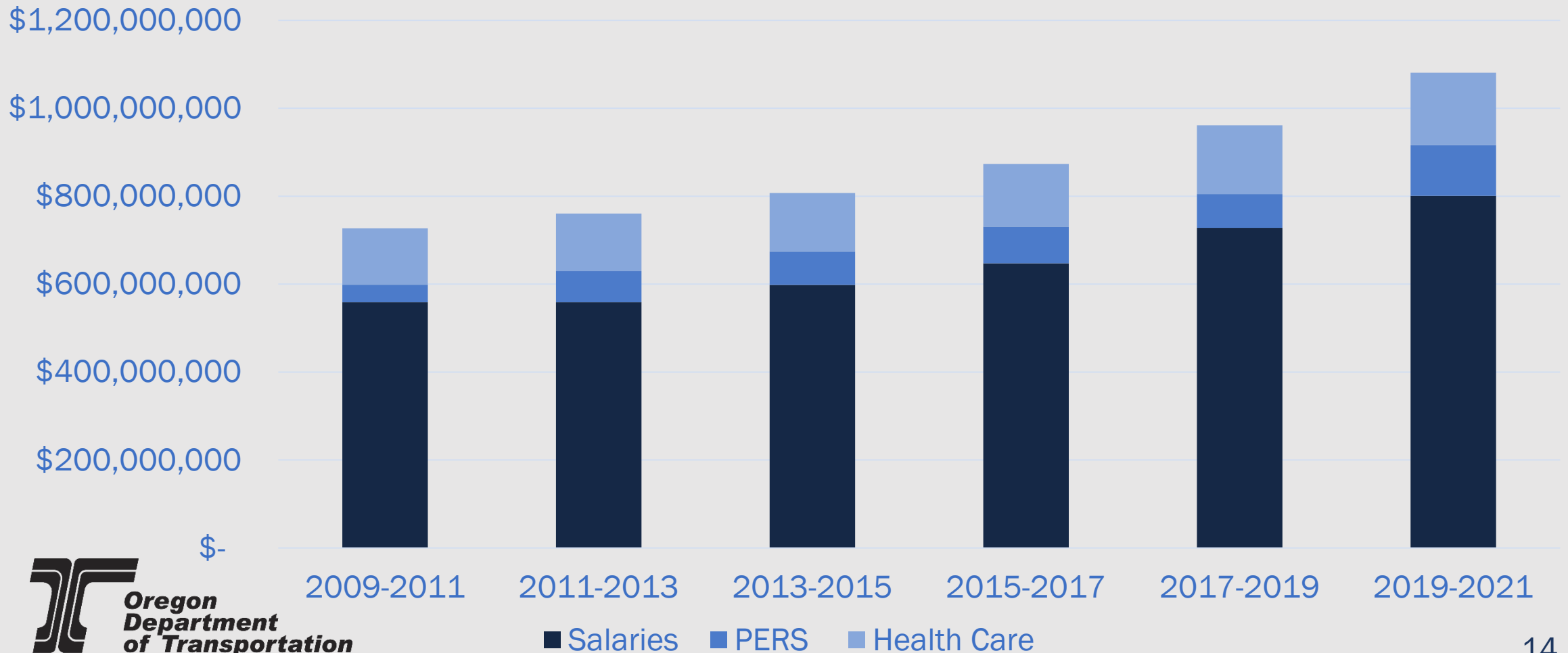
ODOT State Highway Fund Supported Debt Service Profile

