



# Oregon

Kate Brown, Governor

## Oregon Transportation Commission

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**DATE:** November 24, 2020  
**TO:** Oregon Transportation Commission

**FROM:** Kristopher W. Strickler  
Director

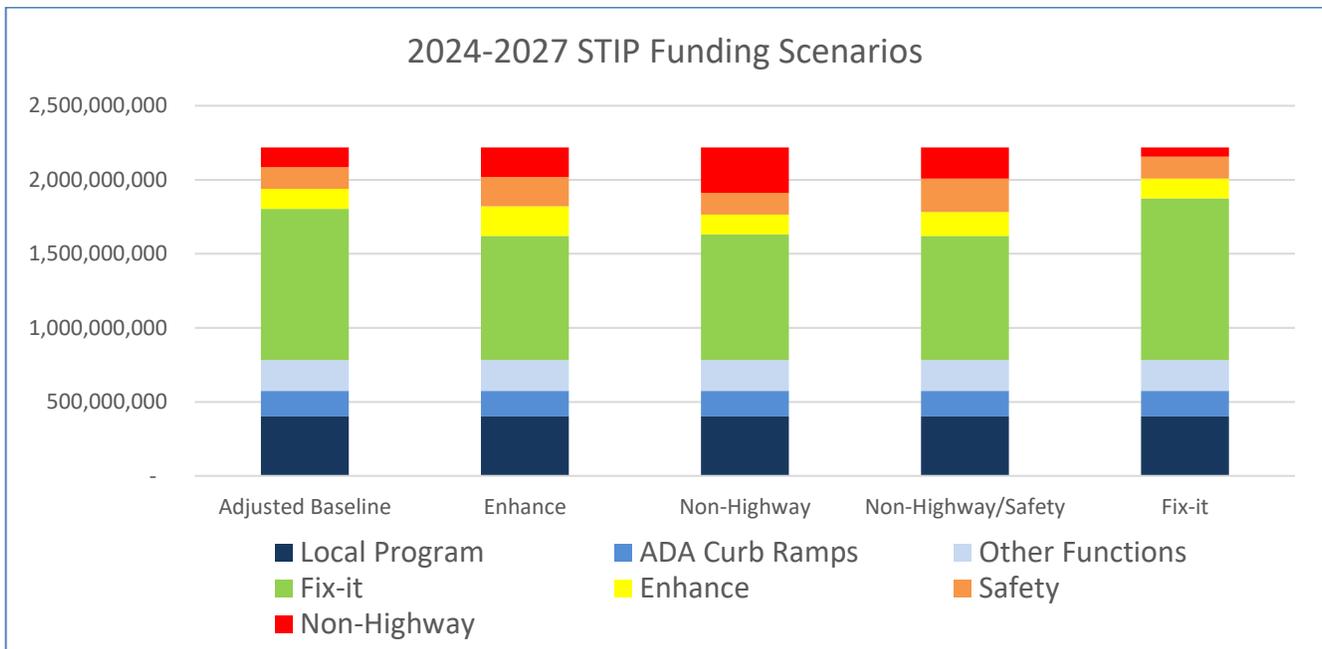
**SUBJECT:** *Agenda I – 2024-2027 Statewide Transportation Improvement Program Funding Allocation*

**Requested Action:**

Approve the funding scenario for the 2024-2027 Statewide Transportation Improvement Program (STIP).

**Background:**

In September and October, ODOT presented the Commission with a number of preliminary funding scenarios for the 2024-2027 STIP as shown below. These scenarios illustrate different potential options for allocating resources to the STIP categories to advance the state’s transportation goals. ODOT based these scenarios on direction provided by the Commission in August as well as public comment from advisory committees, stakeholder groups, and the public, and they also incorporated federal and state statutory requirements.



Each of these preliminary scenarios includes the same amount of funding for the Local Program, ADA Curb Ramps, and Other Functions categories, which is generally consistent with funding levels in the 2021-2024 STIP. However, each scenario differs on the allocation of funding to other categories.

- **Adjusted baseline:** This scenario uses the 2021-2024 STIP funding allocation as the starting point, with two major changes due to the funding structure of HB 2017. Funding for Enhance Highway falls significantly in the 2024-2027 STIP compared to the 2021-2024 STIP as the dedicated projects selected by the Legislature in HB 2017 wrap up. At the same time, funding for Fix-It programs increases as the HB 2017 funds for bridges, pavement, and culverts ramp up.
- **Enhance:** This scenario increases funding for Enhance Highway, Safety, and Non-Highway programs, with a reduction from the baseline figure for Fix-It.
- **Non-Highway:** This scenario increases funding for Non-Highway programs with a reduction in funding for Fix-It.
- **Non-Highway/Safety:** This scenario increases funding for both Safety and Non-Highway programs compared to the baseline, with reduced funding for Fix-It. This scenario is very similar to the Enhance scenario.
- **Fix-It:** This scenario increases funding for Fix-It from the baseline by reducing Non-Highway spending.

### Scenario Analysis

To assist the Commission with understanding the potential outcomes of different funding scenarios and tradeoffs, ODOT analyzed the scenarios against key goal areas including congestion relief, multi-modal access, equity, safety, climate mitigation, climate adaptation, and state of good repair. These goal areas were extrapolated from the Commission's Strategic Action Plan and to meet requirements of Executive Order 20-04, which requires considering greenhouse gas (GHG) emissions when making STIP decisions.

The ODOT Climate Office designed a process to look specifically at climate outcomes (mitigation and adaptation) and then expanded it to show tradeoffs across other goals. Although each scenario yielded unique results, often the magnitude of differences within the outcomes were not significant. This is likely due to the limited amount of funding available in comparison to the overall need, thus dwarfing small changes. However, these changes can make a real difference in the projects that can be built and in key indicators like years to complete the biking and walking system, or the cycle for repaving roads.