Issued and Projected - As of January 1, 2020



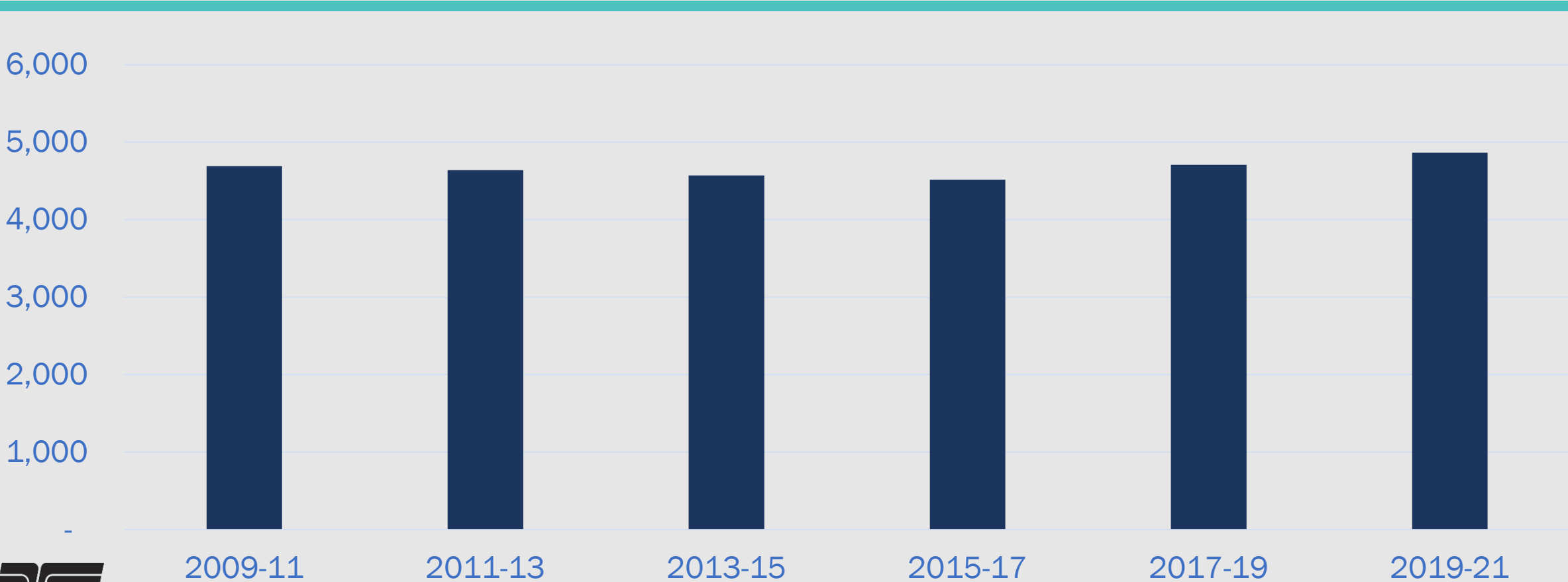
ODOT Personal Service Costs

ODOT has seen a 49% increase in salaries, PERS, and health care in a decade . . .



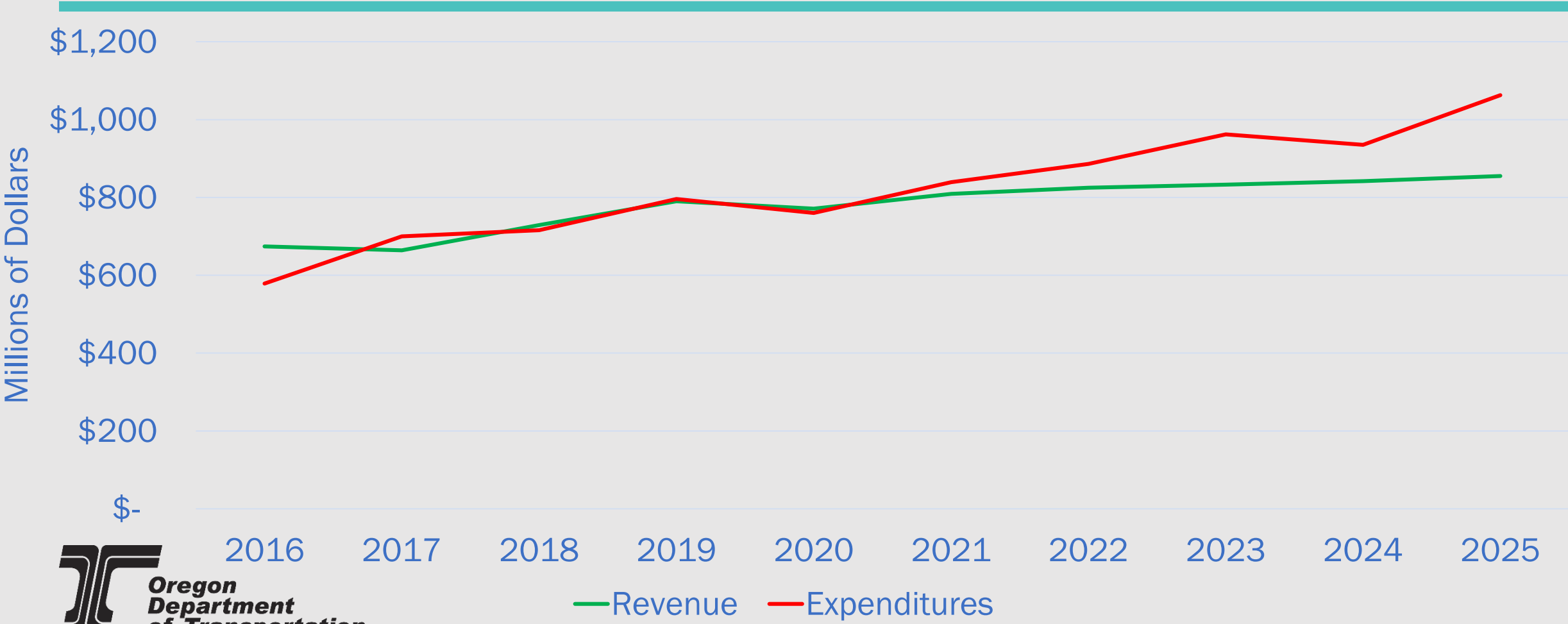
ODOT Workforce

... While staffing levels have grown by 4%



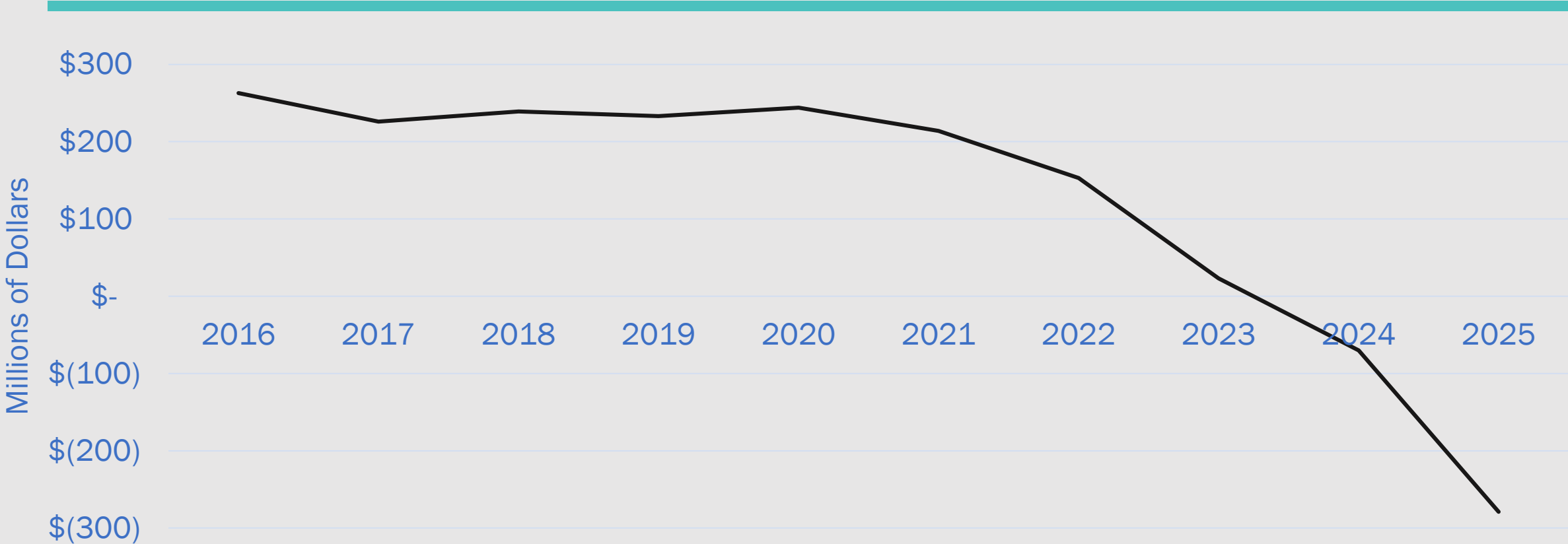
ODOT State Highway Fund: Revenue Versus Expenditures

April 2020 Estimate



State Highway Fund Balance

April 2020 Estimate



A worker in a blue safety suit and hard hat is positioned on a blue scissor lift, working on a steel bridge structure. The background is a dense forest of green trees. The entire image has a dark blue overlay.

Addressing the Challenge

Strategies for Closing the Gap

- Focus limited resources on the most critical programs
- Become more efficient
- Realign service levels
- Shift costs from the State Highway Fund to other sources
- Seek additional resources to help cover our costs



A worker in a blue safety suit and hard hat is positioned on a blue lift bucket, working on a steel bridge structure. The background is a dense forest of evergreen trees. The entire image has a dark blue overlay.

Questions?