The graphic below shows how each scenario fared in comparison to the baseline on each of the seven outcome areas. Green areas indicate where scenarios performed better than the baseline; gray indicates where the scenarios were essentially the same; and red indicates where it performed worse than the baseline.

### Tradeoffs: Comparison to Baseline Scenario

Scenarios	S1: Enhance	S2: Non-Highway	S3: Safety/ Non-Highway	S4: Fix-It
Climate- GHG Mitigation				
Climate- Adaptation/Resilience				
Congestion Relief				
Social Equity				
Multimodal Mobility				
Safety				
State of Good Repair				

Neutral	Worse	Better	Much Better
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#### Public Input on Scenarios

Since the October Commission meeting, ODOT staff have been engaging with the public, stakeholders, and advisory committees to gather input for the Commission’s consideration on how to allocate funding in the 2024-2027 STIP. ODOT presented the scenarios and outcomes to stakeholders and the public in a variety of ways. These activities in November included:

- Scheduling presentations on the STIP for Area Commissions on Transportation and modal advisory committees to provide an opportunity for members to provide comments.
- Hosting a webinar to explain the STIP and how to engage and provide an opportunity for public comment.
- Gathering input from the public through an online open house.
- Gathering written comments from advisory committees and stakeholders.

The attached 2024-2027 STIP Phase 2 Public Input Summary provides comments and data from this outreach. This follows a similar [public input summary from the first phase of public engagement](#) that was presented to the Commission in September.

ODOT distilled a number of key themes from the public input:

- Desire to increase funding for Non-Highway programs to address equity, climate change, and multimodal accessibility.
- Strong support for Fix-It programs and reluctance to cut funding for preservation to avoid accelerating system deterioration.
- Desire to have some funding beyond HB 2017 projects for Enhance Highway projects.

### Scenario Selection

Based on public input and Commission feedback throughout the funding allocation process, ODOT proposes two hybrid scenarios that seek to balance funding across categories and outcomes across the goals to minimize negative impacts.

The key distinction between the two scenarios is how much they invest in Fix-It versus Enhance Highway. Both scenarios increase funding for Non-Highway programs by at least 50% and set funding for Local Programs, Safety and ADA at the same level as the Baseline scenario.

#### Hybrid 1: Non-Highway/Fix-It

- **Non-Highway** funding increases by 40% compared to Baseline.
- **Enhance Highway** funding for new projects is zeroed out, leaving \$110 million for projects named in HB 2017 as the only funding in this category.
- **Fix-It** funding is set at \$880,000,000, a 4% increase from the level in the '21-'24 STIP, after accounting for borrowing from the '24-'27 STIP to cover ADA curb ramp costs in the next several years.
- **Other Functions** funding is reduced by \$28 million. This would reduce federal funding used to help close the agency's operational budget gap by covering ODOT's indirect costs. To avoid having to make additional cuts to maintenance and operations ODOT would backfill this reduction from any federal funding received above the current amount assumed in the STIP.

#### Hybrid 2: Non-Highway/Enhance

- **Non-Highway** funding increases by 42% compared to Baseline (a slight bump compared to Hybrid 1).
- **Enhance Highway** receives a total of \$200 million, including \$110 million for projects named in HB 2017 and \$90 million for a discretionary Enhance Highway program.
- **Fix-It** funding is set at \$805 million. After factoring in borrowing from the '24-'27 STIP to cover ADA curb ramp costs in the next several years, this would result in a Fix-It reduction of about 5% compared to the '21-'24 STIP.
- **Other Functions** funding is reduced by \$46 million. This would reduce federal funding used to help close the agency's operational budget gap by covering ODOT's indirect costs. To avoid having to make additional cuts to maintenance and operations ODOT would backfill this reduction from any federal funding received above the current amount assumed in the STIP.

The table below shows funding levels for these two hybrid scenarios and the Adjusted Baseline.

**Hybrid Scenarios Compared to Baseline**

<b>Category</b>	<b>Adjusted Baseline</b>	<b>Hybrid 1: Non-Highway/Fix-It</b>	<b>Hybrid 2: Non-Highway/ Enhance</b>
Local Program	404,500,000	404,500,000	404,500,000
ADA Curb Ramps	170,000,000	170,000,000	170,000,000
Other Functions	207,850,000	179,860,568	161,410,568
Fix-it	901,860,568	880,000,000	805,000,000
Enhance Highway	134,000,000	110,000,000	200,000,000
Safety	147,000,000	147,000,000	147,000,000
Non-Highway	147,700,000	221,550,000	225,000,000
<b>Total</b>	<b>2,112,910,568</b>	<b>2,112,910,568</b>	<b>2,112,910,568</b>

ODOT proposes that the Commission select one of these two scenarios at its December meeting.

**Next Steps**

In January ODOT will return to the Commission to discuss two final elements of STIP funding allocation.

1. How to distribute funding within categories—for example, how much of the Non-Highway funding should go to transit versus trails.
2. How to plan for any additional federal funding—whether an extension of the FAST Act at current levels that provides a small amount of additional funding above assumptions or a reauthorization bill. While ODOT needs some level of direction to plan for projects, final determinations on how to spend additional federal resources are always up to the Commission.

Once these issues are worked through in January, ODOT will start the project selection process.

Attachments:

- Attachment 1 - 2024-2027 STIP Phase 2 Public Input Summary
- Attachment 2 - 2024-2027 STIP Funding Allocation Scenario Analysis Report